



# GLOBAL SHIP LEASE



**Fourth Quarter 2011  
Presentation**

# Safe Harbor Statement



*This communication contains forward-looking statements. Forward-looking statements provide Global Ship Lease's current expectations or forecasts of future events. Forward-looking statements include statements about Global Ship Lease's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "ongoing," "plan," "potential," "predict," "project," "will" or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. These forward-looking statements are based on assumptions that may be incorrect, and Global Ship Lease cannot assure you that these projections included in these forward-looking statements will come to pass. Actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors*

*The risks and uncertainties include, but are not limited to:*

- *future operating or financial results;*
- *expectations regarding the strength of the future growth of the container shipping industry, including the rates of annual demand and supply growth;*
- *the financial condition of CMA CGM, the company's charterer and sole source of operating revenue, and its ability to pay charterhire in accordance with the charters;*
- *Global Ship Lease's ability to meet its financial covenants and repay its credit facility;*
- *Global Ship Lease's financial condition and liquidity, including its ability to obtain additional waivers which might be necessary under the existing credit facility or obtain additional financing to fund capital expenditures, vessel acquisitions and for other general corporate purposes;*
- *Global Ship Lease's expectations relating to dividend payments and forecasts of its ability to make such payments including the impact of constraints under its credit facility;*
- *future acquisitions, business strategy and expected capital spending;*
- *operating expenses, availability of crew, number of off-hire days, drydocking and survey requirements and insurance costs;*
- *general market conditions and shipping industry trends, including charter rates and factors affecting supply and demand;*
- *assumptions regarding interest rates and inflation;*
- *change in the rate of growth of global and various regional economies;*
- *risks incidental to vessel operation, including piracy, discharge of pollutants and vessel accidents and damage including total or constructive total loss;*
- *estimated future capital expenditures needed to preserve its capital base;*
- *Global Ship Lease's expectations about the availability of vessels to purchase, the time that it may take to construct new vessels, or the useful lives of its vessels;*
- *Global Ship Lease's continued ability to enter into or renew long-term, fixed-rate charters;*
- *the continued performance of existing long-term, fixed-rate charters;*
- *Global Ship Lease's ability to capitalize on management's and directors' relationships and reputations in the containership industry to its advantage;*
- *changes in governmental and classification societies' rules and regulations or actions taken by regulatory authorities;*
- *expectations about the availability of insurance on commercially reasonable terms;*
- *unanticipated changes in laws and regulations; and*
- *potential liability from future litigation.*

*Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Global Ship Lease's actual results could differ materially from those anticipated in forward-looking statements for many reasons specifically as described in Global Ship Lease's filings with the SEC. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this communication. Global Ship Lease undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this communication or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks Global Ship Lease describes in the reports it will file from time to time with the SEC after the date of this communication.*

# Disclaimer

*The financial information and data contained in this communication is unaudited and does not conform to the U.S. Securities and Exchange Commission Regulation S-X. Accordingly, such information and data may not be included in, may be adjusted in or may be presented differently in, Global Ship Lease's filings with the Securities and Exchange Commission, or SEC. This communication includes certain estimated financial information and forecasts presented as pro-forma financial measures that are not derived in accordance with generally accepted accounting principles ("GAAP"), and which may be deemed to be non-GAAP financial measures within the meaning of Regulation G promulgated by the SEC. Global Ship Lease believes that the presentation of these non-GAAP financial measures serves to enhance the understanding of the financial performance of Global Ship Lease. However, these non-GAAP financial measures should be considered in addition to and not as substitutes for, or superior to, financial measures of financial performance prepared in accordance with GAAP. Please refer to the third quarter earnings press release for a discussion of these non-GAAP financial measures.*

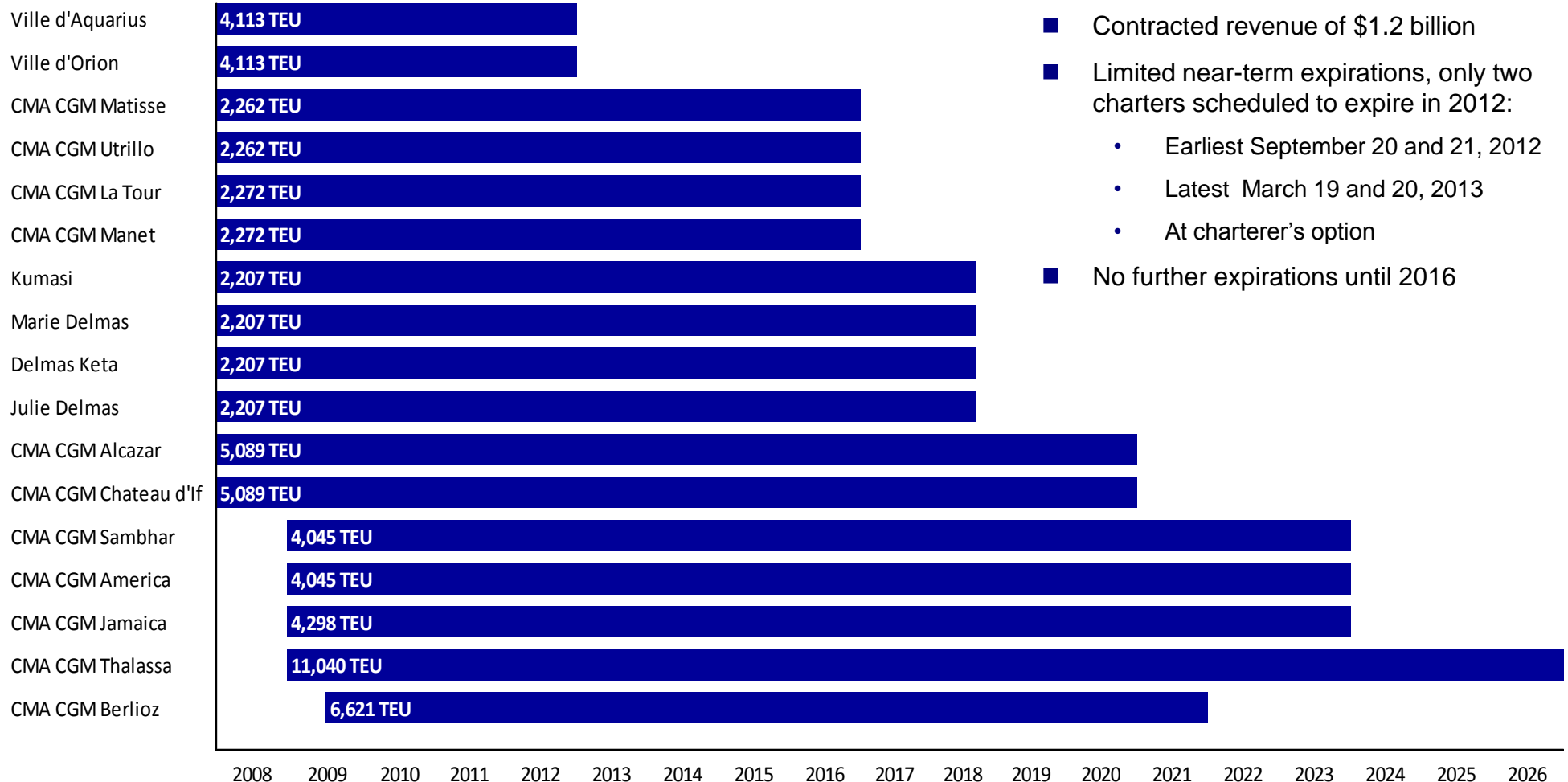
# Global Ship Lease: Q4 2011 Highlights



## Continued to generate stable revenues and cash flows:

- Reported revenue of \$39.7 million for fourth quarter 2011; \$156.3 million for year
- Generated \$26.6 million EBITDA for fourth quarter 2011; \$103.7 million for year
- Excluding non-cash mark-to-market loss, normalized net income was \$6.8 million for the fourth quarter 2011; \$23.6 million for year
- Reported net income of \$10.9 million for the fourth quarter 2011, after a \$4.0 million non-cash interest rate derivative mark-to-market gain; \$9.1 million for the year, after \$0.9 million mark-to-market loss
- Continued to de-lever; repaid \$15.3 million in debt during fourth quarter of 2011; repaid \$49.2 million in year and \$115.4 million since the fourth quarter of 2009
- Negotiated waiver of loan-to-value test until November 30, 2012

# Fleet and Charter Portfolio: Modern, High Quality Tonnage of Diverse Sizes



- Average remaining contract term of 8.3 years on a weighted basis
- Contracted revenue of \$1.2 billion
- Limited near-term expirations, only two charters scheduled to expire in 2012:
  - Earliest September 20 and 21, 2012
  - Latest March 19 and 20, 2013
  - At charterer's option
- No further expirations until 2016

# Robust Performance Throughout the Cycle



Source: Clarkson (Note: Timecharter Index has been re-based: 100 = average 1Q2008 – 4Q2011) and GSL

(1) 4Q-2010 Operating Income impacted by \$17.1 million impairment charge following renegotiation of purchase obligations on two 4,250 teu vessels converting these to options

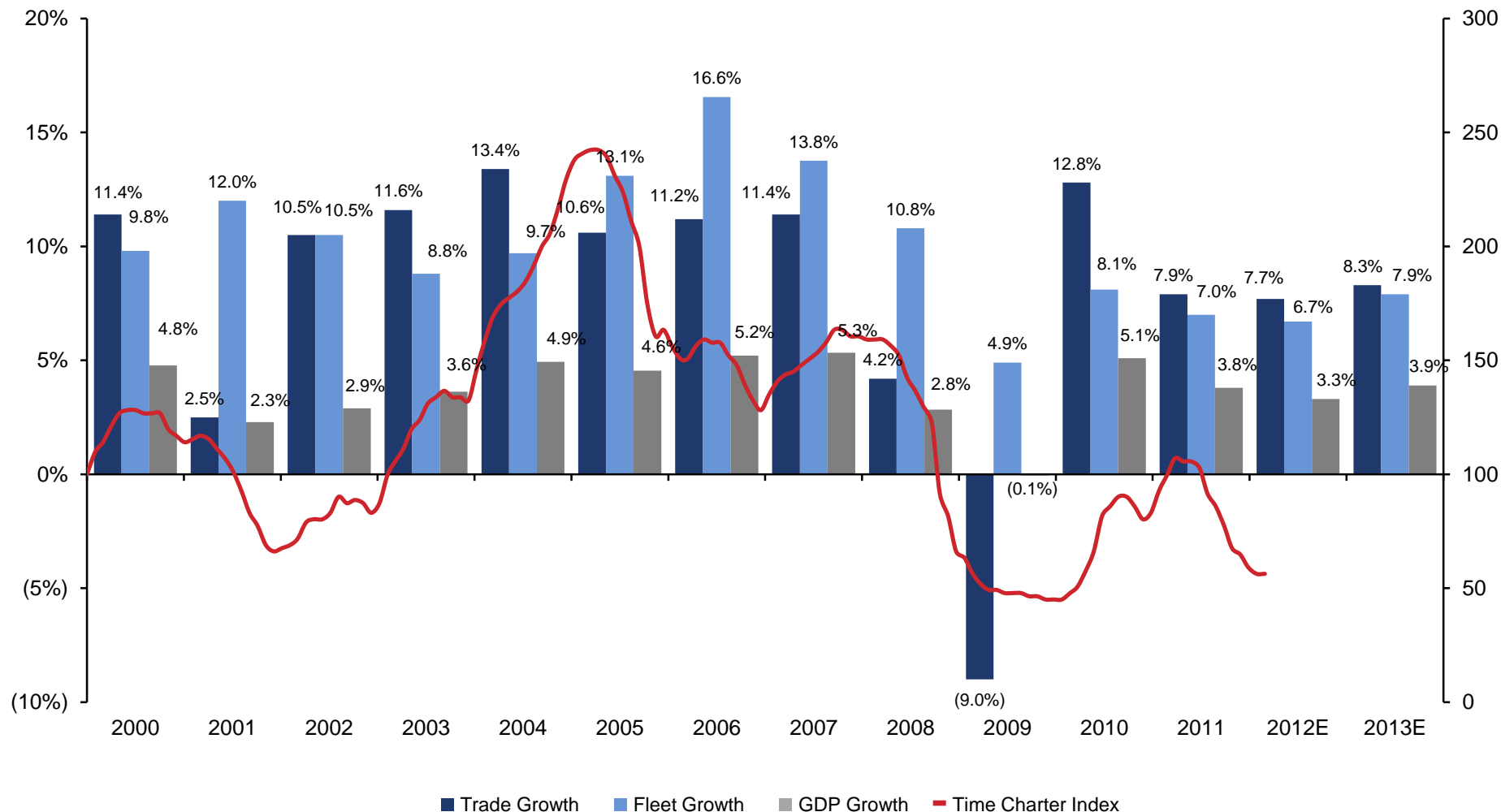
(2) 2Q-2011 Operating Income impacted by \$13.6 million impairment charge to write-off fair value of purchase options

# Market Dynamics Shaped by Fundamentals



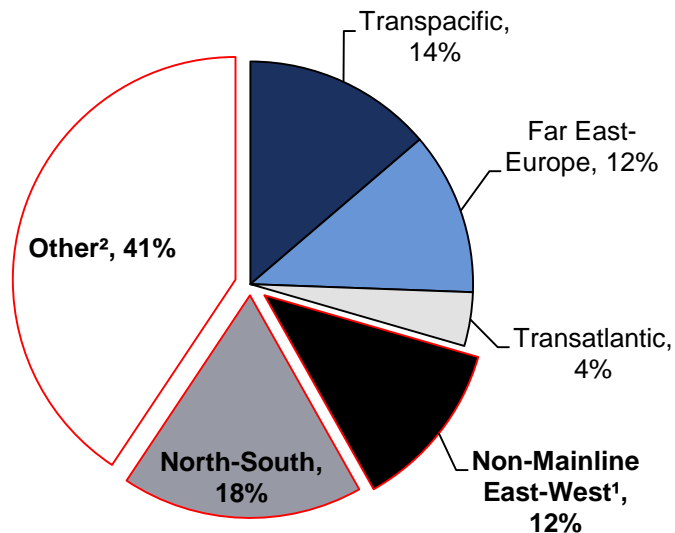
Year-Over-Year Growth (%)

Time Charter Index

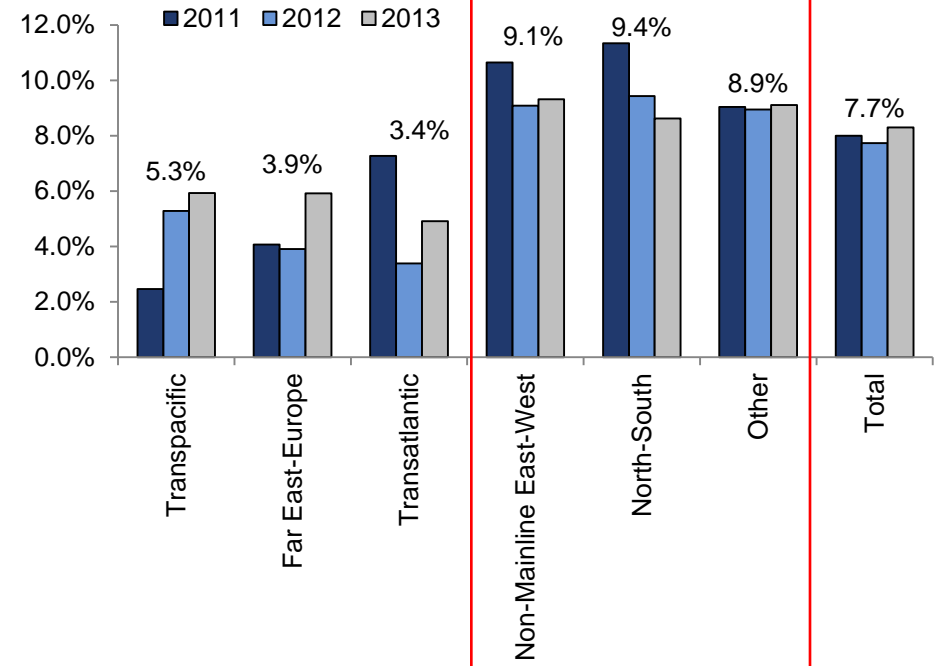


# Mid-Size and Smaller Vessels Deployed in Higher Growth Trades

2011E Global Containerized Trade ~151 mm TEU



Estimated Containerized Trade Growth, by Tradelane<sup>3</sup>



- Fastest growing trades are Non-Mainline East-West<sup>1</sup>, North-South and “Other” (primarily Intra-Asia)
- Collectively these trades represent >70% of global containerized trade
- These trades are predominantly served by mid-size and smaller tonnage; 15 of GSL’s 17 vessels are in this category

Source: Clarksons

(1) Non-Mainline East-West Trades include non long-haul trades such as those to and from Middle East and Indian Sub-Continent

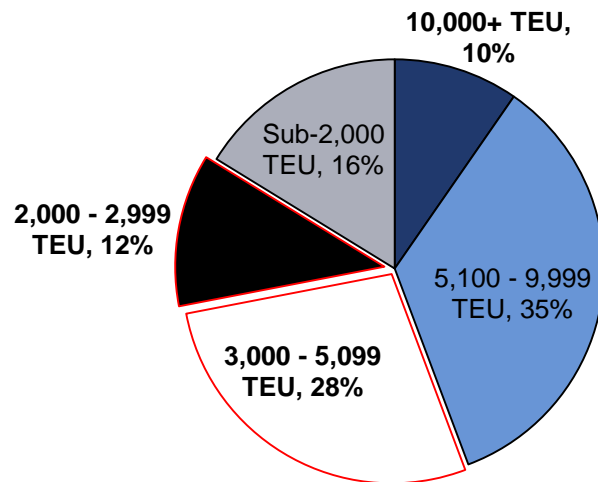
(2) Other Trades include the Intra-Regional Trades (primarily Intra-Asia) and South-South Trades

(3) Data labels show projected growth FY2012E

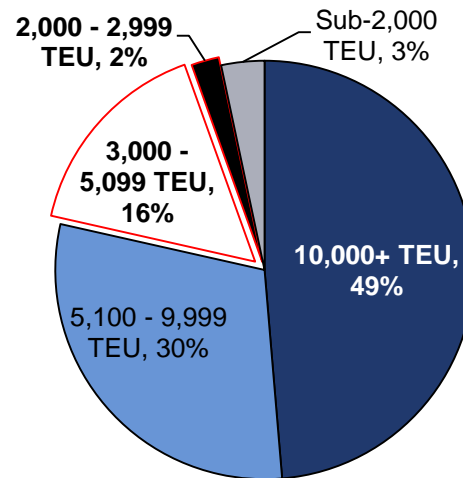


# Mid and Smaller Size Vessels: Flexible Tonnage in Under-Built Segments

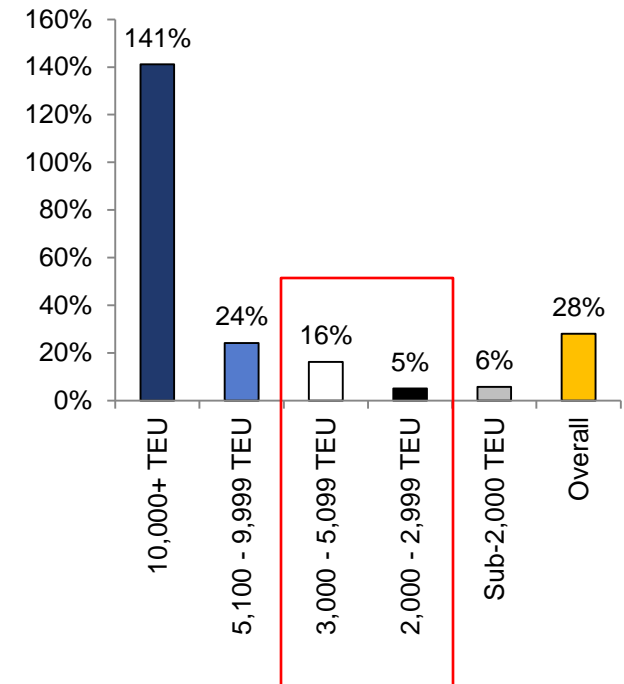
Existing Fleet: 15.4 mm TEU



Orderbook: 4.3 mm TEU



Orderbook as % of Fleet Segment



- Orderbook is ~28% of existing fleet capacity
  - 10 year average ~40%
  - Pre-crisis peak >60%
- Mid and smaller size segments
  - Mid-size, 3,000 – 5,099 TEU segment; orderbook is ~16% of existing capacity
  - Smaller, 2,000 – 2,999 TEU segment; orderbook is ~5% of existing capacity

Source: Alphaliner, Clarksons, Howe Robinson; fleet & orderbook data as at January 1, 2012



# Q4 2011 Financials



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# Financial Results (unaudited)



	Three months ended December 31		Year ended December 31	
	2011	2010	2011	2010
<b>Operating Revenues</b>	<b>\$39,714</b>	<b>\$40,035</b>	<b>\$156,268</b>	<b>\$158,837</b>
<b>Operating Expenses</b>				
Vessel operating expenses	11,470	11,383	45,517	42,067
Depreciation	10,076	10,096	40,131	40,051
General and administrative	1,765	2,410	7,384	8,253
Impairment charge	-	17,082	13,645	17,082
Other operating income	(100)	(163)	(336)	(389)
Total operating expenses	23,211	40,808	106,341	107,064
<b>Operating Income (Loss)</b>	<b>16,503</b>	<b>(773)</b>	<b>49,927</b>	<b>51,773</b>
Interest income	20	24	56	185
Interest expense	(5,136)	(5,962)	(20,564)	(23,828)
Realized loss on interest rate derivatives	(4,788)	(4,343)	(19,393)	(16,727)
Unrealized gain (loss) on interest rate derivatives	4,049	11,710	(881)	(15,322)
<b>Income (Loss) before Income Taxes</b>	<b>10,648</b>	<b>656</b>	<b>9,145</b>	<b>(3,919)</b>
Income taxes	212	570	(74)	(52)
<b>Net Income (Loss)</b>	<b>\$10,860</b>	<b>\$1,226</b>	<b>\$9,071</b>	<b>(\$3,971)</b>

- (1) 4Q-2010 Operating Income impacted by \$17.1 million impairment charge following renegotiation of purchase obligations on two 4,250 teu vessels converting these to options  
 (2) 2Q-2011 Operating Income impacted by \$13.6 million impairment charge to write-off fair value of purchase options



# Balance Sheet (unaudited)

	December 31, 2011	December 31, 2010
<b>Assets</b>		
Cash and cash equivalents	\$ 25,814	\$ 28,360
Restricted cash	3,027	3,027
Accounts receivable	13,911	7,341
Prepaid expenses	726	712
Other receivables	839	264
Deferred tax	19	265
Deferred financing costs	1,168	1,009
Total current assets	45,504	40,978
Vessels in operation	890,249	922,498
Other fixed assets	54	10
Intangible assets – vessel purchase options	-	13,645
Intangible assets - other	92	26
Deferred tax	10	-
Deferred financing costs	3,626	3,865
Total non-current assets	894,031	940,044
<b>Total Assets</b>	<b>\$ 939,535</b>	<b>\$ 981,022</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Current portion of long term debt	\$ 46,000	\$ 44,500
Intangible liability – charter agreements	2,119	2,119
Accounts payable	1,286	1,391
Accrued expenses	4,953	5,575
Derivative instruments	15,920	17,798
Total current liabilities	70,278	71,383
Long term debt	437,612	488,269
Preferred shares	48,000	48,000
Intangible liability – charter agreements	20,050	22,169
Derivative instruments	29,395	26,637
Total long-term liabilities	535,057	585,075
<b>Total Liabilities</b>	<b>\$ 605,335</b>	<b>\$ 656,458</b>
<b>Total Stockholders' Equity</b>	<b>334,200</b>	<b>324,564</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 939,535</b>	<b>\$ 981,022</b>

# Cash Flow (unaudited)

	Three months ended December 31		Year ended December 31	
	2011	2010	2011	2010
<b>Cash Flows from Operating Activities</b>				
Net income (loss)	\$ 10,860	\$ 1,226	\$ 9,071	\$ (3,971)
<b>Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities</b>				
Depreciation	10,076	10,096	40,131	40,051
Impairment charge	-	17,082	13,645	17,082
Amortization of deferred financing costs	313	429	1,101	1,106
Change in fair value of certain derivative instruments	(4,049)	(11,710)	881	15,322
Amortization of intangible liability	(530)	(529)	(2,119)	(2,119)
Settlements of hedges which do not qualify for hedge accounting	4,788	4,343	19,393	16,727
Share based compensation	109	131	565	980
Decrease (increase) in other receivables and other assets	(7,365)	982	(6,952)	1,020
Decrease in accounts payable and other liabilities	(3,124)	(505)	(823)	(992)
Unrealized foreign exchange gain	(14)	(10)	(21)	(15)
<b>Net Cash Provided by Operating Activities</b>	<u>11,064</u>	<u>21,535</u>	<u>74,872</u>	<u>85,191</u>
<b>Cash Flows from Investing Activities</b>				
Settlements of hedges which do not qualify for hedge accounting	(4,788)	(4,343)	(19,393)	(16,727)
Cash paid for other fixed assets	(2)	-	(59)	(12)
Cash paid to acquire intangible assets	-	-	(97)	-
Cash paid for purchase of vessels, vessel prepayments and vessel deposits	-	(384)	-	(1,670)
Costs relating to drydockings	(2,666)	-	(7,705)	(164)
Acquisition of vessel purchase options	-	(13,645)	-	(13,645)
Variation in restricted cash	-	16,235	-	-
<b>Net Cash Used in Investing Activities</b>	<u>(7,456)</u>	<u>(2,137)</u>	<u>(27,254)</u>	<u>(32,218)</u>
<b>Cash Flows from Financing Activities</b>				
Repayments of debt	(15,341)	(20,373)	(49,157)	(55,423)
Issuance costs of debt	(1,007)	-	(1,007)	-
<b>Net Cash Used in Financing Activities</b>	<u>(16,348)</u>	<u>(20,373)</u>	<u>(50,164)</u>	<u>(55,423)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<u>(12,740)</u>	<u>(975)</u>	<u>(2,546)</u>	<u>(2,450)</u>
<b>Cash and Cash Equivalents at start of Period</b>	<u>38,554</u>	<u>29,335</u>	<u>28,360</u>	<u>30,810</u>
<b>Cash and Cash Equivalents at end of Period</b>	<u>\$ 25,814</u>	<u>\$ 28,360</u>	<u>\$ 25,814</u>	<u>\$ 28,360</u>

# Concluding Remarks



- Business model and contracted revenue insulate GSL revenues from direct impact of volatile freight markets
- No exposure to financing or re-financing risk until 2016
- Able to use cash flow to pay down debt and strengthen balance sheet
- CMA CGM has a long history of operating through cycles
- Future cash flow to benefit from the expiration of \$253 million interest rate derivatives mid-March 2013 and reduced drydocking schedule in 2013, 2014 and 2015
- Our business model and ongoing deleveraging supports equity value and, when firmly in compliance with loan-to-value covenant, the reintroduction of sustainable dividends over the long term



# Q&A



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