



**FSL Trust Management Pte. Ltd.**

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

## **FSL Trust secures revenue of US\$27.5 million in 2QFY15 and a 32% increase in cash generation**

- Profit of US\$6.2 million, a 516% improvement from the corresponding period
- Net cash generated from operations increased by 32%
- Revenue growth of 20% from US\$22.9 million to US\$27.5 million in 2QFY15

**Singapore, 4 August 2015** – FSL Trust Management Pte. Ltd. (“FSLTM”), as a trustee-manager of First Ship Lease Trust (“FSL Trust” or “the Trust”) announced today that the Trust generated a net profit of US\$6.2 million for the second quarter ended 30 June 2015 (“2QFY15”). Profit for the quarter increased by over 500% compared to the corresponding period the previous year (“2QFY14”). With the continued improvement in performance the Trust enjoyed its fifth consecutive quarter of profitability.

The Trust maintained its momentum in the period under review with a 32% increase in net cash generated from operations to US\$17.0 million in 2QFY15 compared to US\$12.8 million in 2QFY14. There was also an increase in revenue by 20% to US\$27.5 million in 2QFY15 compared to US\$22.9 million in 2QFY14. The revenue has been growing steadily due to the Trust strategically deploying its redelivered vessels and securing time charters at improved rates.

Significant progress has been achieved over the past six months by the Trust following the compliance of its loan covenants in January 2015. Other key achievements from the start of the year include:

- Gain of US\$1.7 million from the disposal of TORM shares in January
- Securing a new two-year time charter agreement with a leading US oil refiner on improved rates for FSL Hong Kong in April
- Strengthening of the Board through the appointment of Michael Gray as Independent Director in May
- Securing new time charter agreements with a leading global commodities trader on improved rates for FSL Shanghai, FSL Hamburg and FSL Singapore in July

Commenting on the Trust, Chief Executive Officer of FSLTM, Alan Hatton said, “We have seen a notable improvement in net profit. With improved revenue, lower overall operating expenses, and improved operating results compared to a year ago, the Trust is better positioned to deliver value and enhanced business performance to unitholders going forward”.

## **2QFY15 Financial Performance**

In 2QFY15, total bareboat charter/BBCE revenue grew 11.5% year-on-year to US\$21.0 million. This improvement reflects the higher BBCE revenue achieved by vessels employed by the Trust on bareboat charters, in pools, revenue-sharing arrangements and in the spot market, balancing out the lower time charter revenue.

“Following the conclusion of 2QFY15, we secured new time charter contracts for three tankers with a leading global commodities trader. The time charter agreements are expected to commence during the second half of this year and are anticipated to generate up to US\$61.0 million in revenue for the Trust over the next three years. The new rates are substantially higher than existing time charter rates for the three vessels and this will ensure positive cash flow for the Trust,” Alan Hatton said.

“We have made significant progress thus far and the outlook of the Trust continues to improve.” he added.

## **2QFY15 Results Conference Call**

FSLTM will host a conference call for all registered participants on Wednesday, 5 August 2015 at 9.00 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 Thursday, 6 August 2015.

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**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.

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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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