Global Ship Lease Reports Results for the Third Quarter of 2010

LONDON, Nov. 10, 2010 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months ended September 30, 2010.

Third Quarter and Year To Date Highlights

- Reported revenue of $40.0 million for the third quarter of 2010, up 6% on $37.6 million for the third quarter 2009 due mainly to the addition of one further vessel in August 2009. Revenue for the nine months ended September 30, 2010 was $118.8 million, up 9% on $108.8 million for the nine months ended September 30, 2009
- Generated $26.8 million EBITDA for the third quarter 2010, compared to $25.6 million for the third quarter 2009. EBITDA for the nine months ended September 30, 2010 was $82.5 million compared to $71.1 million for the nine months ended September 30, 2009
- Generated $15.5 million of adjusted cash from operations in the third quarter of 2010, essentially flat on $15.4 million on cash generated in third quarter 2009. Cash generated in the nine months ended September 30, 2010 was $48.9 million, up 8% on $45.5 million for the nine months ended September 30, 2009 mainly from the additional vessel
- Reported normalized net earnings of $6.2 million, or $0.11 per A and B Common Share, for the third quarter of 2010, excluding a $9.7 million non-cash interest rate derivative mark-to-market loss. Normalized net earnings for third quarter 2009 were $6.2 million, or $0.12 per A and B Common Share, excluding $8.1 million non-cash mark-to-market loss and $2.0 million accelerated write off of deferred financing fees. Normalized net earnings for the nine months ended September 30, 2010 was $21.8 million, or $0.40 per A and B Common Share, compared to $19.4 million for the nine months ended September 30, 2009, or $0.36 per A and B Common Share
- Including the non-cash mark-to-market items, reported net loss was $3.5 million, or $0.06 loss per share, for the third quarter of 2010 compared to net loss of $3.9 million, or $0.07 loss per share, for the third quarter 2009. Reported net loss for the nine months ended September 30, 2010 was $5.2 million, or $0.10 loss per share, compared to net income of $30.0 million for the nine months ended September 30, 2009, or $0.56 income per share
- Reached agreement with the sellers of two 4,250 TEU container vessels to convert the purchases, which were due in December 2010 at a total price of $77.4 million each, into options to purchase the vessels in one year for a final payment of $61.25 million each; Global Ship Lease has agreed to release the deposits already paid and pay an additional $6.6 million per vessel for the option

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "During the third quarter, our fleet once again operated at 100% utilization, enabling Global Ship Lease to achieve record revenue. Our 17 vessel fleet continues to perform as expected and remains secured on long-term fixed rate contracts with an average duration of 8.3 years. The Company's $1.4 billion of contracted revenue combined with the strengthening industry fundamentals positions Global Ship Lease well for the future."

Mr. Webber continued, "We are pleased to have reached agreement with the sellers of the two 4,250 TEU vessels which we were due to purchase in December 2010 and for which we did not have financing. Our proactive decision to convert the purchase of these two vessels into options eliminates any risk of not being able to perform on our purchase commitments and, crucially, provides the Company the right but not obligation to purchase the vessels in one year."

SELECTED FINANCIAL DATA – UNAUDITED

(thousands of U.S. dollars except per share data)

	Three months ended Sept 30, 2010	Three months ended Sept 30, 2009	**Nine months ended Sept 30, 2010**	Nine months ended Sept 30, 2009
Revenue	**40,040**	37,623	**118,802**	108,824
Operating Income	**16,703**	16,132	**52,546**	43,855
Net (Loss) Income	**(3,526)**	(3,893)	**(5,198)**	30,026
(Loss) Earnings per A and B share	**(0.06)**	(0.07)	**(0.10)**	0.56
Normalised net earnings (1)	**6,173**	6,249	**21,834**	19,383

Normalised earnings per A and B share (1)	**0.11**	0.12	**0.40**	0.36
EBITDA (1)	**26,803**	25,601	**82,501**	71,096
Adjusted Cash From Operations (1)	**15,450**	15,361	**48,873**	45,507

(1) Normalized net earnings, normalized earnings per share, EBITDA and adjusted cash from operations are non-US Generally Accepted Accounting Principles (US GAAP) measures, as explained further in this press release, and reconciliations are provided to the interim unaudited financial information.

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 September 30, 2010, up 6% on revenue of $37.6 million for the comparative period in 2009. The increase in revenue is due to the purchase of our seventeenth ship in August 2009 and from lower off-hire. During the three months ended September 30, 2010, there were 1,564 ownership days, up 56 or 4% on 1,508 ownership days in the comparable period in 2009. There were no dry-dockings in the three months ended September 30, 2010 and no off-hire days, giving a utilization of 100%. In the comparable period of 2009, there were 16 planned off-hire days for drydocking and four unplanned off-hire days, representing utilization of 98.7%.

For the nine months ended September 30, 2010 revenue was $118.8 million, an increase of 9% on $108.8 million in the comparative period. With one additional vessel, ownership days at 4,641 were up 237 or 5% on 4,404 in the comparative period. Further, off-hire days in the nine months ended September 30, 2010 were two, compared to 58 in the comparative period in 2009 including 16 planned days off-hire for drydocking.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were $10.9 million for the three months ended September 30, 2010. The average cost per ownership day was $6,992 in the third quarter 2010 compared to $6,565 for the second quarter, up $427 or 7% due mainly to catch up spend on maintenance and higher crew costs. The third quarter 2010 average daily cost was up 3% from the average daily cost of $6,820 for the comparative period in 2009 due to higher spend on maintenance and crew offset by lower lubricating oil consumption from slow steaming and following installation of alpha lubricating equipment on a number of vessels.

For the nine months ended September 30, 2010 vessel operating expenses were $30.7 million or an average cost per vessel per day of $6,612 compared to a total of $31.5 million or an average of $7,156.

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

Depreciation

Depreciation was $10.1 million for the three months ended September 30, 2010, including the effect of the purchase of one additional vessel in August 2009, compared to $9.5 million for the comparative period in 2009.

Depreciation was $30.0 million for the nine months ended September 30, 2010 compared to $27.2 million for the comparative period in 2009.

General and Administrative Costs

General and administrative costs incurred were $1.9 million in the three months ended September 30, 2010, including $0.2 million non-cash charge for stock based incentives, compared to $2.0 million for the comparable period in 2009, including $0.6 million non-cash charge for stock based incentives.

In the nine months ended September 30, 2010 general and administrative costs were $5.8 million, including $0.8 million non-cash charge for stock based incentives, compared to $6.6 million for the comparable period in 2009, including $2.2 million non-cash charge for stock based incentives.

Other operating expense (income)

Other operating expense in the three months ended September 30, 2010 was $0.4 million. Other operating income was $0.2 million for the three months ended September 30, 2009.

For the nine months ended September 30, 2010 other operating income was $0.2 million compared to income of $0.4 million in the comparative period in 2009.

Interest Expense

Interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, for the three months ended September 30, 2010 was $6.0 million. The Company's borrowings under its credit facility averaged $553.1 million during third quarter and were $553.1 million at September 30, 2010. There were $48.0 million preferred shares throughout the period giving total borrowings of $601.1 million. Interest expense in the comparative period in 2009 was $7.9 million including $2.0 million for a non recurring accelerated write off associated with renegotiation of the credit facility of deferred financing fees. Average borrowings in the three months ended September 30, 2009, including the preferred shares, were $612.4 million.

For the nine months ended September 30, 2010, interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, was $17.9 million. The Company's borrowings under its credit facility together with the preferred shares averaged $622.4 million during this period. Interest expense in the comparable period in 2009 was $18.1 million, including $2.2 million accelerated write off of deferred financing fees, based on average borrowings, including the preferred shares, of $597.6 million in the period.

Interest income for the three months ended September 30, 2010 was $66,000 and was $178,000 in the comparative 2009 period. For the nine months ended September 30, 2010, interest income was $161,000 and was $483,000 in the comparative 2009 period.

Taxation

Taxation for the three months ended September 30, 2010 was $0.6 million including $0.4 million tax relating to Marathon Acquisition Corp for the period up to August 14, 2008. Taxation was $0.3 million for the three months ended September 30, 2009.

For the nine months ended September 30, 2010 taxation was $0.6 million compared to $0.3 million in the comparative 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 $13.8 million loss in the three months ended September 30, 2010, reflecting primarily movements in the forward curve for interest rates. Of this amount, $4.1 million was a realized loss for settlements of swaps in the period and $9.7 million was an unrealized loss for revaluation of the balance sheet position. This compares to a $12.0 million loss in the three months ended September 30, 2009 of which $3.9 million was realized and $8.1 million was unrealized.

For the nine months ended September 30, 2010 the total loss from derivative hedging instruments was $39.4 million of which $12.4 million was realized and $27.0 million unrealized compared to a total gain in the nine months ended September 30, 2009 of $4.1 million of which $8.7 million was a realized loss and $12.8 million was an unrealized gain.

At September 30, 2010, the total mark-to-market unrealized loss recognized as a liability was $56.1 million.

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

Net Earnings

Normalized net earnings were $6.2 million, or $0.11 per Class A and B common share, for the three months ended September 30, 2010 excluding the $9.7 million non-cash interest rate derivative mark-to-market loss. Including the mark-to-market loss, the reported net loss was $3.5 million or $0.06 loss per Class A and B common share. For the three months ended September 30, 2009 normalized net earnings were $6.2 million, or $0.12 per Class A and B common share, excluding the $8.1 million non-cash interest rate derivative mark-to-market loss and excluding the $2.0 million accelerated write off of deferred financing fees. Including the mark-to-market loss and the deferred fee write off, the reported net loss was $3.9 million or $0.07 loss per Class A and B common share.

Normalized net earnings were $21.8 million, or $0.40 per Class A and B common share, for the nine months ended September 30, 2010 excluding the $27.0 million non-cash interest rate derivative mark-to-market loss. Including the mark-to-market loss, the reported net loss was $5.2 million or $0.10 loss per Class A and B common share. For the nine months ended September 30, 2009 normalized net earnings were $19.4 million, or $0.36 per Class A and B common share, excluding the $12.80 million non-cash interest rate derivative mark-to-market gain and excluding the $2.2 million accelerated write off of deferred financing fees. Including the mark-to-market gain and the deferred fee write off, reported net earnings were $30.0 million or $0.56 income per Class A and B common share.

Normalized net earnings and normalized earnings per share are non-US GAAP measures and are reconciled to the financial information included in this press release. We believe that they are useful measures with which to assess the Company's financial performance as they adjust for non-cash items that do not affect the Company's ability to generate cash.

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 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.

On September 28, 2010 the Company agreed with its bank group to defer to December 30, 2010 the debt prepayment of approximately $16 million otherwise due on September 30, 2010. The deferment was to enhance the Company's flexibility as it explored solutions concerning the purchase of two 4,250 vessels due in December 2010 for which there was no committed finance.

In the nine months ended September 30, 2010 a total of $35.1 million has been prepaid leaving a balance outstanding of $553.1 million. The Company estimates that a further $53.8 million will be prepaid in the year ending September 30, 2011.

Termination of Purchase Agreements

On November 8, 2010, the Company signed agreements with the sellers of two 4,250 TEU container vessels which, once certain conditions have been satisfied, terminate the Company's purchase obligations which totaled $154.8 million. The Company has agreed to (i) release deposits, including accrued interest and totaling approximately $8.1 million per vessel, to the sellers, (ii) make a further cash payment of approximately $6.1 million per vessel and (iii) transfer to the sellers certain supplies purchased for the vessels which are valued at approximately $0.5 million per vessel. The total value of these items is $14.7 million per vessel. In exchange, the Company acquires 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, which is expected to be in December 2010 for both vessels. If the Company does not exercise the purchase options, the sellers retain all monies paid to them and the Company has no further liability. In certain circumstances, such as seller default, the Company is refunded the $14.7 million.

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.

EBITDA

EBITDA was $26.8 million the third quarter 2010 compared to $25.6 million for the third quarter 2009 and was $82.5 million for the nine months ended September 30, 2010 compared to $71.1 million for the nine months ended September 30, 2009.

EBITDA is a non-US GAAP measure and is reconciled to the financial information further in this press release. The Company believes that it is a useful measure with which to assess the Company's operating performance as it reflects its ability to generate cash.

Adjusted Cash From Operations

Adjusted cash from operations was $15.5 million for the three months ended September 30, 2010 compared to $15.4 million for the three months ended September 30, 2009.

Adjusted cash from operations was $48.9 million for the nine months ended September 30, 2010 compared to $45.5 million for the nine months ended September 30, 2009.

Adjusted cash from operations is a non-US GAAP measure and is reconciled to the financial information further in this press release. The Company believes that it is a useful measure with which to assess the Company's operating performance as it adjusts for the effects of non-cash items.

Fleet Utilization

The table below shows fleet utilization for the three and nine months ended September 30, 2010 and 2009 and for year ended December 31, 2009. Unplanned offhire in the nine months ended September 30, 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			Nine months ended			Year ended
Days	Sept 30, 2010	Sept 30, 2009	Increase	Sept 30, 2010	Sept 30, 2009	Increase	Dec 31, 2009
Ownership days	1,564	1,508	4%	4,641	4,404	5%	5,968
Planned offhire - scheduled drydock	--	(16)		--	(16)		(32)
Unplanned offhire	--	(4)		(2)	(42)		(42)
Operating days	1,564	1,488	7%	4,639	4,346	7%	5,894
Utilization	100.0%	98.7%		100.0%	98.7%		98.8%

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	Charter Remaining Duration (years)	Daily Charter Rate ($)
Ville d'Orion	4,113	1997	December 2007	2.25	$28,500
Ville d'Aquarius	4,113	1996	December 2007	2.25	$28,500
CMA CGM Matisse	2,262	1999	December 2007	6.25	$18,465
CMA CGM Utrillo	2,262	1999	December 2007	6.25	$18,465
Delmas Keta	2,207	2003	December 2007	7.25	$18,465
Julie Delmas	2,207	2002	December 2007	7.25	$18,465
Kumasi	2,207	2002	December 2007	7.25	$18,465
Marie Delmas	2,207	2002	December 2007	7.25	$18,465
CMA CGM La Tour	2,272	2001	December 2007	6.25	$18,465
CMA CGM Manet	2,272	2001	December 2007	6.25	$18,465
CMA CGM Alcazar	5,100	2007	January 2008	10.25	$33,750
CMA CGM Château d'If	5,100	2007	January 2008	10.25	$33,750
CMA CGM Thalassa	10,960	2008	December 2008	15.25	$47,200
CMA CGM Jamaica	4,298	2006	December 2008	12.25	$25,350
CMA CGM Sambhar	4,045	2006	December 2008	12.25	$25,350
CMA CGM America	4,045	2006	December 2008	12.25	$25,350
CMA CGM Berlioz	6,627	2001	August 2009	11.00	$34,000

(1) Twenty-foot Equivalent Units.

The following table provides information about the contracted fleet.

Vessel Name	Capacity in TEUs (1)	Year Built	Potential Delivery Date	Charterer	Charter Duration (years)	Daily Charter Rate ($)

Hull 789 [2]	4,250	2010	December 2011	ZIM	7-8 [3]	$28,000
Hull 790 [2]	4,250	2010	December 2011	ZIM	7-8 [3]	$28,000

(1) Twenty-foot Equivalent Units.

(2) Option to purchase from German interests.

(3) Seven-year charter from December 2010 that could be extended to eight 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 September 30, 2010 today, Wednesday, November 10, 2010 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (888) 935-4577 or (718) 354-1389; Passcode: 4714492

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, November 24, 2010 at (866) 932-5017 or (347) 366-9565. Enter the code 4714492 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 a weighted average age at September 30, 2010 of 6.6 years. All of the current vessels are fixed on long-term charters to CMA CGM with an average remaining term of 8.3 years.

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 and amortization. EBITDA is a non-US GAAP quantitative measure used to assist in the assessment of the Company's ability to generate cash. 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 - UNAUDITED

(thousands of U.S. dollars)

		Three months ended Sept 30, 2010	Three months ended Sept 30, 2009	Nine months ended Sept 30, 2010	Nine months ended Sept 30, 2009
Net (loss) income		(3,526)	(3,893)	(5,198)	30,026
Adjust:	Depreciation	10,100	9,469	29,955	27,241
	Interest income	(66)	(178)	(161)	(483)
	Interest expense	5,963	7,909	17,867	18,117
	Realized and unrealized loss (gain) on interest rate derivatives	13,753	12,043	39,416	(4,104)
	Income tax	579	251	622	299

EBITDA	26,803	25,601	82,501	71,096

B. Adjusted Cash From Operations

Adjusted cash from operations is a non-US GAAP measure and is reconciled to the financial information below. It represents net cash provided by operating activities adjusted for certain non-cash items such as deferred taxation. Movements in working capital – changes in receivables and payables – are also adjusted as these are essentially timing differences. We deduct cash paid to settle derivatives. We also add back actual dry-dock expenditure and deduct an allowance for the estimated cost of future drydockings. This is to eliminate distortions which otherwise result from drydocking costs which are substantial and periodic. For example, there are no planned drydockings in 2010 but seven falling due in 2011. Adjusted cash from operations is a non-US GAAP quantitative measure used to assist in the assessment of the Company's ability to generate cash. Adjusted cash from operations is not defined in accounting principles generally accepted in the United States and should not be considered to be an alternate to net earnings or any other financial metric required by such accounting principles. We believe that adjusted cash from operations is a useful measure with which to assess the Company's operating performance as it adjusts for the effects of non-cash items and includes the effect of certain cash items.

ADJUSTED CASH FROM OPERATIONS - UNAUDITED

(thousands of U.S. dollars)

		Three months ended Sept 30, 2010	Three months ended Sept 30, 2009	Nine months ended Sept 30, 2010	Nine months ended Sept 30, 2009
Cash provided by operating activities		18,464	19,876	63,492	55,458
Adjust:	Deferred taxation	235	171	76	(239)
	Movement in receivables	422	(478)	(38)	(363)
	Movement in payables	1,358	(271)	488	1,203
	Settlement of derivatives	(4,054)	(3,916)	(12,384)	(8,731)
	Costs related to dry-docks	0	909	164	909
	Allowance for future dry-docks	(975)	(930)	(2,925)	(2,730)
Adjusted cash from operations		15,450	15,361	48,873	45,507

C. Normalized net earnings

Normalized net earnings is a non-US GAAP measure and is reconciled to the financial information below. It represents net earnings adjusted for the change in fair value of derivatives and the accelerated write off of a portion of deferred financing costs. Normalized net earnings is a non-GAAP quantitative measure which we believe will assist investors and analysts who often adjust reported net earnings 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 earnings is not defined in accounting principles generally accepted in the United States and should not be considered to be an alternate to net earnings or any other financial metric required by such accounting principles. Normalized net earnings per share is calculated based on normalized net earnings and the weighted average number of shares in the relevant period.

NORMALIZED NET EARNINGS -- UNAUDITED

(thousands of U.S. dollars except share and per share data)

	Three months ended Sept 30, 2010	Three months ended Sept 30, 2009	Nine months ended Sept 30, 2010	Nine months ended Sept 30, 2009

Net (loss) income		(3,526)	(3,893)	(5,198)	30,026
Adjust:	Change in value of derivatives	9,699	8,127	27,032	(12,834)
	Deferred financing costs written off (1)	--	2,015	--	2,191
Normalized net earnings		6,173	6,249	21,834	19,383
Weighted average number of Class A and B common shares outstanding (2)					
	Basic	54,258,434	53,805,878	54,243,841	53,792,798
	Diluted	54,258,434	53,805,878	54,243,841	54,024,166
Net (loss) income per share on reported earnings					
	Basic	(0.06)	(0.07)	(0.10)	0.56
	Diluted	(0.06)	(0.07)	(0.10)	0.56
Normalized net income per share					
	Basic	0.11	0.12	0.40	0.36
	Diluted	0.11	0.12	0.40	0.36

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

(2) The weighted average number of shares for the three and nine months ended September 30, 2010 and the three months ended September 30, 2009 are the same for basic and diluted and excludes the effect of outstanding warrants and stock based incentives as these were antidilutive. For the nine months ended September 30, 2009 the diluted weighted average number of shares includes the incremental effect of outstanding stock based incentive awards but excludes the effect of outstanding warrants as these were antidilutive.

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 charterer and sole 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 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 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 September 30,		Nine months ended September 30,	
	2010	**2009**	**2010**	**2009**
Operating Revenues				
Time charter revenue	$40,040	$37,623	$118,802	$108,824
Operating Expenses				
Vessel operating expenses	10,936	10,285	30,684	31,517
Depreciation	10,100	9,469	29,955	27,241
General and administrative	1,924	1,981	5,843	6,561
Other operating expense (income)	377	(244)	(226)	(350)
Total operating expenses	23,337	21,491	66,256	64,969
Operating Income	16,703	16,132	52,546	43,855
Non Operating Income (Expense)				
Interest income	66	178	161	483
Interest expense	(5,963)	(7,909)	(17,867)	(18,117)
Realized and unrealized (loss) gain on interest rate derivatives	(13,753)	(12,043)	(39,416)	4,104
(Loss) Income before Income Taxes	(2,947)	(3,642)	(4,476)	30,325
Income taxes	(579)	(251)	(622)	(299)
Net (Loss) Income	($3,526)	($3,893)	($5,198)	$30,026

Earnings per Share

Weighted average number of Class A common shares outstanding				
Basic	46,852,478	46,399,922	46,837,885	46,386,842
Diluted	46,852,478	46,399,922	46,837,885	46,618,210
Net (loss) income in $ per Class A common share				
Basic	$(0.08)	$(0.08)	$(0.11)	$0.65
Diluted	$(0.08)	$(0.08)	$(0.11)	$0.64
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 in $ per Class B common share				
Basic and diluted	$ nil	$ nil	$ nil	$ nil

Global Ship Lease, Inc.

Interim Unaudited ConsolidatedBalance Sheets

(Expressed in thousands of U.S. dollars)

	September 30, 2010	December 31, 2009
Assets		
Cash and cash equivalents	$29,335	$30,810
Restricted cash	19,261	3,026
Accounts receivable	6,576	7,838
Prepaid expenses	1,631	685
Other receivables	969	613
Deferred tax	284	285
Deferred financing costs	903	903
Total current assets	58,959	44,160
Vessels in operation	932,593	961,708
Vessel deposits	16,699	16,243
Other fixed assets	11	9
Deferred tax	86	161
Deferred financing costs	4,400	5,077
Total non-current assets	953,789	983,198
Total Assets	$1,012,748	$1,027,358

Liabilities and Stockholders' Equity

Liabilities

Current portion of long term debt	$53,800	$68,300
Intangible liability – charter agreements	2,119	2,119
Accounts payable	388	3,502
Accrued expenses	7,048	4,589
Derivative instruments	16,430	15,971
Total current liabilities	79,785	94,481
Long term debt	499,341	519,892
Preferred shares	48,000	48,000
Intangible liability – charter agreements	22,700	24,288
Derivative instruments	39,716	13,142
Total long-term liabilities	609,757	605,322
Total Liabilities	$689,542	$699,803
Stockholders' Equity		
Class A Common stock – authorized 214,000,000 shares with a $0.01 par value; 47,040,467 shares issued and outstanding	$470	$467
Class B Common stock – authorized 20,000,000 shares with a $0.01 par value; 7,405,956 shares issued and outstanding	74	74
Additional paid in capital	351,165	350,319
Accumulated deficit	(28,503)	(23,305)
Total Stockholders' Equity	323,206	327,555
Total Liabilities and Stockholders' Equity	$1,012,748	$1,027,358

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2010	**2009**	**2010**	**2009**
Cash Flows from Operating Activities				
Net (loss) income	$(3,526)	$(3,893)	$(5,198)	$30,026
Adjustments to Reconcile Net (Loss) Income to Net Cash Provided by Operating Activities				

Depreciation	10,100	9,469	29,955	27,241
Amortization of deferred financing costs	226	2,261	677	2,886
Change in fair value of certain derivative instruments	9,699	8,127	27,032	(12,834)
Amortization of intangible liability	(529)	(397)	(1,588)	(1,019)
Settlements of hedges which do not qualify for hedge accounting	4,054	3,916	12,384	8,731
Share based compensation	223	575	849	2,154
(Increase) decrease in other receivables and other assets	(422)	478	38	363
(Decrease) increase in accounts payable and other liabilities	(1,358)	271	(488)	(1,203)
Costs relating to drydocks	--	(909)	(164)	(909)
Unrealized foreign exchange (gain) loss	(3)	(22)	(5)	22
Net Cash Provided by Operating Activities	18,464	19,876	63,492	55,458
Cash Flows from Investing Activities				
Settlements of hedges which do not qualify for hedge accounting	(4,054)	(3,916)	(12,384)	(8,731)
Cash paid for purchases of vessels, vessel prepayments and vessel deposits	(157)	(82,328)	(1,285)	(83,062)
Cash paid for other fixed assets	(12)	--	(12)	--
Variation in restricted cash	(16,235)	--	(16,235)	--
Net Cash used in Investing Activities	(20,458)	(86,244)	(29,916)	(91,793)
Cash Flows from Financing Activities				
Proceeds (repayments) of debt	--	57,000	(35,051)	57,000
Issuance costs of debt	--	(1,822)	--	(5,115)
Dividend payments	--	--	--	(12,371)
Net Cash (used in) from Financing Activities	--	55,178	(35,051)	39,514
Net (Decrease) Increase in Cash and Cash Equivalents	(1,994)	(11,190)	(1,475)	3,179
Cash and Cash Equivalents at start of Period	31,329	40,732	30,810	26,363
Cash and Cash Equivalents at end of Period	$29,335	$29,542	$29,335	$29,542
Supplemental information				
Non cash investing and financing activities				
Dividend declared	$ --	$ --	$ --	$12,371
Total interest paid	$6,237	$5,384	$16,806	$14,117
Income tax paid	$21	$62	$7	$139

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