



**FSL Trust Management Pte. Ltd.**  
as Trustee Manager for First Ship Lease Trust  
9 Temasek Boulevard, #19-03 Suntec Tower Two, Singapore 038989  
Tel: 65 6836 3000 Fax: 65 6836 6001 Co. Reg. No. 200702265R

For Immediate Release

## **FSL Trust achieves solid financial performance in 3QFY14 generating net profit of US\$0.7 million and net cash from operations of US\$12.8 million**

- Net profit of US\$0.7 million (3QFY13 loss of US\$8.9 million) – the second consecutive quarter of net profit for the Trust
- Net cash from operations up 67.9% to US\$12.8 million (3QFY13 US\$7.6 million)
- Revenue increased 5.2% to US\$23.6 million in 3QFY14 (3QFY13 US\$22.5 million)
- Reduction in both operating and finance related expenses

**Singapore, 30 October 2014** – FSL Trust Management Pte. Ltd. (“FSLTM”), as trustee-manager of First Ship Lease Trust (“FSL Trust” or the “Trust”) reported encouraging performance in the third quarter of the financial year ending 31 December 2014 (“3QFY14”), generating net profit of US\$0.7 million. This is the second consecutive quarter of profit to be generated by the Trust and a significant improvement from the loss of US\$8.9 million incurred in the same period last year. Net cash from operations increased 67.9% to US\$12.8 million, a notable cash flow improvement on the corresponding period last year. The Trust also reported revenues of US\$23.6 million, an increase of 5.2% on the corresponding period last year (3QFY13 US\$22.5 million).

Other operational expenses declined 29.8% to US\$13.8 million. This was mainly attributable to the lower depreciation expenses of US\$1.9 million arising from changes in the expected useful life and residual value of certain vessels, mainly FSL Busan and FSL Santos, taken last year and in the quarter under review. Financial expenses also decreased 38.6% mainly due to the lower outstanding debt payments arising from the prepayment of US\$22.0 million in 1QFY14 and the expiry of high cost interest rate swaps.

This has been another strong quarter for the Trust, demonstrating that the ongoing restructuring efforts of the management team are producing tangible results. The Trust now has strong foundations in place and is well positioned to deliver value to unit holders.

### **Review of operations**

The Trust generated total BBCE revenue of US\$18.2 million, an increase of 9.0% on the corresponding period the previous year (3QFY13 US\$16.7 million). This illustrates the improved performance of vessels under FSL Trust’s operational control and reflects new improved time charter contracts signed by the Trust.

Time Charter BBCE revenue increased 57.4% to US\$1.8 million (3QFY13 US\$1.2 million). FSL Shanghai was deployed on a new time charter with Tesoro Corporation in the quarter under review and generated BBCE revenue of US\$0.7 million. FSL Hamburg and FSL Singapore are employed on time charter to Petrobras and after deducting vessel operating expenses, these vessels generated BBCE revenue of US\$1.0 million.

Pool Charter BBCE revenue increased 88.9% to US\$2.6 million in the quarter under review (3QFY13 US\$1.4 million). FSL Busan and FSL Santos were redelivered to FSL Trust in July 2014 and then immediately employed in a pool managed by HANSE Bereederung GmbH. After deducting vessel operating expenses, these vessels earned BBCE revenue of US\$0.4 million in the quarter under review. The three chemical tankers are employed in the 'Nordic Tankers 19,000 Stainless Steel Pool'. After deducting vessel operating expenses, these vessels earned BBCE revenue of US\$1.3 million for the quarter. FSL Hong Kong, employed under the Teekay Revenue Sharing Agreement (RSA) since December 2013, generated BBCE revenue of US\$0.8 million in the quarter under review.

Bareboat charter rentals generated US\$13.8 million in revenue, a small decline of 1.3% on the previous year (3QFY13 US\$13.9 million). This was partly attributable to expiry of the bareboat leases for FSL Busan and FSL Santos. The decline was offset by better performance achieved by the two LR2 tankers, TORM Margrethe and TORM Marie. The rentals derived from the 14 vessels under bareboat leases continue to significantly support the overall earnings of FSL Trust.

An impairment loss of US\$1.2 million was recognised on investments in TORM A/S ("TORM") due to a decline in the quoted price of the shares in TORM over the quarter. Furthermore, there was a loss of revenue of approximately US\$0.2 million due to the scheduled dry-docking of FSL Tokyo. Despite the losses incurred, the Trust still generated profit of US\$0.7 million.

Commenting on the Trust's performance, Alan Hatton, Chief Executive Officer of FSLTM said:

"The performance of the Trust in the third quarter has continued to be positive. Revenue has improved, cash generation is significantly higher and the Trust has achieved a second consecutive quarter of profitability.

There has been further progress made in our efforts to increase revenue earned by the redelivered vessels, improving pool point performance for pooled vessels and deploying vessels on strong time charters (e.g. FSL Shanghai to Tesoro).

We continue to improve the financial position of the Trust and remain focused continuing this trend. We are pleased to see strong cash generation which will help facilitate our goal of a return to distributions in the near-term."

### **3QFY2014 Results Conference Call**

FSLTM will host a conference call for all registered participants on Friday, 31 October 2014 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, 3 November 2014.

[END]

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

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 23 modern and high-quality vessels, comprising seven containerships, 11 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) and its American Depositary Receipts (ADRs) are quoted on the PrimeQX tier of International OTCQX.

---

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.

---

Contacts:

FSL Trust Management Pte. Ltd.

Ms. Tayalni NEDIEAN

Telephone: +65 6500 9087

Email: [tnediean@firstshiplease.com](mailto:tnediean@firstshiplease.com)

Ms. Lucy MILES

Telephone: +65 6333 3449

Email: [lmiles@bell-pottinger.com](mailto:lmiles@bell-pottinger.com)