

Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	FSL TRUST MANAGEMENT PTE. LTD.
Securities	FIRST SHIP LEASE TRUST - SG1U66934613 - D8DU
Stapled Security	No

Announcement Details

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Additional Details

For Financial Period Ended	31/03/2016
Attachments	<p>20160504_1QFY16.pdf</p> <p>20160504_Press Release_1QFY16_Financial Results.pdf</p> <p>20160504_Results Presentation_1QFY16.pdf</p> <p>Total size =926K</p>

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**FIRST SHIP LEASE TRUST
 UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
 FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

First Ship Lease Trust (“FSL Trust” or “the Trust”) is a shipowner and a provider of leasing services on a bareboat charter basis to the international shipping industry and is listed on the Singapore Exchange Securities Trading Limited (“SGX”).

As at 31 March 2016, FSL Trust has a modern, high quality and diversified portfolio of 22 vessels consisting of five containerships, twelve product tankers, three chemical tankers and two crude oil tankers. 12 vessels are employed on long-term bareboat charters as at 31 March 2016 and have a dollar-weighted average remaining lease period of approximately three years (excluding extension periods and early buy-out options). The remaining ten vessels are employed on time charter arrangements and in pools. The combined portfolio of 22 vessels has a dollar-weighted average age of approximately nine years.

Summary of FSL Trust Consolidated Results

	1Q 2016	1Q 2015	Inc/ (Dec)
	US\$ '000	US\$ '000	%
Revenue	26,666	24,783	7.6
Profit for the quarter	2,270	5,060	(55.1)
Income available for distribution	5,439	3,185	70.8

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1(a)(i) Consolidated Income Statements

		Group		
		1Q 2016	1Q 2015	Inc/ (Dec)
Note		US\$'000	US\$'000	%
	Revenue	26,666	24,783	7.6
	Depreciation expense on vessels	(10,144)	(11,506)	(11.8)
	Vessel operating expenses	(6,103)	(5,207)	17.2
	Management fees	(832)	(897)	(7.2)
	Trustee fees	(28)	(30)	(6.7)
	Other Trust expenses	(470)	(436)	7.8
	Results from operating activities	9,089	6,707	35.5
	Other income	400	19	2005.3
	Finance income	4	5	(20.0)
	Finance expenses	(3,061)	(3,349)	(8.6)
	Gain on disposal of available-for-sale financial assets	-	1,710	(100.0)
	Loss on disposal of vessels	(4,162)	-	100.0
	Profit before tax	2,270	5,092	(55.4)
	Income tax expense	-	(32)	(100.0)
	Profit for the quarter	2,270	5,060	(55.1)

Note:

- (a) This relates to the disposal of the entire shareholdings in TORM A/S for a total consideration of US\$2.6 million in January 2015.
- (b) This relates to the disposal of two containerships in February 2016.
- (c) This relates to income received from claims and legal settlements.

1(a)(ii) Statements of Comprehensive Income

		Group	
		1Q 2016	1Q 2015
		US\$'000	US\$'000
	Profit for the quarter	2,270	5,060
	Other comprehensive income/(losses)		
	Items that are or may be classified subsequently to profit or loss:		
	Translation differences relating to financial statements of foreign subsidiaries	272	(1,247)
	Exchange differences on monetary items forming part of net investment in foreign subsidiaries	152	-
	Effective portion of changes in fair value of cash flow hedges	(379)	(403)
	Net change in fair value of cash flow hedges transferred to income statement	157	370
	Other comprehensive income/(loss), net of tax	202	(1,280)
	Total comprehensive income	2,472	3,780

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1(a)(iii) Distribution Statements

		Group	
Note	1Q 2016	1Q 2015	
	US\$'000	US\$'000	
	2,270	5,060	
Add: Non-cash adjustments (a)	13,847	9,125	
Net cash generated from operations	16,117	14,185	
Less: Repayment of secured bank loans	(10,678)	(11,000)	
Prepayment of secured bank loans (b)	-	-	
Income available for distribution	5,439	3,185	
Less: Cash retained in the current period	(5,439)	(3,185)	
Net distributable amount (c)	-	-	
Amount available for distribution	-	-	
Comprising: (i) Tax-exempt distribution	-	-	
(ii) Tax-exempt (one-tier) distribution	-	-	
Amount to be distributed	-	-	
Units at the end of the quarter ('000)	637,457	654,665	
Distribution per unit (US Cents)	-	-	

Notes:

(a) Non-cash adjustments

		Group	
		1Q 2016	1Q 2015
		US\$'000	US\$'000
Depreciation expense on vessels		9,822	11,147
Unrealised exchange differences		202	27
Gain on disposal of available-for-sale financial assets		-	(1,710)
Loss on disposal of vessels		4,162	-
Amortisation of deferred income		(361)	(361)
Amortisation of initial direct costs		22	22
		13,847	9,125

(b) In 1Q of 2016, US\$ 8.0 million of the cash proceeds from the sale of two containerships was used to prepay the secured bank loans. As these amounts were not generated from operations they have not been included in this statement.

(c) No distribution has been recommended by the Board for the first quarter of 2016. The income available for distribution this quarter has been retained.

FIRST SHIP LEASE TRUST
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1(b)(i) Statements of Financial Position

		31 Mar 2016		31 Dec 2015	
		Group	Trust	Group	Trust
Note		US\$'000	US\$'000	US\$'000	US\$'000
	Non-current assets				
	Vessels	503,118	-	526,516	-
	Subsidiaries	-	368,397	-	368,397
	Derivative assets	-	-	55	55
		503,118	368,397	526,571	368,452
	Current assets				
	Inventories	-	-	45	-
	Derivative assets	55	55	133	133
	Trade and other receivables	6,111	72	4,623	26,554
	Cash and cash equivalents	32,895	22,367	28,834	16,769
(a)		39,061	22,494	33,635	43,456
	Total assets	542,179	390,891	560,206	411,908
	Equity attributable to unitholders of FSL Trust				
	Units in issue	523,284	523,284	523,284	523,284
	Reserves	(242,630)	(387,908)	(245,102)	(384,708)
	Total equity	280,654	135,376	278,182	138,576
	Non-current liabilities				
	Secured bank loans	211,859	211,859	229,050	229,050
	Derivative liabilities	94	94	67	67
	Deferred income	1,762	-	2,123	-
(b)		213,715	211,953	231,240	229,117
	Current liabilities				
	Trade and other payables	3,167	1,162	3,500	615
	Lease income received in advance	799	-	2,240	-
	Derivative liabilities	626	626	565	565
	Secured bank loans	41,774	41,774	43,035	43,035
	Deferred income	1,444	-	1,444	-
(b)		47,810	43,562	50,784	44,215
	Total liabilities	261,525	255,515	282,024	273,332
	Total equity and liabilities	542,179	390,891	560,206	411,908

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1(b)(i) Statements of Financial Position (cont'd)

Note:

(a) Cash and cash equivalents comprise:

	31 Mar 2016		31 Dec 2015	
	Group	Trust	Group	Trust
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at Bank	30,106	22,367	25,956	16,675
Short-term deposits	2,789	-	2,878	94
Cash and cash equivalents in the statement of cash flows	32,895	22,367	28,834	16,769

(b) Aggregate Amount of Group and the Trust's Borrowings and Debt Securities

	31 Mar 2016	31 Dec 2015
	US\$'000	US\$'000
Secured bank loans		
<u>Repayable within one year</u>		
Secured bank loans	42,711	44,000
Less: Unamortised debt upfront fees	(937)	(965)
	41,774	43,035
<u>Repayable after one year</u>		
Secured bank loans	212,486	229,901
Less: Unamortised debt upfront fees	(627)	(851)
	211,859	229,050

The Trustee-Manager, on behalf of FSL Trust, secured a 6-year amortising term loan facility in December 2011 and the outstanding face value of the loan balance was US\$255.2 million as at 31 March 2016.

The interest margin of the term loan:

<u>VTL ratio</u>	<u>Margin over US\$ 3-month LIBOR</u>
>100% to 140%	3.0%
>140% to 180%	2.8%
>180%	2.6%

As at 31 March 2016, the Trust is in compliance with the terms of the original loan agreement.

For 1Q 2016, the applicable margin over US\$ 3-month LIBOR was 2.8%. The VTL ratio will be assessed semi-annually.

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(b) Aggregate Amount of Group and the Trust's Borrowings and Debt Securities (cont'd)

The term loan facility is secured on the following⁽¹⁾:

- (i) a first priority mortgage over the Group's vessels (excluding FSL Osaka) in the portfolio;
- (ii) a first priority assignment of the Group's rights, title, interest in the insurances to and for each vessel, including insurance for hull and machinery, protection and indemnity and war risks;
- (iii) a first priority assignment of the Group's rights, title and interest in and to the charter agreements and the charter income of each vessel; and
- (iv) pledge of the shares of all the vessel-owning subsidiaries (excluding FSL-27 Pte. Ltd.).

⁽¹⁾ The recently acquired vessel FSL Osaka and FSL-27 Pte. Ltd. (the vessel owing subsidiary) do not form part of the security package.

FSL Trust has hedged part of its interest rate risk through a combination of interest rate swaps and/or natural hedges to fix the interest rates. The fixed interest rates range from 1.06% per annum to 1.65% per annum.

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1(c) Consolidated Cash Flow Statements

	Group	
	1Q 2016	1Q 2015
	US\$'000	US\$'000
Operating activities:		
Profit before tax	2,270	5,092
Adjustments for:		
Depreciation expense on vessels	10,144	11,506
Amortisation of debt upfront fees	252	278
Amortisation of initial direct costs	130	126
Amortisation of deferred income	(361)	(361)
Interest income	(4)	(5)
Interest expense	2,572	3,064
Loss on disposal of vessels	4,162	-
Gain on disposal of available-for-sale financial assets	-	(1,710)
Unrealised exchange differences	202	27
	19,367	18,017
Changes in working capital:		
Trade and other receivables	(1,489)	(1,696)
Inventories	45	(24)
Trade and other payables	(359)	83
Lease income received in advance	(1,441)	(1,342)
Cash generated from operating activities	16,123	15,038
Income tax paid	-	(32)
Cash flows from operating activities	16,123	15,006
Investing activities:		
Interest received	5	9
Net proceed on disposal of vessels	9,567	-
Net proceed on disposal of available-for-sale financial assets	-	2,629
Costs incurred for dry-docking	(384)	(10)
Cash flows from investing activities	9,188	2,628
Financing activities:		
Repayment of secured bank loans	(10,678)	(11,000)
Prepayment of secured bank loans	(8,026)	-
Interest paid	(2,546)	(2,963)
Security deposit	-	10,000
Pledged deposit	-	(2,629)
Cash flows used in financing activities	(21,250)	(6,592)
Net increase in cash and cash equivalents	4,061	11,042
Cash and cash equivalents at beginning of period	28,834	22,750
Cash and cash equivalents at end of period	32,895	33,792
Comprising:-		
Cash at Bank	30,106	30,919
Short-term deposits	2,789	2,873
	32,895	33,792

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1(d)(i) Statements of Changes in Unitholders' Funds

**2016
Group**

At 1 January 2016
Total comprehensive income/
(loss) for the quarter
At 31 March 2016

Units in Issue	Hedging Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
523,284	(443)	(6,671)	(237,988)	278,182
-	(222)	424	2,270	2,472
523,284	(665)	(6,247)	(235,718)	280,654

**2015
Group**

At 1 January 2015
Total comprehensive income/
(loss) for the quarter
At 31 March 2015

Units in Issue	Hedging Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
525,412	(1,011)	(5,533)	(252,135)	266,733
-	(33)	(1,247)	5,060	3,780
525,412	(1,044)	(6,780)	(247,075)	270,513

**2016
Trust**

At 1 January 2016
Total comprehensive income/(loss) for the
quarter
At 31 March 2016

Units in Issue	Hedging Reserve	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000
523,284	(443)	(384,265)	138,576
-	(222)	(2,978)	(3,200)
523,284	(665)	(387,243)	135,376

**2015
Trust**

At 1 January 2015
Total comprehensive income/ (loss) for the
quarter
At 31 March 2015

Units in Issue	Hedging Reserve	Accumulated Losses	Total Equity
US\$'000	US\$'000	US\$'000	US\$'000
525,412	(1,011)	(366,146)	158,255
-	(33)	(3,527)	(3,560)
525,412	(1,044)	(369,673)	154,695

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1(d)(ii)(iii) Details of any changes in Units

	Note	1Q 2016 Units	FY 2015 Units
At the beginning of the period		637,456,577	654,665,077
Units issued during the period		-	-
Units cancelled during the period	(a)	-	(17,208,500)
At the end of the period		637,456,577	637,456,577

Note:

(a) Pursuant to the "Unit Buy-back Mandate" obtained on 29 April 2015.

1(d)(iv) Sales, Transfers, Disposal, Cancellation and/or use of Treasury Units

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

FSL Trust has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

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6. Earnings per unit (“EPU”) and Distribution per unit (“DPU”) for the current financial period reported on and the corresponding period of the immediately preceding financial year

	Group	
	1Q 2016	1Q 2015
Basic and diluted earnings per unit is based on:		
Profit for the quarter (US\$'000)	2,270	5,060
Weighted average number of issued units (basic and diluted) ('000)	637,457	654,665
Basic and diluted earnings per unit based on weighted average number of units in issue (US Cents)	0.36	0.77
Number of issued units at end of quarter ('000)	637,457	654,665
Distribution per unit (US Cents)	-	-

7. Net Asset Value (“NAV”) per unit based on units at the end of the current financial period reported on and immediately preceding financial year

	Note	31 Mar 2016		31 Dec 2015	
		Group	Trust	Group	Trust
Net asset value per unit (US\$)	(a)	0.44	0.21	0.44	0.22

Note:

- (a) Net asset value per unit was calculated based on the applicable number of units issued as at the end of the respective period/year.

**FIRST SHIP LEASE TRUST
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8. Review of Performance

The breakdown of the revenue (on a bareboat charter/bareboat charter equivalent ("BBCE") basis) by the respective charter types and the net result from operations is as follows:

1Q 2016 vs 1Q 2015

	Group		
	1Q 2016	1Q 2015	Inc/(Dec)
	US\$'000	US\$'000	%
Rentals from vessels on bareboat charter	11,740	13,149	(10.7)
BBCE revenue of vessels on:-			
-Time charter	4,527	1,911	136.9
-Pool	4,013	4,157	(3.5)
-Spot	(39)	-	100.0
Total bareboat charter/BBCE revenue	20,241	19,217	5.3
Less:			
Depreciation expense on vessels ¹	(9,822)	(11,147)	(11.9)
Management fees	(832)	(897)	(7.2)
Trustee fees	(28)	(30)	(6.7)
Other Trust expenses ²	(470)	(436)	7.8
Other operating expenses	(11,152)	(12,510)	(10.9)
Results from operating activities	9,089	6,707	35.5
Other income	400	19	2005.3
Finance income	4	5	(20.0)
Finance expenses	(3,061)	(3,349)	(8.6)
Gain on disposal of available-for-sale financial assets	-	1,710	(100.0)
Loss on disposal of vessels	(4,162)	-	100.0
Profit before tax	2,270	5,092	(55.4)
Income tax expense	-	(32)	(100.0)
Profit for the quarter	2,270	5,060	(55.1)

a. Bareboat charter/BBCE revenue

Bareboat charter

Bareboat charter rentals decreased by 10.7% (US\$1.4 million), mainly attributed by:

- i) the disposal of two containerships in February 2016, (US\$2.2 million); offset with
- ii) the better performance of the 2 LR2 tankers, TORM Margrethe and Torm Marie, US\$0.9 million.

The rentals derived from the remaining 10 vessels under bareboat leases continued to support the overall earnings of FSL Trust.

¹ For this analysis, depreciation expense on dry-docking costs is included in vessel operating expenses in deriving BBCE revenue.

² Included in the other Trust expenses are vessel inspection fees, valuation fees, insurance, directors fees, professional fees, take over costs, printing, investor relations and others.

8. Review of Performance (cont'd)

Time charter

i) Product tankers

Both *FSL Hamburg* and *FSL Singapore* have been chartered to a global commodities trader since November 2015. The two vessels generated a BBCE revenue of US\$1.8 million in the quarter under review.

ii) Crude oil tankers

FSL Shanghai has been employed on time charter and generated a BBCE revenue of US\$1.4 million in the quarter under review.

FSL Hong Kong has been employed on time charter from 14 June 2015 and generated a BBCE revenue of US\$1.3 million in the quarter under review.

Pool

i) Chemical tankers

The three chemical tankers are employed in the 'Nordic Tankers 19,000 Stainless Steel Pool'. Collectively, these vessels generated net pool revenue of US\$4.6 million. After deducting vessel operating expenses, these vessels earned BBCE revenue of US\$2.5 million in the quarter under review.

ii) Containerships

FSL Busan (ex Cape Ferro) and *FSL Santos (ex Cape Falcon)* were redelivered to FSL Trust in July 2014 and employed in a 1200-1400/1700 TEU pool which is managed by HANSE Bereederung GmbH ('Hanse Pool'). Collectively, these vessels generated net pool revenue of US\$1.4 million. After deducting vessel operating expenses, these vessels earned BBCE revenue of US\$0.5 million in the quarter under review.

iii) Product tanker

FSL Osaka, acquired by the Trust on 18 Nov 2015, entered an MR pool managed by Hafnia Management ('Hafnia Pool'). The vessel generated net pool revenue of US\$1.5 million. After deducting vessel operating expenses, the vessel earned BBCE revenue of US\$1.0 million in the quarter under review.

8. Review of Performance (cont'd)

b. Other operating expenses

Other operating expenses decreased by 10.9% (US\$1.4 million) due mainly to:

- revised depreciation arising from changes in the residual values of vessels from the third quarter of the previous financial year (increased of US\$1.5 million) and the disposal of two containerships (decreased of US\$2.8 million) in February 2016.

c. Results from operating activities

On an overall basis, FSL Trust generated an operating profit of US\$9.1 million in this quarter, compared to US\$6.7 million over the same period last year.

d. Finance expenses

Finance expenses in 1Q 2016, including exchange loss of US\$222,000 (1Q 2015: exchange gain of US\$7,000), decreased by 8.6% (US\$0.3 million) mainly due to:

- lower outstanding indebtedness with reduced interest margin from 4Q 2015 (due to VTL improvement).

For 1Q 2016, FSL Trust achieved net profits of US\$2.3 million.

9. Variance from Prospect Statement

Not applicable.

10. Outlook and Prospects

FSL Trust's strong charter book and diversified fleet will continue to ensure that the Trust is well positioned in 2016, despite the challenges facing the various sectors of the global shipping market.

11. Distribution

(a) Current financial period

Any distributions declared for the : No
current financial period

(b) Corresponding Period of the Immediate Preceding Financial Period

Any distributions declared for the : No
previous corresponding period

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12. If no distribution has been declared/recommended, a statement to that effect

No distribution has been declared.

13. If the Group has obtained a general mandate from unitholders for Interested Party Transaction ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

FSL Trust does not have any unitholders' mandate for IPT.

14. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the board of directors which may render the interim financial results of the Group for the quarter ended 31 March 2016 to be false or misleading in any material aspect.

15. The Trustee-Manager, FSL Trust Management Pte. Ltd., has procured undertakings required under Rule 720(1), from all its directors and executive officers.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, changes in operating expenses, Trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
FSL TRUST MANAGEMENT PTE. LTD.
(COMPANY REGISTRATION NO. 200702265R)
AS TRUSTEE-MANAGER OF FIRST SHIP LEASE TRUST

Alan Hatton
Chief Executive Officer
04 May 2016



FSL Trust Management Pte. Ltd.

as Trustee Manager for First Ship Lease Trust

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For Immediate Release

FSL Trust announces its eighth consecutive profitable and cash-flow positive quarter, with revenue up 8% year-on-year

- 1QFY16 revenue higher by 8% at US\$26.7 million against US\$24.8 million for 1QFY15
- US\$2.3 million net profit despite a US\$4.2 million loss on disposal of two vessels
- Net cash generated from operations higher by 14% over 1Q2015 at US\$16.1 million
- The Trust's eighth consecutive profitable and cash-flow positive quarter

Singapore, 4 May 2016 – FSL Trust Management Pte. Ltd. ("FSLTM"), as trustee-manager of First Ship Lease Trust ("FSL Trust" or "the Trust") reported solid performance for the Trust's first quarter ended 31 March 2016 ("1QFY16").

1QFY16 revenue of US\$26.7 million was 8% higher year-on-year against US\$24.8 million in the FY2015 first quarter ("1QFY15"). The revenue increase was achieved despite the disposal of two panamax containerships in February this year.

Net cash generated from operations of US\$16.1 million for 1QFY16 was 14% higher than the US\$14.2 million recorded for 1QFY15.

The Trust achieved a net profit of US\$2.3 million despite a US\$4.2 million loss on disposal of the two panamax vessels and a US\$1.5m per quarter increased depreciation charge applied against other vessels. These results represent the eighth consecutive quarter of profitability.

Commenting on the Trust's performance, Alan Hatton, Chief Executive Officer of FSLTM said:

"The financial performance of the Trust continues to improve. 2015 was a great year and 1Q2016 has built on last year's achievements. That 1Q2016 was profitable, despite incurring a US\$4.2 million loss on disposal of the old panamax container vessels sold in February, is testament to the hard work of the team at the Trustee-Manager in improving the commercial revenues of the fleet while keeping a keen eye on costs and expenses."

"In 1QFY16, bareboat charter equivalent ("BBCE") revenue grew by 5% year-on-year to US\$20.2 million. This improvement reflects the higher earnings achieved by vessels employed on time charter and in pools, despite lower bareboat charter revenue following some long-term contract renewals at market rates and the sale of the "Ever Radiant" and "Ever Respect" following their redelivery in January 2016."

“The Trust continues to perform strongly. The balance sheet has been strengthened and the Trust’s gearing has been reduced. Despite a challenging shipping environment, the Trust’s diversification and strong mix of secure long-term charters and managed market exposure in better performing sectors, leaves us well positioned in this market.”

1QFY16 Results Conference Call

FSLTM will host a conference call for all registered participants on Thursday, 5 May 2016 at 10.00 am (Singapore time) to discuss the results. An audio recording of the conference call will be available on FSL Trust’s website at www.FSLTrust.com from 12.00 pm (Singapore time) on Friday, 6 May 2016.

[END]

About First Ship Lease Trust (Bloomberg: FSLT SP; Reuters: FSLT.SI; OTCQX: FSHPY)

First Ship Lease Trust (“FSL Trust” or the “Trust”) is a shipowner and a provider of leasing services on a long-term bareboat charter basis to the international shipping industry. The Trust has a diversified portfolio of 22 modern and high-quality vessels, comprising five containerships, 12 product tankers, three chemical tankers and two crude oil tankers. FSL Trust is listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) and its American Depositary Receipts (ADRs) are quoted on the PrimeQX tier of International OTCQX.

This news release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, changes in operating expenses, trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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FSL Trust

1Q FY2016 Financial Results
5 May 2016

1QFY16 – Key financial highlights



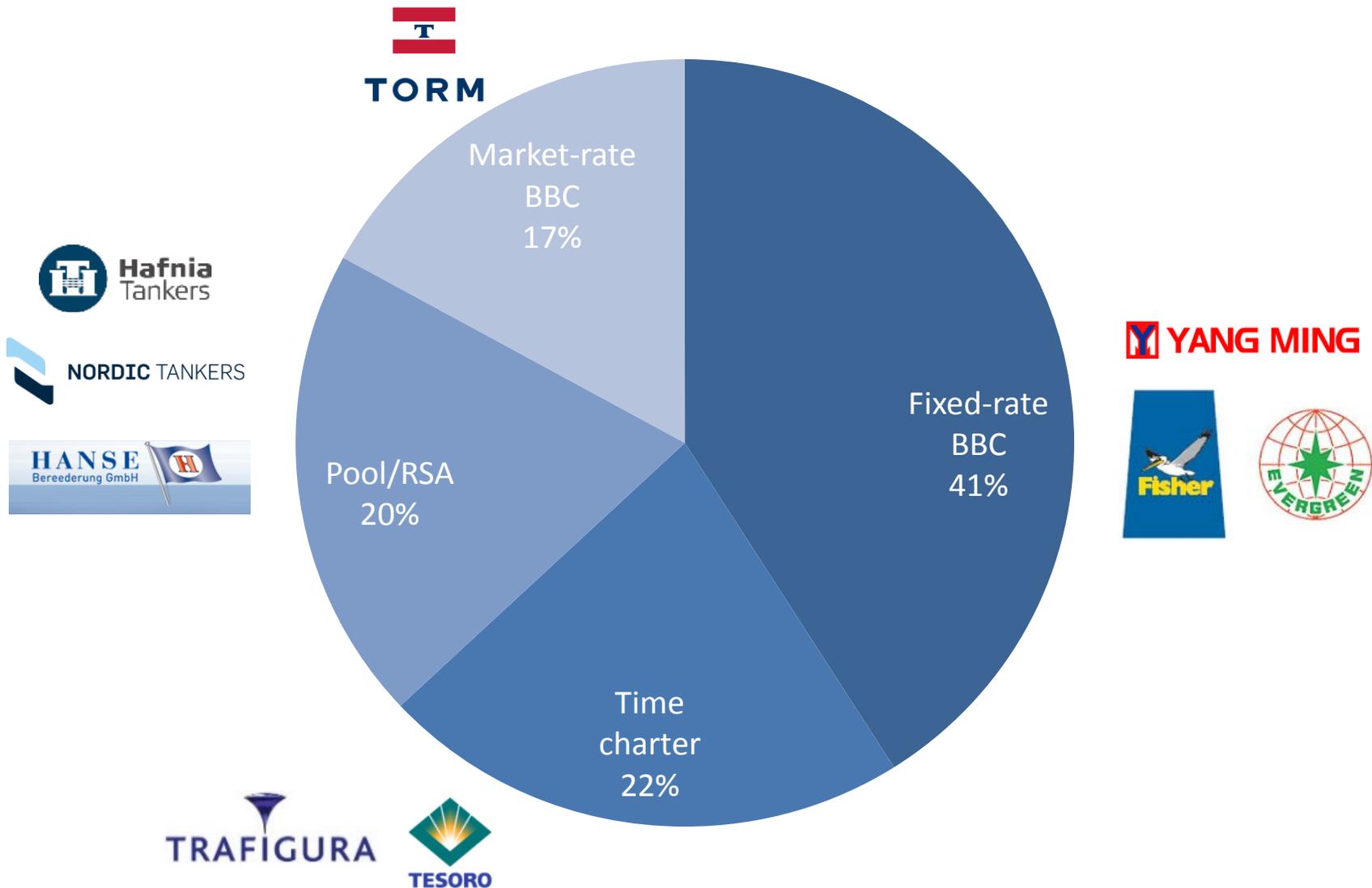
- Revenue increased by 8% year-on-year to US\$ 26.7 million
- Net cash generated from operations increased by 14% year-on-year to US\$ 16.1 million
- Net profit of US\$ 2.3 million reported despite:
 - Disposal of two panamax containerships in January resulting in:
 - Loss on disposal of US\$ 4.2 million
 - Reduced earnings from the redelivery two Evergreen-chartered panamax containerships
 - Increased depreciation on other vessels by US\$ 1.5 million
- Gearing⁽¹⁾ improved from 53.1% as at 1QFY15 to 47.5% as at 1QFY16

Performance review

US\$'000	1QFY16	1QFY15	Inc/(Dec) %
Revenue	26,666	24,783	7.6
Operating profit	9,089	6,707	35.5
Profit/(Loss) for the quarter	2,270	5,060 ⁽¹⁾	(55.1)
Net cash generated from operations	16,117	14,185	13.6
Debt outstanding	263,633	306,920	(14.1)

- Revenue increased despite reduced fleet
- Notable improvement in operating profit and net cash generated from operations

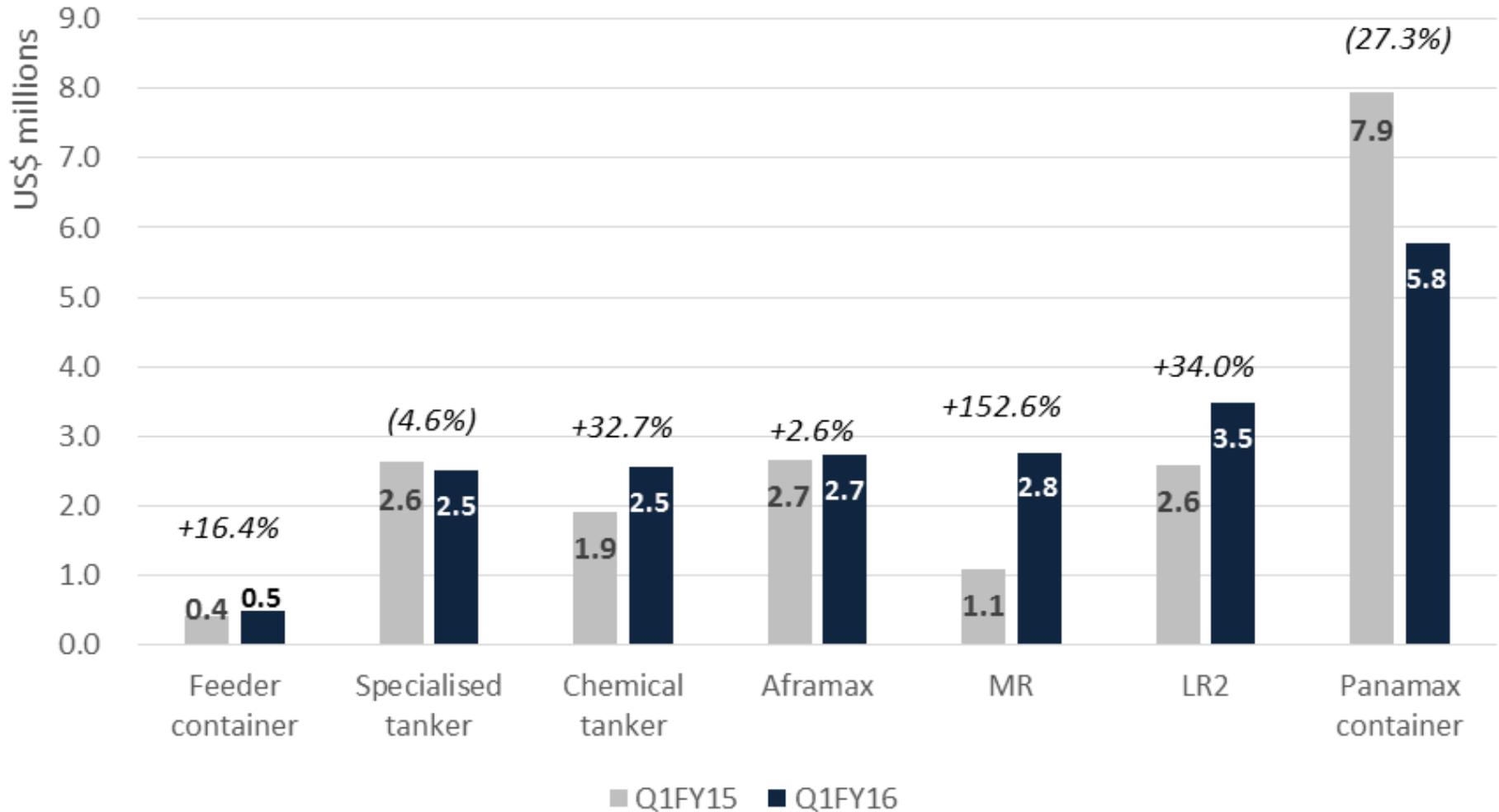
Fleet deployment by revenue⁽¹⁾



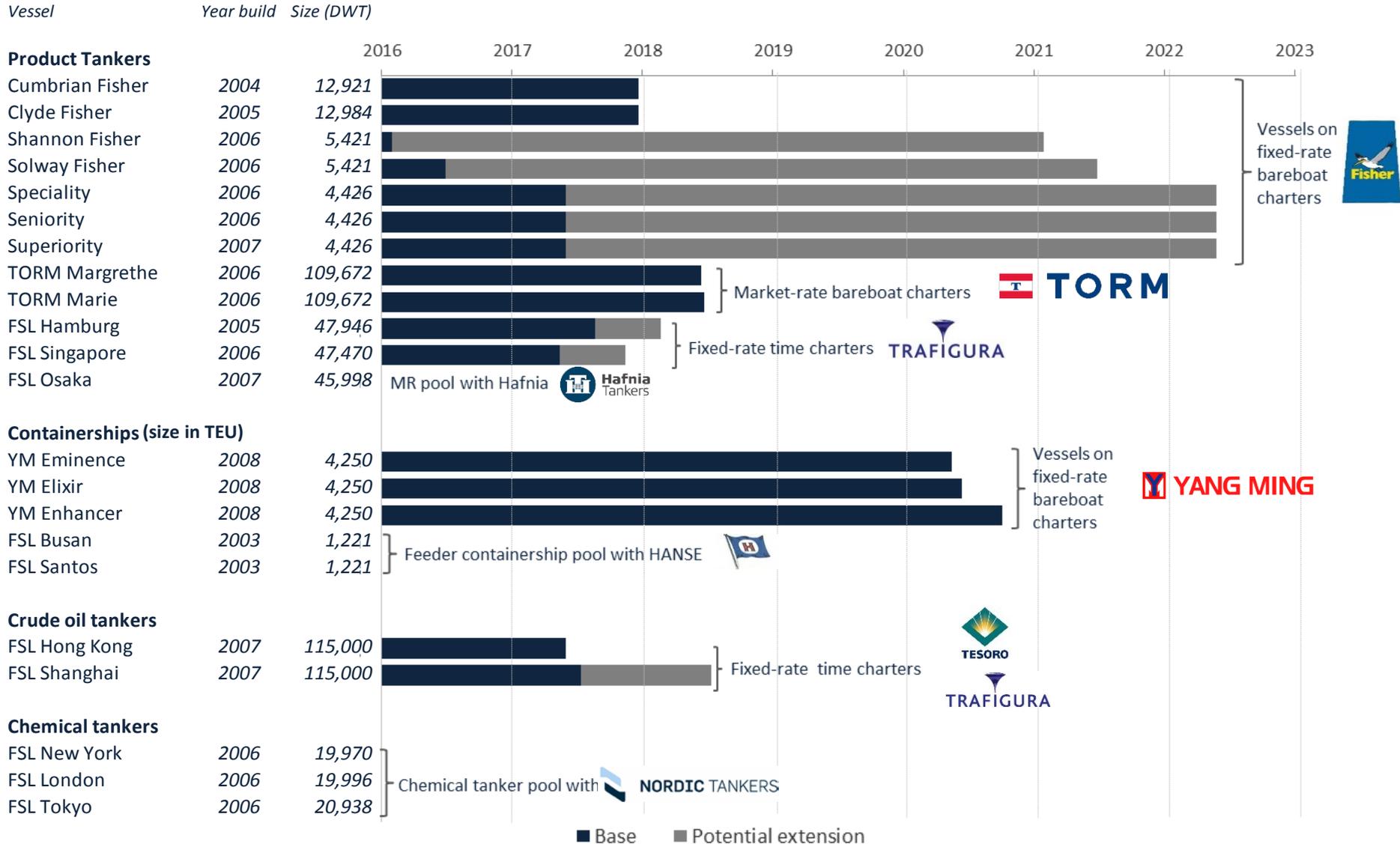
Note 1: BBCE revenue for the 3 months ended 31 March 2016

Operational performance

BBCE revenue by vessel type (US\$ million)

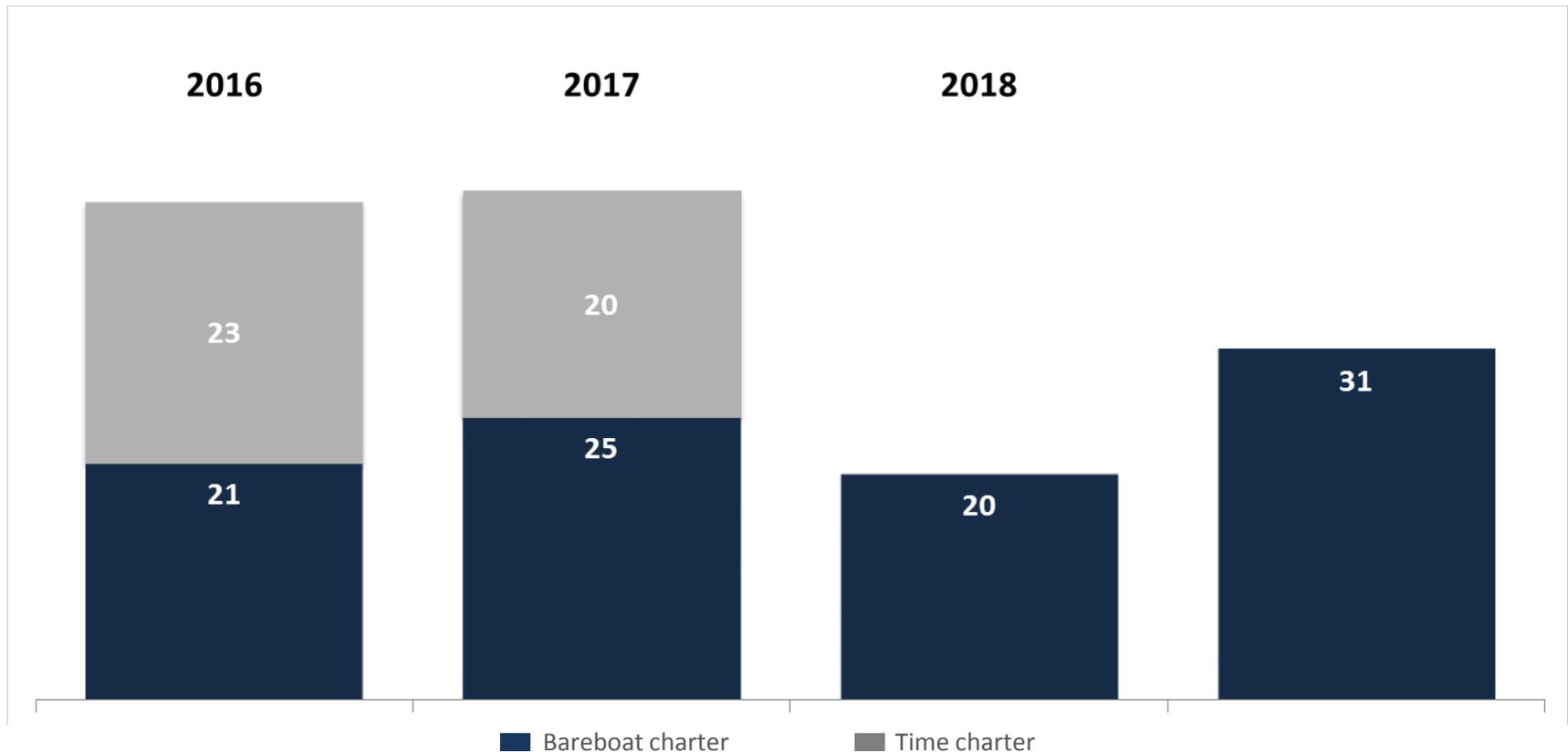


Lease maturity of vessels



Revenue backlog

Remaining contracted revenue stood at US\$140 million ⁽¹⁾
as at 31 March 2016



Note 1: Based on revenue from 9 bareboat charters (excluding the TORM charters on variable rates and Shannon Fisher) and from time charter contracts with Tesoro (FSL Hong Kong) and Trafigura (FSL Singapore, FSL Hamburg and FSL Shanghai)

Scheduled dry docks for the next 12 months

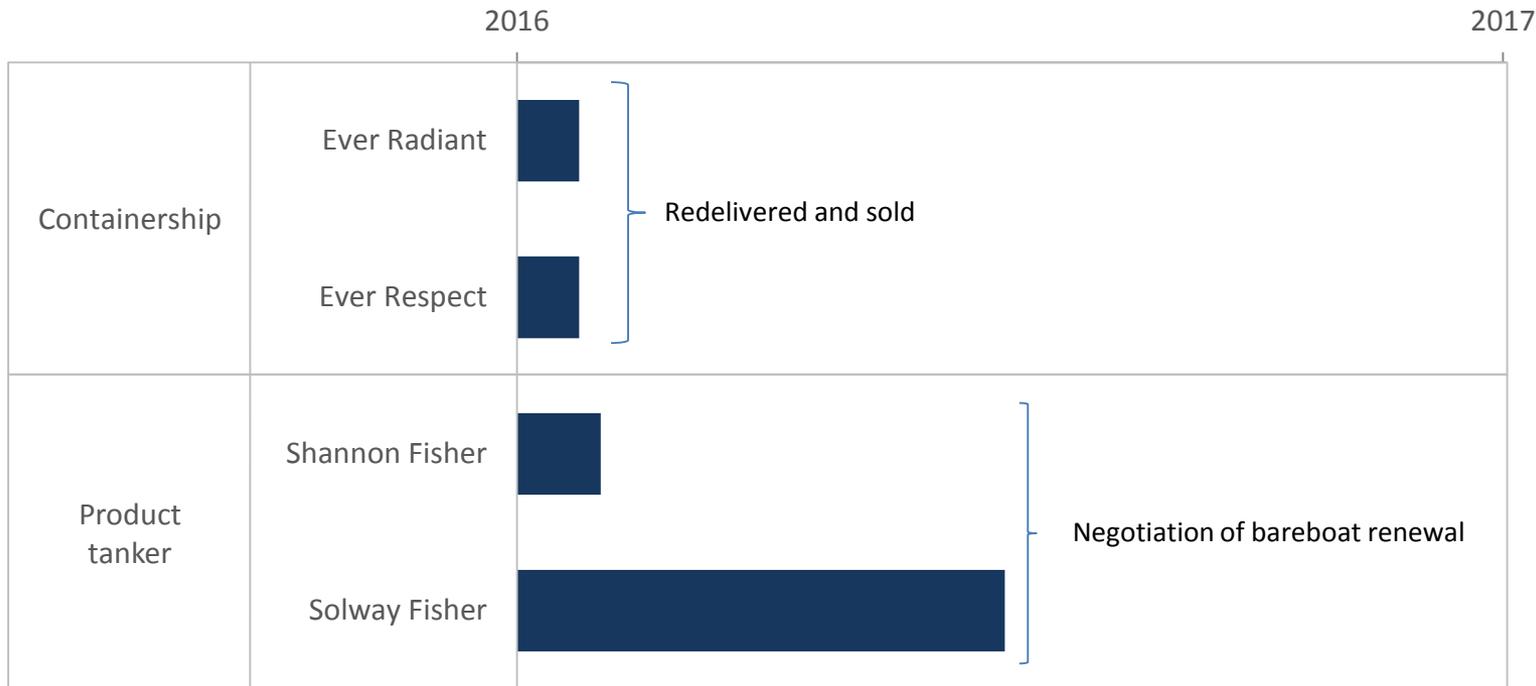
FSL managed fleet - Vessels planned for dry docking

Vessel	Date
FSL London	2QFY16
FSL New York	3QFY16
FSL Tokyo	3QFY16
FSL Hong Kong	Q1FY17

Latest dry dock

Vessel	Date
FSL Hamburg	4QFY15
FSL Singapore	4QFY15

FY2016 scheduled redeliveries



- Four vessels on fixed-rate bareboat charters redelivering in 2016
 - Ever Radiant and Ever Respect were sold on redelivery
 - The Trust is currently renegotiating the bareboat contracts with James Fisher in relation to the Shannon Fisher and Solway Fisher

➤ Summary

- Strong financial performance achieved – significant increase in revenue and net cash generated
 - Eighth consecutive profitable quarter
- The disposal of two panamax containerships did not significantly affect the profitability of the Trust
 - TC contracts entered in FY2015 and the acquisition of FSL Osaka proving to be strategically important

➤ Outlook

- Trust performing well, focus going forward will be on refinancing the current loan

Thank You