



**FSL Trust Management Pte. Ltd.**

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

## **FSL Trust reports continued net positive cash generation but has taken further impairment charges**

**Singapore, 08 November 2017** – FSL Trust Management Pte. Ltd. (“FSLTM”), as trustee-manager of First Ship Lease Trust (“FSL Trust” or “the Trust”), announced today its results for the third quarter ended 30 September 2017 (“3QFY17”).

The Trust reported revenue of US\$18.7 million for 3QFY17, registering a year-on-year decrease of 18.5% compared to US\$22.9 million reported in 3QFY16. The decline in revenue is mainly due to softening rates across all shipping markets, which weighed on earnings from LR2 tankers, aframax crude oil tankers and container vessels.

In light of the ongoing volatility affecting shipping markets and vessel values, the Trust has recognised an impairment charge of US\$22.2 million on three chemical tankers and three product tankers. Consequently, a net loss of US\$21.7 million was incurred in 3QFY17.

Despite the impairment charge and protracted market downturn, the Trust continued to register another quarter of positive cash generation, with net cash generated from operations of US\$9.1 million in 3QFY17. As at 30 September 2017, FSL remains well-positioned with US\$19.6 million in cash and cash equivalents, having repaid US\$52 million of debt during 2017, and in compliance with the terms of its loan covenants.

Commenting on the Trust’s performance, Roger Woods, Chief Executive Officer of FSLTM said: “Shipping markets globally continue to face difficult environments, and that in which FSL operates has not been spared. Despite market challenges, we are committed to the operational performance of our fleet and we are pleased to have delivered another quarter of positive cashflows. The Board of Directors and Management continue to pursue refinancing opportunities, and it remains our priority to ensure the ongoing stability and future of the Trust.”

### **3QFY17 Results Conference Call**

FSLTM will host a conference call for all registered participants on Thursday, 9 November 2017 at 11.00 am (Singapore time) to discuss the results. The 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 p.m. (Singapore time) on Friday, 10 November 2017.

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

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 22 modern and high-quality vessels, comprising five containerships, 12 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).

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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.

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