



# First Ship Lease Trust

## 3QFY11 Results Presentation



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

[www.FSLTrust.com](http://www.FSLTrust.com)

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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 statements.

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# 3QFY11 Results Highlights

Attractive DPU – Annualised tax-exempt yield of 15.8%

Financial Highlights (US\$'000)	3QFY11	3QFY10	Y-O-Y % change
Revenue	28,587	23,421	22.1
Profit after tax	152	649	(76.6)
Net cash from operations	15,614	14,077	10.9
Income available for distribution	8,430	6,077	38.7
Amount to be distributed	6,219	5,687	9.4
Distribution per unit (US¢)	0.95	0.95	–

# 3QFY11 Highlights

- **Revenue**

- 3QFY11 revenue +22% yoy (+US\$5.2m) to US\$28.6m, driven by contributions from:
  - ❖ Two recently acquired TORM vessels
  - ❖ Two product tankers on spot

- **Profit after Tax**

- Profit after tax of US\$152,000 in 3QFY11 compared US\$649,000 in 3QFY10
- Largely due to higher depreciation and higher vessel operating/voyage expenses

- **Cashflow**

- Net cash generated from operations improved to US\$15.6m against 3QFY10's US\$14.1m



## ■ **Tackling the Challenges:**

- ❑ Refinancing – of Maturing Loans
- ❑ Redeployment – of 2 Product Tankers
- ❑ Renewal – of Balance Sheet

# Refinancing : Maturing Bank Loans

- US\$243.6 million maturing in March 2014; US\$239.5 million maturing in April 2012
- Entire US\$483.1 million to be refinanced
- Secured firm commitments from six lenders (both Asian and European) amounting to 90% of commitments required
- Loan maturity will be extended to 2017 on an amortising basis
- Trustee-Manager is in the process of securing remaining 10% to complete refinancing

# Redeployment : Two Product Tankers on Spot

- **‘FSL Hamburg’ and ‘FSL Singapore’**
  - ❑ Preliminary outlook of spot rates for 4QFY11 marginally better than 3QFY11
  - ❑ Management to consider longer term employment only after rates have improved



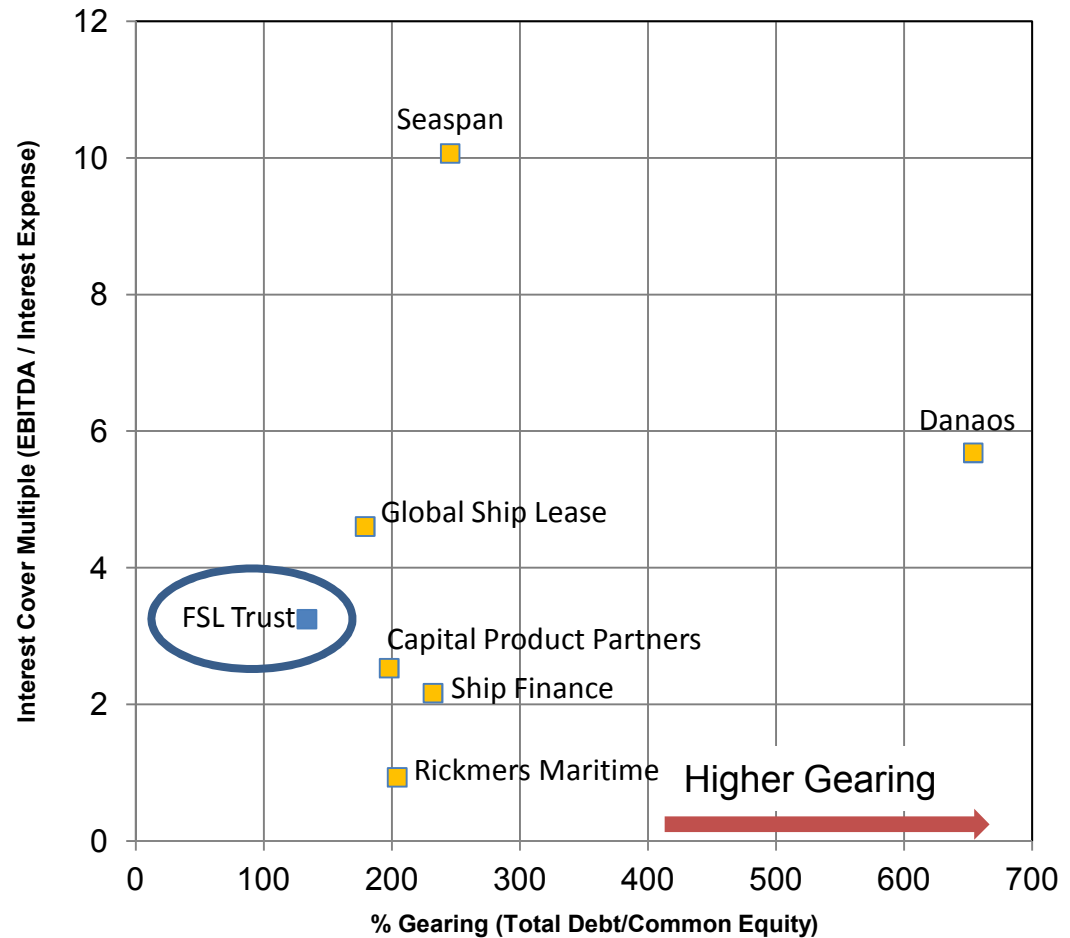


# Renewal : Balance Sheet for Growth

- Focus on growing the portfolio via vessel acquisitions - provided transaction is accretive on a per unit basis

- Interest cover: T12M EBITDA / T12M Interest expense
- Gearing: Total debt / Common Equity
- Peer Group: Comparable public listed entities in US and Singapore within the long-term shipleasing business space,

Comparison of Interest Coverage<sup>1</sup> (times) and Gearing<sup>2</sup> (times) with Peer Group<sup>3</sup>





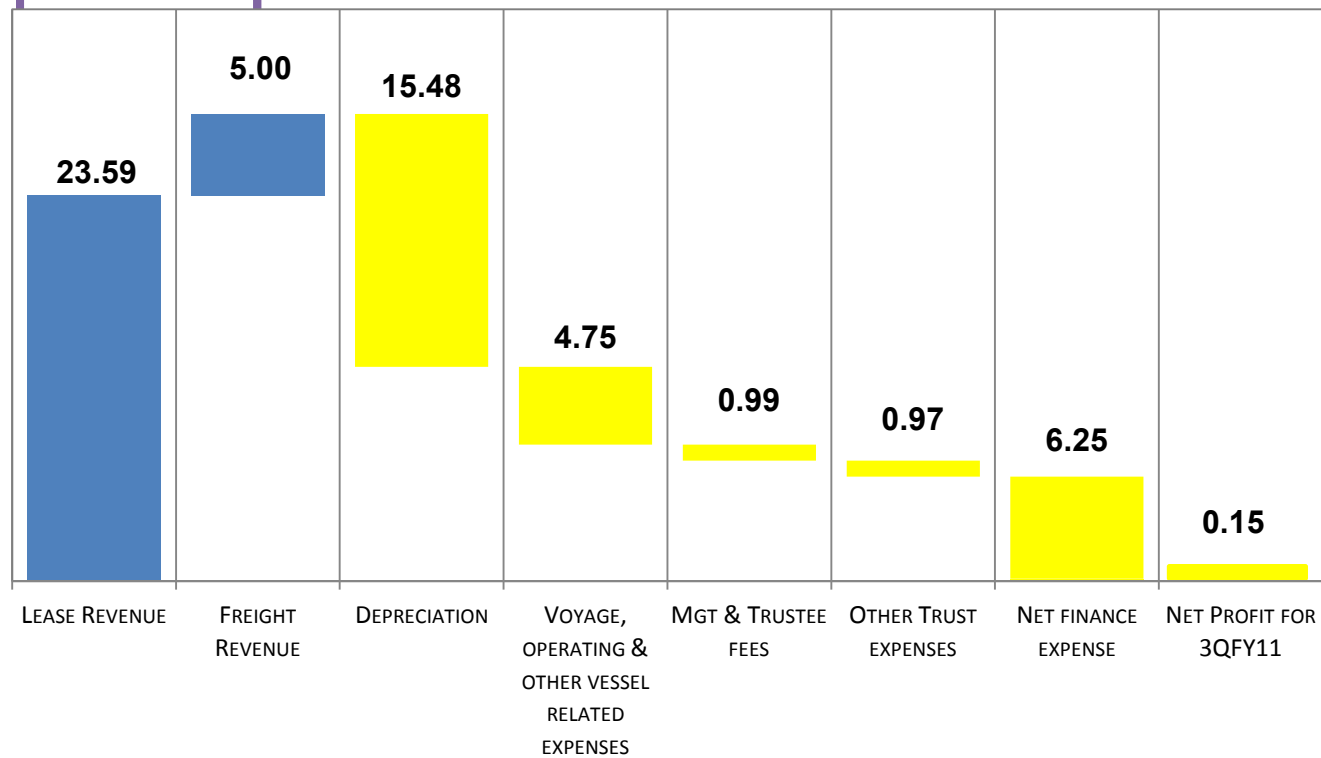
# Financial Highlights

# 3QFY11 Earnings

US\$ Millions

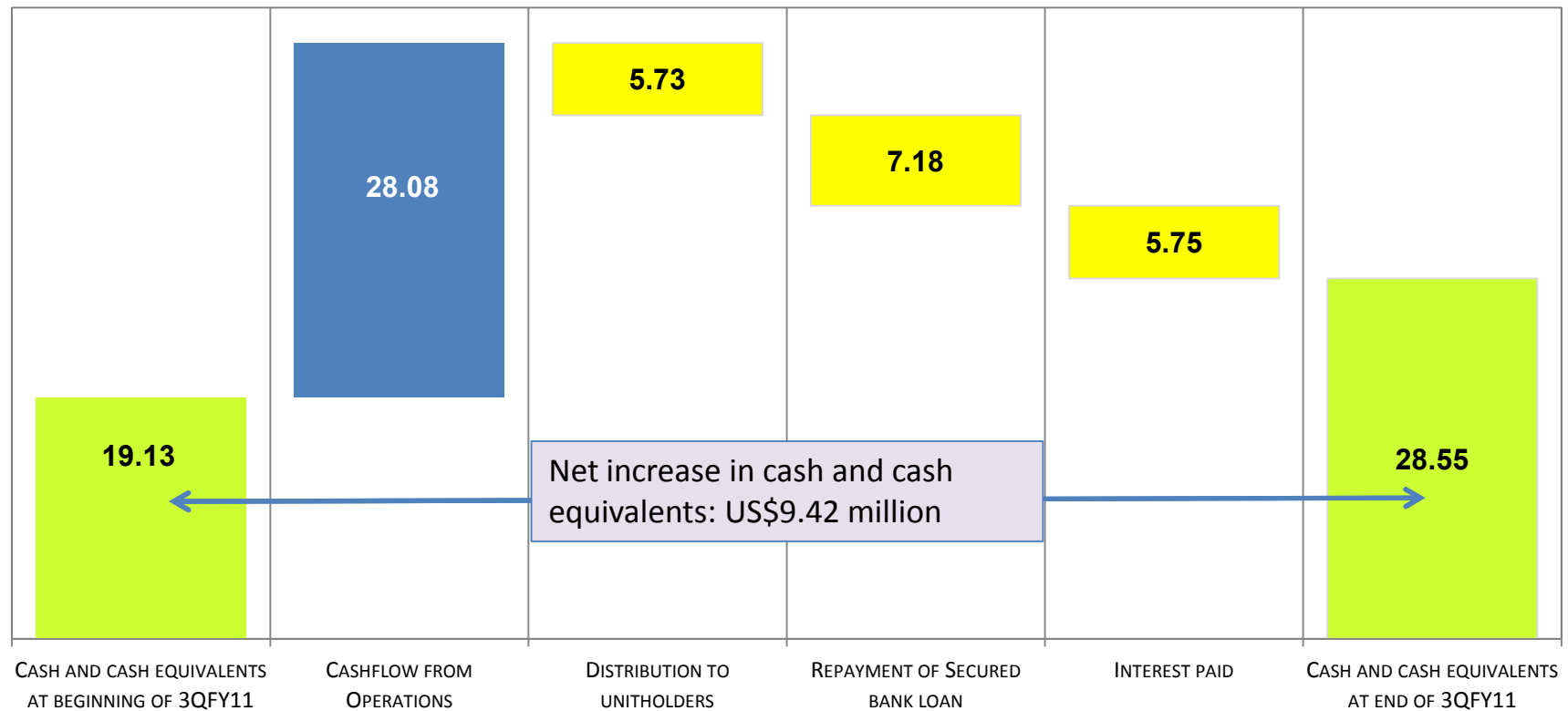
Total Revenue  
US\$28.59m

## 3QFY11 Income Statement Highlights



# Steady Cashflow

## 3QFY11 Cashflow Statement





# **Outlook & Strategy**

# Macroeconomic Backdrop

## Sector Outlook

- Uncertain shipping market recovery
  - Oversupply meets fragile demand

## Asset Values

- Shipping asset prices deflated to moderate levels now

## Prospects

- Europe's debt woes – cautious lending stance, especially to shipping sector
- Opportunities for alternative financiers like FSLT

# Strategy

- Not a sector picker, but transaction focused
  - Key transaction criteria:
    - ❖ Credit risk
    - ❖ Asset risk
    - ❖ Returns



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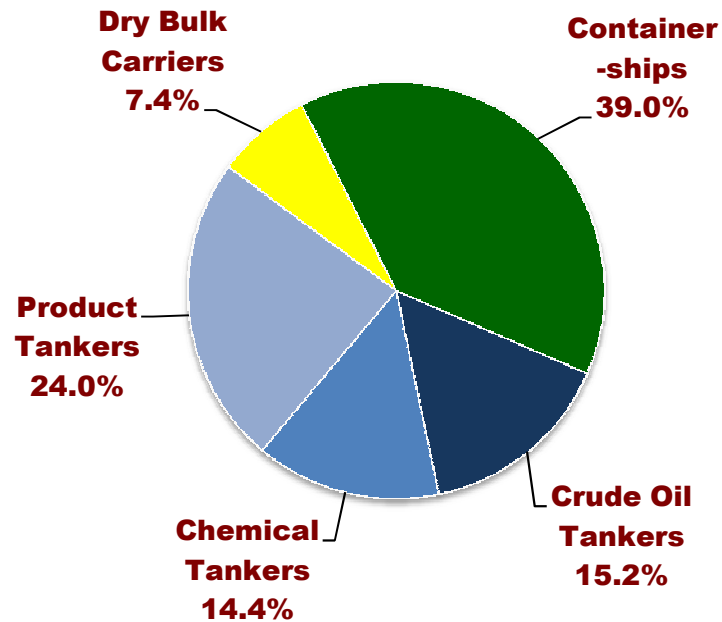
# Appendix

# Broad Lease Revenue Base

No single lessee accounts for more than 21% of lease revenue

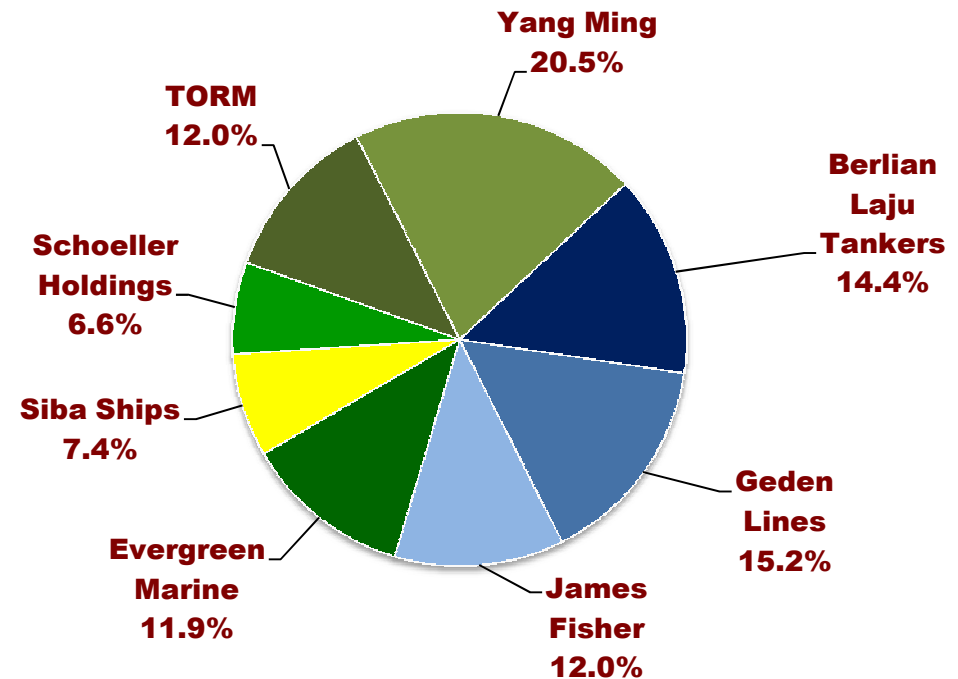
## Lease Revenue by Vessel Type

(For 23 vessels on bareboat charters)



## Lease Revenue by Lessee

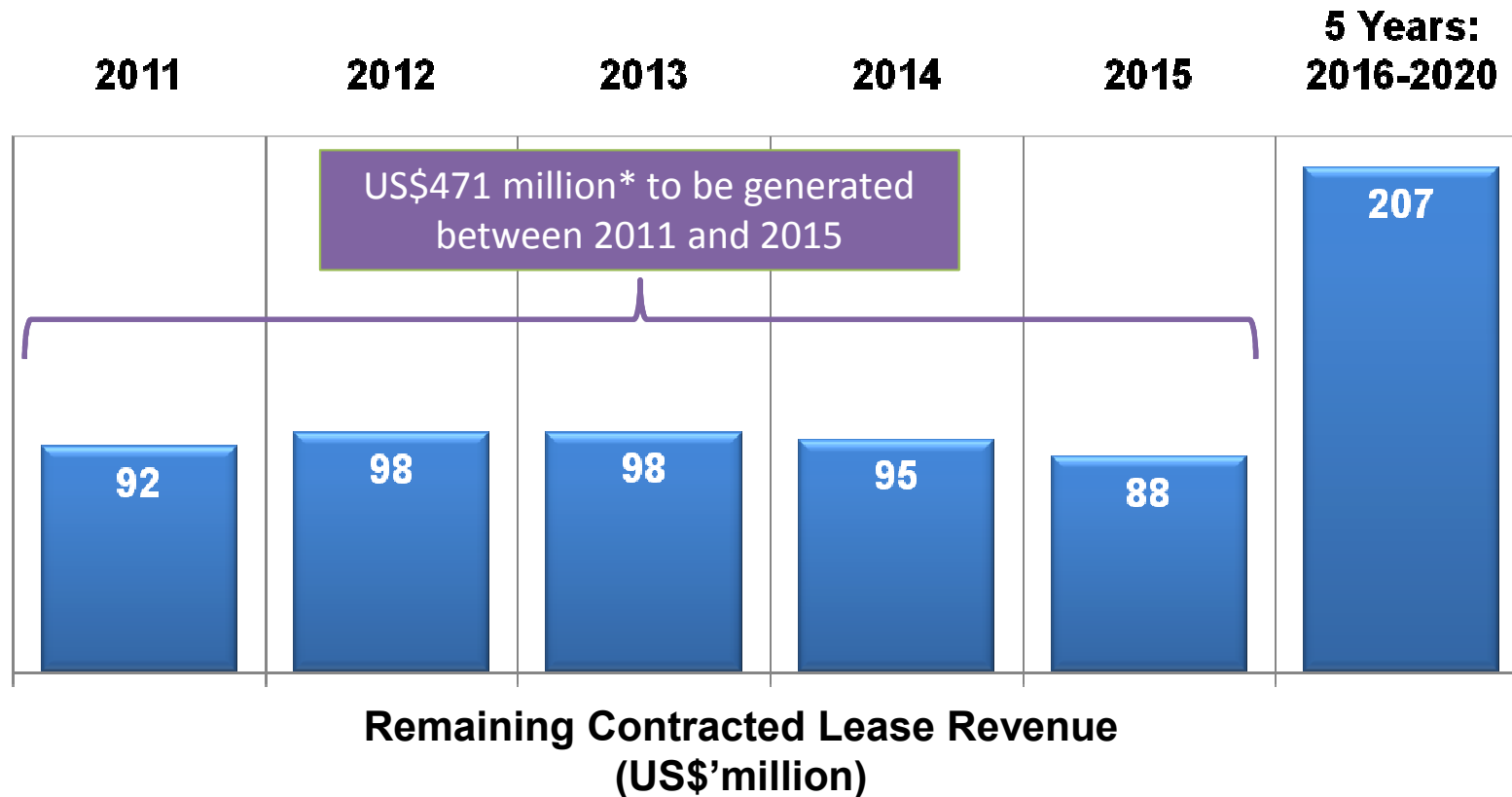
(For 23 vessels on bareboat charters)



The lease revenue is based on an annualised bareboat lease revenue of US\$98 million, which assumes the daily lease rate from the two vessels leased to Geden Lines are fixed at US\$20,335 per vessel.

# Healthy Lease Revenue Backlog

Underpins predictable long-term cashflow



\* As at 31 Dec 2010, based on current fleet of 23 ships on long-term bareboat charters, excluding extension and early buyout options.

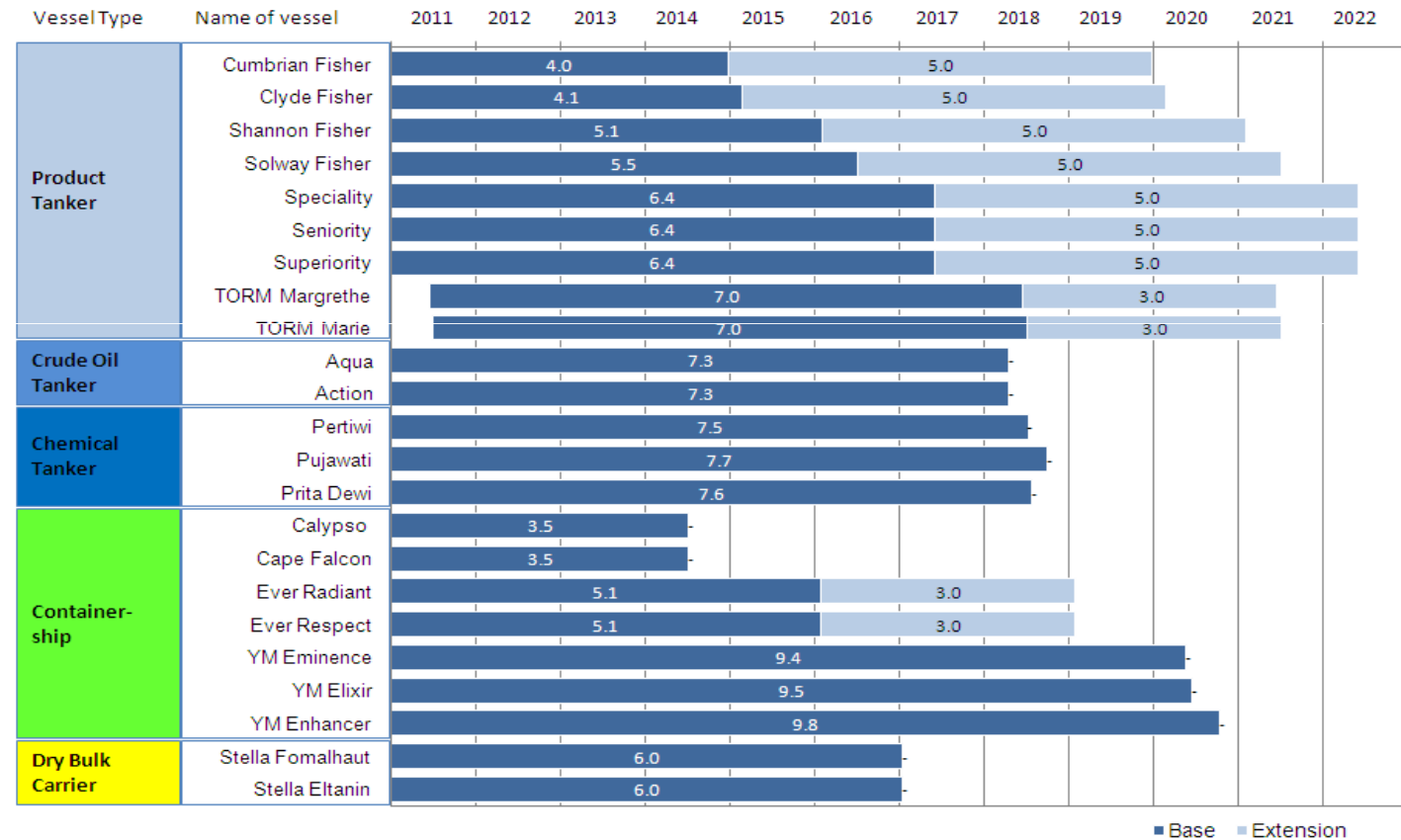
# Long Charter Coverage

## Staggered lease maturities mitigate re-delivery risk

Remaining Lease Term  
in Years as at  
1 Oct 2011

Earliest lease maturity in June 2014

**6.5 years\***  
Weighted average  
remaining lease term



\* As at 1 Oct 2011, based on the 23 ships on long-term bareboat charter and on a dollar-weighted average basis by net book value. Excludes extension and early-buyout options.