



**FSL Trust Management Pte. Ltd.**

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

## **FSL Trust reports net positive cash generation Impairment charge taken to reflect market conditions**

**Singapore, 03 August 2017** – FSL Trust Management Pte. Ltd. (“FSLTM”), as trustee-manager of First Ship Lease Trust (“FSL Trust” or “the Trust”), announced today its results for the second quarter ended 30 June 2017 (“2QFY17”).

The Trust reported revenue of US\$20.9 million for 2QFY17, registering a year-on-year decrease of 17.4% compared to US\$25.3 million reported in 2QFY16. The decline in revenue is attributable to the dry-docking of two crude oil tankers in 2QFY17 and softening rates across all shipping markets, which weighed on earnings from LR2 tankers and container vessels.

In view of declining vessel values amid challenging and volatile industry conditions, the Trust has taken a prudent approach by recognising an impairment charge of US\$24.1 million on eight vessels. Consequently, a net loss of US\$21.8 million was incurred in 2QFY17.

Despite the protracted market downturn, the Trust continued to register another quarter of positive cash generation, with net cash generated from operations of US\$11.3 million in 2QFY17. In addition, FSL Trust improved the gearing of the business by repaying over US\$60 million of debt over the past 12 months.

Commenting on the Trust’s performance, Roger Woods, Chief Executive Officer of FSLTM said: “Although the tanker and container markets remained under significant pressure in 2QFY17, our fleet continued to generate positive cashflows and the Trust has maintained its strong debt repayment momentum with over US\$60 million of debt repaid over the last 12 months. We expect that difficult operating environment across all shipping sectors will persist in the near term, but we remain focused on optimising the commercial deployment and operational performance of the fleet by securing quality contract cover through 2017 and beyond.”

### **2QFY17 Results Conference Call**

FSLTM will host a conference call for all registered participants on Friday, 4 August 2017 at 10.00 am (Singapore time) to discuss the results. An audio recording of the conference call will be available on FSL Trust’s website at [www.FSLTrust.com](http://www.FSLTrust.com) from 12.00 pm (Singapore time) on Monday, 7 August 2017.

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## **About First Ship Lease Trust (Bloomberg: FSLT SP; Reuters: FSLT.SI)**

First Ship Lease Trust (“FSL Trust” or the “Trust”) is a shipowner and a provider of leasing services on a long-term bareboat charter basis to the international shipping industry. The Trust has a diversified portfolio of 22 modern and high-quality vessels, comprising five containerships, 12 product tankers, three chemical tankers and two crude oil tankers. FSL Trust is listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST).

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This news release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, changes in operating expenses, trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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