



First Ship Lease Trust

Q1 FY2014 Results Presentation

15 May 2014



FSL Trust Management Pte. Ltd.
as Trustee-Manager for FSL Trust

www.FSLTrust.com

Disclaimer



Certain statements in this presentation may constitute forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe”, “anticipate”, “intend”, “estimate”, “forecast”, “project”, “plan”, “potential”, “may”, “should”, “expect”, “pending”, and similar expressions identify forward-looking statements.

Forward-looking statements also include statements about our future growth prospects. Forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding our earnings, our ability to manage concentration and lessee credit risks, our ability to lease out or dispose vessels, our ability to implement our investment strategy, our dependence on credit facilities and new equity from capital markets to execute our investment strategy, the possibility of insufficient insurance to cover losses from inherent operational risks in the industry, lower lease rates from older vessels, our dependence on key personnel, FSL Holdings Pte. Ltd.’s controlling stake in the First Ship Lease Trust (“FSL Trust”), our short operating history, limited historical financial history for the Trust, the risk of government requisitions during periods of emergency or war, the possibility of pirate or terrorist attacks, competition in the industry, political instability where the vessels are flagged or operate, and the cyclicity of the industry and fluctuations in vessel values. For further information, please see the documents and reports that we file with the Singapore Stock Exchange.

FSL Trust may, from time to time, make additional written and oral forward-looking statements, including our reports to unitholders. We do not undertake to update any forward-looking statements that may be made from time to time by or on behalf of FSL Trust.

Q1 FY2014: Financial Highlights

Recent Initiatives

Moving Forward: Charting a new course

Outlook

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Performance Review



US\$'000	1QFY14	1QFY13	Inc/(Dec) %
Revenue	22,436	23,047	(2.7)
Operating profit	1,937	4,754	(59.3)
Loss for the quarter	(4,952)	(7,067)	(29.9)
Net cash generated from operations	9,084	11,675	(22.2)
Debt outstanding	347,296	419,545	(17.2)

- 1QFY14 overall performance declined slightly however FSL Trust is now stronger operationally and financially
- Reduced debt outstanding due to vessel sales and quarterly repayments

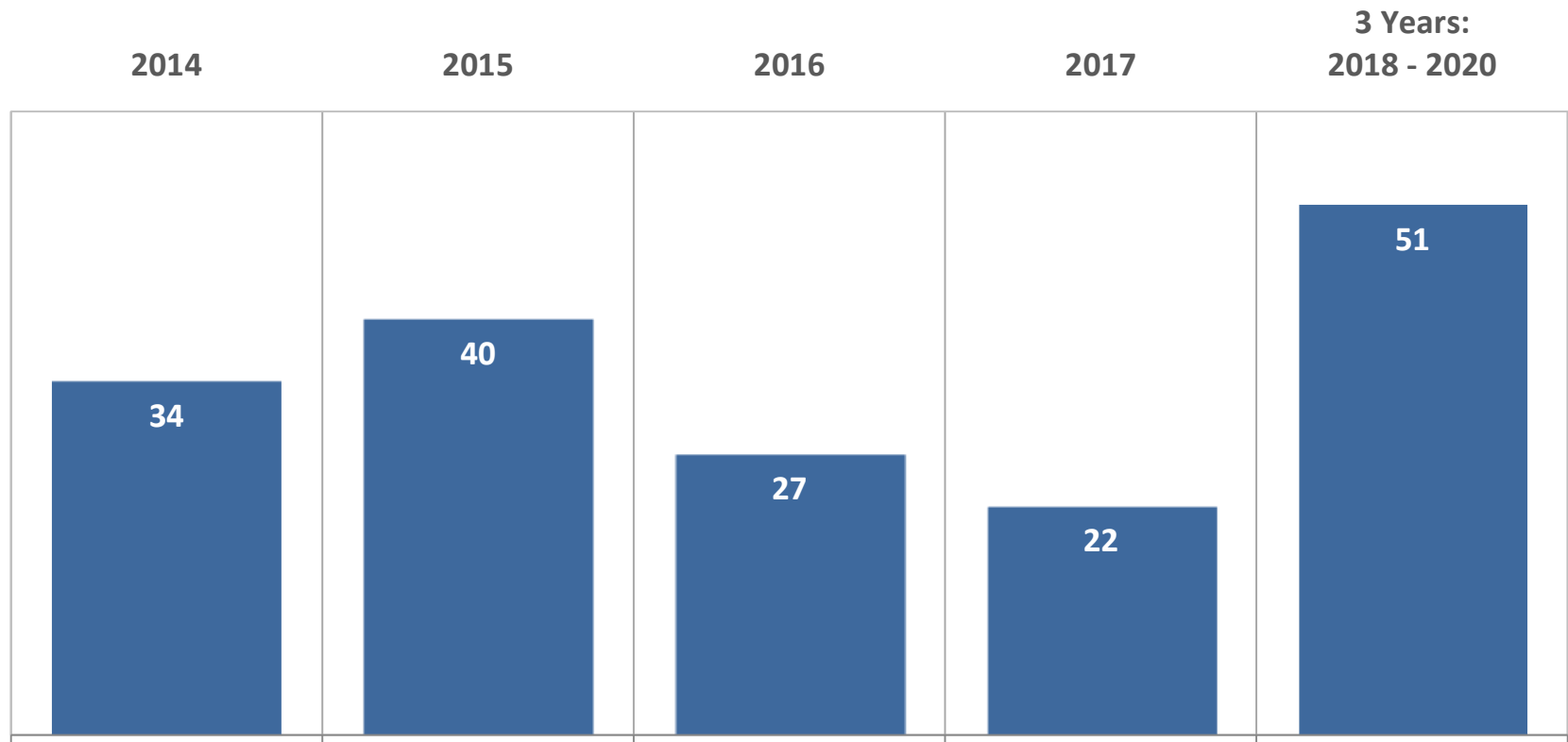
Revenue Breakdown



US\$ '000	1QFY14	1QFY13	Change %	
Rentals from vessels on bareboat charter	13,619	17,342	(21.5)	<ul style="list-style-type: none"> Bareboat charter lease defaults by Geden for two crude oil tankers resulting in US\$1.9 million loss Bareboat charter lease defaults by OMNI Ships for two dry bulk carriers resulting in US\$1.0 million loss Poorer performance with TORM on two tankers from a BBE of US\$10,700 per day in 1QFY13 to US\$4,449 per day in 1QFY14
BBCE revenue of vessels on:				
Time charter	134	1,160	(88.5)	<ul style="list-style-type: none"> A negligible loss was incurred due to FSL Hamburg being in dry dock from December to March 2014 FSL Shanghai was redelivered last year and employed on a short-term time charter basis The two dry bulk carriers were disposed off in March 2014
Pool	2,642	1,382	91.2	<ul style="list-style-type: none"> Three chemical tankers are employed in Nordic Tankers 19,000 Stainless Steel Pool FSL Hong Kong is employed in the Teekay Revenue Sharing Agreement Pool
Spot	26	-	100.0	<ul style="list-style-type: none"> No vessel was deployed in the spot market directly by the Trust in Q1FY14
Total Bareboat Charter /BBCE Revenue	16,421	19,884	(17.4)	

Bareboat lease revenue backlog

Remaining contracted revenue stood at US\$174 million[#]
as at 31 March 2014



Note: [#] Based on 14 vessels leased on fixed-rate bareboat charters (excludes extension and early buyout options)

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Vessel Disposal

- Sale of Stella Fomalhaut and FSL Durban was economically sound:
 - Saved US\$3 million capital expenditure in 2014
 - Captured increased valuations in dry bulk sector
 - Vessels were loss-making in 2013
 - Disposed off older vessels, with additional running costs
- Additional benefit of reducing FY2014 debt repayments

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Vessel portfolio with balanced exposure

Vessels on short term employment are in markets with strong underlying fundamentals

Modern, high quality and diverse portfolio of 23 vessels



7 containerships,
11 product tankers,
3 chemical tankers,
2 crude oil tankers

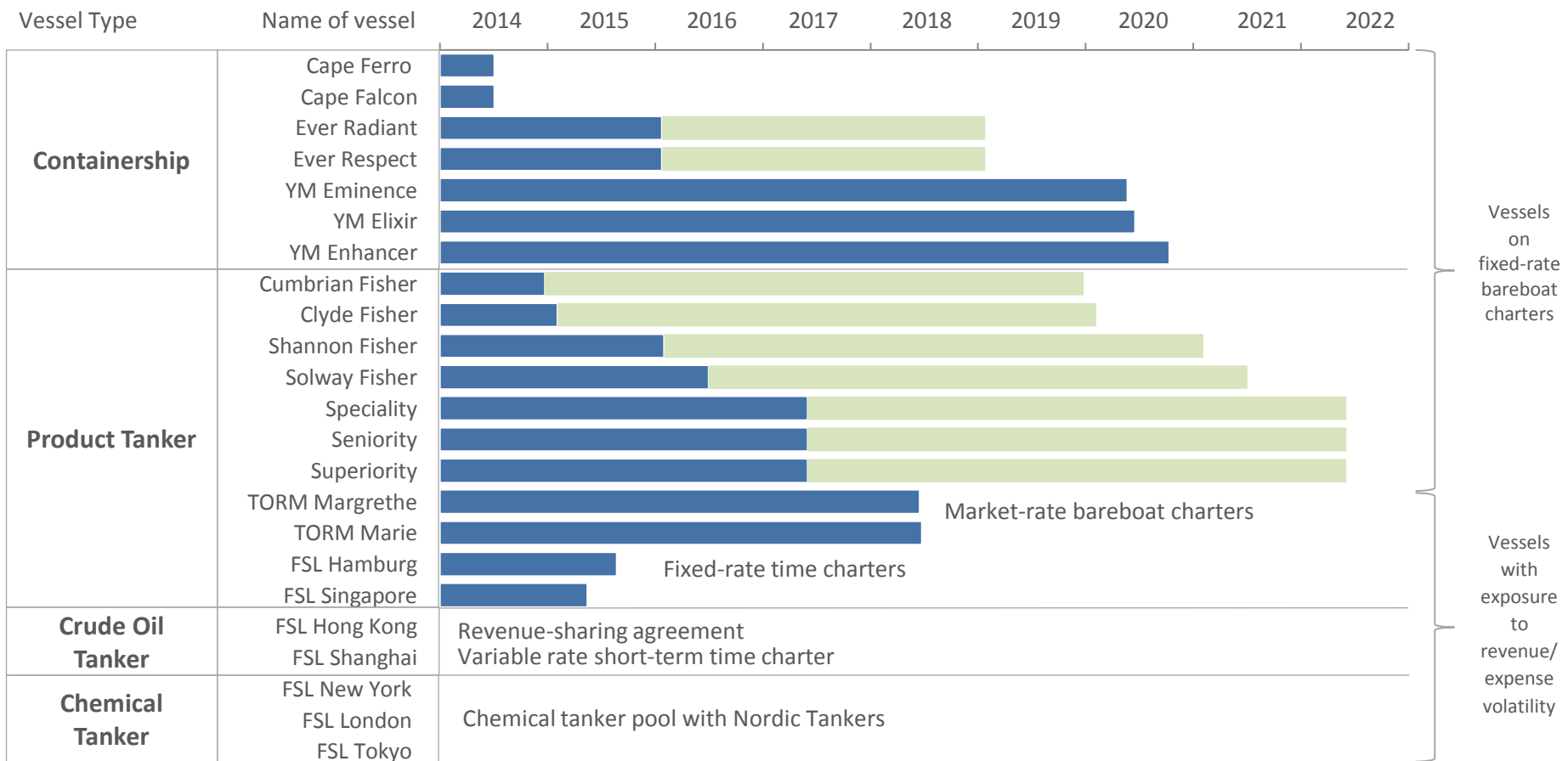
7 vessels are employed on time charter arrangements and in pools

16 vessels are employed on long-term bareboat leases

Maturity of Leases



Lease maturity of vessels (2014 to 2022)
with average remaining lease term of five years*



■ Base ■ Extension

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- FSL Trust is now stronger operationally and financially
 - Agreed loan covenant relaxation with Lenders until 31 December 2014
 - Strong senior management team and Board of FSL Trustee-Manager in place to lead the Trust forward
 - Ongoing incremental restructuring efforts to improve performance
 - Optimising efficient fleet management
- The Trust's vessel portfolio is well positioned to capture potential market upside
 - Fixed-rate bareboat charter contracts provide stable cash flow
 - Opportunity to improve earnings on vessels with market rate exposure

Thank You

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