Global Ship Lease Reports Results for the Fourth Quarter of 2010

LONDON, March 8, 2011 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months ended December 31, 2010.

Fourth Quarter and Year To Date Highlights

- Reported revenue of $40.0 million for the fourth quarter of 2010, up slightly on $39.9 million for the fourth quarter 2009 due to 16 days offhire in fourth quarter 2009 for a planned drydocking. Revenue for the year ended December 31, 2010 was $158.8 million, up 7% on $148.7 million for the year ended December 31, 2009 due to the full year effect of our seventeenth vessel purchased in August 2009 and better utilization from lower offhire

- Reported net income of $1.2 million for the fourth quarter of 2010, including an $11.7 million non-cash interest rate derivative mark-to-market gain and $17.1 million impairment charge. Reported net income for the fourth quarter 2009 was $12.3 million, including $5.1 million non-cash mark-to-market gain. The net loss for the year ended December 31, 2010 was $4.0 million including $15.3 million non-cash interest rate derivative mark-to-market loss and $17.1 million impairment charge compared to net income of $42.4 million for the year ended December 31, 2009 including $17.9 million non-cash interest rate derivative mark-to-market gain and $2.2 million accelerated write off of deferred financing costs

- Generated $26.4 million EBITDA(1) for the fourth quarter 2010, down 5% on $27.9 million for the fourth quarter 2009 due mainly to vessel repairs, maintenance and stores catch up. EBITDA for the year ended December 31, 2010 was $108.9 million, up 11% on $99.0 million for the year ended December 31, 2009 mainly due to the additional vessel

- Excluding the non-cash mark-to-market items and the impairment charge, normalized net income(1) was $6.6 million for the fourth quarter of 2010 compared to normalized net income of $7.3 million for the fourth quarter 2009. Normalized net income for the year ended December 31, 2010 was $28.4 million compared to normalized net income of $26.6 million for the year ended December 31, 2009

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "2010 was a year of significant progress for Global Ship Lease. We achieved almost 100% utilization of our vessels and posted record revenues. We proactively converted our contractual obligation to acquire two 4,250 TEU vessels in December 2010 into purchase options under which we have the ability to purchase one vessel in December 2011 and the other in January 2012. Finally, we paid down $55.4 million of debt during the year. These steps improve our financial flexibility going forward."

Mr. Webber continued, "We entered 2011 well positioned to continue to benefit from our fully time-chartered fleet and sizeable contracted revenue stream. Notably, our fleet of 17 vessels remains secured on long-term fixed rate contracts with CMA CGM, which in January announced receipt of $500 million of new capital to strengthen its balance sheet and secure its investment plan. Going forward, and noting the recent strength of the US capital markets, we are committed to seeking opportunities to capitalize on strong industry fundamentals, and will remain focused on preserving the Company's financial strength over the long term."

SELECTED FINANCIAL DATA — UNAUDITED

(thousands of U.S. dollars)

	Three months ended Dec 31, 2010	Three months ended Dec 31, 2009	**Year ended Dec 31, 2010**	Year ended Dec 31, 2009
Revenue	**40,035**	39,884	**158,837**	148,708
Operating Income (Loss)	**(773)**	17,862	**51,773**	61,717

Net Income (Loss)	**1,226**	12,348	**(3,971)**	42,374
EBITDA (1)	**26,405**	27,928	**108,905**	99,024
Normalised Net Income (1)	**6,598**	7,254	**28,433**	26,637

(1) 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.

Revenue and Utilization

The 17-vessel fleet generated revenue from fixed rate long-term time charters of $40.0 million in the three months ended December 31, 2010, up slightly on revenue of $39.9 million for the comparative period in 2009. The increase in revenue is from higher utilization due to less offhire. During the three months ended December 31, 2010, there were 1,564 ownership days, the same as the comparable period in 2009. There were no dry-dockings in the three months ended December 31, 2010 and only one day of unplanned offhire, giving a utilization of 100%. In the comparable period of 2009, there was no unplanned offhire and there were 16 planned offhire days for drydocking, representing utilization of 99.0%.

For the year ended December 31, 2010 revenue was $158.8 million, an increase of 7% on $148.7 million in the comparative period. The increase in revenue is due to the purchase of our seventeenth ship in August 2009 and from lower offhire. With one additional vessel, ownership days at 6,205 were up 237 or 4% on 5,968 in the comparative period. Further, offhire days in the year ended December 31, 2010 were three, compared to 74 in 2009 including 32 planned days offhire for drydockings.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were $11.4 million for the three months ended December 31, 2010. The average cost per ownership day was $7,278 in the fourth quarter 2010 compared to $6,992 for the third quarter 2010, up $286 or 4% due mainly to the phasing of purchasing of supplies. The fourth quarter 2010 average daily cost was up 16% from the average daily cost of $6,299 for the comparative period in 2009 due to higher spend on supplies and increased crew costs and fourth quarter 2009 benefitting from rebilling of certain items for the charterer's account.

For the year ended December 31, 2010 vessel operating expenses were $42.1 million or an average cost per vessel per day of $6,780 compared to a total of $41.4 million or an average of $6,932 in the previous year. Average cost in 2010 was 2% down on 2009 mainly due to lower lubricating oil consumption following the installation of electronically timed cylinder lubrication oil injection system on eight vessels.

Vessel operating expenses continue to be at less than the capped amounts included in Global Ship Lease's ship management agreements.

Depreciation

Depreciation of $10.1 million for the three months ended December 31, 2010 was the same as in the comparative period in 2009 as there were no changes to the fleet.

Depreciation was $40.1 million for the year ended December 31, 2010, including the effect of the purchase of one additional vessel in August 2009, compared to $37.3 million for the comparative period in 2009.

General and Administrative Costs

General and administrative costs incurred were $2.4 million in the three months ended December 31, 2010, including $0.1 million non-cash charge for stock based incentives, compared to $2.2 million for the comparable period in 2009, including $0.4 million non-cash charge for stock based incentives.

In the year ended December 31, 2010 general and administrative costs were $8.3 million, including $1.0 million non-cash charge for stock based incentives, compared to $8.7 million for the comparable period in 2009, including $2.5 million non-cash charge for stock based incentives.

Impairment

On November 8, 2010, the Company signed agreements with the sellers of two 4,250 TEU container vessels which terminated the Company's purchase obligations totaling $154.8 million. Under the agreements the Company (i) released deposits, including accrued interest and totaling approximately $8.1 million per vessel (ii) made further cash payment of approximately

$6.2 million per vessel and (iii) transferred to the sellers certain supplies purchased for the vessels which are valued at approximately $0.4 million per vessel. The total value of these items was $14.7 million per vessel. In exchange, the Company acquired purchase options giving it the right, but not the obligation, to purchase each vessel on the first anniversary of its delivery by the builder to the seller, for a final payment of $61.25 million per vessel. Each purchase option is to be exercised no later than 270 days after the delivery of the vessel by the builder to the seller. The vessels were delivered by the builder in December 2010 and January 2011 respectively.

Under US GAAP, an impairment charge totalling $17.1 million has been recognised in the three months ended December 31, 2010 comprised of $15.5 million released deposits not including interest earned, $1.3 million interest capitalised thereon and $0.3 million other predelivery capital expenditure.

EBITDA

EBITDA, before the impairment charge of $17.1 million, was $26.4 million the three months ended December 31, 2010 compared to $27.9 million for the three months ended December 31, 2009 and was $108.9 million for the year ended December 31, 2010 compared to $99.0 million for the year ended December 31, 2009.

Other operating (income) expense

Other operating income in the three months ended December 31, 2010 was $0.2 million up slightly on $0.1 million for the three months ended December 31, 2009.

For the year ended December 31, 2010 other operating income was $0.4 million, the same as for 2009.

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, 2010 was $6.0 million. The Company's borrowings under its credit facility averaged $547.6 million during the three months ended December 31, 2010 and were $532.8 million at December 31, 2010. There were $48.0 million preferred shares throughout the period giving total average borrowings of $595.6 million. Interest expense in the comparative period in 2009 was $6.1 million. Average borrowings in the three months ended December 31, 2009, including the preferred shares, were $641.8 million.

For the year ended December 31, 2010, interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, was $23.8 million. The Company's borrowings under its credit facility together with the preferred shares averaged $615.7 million during this period. Interest expense in 2009 was $24.2 million, including $2.2 million accelerated write off of deferred financing fees, based on average borrowings including the preferred shares of $608.7 million in the period.

Interest income for the three months ended December 31, 2010 and 2009 was not material. For the year ended December 31, 2010, interest income was $0.2 million and was $0.5 million in the comparative 2009 period.

Change in Fair Value of Financial Instruments

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. 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. The Company's derivative hedging instruments gave a $7.4 million gain in the three months ended December 31, 2010, reflecting primarily movements in the forward curve for interest rates. Of this amount, $4.3 million was a realized loss for settlements of swaps in the period and $11.7 million was an unrealized gain for revaluation of the balance sheet position. This compares to a $0.7 million gain in the three months ended December 31, 2009 of which $4.4 million was a realized loss and $5.1 million was an unrealized gain.

For the year ended December 31, 2010 the total loss from derivative hedging instruments was $32.0 million of which $16.7 million was realized and $15.3 million unrealized compared to a total gain in 2009 of $4.8 million of which $13.1 million was a realized loss and $17.9 million was an unrealized gain.

At December 31, 2010, the total mark-to-market unrealized loss recognized as a liability on the balance sheet was $44.4 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, 2010 was $0.6 million credit as a result of movement in the balance for deferred taxation and following a review of tax exposures. Taxation was $0.1 million charge for the three months ended December 31, 2009.

For the year ended December 31, 2010 taxation was $0.1 million charge, including $0.4 million tax relating to Marathon Acquisition Corp for the period up to August 14, 2008, compared to $0.4 million charge in the prior year.

Net Income

Net income for the three months ended December 31, 2010 was $1.2 million including $11.7 million non-cash interest rate derivative mark-to-market gain and $17.1 million impairment charge. For the three months ended December 31, 2009 net income was $12.3 million, including $5.1 million non-cash interest rate derivative mark-to-market gain. Normalized net income was $6.6 million for the three months ended December 31, 2010 and $7.3 million for the three months ended December 31, 2009.

For the year ended December 31, 2010 the net loss was $4.0 million including $15.3 million non-cash interest rate derivative mark-to-market loss and $17.1 million impairment charge. For the year ended December 31, 2009 net income was $42.4 million including $17.9 million non-cash interest rate derivative mark-to-market gain and $2.2 million accelerated write off of deferred financing fees. Normalized net income was $28.4 million for the year ended December 31, 2010 and was $26.6 million for the year ended December 31, 2009.

Credit Facility

On August 20, 2009, the Company entered into an amendment to its credit facility, whereby the loan-to-value covenant has been waived up to and including November 30, 2010 with the next loan-to-value test scheduled for April 30, 2011. Amounts borrowed under the amended credit facility bear interest at LIBOR plus a fixed interest margin of 3.50% up to November 30, 2010. Thereafter, the margin will be between 2.50% and 3.50% depending on the loan-to-value ratio. In the absence of actual current loan-to-value ratios, a loan-to-value ratio of 100% is assumed.

In connection with the amended credit facility Global Ship Lease may not pay dividends to common shareholders, instead using its cash flow to prepay borrowings under the credit facility. Global Ship Lease can resume dividends after November 30, 2010 and once the loan-to-value is at or below 75%, when the prepayment of borrowings becomes fixed at $10 million per quarter.

In the year ended December 31, 2010 a total of $55.4 million has been prepaid leaving a balance outstanding of $532.8 million. The Company estimates that a further $44.5 million will be prepaid in the year ending December 31, 2011.

Dividend

Global Ship Lease has agreed with its lenders that it will not declare or pay any dividend to common shareholders until the later of November 30, 2010 and when loan-to-value is at or below 75%. The Board of Directors will review the dividend policy when appropriate.

Fleet Utilization

The table below shows fleet utilization for the three months and year ended December 31, 2010 and for the three months and year ended December 31, 2009 and for the year ended December 31, 2008. Unplanned offhire in the year ended December 31, 2009 includes 18 days for drydock and associated repairs following a grounding and a seven day deviation to land a sick crew member.

	Three months ended			Year ended			Year ended
Days	Dec 31, 2010	Dec 31, 2009	Increase	Dec 31, 2010	Dec 31, 2009	Increase	Dec 31, 2008
Ownership days	1,564	1,564	0%	6,205	5,968	4%	4,416
Planned offhire - scheduled drydock	--	(16)		--	(32)		(15)
Unplanned offhire	(1)	--		(3)	(42)		(30)
Operating days	1,563	1,548	1%	6,202	5,894	5%	4,371
Utilization	99.9%	99.0%		100.0%	98.8%		99.0%

Seven vessels are scheduled to be drydocked in 2011 and six in 2012. This will lead to increased planned offhire.

Fleet

The following table provides information about the on-the-water fleet of 17 vessels chartered to CMA CGM.

Vessel Name	Capacity in TEUs (1)	Year Built	Purchase Date by GSL	Approximate Charter Remaining Duration (years)(2)	Daily Charter Rate
Ville d'Orion	4,113	1997	December 2007	2.00	$28,500
Ville d'Aquarius	4,113	1996	December 2007	2.00	$28,500
CMA CGM Matisse	2,262	1999	December 2007	6.00	$18,465
CMA CGM Utrillo	2,262	1999	December 2007	6.00	$18,465
Delmas Keta	2,207	2003	December 2007	7.00	$18,465
Julie Delmas	2,207	2002	December 2007	7.00	$18,465
Kumasi	2,207	2002	December 2007	7.00	$18,465
Marie Delmas	2,207	2002	December 2007	7.00	$18,465
CMA CGM La Tour	2,272	2001	December 2007	6.00	$18,465
CMA CGM Manet	2,272	2001	December 2007	6.00	$18,465
CMA CGM Alcazar	5,100	2007	January 2008	10.00	$33,750
CMA CGM Château d'If	5,100	2007	January 2008	10.00	$33,750
CMA CGM Thalassa	10,960	2008	December 2008	15.00	$47,200
CMA CGM Jamaica	4,298	2006	December 2008	12.00	$25,350
CMA CGM Sambhar	4,045	2006	December 2008	12.00	$25,350
CMA CGM America	4,045	2006	December 2008	12.00	$25,350
CMA CGM Berlioz	6,627	2001	August 2009	10.75	$34,000

(1) Twenty-foot Equivalent Units.

(2) Information is as of 12/31/2010.

In addition, the Company has options to purchase two further vessels as follows.

Vessel Name	Capacity in TEUs (1)	Year Built	Potential Delivery Date	Charterer	Charter Duration (years)	Daily Charter Rate
Zim Alabama (2)	4,250	2010	December 2011	ZIM	6-7 (3)	$28,000
Zim Texas (2)	4,250	2011	January 2012	ZIM	6-7 (3)	$28,000

(1) Twenty-foot Equivalent Unit.

(2) Option to purchase from German interests for a payment of $61.25 million per vessel.

(3) Six-year charter from December 2011/January 2012 that could be extended to seven years at charterer's option.

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, 2010 today, Tuesday, March 8, 2011 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (888) 935-4575 or (212) 444-0412; Passcode: 3491512

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 Tuesday, March 22, 2011 at (866) 932-5017 or (347) 366-9565. Enter the code 3491512 to access the audio replay. The webcast will also be archived on the Company's website: http://www.globalshiplease.com.

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 world class container liner companies.

Global Ship Lease owns 17 vessels with a total capacity of 66,297 TEU with an average age, weighted by TEU capacity, at December 31, 2010 of 6.8 years. All of the current vessels are fixed on long-term charters to CMA CGM with an average remaining term of 8.1 years, or 9.3 years on a weighted basis.

Reconciliation of Non-U.S. GAAP Financial Measures

A. EBITDA

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. 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 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. 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.

EBITDA - UNAUDITED

(thousands of U.S. dollars)

		Three months ended Dec 31, 2010	Three months ended Dec 31, 2009	Year ended Dec 31, 2010	Year ended Dec 31, 2009
Net income (loss)		1,226	12,348	(3,971)	42,374
Adjust:	Depreciation	10,096	10,066	40,051	37,307
	Impairment charge (1)	17,082	--	17,082	--
	Interest income	(24)	-36	(185)	(519)
	Interest expense	5,962	6,107	23,828	24,224
	Realized and unrealized (gain) loss on interest rate derivatives	(7,367)	(702)	32,049	(4,806)
	Income tax	(570)	145	52	444
EBITDA		26,405	27,928	108,905	99,024

(1) Under US GAAP, following the agreement to convert purchase obligations on two 4,250 TEU vessels into options, an impairment charge totalling $17.1 million has been recognised in the quarter ended December 31, 2010 comprised $15.5 million released deposits, $1.3 million interest capitalised thereon and $0.3 million other predelivery capital expenditure.

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, 2010	Three months ended Dec 31, 2009	Year ended Dec 31, 2010	Year ended Dec 31, 2009
Net income (loss)		1,226	12,348	(3,971)	42,374
Adjust:	Unrealized gain (loss) on derivatives	(11,710)	(5,094)	15,322	(17,928)
	Deferred financing costs written off (1)	--	--	--	2,191
	Impairment charge (2)	17,082	--	17,082	--
Normalized net income		6,598	7,254	28,433	26,637

(1) Following reductions in the Company's borrowing capacity under its credit facility, a proportion of the unamortized deferred financing costs were written off.

(2) Under US GAAP, following the agreement to convert purchase obligations on two 4,250 TEU vessels into purchase options, an impairment charge totalling $17.1 million has been recognised in the three months ended December 31, 2010 comprised $15.5 million released deposits, $1.3 million interest capitalised thereon and $0.3 million other predelivery capital expenditure.

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, contracted and yet to be contracted 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 offhire 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 team'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 ConsolidatedStatements of Income

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

	Three months ended December 31,		**Year ended December 31,**	
	2010	**2009**	**2010**	**2009**
Operating Revenues				
Time charter revenue	$40,035	$39,884	$158,837	$148,708
Operating Expenses				
Vessel operating expenses	11,383	9,851	42,067	41,368
Depreciation	10,096	10,066	40,051	37,307
General and administrative	2,410	2,187	8,253	8,748
Impairment charge	17,082	--	17,082	--
Other operating (income)	(163)	(82)	(389)	(432)
Total operating expenses	40,808	22,022	107,064	86,991
Operating (Loss) Income	(773)	17,862	51,773	61,717
Non Operating Income (Expense)				
Interest income	24	36	185	519

Interest expense	(5,962)	(6,107)	(23,828)	(24,224)
Realized and unrealized gain (loss) on interest rate derivatives	7,367	702	(32,049)	4,806
Income (Loss) before Income Taxes	656	12,493	(3,919)	42,818
Income taxes	570	(145)	(52)	(444)
Net Income (Loss)	$ 1,226	$ 12,348	$ (3,971)	$ 42,374
Earnings per Share				
Weighted average number of Class A common shares outstanding				
Basic	47,126,391	46,675,140	46,910,604	46,459,509
Diluted	47,390,171	46,675,140	46,910,604	46,754,858
Net income (loss) in $ per Class A common share				
Basic	$ 0.03	$ 0.26	$ (0.08)	$ 0.91
Diluted	$ 0.03	$ 0.26	$ (0.08)	$ 0.91
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 (loss) in $ per Class B common share				
Basic and diluted	$ nil	$ nil	$ nil	$ nil

Global Ship Lease, Inc.

CombinedBalance Sheets

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

	December 31, 2010	**December 31, 2009**
	Successor	Successor
Assets		
Cash and cash equivalents	$28,360	$30,810
Restricted cash	3,027	3,026
Accounts receivable	7,341	7,838
Prepaid expenses	712	685
Other receivables	264	613
Deferred tax	265	285
Deferred financing costs	1,009	903
Total current assets	40,978	44,160
Vessels in operation	922,498	961,708
Vessel deposits	--	16,243
Other fixed assets	10	9
Intangible assets — vessel purchase options	13,645	--

Intangible assets — other	26	--
Deferred tax	--	161
Deferred financing costs	3,865	5,077
Total non-current assets	940,044	983,198
Total Assets	$981,022	$1,027,358
Liabilities and Stockholders' Equity		
Liabilities		
Current portion of long-term debt	$44,500	$68,300
Intangible liability — charter agreements	2,119	2,119
Accounts payable	1,391	3,502
Accrued expenses	5,575	4,589
Derivative instruments	17,798	15,971
Total current liabilities	71,383	94,481
Long-term debt	488,269	519,892
Preferred shares	48,000	48,000
Intangible liability — charter agreements	22,169	24,288
Derivative instruments	26,637	13,142
Total long-term liabilities	585,075	605,322
Total Liabilities	$656,458	$699,803
Stockholders' Equity		
Class A Common stock — authorized 214,000,000 shares with a $0.01 par value; 47,130,467 shares issued and outstanding (2009 — 46,680,194)	$471	$467
Class B Common stock — authorized 20,000,000 shares with a $0.01 par value; 7,405,956 shares issued and outstanding (2009 — 7,405,956)	74	74
Additional paid in capital	351,295	350,319
Accumulated deficit	(27,276)	(23,305)
Total Stockholders' Equity	324,564	327,555
Total Liabilities and Stockholders' Equity	$981,022	$1,027,358

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,**	
	2010	**2009**	**2010**	**2009**
Cash Flows from Operating Activities				
Net income (loss)	$ 1,226	$ 12,348	$ (3,971)	$ 42,374

Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation	10,096	10,066	40,051	37,307
Impairment charge	17,082	--	17,082	--
Amortization of deferred financing costs	429	222	1,106	3,108
Change in fair value of certain derivative instruments	(11,710)	(5,094)	15,322	(17,928)
Amortization of intangible liability	(529)	(530)	(2,119)	(1,549)
Settlements of hedges which do not qualify for hedge accounting	4,343	4,390	16,727	13,121
Share based compensation	131	359	980	2,513
Decrease (increase) in other receivables and other assets	982	(6,873)	1,020	(6,510)
(Decrease) increase in accounts payable and other liabilities	(505)	3,368	(992)	2,165
Costs relating to drydocks	--	(797)	(164)	(1,706)
Unrealized foreign exchange (gain) loss	(10)	(5)	(15)	17
Net Cash Provided by Operating Activities	21,535	17,454	85,027	72,912
Cash Flows from Investing Activities				
Settlements of hedges which do not qualify for hedge accounting	(4,343)	(4,390)	(16,727)	(13,121)
Expenditure on vessels, vessel prepayments and vessel deposits	(384)	(577)	(1,670)	(83,639)
Acquisition of vessel purchase options	(13,645)	--	(13,645)	--
Purchase of other fixed assets	--	--	(12)	--
Variation in restricted cash	16,235	--	--	--
Net Cash (used in) Investing Activities	(2,137)	(4,967)	(32,054)	(96,760)
Cash Flows from Financing Activities				
Proceeds from debt	--	--	--	57,000
Repayments of debt	(20,373)	(10,908)	(55,423)	(10,908)
Issuance costs of debt	--	(311)	--	(5,426)
Dividend payments	--	--	--	(12,371)
Net Cash (Used in) Provided by Financing Activities	(20,373)	(11,219)	(55,423)	28,295
Net (Decrease) Increase in Cash and Cash Equivalents	(975)	1,268	(2,450)	4,447
Cash and Cash Equivalents at start of Period	29,335	29,542	30,810	26,363
Cash and Cash Equivalents at end of Period	$28,360	$30,810	$28,360	$30,810
Supplemental information				
Dividend declared	$ --	$ --	$ --	$ --
Total interest paid	$5,563	$5,986	$22,368	$22,092
Income tax paid	$203	$47	$210	$186

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