



# First Ship Lease Trust

3Q FY2014 Financial Results

30 October 2014

# 3QFY14 – Key Financial Highlights



- Net cash generated from operations increased by 67.9% year-on-year to US\$12.8 million
- Net profit of US\$0.7 million reported, despite:
  - Impairment loss of US\$1.2 million recognised on investments in TORM share due to the decline in its share price
  - Loss of hire of approximately US\$0.2 million due to dry docking of FSL Tokyo in July 2014
- Revenue increased by 5.2% year-on-year to US\$23.6 million
- Cost discipline continued from 1QFY14
  - Other operating expenses fell 29.8% to US\$13.8 million
- Finance expenses decreased by 38.6% (excluding exchange gains)
  - Lower outstanding indebtedness arising from prepayment of US\$22.0 million in 1QFY14 and expiry of high cost interest rate swaps

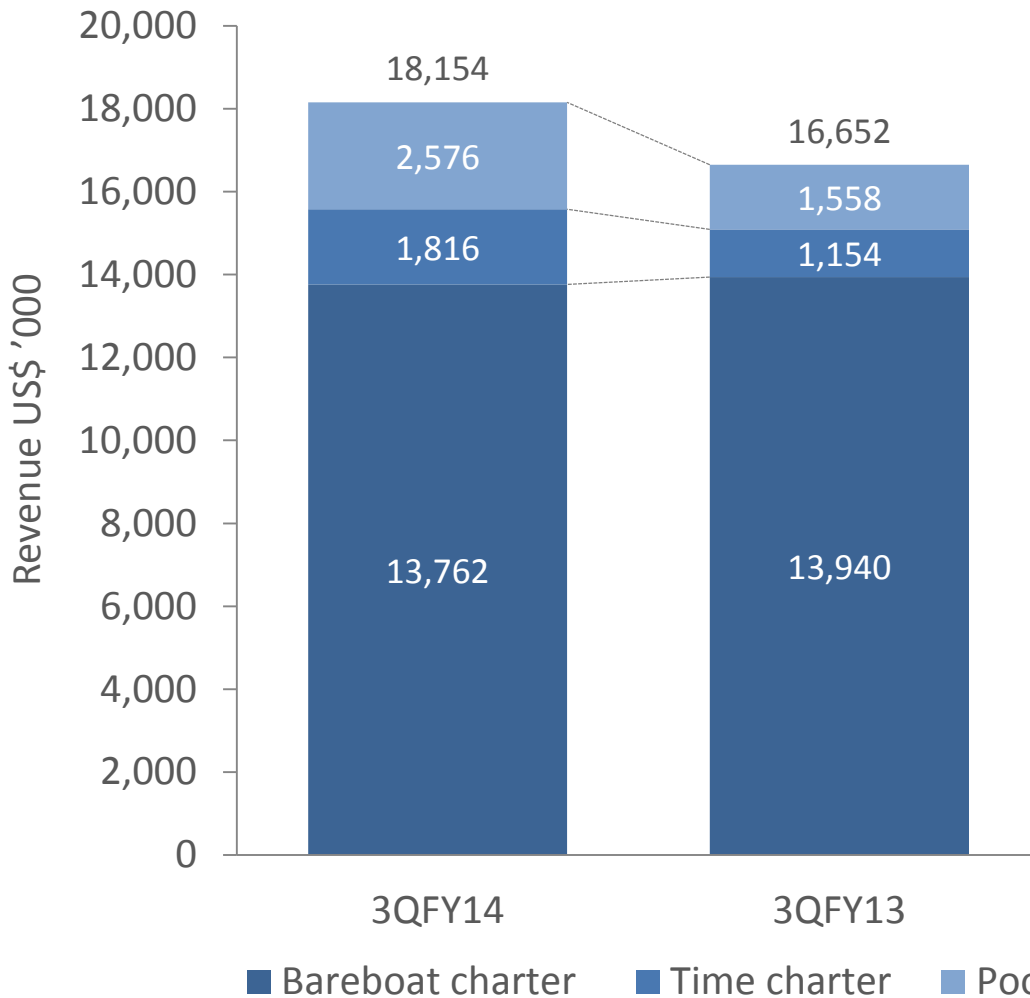
# Performance Review



US\$'000	3QFY14	3QFY13	Change %	YTD	YTD	Change %
Revenue	23,619	22,458	5.2	69,000	66,799	3.3
Profit/Loss for the quarter	744	(8,930)	N.M	(3,208)	(23,229)	86.2
Net cash generated from operations	12,812	7,629	67.9	34,734	28,413	22.2
Operating profit	4,386	(2,960)	N.M	11,261	(4,550)	N.M

- Revenue and Profit improved despite adverse impact of impairment loss and FSL Tokyo dry docking
- Significant year-on-year improvement in Net cash generated from operations

# Revenue Breakdown



## Pool/Spot:

- Three chemical tankers in the Nordic Tankers Pool
- FSL Hong Kong under the Teekay RSA <sup>(1)</sup>
- FSL Busan and Santos in the HANSE pool

## Time charter:

- FSL Shanghai deployed on an improved time charter rate with Tesoro

## Bareboat charter:

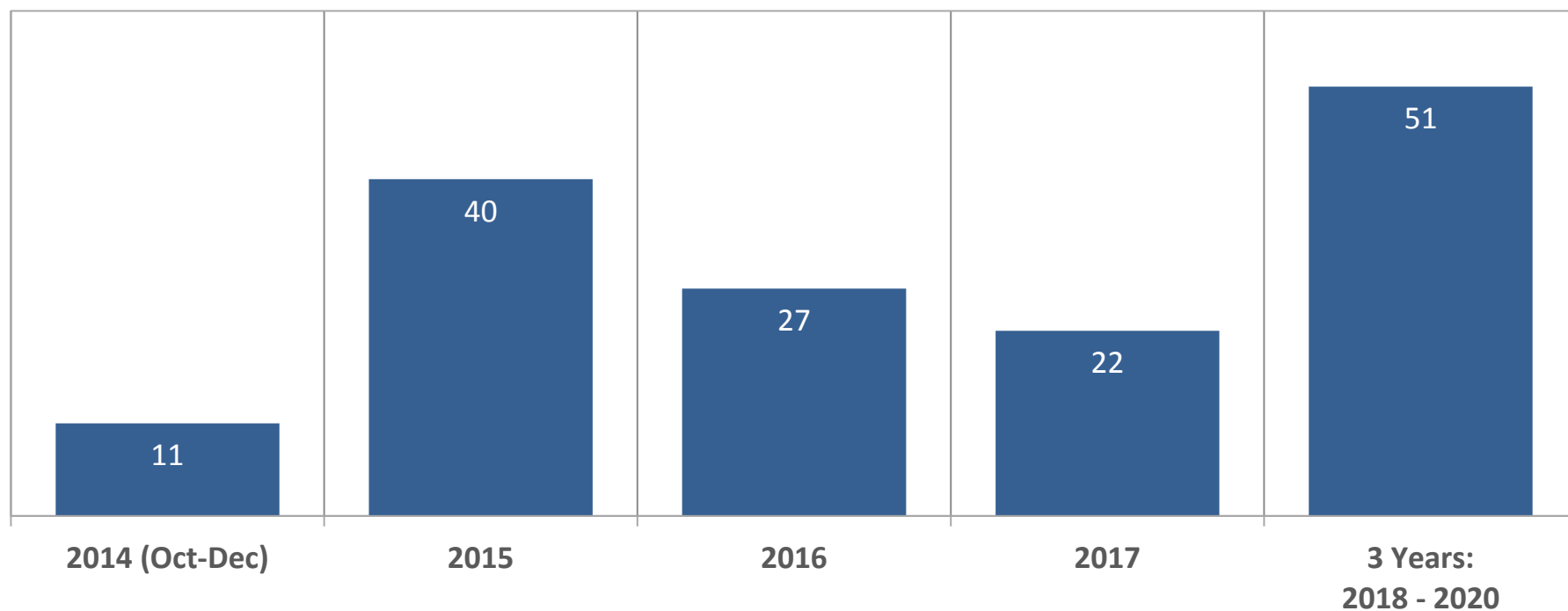
- No longer includes FSL Durban, Stella Fomalhaut, FSL Busan and FSL Santos
- Improved performance of TORM Margrethe and Marie, the only floating rate BBC agreements

Note 1: Teekay Revenue Sharing Agreement equivalent to pooled income

# Bareboat Lease Revenue Backlog



Remaining contracted revenue stood at US\$151 million <sup>(1)</sup>  
as at 30 September 2014

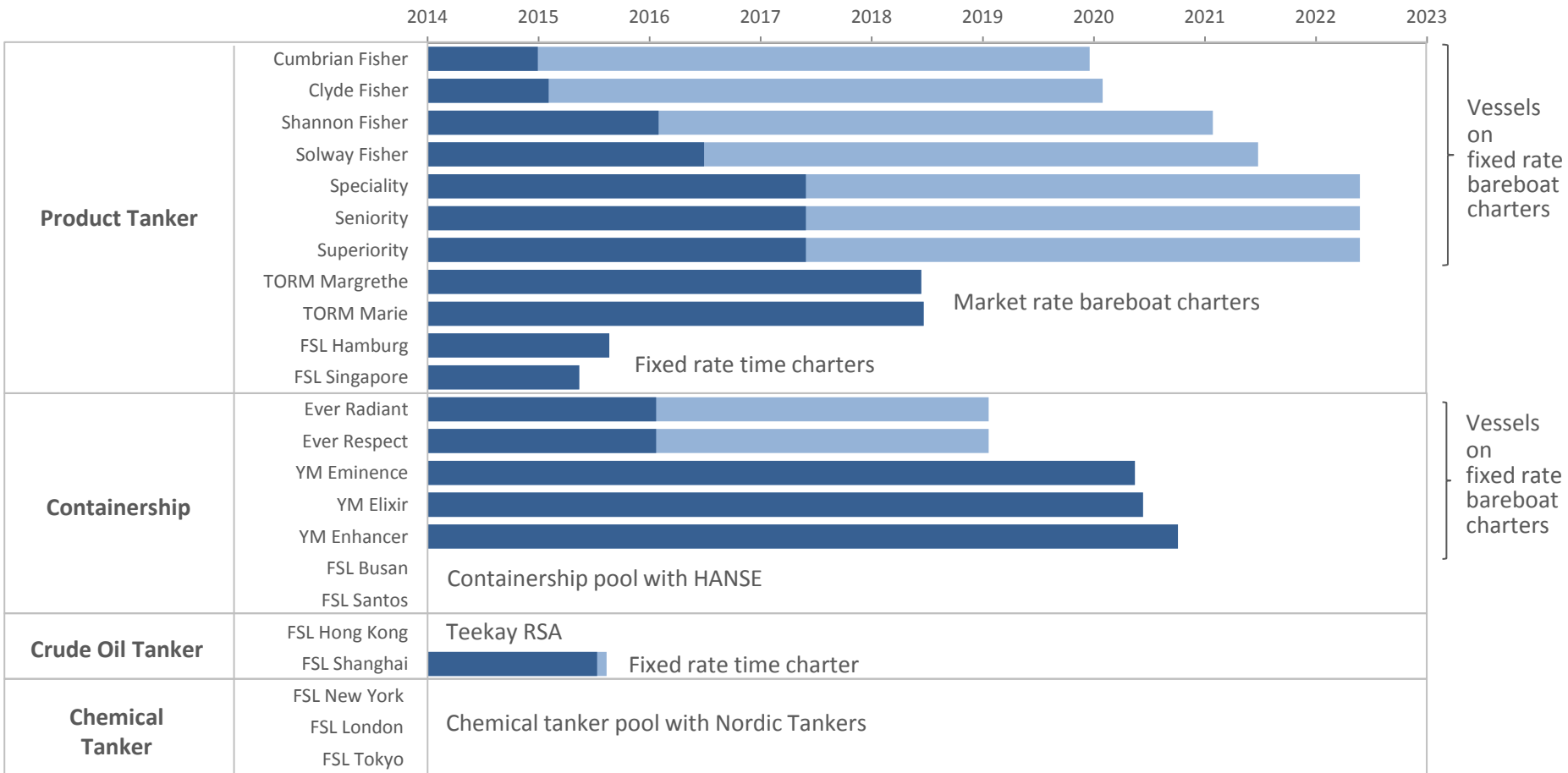


Note 1: Based on revenue from 12 bareboat charters (excluding secured contracted revenue of US\$11.9 million from Tesoro and Petrobras on fixed-rate time charters and TORM on variable market rate bareboat charters)

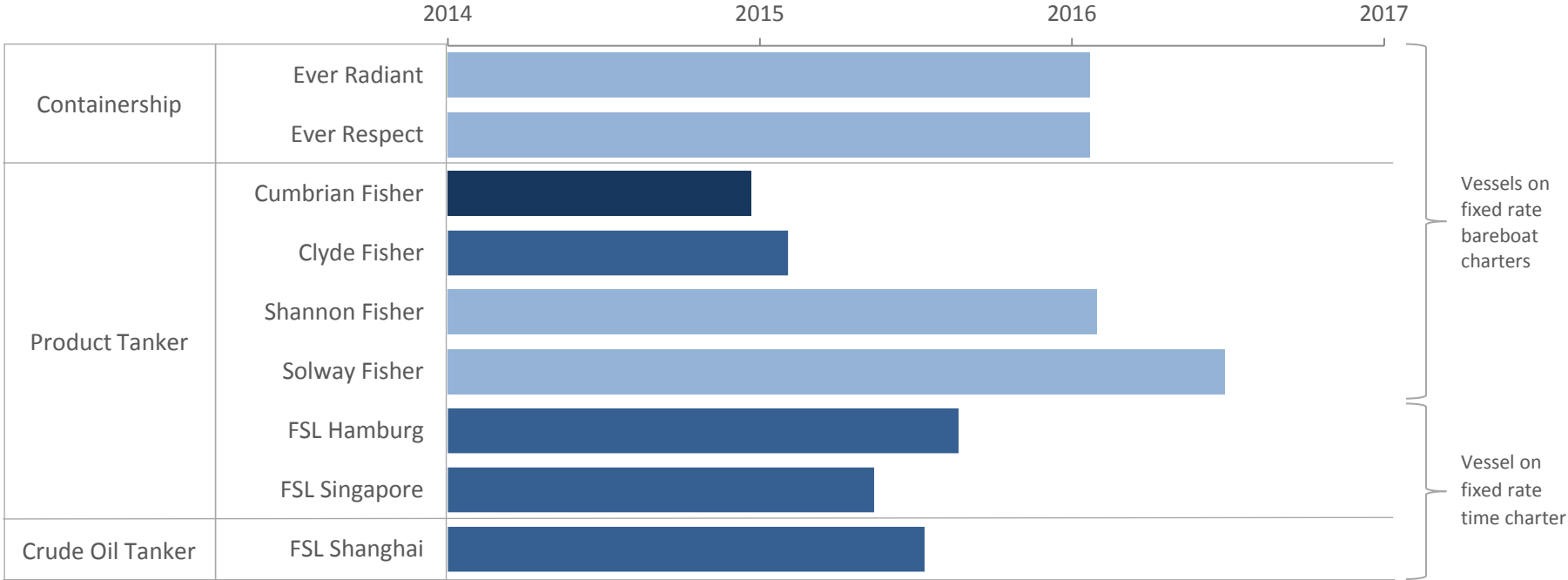
# Maturity of Leases



Lease maturity of vessels (2014 to 2022)  
with average remaining lease term of five years as at 30 September 2014



# Scheduled Redeliveries as at 3QFY14



- One ship redelivering in 2014
- Four ships redelivering in 2015
- Four ships redelivering in 2016

# Scheduled Dry Docks for the Next 12 Months



## FSL Managed Fleet - Vessels Due for Dry Docking

---

Vessel	Date Due
FSL London	4Q 2014
FSL Santos	3Q 2015
FSL Hamburg	4Q 2015

## Latest Dry Dock

---

Vessel	Date
FSL Tokyo	3Q 2014



# Summary and Outlook



## ■ Summary

- Solid performance for 3QFY14 and year-to-date demonstrating success of the Management team's ongoing restructuring efforts
- Cash generation from 2QFY14
- Second consecutive quarter of net profit (despite impairment and dry dock related costs)
- Improved operational performance driving 5.2% year-on-year increase in revenue, despite having two less ships in the fleet

## ■ Outlook

- Strong foundations now in place – Trust is well positioned to improve earnings further and increase the value of the unit price
- The Trust remains focused on becoming compliant with its loan agreement and delivering a sustainable return to unit holders

Thank you