

Global Ship Lease, Inc.
Form 20-F/A
September 16, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F/A

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from _____ to _____

Commission file number 1-34153

Global Ship Lease, Inc.

(Exact name of Registrant as specified in its charter)

Republic of The Marshall Islands

(Jurisdiction of incorporation or organization)

c/o Portland House

Stag Place

London SW1E 5RS

United Kingdom

(Address of principal executive offices)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Class A Common Shares, par value of \$0.01 per share	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

46,830,467 Class A Common Shares, par value of \$0.01 per share

7,405,956 Class B Common Shares, par value of \$0.01 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as Issued by the International Accounting Standards Board Other

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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EXPLANATORY NOTE

This Amendment No. 1 on Form 20-F/A amends and restates in its entirety the annual report of Global Ship Lease, Inc. on Form 20-F for the year ended December 31, 2009 as filed with the Securities and Exchange Commission on May 18, 2010 to reflect the expiration of the warrants issued by Marathon Acquisition Corp. in connection with its initial public offering and to reflect certain amendments following review of the original filing by the Securities and Exchange Commission.

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PART I

This Annual Report contains forward-looking statements. Forward-looking statements provide Global Ship Lease's current expectations or forecasts of future events. Forward-looking statements include statements about Global Ship Lease's expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as anticipate, believe, continue, estimate, expect, intend, may, ongoing, plan, potential, predict, project, will or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. Examples of forward-looking statements in this Annual Report include, but are not limited to, statements regarding Global Ship Lease's disclosure concerning its operations, cash flows, financial position, dividend policy and likelihood of success in acquiring additional vessels to expand its business.

Forward-looking statements appear in a number of places in this Annual Report including, without limitation, in the sections entitled Business Overview, Management's Discussion and Analysis of Financial Conditions and Operations, and Dividend Policy. 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;

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;

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

estimated future capital expenditures needed to preserve its capital base;

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

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

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

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

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

expectations about the availability of insurance on commercially reasonable terms;

unanticipated changes in laws and regulations including taxation;

potential liability from future litigation; and

other factors discussed in Risk Factors.

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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, including the factors described in Risk Factors in this Annual Report. Accordingly, you should not unduly rely on these forward-looking statements, which speak only as of the date of this Annual Report. Global Ship Lease undertakes no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this Annual Report 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 Securities and Exchange Commission, or SEC, after the date of this Annual Report.

Unless the context otherwise requires, references to the company, we, us or our refers to Global Ship Lease, Inc.; CMA CGM refers to CMA CGM S.A., initial Charterer refers to CMA CGM in its capacity as a charterer of our vessels; and Ship Manager refers to CMA Ships, a wholly-owned subsidiary of CMA CGM and our current ship manager.

For the definition of certain terms used in this Annual Report, please see Glossary of Shipping Terms at the end of this Annual Report.

Unless otherwise indicated, all references to \$ and dollars in this Annual Report are in United States dollars. We use the term TEU, meaning twenty-foot equivalent unit, the international standard measure of container size, in describing volumes in world container trade and other measures, including the capacity of Global Ship Lease's containerhips, which we also refer to as vessels. Unless otherwise indicated, we calculate the average age of Global Ship Lease's vessels on a weighted average basis, based on TEU capacity.

Item 1. Identity of Directors, Senior Management and Advisors

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Selected Financial Data

You should read the information set forth below in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and Global Ship Lease's combined financial statements and notes thereto, which are referred to as Global Ship Lease's combined financial statements, included elsewhere in this Annual Report.

This selected historical combined financial and operating information gives effect to the Merger as at August 14, 2008 and consequently the combined financial statements up to December 31, 2009 include two distinct reporting periods (i) January 1, 2004 through August 14, 2008 (Predecessor) and (ii) August 15, 2008 through December 31, 2009 (Successor), which relate to the period preceding the Merger and the period succeeding the Merger, respectively. Further, the company derived all of its revenue in 2009 and virtually all of its revenue in 2008 from chartering out its vessels under its continuing business of long-term fixed rate time charters whereas for periods before 2008, under predecessor accounting rules, it earned virtually all of its revenue from carrying containerized cargo. Global Ship Lease uses the term Predecessor Group to mean the container shipping services provided by the 10 secondhand vessels, which it purchased in December 2007, and two newly built vessels, which it purchased in January 2008, in Global Ship Lease's initial fleet when these vessels were owned and operated by CMA CGM and its subsidiaries rather than to mean any particular entity or entities.

There are significant differences between Global Ship Lease's business after the acquisition of its initial fleet in December 2007 and January 2008, when it started its time charter business, and the business of Global Ship Lease's Predecessor Group when the vessels earned revenue from carrying cargo for customers. Accordingly, the selected historical combined financial data prior to January 2008, which includes mainly the Predecessor Group's trading activities of the vessels earning freight rates or revenue from carrying cargo for third party customers, are not indicative of the results Global Ship Lease would have achieved had it historically operated as an independent ship-owning company earning charterhire or of Global Ship Lease's future results.

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The combined financial statements for the Successor period reflect the acquisition of Global Ship Lease, Inc., as a result of the Merger, under the purchase method of accounting. The results of the Successor are not comparable to the results of the Predecessor due to the difference in the basis of presentation under purchase accounting as compared to historical cost and due to the changes in capital and legal structure following the Merger including the company becoming listed on the New York Stock Exchange.

The historical selected combined financial data as of December 31, 2009, 2008 and 2007 and for each of the years then ended (2008 including two distinct reporting periods before and after the Merger) together with such information for the years ended December 31, 2006 and 2005 have been derived from audited combined financial statements of Global Ship Lease, Inc. The historical selected combined financial data as of December 31, 2006 and 2005 is derived from carve-out information of the Predecessor Group prepared by management of CMA CGM. Certain financial information has been rounded, and, as a result, certain totals shown in this Annual Report may not equal the arithmetic sum of the figures that should otherwise aggregate to those totals.

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This selected financial information should be read together with, and is qualified in its entirety by, Global Ship Lease's combined financial statements and the notes thereto included elsewhere in this Annual Report.

GLOBAL SHIP LEASE, INC.

	2009 Successor	August 15 to December 31 2008 Successor	January 1 to August 14 2008 Predecessor	2007 Predecessor	2006 Predecessor	2005 Predecessor
(in millions of U.S. dollars, except per share data)						
Statement of Income						
Operating revenues:						
Freight revenue (1)	\$	\$	\$ 2.1	\$ 332.2	\$ 299.6	\$ 111.6
Time charter revenue (2)	148.7	39.1	55.9	2.9		
Operating expenses:						
Voyage expenses (3)			(1.9)	(249.5)	(213.1)	(70.2)
Vessel expenses	(41.4)	(11.9)	(18.1)	(24.0)	(22.6)	(13.7)
Depreciation	(37.3)	(8.7)	(12.2)	(16.1)	(16.7)	(7.2)
General and administrative (4)	(8.7)	(3.7)	(3.8)	(17.8)	(11.3)	(2.7)
Other operating income / (expense)	0.4	0.1	(0.1)	2.3	11.9	(2.5)
Total operating expenses	(87.0)	(24.2)	(36.1)	(304.9)	(251.9)	(96.2)
Operating income	61.7	14.9	21.9	30.2	47.7	15.4
Non operating income/ (expense)						
Interest income	0.5	0.4	0.4	0.2		
Interest expense	(24.2)	(3.8)	(17.6)	(13.6)	(15.1)	(6.4)
Realized and unrealized gain on interest rate derivatives	4.8	(55.3)	2.7			
Income before income taxes	42.8	(43.9)	7.4	16.8		