



May 2, 2017

Global Ship Lease Reports Results for the First Quarter of 2017

LONDON, May 02, 2017 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL) (the "Company"), a containership charter owner, announced today its unaudited results for the three months ended March 31, 2017.

First Quarter Highlights

- Reported operating revenues of \$39.6 million for the first quarter 2017
- Reported net income for common shareholders for the first quarter 2017 of \$6.8 million; normalized net income was also \$6.8 million
- Generated \$28.0 million of Adjusted EBITDA⁽¹⁾ for the first quarter 2017

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "During the first quarter of 2017, we continued to execute our core strategy, maximizing the value of our long-term time charters with high-quality counterparties, maintaining high levels of vessel utilization and closely controlling costs. Our success in this regard has enabled us to continue generating strong, stable cashflows."

Mr. Webber continued, "With high levels of scrapping and minimal vessel ordering in the year-to-date, we have seen significant improvement in spot market charter rates in the last few weeks. This trend has been particularly pronounced for the mid-sized and smaller vessel classes where we focus. While most of our vessels continue on their current charters for multiple years, we are encouraged by the improvement in the spot market, which, if sustained, will benefit those vessels that are due to become open later this year and early next. We believe that our established relationships with strong counterparties, consistent cashflows, and ongoing deleveraging of our balance sheet position Global Ship Lease to benefit from market improvement."

SELECTED FINANCIAL DATA — UNAUDITED

(thousands of U.S. dollars)

	Three months ended <u>March 31, 2017</u>	Three months ended <u>March 31, 2016</u>
Operating Revenues	39,642	42,610
Operating Income	18,434	18,385
Net Income for common shareholders	6,794	4,557
Adjusted EBITDA (1)	28,034	29,319
Normalized Net Income (1)	6,794	5,429

(1) Adjusted EBITDA and Normalized net income are non-US Generally Accepted Accounting Principles (US GAAP) measures, as explained further in this press release, and are considered by Global Ship Lease to be useful measures of its performance. Reconciliations of such non-GAAP measures to the most directly comparable US GAAP measure are provided in this Earnings Release.

Operating Revenues and Utilization

The fleet generated operating revenues from fixed-rate time charters of \$39.6 million in the three months ended March 31, 2017, down \$3.0 million or 7.0% on operating revenues of \$42.6 million for the comparative quarter in 2016. The reduction in revenue is mainly due to 68 fewer operating days, mainly as a result of three dry-dockings in the quarter, compared to

none in the prior period, and to the prior period being a leap year, together with the effect of the amendments to the charters of *Marie Delmas* and *Kumasi*, effective August 1, 2016, whereby the previous charter rate of \$18,465 per day was reduced to \$13,000 per day against the granting of options in our favor to extend the charters at \$9,800 per day in three periods, potentially to end 2020. There were 1,620 ownership days in the quarter, down on 1,638 ownership days in the comparative quarter, due to the leap year. In the first quarter 2017, there were 50 days offhire, 47 of which were for three scheduled dry-dockings, giving an overall utilization of 96.9%. There was no offhire in the first quarter 2016, and consequently utilization was 100.0%.

The table below shows fleet utilization for the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016, 2015, 2014, 2013 and 2012.

Days	Three months ended		Year ended				
	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
Ownership days	1,620	1,638	6,588	6,893	6,270	6,205	6,222
Planned offhire - scheduled drydock	(47)	0	(100)	(9)	(48)	(21)	(82)
Unplanned offhire	(3)	0	(3)	(7)	(12)	(7)	(16)
Idle time	0	0	0	(13)	(64)	0	0
Operating days	1,570	1,638	6,485	6,864	6,146	6,177	6,124
Utilization	96.9%	100.0%	98.4%	99.6%	98.0%	99.5%	98.4%

There were three regulatory dry-dockings in the three months ended March 31, 2017; a total of five regulatory dry-dockings are planned for the year. There were six regulatory drydockings in 2016.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were \$10.4 million for the three months ended March 31, 2017, down 8.7% from \$11.4 million for the three months ended March 31, 2016. The average cost per ownership day fell \$535 per day, or 7.7%, from \$6,961 in the three months ended March 31, 2016 to \$6,426 for the three months ended March 31, 2017. The reduction is due to lower lubricating oil costs from unit price reductions and fewer steaming days, and to lower repairs and maintenance, in part due to the timing of purchases.

Depreciation

Depreciation for the three months ended March 31, 2017 was \$9.6 million, compared to \$10.9 million in the three months ended March 31, 2016, with the reduction due to the effect of lower book values for a number of vessels following impairment write downs in 2016.

General and Administrative Costs

General and administrative costs incurred were \$1.2 million in the three months ended March 31, 2017, compared to \$2.0 million in the three months ended March 31, 2016. The reduction is mainly due to lower legal and other professional fees.

Other Operating Income

Other operating income in the three months ended March 31, 2017 was \$42,000, compared to \$81,000 for the three months ended March 31, 2016.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was \$28.0 million for the three months ended March 31, 2017, down from \$29.3 million for the three months ended March 31, 2016.

Interest Expense

Debt at March 31, 2017 comprises amounts outstanding on our 10% Notes, the revolving credit facility which was drawn March 11, 2015, and the secured term loan which was drawn September 10, 2015.

Interest expense for the three months ended March 31, 2017 was \$11.0 million, down \$2.1 million on the interest expense for the three months ended March 31, 2016 of \$13.1 million. The reduction is mainly due to a lower principal amount outstanding on the Notes, following the 2015 excess cashflow and sale proceeds tender offer (relating to the sales of two vessels in late 2015), which closed in March 2016, and open market purchases of Notes between April 1, 2016 and December 31, 2016, which in aggregate retired \$53.9 million principal amount of the Notes. Further, the three months ended March 31, 2016 included \$0.9 million aggregate charge for the premium paid in March 2016 in relation to the tender offer and accelerated write off of the portion of the original issue discount and deferred financing costs attributable to the Notes which were retired.

The tender offer for 2016 excess cashflow closed in April 2017, resulting in \$19.5 million principal amount of the Notes being purchased, at a purchase price of 102% plus accrued interest, and subsequently retired.

Interest income for the three months ended March 31, 2017 and 2016 was not material.

Taxation

Taxation for the three months ended March 31, 2017 and 2016 was not material.

Earnings Allocated to Preferred Shares

The Series B preferred shares, issued on August 20, 2014, carry a coupon of 8.75%, the cost of which for the three months ended March 31, 2017 was \$0.8 million.

Net Income Available to Common Shareholders and Normalized Net Income

Net income available to common shareholders for the three months ended March 31, 2017 was \$6.8 million. For the three months ended March 31, 2016, net income was \$4.6 million. This year-over-year increase is mainly due to reduced interest expense, depreciation and operating costs, partially offset by lower operating revenues.

Normalized net income for the three months ended March 31, 2017 was the same as that reported.

Normalized net income for the three months ended March 31, 2016, which excludes the charges associated with the excess cash flow tender offer completed in the quarter, was \$5.4 million.

Fleet

The following table provides information about the on-the-water fleet of 18 vessels as at March 31, 2017. 15 vessels are chartered to CMA CGM, and three are chartered to OOCL.

Vessel Name	Capacity in TEUs ⁽¹⁾	Year Built	Purchase by GSL	Remaining Charter Term ⁽²⁾ (years)	Earliest Charter Expiry Date	Daily Charter Rate \$
CMA CGM Matisse	2,262	1999	Dec 2007	2.75	Sept 21, 2019	15,300
CMA CGM Utrillo	2,262	1999	Dec 2007	2.75	Sept 11, 2019	15,300
Delmas Keta	2,207	2003	Dec 2007	0.75	Sept 20, 2017	18,465
Julie Delmas	2,207	2002	Dec 2007	0.75	Sept 11, 2017	18,465
Kumasi ⁽³⁾	2,207	2002	Dec 2007	0.75-3.75 ⁽³⁾	August 6, 2017 ⁽³⁾	13,000 ⁽³⁾
Marie Delmas ⁽³⁾	2,207	2002	Dec 2007	0.75-3.75 ⁽³⁾	July 31, 2017 ⁽³⁾	13,000 ⁽³⁾
CMA CGM La Tour	2,272	2001	Dec 2007	2.75	Sept 20, 2019	15,300
CMA CGM Manet	2,272	2001	Dec 2007	2.75	Sept 7, 2019	15,300
CMA CGM Alcazar	5,089	2007	Jan 2008	3.75	Oct 18, 2020	33,750
CMA CGM Château d'If	5,089	2007	Jan 2008	3.75	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	Dec 2008	8.75	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	Dec 2008	5.75	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	Dec 2008	5.75	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	Dec 2008	5.75	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2001	Aug 2009	4.50	May 28, 2021	34,000
OOCL Tianjin	8,063	2005	Oct 2014	0.75	Oct 28, 2017	34,500

OOCL Qingdao	8,063	2004	Mar 2015	1.00	Mar 11, 2018	34,500
OOCL Ningbo	8,063	2004	Sep 2015	1.50	Sep 17, 2018	34,500

(1) *Twenty-foot Equivalent Units.*

(2) *As at March 31, 2017. Plus or minus 90 days, other than (i) OOCL Tianjin which is between October 28, 2017 and January 28, 2018, (ii) OOCL Qingdao which is between March 11, 2018 and June 11, 2018, and (iii) OOCL Ningbo which is between September 17, 2018 and December 17, 2018, all at charterer's option.*

(3) *The charters for Kumasi and Marie Delmas were amended in July 2016. The earliest possible re-delivery date is shown in the table. However, the Company may exercise three consecutive options to extend the charters, at \$9,800 per day, which extend the earliest re-delivery date to October 2, 2020.*

Conference Call and Webcast

Global Ship Lease will hold a conference call to discuss the Company's results for the three months ended March 31, 2017 today, Tuesday, May 2, 2017 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (877) 445-2556 or (908) 982-4670; Passcode: 6809621.

Please dial in at least 10 minutes prior to 10:30 a.m. Eastern Time to ensure a prompt start to the call.

(2) Live Internet webcast and slide presentation: <http://www.globalshiplease.com>

If you are unable to participate at this time, a replay of the call will be available through Thursday, May 18, 2017 at (855) 859-2056 or (404) 537-3406. Enter the code 6809621 to access the audio replay. The webcast will also be archived on the Company's website: <http://www.globalshiplease.com>.

Annual Report on Form 20-F

Global Ship Lease, Inc. has filed its Annual Report for 2016 with the Securities and Exchange Commission. A copy of the report can be found under the Investor Relations section (Annual Reports) of the Company's website at <http://www.globalshiplease.com>. Shareholders may request a hard copy of the audited financial statements free of charge by contacting the Company at info@globalshiplease.com or by writing to Global Ship Lease, Inc., care of Global Ship Lease Services Limited, Portland House, Stag Place, London SW1E 5RS or by telephoning +44 (0) 207 869 8006.

About Global Ship Lease

Global Ship Lease is a containership charter owner. Incorporated in the Marshall Islands, Global Ship Lease commenced operations in December 2007 with a business of owning and chartering out containerships under long-term, fixed rate charters to top tier container liner companies.

At March 31, 2017, Global Ship Lease owned 18 vessels with a total capacity of 82,312 TEU and an average age, weighted by TEU capacity, of 12.3 years. All vessels are currently fixed on time charters, 15 with CMA CGM. The average remaining term of the charters is 3.4 years or 3.7 years on a weighted basis.

Reconciliation of Non-U.S. GAAP Financial Measure

A. ADJUSTED EBITDA

Adjusted EBITDA represents net income before interest income and expense including amortization of deferred finance costs, earnings allocated to preferred shares, income taxes, depreciation, amortization and impairment. Adjusted EBITDA is a non-US GAAP quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations. We believe that the presentation of Adjusted EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. Adjusted EBITDA is not defined in US GAAP and should not be considered to be an alternate to Net income or any other financial metric required by such accounting principles. Our use of Adjusted EBITDA may vary from the use of similarly titled measures by others in our industry.

ADJUSTED EBITDA - UNAUDITED

(thousands of U.S. dollars)

	Three months ended Mar 31, 2017	Three months ended Mar 31, 2016
Net income available to common shareholders	6,794	4,557
Adjust:		
Depreciation	9,600	10,934
Interest income	(93)	(44)
Interest expense	10,957	13,100
Income tax	10	6
Earnings allocated to preferred shares	766	766
Adjusted EBITDA	<u>28,034</u>	<u>29,319</u>

B. Normalized net income

Normalized net income represents net income adjusted for the premium paid on the tender offer for the Notes and the gain made on open market purchases of the Notes, together with the related accelerated amortization of deferred financing costs and original issue discount, and for impairment charges. Normalized net income is a non-GAAP quantitative measure which we believe will assist investors and analysts who often adjust reported net income for non-operating items that do not affect operating performance or operating cash generated. Normalized net income is not defined in US GAAP and should not be considered to be an alternate to net income or any other financial metric required by such accounting principles. Our use of Normalized net income may vary from the use of similarly titled measures by others in our industry.

NORMALIZED NET INCOME - UNAUDITED

(thousands of U.S. dollars)

	Three months ended Mar 31, 2017	Three months ended Mar 31, 2016
Net income available to common shareholders	6,794	4,557
Adjust: Premium paid on tender offer for bonds	--	533
Accelerated write off of deferred financing costs related to tender offer	--	80
Accelerated write off of original issue discount related to tender offer	--	259
Normalized net income	<u>6,794</u>	<u>5,429</u>

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:

- 1 future operating or financial results;
- 1 expectations regarding the strength of future growth of the container shipping industry, including the rates of annual demand and supply growth;
- 1 the financial condition of CMA CGM (the company's principal charterer and main source of operating revenues) and other charterers and their ability to pay charterhire in accordance with the charters;
- 1 the overall health and condition of the U.S. and global financial markets;

- | Global Ship Lease's financial condition and liquidity, including its ability to obtain additional financing to fund capital expenditures, vessel acquisitions and for other general corporate purposes and its ability to meet its financial covenants and repay its borrowings;
- | Global Ship Lease's expectations relating to dividend payments and forecasts of its ability to make such payments including the availability of cash and the impact of constraints under its first priority secured notes;
- | future acquisitions, business strategy and expected capital spending;
- | operating expenses, availability of key employees, crew, number of off-hire days, drydocking and survey requirements, costs of regulatory compliance, insurance costs and general and administrative 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 Global Ship Lease's 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 charters including the re-chartering of vessels on the expiry of existing charters, or to secure profitable employment for its vessels in the spot market;
- | the continued performance of existing 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.

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars except share data)

	Three months ended	
	March 31,	
	2017	2016
Operating Revenues		
Time charter revenue	\$ 9,238	\$ 9,338
Time charter revenue — related party	<u>30,404</u>	<u>33,272</u>
	<u>39,642</u>	<u>42,610</u>
Operating Expenses		
Vessel operating expenses	10,010	11,002
Vessel operating expenses — related party	400	400
Depreciation	9,600	10,934
General and administrative	1,240	1,970
Other operating income	(42)	(81)

Total operating expenses	<u>21,208</u>	<u>24,225</u>
Operating Income	18,434	18,385
Non Operating Income (Expense)		
Interest income	93	44
Interest expense	<u>(10,957)</u>	<u>(13,100)</u>
Income before Income Taxes	7,570	5,329
Income taxes	<u>(10)</u>	<u>(6)</u>
Net Income	\$ 7,560	\$ 5,323
Earnings allocated to Series B Preferred Shares	<u>(766)</u>	<u>(766)</u>
Net Income available to Common Shareholders	<u>\$ 6,794</u>	<u>\$ 4,557</u>

Earnings per Share

Weighted average number of Class A common shares outstanding		
Basic (including RSUs without service conditions)	47,975,609	47,841,578
Diluted	47,975,609	47,841,578
Net income per Class A common share		
Basic (including RSUs without service conditions)	\$ 0.14	\$ 0.10
Diluted	\$ 0.14	\$ 0.10
Weighted average number of Class B common shares outstanding		
Basic and diluted	7,405,956	7,405,956
Net income per Class B common share		
Basic and diluted	\$ nil	\$ nil

Global Ship Lease, Inc.

Interim Unaudited Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars except share data)

March 31, 2017 **December 31, 2016**

Assets

Cash and cash equivalents	\$ 57,017	\$ 54,243
Accounts receivable	38	29
Due from related party	1,271	906
Prepaid expenses	1,480	1,146
Other receivables	72	52
Inventory	<u>601</u>	<u>553</u>

Total current assets	<u>60,479</u>	<u>56,929</u>
Vessels in operation	712,695	719,110
Other fixed assets	6	7
Intangible assets	14	16
Other long term assets	<u>168</u>	<u>195</u>
Total non-current assets	<u>712,883</u>	<u>719,328</u>
Total Assets	<u>\$ 773,362</u>	<u>\$ 776,257</u>

Liabilities and Stockholders' Equity

Liabilities

Current portion of long term debt	\$ 29,269	\$ 31,026
Intangible liability — charter agreements	1,797	1,807
Deferred revenue	2,368	1,940
Accounts payable	1,277	963
Due to related party	2,758	1,315
Accrued expenses	<u>2,023</u>	<u>11,664</u>
Total current liabilities	<u>39,492</u>	<u>48,715</u>
Long term debt	388,824	388,847
Intangible liability — charter agreements	9,340	9,782
Deferred tax liability	<u>19</u>	<u>20</u>
Total long-term liabilities	<u>398,183</u>	<u>398,649</u>
Total Liabilities	<u>\$ 437,675</u>	<u>\$ 447,364</u>

Stockholders' Equity

Class A Common stock — authorized 214,000,000 shares with a \$0.01 par value; 47,575,609 shares issued and outstanding (2016 — 47,575,609)	\$ 476	\$ 476
Class B Common stock — authorized 20,000,000 shares with a \$0.01 par value; 7,405,956 shares issued and outstanding (2016 — 7,405,956)	74	74
Series B Preferred shares — authorized 16,100 shares with a \$0.01 par value; 14,000 shares issued and outstanding (2016 — 14,000)	-	-
Additional paid in capital	386,708	386,708
(Accumulated deficit)	<u>(51,571)</u>	<u>(58,365)</u>
Total Stockholders' Equity	<u>335,687</u>	<u>328,893</u>
Total Liabilities and Stockholders' Equity	<u>\$ 773,362</u>	<u>\$ 776,257</u>

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Three months ended	
	March 31,	
	2017	2016
Cash Flows from Operating Activities		
Net income	\$ 7,560	\$ 5,323
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	9,600	10,934
Amortization of deferred financing costs	890	952
Amortization of original issue discount	282	582
Amortization of intangible liability	(452)	(529)
Share based compensation	-	33
Increase in accounts receivable and other assets	(581)	(549)
(Increase) decrease in inventory	(48)	34
Decrease in accounts payable and other liabilities	(9,548)	(10,182)
Increase (decrease) in unearned revenue	428	(104)
Increase in related party balances	48	716
Unrealized foreign exchange loss	6	32
	<u>8,185</u>	<u>7,242</u>
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities		
Costs paid in respect of sale of vessels	-	(157)
Cash paid for other assets	-	(1)
Cash paid for drydockings	(1,720)	-
	<u>(1,720)</u>	<u>(158)</u>
Net Cash Used in Investing Activities		
Cash Flows from Financing Activities		
Repurchase of secured notes	-	(26,662)
Repayment of credit facilities	(2,925)	(2,725)
Series B Preferred Shares — dividends paid	(766)	(766)
	<u>(3,691)</u>	<u>(30,153)</u>
Net Cash (Used in) Provided by Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	2,774	(23,069)
Cash and Cash Equivalents at Start of Period	<u>54,243</u>	<u>53,591</u>
Cash and Cash Equivalents at End of Period	<u>\$ 57,017</u>	<u>\$ 30,522</u>
Supplemental information		
Total interest paid	\$ 18,932	\$ 21,507
Income tax paid	<u>\$ 14</u>	<u>\$ 16</u>

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