Global Ship Lease, Inc.
Form 6-K
August 13, 2010

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: August 12, 2010

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 x 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 x

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 x

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 x

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 August 12, 2010 of Global Ship Lease, Inc. (the Company) reporting the Company s financial results for the Second Quarter 2010. Attached hereto as Exhibit II are the Company s interim unaudited consolidated financial statements for the three and six month periods ended June 30, 2010.

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: August 12, 2010

By: /s/ IAN J. WEBBER

Ian J. Webber

Chief Executive Officer

EXHIBIT I

Investor and Media Contacts:

The IGB Group

Michael Cimini

212-477-8261

Global Ship Lease Reports Results for the Second Quarter of 2010

LONDON, ENGLAND August 12, 2010 - Global Ship Lease, Inc. (NYSE:GSL, GSL.U and GSL.WS), a containership charter owner, announced today its unaudited results for the three months ended June 30, 2010.

Second Quarter and Year To Date Highlights

- Generated $16.4 million of cash in the second quarter of 2010, up 11% on $14.8 million on cash generated in second quarter 2009 due mainly to the purchase of one additional vessel in August 2009. Cash generated in the six months ended June 30, 2010 was $33.3 million up 11% on $30.1 million for the six months ended June 30, 2009

- Reported revenue of $39.6 million for the second quarter of 2010, up 9% on $36.2 million for the second quarter 2009 due mainly to the additional vessel. Revenue for the six months ended June 30, 2010 was $78.8 million up 11% on $71.2 million for the six months ended June 30, 2009

- Reported normalized net earnings of $7.5 million, or $0.14 per A and B Common Share, for the second quarter of 2010, excluding a $12.5 million non-cash interest rate derivative mark-to-market loss. Normalized net earnings for second quarter 2009 were $6.1 million, or $0.11 per A and B Common Share, excluding $16.7 million non-cash mark-to-market gain. Normalized net earnings for the six months ended June 30, 2010 was $15.7 million, or $0.29 per A and B Common Share, compared to $13.0 million for the six months ended June 30, 2009, or $0.24 per A and B Common Share

- Including the non-cash mark-to-market items, reported net loss was $5.0 million, or $0.09 loss per share, for the second quarter of 2010 compared to net income of $22.8 million, or $0.42 income per share, for the second quarter 2009. Reported net loss for the six months ended June 30, 2010 was $1.7 million, or $0.03 loss per share, compared to net income of $33.9 million for the six months ended June 30, 2009, or $0.63 income per share

Ian Webber, Chief Executive Officer of Global Ship Lease, stated, During the second quarter, we generated record revenue as our 17 vessel fleet was employed on long-term fixed rate contracts with no off-hire days, achieving 100% utilization. While the recovery is still in its early stages, container shipping fundamentals continued to strengthen during the quarter as a result of both strong demand and reduced surplus capacity. Specifically, spot charter rates and containership values have continued to improve since the first quarter.

Mr. Webber continued, During the second quarter, we also strengthened our financial position. Since amending our credit facility approximately one year ago, we have paid down $46 million in debt.

SELECTED FINANCIAL DATA UNAUDITED

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

	Three months ended Jun 30, 2010	Three months ended Jun 30, 2009	**Six months ended Jun 30, 2010**	Six months ended Jun 30, 2009
Revenue	**39,611**	36,193	**78,762**	71,201
Operating Income	**17,438**	14,304	**35,843**	27,723
Net (Loss) Income	**(4,954)**	22,762	**(1,672)**	33,918
(Loss) Earnings per A and B share	**(0.09)**	0.42	**(0.03)**	0.63
Normalised net earnings (1)	**7,500**	6,110	**15,661**	12,957
Normalised earnings per A and B share (1)	**0.14**	0.11	**0.29**	0.24
Adjusted Cash From Operations (1)	**16,399**	14,840	**33,259**	30,145

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

Revenue and Utilization

The 17-vessel fleet generated revenue from fixed rate long-term time charters of $39.6 million in the three months ended June 30, 2010, up 9% on revenue of $36.2 million for the comparative period in 2009 when one fewer vessel was deployed. During the three months ended June 30, 2010, there were 1,547 ownership days, up 91 or 6% on 1,456 ownership days in the comparable period in 2009. There were no dry-dockings in the three months ended June 30, 2010 and no off-hire days, giving a utilization of 100%. In the comparable period of 2009, there were four unplanned off-hire days, representing utilization of 99.7%.

For the six months ended June 30, 2010 revenue was $78.8 million, an increase of 11% on $71.2 million in the comparative period. With one additional vessel, ownership days at 3,077 were up 181 or 6% on 2,896 in the comparative period. Further, offhire days in the first half of 2010 were two, compared to 38 in the first half 2009.

Vessel Operating Expenses

Vessel operating expenses, which include costs of crew, lubricating oil, spares and insurance, were $10.2 million for the three months ended June 30, 2010. The average cost per ownership day was $6,565 in the second quarter 2010 compared to $6,269 for the first quarter, up $296 or 5% due mainly to catch up spend on maintenance. The second quarter 2010 average daily cost was down 9% from the average daily cost of $7,217 for the comparative period in 2009. The reduction on the prior year is due to lower crew costs from slightly reduced manning and lower lubricating oil consumption from slow steaming and following installation of alpha lubricating equipment on a number of vessels.

For the six months ended June 30, 2010 vessel operating expenses were $19.8 million or an average cost per vessel per day of $6,418 compared to a total of $21.2 million or an average of $7,331.

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

Depreciation

Depreciation was $10.0 million for the three months ended June 30, 2010, including the effect of the purchase of one additional vessel in August 2009, compared to $9.0 million for the comparative period in 2009.

Depreciation was $19.9 million for the six months ended June 30, 2010 compared to $17.8 million for the comparative period in 2009.

General and Administrative

Costs General and administrative costs incurred were $2.1 million in the three months ended June 30, 2010, including $0.3 million non-cash charge for stock based incentives, compared to $2.4 million for the comparable period in 2009, including $0.9 million non-cash charge for stock based incentives.

In the six months ended June 30, 2010 general and administrative costs were $3.9 million, including $0.6 million non-cash charge for stock based incentives, compared to $4.6 million for the comparable period in 2009, including $1.6 million non-cash charge for stock based incentives.

Interest Expense

Interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, for the three months ended June 30, 2010 was $6.0 million. The Company s borrowings under its credit facility averaged $584.1 million during second quarter and were $553.1 million at June 30, 2010 after repayment in June 2010 of $31.0 million. There were $48.0 million preferred shares throughout the period. Interest expense in the comparative period in 2009 was $5.6 million based on average borrowings, including the preferred shares, of $590.1 million in the quarter.

For the six months ended June 30, 2010, interest expense, excluding the effect of interest rate derivatives which do not qualify for hedge accounting, was $11.9 million. The Company s borrowings under its credit facility averaged $585.2 million during first half 2010. There were $48.0 million preferred shares throughout the period. Interest expense in first half 2009 was $10.2 million based on average borrowings, including the preferred shares, of $590.1 million in the period.

Interest income for the three months ended June 30, 2010 was $60,000 and was $163,000 in the comparative 2009 period. For the six months ended June 30, 2010, interest income was $95,000 and was $305,000 in the comparative 2009 period.

Change in Fair Value of Financial Instruments

The Company hedges the majority of its interest rate exposure by entering into derivatives that swap floating rate debt for fixed rate debt to provide long-term stability and predictability to cash flows. As these hedges do not qualify for hedge accounting under US GAAP, the outstanding hedges are marked to market at each period end with any change in the fair value being booked to the income and expenditure account. The Company s derivative hedging instruments gave a $16.4 million loss in the three months ended June 30, 2010, reflecting primarily movements in the forward curve for interest rates. Of this amount, $3.9 million was a realized loss for settlements of swaps in the period and $12.5 million was an unrealized loss for revaluation of the balance sheet position. This compares to a $13.9 million gain in the three months ended June 30, 2009 of which $2.8 million was a realized loss and $16.7 million was an unrealized gain.

For the six months ended June 30, 2010 the total loss from derivative hedging instruments was $25.7 million of which $8.3 million was realized and $17.3 million unrealized compared to a total gain in the six months ended June 30, 2009 of $16.1 million of which $4.8 million was a realized loss and $21.0 million was an unrealized gain.

At June 30, 2010, the total mark-to-market unrealized loss recognized as a liability was $46.4 million.

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

Net Earnings

Normalized net earnings was $7.5 million, or $0.14 per Class A and B common share, for the three months ended June 30, 2010 excluding the $12.5 million non-cash interest rate derivative mark-to-market loss. Including the mark-to-market loss, the reported net loss was $5.0 million or $0.09 loss per Class A and B common share. For the three months ended June 30, 2009 normalized net earnings were $6.1 million, or $0.11 per Class A and B common share, excluding the $16.7 million non-cash interest rate derivative mark-to-market gain. Including the mark-to-market gain, reported net earnings were $22.8 million or $0.42 income per Class A and B common share.

Normalized net earnings was $15.7 million, or $0.29 per Class A and B common share, for the six months ended June 30, 2010 excluding the $17.3 million non-cash interest rate derivative mark-to-market loss. Including the mark-to-market loss, the reported net loss was $1.7 million or $0.03 loss per Class A and B common share. For the six months ended June 30, 2009 normalized net earnings were $13.0 million, or $0.24 per Class A and B common share, excluding the $21.0 million non-cash interest rate derivative mark-to-market gain. Including the mark-to-market gain, reported net earnings were $33.9 million or $0.63 income per Class A and B common share.

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

Credit Facility

On August 20, 2009, the Company entered into an amendment to its credit facility, whereby the loan-to-value covenant has been waived up to and including November 30, 2010 with the next loan-to-value test scheduled for April 30, 2011. Further, Global Ship Lease was able to borrow sufficient funds under the credit facility to allow the purchase of the CMA CGM Berlioz in August 2009. Amounts borrowed under the amended credit facility bear interest at LIBOR plus a fixed interest margin of 3.50% up to November 30, 2010. Thereafter, the margin will be between 2.50% and 3.50% depending on the loan-to-value ratio.

In connection with the amended credit facility, all undrawn commitments of approximately $200 million were cancelled and Global Ship Lease may not pay dividends to common shareholders, instead using its cash flow to prepay borrowings under the credit facility. Global Ship Lease will be able to resume dividends after November 30, 2010 and once the loan-to-value is at or below 75%, when the prepayment of borrowings becomes fixed at $10 million per quarter. As part of the amendment, CMA CGM has agreed to defer redemption of the $48 million preferred shares it holds until after the final maturity of the credit facility in August 2016 and retain its current holding of approximately 24.4 million common shares at least until November 30, 2010.

In the six months ended June 30, 2010 a total of $35.1 million has been prepaid leaving a balance outstanding of $553.1 million. The Company estimates that a further $60.3 million will be prepaid in the year ending June 30, 2011.

Dividend

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

Adjusted Cash From Operations

Adjusted cash from operations was $16.4 million for the three months ended June 30, 2010 compared to $14.8 million for the three months ended June 30, 2009.

Adjusted cash from operations was $33.3 million for the six months ended June 30, 2010 compared to $30.1 million for the six months ended June 30, 2009.

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

Fleet Utilization

The table below shows fleet utilization for the three and six months ended June 30, 2010 and 2009 and for year ended December 31, 2009. Unplanned offhire in the six months ended June 30, 2009 includes 18 days for drydock and associated repairs following a grounding and a seven day deviation to land a sick crew member.

	Three months ended			Six months ended			Year ended
Days	Jun 30, 2010	Jun 30, 2009	Increase	Jun 30, 2010	Jun 30, 2009	Increase	Dec 31, 2009
Ownership days	1,547	1,456	6%	3,077	2,896	6%	5,968
Planned offhire - scheduled drydock							(32)
Unplanned offhire		(4)		(2)	(38)		(42)
Operating days	1,547	1,452	7%	3,075	2,858	8%	5,894
Utilization	100.0%	99.7%		99.9%	98.7%		98.8%

Fleet

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

Vessel Name	**Capacity in TEUs** (1)	**Year Built**	**Purchase Date by GSL**	**Charter Remaining Duration (years)**	**Daily Charter Rate ($)**
Ville d Orion	4,113	1997	December 2007	2.50	$ 28,500
Ville d Aquarius	4,113	1996	December 2007	2.50	$ 28,500
CMA CGM Matisse	2,262	1999	December 2007	6.50	$ 18,465
CMA CGM Utrillo	2,262	1999	December 2007	6.50	$ 18,465
Delmas Keta	2,207	2003	December 2007	7.50	$ 18,465
Julie Delmas	2,207	2002	December 2007	7.50	$ 18,465
Kumasi	2,207	2002	December 2007	7.50	$ 18,465
Marie Delmas	2,207	2002	December 2007	7.50	$ 18,465
CMA CGM La Tour	2,272	2001	December 2007	6.50	$ 18,465
CMA CGM Manet	2,272	2001	December 2007	6.50	$ 18,465
CMA CGM Alcazar	5,100	2007	January 2008	10.50	$ 33,750
CMA CGM Château d If	5,100	2007	January 2008	10.50	$ 33,750
CMA CGM Thalassa	10,960	2008	December 2008	15.50	$ 47,200
CMA CGM Jamaica	4,298	2006	December 2008	12.50	$ 25,350
CMA CGM Sambhar	4,045	2006	December 2008	12.50	$ 25,350
CMA CGM America	4,045	2006	December 2008	12.50	$ 25,350

CMA CGM Berlioz	6,627	2001	August 2009	11.25	$ 34,000

(1) Twenty-foot Equivalent Units.

The following table provides information about the contracted fleet.

Vessel Name	Capacity in TEUs (1)	Year Built	Estimated Delivery Date	Charterer	Charter Duration (years)	Daily Charter Rate ($)
Hull 789 (2)	4,250	2010	December 2010	ZIM	7-8 (3)	$ 28,000
Hull 790 (2)	4,250	2010	December 2010	ZIM	7-8 (3)	$ 28,000

(1) Twenty-foot Equivalent Units.
(2) Contracted to be purchased from German interests.
(3) Seven-year charter that could be extended to eight years at charterer s option.

Conference Call and Webcast

Global Ship Lease will hold a conference call to discuss the Company s results for the three months ended June 30, 2010 today, Thursday, August 12, 2010 at 10:30 a.m. Eastern Time. There are two ways to access the conference call:

(1) Dial-in: (888) 935-4577 or (212) 444-0413; Passcode: 8030416

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, August 26, 2010 at (866) 932-5017 or (347) 366-9565. Enter the code 8030416 to access the audio replay. The webcast will also be archived on the Company s website: http://www.globalshiplease.com.

About Global Ship Lease

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

Global Ship Lease owns 17 vessels with a total capacity of 66,297 TEU with a weighted average age at June 30, 2010 of 6.3 years. All of the current vessels are fixed on long-term charters to CMA CGM with an average remaining term of 8.6 years. The Company has contracts in place to purchase two 4,250 TEU newbuildings from German interests for approximately $77 million each that are scheduled to be delivered in the fourth quarter of 2010. The Company also has agreements to charter out these newbuildings to Zim Integrated Shipping Services Limited for seven or eight years at charterer s option.

Reconciliation of Non-U.S. GAAP Financial Measures

A. Adjusted Cash From Operations

Adjusted cash from operations is a non-US GAAP measure and is reconciled to the financial information below. It represents net cash provided by operating activities adjusted for certain non-cash items such as deferred taxation. Movements in working capital changes in receivables and payables are also adjusted as these are essentially timing differences. We also deduct cash paid to settle derivatives and an allowance for the cost of future drydockings, which due to their substantial and periodic nature could otherwise distort quarterly adjusted cashflow. Adjusted cash from operations is a non-US GAAP quantitative measure used to assist in the assessment of the Company s ability to generate cash. Adjusted cash from operations is not defined in accounting principles generally accepted in the United States and should not be considered to be an alternate to net earnings or any other financial metric required by such accounting principles. We believe that adjusted cash from operations is a useful measure with which to assess the Company s operating performance as it adjusts for the effects of non-cash items and includes the effect of certain cash items.

ADJUSTED CASH FROM OPERATIONS - UNAUDITED

(thousands of U.S. dollars)

	Three months ended Jun 30, 2010	Three months ended Jun 30, 2009	Six months ended Jun 30, 2010	Six months ended Jun 30, 2009
Cash provided by operating activities	25,687	18,285	45,028	35,583
Adjust: Deferred taxation	(80)	(203)	(159)	(410)
Movement in receivables	(655)	506	(460)	123
Movement in payables	(3,643)	(67)	(870)	1,464
Settlement of derivatives	(3,935)	(2,781)	(8,330)	(4,815)
Allowance for future dry-docks	(975)	(900)	(1,950)	(1,800)
Adjusted cash from operations	16,399	14,840	33,259	30,145

B. Normalized net earnings

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

NORMALIZED NET EARNINGS - UNAUDITED

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

		Three months ended Jun 30, 2010	Three months ended Jun 30, 2009	Six months ended Jun 30, 2010	Six months ended Jun 30, 2009
Net (loss) income		(4,954)	22,762	(1,672)	33,918
Adjust:	Change in value of derivatives	12,454	(16,652)	17,333	(20,961)
Normalized net earnings		7,500	6,110	15,661	12,957
Weighted average number of Class A and B common shares outstanding (1)					
Basic		54,236,423	53,786,150	54,236,423	53,786,150
Diluted		54,236,423	53,786,150	54,236,423	53,922,780
Net (loss) income per share on reported earnings					
Basic		(0.09)	0.42	(0.03)	0.63
Diluted		(0.09)	0.42	(0.03)	0.63
Normalized net income per share					
Basic		0.14	0.11	0.29	0.24
Diluted		0.14	0.11	0.29	0.24

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

Safe Harbor Statement

This communication contains forward-looking statements. Forward-looking statements provide Global Ship Lease s current expectations or forecasts of future events. Forward-looking statements include statements about Global Ship Lease s expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as anticipate, believe, continue, estimate, expe intend, may, ongoing, plan, potential, predict, project, will or similar words or phrases, or the negatives of those words or phrases, r forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking.

These forward-looking statements are based on assumptions that may be incorrect, and Global Ship Lease cannot assure you that these projections included in these forward-looking statements will come to pass. Actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors.

The risks and uncertainties include, but are not limited to:

- future operating or financial results;
- expectations regarding the future growth of the container shipping industry, including the rates of annual demand and supply growth;
- the financial condition of CMA CGM, our charterer and sole source of operating revenue, and its ability to pay charterhire in accordance with the charters;
- Global Ship Lease s financial condition and liquidity, including its ability to obtain additional waivers which might be necessary under the existing credit facility or obtain additional financing to fund capital expenditures, contracted and yet to be contracted vessel acquisitions including the two newbuildings to be purchased from German interests in the fourth quarter of 2010, and other general corporate purposes;
- Global Ship Lease s ability to meet its financial covenants and repay its credit facility;