

Global Ship Lease, Inc.
Form 6-K
July 28, 2014

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: July 28, 2014

Commission File Number 001-34153

GLOBAL SHIP LEASE, INC.

(Exact name of Registrant as specified in its Charter)

c/o Portland House,

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-T 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

Information Contained in this Form 6-K Report

Attached hereto as Exhibit I is a press release dated July 28, 2014 of Global Ship Lease, Inc. (the Company) reporting the Company s financial results for the second quarter of 2014. Attached hereto as Exhibit II are the Company s interim unaudited consolidated financial statements for the six months ended June 30, 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: July 28, 2014

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

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Exhibit I

Investor and Media Contacts:

The IGB Group

Leon Berman

212-477-8438

Global Ship Lease Reports Results for the Second Quarter of 2014

LONDON, ENGLAND July 28, 2014 - Global Ship Lease, Inc. (NYSE:GSL), a containership charter owner, announced today its unaudited results for the three months and six months ended June 30, 2014.

Second Quarter and Year To Date Highlights

Reported revenue of \$33.5 million for the second quarter 2014. Revenue for the six months ended June 30, 2014 was \$67.5 million

Reported net loss of \$2.3 million for the second quarter 2014. For the six months ended June 30, 2014, net loss was \$0.4 million after a \$1.9 million non-cash mark-to-market gain and non-cash \$3.0 million accelerated write off of deferred financing costs

Generated \$19.8 million of Adjusted EBITDA ⁽¹⁾ for the second quarter 2014. Adjusted EBITDA for the six months ended June 30, 2014 was \$40.6 million

Normalized net loss ⁽¹⁾ is the same as reported net loss at \$2.3 million for the second quarter 2014. Excluding the non-cash items normalized net income was \$0.6 million for the six months ended June 30, 2014

Commenced a new time charter with Sea Consortium, doing business as X-press Feeders, on May 7, 2014 for Ville d Aquarius, a 4,113 TEU vessel, at a gross rate of \$7,490 per day for 180 days plus or minus 30 days at charterer's option

Expanded the Board of Directors by appointing on May 8, 2014 Alain Wils and John van de Merwe, nominated by the company's largest shareholder, CMA CGM

Commenced a new time charter with Sea Consortium, on July 17, 2014 for Ville d Orion, a 4,113 TEU vessel, at a gross rate of \$8,000 per day for six to 12 months at charterer's option

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, "In the second quarter of 2014, during which our two 4,113 TEU vessels, *Ville d Aquarius* and *Ville d Orion*, were redelivered at the conclusion of charters to CMA CGM, our fleet generated Adjusted EBITDA of \$19.8 million. We are pleased to have agreed to new time charters

with Sea Consortium for these vessels, thereby again achieving 100% contract coverage. By establishing and expanding our commercial relationship with Sea Consortium, we have taken meaningful steps in diversifying our charter portfolio and increasing our contracted revenue stream.

Mr. Webber continued, "We remain confident in the long-term, underlying fundamentals of the industry and believe the Company is well-positioned for growth. Drawing on our strong financial flexibility, we continue to actively pursue accretive opportunities to expand our fleet and future earnings power while enhancing shareholder value."

SELECTED FINANCIAL DATA - UNAUDITED

(thousands of U.S. dollars)

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Revenue	33,500	35,867	67,538	71,076
Operating Income	9,734	12,796	20,583	24,901
Net (Loss) Income	(2,286)	10,128	(444)	17,361
Adjusted EBITDA ⁽¹⁾	19,767	22,922	40,649	45,097
Normalised Net (loss) Income ⁽¹⁾	(2,286)	5,140	598	6,919

- (1) 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 17 vessel fleet generated revenue from fixed rate, mainly long-term time, charters of \$33.5 million in the three months ended June 30, 2014, down \$2.4 million on revenue of \$35.9 million for the comparative period in 2013 due mainly to reduced revenue for 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 48 days idle time in the quarter for Ville d Aquarius and Ville d Orion from their redelivery by the previous charterer, CMA CGM, in late April and in late May respectively, until the commencement of new charters on May 7, 2014 and July 17, 2014 respectively. There were 1,547 ownership days in the quarter, the same as the comparable period in 2013. There was one day of unplanned offhire and 48 days idle in the three months ended June 30, 2014 giving a utilization of 96.8%. In the comparable period of 2013, there was one unplanned day offhire, for utilization of 99.9%.

For the six months ended June 30, 2014, revenue was \$67.5 million, down \$3.6 million on revenue of \$71.1 million in the comparative period, mainly due to lower revenue on the four extended charters and idle time on the two 4,113 TEU vessels, offset by lower offhire from planned drydockings.

The table below shows fleet utilization for the three and six months ended June 30, 2014 and 2013 and for the years ended December 31, 2013, 2012, 2011 and 2010.

Days	Three months ended		Six months ended		Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013				
Ownership days	1,547	1,547	3,077	3,077	6,205	6,222	6,205	6,205
Planned offhire - scheduled drydock	0	0	0	(21)	(21)	(82)	(95)	0
Unplanned offhire	(1)	(1)	(6)	(6)	(7)	(16)	(11)	(3)
Idle time	(48)	0	(48)	0	0	0	0	0
Operating days	1,498	1,546	3,023	3,050	6,177	6,124	6,099	6,202
Utilization	96.8%	99.9%	98.2%	99.1%	99.5%	98.4%	98.3%	99.9%

There were no drydockings in the first half of 2014. Two vessels were drydocked in the comparative period. Two regulatory drydockings are scheduled for later in 2014 and none in 2015.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were \$12.1 million for the three months ended June 30, 2014. The average cost per ownership day in the quarter was \$7,853 compared to \$7,504 for the comparative period, up \$349 or 4.7%. Second quarter average cost per ownership day was up \$434 or 5.9% on \$7,419 for the rolling four quarters ended March 31, 2014. The increases are mostly from higher spend on maintenance due to the phasing of generator overhauls and from the cost of bunkers consumed, for owners account, while the two 4,113 TEU vessels were idle and for positioning Ville d' Aquarius for the commencement of her new charter on May 7, 2014.

For the six months ended June 30, 2014 vessel operating expenses were \$23.7 million or an average of \$7,696 per day compared to \$23.2 million in the comparative period or \$7,525 per day.

Depreciation

Depreciation for the three months ended June 30, 2014 was \$10.0 million, compared to \$10.1 million in the second quarter 2013.

Depreciation for the six months ended June 30, 2014 was \$20.1 million, compared to \$20.2 million in the comparative period.

General and Administrative Costs

General and administrative costs were \$1.7 million in the three months ended June 30, 2014, compared to \$1.5 million in the second quarter of 2013.

For the six months ended June 30, 2014, general and administrative costs were \$3.4 million compared to \$3.1 million for 2013. The increase is due mainly to costs associated with the issuance of the Notes which could not be capitalized.

Other Operating Income

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Other operating income in the three months ended June 30, 2014 was \$0.1 million, compared to \$0.2 million in the second quarter 2013.

For the six months ended June 30, 2014, other operating income was \$0.2 million, the same as for the comparative period.

Adjusted EBITDA

As a result of the above, Adjusted EBITDA was \$19.8 million for the three months ended June 30, 2014 down from \$22.9 million for the three months ended June 30, 2013.

Adjusted EBITDA for the six months ended June 30, 2014 was \$40.6 million, compared to \$45.1 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 preferred shares, which carries 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.

Interest expense for the three months ended June 30, 2014, including interest and the amortization of deferred financing costs and of the original issue discount on the Notes, interest on the \$45.0 million preferred shares and the commitment fee on the Company's new and undrawn \$40.0 million revolving credit facility, was \$12.0 million.

In the second quarter 2013, interest expense, including amortization of deferred financing costs, was \$4.8 million, on borrowings averaging \$410.9 million under the Company's credit facility and the \$45.0 million preferred shares.

For the six months ended June 30, 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 preferred shares and including the commitment fee on the million revolving credit facility was \$20.2 million. Amortization of deferred financing costs includes accelerated write off of \$3.0 million being the balance of such costs associated with the credit facility.

Interest expense for the six months ended June 30, 2013 was \$9.7 million on an average amount outstanding on the credit facility during that period of \$418.2 million and \$45.0 million of preferred shares.

Interest income for the three and six months ended June 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 June 30, 2014. They gave a realized loss of \$2.9 million in the three months ended June 30, 2013 for settlements in the period, as US \$ LIBOR rates were lower than the average fixed rates. Further, there was a \$5.0 million unrealized gain for revaluation of the balance sheet.

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For the six months ended June 30, 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 \$8.3 million and an unrealized gain of \$10.4 million in the six months ended June 30, 2013.

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Taxation

Taxation for the three months ended June 30, 2014 was \$22,000, compared to \$16,000 in the second quarter of 2013.

Taxation for the six months ended June 30, 2014 was \$41,000, compared to \$39,000 for the comparative period in 2013.

Net Loss/Income

Net loss for the three months ended June 30, 2014 was \$2.3 million. For the three months ended June 30, 2013 net income was \$10.1 million, after the \$5.0 million non-cash interest rate derivative mark-to-market gain. Normalized net loss, which excludes when applicable the effect of the non-cash interest rate derivative mark-to-market gains and losses was \$2.3 million for the three months ended June 30, 2014, which is the same as the reported net loss, and \$5.1 million for the three months ended June 30, 2013.

Net loss was \$0.4 million for the six months ended June 30, 2014 after a \$1.9 million non-cash mark-to-market gain on interest rate derivatives and a non-cash \$3.0 million accelerated write off of deferred financing costs. For the six months ended June 30, 2013, net income was \$17.4 million after a \$10.4 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 about the on-the-water fleet of 17 vessels, of which 15 are chartered to CMA CGM and two (Ville d Orion from July 17, 2014) to Sea Consortium, doing business as X-press Feeders.

Vessel Name	Capacity in TEUs ⁽¹⁾	Year Built	Charterer	Remaining Charter Term ⁽²⁾ (years)	Earliest Charter Expiry Date	Daily Charter Rate \$
Ville d Orion	4,113	1997				
Ville d Aquarius	4,113	1996	Sea Consortium	0.35	October 4, 2014	7,490
CMA CGM Matisse	2,262	1999	CMA CGM	5.50	Sept 21, 2019	15,300
CMA CGM Utrillo	2,262	1999	CMA CGM	5.50	Sept 11, 2019	15,300
Delmas Keta	2,207	2003	CMA CGM	3.50	Sept 20, 2017	18,465
Julie Delmas	2,207	2002	CMA CGM	3.50	Sept 11, 2017	18,465
Kumasi	2,207	2002	CMA CGM	3.50	Sept 21, 2017	18,465
Marie Delmas	2,207	2002	CMA CGM	3.50	Sept 14, 2017	18,465
CMA CGM La Tour	2,272	2001	CMA CGM	5.50	Sept 20, 2019	15,300
CMA CGM Manet	2,272	2001	CMA CGM	5.50	Sept 7, 2019	15,300
CMA CGM Alcazar	5,089	2007	CMA CGM	6.50	Oct 18, 2020	33,750
CMA CGM Château d If	5,089	2007	CMA CGM	6.50	Oct 11, 2020	33,750
CMA CGM Thalassa	11,040	2008	CMA CGM	11.50	Oct 1, 2025	47,200

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CMA CGM Jamaica	4,298	2006	CMA CGM	8.50	Sept 17, 2022	25,350
CMA CGM Sambhar	4,045	2006	CMA CGM	8.50	Sept 16, 2022	25,350
CMA CGM America	4,045	2006	CMA CGM	8.50	Sept 19, 2022	25,350
CMA CGM Berlioz	6,621	2012	CMA CGM	7.25	May 28, 2021	34,000

- (1) *Twenty-foot Equivalent Units.*
- (2) *As at June 30, 2014. Plus or minus 90 days, other than Ville d Aquarius which is plus or minus 30 days, all at charterer's option.*
- (3) *On charter to Sea Consortium with effect from July 17, 2014 at \$8,000 per day for a minimum of six months and maximum of 12 months at charterer's option and 30 days' notice.*
- (4) *One of the cranes on-board Julie Delmas was found to be damaged in January 2014 and was out of service until repaired on July 14, 2014. The Company agreed with CMA CGM to reduce the daily charter rate pro-rata, from \$18,465 to \$10,000 per day from February 9, 2014, to reflect the diminished performance of the vessel, for as long as the crane was not operational. The daily charter rate reverted to \$18,465 from July 14, 2014.*

Conference Call and Webcast

Global Ship Lease will hold a conference call to discuss the Company's results for the three months ended June 30, 2014 today, Monday, July 28, 2014 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: 69499510

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, August 13, 2014 at (855) 859-2056 or (404) 537-3406. Enter the code 69499510 to access the audio replay. The webcast will also be archived on the Company's website: <http://www.globalshiplease.com>.

Annual Report on Form 20F

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

About Global Ship Lease

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

Global Ship Lease owns 17 vessels with a total capacity of 66,349 TEU with an average age, weighted by TEU capacity, at June 30, 2014 of 10.3 years. All 17 vessels are currently fixed on time charters, 15 of which are with CMA CGM. The average remaining term of the charters is 6.2 years, or 7.3 years on a weighted basis, excluding Ville d Orion and Ville d Aquarius which operate 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, 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 June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Net (loss) income	(2,286)	10,128	(444)	17,361
Adjust: Depreciation	10,033	10,126	20,066	20,196
Interest income	(19)	(12)	(29)	(23)
Interest expense	12,017	4,776	20,158	9,676
Realized loss on interest rate derivatives		2,876	2,801	8,290
Unrealized (gain) on interest rate derivatives		(4,988)	(1,944)	(10,442)
Income tax	22	16	41	39
Adjusted EBITDA	19,767	22,922	40,649	45,097

B. Normalized net income

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

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

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Net (loss) income	(2,286)	10,128	(444)	17,361
Adjust: Unrealized (gain) on derivatives		(4,988)	(1,944)	(10,442)
Accelerated amortization of deferred financing costs			2,986	
Normalized net (loss) income	(2,286)	5,140	598	6,919

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 CMA CGM, our sole charterer and only source of operating revenue, and its ability to pay charterhire in accordance with the charters;

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

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

Global Ship Lease's expectations relating to dividend payments and forecasts of its ability to make such payments including the availability of cash and the impact of constraints under its credit facility;

future acquisitions, business strategy and expected capital spending;

operating expenses, availability of crew, number of off-hire days, drydocking and survey requirements and insurance costs;

general market conditions and shipping industry trends, including charter rates and factors affecting supply and demand;

assumptions regarding interest rates and inflation;

changes in the rate of growth of global and various regional economies;

risks incidental to vessel operation, including piracy, discharge of pollutants and vessel accidents and damage including total or constructive total loss;

estimated future capital expenditures needed to preserve its capital base;

Global Ship Lease's expectations about the availability of ships to purchase, the time that it may take to construct new ships, or the useful lives of its ships;

Global Ship Lease's continued ability to enter into or renew long-term, fixed-rate charters;

the continued performance of existing long-term, fixed-rate time charters;

Global Ship Lease's ability to capitalize on its management's and board of directors' relationships and reputations in the containership industry to its advantage;

changes in governmental and classification societies' rules and regulations or actions taken by regulatory authorities;

expectations about the availability of insurance on commercially reasonable terms;

unanticipated changes in laws and regulations including taxation;

potential liability from future litigation.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Global Ship Lease's actual results could differ materially from those anticipated in forward-looking statements for many reasons specifically as described in Global Ship Lease's filings with the SEC. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this communication. Global Ship Lease undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this communication or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks Global Ship Lease describes in the reports it will file from time to time with the SEC after the date of this communication.

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Income

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Operating Revenues				
Time charter revenue	\$ 33,500	\$ 35,867	\$ 67,538	\$ 71,076
Operating Expenses				
Vessel operating expenses	12,148	11,609	23,681	23,154
Depreciation	10,033	10,126	20,066	20,196
General and administrative	1,681	1,499	3,411	3,057
Other operating income	(96)	(163)	(203)	(232)
Total operating expenses	23,766	23,071	46,955	46,175
Operating Income	9,734	12,796	20,583	24,901
Non Operating Income (Expense)				
Interest income	19	12	29	23
Interest expense	(12,017)	(4,776)	(20,158)	(9,676)
Realized loss on interest rate derivatives		(2,876)	(2,801)	(8,290)
Unrealized gain on interest rate derivatives		4,988	1,944	10,442
(Loss) Income before Income Taxes	(2,264)	10,144	(403)	17,400
Income taxes	(22)	(16)	(41)	(39)
Net (Loss) Income	\$ (2,286)	\$ 10,128	\$ (444)	\$ 17,361

Earnings per Share

Weighted average number of Class A common shares outstanding				
Basic (including RSUs without service conditions)	47,691,484	47,588,934	47,691,332	47,588,757
Diluted	47,691,484	47,742,911	47,691,332	47,697,969
Net (loss) income per Class A common share				
Basic (including RSUs without service conditions)	\$ (0.05)	\$ 0.21	\$ (0.05)	\$ 0.36
Diluted	\$ (0.05)	\$ 0.21	\$ (0.05)	\$ 0.36

Weighted average number of Class B common shares outstanding

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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	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Global Ship Lease, Inc.

Interim Unaudited Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	June 30,	December 31,
	2014	2013
Assets		
Cash and cash equivalents	\$ 72,145	\$ 24,536
Restricted cash	3	3
Accounts receivable	6,669	7,006
Prepaid expenses	339	5,337
Other receivables	365	115
Inventory	473	
Current portion of deferred financing costs	3,143	1,391
Total current assets	83,137	38,388
Vessels in operation	798,142	817,875
Other fixed assets	8	7
Intangible assets	81	95
Deferred financing costs	11,747	1,882
Total non-current assets	809,978	819,859
Total Assets	\$ 893,115	\$ 858,247
Liabilities and Stockholders Equity		
Liabilities		
Current portion of long term debt	\$	\$ 50,110
Intangible liability - charter agreements	2,119	2,119
Accounts payable	2,511	1,289
Accrued expenses	15,542	6,887
Derivative instruments		8,776
Total current liabilities	20,172	69,181
Long term debt	414,052	316,256
Preferred shares	44,976	44,976
Intangible liability - charter agreements	14,755	15,812
Deferred tax liability	37	43
Derivative instruments		12,513

Total long term liabilities		473,820		389,600
Total Liabilities		\$ 493,992	\$	458,781
Commitments and contingencies				
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
Additional paid in capital		352,777		352,676
Retained earnings		45,797		46,241
Total Stockholders Equity		399,123		399,466
Total Liabilities and Stockholders Equity		\$ 893,115	\$	858,247

Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Three months ended June 30, 2014		Six months ended June 30, 2013	
	2014	2013	2014	2013
Cash Flows from Operating Activities				
Net (loss) income	\$ (2,286)	\$ 10,128	\$ (444)	\$ 17,361
Adjustments to Reconcile Net income to Net Cash Provided by Operating Activities				
Depreciation	10,033	10,126	20,066	20,196
Amortization of deferred financing costs	812	330	4,162	663
Amortization of original issue discount	321		352	
Change in fair value of derivative instruments		(4,988)	(1,944)	(10,442)
Amortization of intangible liability	(530)	(530)	(1,059)	(1,059)
Settlements of derivative instruments which do not qualify for hedge accounting		2,876	2,801	8,290
Share based compensation	50	102	101	185
Decrease in accounts receivable and other assets	173	2,479	4,750	8,526
(Increase) in inventory	(473)		(473)	
Increase (decrease) in accounts payable and other liabilities	9,346	(983)	9,877	(3,415)
Unrealized foreign exchange loss (gain)	14	4	18	(2)
Net Cash Provided by Operating Activities	17,460	19,544	38,207	40,303
Cash Flows from Investing Activities				
Settlement and termination of derivative instruments which do not qualify for hedge accounting		(2,876)	(22,146)	(8,290)
Cash paid for other assets			(7)	
Cash paid for drydockings		(1,011)		(1,604)
Net Cash Used in Investing Activities		(3,887)	(22,153)	(9,894)
Cash Flows from Financing Activities				
Repayment of credit facility		(10,797)	(366,366)	(25,597)
Proceeds from issuance of secured notes			413,700	
Deferred financing costs incurred	(475)		(15,779)	
Net Cash (Used in) Provided by Financing Activities	(475)	(10,797)	31,555	(25,597)
Net increase in Cash and Cash Equivalents	16,985	4,860	47,609	4,812
Cash and Cash Equivalents at Start of Period	55,163	26,097	24,539	26,145
Cash and Cash Equivalents at End of Period	\$ 72,148	\$ 30,957	\$ 72,148	\$ 30,957

Supplemental information

Total interest paid	\$	254	\$	4,531	\$	3,751	\$	9,155
Income tax paid	\$	17	\$	16	\$	41	\$	35

GLOBAL SHIP LEASE, INC.

INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

Global Ship Lease, Inc.

Interim Unaudited Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

		June 30, 2014	December 31, 2013
	Note		
Assets			
Cash and cash equivalents		\$ 72,145	\$ 24,536
Restricted cash		3	3
Accounts receivable		6,669	7,006
Prepaid expenses		339	5,337
Other receivables		365	115
Inventory		473	
Current portion of deferred financing costs	5	3,143	1,391
Total current assets		83,137	38,388
Vessels in operation	4	798,142	817,875
Other fixed assets		8	7
Intangible assets		81	95
Deferred financing costs	5	11,747	1,882
Total non-current assets		809,978	819,859
Total Assets		\$ 893,115	\$ 858,247
Liabilities and Stockholders Equity			
Liabilities			
Current portion of long term debt	6	\$	\$ 50,110
Intangible liability charter agreements		2,119	2,119
Accounts payable		2,511	1,289
Accrued expenses		15,542	6,887
Derivative instruments	10		8,776
Total current liabilities		20,172	69,181
Long term debt	6	414,052	316,256
Preferred shares	9	44,976	44,976
Intangible liability charter agreements		14,755	15,812
Deferred tax liability		37	43
Derivative instruments	10		12,513

Total long term liabilities		473,820		389,600
Total Liabilities		\$ 493,992	\$	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
Additional paid in capital		352,777		352,676
Retained earnings		45,797		46,241
Total Stockholders Equity		399,123		399,466
Total Liabilities and Stockholders Equity		\$ 893,115	\$	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 June 30,		Six months ended June 30,	
		2014	2013	2014	2013
Operating Revenues					
Time charter revenue	7	\$ 33,500	\$ 35,867	\$ 67,538	\$ 71,076
Operating Expenses					
Vessel operating expenses		12,148	11,609	23,681	23,154
Depreciation	4	10,033	10,126	20,066	20,196
General and administrative		1,681	1,499	3,411	3,057
Other operating income		(96)	(163)	(203)	(232)
Total operating expenses		23,766	23,071	46,955	46,175
Operating Income		9,734	12,796	20,583	24,901
Non Operating Income (Expense)					
Interest income		19	12	29	23
Interest expense		(12,017)	(4,776)	(20,158)	(9,676)
Realized loss on interest rate derivatives			(2,876)	(2,801)	(8,290)
Unrealized gain on interest rate derivatives	10		4,988	1,944	10,442
(Loss) Income before Income Taxes		(2,264)	10,144	(403)	17,400
Income taxes		(22)	(16)	(41)	(39)
Net (Loss) Income		\$ (2,286)	\$ 10,128	\$ (444)	\$ 17,361
Earnings per Share					
Weighted average number of Class A common shares outstanding					
Basic (including RSUs without service conditions)	12	47,691,484	47,588,934	47,691,332	47,588,757
Diluted	12	47,691,484	47,742,911	47,691,332	47,697,969
Net (loss) income per Class A common share					
Basic (including RSUs without service	12	\$ (0.05)	\$ 0.21	\$ (0.01)	\$ 0.36

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conditions)								
Diluted	12	\$	(0.05)	\$	0.21	\$	(0.01)	\$ 0.36
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	\$	0.00	\$	0.00	\$	0.00	\$ 0.00

See accompanying notes to interim unaudited consolidated financial statements

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Global Ship Lease, Inc.

Interim Unaudited Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2014	2013	2014	2013
Cash Flows from Operating Activities					
Net (loss) income		\$ (2,286)	\$ 10,128	\$ (444)	\$ 17,361
Adjustments to Reconcile Net (loss) income to Net Cash Provided by Operating Activities					
Depreciation	4	10,033	10,126	20,066	20,196
Amortization of deferred financing costs	5	812	330	4,162	663
Amortization of original issue discount	6	321		352	
Change in fair value of derivative instruments	10		(4,988)	(1,944)	(10,442)
Amortization of intangible liability		(530)	(530)	(1,059)	(1,059)
Settlements of derivative instruments which do not qualify for hedge accounting	10		2,876	2,801	8,290
Share based compensation	11	50	102	101	185
Decrease in accounts receivable and other assets		173	2,479	4,750	8,526
(Increase) in inventory		(473)		(473)	
Increase (decrease) in accounts payable and other liabilities		9,346	(983)	9,877	(3,415)
Unrealized foreign exchange loss (gain)		14	4	18	(2)
Net Cash Provided by Operating Activities		17,460	19,544	38,207	40,303
Cash Flows from Investing Activities					
Settlement and termination of derivative instruments which do not qualify for hedge accounting	10		(2,876)	(22,146)	(8,290)
Cash paid for other assets				(7)	
Cash paid for drydockings			(1,011)		(1,604)
Net Cash Used in Investing Activities			(3,887)	(22,153)	(9,894)
Cash Flows from Financing Activities					
Repayment of credit facility	6		(10,797)	(366,366)	(25,597)
Proceeds from issuance of secured notes	6			413,700	
Deferred financing costs incurred	5	(475)		(15,779)	
Net Cash (Used in) Provided by Financing Activities		(475)	(10,797)	31,555	(25,597)
Net increase in Cash and Cash Equivalents		16,985	4,860	47,609	4,812

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Cash and Cash Equivalents at Start of Period	55,163	26,097	24,539	26,145
Cash and Cash Equivalents at End of Period	\$ 72,148	\$ 30,957	\$ 72,148	\$ 30,957
Supplemental information				
Total interest paid	\$ 254	\$ 4,531	\$ 3,751	\$ 9,155
Income tax paid	\$ 17	\$ 16	\$ 41	\$ 35

See accompanying notes to interim unaudited consolidated financial statements

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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	Common Stock	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 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)			101		101
Class A Shares issued (note 9)	27,550				
Net loss for the period				(444)	(444)
Balance at June 30, 2014	54,947,440	\$ 549	\$ 352,777	\$ 45,797	\$ 399,123

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 two vessels which are on short term time charters to a non-related party, all vessels are time chartered to CMA CGM S.A. (CMA CGM) for remaining terms as at June 30, 2014 ranging from 3.50 to 11.50 years (see note 7).

The following table provides information about the 17 vessels.

Vessel Name	Capacity in TEUs (1)	Year Built	Purchase Date by GSL	Charterer	Charter Remaining Duration (years) (2)	Daily Charter Rate
Ville d'Orion ⁽³⁾	4,113	1997	December 2007			
Ville d'Aquarius	4,113	1996	December 2007	Sea Consortium	0.35	\$ 7.490
CMA CGM Matisse ⁽⁴⁾	2,262	1999	December 2007	CMA CGM	5.50	\$ 15.300
CMA CGM Utrillo ⁽⁴⁾	2,262	1999	December 2007	CMA CGM	5.50	\$ 15.300
Delmas Keta	2,207	2003	December 2007	CMA CGM	3.50	\$ 18.465
Julie Delmas ⁽⁵⁾	2,207	2002	December 2007	CMA CGM	3.50	\$ 18.465
Kumasi	2,207	2002	December 2007	CMA CGM	3.50	\$ 18.465
Marie Delmas	2,207	2002	December 2007	CMA CGM	3.50	\$ 18.465
CMA CGM La Tour ⁽⁴⁾	2,272	2001	December 2007	CMA CGM	5.50	\$ 15.300
CMA CGM Manet ⁽⁴⁾	2,272	2001	December 2007	CMA CGM	5.50	\$ 15.300
CMA CGM Alcazar	5,089	2007	January 2008	CMA CGM	6.50	\$ 33.750
CMA CGM Château d'If	5,089	2007	January 2008	CMA CGM	6.50	\$ 33.750
CMA CGM Thalassa	11,040	2008	December 2008	CMA CGM	11.50	\$ 47.200
CMA CGM Jamaica	4,298	2006	December 2008	CMA CGM	8.50	\$ 25.350
CMA CGM Sambhar	4,045	2006	December 2008	CMA CGM	8.50	\$ 25.350
CMA CGM America	4,045	2006	December 2008	CMA CGM	8.50	\$ 25.350
CMA CGM Berlioz	6,621	2001	August 2009	CMA CGM	7.25	\$ 34.000

- (1) *Twenty-foot Equivalent Units.*
- (2) *As at June 30, 2014. Plus or minus 90 days, other than Ville d Aquarius which is plus or minus 30 days, all at charterer's option.*
- (3) *On charter to Sea Consortium with effect from July 17, 2014 at \$8,000 per day for a minimum of six months and maximum of 12 months at charterer's option and 30 days' notice.*
- (4) *The charters on these four vessels were extended in February 2014 by three years with new expiry dates in December 2019 at an amended daily charter rate of \$15,300 per day with effect from February 1, 2014.*
- (5) *One of the cranes on-board Julie Delmas was found to be damaged in January 2014 and has been out of service. The Company agreed with CMA CGM to reduce the daily charter rate pro-rata, from \$18,465 to \$10,000 per day from February 9, 2014, to reflect the diminished performance of the vessel, for as long as the crane was not operational. The crane was repaired with effect from July 14, 2014 when the daily charter rate reverted to \$18,465.*

Global Ship Lease, Inc.

Notes to the Interim Unaudited Consolidated Financial Statements (continued)

(Expressed in thousands of U.S. dollars)

2. Nature of Operations and Basis of Preparation (continued)

(b) Basis of Preparation

Counterparty risk

Most of the Company's revenues are derived from charters to CMA CGM. The Company is consequently highly dependent on the performance by CMA CGM of its obligations under these charters. The container shipping industry is volatile and has been experiencing a sustained cyclical downturn. Many container shipping companies have reported losses.

If CMA CGM ceases doing business or fails to perform its obligations under the charters, the Company's business, financial position and results of operations would be materially adversely affected as it is probable that, even if the Company was able to find replacement charters, such replacement charters would be at significantly lower daily rates and shorter durations. If such events occur, there would be significant uncertainty about the Company's ability to continue as a going concern.

The Company has experienced delays in receiving charterhire from CMA CGM, where between one and two instalments have been outstanding. Under the charter contracts charterhire is due to be paid every 15 days in advance on the 1st and 16th of each month. As at June 30, 2014, one period of charterhire, due on June 16, 2014, was outstanding amounting to \$5,465. This was received in July 2014. As at close of business on July 24, 2014, the latest practicable date prior to the issuance of these interim consolidated financial statements, one period of charterhire, due on July 16, 2014 amounting to \$5,757 was outstanding.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustm