March 7, 2017

Global Ship Lease Reports Results for the Fourth Quarter of 2016

LONDON, March 07, 2017 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL) (the "Company"), a containership charter owner, announced today its unaudited results for the three months and year ended December 31, 2016.

Fourth Quarter and Year Highlights

- Reported operating revenues of $41.4 million for the fourth quarter 2016. Operating revenues for the year ended December 31, 2016 were $166.5 million

- Reported net loss[1] of $55.1 million for the fourth quarter 2016, after a non-cash impairment charge of $63.1 million. For the year ended December 31, 2016, net loss was $68.2 million after a $92.4 million non-cash impairment charge

- Generated $28.6 million of Adjusted EBITDA[2] for the fourth quarter 2016. Adjusted EBITDA for the year ended December 31, 2016 was $114.7 million

- Normalized net income [1][2], excluding the non-cash impairment charge, was $6.1 million for the fourth quarter 2016. Normalized net income was $22.4 million for the year ended December 31, 2016

- Retired $53.9 million of bonds and $9.5 million of other debt; reduced net debt to Adjusted EBITDA from 4.0 times at end 2015 to 3.3 times at end 2016

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "In 2016, we maintained a strong focus on maximizing the profitability of our long-term, fixed-rate time charters and ensuring our insulation and resilience in the face of a challenging market environment. Throughout the year, we made progress in reducing our vessel operating costs, successfully extending the contract durations of two of our vessels chartered to CMA CGM, and meaningfully strengthening our balance sheet."

Mr. Webber continued, "While the overall market continues to experience significant pressure, we remain encouraged by the longer-term prospects for the mid-sized and smaller vessel classes that are the focus of Global Ship Lease's strategy. The supply/demand dynamics for those vessels continue to move in the direction of equilibrium, driven by record levels of vessel scrapping, an orderbook heavily skewed towards very large ships, and the continued growth of the non-mainlane trades most reliant upon our vessels. With our strong counterparties and limited exposure to the spot charter market in 2017, we are well positioned to continue generating significant cashflow, de-levering our balance sheet, and pursuing long-term value creation for our shareholders."

SELECTED FINANCIAL DATA — UNAUDITED *(thousands of U.S. dollars)*

	Three months ended December 31, 2016	Three months ended December 31, 2015	**Year ended December 31, 2016**	Year ended December 31, 2015
Operating Revenues	**41,426**	44,029	**166,523**	164,919
Operating (Loss) Income	**(44,902)**	19,413	**(20,480)**	19,253
Net (Loss) Income (1)	**(55,072)**	6,246	**(68,157)**	(31,937)
Adjusted EBITDA (2)	**28,578**	30,348	**114,747**	108,812
Normalized Net Income (1)(2)	**6,140**	6,246	**22,441**	12,763

(1) Net (loss) income and Normalized net income available to common shareholders

(2) 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 18 vessel fleet generated operating revenues from fixed rate, mainly long-term time charters of $41.4 million in the three months ended December 31, 2016, down $2.6 million on operating revenues of $44.0 million for the comparative period in 2015, with the reduction due mainly to fewer ownership days following the sale of *Ville d'Aquarius* and *Ville d'Orion* in fourth quarter 2015 and 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 1,656 ownership days in the quarter, down 6.0% from 1,761 in the comparable period in 2015. In the fourth quarter 2016, there was one day of unplanned offhire and 11 days of planned offhire from regulatory drydockings, giving an overall utilization of 99.3%. There were 1,761 ownership days in the fourth quarter 2015 and a total of 14 days off-hire, of which one was unplanned and 13 were for idle time, prior to the disposal of *Ville d'Aquarius* and *Ville d'Orion*, giving an overall utilization of 99.2%.

For the year ended December 31, 2016, operating revenues were $166.5 million, up $1.6 million or 1.0% on operating revenues of $164.9 million in the prior year, mainly due to the full year contribution of *OOCL Qingdao*, purchased March 11, 2015, and *OOCL Ningbo*, purchased September 17, 2015, offset by reduced revenue after the sale of *Ville d'Aquarius* and *Ville d'Orion*, the effect of the amendments to the charters of *Marie Delmas* and *Kumasi* and increased offhire from six scheduled drydockings in 2016, compared to only one in 2015.

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

	Three months ended		Year ended				
Days	Dec 31, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
Ownership days	1,656	1,761	6,588	6,893	6,270	6,205	6,222
Planned offhire - scheduled drydock	(11)	0	(100)	(9)	(48)	(21)	(82)
Unplanned offhire	(1)	(1)	(3)	(7)	(12)	(7)	(16)
Idle time	0	(13)	0	(13)	(64)	0	0
Operating days	1,644	1,747	6,485	6,864	6,146	6,177	6,124
Utilization	99.3%	99.2%	98.4%	99.6%	98.0%	99.5%	98.4%

There were six regulatory drydockings in 2016, with only one vessel drydocked in the year ended December 31, 2015. A further five regulatory drydockings are due in 2017.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were $11.2 million for the three months ended December 31, 2016, compared to $12.2 million in the comparative period. The absolute reduction is due to fewer ownership days following the disposals of *Ville d'Aquarius* and *Ville d'Orion*. The average cost per ownership day in the quarter was $6,771, compared to $6,957 for the comparative period, down $186 per day or 2.7%. The reduction is primarily attributable to reduced crew costs and insurance costs on renewal, together with the elimination of the relatively high costs related to the operation of *Ville d'Aquarius* and *Ville d'Orion*, partly offset by costs incurred in drydockings that are expensed rather than capitalized.

For the year ended December 31, 2016, vessel operating expenses were $45.7 million, or an average of $6,936 per day, compared to $50.1 million in the comparative period or $7,269 per day. The $333, or 4.6%, reduction in vessel operating expenses per day is due mainly to reasons noted above.

Depreciation

Depreciation for the three months ended December 31, 2016 was $10.4 million, compared to $10.9 million in the fourth quarter 2015; the reduction is due to the reduced number of vessels in the fleet.

Depreciation for the year ended December 31, 2016 was $42.8 million, compared to $44.9 million in the prior year; the reduction again being due to the reduced number of vessels in the fleet.

Impairment

The Company's accounting policies require that tangible fixed assets such as vessels are reviewed individually for impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. We also undertake an impairment review at the end of the financial year.

The 2016 year-end impairment review gave rise to a non-cash charge recorded in the fourth quarter of $63.1 million, as the sum of the expected undiscounted future cash flows from four vessels over their estimated remaining useful lives is less than the carrying amounts. The impairment charge is equal to the amount by which the assets' carrying amounts exceed their fair values. Fair value is assessed, on a vessel by vessel basis, as the net present value of estimated future cash flows, discounted by an appropriate discount rate.

There was no such impairment charge in fourth quarter 2015.

A non-cash impairment charge of $29.4 million was recognized in the three months ended September 30, 2016, following our agreement with CMA CGM to amend and extend the charters of the *Marie Delmas* and *Kumasi*.

Accordingly, the total non-cash impairment charge for the year ended December 31, 2016 was $92.4 million.

Following receipt of notices of re-delivery for *Ville d'Aquarius* and *Ville d'Orion* in fourth quarter 2015 and the Company's assessment of the vessels' re-chartering prospects, sales of the vessels were completed on November 5, and December 8, 2015 respectively, for total net proceeds of approximately $9.3 million. The vessels were written down as at September 30, 2015 by $44.7 million to their estimated net realizable value, including estimated selling costs.

General and Administrative Costs

General and administrative costs were $1.7 million in the three months ended December 31, 2016, compared to $1.6 million in the fourth quarter of 2015; the modest increase is due mainly to higher professional fees offset by a positive exchange effect from the stronger US dollar, as some general and administrative costs are denominated in sterling and euro.

For the year ended December 31, 2016, general and administrative costs were $6.3 million, compared to $6.5 million for 2015.

Other Operating Income

Other operating income in the three months ended December 31, 2016 was $41,000, compared to $164,000 in the fourth quarter 2015.

For the year ended December 31, 2016, other operating income was $0.2 million, compared to $0.5 million for the prior year.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was $28.6 million for the three months ended December 31, 2016, down from $30.3 million for the three months ended December 31, 2015.

Adjusted EBITDA for the year ended December 31, 2016 was $114.7 million, compared to $108.8 million for the prior year. The increase of 5.5% is due mainly to the effect of vessel acquisitions and the disposal of the *Ville d'Aquarius* and *Ville d'Orion*.

Interest Expense

Debt at December 31, 2016 comprised 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 December 31, 2016, was $9.5 million, down $3.0 million on the interest expense for the three months ended December 31, 2015 of $12.4 million. The reduction is mainly due to a $1.9 million gain on the open market purchases of $18.0 million principal amount of the Notes in November 2016 and reduced interest on the Notes following these repurchases and the repurchase by way of tender of $26.7 million principal amount of the Notes in March 2016, and the open market purchases of $4.2 million principal amount of the Notes in May 2016 and $5.0 million principal amount of the Notes in August 2016.

For the year ended December 31, 2016, interest expense was $44.8 million, down $3.4 million on interest expense of $48.2 million for the year ended December 31, 2015. The decrease is due to lower interest on the Notes following the tender offer and open market purchases and the $2.9 million gain realized on these, offset by the effect of drawing on the secured term loan in September 2015, $0.5 million premium paid in March 2016 in relation to the tender offer and accelerated write-off of the portion of deferred financing charges and the original issue discount attributable to Notes which were purchased and retired in the year.

Interest income for the three months ended December 31, 2016 was $59,000, up from $16,000 in the comparative period of 2015 due to higher cash balances. Interest income for the year ended December 31, 2016 was $198,000, compared to $62,000 in the comparative period.

Taxation

Taxation for the three months ended December 31, 2016 was a charge of $14,000, compared to a credit of $1,000 in the fourth quarter of 2015.

Taxation for the year ended December 31, 2016 was a charge of $46,000, compared to $38,000 for the prior year 2015.

Earnings Allocated to Preferred Shares

The Series B Preferred Shares carry a coupon of 8.75%, the cost of which for the three months ended December 31, 2016 was $0.8 million; the same as in the comparative period.

The cost in the year ended December 31, 2016 was $3.1 million; the same as in the comparative period.

Net (Loss)/Income Available to Common Shareholders and Normalized Net Income

Net loss for the three months ended December 31, 2016 was $55.1 million, after the $63.1 million non-cash impairment charge. For the three months ended December 31, 2015, net income was $6.2 million.

Normalized net income for the three months ended December 31, 2016, adjusting for the non-cash impairment charge, was $6.1 million, compared to $6.2 million in the comparative period.

Net loss was $68.2 million for the year ended December 31, 2016 after the $92.4 million non-cash impairment charge. Net loss was $31.9 million for the year ended December 31, 2015, after the $44.7 million non-cash impairment charge.

Normalized net income for the year ended December 31, 2016 was $22.4 million, before the impairment charge and was $12.8 million for the prior year, again before the impairment charge.

Fleet

The following table provides information about the on-the-water fleet of 18 vessels as at December 31, 2016. 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	3.00	Sept 21, 2019	15,300
CMA CGM Utrillo	2,262	1999	Dec 2007	3.00	Sept 11, 2019	15,300
Delmas Keta	2,207	2003	Dec 2007	1.00	Sept 20, 2017	18,465
Julie Delmas	2,207	2002	Dec 2007	1.00	Sept 11, 2017	18,465
Kumasi [(3)]	2,207	2002	Dec 2007	1.00-4.00[(3)]	August 6, 2017[(3)]	13,000[(3)]

Marie Delmas [3]	2,207	2002	Dec 2007	1.00-4.00[3]	July 31, 2017[3]	13,000[3]
CMA CGM La Tour	2,272	2001	Dec 2007	3.00	Sept 20, 2019	15,300
CMA CGM Manet	2,272	2001	Dec 2007	3.00	Sept 7, 2019	15,300
CMA CGM Alcazar	5,089	2007	Jan 2008	4.00	Oct 18, 2020	33,750
CMA CGM Château d'If	5,089	2007	Jan 2008	4.00	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	Dec 2008	9.00	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	Dec 2008	6.00	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	Dec 2008	6.00	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	Dec 2008	6.00	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2001	Aug 2009	4.75	May 28, 2021	34,000
OOCL Tianjin	8,063	2005	Oct 2014	1.00	Oct 28, 2017	34,500
OOCL Qingdao	8,063	2004	Mar 2015	1.25	Mar 11, 2018	34,500
OOCL Ningbo	8,063	2004	Sep 2015	1.75	Sep 17, 2018	34,500

(1) Twenty-foot Equivalent Units.

(2) As at December 31, 2016. 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 December 31, 2016 today, Tuesday March 7, 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: 71587456
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, March 23, 2017 at (855) 859-2056 or (404) 537-3406. Enter the code 71587456 to access the audio replay. The webcast will also be archived on the Company's website: http://www.globalshiplease.com.

Annual Report on Form 20F

The Company's Annual Report for 2015 is on file 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 8806.

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 December 31, 2016, Global Ship Lease owned 18 vessels with a total capacity of 82,312 TEU and an average age, weighted by TEU capacity of 12.0 years. All vessels are currently fixed on time charters, 15 with CMA CGM. The average remaining term of the charters is 3.9 years or 4.0 years on a weighted basis.

Reconciliation of Non-U.S. GAAP Financial Measures

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 Dec 31, 2016	Three months ended Dec 31, 2015	Year ended Dec 31, 2016	Year ended Dec 31, 2015
Net (loss) income available to common shareholders		(55,072)	6,246	(68,157)	(31,937)
Adjust:	Depreciation	10,415	10,935	42,805	44,859
	Impairment	63,065	---	92,422	44,700
	Interest income	(59)	(16)	(198)	(62)
	Interest expense	9,450	12,419	44,767	48,152
	Earnings allocated to preferred shares	765	765	3,062	3,062
	Income tax	14	(1)	46	38
Adjusted EBITDA		28,578	30,348	114,747	108,812

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 Dec 31, 2016	Three months ended Dec 31, 2015	Year Ended Dec 31, 2016	Year ended Dec 31, 2015
Net (loss) available to common shareholders		(55,072)	6,246	(68,157)	(31,937)
Adjust:	Gain on purchase of notes	(1,938)	---	(2,865)	---
	Premium paid on tender offer for notes	---	---	533	---
	Accelerated write off of deferred financing charges related to notes purchase and tender offer	34	---	134	---
	Accelerated write off of original issue discount related to notes purchase and tender offer	51	---	374	---

Impairment charge	63,065	---	92,422	44,700
Normalized net income	6,140	6,246	22,441	12,763

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 future growth of the container shipping industry, including the rates of annual demand and supply growth;
- the financial condition of our charterers, particularly CMA CGM, our principal charterer and main source of operating revenue, and their ability to pay charterhire in accordance with the charters;
- 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 other general corporate purposes;
- Global Ship Lease's ability to meet its financial covenants and repay its credit facilities;
- 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 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;
- changes 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 ships to purchase, the time that it may take to construct new ships, or the useful lives of its ships;
- 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 time charters;
- Global Ship Lease's ability to capitalize on its management's and board of 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 including taxation;
- 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 Income

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

	Three months ended December 31, 2016	Three months ended December 31, 2015	Year ended December 31, 2016	Year ended December 31, 2015
Operating Revenues				
Time charter revenue	$ 9,444	$ 10,412	$ 37,567	$ 31,568
Time charter revenue — related party	31,982	33,617	128,956	133,351
	41,426	44,029	166,523	164,919
Operating Expenses				
Vessel operating expenses	10,814	11,851	44,096	48,238
Vessel operating expenses — related party	400	400	1,599	1,866
Depreciation	10,415	10,935	42,805	44,859
Impairment of vessels	63,065	-	92,422	44,700
General and administrative	1,675	1,594	6,297	6,478
Other operating income	(41)	(164)	(216)	(475)
Total operating expenses	86,328	24,616	187,003	145,666
Operating (Loss) Income	(44,902)	19,413	(20,480)	19,253
Non Operating Income (Expense)				
Interest income	59	16	198	62
Interest expense	(9,450)	(12,419)	(44,767)	(48,152)
(Loss) Income before Income Taxes	(54,293)	7,010	(65,049)	(28,837)
Income taxes	(14)	1	(46)	(38)
Net (Loss) Income	$ (54,307)	$ 7,011	$ (65,095)	$ (28,875)
Earnings allocated to Series B Preferred Shares	(765)	(765)	(3,062)	(3,062)
Net (Loss) Income available to Common Shareholders	$ (55,072)	$ 6,246	$ (68,157)	$ (31,937)
Earnings per Share				
Weighted average number of Class A common shares outstanding				
Basic (including RSUs without service conditions)	47,867,266	47,841,484	47,854,351	47,785,388
Diluted	47,867,266	47,841,484	47,854,351	47,785,388
Net (loss) income per Class A common share				
Basic (including RSUs without service conditions)	$ (1.15)	$ 0.13	$ (1.42)	$ (0.67)
Diluted	$ (1.15)	$ 0.13	$ (1.42)	$ (0.67)

Weighted average number of Class B common shares outstanding				
Basic and diluted	7,405,956	7,405,956	7,405,956	7,405,956
Net income per Class B common share				
Basic and diluted	$ 0.00	$ 0.00	$ 0.00	$ 0.00

Global Ship Lease, Inc.

Interim Unaudited Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	December 31, 2016	December 31, 2015
Assets		
Cash and cash equivalents	$ 54,243	$ 53,591
Accounts receivable	29	87
Due from related party	906	2,124
Prepaid expenses	1,146	1,101
Other receivables	52	118
Inventory	553	610
Total current assets	56,929	57,631
Vessels in operation	719,110	846,939
Other fixed assets	7	5
Intangible assets	16	39
Other long term assets	195	306
Total non-current assets	719,328	847,289
Total Assets	$ 776,257	$ 904,920
Liabilities and Stockholders' Equity		
Liabilities		
Current portion of long term debt	$ 30,290	$ 35,160
Intangible liability — charter agreements	1,807	2,104
Deferred revenue	1,940	796
Accounts payable	963	622
Due to related party	1,315	1,256
Accrued expenses	11,664	13,694
Total current liabilities	47,979	53,632
Long term debt	389,583	442,913
Intangible liability — charter agreements	9,782	11,589
Deferred tax liability	20	20

Total long term liabilities	399,385	454,522
Total Liabilities	$ 447,364	$ 508,154
Commitments and contingencies	-	-
Stockholders' Equity		
Class A Common stock — authorized 214,000,000 shares with a $0.01 par value; 47,575,609 shares issued and outstanding (2015 — 47,541,484)	$ 476	$ 475
Class B Common stock — authorized 20,000,000 shares with a $0.01 par value; 7,405,956 shares issued and outstanding (2015 — 7,405,956)	74	74
Series B Preferred shares — authorized 16,100 shares with $0.01 par value; 14,000 shares issued and outstanding (2015 — 14,000)	-	-
Additional paid in capital	386,708	386,425
Accumulated losses (Retained earnings)	(58,365)	9,792
Total Stockholders' Equity	328,893	396,766
Total Liabilities and Stockholders' Equity	$ 776,257	$ 904,920

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Three months ended December 31,		**Year ended December 31,**	
	2016	**2015**	**2016**	**2015**
Cash Flows from Operating Activities				
Net income (loss)	$ (54,307)	$ 7,011	$ (65,095)	$ (28,875)
Adjustments to Reconcile Net income (loss) to Net Cash Provided by Operating Activities				
Depreciation	10,415	10,935	42,805	44,859
Vessel impairment	63,065	-	92,422	44,700
Gain on sale of vessels	-	(93)	-	(93)
Amortization of deferred financing costs	941	943	3,622	3,374
Amortization of original issue discount	402	346	1,651	1,178
Amortization of intangible liability	(515)	(530)	(2,104)	(2,119)
Share based compensation	83	-	283	75
Gain on repurchase of secured notes	(1,938)	-	(2,865)	-
Decrease (increase) in accounts receivable and other assets	681	(194)	219	1,517
Decrease (increase) in inventory	37	36	57	(160)
Increase (decrease) in accounts payable and other liabilities	9,330	9,798	(1,751)	(1,571)

Increase in unearned revenue	233	204	1,144	334
(Decrease) increase in related party balances	(699)	(428)	738	(868)
Unrealized foreign exchange loss (gain)	33	(6)	26	(14)
Net Cash Provided by Operating Activities	27,761	28,022	71,152	62,337
Cash Flows from Investing Activities				
Cash paid for vessels	-	(168)	-	(108,187)
Net proceeds from sale of vessels	-	9,513	(254)	9,513
Cash paid for other assets	-	-	(6)	(3)
Cash paid for drydockings	(2,513)	-	(6,681)	(2,548)
Net Cash (Used in) Provided by Investing Activities	(2,513)	9,345	(6,941)	(101,225)
Cash Flows from Financing Activities				
Repurchase of secured notes	(16,061)	-	(50,997)	(350)
Proceeds from drawdown of revolving credit facility	-	-	-	75,000
Deferred financing costs incurred	-	(162)	-	(971)
Repayment of credit facilities	(2,925)	(1,925)	(9,500)	(1,925)
Class A common shares — dividends paid	-	(4,754)	-	(9,508)
Series B Preferred Shares — dividends paid	(765)	(765)	(3,062)	(3,062)
Net Cash Used in Financing Activities	(19,751)	(7,606)	(63,559)	59,184
Net increase in Cash and Cash Equivalents	5,497	29,761	652	20,296
Cash and Cash Equivalents at Start of Period	48,746	23,830	53,591	33,295
Cash and Cash Equivalents at End of Period	$ 54,243	$ 53,591	$ 54,243	$ 53,591

Supplemental information

Total interest paid	$ 881	$ 634	$ 43,134	$ 43,103
Income tax paid	$ 13	$ 15	$ 50	$ 69

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