



First Ship Lease Trust

1Q FY10

Results Presentation



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

www.FSLTrust.com
Released 20 April 2010

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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 statement.

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, ability to implement our investment strategy, dependence on credit facilities and new equity from capital markets to execute our investment strategy, insufficient insurance to cover losses from inherent operational risks in the industry, lower lease rates from older vessels, dependence on key personnel, , FSL Holdings Pte. Ltd.’s controlling stake in the First Ship Lease Trust (“FSL Trust”), short operating history, lack of historical financial history for the Trust, risk of government requisitions during periods of emergency or war, possibility of pirate or terrorist attacks, competition in the industry, political instability where the vessels are flagged or operate, cyclicalities 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 statement that may be made from time to time by or on behalf of FSL Trust.

Results Highlights

Philip Clausius
Chief Executive Officer
FSL Trust Management

1Q FY10 Results Highlights

Stable Business & Cashflow



- **FSL Trust's business remained stable throughout 1Q FY10**
 - 1Q FY10 revenue of US\$24.4m (-1.6% y-o-y; -0.2% q-o-q)
 - Net cash generated from operations of US\$16.3m (-3.8% y-o-y; +1.1% q-o-q)
 - Net distributable Amount of US\$9.0m (-27.2 %y-o-y and unchanged q-o-q)

- **Declared a distribution per unit (DPU) of US1.50¢ for 1Q FY10**
 - In line with guidance and unchanged from 4Q FY09
 - Represents an annualised yield of approximately 13%¹

- **DPU guidance of US1.50¢ for 2Q FY10**

¹ Based on FSL Trust's closing price of S\$0.64 on 20 April 2010 and at an exchange rate of US\$1.00:S\$1.376

1Q FY10 Results Highlights

Improving charter-free vessel value



■ Lease Portfolio as at 31 March 2010

- Total number of vessels: 23
- Remaining contracted revenue² of US\$731.4m
- Average remaining lease term² of 7.5 years
- Average age of vessels³ is 4.9 years
- Earliest lease maturity: 2014

■ Charter-free valuation (excludes long-term leases attached to the vessels)

- US\$623.0m as at Mar 2010, representing 129% of outstanding loan of US\$484.3m, comfortably above minimum coverage ratio of 100%
- Improvement from the charter-free value of US\$590.5m obtained in Oct 2009

² excluding extension periods and early buy-out options

³ on a dollar-weighted average basis by net book value

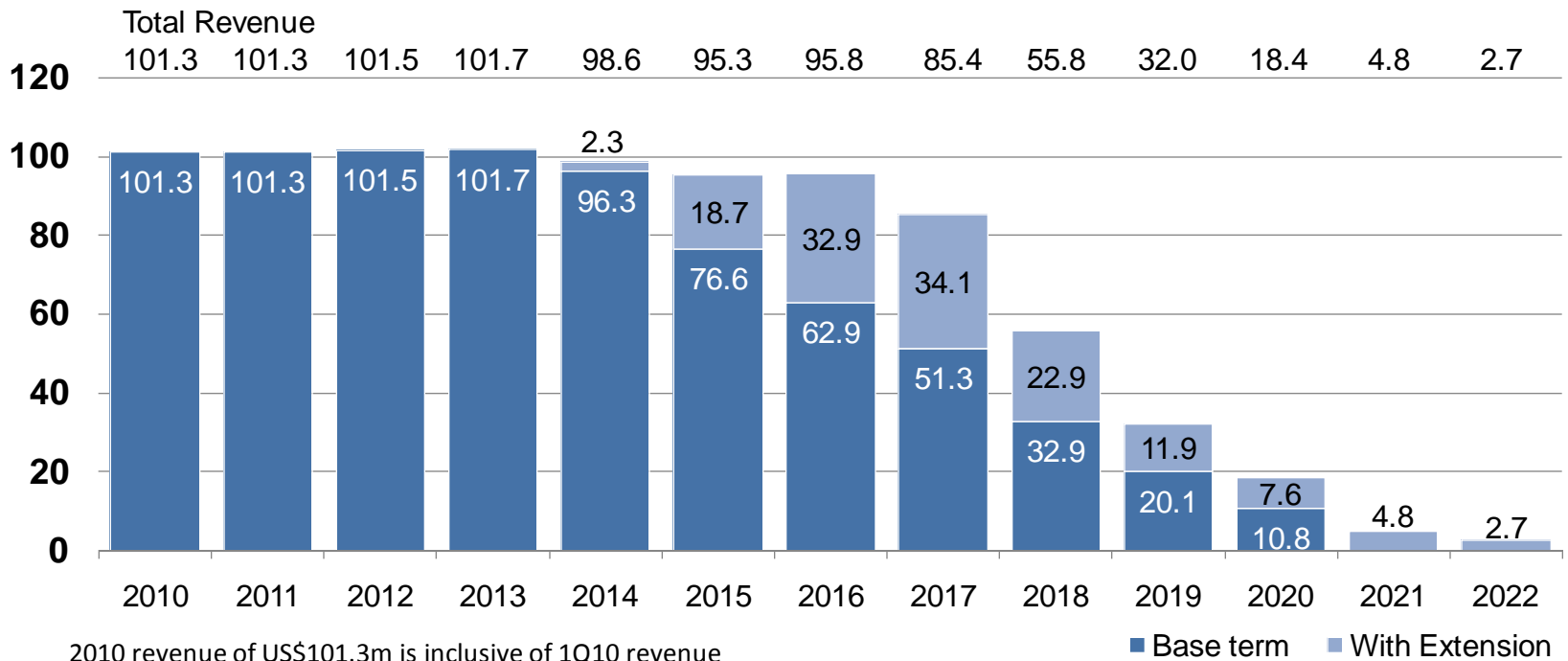
Remaining contracted revenue

Steady long-term cash flow



- US\$731.4 million of remaining contracted revenue as of 31 March 2010 (excludes extension options and early buy-out options)
- Steady cash flow underpins sustainability of regular distribution

US\$ million

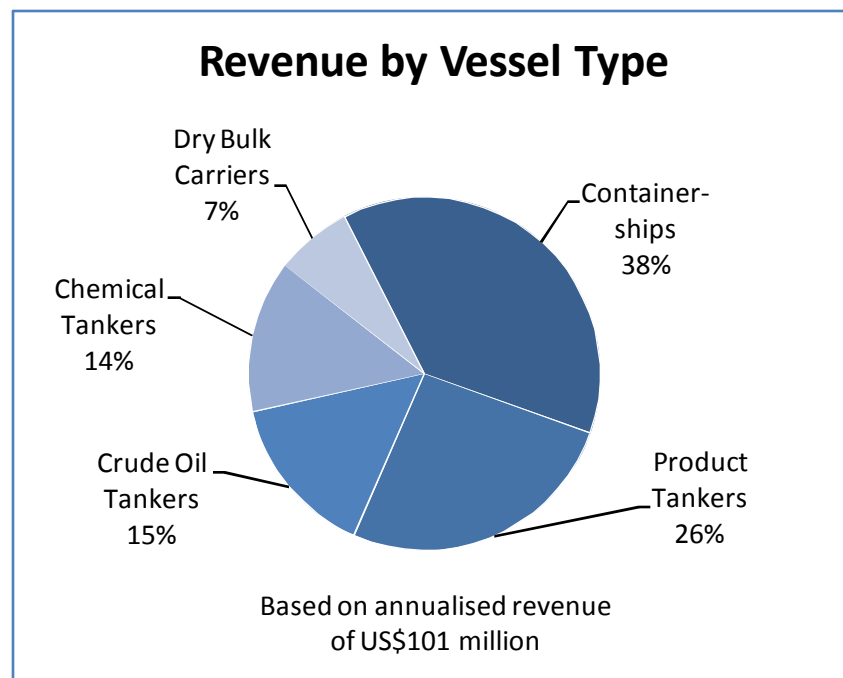
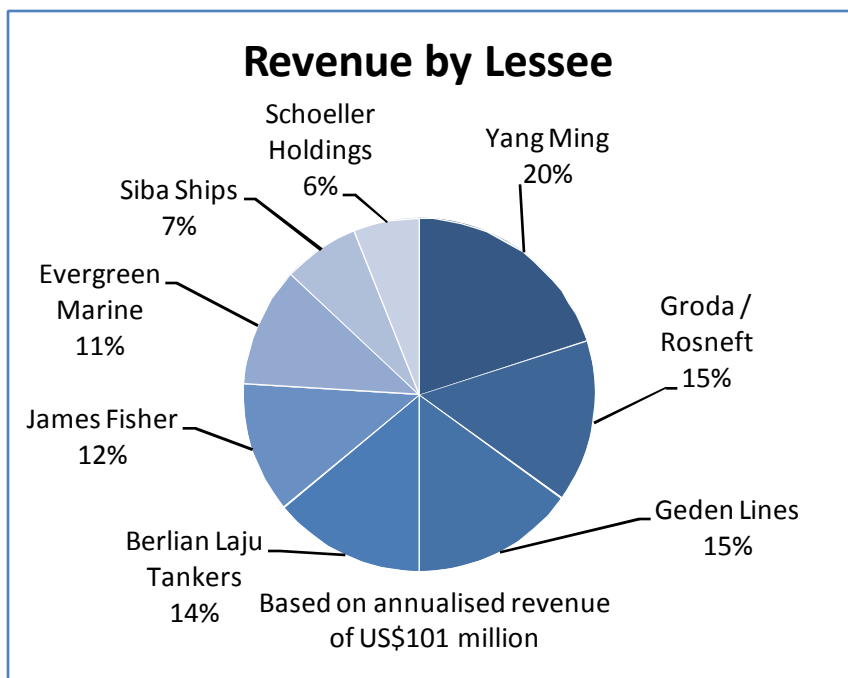


Lease Portfolio

Diversified across 8 customers and 5 sub-sectors



- No single customer accounting for more than 20% of total lease revenue



* Annualised revenue of US\$101 million assumes the daily lease rate from the two vessels leased to Geden Lines are fixed at \$20,335 per vessel

Financial Highlights

Cheong Chee Tham
Chief Financial Officer
FSL Trust Management

Consolidated Income Statements



1Q FY10 revenue decreased y-o-y due to decrease in revenue from 2 Geden leases, which are pegged to US\$ 3-mth Libor

	Group		
	1Q 2010	1Q 2009	Incl/ (Dec)
	US\$'000	US\$'000	%
Revenue	24,432	24,823	(1.6)
Depreciation expense on vessels	(15,488)	(15,324)	1.1
Management fees	(979)	(990)	(1.1)
Trustee fees	(45)	(47)	(4.3)
Other trust expenses	(551)	(632)	(12.8)
Finance income	26	64	(59.4)
Finance expenses	(6,707)	(6,354)	5.6
Profit before income tax	688	1,540	(55.3)
Income tax expense	(2)	(5)	(60.0)
Profit for the quarter	686	1,535	(55.3)

Net profit declines 55% y-o-y due primarily to increased interest margin during amendment period (which ends 2Q FY11)

Distribution Statements



US\$8m is the scheduled quarterly loan amortization

Profit for the quarter

Add: Non-cash adjustments

Net cash generated from operations

Less: Repayment of secured bank loans

Income available for distribution

Add: Utilisation of cash retained from previous periods

Less: Cash retained in the current period

Net distributable amount

Add: Income from the previous period to be distributed

Amount available for distribution

Comprising:(i) Tax-exempt distribution

(ii) Tax-exempt (one-tier) distribution

Amount to be distributed

Units at the end of the quarter ('000)

Distribution per unit (US Cents)

Group	
1Q 2010	1Q 2009
US\$'000	US\$'000
686	1,535
15,643	15,433
16,329	16,968
(8,000)	(4,000)
8,329	12,968
651	-
-	(641)
8,980	12,327
-	3
8,980	12,330
8,956	12,271
24	59
8,980	12,330
598,665	503,111
1.50	2.45

Balance Sheets



	Group	
	31 Mar 2010	31 Dec 2009
	US\$'000	US\$'000
Total unitholders' funds	369,690	380,737
Units in issue	510,273	510,273
Retained earnings	20,234	19,548
Other reserves	(26,437)	(23,684)
Distribution	(134,380)	(125,400)
Liabilities	513,764	522,502
Debt	480,610	488,292
Derivative liabilities (net)	26,974	27,496
Accruals	6,180	6,714
Total Capital	883,454	903,239
Non-current Assets	825,978	845,187
Vessels, cost	980,422	985,651
-Accum. Depreciation	(159,234)	(145,412)
Initial Direct Cost	4,790	4,948
Current Assets	57,476	58,052
Prepayments	1,247	1,282
Cash and cash equivalents	56,229	56,770
Total Assets	883,454	903,239

Highlights from Cash Flow Statements



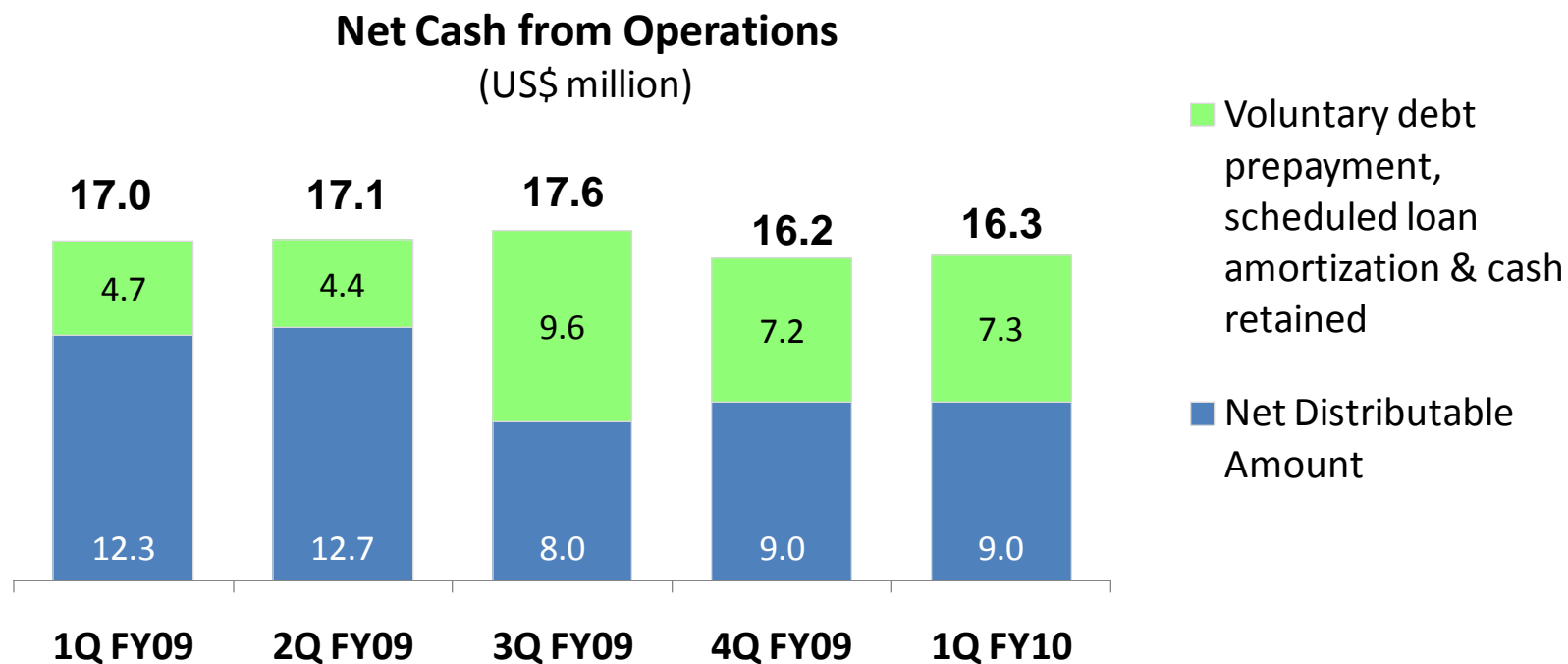
	1Q FY10 US\$'000	1Q FY09 US\$'000
Operating activities:		
Net profit before tax	688	1,540
Adjustments for:		
Depreciation expense on vessels	15,488	15,324
Other fees and expenses	6,854	6,467
Operating Profit before working capital changes	23,030	23,331
Changes in working capital	(457)	(320)
Cash flows from operating activities	22,573	23,011
Cash flows from investing activities	29	72
Distribution to unitholders	(8,980)	(15,439)
Repayment of secured bank loans	(8,000)	(4,000)
Interest paid	(6,163)	(7,360)
Cash flows from financing activities	(23,143)	(26,799)
Net decrease in cash and cash equivalents	(541)	(3,716)
Cash and cash equivalents at beginning of period	56,770	26,716
Cash and cash equivalents at end of period	56,229	23,000

Includes US\$28m from the proceeds of equity placement in Sep 09

Net Cash from Operations



- Retained cash from lower distribution primarily applied towards reduction of outstanding secured debt

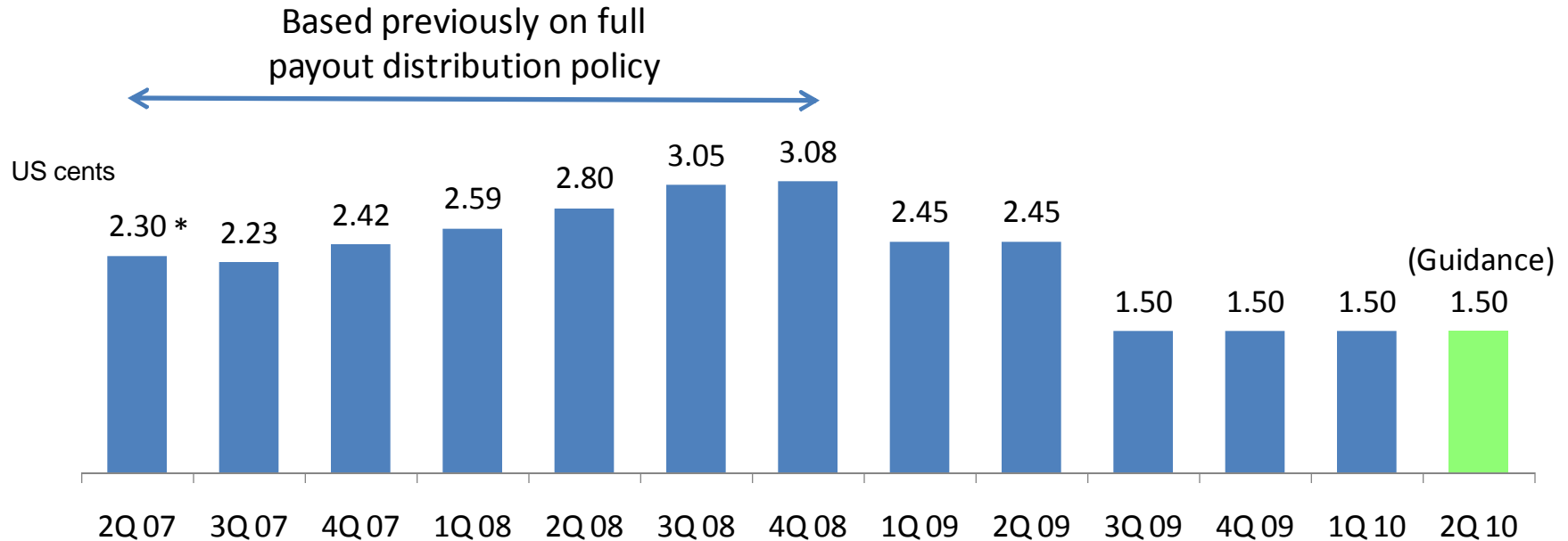


Distribution

Maintaining regular distribution



- We have maintained **12** consecutive quarters of distribution since IPO in Mar 2007



* This was the actual distribution for the period 19 March 2007 to 30 June 2007. Normalised DPU on a quarterly basis is US2.19¢.

Credit Facility

No loan tranche maturing until April 2012



- Outstanding secured debt as at 31 Mar 2010 was US\$484.3 million, and was further reduced to US\$477.1 million after repayment in April 2010
- Scheduled loan amortization of US\$8 million per quarter during Amendment Period[^]
- No outstanding orderbook that requires additional funding

Tranche	Facility amount (US\$)	Amount drawn as at 31 Mar 2010 (US\$)	Loan maturity	Margin over US\$ 3-month LIBOR during Amendment Period [^]
A	250 million	242.0 million	27 Mar 2014	1.70%
B	200 million	193.6 million	2 Apr 2012	1.70%
C	65 million	48.7 million	2 Apr 2012	1.70%
Total	515 million	484.3 million		

[^] Amendment Period extends until end of 2Q FY11

Outlook and Concluding Remarks

Philip Clausius
Chief Executive Officer
FSL Trust Management

- **Shipping industry not out of the woods yet, but prospects are improving with:**
 - demand on a recovery path;
 - asset values slowly improving and;
 - access to capital becoming more readily available
 - bank debt markets, particularly in Asia, are beginning to show signs of renewed interest in the shipping industry

- **FSLTM is making progress in finalising its first acquisition since Oct 2008**
- **We are ready to access bond market but will only do so on terms beneficial to FSL Trust**
- **We are maintaining flexibility and keeping options open on all capital raising options available to FSL Trust**

Q & A