October 27, 2016

Global Ship Lease Reports Results for the Third Quarter of 2016

LONDON, Oct. 27, 2016 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL) (the "Company"), a containership charter owner, announced today its unaudited results for the three months and nine months ended September 30, 2016.

Third Quarter and Year To Date Highlights

- Reported revenue of $41.2 million for the third quarter 2016. Revenue for the nine months ended September 30, 2016 was $125.1 million
- Reported net loss[1] of $23.7 million for the third quarter 2016, after a $29.4 million non-cash impairment charge in respect to two vessels. For the nine months ended September 30, 2016, net loss was $13.1 million after the impairment charge
- Excluding the non-cash impairment, normalized net income[1][2] was $5.2 million for the third quarter 2016. Normalized net income was $16.3 million for the nine months ended September 30, 2016
- Generated $28.1 million of adjusted EBITDA[2] for the third quarter 2016. Adjusted EBITDA for the nine months ended September 30, 2016 was $86.2 million
- Agreed with CMA CGM to extend the charters of the *Marie Delmas* and *Kumasi*, two 2,207-TEU vessels, for a period of up to 3.25 years, at GSL's option. A revised rate of $13,000 per day applies from August 1, 2016 until the charters' previous earliest expiry dates in September 2017, after which Global Ship Lease has three consecutive option periods, the first of 1.25 years and the second and third of one year each, through December 31, 2020 at a rate of $9,800 per day

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "Our reliable cashflows and high-quality operating performance in the third quarter of 2016 once again demonstrated the stability and value of our long-term, fixed-rate chartering strategy. At a time when market conditions continue to be extremely challenging for both owners and operators, Global Ship Lease remains fully insulated from the market through late 2017. We were pleased during the quarter to reduce our market exposure by successfully securing extensions for two of our earliest expiring charters through late 2020."

Mr. Webber continued, "Despite difficult market conditions in the near term, the combined effect of record levels of vessel scrapping and low levels of new vessel ordering is moving the market for mid-sized and smaller containerships in the direction of equilibrium. Our financial strength and the stability and forward visibility afforded by our contracted cashflows position us to benefit from the eventual recovery. In the interim, we believe that we can maximize shareholder value by continuing our disciplined and highly selective pursuit of accretive, charter-attached growth opportunities, while also opportunistically delevering our balance sheet."

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

	Three months ended September 30, 2016	Three months ended September 30, 2015	**Nine months ended September 30, 2016**	Nine months ended September 30, 2015
Revenue	**41,154**	42,184	**125,097**	120,890
Operating (Loss) Income	**(11,884)**	(28,270)	**24,422**	(160)
Net (Loss) Income (1)	**(23,685)**	(41,084)	**(13,085)**	(38,183)
Adjusted EBITDA (2)	**28,051**	27,954	**86,169**	78,465
Normalised Net Income (Loss) (1)(2)	**5,240**	3,616	**16,301**	6,517

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

(2) Adjusted EBITDA and Normalized net income (loss) 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 interim unaudited financial information are provided in this Earnings Release.

Revenue and Utilization

The fleet generated revenue from fixed rate, mainly long-term time charters of $41.2 million in the three months ended September 30, 2016, down $1.0 million from revenue of $42.2 million for the comparative period in 2015, due mainly to reduced revenue as a consequence of the disposals of *Ville d'Aquarius* and *Ville d'Orion* in fourth quarter 2015 and increased levels of offhire from regulatory drydockings, and partly offset by the addition of *OOCL Ningbo* from September 17, 2015 at a daily charter rate of $34,500. There were 1,656 ownership days in the quarter, down 6.0% from 1,762 in the comparable period in 2015. In the third quarter 2016, there was no unplanned offhire and 38 days of planned offhire from regulatory drydockings, giving an overall utilization of 97.7%. In the comparable 2015 period, there were 1,762 ownership days and only one day offhire, which was unplanned, giving an overall utilization of 99.9%.

For the nine months ended September 30, 2016, revenue was $125.1 million, up $4.2 million from revenue of $120.9 million in the comparative period of 2015, mainly due to the additions of *OOCL Qingdao* from March 11, 2015 and *OOCL Ningbo* from September 17, 2015, as above, offset by the effect of the disposals of *Ville d'Aquarius* and *Ville d'Orion* and substantially higher offhire from planned drydockings in 2016.

The table below shows fleet utilization for the three and nine months ended September 30, 2016 and 2015, and for the years ended December 31, 2015, 2014, 2013 and 2012.

	Three months ended		Nine months ended					
Days	Sept 30, 2016	Sept 30, 2015	Sept 30, 2016	Sept 30, 2015	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
Ownership days	1,656	1,762	4,932	5,132	6,893	6,270	6,205	6,222
Planned offhire - scheduled drydock	(38)	0	(89)	(9)	(9)	(48)	(21)	(82)
Unplanned offhire	0	(1)	(2)	(6)	(7)	(12)	(7)	(16)
Idle time	0	0	0	0	(13)	(64)	0	0
Operating days	1,618	1,761	4,841	5,117	6,864	6,146	6,177	6,124
Utilization	97.7%	99.9%	98.2%	99.7%	99.6%	98.0%	99.5%	98.4%

Five regulatory drydockings have been completed in the nine months to September 30, 2016; one further regulatory drydocking is planned for fourth quarter 2016. There was only one drydocking in 2015, in the first quarter.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were $11.8 million for the three months ended September 30, 2016 compared to $12.7 million in the comparative period. The absolute reduction is due to lower ownership days following the disposals of Ville d'Aquarius and Ville d'Orion. The average cost per ownership day in the quarter was $7,103 compared to $7,233 for the comparative period, down $130 per day or 1.8%. 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*, and partly offset by costs incurred in drydockings that are expensed rather than capitalized.

For the nine months ended September 30, 2016, vessel operating expenses were $34.5 million or an average of $6,991 per day, compared to $37.9 million in the comparative period or $7,376 per day. The $385 reduction, or 5.2%, reduction in vessel operating expenses per day is due mainly to reasons noted above.

Depreciation

Depreciation for the three months ended September 30, 2016 was $10.6 million, compared to $11.5 million in the third quarter 2015; the reduction is attributable to a reduced number of vessels in the fleet.

Depreciation for the nine months ended September 30, 2016 was $32.4 million, compared to $33.9 million in the comparative period of 2015, the decrease again due to a 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. On August 10, 2016, the Company agreed with CMA CGM to amend and extend the charters of the *Marie Delmas* and *Kumasi*. A revised rate of $13,000 per day applies from August 1, 2016 until the charters' previous earliest expiry dates in September 2017, after which the Company has three consecutive option periods, the first of 1.25 years and the second and third of one year each, through December 31, 2020 at a rate of $9,800 per day. These amendments triggered the performance of an impairment test on these two vessels as at August 1, 2016.

A non-cash impairment charge of $29.4 million has been recognized in the quarter ended September 30, 2016 as the sum of the expected undiscounted future cash flows from these assets 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 the net present value of estimated future cash flows discounted by an appropriate discount rate.

Following receipt of notices of re-delivery for *Ville d'Aquarius* and *Ville d'Orion*, the Company's two oldest vessels 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 $1.4 million in the three months ended September 30, 2016, compared to $1.6 million in the third quarter of 2015.

For the nine months ended September 30, 2016, general and administrative costs were $4.6 million, compared to $4.9 million for the 2015 period.

Other Operating Income

Other operating income in the three months ended September 30, 2016 was $32,000, compared to $93,000 in the third quarter of 2015.

For the nine months ended September 30, 2016, other operating income was $0.2 million, compared to $0.3 million in the comparative period.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was $28.1 million for the three months ended September 30, 2016, up from $28.0 million for the three months ended September 30, 2015 as lower vessel operating costs offset lower revenue from increased levels of planned dry-docking.

Adjusted EBITDA for the nine months ended September 30, 2016 was $86.2 million, compared to $78.5 million for the comparative period; an increase of 9.8%, due mainly to the acquisitions of *OOCL Qingdao* and *OOCL Ningbo*.

Interest Expense

Debt at September 30, 2016 comprised amounts outstanding on our 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 September 30, 2016, was $11.1 million, down $1.0 million on the interest expense for the three months ended September 30, 2015 of $12.1 million. The reduction is mainly due to reduced interest on our 10.0% Notes following the repurchase of $26.7 million principal amount of the Notes in March 2016 and the $0.5 million gain realized in August 2016 on the purchase in the open market of $5.0 million principal amount of the Notes, offset by interest on the secured term loan drawn in the third quarter of 2015 and higher amortization of deferred financing charges and the original issue discount on the Notes, occasioned by the reduction in the principal amount of Notes outstanding.

For the nine months ended September 30, 2016, interest expense was $35.3 million, For the nine months ended September 30, 2015, interest expense was $35.7 million. The decrease is due to 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 which retired approximately $26.7 million of Notes, and accelerated write-off of the portion of deferred financing charges and the original issue discount attributable to Notes which were purchased and retired, partially offset by lower interest on the Notes following the tender offer and market purchases and the $1.0 million gains realized in May and August 2016 on the market purchases of Notes.

Interest income for the three months ended September 30, 2016 was $57,000, up from $19,000 in the comparative period of 2015 due to higher cash balances. Interest income for the nine months ended September 30, 2016 was $139,000 compared to $46,000 in the comparative period.

Taxation

Taxation for the three months ended September 30, 2016 was $17,000, compared to $9,000 in the third quarter of 2015.

Taxation for the nine months ended September 30, 2016 was $32,000, compared to $39,000 for the comparative period in 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 September 30, 2016 was $0.8 million, the same as in the comparative period.

The cost in the nine months ended September 30, 2016 was $2.3 million, the same as in the comparative period.

Net Loss/Income Available to Common Shareholders

Net loss for the three months ended September 30, 2016 was $23.7 million, after the non-cash impairment charge of $29.4 million related to the *Marie Delmas* and *Kumasi.* Net loss for the three months ended September 30, 2015 was $41.1 million, after the non-cash impairment charge of $44.7 million related to the *Ville d'Aquarius* and *Ville d'Orion*.

Normalized net income, which excludes the effect of the non-cash impairment charge, the gain on the purchase of Notes in August 2016 and accelerated amortization of deferred financing charges and original issue discount consequent upon the retirement of Notes, was $5.2 million for the three months ended September 30, 2016. Normalized net income was $3.6 million for the three months ended September 30, 2015.

Net loss was $13.1 million for the nine months ended September 30, 2016 after the $29.4 million non-cash impairment charge associated with *Marie Delmas* and *Kumasi*. Net loss was $38.2 million for the nine months ended September 30, 2015 after the $44.7 million non-cash impairment charge associated with *Ville d'Aquarius* and *Ville d'Orion*.

Normalized net income, which excludes the effect of the non-cash impairment charges, the premium paid on the tender offer for Notes completed in March 2016, the gain on the purchase of Notes and the accelerated amortization of deferred financing charges and original issue discount consequent upon the retirement of Notes, was $16.3 million for the nine months ended September 30, 2016 and was $6.5 million for the nine months ended September 30, 2015.

Fleet

The following table provides information about the on-the-water fleet of 18 vessels as at September 30, 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	3.25	Sept 21, 2019	15,300
CMA CGM Utrillo	2,262	1999	Dec 2007	3.25	Sept 11, 2019	15,300
Delmas Keta	2,207	2003	Dec 2007	1.25	Sept 20, 2017	18,465
Julie Delmas	2,207	2002	Dec 2007	1.25	Sept 11, 2017	18,465

Kumasi (3)	2,207	2002	Dec 2007	1.25-4.25(3)	August 6, 2017(3)	13,000(3)
Marie Delmas (3)	2,207	2002	Dec 2007	1.25-4.25(3)	July 31, 2017(3)	13,000(3)
CMA CGM La Tour	2,272	2001	Dec 2007	3.25	Sept 20, 2019	15,300
CMA CGM Manet	2,272	2001	Dec 2007	3.25	Sept 7, 2019	15,300
CMA CGM Alcazar	5,089	2007	Jan 2008	4.25	Oct 18, 2020	33,750
CMA CGM Château d'If	5,089	2007	Jan 2008	4.25	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	Dec 2008	9.25	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	Dec 2008	6.25	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	Dec 2008	6.25	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	Dec 2008	6.25	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2001	Aug 2009	5.00	May 28, 2021	34,000
OOCL Tianjin	8,063	2005	Oct 2014	1.25	Oct 28, 2017	34,500
OOCL Qingdao	8,063	2004	Mar 2015	1.50	Mar 11, 2018	34,500
OOCL Ningbo	8,063	2004	Sep 2015	2.00	Sep 17, 2018	34,500

(1) Twenty-foot Equivalent Units.

(2) As at September 30, 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 September 30, 2016 today, Thursday October 27, 2016 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: 99902538

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 Saturday, November 12, 2016 at (855) 859-2056 or (404) 537-3406. Enter the code 99902538 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.

Global Ship Lease owns 18 vessels with a total capacity of 82,312 TEU and an average age, weighted by TEU capacity, at September 30, 2016 of 11.8 years. All 18 vessels are currently fixed on time charters, 15 of which are with CMA CGM. The average remaining term of the charters at September 30, 2016 is 4.1 years or 4.2 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.

ADJUSTED EBITDA - UNAUDITED

(thousands of U.S. dollars)

		Three months ended Sept 30, 2016	Three months ended Sept 30, 2015	Nine months ended Sept 30, 2016	Nine months ended Sept 30, 2015
Net (loss) available to common shareholders		(23,685)	(41,084)	(13,085)	(38,183)
Adjust:	Depreciation	10,578	11,524	32,390	33,925
	Impairment	29,357	44,700	29,357	44,700
	Interest income	(57)	(19)	(139)	(46)
	Interest expense	11,075	12,058	35,317	35,733
	Income tax	17	9	32	39
	Earnings allocated to preferred shares	766	766	2,297	2,297
Adjusted EBITDA		28,051	27,954	86,169	78,465

B. Normalized net income

Normalized net income represents net income adjusted for the premium paid on the tender offer together with the related accelerated amortization of deferred financing costs and original issue discount. 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.

Normalized net income represents Net income (loss) adjusted for the unrealized gain (loss) on derivatives, the accelerated write off of a portion of deferred financing costs, impairment charges and gain of redemption of preferred shares. 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 such as change in fair value of derivatives to eliminate the effect of non-cash non-operating items that do not affect operating performance or cash generated. Normalized net income is not defined in US GAAP and should not be considered to be an alternate to Net income (loss) or any other financial metric required by such accounting principles.

NORMALIZED NET INCOME - UNAUDITED

(thousands of U.S. dollars)

		Three months ended Sept 30, 2016	Three months ended Sept 30, 2015	Nine months ended Sept 30, 2016	Nine months ended Sept 30, 2015
Net (loss) available to common shareholders		(23,685)	(41,084)	(13,085)	(38,183)
Adjust:	Gain on purchase of notes	(475)	---	(927)	---
	Premium paid on tender offer for notes	---	---	533	---

Accelerated write off of deferred financing charges related to notes purchase and tender offer	10	---	100	---
Accelerated write off of original issue discount related to notes purchase and tender offer	33	---	323	---
Impairment charge	29,357	44,700	29,357	44,700
Normalized net income	5,240	3,616	16,301	6,517

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 September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Operating Revenues				
Time charter revenue	$ 9,444	$ 8,561	$ 28,123	$ 21,686
Time charter revenue — related party	31,710	33,623	96,974	99,204
	41,154	42,184	125,097	120,890
Operating Expenses				
Vessel operating expenses	11,362	12,324	33,282	36,388
Vessel operating expenses — related party	400	420	1,199	1,466
Depreciation	10,578	11,524	32,390	33,925
Impairment of vessels	29,357	44,700	29,357	44,700
General and administrative	1,373	1,579	4,622	4,882
Other operating income	(32)	(93)	(175)	(311)
Total operating expenses	53,038	70,454	100,675	121,050
Operating (Loss) Income	(11,884)	(28,270)	24,422	(160)
Non Operating Income (Expense)				
Interest income	57	19	139	46
Interest expense	(11,075)	(12,058)	(35,317)	(35,733)
Loss before Income Taxes	(22,902)	(40,309)	(10,756)	(35,847)
Income taxes	(17)	(9)	(32)	(39)
Net Loss	$ (22,919)	$ (40,318)	$ (10,788)	$ (35,886)
Earnings allocated to Series B Preferred Shares	(766)	(766)	(2,297)	(2,297)
Net Loss available to Common Shareholders	$ (23,685)	$ (41,084)	$ (13,085)	$ (38,183)
Earnings per Share				
Weighted average number of Class A common shares outstanding				
Basic (including RSUs without service conditions)	47,858,640	47,766,484	47,850,139	47,766,484
Diluted	47,858,640	47,766,484	47,850,139	47,766,484
Net loss per Class A common share				
Basic (including RSUs without service conditions)	$ (0.49)	$ (0.86)	$ (0.27)	$ (0.80)
Diluted	$ (0.49)	$ (0.86)	$ (0.27)	$ (0.80)
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)

	September 30, 2016	December 31, 2015
Assets		
Cash and cash equivalents	$ 48,746	$ 53,591
Accounts receivable	55	87
Due from related party	1,567	2,124
Prepaid expenses	1,527	1,101
Other receivables	394	118
Inventory	590	610
Total current assets	52,879	57,631
Vessels in operation	791,458	846,939
Other fixed assets	9	5
Intangible assets	18	39
Other long term assets	224	306
Total non-current assets	791,709	847,289
Total Assets	$ 844,588	$ 904,920
Liabilities and Stockholders' Equity		
Liabilities		
Current portion of long term debt	26,465	35,160
Intangible liability — charter agreements	1,872	2,104
Deferred revenue	1,707	796
Accounts payable	874	622
Due to related party	4,074	1,256
Accrued expenses	2,444	13,694
Total current liabilities	37,436	53,632
Long term debt	413,019	442,913
Intangible liability — charter agreements	10,232	11,589
Deferred tax liability	19	20
Total long term liabilities	423,270	454,522
Total Liabilities	$ 460,706	$ 508,154
Commitments and contingencies	-	-
Stockholders' Equity		

Class A Common stock — authorized 214,000,000 shares with a $0.01 par value; 47,567,081 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	386,625	386,425
Retained earnings	(3,293)	9,792
Total Stockholders' Equity	383,882	396,766
Total Liabilities and Stockholders' Equity	$ 844,588	$ 904,920

Global Ship Lease, Inc.
Interim Unaudited Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)

	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
Cash Flows from Operating Activities				
Net loss	$ (22,919)	$ (40,318)	$ (10,788)	$ (35,886)
Adjustments to Reconcile Net loss to Net Cash Provided by Operating Activities				
Depreciation	10,578	11,524	32,390	33,925
Vessel impairment	29,357	44,700	29,357	44,700
Amortization of deferred financing costs	909	833	2,681	2,431
Amortization of original issue discount	333	312	1,249	832
Amortization of intangible liability	(530)	(530)	(1,589)	(1,589)
Share based compensation	85	25	200	75
Gain on repurchase of secured notes	(475)	-	(927)	-
(Increase) decrease in accounts receivable and other assets	(64)	863	(462)	1,711
(Increase) decrease in inventory	(54)	(129)	20	(196)
Decrease in accounts payable and other liabilities	(9,796)	(9,812)	(11,081)	(11,369)
Increase in unearned revenue	1,119	4	911	130
Increase (decrease) in Related party balances	374	(403)	1,437	(440)
Unrealized foreign exchange loss (gain)	21	(40)	(7)	(9)
Net Cash Provided by Operating Activities	8,938	7,029	43,391	34,315
Cash Flows from Investing Activities				
Cash paid for vessels	-	(53,629)	-	(108,019)
Cash paid in respect of sale of vessels	-	-	(254)	-
Cash paid for other assets	(5)	(3)	(6)	(3)
Cash paid for drydockings	(3,220)	-	(4,168)	(2,548)

Net Cash Used in Investing Activities	(3,225)	(53,632)	(4,428)	(110,570)
Cash Flows from Financing Activities				
Repurchase of secured notes	(4,526)	-	(34,936)	(350)
Proceeds from drawdown of revolving credit facility	-	35,000	-	75,000
Deferred financing costs incurred	-	(439)	-	(809)
Repayment of credit facilities	(1,925)	-	(6,575)	-
Class A Common Shares — dividends paid	-	(4,754)	-	(4,754)
Series B Preferred Shares — dividends paid	(766)	(766)	(2,297)	(2,297)
Net Cash Used in Financing Activities	(7,217)	29,041	(43,808)	66,790
Net decrease in Cash and Cash Equivalents	(1,504)	(17,562)	(4,845)	(9,465)
Cash and Cash Equivalents at Start of Period	50,250	41,392	53,591	33,295
Cash and Cash Equivalents at End of Period	$ 48,746	$ 23,830	$ 48,746	$ 23,830
Supplemental information				
Total interest paid	$ 20,021	$ 21,139	$ 42,253	$ 42,469
Income tax paid	$ 11	$ 18	$ 37	$ 54

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