



February 12, 2014

Global Ship Lease Reports Results for the Fourth Quarter of 2013

LONDON, Feb. 12, 2014 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months and year ended December 31, 2013.

Fourth Quarter and Year To Date Highlights

- Reported revenue of \$36.1 million for the fourth quarter 2013. Revenue for the year ended December 31, 2013 was \$143.2 million
- Reported net income of \$7.9 million for the fourth quarter 2013, including a \$2.5 million non-cash interest rate derivative mark-to-market gain. For the year ended December 31, 2013, net income was \$32.5 million, after a \$14.3 million non-cash mark-to-market gain
- Generated \$22.9 million of Adjusted EBITDA⁽¹⁾ for the fourth quarter 2013. Adjusted EBITDA for the year ended December 31, 2013 was \$91.5 million
- Excluding the non-cash mark-to-market items, normalized net income⁽¹⁾ was \$5.4 million for the fourth quarter 2013 and \$18.2 million for the year ended December 31, 2013
- Repaid \$17.9 million of debt during the fourth quarter 2013 for a total repayment of \$232.8 million since the fourth quarter 2009
- Agreed with lenders to extend the existing loan-to-value waiver until May 1, 2015

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "In the fourth quarter of 2013, we once again benefitted from our strong contract coverage, which resulted in fleet utilization of more than 99% and Adjusted EBITDA of \$22.9 million. Our stable cashflow generation enabled us to further de-lever our balance sheet during the fourth quarter, repaying debt in the amount of \$17.9 million. For the full year 2013, fleet utilization was also in excess of 99%, generating Adjusted EBITDA of \$91.5 million and resulting in debt repayment of \$59.3 million for the year and a total debt repayment of \$232.8 million since the fourth quarter of 2009. The ratio of net secured debt to 2013 Adjusted EBITDA is now 3.7 times."

Mr. Webber continued, "We enter 2014 well positioned to continue to benefit from our strong contracted revenue stream and remain insulated from asset value volatility as a result of our recent loan-to-value waiver extension. As our strong, predictable cashflows allow us to continue strengthening our balance sheet through additional debt repayment, we remain committed to a refinancing on favorable terms to increase our financial and strategic flexibility and enhance shareholder value."

SELECTED FINANCIAL DATA - UNAUDITED

(thousands of U.S. dollars)

	Three months ended December 31, 2013	Three months ended December 31, 2012	12 months ended December 31, 2013	12 months ended December 31, 2012
Revenue	36,056	36,168	143,212	153,205
Operating Income	12,806	13,249	51,160	61,832
Net Income	7,892	8,121	32,518	31,928
Adjusted EBITDA (1)	22,901	23,315	91,545	102,175
Normalized Net Income (1)	5,421	3,471	18,216	22,203

(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 interim unaudited financial information are provided in this Earnings Release under "Reconciliation of Non-U.S. GAAP Financial Measures."

Revenue and Utilization

The 17 vessel fleet generated revenue from fixed rate long-term time charters of \$36.1 million in the three months ended December 31, 2013, down \$0.1 million on revenue of \$36.2 million for the comparative period in 2012 due mainly to reduced revenue for two vessels following charter renewals in second quarter 2013 at lower rates, offset by less offhire from reduced levels of planned drydocking. There were 1,564 ownership days in the quarter, the same as the comparable period in 2012. There was only one day unplanned offhire in the three months ended December 31, 2013, giving utilization of 99.9%. In the comparable period of 2012, there were 16 days offhire, of which 10 were for planned drydockings, for utilization of 99.0%.

For the year ended December 31, 2013, revenue was \$143.2 million, down \$10.0 million on revenue of \$153.2 million in the comparative period, mainly due to lower revenue from charter renewals and 17 fewer ownership days as 2012 was a leap year, offset by 70 days less offhire, mainly from reduced levels of planned drydockings.

The table below shows fleet utilization for the three months and years ended December 31, 2013 and 2012 and for the years ended December 31, 2011, 2010 and 2009.

<u>Days</u>	<u>Three months ended</u>		<u>Year ended</u>				
	<u>Dec 31,</u> <u>2013</u>	<u>Dec 31,</u> <u>2012</u>	<u>Dec 31,</u> <u>2013</u>	<u>Dec 31,</u> <u>2012</u>	<u>Dec 31,</u> <u>2011</u>	<u>Dec 31,</u> <u>2010</u>	<u>Dec 31,</u> <u>2009</u>
Ownership days	1,564	1,564	6,205	6,222	6,205	6,205	5,968
Planned offhire - scheduled drydock	0	(10)	(21)	(82)	(95)	0	(32)
Unplanned offhire	(1)	(6)	(7)	(16)	(11)	(3)	(42)
Operating days	1,563	1,548	6,177	6,124	6,099	6,202	5,894
Utilization	99.9%	99.0%	99.5%	98.4%	98.3%	99.9%	98.8%

Two vessels were drydocked in 2013, both in the first quarter. One further vessel underwent its first special survey, in the fourth quarter, whilst afloat including an underwater inspection in lieu of a drydocking and as a result, the next scheduled inspection in a drydock for regulatory purposes is postponed to November 2016. Two drydockings for regulatory purposes are scheduled for 2014 and none for 2015.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were \$11.7 million for the three months ended December 31, 2013. The average cost per ownership day in the quarter was \$7,511, up \$148 per day or 2.0% on \$7,363 for the comparative period, with increased costs for repairs and maintenance offset by lower crew and lubricating oil costs.

For the year ended December 31, 2013, vessel operating expenses were \$46.0 million, or an average of \$7,421 per day, compared to \$45.6 million in the comparative period, or \$7,327 per day. The increase of \$94 per day, or 1.3%, is mainly due to increased costs for crew and repairs.

Depreciation

Depreciation for the three months ended December 31, 2013 was \$10.1 million, the same as for the comparative period.

Depreciation for the year ended December 31, 2013 was \$40.4 million, up \$0.1 million on the comparative period.

General and Administrative Costs

General and administrative costs were \$1.5 million in the three months ended December 31, 2013, the same as in the fourth

quarter of 2012.

For the year ended December 31, 2013, general and administrative costs were \$6.0 million, compared to \$5.8 million for 2012.

Other Operating Income

Other operating income in the three months ended December 31, 2013 was \$0.1 million, the same as for the fourth quarter 2012.

For the year ended December 31, 2013, other operating income was \$0.4 million, compared to \$0.3 million for the year to December 31, 2012.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was \$22.9 million for the three months ended December 31, 2013, down from \$23.3 million for the three months ended December 31, 2012.

Adjusted EBITDA for the year ended December 31, 2013 was \$91.5 million, compared to \$102.2 million for the comparative period.

Interest Expense

Interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, for the three months ended December 31, 2013 was \$4.5 million. The Company's borrowings under its credit facility averaged \$384.3 million during the three months ended December 31, 2013. There were \$45.0 million of mandatorily redeemable preferred shares throughout the period, giving total average borrowings through the three months ended December 31, 2013 of \$429.3 million. Interest expense in the comparative period in 2012 was \$5.1 million on average borrowings, including the preferred shares, of \$481.7 million.

For the year ended December 31, 2013, interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, was \$18.8 million. The Company's borrowings under its credit facility and including the \$45.0 million preferred shares, averaged \$450.1 million during the year ended December 31, 2013. Interest expense for the year ended December 31, 2012 was \$21.2 million based on average borrowings in that period, including the preferred shares, of \$509.6 million.

Interest income for the three months and years ended December 31, 2013 and 2012 was not material.

Effect of Interest Rate Derivatives

The Company hedges its interest rate exposure by entering into derivatives that swap floating rate debt for fixed rate debt to provide long-term stability and predictability to cash flows. The Company's derivative hedging instruments gave a realized loss of \$2.9 million in the three months ended December 31, 2013 for settlement of swaps in the period, as current LIBOR rates are lower than the average fixed rates. This loss is \$1.8 million lower than the \$4.7 million in the three months ended December 31, 2012, as \$253 million of derivatives expired in March 2013. A further \$50 million of derivatives expired on November 29, 2013. As these hedges do not qualify for hedge accounting under US GAAP, the outstanding hedges are marked to market at each period end with any change in the fair value being booked to the income and expenditure account as an unrealized gain or loss. There was a \$2.5 million unrealized gain in the three months ended December 31, 2013 for revaluation of the balance sheet position given current LIBOR and movements in the forward curve for interest rates. This compares to an unrealized gain of \$4.7 million in the three months ended December 31, 2012.

For the year ended December 31, 2013, the realized loss from hedges was \$14.0 million and the unrealized gain was \$14.3 million. This compares to a realized loss of \$18.4 million and an unrealized gain of \$9.7 million in the year ended December 31, 2012.

At December 31, 2013, interest rate derivatives totaled \$277.0 million against floating rate debt of \$411.3 million, including the preferred shares. The total mark-to-market unrealized loss recognized as a liability on the balance sheet at December 31, 2013 was \$21.3 million.

Unrealized mark-to-market adjustments have no impact on operating performance or cash generation in the period reported.

Taxation

Taxation for the three months ended December 31, 2013 was \$34,000, compared to \$38,000 in the fourth quarter of 2012.

Taxation for the year ended December 31, 2013 was \$97,000, compared to \$128,000 for the comparative period in 2012.

Net Income

Net income for the three months ended December 31, 2013 was \$7.9 million after \$2.5 million non-cash interest rate derivative mark-to-market gain. For the three months ended December 31, 2012, net income was \$8.1 million after the \$4.7 million non-cash interest rate derivative mark-to-market gain. Normalized net income, which excludes the effect of the non-cash interest rate derivative mark-to-market gains and losses, was \$5.4 million for the three months ended December 31, 2013 and \$3.5 million for the three months ended December 31, 2012.

Net income was \$32.5 million for the year ended December 31, 2013 after a \$14.3 million non-cash interest rate derivative mark-to-market gain. For the year ended December 31, 2012, net income was \$31.9 million after a \$9.7 million non-cash interest rate derivative mark-to-market gain. Normalized net income was \$18.2 million for the year ended December 31, 2013 and \$22.2 million for the year ended December 31, 2012.

Credit Facility

The container shipping industry has been experiencing a significant cyclical downturn. As a consequence, there has been a continued decline in charter free market values of containerships since mid-2012. While the Company's stable business model largely insulates it from volatility in the freight and charter markets, a covenant in the credit facility with respect to the Leverage Ratio, which is the ratio of outstanding drawings under the credit facility and the aggregate charter free market value of the secured vessels, causes the Company to be sensitive to significant declines in vessel values. Under the terms of the credit facility, the Leverage Ratio cannot exceed 75%. The Leverage Ratio has little impact on the Company's operating performance, as cash flows are largely predictable under its business model.

In anticipation of the scheduled test of the Leverage Ratio as at November 30, 2012, when the Company expected that the Leverage Ratio would be between 75% and 90%, the Company agreed with its lenders to waive the requirement to perform the Leverage Ratio test until December 1, 2014. Under the terms of the waiver, the fixed interest margin to be paid over LIBOR increased to 3.75%, prepayments became based on cash flow rather than a fixed amount of \$10 million per quarter, and dividends on common shares cannot be paid. On February 10, 2014 this waiver was extended, on the same terms, such that the next scheduled test is May 1, 2015.

In the three months ended December 31, 2013, a total of \$17.9 million of debt was repaid, leaving a balance outstanding of \$366.4 million.

Dividend

Global Ship Lease is not currently able to pay a dividend on common shares under the terms of the credit facility waiver.

Fleet

The following table provides information, as at December 31, 2013, about the on-the-water fleet of 17 vessels chartered to CMA CGM.

Vessel Name	Capacity in TEUs ⁽¹⁾	Year Built	Purchase by GSL	Remaining Charter Term ⁽²⁾ (years)	Earliest Charter Expiry Date	Daily Charter Rate \$
Ville d'Orion	4,113	1997	Dec 2007	0.3	March 31, 2014	7,000
Ville d'Aquarius	4,113	1996	Dec 2007	0.3	March 31, 2014	7,000
CMA CGM Matisse	2,262	1999	Dec 2007	3.0	Sept 21, 2016	18,465
CMA CGM Utrillo	2,262	1999	Dec 2007	3.0	Sept 12, 2016	18,465
Delmas Keta	2,207	2003	Dec 2007	4.0	Sept 20, 2017	18,465
Julie Delmas	2,207	2002	Dec 2007	4.0	Sept 11, 2017	18,465
Kumasi	2,207	2002	Dec 2007	4.0	Sept 21, 2017	18,465
Marie Delmas	2,207	2002	Dec 2007	4.0	Sept 14, 2017	18,465
CMA CGM La Tour	2,272	2001	Dec 2007	3.0	Sept 20, 2016	18,465

CMA CGM Manet	2,272	2001	Dec 2007	3.0	Sept 7, 2016	18,465
CMA CGM Alcazar	5,089	2007	Jan 2008	7.0	Oct 19, 2020	33,750
CMA CGM Chaeau d'lf	5,089	2007	Jan 2008	7.0	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	Dec 2008	12.0	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	Dec 2008	9.0	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	Dec 2008	9.0	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	Dec 2008	9.0	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2001	Aug 2009	7.7	May 28, 2021	34,000

(1) *Twenty-foot Equivalent Units.*

(2) *As at December 31, 2013. Plus or minus 90 days at charterer's option*

On January 31, 2014 the Company received notice from CMA CGM that it had reserved its right to redeliver Ville d'Orion and Ville d'Aquarius between April 1 and April 15, 2014 on the expiration of the existing charters. If we are not able to agree on an extension to these charters with CMA CGM, depending on market conditions, we may seek to employ these vessels with another charterer, lay them up or effect a sale. We will continue to evaluate these alternates.

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, 2013 today, Wednesday, February 12, 2014 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (855) 427-4394 or (484) 756-4259; Passcode: 82257170

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 Wednesday, February 26, 2014 at (855) 859-2056 or (404) 537-3406. Enter the code 82257170 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

Global Ship Lease, Inc has filed its Annual Report for 2012 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 17 vessels with a total capacity of 66,349 TEU with an average age, weighted by TEU capacity, at December 31, 2013 of 9.8 years. All of the current vessels are fixed on charters to CMA CGM with an average remaining term of 6.5 years on a weighted basis, or 7.3 years excluding the two spot vessels.

Reconciliation of Non-U.S. GAAP Financial Measures

A. Adjusted EBITDA

Adjusted EBITDA represents Net income (loss) before interest income and expense including amortization of deferred finance costs, realized and unrealized gain (loss) on derivatives, income taxes, depreciation, amortization and impairment charges. 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 (loss) or any other financial metric required by such accounting principles.

ADJUSTED EBITDA - UNAUDITED

(thousands of U.S. dollars)

	Three months ended Dec 31, 2013	Three months ended Dec 31, 2012	Year ended Dec 31, 2013	Year ended Dec 31, 2012
Net income	7,892	8,121	32,518	31,928
Adjust: Depreciation	10,095	10,066	40,385	40,343
Interest income	(10)	(14)	(44)	(79)
Interest expense	4,483	5,091	18,846	21,178
Realized loss on interest rate derivatives	2,878	4,663	14,045	18,402
Unrealized (gain) on interest rate derivatives	(2,471)	(4,650)	(14,302)	(9,725)
Income tax	34	38	97	128
Adjusted EBITDA	<u>22,901</u>	<u>23,315</u>	<u>91,545</u>	<u>102,175</u>

B. Normalized net income

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 and 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 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 Dec 31, 2013	Three months ended Dec 31, 2012	Year ended Dec 31, 2013	Year ended Dec 31, 2012
Net income (loss)	7,892	8,121	32,518	31,928
Adjust:				
Unrealized (gain) on interest rate derivatives	(2,471)	(4,650)	(14,302)	(9,725)
Normalized net income	<u>5,421</u>	<u>3,471</u>	<u>18,216</u>	<u>22,203</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:

- 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 CMA CGM, our sole charterer and only source of operating revenue, and its 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 facility;
- 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		Year ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Operating Revenues				
Time charter revenue	<u>\$36,056</u>	<u>\$36,168</u>	<u>\$143,212</u>	<u>\$153,205</u>
Operating Expenses				
Vessel operating expenses	11,748	11,515	46,048	45,588
Depreciation	10,095	10,066	40,385	40,343
General and administrative	1,486	1,454	6,030	5,784

Impairment charge	--	--	--	--
Other operating (income)	<u>(79)</u>	<u>(116)</u>	<u>(411)</u>	<u>(342)</u>
Total operating expenses	<u>23,250</u>	<u>22,919</u>	<u>92,052</u>	<u>91,373</u>
Operating Income	12,806	13,249	51,160	61,832
Non Operating Income (Expense)				
Interest income	10	14	44	79
Interest expense	(4,483)	(5,091)	(18,846)	(21,178)
Realized loss on interest rate derivatives	(2,878)	(4,663)	(14,045)	(18,402)
Unrealized gain on interest rate derivatives	<u>2,471</u>	<u>4,650</u>	<u>14,302</u>	<u>9,725</u>
Income before Income Taxes	7,926	8,159	32,615	32,056
Income taxes	<u>(34)</u>	<u>(38)</u>	<u>(97)</u>	<u>(128)</u>
Net Income	<u>\$7,892</u>	<u>\$8,121</u>	<u>\$32,518</u>	<u>\$31,928</u>

Earnings per Share

Weighted average number of Class A common shares outstanding

Basic (including RSU's without service conditions)	47,663,934	47,556,864	47,607,750	47,500,670
Diluted	47,795,505	47,656,385	47,767,266	47,611,657

Net income per Class A common share

Basic	\$0.17	\$0.17	\$0.68	\$0.67
Diluted	\$0.17	\$0.17	\$0.68	\$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
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Net income per Class B common share

Basic and diluted	\$ nil	\$ nil	\$ nil	\$ nil
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Global Ship Lease, Inc.

Interim Unaudited Consolidated Balance Sheets

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

**December 31, 2013 December 31,
2012**

Assets

Cash and cash equivalents	\$24,536	\$26,145
Restricted cash	3	3
Accounts receivable	7,006	14,417
Prepaid expenses	5,337	795
Other receivables	115	1,165
Deferred financing costs	<u>1,391</u>	<u>1,493</u>
Total current assets	<u>38,388</u>	<u>44,018</u>

Vessels in operation	817,875	856,394
Other fixed assets	7	29
Intangible assets	95	73
Deferred financing costs	<u>1,882</u>	<u>3,166</u>
Total non-current assets	<u>819,859</u>	<u>859,662</u>
Total Assets	<u><u>\$858,247</u></u>	<u><u>\$903,680</u></u>

Liabilities and Stockholders' Equity

Liabilities

Current portion of long term debt	\$50,110	\$50,572
Intangible liability - charter agreements	2,119	2,119
Accounts payable	1,289	5,353
Accrued expenses	6,887	5,419
Derivative instruments	<u>8,776</u>	<u>12,225</u>
Total current liabilities	<u>69,181</u>	<u>75,688</u>

Long term debt	316,256	375,104
Preferred shares	44,976	44,976
Intangible liability - charter agreements	15,812	17,931
Deferred tax liability	43	27
Derivative instruments	<u>12,513</u>	<u>23,366</u>
Total long-term liabilities	<u>389,600</u>	<u>461,404</u>

Total Liabilities	<u><u>\$458,781</u></u>	<u><u>\$537,092</u></u>
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Stockholders' Equity

Class A Common stock - authorized

214,000,000 shares with a \$0.01 par value;

47,513,934 shares issued and outstanding (2012 - 47,481,864)	\$475	\$475
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Class B Common stock - authorized

20,000,000 shares with a \$0.01 par value;

7,405,956 shares issued and outstanding (2012 - 7,405,956)	74	74
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Additional paid in capital	352,676	352,316
Retained earnings	<u>46,241</u>	<u>13,723</u>

Total Stockholders' Equity	<u>399,466</u>	<u>366,588</u>
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Total Liabilities and Stockholders' Equity	<u><u>\$858,247</u></u>	<u><u>\$903,680</u></u>
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Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

Three months ended		Year ended	
December 31,		December 31,	
2013	2012	2013	2012

Cash Flows from Operating Activities

Net income	\$7,892	\$8,121	\$32,518	\$31,928
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Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities

Depreciation	10,095	10,066	40,385	40,343
Amortization of deferred financing costs	381	337	1,386	1,250
Change in fair value of certain derivative instruments	(2,471)	(4,650)	(14,302)	(9,725)
Amortization of intangible liability	(530)	(530)	(2,119)	(2,119)
Settlements of hedges which do not qualify for hedge accounting	2,878	4,663	14,045	18,402
Share based compensation	75	82	360	460
(Increase) decrease in other receivables and other assets	(2,659)	(7,282)	3,836	(810)
Increase (decrease) in accounts payable and other liabilities	2,804	4,063	(1,772)	3,958
Unrealized foreign exchange (gain) loss	(3)	(1)	7	11
Net Cash Provided by Operating Activities	<u>18,462</u>	<u>14,869</u>	<u>74,344</u>	<u>83,698</u>

Cash Flows from Investing Activities

Settlements of hedges which do not qualify for hedge accounting	(2,878)	(4,663)	(14,045)	(18,402)
Cash paid for other fixed assets	(2)	--	(2)	--
Cash paid to acquire intangible assets	(43)	--	(43)	--
Cash paid for drydockings	54	(1,184)	(2,553)	(5,914)

Net Cash Used in Investing Activities

<u>(2,869)</u>	<u>(5,847)</u>	<u>(16,643)</u>	<u>(24,316)</u>
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Cash Flows from Financing Activities

Repayment of debt	(17,909)	(11,080)	(59,310)	(57,936)
Issuance costs of debt	--	(1,115)	--	(1,115)
Variation in restricted cash	--	--	--	3,024
Repayment of preferred shares	--	--	--	(3,024)

Net Cash Used in Financing Activities

<u>(17,909)</u>	<u>(12,195)</u>	<u>(59,310)</u>	<u>(59,051)</u>
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Net (Decrease) Increase in Cash and Cash Equivalents

(2,316)	(3,173)	(1,609)	331
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Cash and Cash Equivalents at start of Period

<u>26,852</u>	<u>29,318</u>	<u>26,145</u>	<u>25,814</u>
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Cash and Cash Equivalents at end of Period

<u>\$24,536</u>	<u>\$26,145</u>	<u>\$24,536</u>	<u>\$26,145</u>
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Supplemental information

Total interest paid	\$3,941	\$4,691	\$18,782	\$20,105
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Income tax paid	<u>\$19</u>	<u>\$19</u>	<u>\$78</u>	<u>\$69</u>
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