

Global Ship Lease, Inc.
Form 6-K
March 04, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16
UNDER
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: March 3, 2015

Commission File Number 001-34153

GLOBAL SHIP LEASE, INC.

(Exact name of Registrant as specified in its Charter)

c/o Portland House,

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Stag Place,

London SW1E 5RS,

United Kingdom

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or

Form 40-F. Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-I

Rule 101 (b)(1). Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T

Rule 101 (b)(7). Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

Information Contained in this Form 6-K Report

Attached hereto as Exhibit I is a press release dated March 3, 2015 of Global Ship Lease, Inc. (the Company) reporting the Company s financial results for the three months and year ended December 31, 2014. Attached hereto as Exhibit II are the Company s interim unaudited consolidated financial statements for the three months and year ended December 31, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GLOBAL SHIP LEASE, INC.

Date: March 3, 2015

By: /s/ IAN J. WEBBER
Ian J. Webber
Chief Executive Officer

Investor and Media Contacts:

The IGB Group

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or

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212-477-8438

Global Ship Lease Reports Results for the Fourth Quarter of 2014

LONDON, ENGLAND March 3, 2015 - Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months and year ended December 31, 2014.

Fourth Quarter and Year To Date Highlights

- Reported revenue of \$36.9 million for the fourth quarter 2014. Revenue for the year ended December 31, 2014 was \$138.6 million
- Reported net loss⁽¹⁾ of \$0.9 million for the fourth quarter 2014. For the year ended December 31, 2014, net income was \$5.0 million after a \$8.6 million gain on redemption of preferred shares together with a \$1.9 million non-cash mark-to-market gain and non-cash \$3.0 million accelerated write off of deferred financing costs
- Generated \$22.6 million of Adjusted EBITDA⁽²⁾ for the fourth quarter 2014. Adjusted EBITDA for the year ended December 31, 2014 was \$83.3 million
- Normalized net loss⁽¹⁾⁽²⁾ for the fourth quarter 2014 was the same as the reported net loss of \$0.9 million. Normalized net loss, which excludes certain non-cash items, was \$2.5 million for the year ended December 31, 2014
- Extended the time charter with Sea Consortium, doing business as X-Press Feeders, on November 17, 2014 for Ville d Aquarius, a 4,113 TEU vessel, at a gross rate of \$8,390 per day for four to six months at charterer's option

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- Purchased the OOCL Tianjin, an 8,063 TEU containership, from Orient Overseas Container Lines Limited (OOCL) for \$55 million. Immediately upon delivery on October 28, 2014, the vessel commenced a fixed-rate time charter back to OOCL for a period of 36 to 39 months at \$34,500 per day, which is expected to generate annual EBITDA of approximately \$9.4 million and increases contracted revenue by between \$37.7 million and \$40.9 million

- Agreed to purchase a 2004-built 8,063 TEU containership for \$53.6 million. Immediately upon delivery, which is expected to be no later than mid-March, the vessel will commence a fixed-rate time charter back to the seller for a period of 36 to 39 months at \$34,500 per day, which is expected to generate annual EBITDA of approximately \$9.4 million and increases contracted revenue by between \$37.7 million and \$40.9 million

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, 2014 was a transformational year, during which we seized multiple opportunities to enhance our financial flexibility, earnings power, and future prospects. After extending four charters with CMA CGM and successfully refinancing our restrictive debt facility early in the year, we further strengthened our balance sheet through a perpetual preferred offering in August. We also diversified our charter portfolio, adding Sea Consortium as a customer for two of our vessels. The year culminated with the successful execution of a sale and leaseback transaction with OOCL in the fourth quarter, resulting in a multi-year charter on highly attractive and accretive terms.

Mr. Webber continued, Our positive trajectory has continued into 2015 with a second sale and leaseback transaction in early February on similarly attractive terms. The two additional vessels increase our EBITDA generation capacity by over 20% since the third quarter of 2014. We are confident that Global Ship Lease's financial flexibility and stable long-term contracts position us well to pursue our strategic priorities of accretively growing our fleet and providing our shareholders with a meaningful and sustainable dividend. We have made significant progress towards both of these priorities over the last year, and we continue to move forward with the goal of being in a position to securely pass the relevant financial test in 2015 that will enable us to initiate a dividend.

SELECTED FINANCIAL DATA – UNAUDITED

(thousands of U.S. dollars)

	Three months ended December 31, 2014	Three months ended December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2013
Revenue	36,852	36,056	138,615	143,212
Operating Income	11,608	12,806	42,274	51,160
Net (Loss) Income(1)	(929)	7,892	4,996	32,518
Adjusted EBITDA (2)	22,559	22,901	83,333	91,545
Normalised Net (Loss) Income (1)(2)	(929)	5,421	(2,538)	18,216

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

(2) Adjusted EBITDA and Normalized net (loss) 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 fleet generated revenue from fixed rate, mainly long-term time, charters of \$36.9 million in the three months ended December 31, 2014, up \$0.8 million on revenue of \$36.1 million for the comparative period in 2013. The increase in revenue from the addition of OOCL Tianjin on October 28, 2014 was partially offset by reduced revenue on four vessels, following charter extensions by three years at a lower daily rate of \$15,300 compared to \$18,465 previously, effective February 1, 2014 and from 19 days additional offhire in the quarter for the regulatory drydocking of CMG CGM Utrillo and for a drydocking

to modify the bulbous bow of CMA CGM Thalassa to improve fuel efficiency at slower speeds. There were no drydockings in the comparative period. There were 1,629 ownership days in the quarter, up 65 days on the comparable period in 2013, as a result of the acquisition of the OOCL Tianjin. In the fourth quarter 2014, there was a total of 20 days offhire, of which one day was unplanned, and 19 days were for planned drydockings, giving an overall utilization of 98.8%. There was one day unplanned offhire in the comparable period of 2013, giving utilization of 99.9%.

For the year ended December 31, 2014, revenue was \$138.6 million, down \$4.6 million on revenue of \$143.2 million in the comparative period, mainly due to lower daily rates on the four extended charters, a total of 64 days idle time on the two 4,113 TEU vessels pending re-deployment on new charters, a temporary lower daily rate on Julie Delmas for 155 days during a period of reduced capability due to a damaged crane and increased offhire, and partially offset by the contribution from OOCL Tianjin.

The table below shows fleet utilization for the three months and year ended December 31, 2014 and 2013 and for the years ended December 31, 2012, 2011 and 2010.

Days	Three months ended						
	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Ownership days	1,629	1,564	6,270	6,205	6,222	6,205	6,205
Planned offhire - drydock	(19)	0	(48)	(21)	(82)	(95)	0
Unplanned offhire	(1)	(1)	(12)	(7)	(16)	(11)	(3)
Idle time	0	0	(64)	0	0	0	0
Operating days	1,609	1,563	6,146	6,177	6,124	6,099	6,202
Utilization	98.8%	99.9%	98.0%	99.5%	98.4%	98.3%	99.9%

There were two drydockings in the fourth quarter 2014 and none in the comparative period. Three vessels were drydocked in the year ended December 31, 2014. The one regulatory drydocking scheduled for 2015 - OOCL Tianjin was completed in January.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were \$12.6 million for the three months ended December 31, 2014. The average cost per ownership day in the quarter was \$7,736, compared to \$7,511 for the 2013 period, up \$225 or 3.0%. The increase is primarily attributable to higher crew costs. Fourth quarter 2014 average cost per ownership day was up only \$14, or 0.2%, on \$7,722 for the rolling four quarters ended September 30, 2014 with the four quarter period including the cost of bunkers consumed, for owners account, while the two 4,113 TEU vessels were idle, as well as the cost of positioning them for the commencement of their new charters in May and July 2014, respectively. There were no such bunker costs in the fourth quarter of 2014.

For the year ended December 31, 2014, vessel operating expenses were \$48.8 million or an average of \$7,778 per day, compared to \$46.0 million in the comparative period or \$7,421 per day. A large portion of the increase of \$357 per day, or 4.8%, is due to the cost of bunkers consumed by the two 4,113 TEU vessels.

Depreciation

Depreciation for the three months ended December 31, 2014 was \$11.0 million, compared to \$10.1 million in the fourth quarter 2013. The increase is due to the addition of the OOCL Tianjin to the fleet.

Depreciation for the year ended December 31, 2014 was \$41.1 million, compared to \$40.4 million in the comparative period.

General and Administrative Costs

General and administrative costs were \$1.9 million in the three months ended December 31, 2014, compared to \$1.5 million in the fourth quarter of 2013.

For the year ended December 31, 2014, general and administrative costs were \$7.0 million, compared to \$6.0 million for 2013. The increase is due mainly to costs associated with the issuance in March 2014 of our 10.0% First Priority Secured Notes, which could not be capitalized.

Other Operating Income

Other operating income in the three months ended December 31, 2014 was \$0.2 million, compared to \$0.1 million in the fourth quarter 2013.

For the year ended December 31, 2014, other operating income was \$0.5 million, compared to \$0.4 million for 2013.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was \$22.6 million for the three months ended December 31, 2014, down from \$22.9 million for the three months ended December 31, 2013.

Adjusted EBITDA for the year ended December 31, 2014 was \$83.3 million, compared to \$91.5 million for the comparative period.

Interest Expense

Until March 19, 2014, the Company's borrowings comprised amounts outstanding under its credit facility, which carried interest at US \$ LIBOR plus a margin, most recently 3.75%, and \$45 million Series A preferred shares, which carried interest at US \$ LIBOR plus a margin of 2.00%. The Company hedged its interest rate exposure by entering into derivatives that swapped floating rate debt for fixed rate debt to provide long-term stability and predictability to cash flows.

On March 19, 2014, the outstanding borrowings under the credit facility totaling \$366.4 million were repaid out of the proceeds of \$420.0 million aggregate principal amount of 10.0% First Priority Secured Notes due 2019 (the Notes). In addition, the \$277.0 million nominal amount of interest rate derivatives outstanding were terminated on March 19, 2014 for a final payment of \$19.3 million.

The \$45.0 million Series A preferred shares were redeemed on August 22, 2014, principally from the proceeds of an issuance of Series B cumulative perpetual preferred shares.

Interest expense for the three months ended December 31, 2014, including interest and the amortization of deferred financing costs and of the original issue discount on the Notes and the commitment fee on the Company's undrawn

\$40.0 million revolving credit facility, was \$11.8 million.

In the fourth quarter 2013, interest expense, including amortization of deferred financing costs, was \$4.5 million, on borrowings under the Company's credit facility and on the \$45.0 million Series A preferred shares.

For the year ended December 31, 2014, interest expense (including the amortization of deferred financing costs and, from March 19, 2014, of the original issue discount on the Notes) on borrowings under the credit facility up to March 19, 2014, on the Notes from that date, on the \$45.0 million Series A preferred shares until their redemption on August 22, 2014 and including the commitment fee on the \$40.0 million revolving credit facility was \$43.9 million. Amortization of deferred financing costs includes accelerated write off of \$3.0 million in March 2014 being the balance of such costs associated with the credit facility.

Interest expense for the year ended December 31, 2013 was \$18.8 million on the amount outstanding on the credit facility and the Series A preferred shares during that period which averaged \$450.1 million.

Interest income for the three months and years ended December 30, 2014 and 2013 was not material.

Change in Fair Value of Financial Instruments

The Company hedged its interest rate exposure by entering into derivatives that swap floating rate debt for fixed rate debt. These hedges did not qualify for hedge accounting under US GAAP and the outstanding hedges were 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 were terminated on March 19, 2014 and consequently had no effect in the three months ended December 31, 2014. They gave a realized loss of \$2.9 million in the three months ended December 31, 2013 for settlements in the period, as US \$ LIBOR rates were lower than the average fixed rates. Further, there was a \$2.5 million unrealized gain for revaluation of the balance sheet.

For the year ended December 31, 2014, the realized loss from hedges was \$2.8 million and the unrealized gain was \$1.9 million. This compares to a realized loss of \$14.0 million and an unrealized gain of \$14.3 million in the year ended December 31, 2013.

Gain on Redemption of Series A Preferred Shares

On August 22, 2014, the Company repurchased all of its outstanding Series A Preferred Shares for cash of \$36.4 million, a discount to their liquidation value of \$45.0 million, giving rise to a non-cash gain of \$8.6 million.

The purchase was funded with the net proceeds from the Company's offering of \$35.0 million Series B cumulative perpetual preferred shares, which closed on August 20, 2014, and cash on hand.

Taxation

Taxation for the three months ended December 31, 2014 was \$17,000, compared to \$34,000 in the fourth quarter of 2013.

Taxation for the year ended December 31, 2014 was \$75,000, compared to \$97,000 for 2013.

Earnings Allocated to Preferred Shares

The new Series B preferred shares carry a coupon of 8.75%, the cost of which for the three months ended December 31, 2014 was \$0.8 million. The total cost for 2014, from the closing of the offering on August 20, 2014 to the end of the year, was \$1.1 million.

Net Loss/Income Available to Common Shareholders

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Net loss for the three months ended December 31, 2014 was \$0.9 million. For the three months ended December 31, 2013, net income was \$7.9 million, after the \$2.5 million non-cash interest rate derivative mark-to-market gain. Normalized net loss, which excludes, where applicable, the effect of the non-cash interest rate derivative mark-to-market gain, was \$0.9 million for the three months ended December 31, 2014, which is the same as the reported net loss. Normalized net income was \$5.4 million for the three months ended December 31, 2013.

Net income was \$5.0 million for the year ended December 31, 2014, after a \$1.9 million non-cash mark-to-market gain on interest rate derivatives, a non-cash \$3.0 million accelerated write off of deferred financing costs and the \$8.6 million gain on redemption of the preferred shares. For the year ended December 31, 2013, net income was \$32.5 million after a \$14.3 million non-cash interest rate derivative mark-to-market gain.

Dividend

The board of directors is committed to paying a meaningful dividend once this can be sustained and provided that it is in the best interests of shareholders at the time. In the meantime, Global Ship Lease is not paying a dividend on common shares.

Fleet

The following table provides information as at December 31, 2014 about the on-the-water fleet of 18 vessels, of which 15 are chartered to CMA CGM, two to Sea Consortium, doing business as X-Press Feeders, and one to Orient Overseas Containerline Limited (OOCL).

Vessel Name	Capacity in TEUs ⁽¹⁾	Year Built	Charterer	Remaining Charter Term ⁽²⁾ (years)	Earliest Charter Expiry Date	Daily Charter Rate \$
Ville d Orion ⁽³⁾	4,113	1997	Sea Consortium	0.3	January 17, 2015	8,000
Ville d Aquariu ⁽⁴⁾	4,113	1996	Sea Consortium	0.3	April 3, 2015	8,390
CMA CGM Matisse	2,262	1999	CMA CGM	5.0	Sept 21, 2019	15,300
CMA CGM Utrillo	2,262	1999	CMA CGM	5.0	Sept 11, 2019	15,300
Delmas Keta	2,207	2003	CMA CGM	3.0	Sept 20, 2017	18,465
Julie Delmas	2,207	2002	CMA CGM	3.0	Sept 11, 2017	18,465
Kumasi	2,207	2002	CMA CGM	3.0	Sept 21, 2017	18,465
Marie Delmas	2,207	2002	CMA CGM	3.0	Sept 14, 2017	18,465
CMA CGM La Tour	2,272	2001	CMA CGM	5.0	Sept 20, 2019	15,300
CMA CGM Manet	2,272	2001	CMA CGM	5.0	Sept 7, 2019	15,300
CMA CGM Alcazar	5,089	2007	CMA CGM	6.0	Oct 18, 2020	33,750
CMA CGM Château d If	5,089	2007	CMA CGM	6.0	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	CMA CGM	11.0	Oct 1, 2025	47,200
CMA CGM Jamaica	4,298	2006	CMA CGM	8.0	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	CMA CGM	8.0	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	CMA CGM	8.0	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2001	CMA CGM	6.7	May 28, 2021	34,000
OOCL Tianjin ⁽⁵⁾	8,063	2005	OOCL	3.0	Oct 28, 2017	34,500

(1) Twenty-foot Equivalent Units.

(2) As at December 31, 2014. Plus or minus 90 days, other than as below.

(3) Ville d Orion on charter from July 17, 2014 for a minimum of six months and maximum of 12 months at charterer's option and 30 days' notice.

(4) Ville d Aquarius on charter from December 3, 2014 for a minimum of four months and maximum of six months at charterer's option and 30 days' notice.

- (5) *OOCL Tianjin on charter from October 28, 2014 for a minimum of 36 months and maximum of 39 months at charterer's option and 30 days notice.*

Conference Call and Webcast

Global Ship Lease will hold a conference call to discuss the Company's results for the three months and year ended December 31, 2014 today, Tuesday March 3, 2015 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (877) 445-2556 or (908) 982-4670; Passcode: 90129709

Please dial in at least 10 minutes prior to 10:30 a.m. Eastern Time to ensure a prompt start to the call.

(2) Live Internet webcast and slide presentation: <http://www.globalshiplease.com>

If you are unable to participate at this time, a replay of the call will be available through Thursday, March 19, 2015 at (855) 859-2056 or (404) 537-3406. Enter the code 90129709 to access the audio replay. The webcast will also be archived on the Company's website: <http://www.globalshiplease.com>.

Annual Report on Form 20F

The Company's Annual Report for 2013 is on file with the Securities and Exchange Commission. A copy of the report can be found under the Investor Relations section (Annual Reports) of the Company's website at <http://www.globalshiplease.com> Shareholders may request a hard copy of the audited financial statements free of charge by contacting the Company at info@globalshiplease.com or by writing to Global Ship Lease, Inc, care of Global Ship Lease Services Limited, Portland House, Stag Place, London SW1E 5RS or by telephoning +44 (0) 207 869 8806.

About Global Ship Lease

Global Ship Lease is a containership charter owner. Incorporated in the Marshall Islands, Global Ship Lease commenced operations in December 2007 with a business of owning and chartering out containerships under mainly long-term, fixed rate charters to top tier container liner companies.

Global Ship Lease currently owns 18 vessels with a total capacity of 74,412 TEU and an average age, weighted by TEU capacity, at December 31, 2014 of 10.7 years. All 18 vessels are currently fixed on time charters, 15 of which are with CMA CGM. The average remaining term of the charters is 5.9 years or 6.4 years on a weighted basis, excluding Ville d'Aquarius and Ville d'Orion, which are deployed in the short-term charter market.

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, and earnings allocated to preferred shares, non-cash gains on redemption of preferred shares, 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, 2014	Three months ended Dec 31, 2013	Year ended Dec 31, 2014	Year ended Dec 31, 2013
Net (loss) income	(929)	7,892	4,996	32,518
Adjust: Depreciation	10,951	10,095	41,059	40,385
Interest income	(9)	(10)	(64)	(44)
Interest expense	11,764	4,483	43,872	18,846
Gain on redemption of preferred shares			(8,576)	
Realized loss on interest rate derivatives		2,878	2,801	14,045
Unrealized gain on interest rate derivatives		(2,471)	(1,944)	(14,302)
Earnings allocated to preferred shares	765		1,114	
Income tax	17	34	75	97
Adjusted EBITDA	22,559	22,901	83,333	91,545

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, impairment charges and gain of redemption of preferred shares. Normalized net income is a non-GAAP quantitative measure which we believe will assist investors and analysts who often adjust reported net income for non-operating items such as change in fair value of derivatives to eliminate the effect of non cash non-operating items that do not affect operating performance or cash generated. Normalized net income is not defined in US GAAP and should not be considered to be an alternate to Net income (loss) or any other financial metric required by such accounting principles.

NORMALIZED NET INCOME - UNAUDITED*(thousands of U.S. dollars)*

	Three months ended Dec 31, 2014	Three months ended Dec 31, 2013	Year ended Dec 31, 2014	Year ended Dec 31, 2013
Net (loss) income available to common shareholders	(929)	7,892	4,996	32,518
Adjust: Unrealized gain on derivatives		(2,471)	(1,944)	(14,302)
Accelerated amortization of deferred financing costs			2,986	
Gain on redemption of preferred shares			(8,576)	

Normalized net (loss) income	(929)	5,421	(2,538)	18,216
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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, 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 Global Ship Lease's charterers, particularly CMA CGM, the Company's principal charterer and main source of operating revenue, and their ability to pay charterhire in accordance with the charters;

Global Ship Lease's financial condition and liquidity, including its ability to obtain additional waivers which might be necessary under the existing credit facility or obtain additional financing to fund capital expenditures, vessel acquisitions and other general corporate purposes;

Global Ship Lease's ability to meet its financial covenants and repay its credit 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 covenant constraints;

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, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Operating Revenues				
Time charter revenue	\$ 36,852	\$ 36,056	\$ 138,615	\$ 143,212
Operating Expenses				
Vessel operating expenses	12,602	11,748	48,770	46,048
Depreciation	10,951	10,095	41,059	40,385
General and administrative	1,891	1,486	7,022	6,030
Other operating income	(200)	(79)	(510)	(411)
Total operating expenses	25,244	23,250	96,341	92,052
Operating Income	11,608	12,806	42,274	51,160
Non Operating Income (Expense)				
Interest income	9	10	64	44
Interest expense	(11,764)	(4,483)	(43,872)	(18,846)
Gain on redemption of Series A Preferred Shares			8,576	
Realized loss on interest rate derivatives		(2,878)	(2,801)	(14,045)
Unrealized gain on interest rate derivatives		2,471	1,944	14,302
(Loss) Income before Income Taxes	(147)	7,926	6,185	32,615
Income taxes	(17)	(34)	(75)	(97)
Net (Loss) Income	\$ (164)	\$ 7,892	\$ 6,110	\$ 32,518
Earnings allocated to Series B Preferred Shares	(765)		(1,114)	
Net (Loss) Income available to Common Shareholders	\$ (929)	\$ 7,892	\$ 4,996	\$ 32,518
Earnings per Share				
Weighted average number of Class A common shares outstanding				
Basic (including RSUs without service conditions)	47,766,484	47,663,934	47,710,313	47,607,750
Diluted	47,766,484	47,795,505	47,823,736	47,767,266

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Net (loss) income per Class A common share					
Basic (including RSUs without service conditions)	\$	(0.02)	\$	0.17	\$ 0.10 \$ 0.68
Diluted	\$	(0.02)	\$	0.17	\$ 0.10 \$ 0.68
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 (loss) income per Class B common share					
Basic and diluted	\$	nil	\$	nil	\$ nil \$ nil

Global Ship Lease, Inc.

Interim Unaudited Consolidated Balance Sheets

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

	December 31, 2014	December 31, 2013
Assets		
Cash and cash equivalents	\$ 33,295	\$ 24,536
Restricted cash		3
Accounts receivable	1,244	7,006
Prepaid expenses	609	5,337
Other receivables	996	115
Inventory	553	
Current portion of deferred financing costs	3,148	1,391
Total current assets	39,845	38,388
Vessels in operation	836,537	817,875
Other fixed assets	6	7
Intangible assets	67	95
Deferred financing costs	10,172	1,882
Total non-current assets	846,782	819,859
Total Assets	\$ 886,627	\$ 858,247
Liabilities and Stockholders Equity		
Liabilities		
Current portion of long term debt	\$	\$ 50,110
Intangible liability - charter agreements	2,119	2,119
Deferred revenue	462	
Accounts payable	2,123	1,289
Accrued expenses	15,278	6,887
Derivative instruments		8,776
Total current liabilities	19,982	69,181
Long term debt	414,782	316,256
Series A Preferred Shares		44,976
Intangible liability - charter agreements	13,693	15,812
Deferred tax liability	34	43
Derivative instruments		12,513

Total long-term liabilities	428,509	389,600
Total Liabilities	\$ 448,491	\$ 458,781
Stockholders Equity		
Class A Common stock authorized 214,000,000 shares with a \$0.01 par value; 47,541,484 shares issued and outstanding (2013 47,513,934)	\$ 475	\$ 475
Class B Common stock authorized 20,000,000 shares with a \$0.01 par value; 7,405,956 shares issued and outstanding (2013 7,405,956)	74	74
Series B Preferred shares authorized 16,100 shares with a \$0.01 par value; 14,000 shares issued and outstanding (2013 nil)		
Additional paid in capital	386,350	352,676
Retained earnings	51,237	46,241
Total Stockholders Equity	438,136	399,466
Total Liabilities and Stockholders Equity	\$ 886,627	\$ 858,247

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, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Cash Flows from Operating Activities				
Net (loss) income	\$ (164)	\$ 7,892	\$ 6,110	\$ 32,518
Adjustments to Reconcile Net (Loss) Income to Net Cash Provided by Operating Activities				
Depreciation	10,951	10,095	41,059	40,385
Amortization of deferred financing costs	785	381	5,732	1,386
Amortization of original issue discount	346		1,082	
Change in fair value of derivative instruments		(2,471)	(1,944)	(14,302)
Amortization of intangible liability	(530)	(530)	(2,119)	(2,119)
Settlement of derivative instruments which do not qualify for hedge accounting		2,878	2,801	14,045
Share based compensation	25	75	177	360
Gain on redemption of Series A Preferred Shares			(8,576)	
Decrease (increase) in accounts receivable and other assets	5,123	(2,659)	9,458	3,836
(Increase) decrease in inventory	(225)		(553)	
Increase (decrease) in accounts payable and other liabilities	10,032	2,804	7,225	(1,772)
Increase in unearned revenue	462		462	
Unrealized foreign exchange (gain) loss	(11)	(3)	(11)	7
Net Cash Provided by Operating Activities	26,794	18,462	60,903	74,344
Cash Flows from Investing Activities				
Cash paid for vessel acquisition	(55,162)		(55,162)	
Settlement and termination of derivative instruments which do not qualify for hedge accounting		(2,878)	(22,146)	(14,045)
Cash paid for other assets		(2)	(7)	(2)
Cash paid to acquire intangible assets		(43)		(43)
Cash paid for drydockings	(1,924)	54	(2,765)	(2,553)
Net Cash Used in Investing Activities	(57,086)	(2,869)	(80,080)	(16,643)
Cash Flows from Financing Activities				
Repayment of credit facility		(17,909)	(366,366)	(59,310)
Proceeds from issuance of secured notes			413,700	
Deferred financing costs incurred			(15,779)	
Net proceeds from issuance of Series B Preferred Shares			33,892	
Variation in restricted cash				3

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Redemption of Series A Preferred Shares			(36,400)	
Series B Preferred Shares dividends paid	(765)		(1,114)	
Net Cash (Used in) Provided by Financing Activities	(765)	(17,909)	27,936	(59,310)
Net (Decrease) Increase in Cash and Cash Equivalents	(31,057)	(2,316)	8,759	(1,609)
Cash and Cash Equivalents at Start of Period	64,352	26,852	24,536	26,145
Cash and Cash Equivalents at End of Period	\$ 33,295	\$ 24,536	\$ 33,295	\$ 24,536
Supplemental information				
Total interest paid	\$	\$ 3,941	\$ 26,298	\$ 18,782
Income tax paid	\$ 18	\$ 19	\$ 80	\$ 78

GLOBAL SHIP LEASE, INC.

INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS AND YEAR ENDED DECEMBER 31, 2014

Global Ship Lease, Inc.

Interim Unaudited Consolidated Balance Sheets

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

		December 31,	December 31,
		2014	2013
	Note		
Assets			
Cash and cash equivalents		\$ 33,295	\$ 24,536
Restricted cash			3
Accounts receivable		1,244	7,006
Prepaid expenses	5	609	5,337
Other receivables		996	115
Inventory		553	
Current portion of deferred financing costs	5	3,148	1,391
Total current assets		39,845	38,388
Vessels in operation	4	836,537	817,875
Other fixed assets		6	7
Intangible assets		67	95
Deferred financing costs	5	10,172	1,882
Total non-current assets		846,782	819,859
Total Assets		\$ 886,627	\$ 858,247
Liabilities and Stockholders Equity			
Liabilities			
Current portion of long term debt	6	\$	\$ 50,110
Intangible liability charter agreements		2,119	2,119
Deferred revenue		462	
Accounts payable		2,123	1,289
Accrued expenses		15,278	6,887
Derivative instruments	10		8,776
Total current liabilities		19,982	69,181
Long term debt	6	414,782	316,256
Series A Preferred Shares	9		44,976
Intangible liability charter agreements		13,693	15,812
Deferred tax liability		34	43
Derivative instruments	10		12,513

Total long-term liabilities		428,509		389,600
Total Liabilities		\$ 448,491	\$	458,781
Commitments and contingencies	8			
Stockholders Equity				
Class A Common stock authorized 214,000,000 shares with a \$0.01 par value; 47,541,484 shares issued and outstanding (2013 47,513,934)	9	\$ 475	\$	475
Class B Common stock authorized 20,000,000 shares with a \$0.01 par value; 7,405,956 shares issued and outstanding (2013 7,405,956)	9	74		74
Series B Preferred shares authorized 16,100 shares with a \$0.01 par value; 14,000 shares issued and outstanding (2013 nil)	9			
Additional paid in capital		386,350		352,676
Retained earnings		51,237		46,241
Total Stockholders Equity		438,136		399,466
Total Liabilities and Stockholders Equity		\$ 886,627	\$	858,247

See accompanying notes to interim unaudited consolidated financial statements

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Income

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

	Note	Three months ended		Year ended	
		December 31, 2014	2013	December 31, 2014	2013
Operating Revenues					
Time charter revenue	7	\$ 36,852	\$ 36,056	\$ 138,615	\$ 143,212
Operating Expenses					
Vessel operating expenses		12,602	11,748	48,770	46,048
Depreciation	4	10,951	10,095	41,059	40,385
General and administrative		1,891	1,486	7,022	6,030
Other operating income		(200)	(79)	(510)	(411)
Total operating expenses		25,244	23,250	96,341	92,052
Operating Income		11,608	12,806	42,274	51,160
Non Operating Income (Expense)					
Interest income		9	10	64	44
Interest expense		(11,764)	(4,483)	(43,872)	(18,846)
Gain on redemption of Series A Preferred Shares	9			8,576	
Realized loss on interest rate derivatives	10		(2,878)	(2,801)	(14,045)
Unrealized gain on interest rate derivatives	10		2,471	1,944	14,302
(Loss) Income before Income Taxes		(147)	7,926	6,185	32,615
Income taxes		(17)	(34)	(75)	(97)
Net (Loss) Income		\$ (164)	\$ 7,892	\$ 6,110	\$ 32,518
Earnings allocated to Series B Preferred Shares	9	(765)		(1,114)	
Net (Loss) Income available to Common Shareholders		\$ (929)	\$ 7,892	\$ 4,996	\$ 32,518
Earnings per Share					
Weighted average number of Class A common shares outstanding					
	12	47,766,484	47,663,934	47,710,313	47,607,750

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Basic (including RSUs without service conditions)						
Diluted	12	47,766,484	47,795,505	47,823,736	47,767,266	
Net (loss) income per Class A common share						
Basic (including RSUs without service conditions)						
Diluted	12	\$ (0.02)	\$ 0.17	\$ 0.10	\$ 0.68	
Diluted	12	\$ (0.02)	\$ 0.17	\$ 0.10	\$ 0.68	
Weighted average number of Class B common shares outstanding						
Basic and diluted	12	7,405,956	7,405,956	7,405,956	7,405,956	
Net (loss) income per Class B common share						
Basic and diluted	12	\$ nil	\$ nil	\$ nil	\$ nil	

See accompanying notes to interim unaudited consolidated financial statements

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Note	Three months ended		Year ended	
		December 31, 2014	2013	December 31, 2014	2013
Cash Flows from Operating Activities					
Net (loss) income		\$ (164)	\$ 7,892	\$ 6,110	\$ 32,518
Adjustments to Reconcile Net (Loss) Income to Net Cash Provided by Operating Activities					
Depreciation	4	10,951	10,095	41,059	40,385
Amortization of deferred financing costs	5	785	381	5,732	1,386
Amortization of original issue discount	6	346		1,082	
Change in fair value of derivative instruments	10		(2,471)	(1,944)	(14,302)
Amortization of intangible liability		(530)	(530)	(2,119)	(2,119)
Settlement of derivative instruments which do not qualify for hedge accounting	10		2,878	2,801	14,045
Share based compensation	11	25	75	177	360
Gain on redemption of Series A Preferred Shares	9			(8,576)	
Decrease (increase) in accounts receivable and other assets		5,123	(2,659)	9,458	3,836
(Increase) decrease in inventory		(225)		(553)	
Increase (decrease) in accounts payable and other liabilities		10,032	2,804	7,225	(1,772)
Increase in unearned revenue		462		462	
Unrealized foreign exchange (gain) loss		(11)	(3)	(11)	7
Net Cash Provided by Operating Activities		26,794	18,462	60,903	74,344
Cash Flows from Investing Activities					
Cash paid for vessel acquisition	4	(55,162)		(55,162)	
Settlement and termination of derivative instruments which do not qualify for hedge accounting	10		(2,878)	(22,146)	(14,045)
Cash paid for other assets			(2)	(7)	(2)
Cash paid to acquire intangible assets			(43)		(43)
Cash paid for drydockings		(1,924)	54	(2,765)	(2,553)
Net Cash Used in Investing Activities		(57,086)	(2,869)	(80,080)	(16,643)
Cash Flows from Financing Activities					
Repayment of credit facility	6		(17,909)	(366,366)	(59,310)
Proceeds from issuance of secured notes	6			413,700	

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Deferred financing costs incurred	5		(15,779)	
Net proceeds from issuance of Series B Preferred Shares	9		33,892	
Variation in restricted cash	9		3	
Redemption of Series A Preferred Shares	9		(36,400)	
Series B Preferred Shares dividends paid	9	(765)	(1,114)	
Net Cash (Used in) Provided by Financing Activities		(765)	(17,909)	27,936 (59,310)
Net (Decrease) Increase in Cash and Cash Equivalents		(31,057)	(2,316)	8,759 (1,609)
Cash and Cash Equivalents at Start of Period		64,352	26,852	24,536 26,145
Cash and Cash Equivalents at End of Period		\$ 33,295	\$ 24,536	\$ 33,295 \$ 24,536
Supplemental information				
Total interest paid		\$	\$ 3,941	\$ 26,298 \$ 18,782
Income tax paid		\$ 18	\$ 19	\$ 80 \$ 78

See accompanying notes to interim unaudited consolidated financial statements

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Changes in Stockholders' Equity

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

	Number of Common Stock at \$0.01 Par value	Number of Series B Preferred Shares at \$0.01 Par value	Common Stock	Series B Preferred Shares	Additional Paid in Capital	Retained Earnings	Stockholders Equity
Balance at January 1, 2013	54,887,820		\$ 549	\$	\$ 352,316	\$ 13,723	\$ 366,588
Restricted Stock Units (note 11)					360		360
Class A Common Shares issued (note 9)	32,070						
Net income for the period						32,518	32,518
Balance at December 31, 2013	54,919,890		\$ 549	\$	\$ 352,676	\$ 46,241	\$ 399,466
Restricted Stock Units (note 11)					177		177
Class A Common Shares issued (note 9)	27,550						
Series B Preferred Shares issued (note 9)		14,000			35,000		35,000
Series B Preferred Shares issue expenses (note 9)					(1,503)		(1,503)
Net income for the period						6,110	6,110
Series B Preferred Shares dividend (note 9)						(1,114)	(1,114)
Balance at December 31, 2014	54,947,440	14,000	\$ 549	\$	\$ 386,350	\$ 51,237	\$ 438,136

See accompanying notes to interim unaudited consolidated financial statements

Global Ship Lease, Inc.
Notes to the Interim Unaudited Consolidated Financial Statements

(Expressed in thousands of U.S. dollars)

1. General

On August 14, 2008, Global Ship Lease, Inc. (the Company or GSL) merged indirectly with Marathon Acquisition Corp. (Marathon), a company then listed on The American Stock Exchange. Following the merger, the Company became listed on the New York Stock Exchange on August 15, 2008.

2. Nature of Operations and Basis of Preparation**(a) Nature of Operations**

The Company owns and charters out containerships. With the exception of three vessels which are on short to medium term time charters to unrelated parties, all vessels are time chartered to CMA CGM S.A. (CMA CGM) for remaining terms as at December 31, 2014 ranging from 3.00 to 11.00 years (see note 7).

The following table provides information about the 18 vessels owned as at December 31, 2014:

Vessel Name	Capacity		Purchase Date		Charterer	Charter Remaining Duration (years) ⁽²⁾	Daily Charter Rate
	in TEUs ⁽¹⁾	Year Built	by GSL				
Ville d Orion	4,113	1997	December 2007		Sea Consortium	0.30	\$ 8.000
Ville d Aquarius	4,113	1996	December 2007		Sea Consortium	0.30	\$ 8.390
CMA CGM Matisse ⁽³⁾	2,262	1999	December 2007		CMA CGM	5.00	\$ 15.300
CMA CGM Utrillo ⁽³⁾	2,262	1999	December 2007		CMA CGM	5.00	\$ 15.300
Delmas Keta	2,207	2					