SEASPAN REPORTS FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2017

$5.0 Billion in Contracted Future Revenue Provides Stable Foundation with Significant Upside to a Containership Market Recovery

HONG KONG, China, April 26, 2017 /CNW/ - Seaspan Corporation ("Seaspan") (NYSE: SSW) announced today its financial results for the quarter ended March 31, 2017.

Key Financial Metrics for the First Quarter

- Total revenue of $201.3 million.
- Earnings per diluted share of $0.22.
- Normalized earnings per diluted share[1] of $0.15.
- Cash available for distribution to common shareholders[1] of $60.3 million.
- Adjusted EBITDA[1] of $119.3 million.

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(1) Refer to the selected financial information accompanying this press release for definition of these Non-GAAP measures and reconciliations of U.S. generally accepted accounting principles (GAAP) and Non-GAAP figures.

Highlights

- Achieved reductions of 10.8% in ship operating expense per ownership day during the quarter ended March 31, 2017, compared to the same period in 2016.
- Achieved vessel utilization of 91.6% for the quarter ended March 31, 2017. At March 31, 2017, all of Seaspan's operating fleet were on charter or committed to a future charter.
- Raised gross proceeds of $24.7 million through common equity sales in "at-the-market" offerings during the quarter ended March 31, 2017.
- In April 2017, declared a quarterly dividend of $0.125 per common share for the first quarter of 2017.

Gerry Wang, Chief Executive Officer, Co-Chairman and Co-Founder of Seaspan, commented, "During the first quarter, our modern fleet on long-term time charters continued to provide Seaspan with a solid and stable foundation. Complementing our $5.0 billion contracted revenue backlog, Seaspan's short-term fleet allows the company to benefit from a containership market recovery, which we believe has begun."

Mr. Wang added, "We have seen significant improvement in charter rates over the past two months. In particular, Panamax charter rates have more than doubled to approximately $10,000 per day. As we progress through the year, our focus remains on seeking opportunities to further solidify the company's industry leadership for the long-term value of shareholders."

Summary of Key Financial Results (in thousands of US dollars):

	Quarter Ended March 31,	
	2017	**2016**
Revenue	$ 201,321	$ 215,523
Reported net earnings	$ 40,023	$ 7,128
Normalized net earnings(1)	$ 31,829	$ 46,004
Earnings (loss) per share, basic and diluted	$ 0.22	$ (0.06)
Normalized earnings per share, diluted(1)	$ 0.15	$ 0.33
Cash available for distribution to common shareholders(1)	$ 60,312	$ 100,527
Adjusted EBITDA(1)	$ 119,336	$ 163,655

(1) These are Non-GAAP financial measures. Please read "Description of Non-GAAP Financial Measures" for (a) descriptions of Normalized net earnings and Normalized earnings per share, Cash available for distribution to common shareholders, and Adjusted EBITDA and (b) reconciliations of these Non-GAAP financial measures as used in this release to the most directly comparable financial measures under GAAP.

First Quarter Developments

Vessel Acquisition

In January 2017, Seaspan accepted delivery of one 4250 TEU vessel, the Seaspan Alps, that it purchased in December 2016.

At-the-Market Offering of Class A Common Shares

In March 2017, Seaspan entered into an equity distribution agreement under which it may, from time to time, issue Class A common shares in at-the-market ("ATM") offerings for up to an aggregate of $75.0 million. During March 2017, Seaspan issued a total of 3,700,000 Class A common shares under the ATM offerings for gross proceeds of approximately $24.7 million.

Deferral of Newbuilds

In the first quarter of 2017, Seaspan entered into an amendment agreement with Jiangsu New Yangzi Shipbuilding Co., Ltd. and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. to defer the delivery of two 10000 TEU newbuilding containerships from the first and third quarters of 2017, respectively, to the first and second quarters of 2018.

Subsequent Events

Changes to the Board of Directors

In April 2017, Seaspan's Board of Directors appointed Larry Simkins, Chief Executive Officer and Director of the Washington Companies ("WashCo"), to the Board to replace Graham Porter, who resigned as a Director to focus on other personal and professional commitments. In addition, after Seaspan's 2017 Annual General Meeting of shareholders, the Board expanded from eight to nine members and David Sokol, also a Director of WashCo and an experienced executive, was appointed to the Board.

In April 2017, the Board also created an Executive Committee, which consists of Messrs. Simkins and Sokol and Seaspan's CEO, Gerry Wang. The Executive Committee will work closely with management, and provide advice to the Board on Seaspan's activities, including financings, budgeting and operations.

Contract Changes

In April 2017, Seaspan and Gerry Wang amended his employment agreement to eliminate transaction fees for Mr. Wang under the agreement for any containership orders, purchases or sales by Seaspan that are entered into after April 9, 2017, and agreed to enter into discussions about further amendments to his employment agreement and compensation package. In addition, Seaspan and Seaspan Financial Services Ltd. ("SFSL"), an entity controlled by former Director Graham Porter, terminated the financial services agreement between the parties effective April 10, 2017. Seaspan has paid to SFSL the applicable termination fee and will pay additional financing fees earned for financings in process as of April 10, 2017 that are completed prior to the end of the year, with all such payments being made in shares of Seaspan's Class A common stock.

Dividends

In April 2017, Seaspan declared quarterly cash dividends on its common and preferred shares.

Results for the Quarter Ended March 31, 2017

At the beginning of 2017, Seaspan had 87 vessels in operation. Seaspan acquired one 4250 TEU vessel during the quarter ended March 31, 2017, bringing its operating fleet to a total of 88 vessels as at March 31, 2017. Revenue is determined primarily by the number of operating days, and ship operating expense is determined primarily by the number of ownership days.

	Quarter Ended March 31,		Increase	
	2017	2016	Days	%
Operating days[1]	7,255	7,172	83	1.2 %
Ownership days[1]	7,917	7,375	542	7.3 %

The following table summarizes Seaspan's vessel utilization for the quarters ended March 31, 2017 and 2016:

	First Quarter	
	2017	2016
Vessel Utilization:		
Ownership Days[1]	7,917	7,375
Less Off-hire Days:		
Scheduled 5-Year Survey	-	(75)

Unscheduled Off-hire[2]	(662)	(128)
Operating Days[1]	**7,255**	**7,172**
Vessel Utilization	**91.6 %**	**97.2 %**

(1) Operating and ownership days include leased vessels and exclude vessels under bareboat charter.
(2) Unscheduled off-hire includes days related to vessels off-charter.

The following table summarizes Seaspan's consolidated financial results for the quarters ended March 31, 2017 and 2016:

Financial Summary (in millions of US dollars)	**Quarter Ended March 31,**	
	2017	**2016**
Revenue	$ 201.3	$ 215.5
Ship operating expense	45.6	47.6
Depreciation and amortization expense	49.9	58.8
General and administrative expense	7.5	7.8
Operating lease expense	26.5	14.9
Interest expense and amortization of deferred financing fees	28.5	30.1
Change in fair value of financial instruments	3.4	52.2

Revenue

Revenue decreased by 6.6% to $201.3 million for the quarter ended March 31, 2017, compared to the same period in 2016, primarily due to lower average charter rates for vessels that were on short-term charters and an increase in unscheduled off-hire, primarily relating to vessels being off-charter. A total of 190 of the off-charter days related to three vessels that were previously chartered to Hanjin Shipping Co., Ltd. ("Hanjin"), and the remaining off-charter days primarily related to Panamax vessels, including four secondhand vessels purchased in December 2016. The decrease was partially offset by the delivery of newbuilding vessels and the addition of two leased in vessels in 2016.

The increase in operating days and the related financial impact thereof for the quarter ended March 31, 2017, relative to the same period in 2016, is attributable to the following:

	Quarter Ended March 31, 2017	
	Operating Days Impact	$ Impact (in millions of US dollars)
2017 vessel delivery	87	0.3
Full period contribution for 2016 vessel deliveries	716	17.9
Change in daily charter hire rate and re-charters	-	(19.6)
Fewer days due to leap year	(81)	(2.4)
Unscheduled off-hire	(534)	(11.0)
Scheduled off-hire	75	3.7
Supervision fee revenue	-	(1.3)
Vessel disposals	(180)	(1.8)
Total	**83**	**$ (14.2)**

Vessel utilization decreased due to an increase in off-charter days as previously described.

During the quarter ended March 31, 2017, Seaspan completed dry-dockings for two 4250 TEU vessels, which were completed between their time charters.

Ship Operating Expense

Ship operating expense decreased by 4.2% to $45.6 million for the quarter ended March 31, 2017 compared to the same period in 2016, primarily due to cost savings initiatives. These decreases were achieved even though ownership days increased by 7.3% for the quarter ended March 31, 2017. As a result, ship operating expense per ownership day declined by 10.8% for the quarter ended March 31, 2017, compared to the same period in 2016.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased by 15.1% to $49.9 million for the quarter ended March 31, 2017, compared to the same period in 2016, primarily due to lower depreciation on 16 vessels that were impaired as of December 31, 2016 and the disposal of two 4600 TEU vessels in the second half of 2016. The decrease was partially offset by an increase in dry-dock amortization.

General and Administrative Expense

General and administrative expense decreased by 3.9% to $7.5 million for the quarter ended March 31, 2017, compared to the same period in 2016. The decrease was primarily due to higher professional fees and other expenses incurred in 2016, partially offset by an increase in non-cash stock based compensation expense related to grants of restricted and performance stock units in 2016.

Operating Lease Expense

Operating lease expense increased to $26.5 million for the quarter ended March 31, 2017, from $14.9 million for the same period in 2016. The increase was primarily due to the delivery of three vessels in 2016 that were financed through sale-leaseback transactions and two operating leases entered into in 2016 for a 10000 TEU vessel and a 14000 TEU vessel, respectively.

Interest Expense and Amortization of Deferred Financing Fees

The following table summarizes Seaspan's borrowings:

(in millions of US dollars)	**As at March 31,**	
	2017	**2016**
Long-term debt, excluding deferred financing fees	$ 2,807.4	$ 3,436.7
Long-term obligations under capital lease, excluding deferred financing fees	492.4	336.7
Total borrowings	3,299.8	3,773.4
Less: Vessels under construction	(310.4)	(218.7)
Operating borrowings	$ 2,989.4	$ 3,554.7

Interest expense and amortization of deferred financing fees decreased by $1.7 million to $28.5 million for the quarter ended March 31, 2017, compared to the same period in 2016.

For the quarter ended March 31, 2017, the decrease in interest expense was primarily due to repayments made on existing operating borrowings in 2016, partially offset by an increase in LIBOR.

Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in a loss of $3.4 million for the quarter ended March 31, 2017 and was primarily due to the impact of swap settlements, partially offset by an increase in the forward LIBOR curve.

About Seaspan

Seaspan provides many of the world's major shipping lines with creative outsourcing alternatives to vessel ownership by offering long-term leases on large, modern containerships combined with industry-leading ship management services. Seaspan's managed fleet consists of 114 containerships representing a total capacity of over 915,000 TEU, including 11 newbuilding containerships on order scheduled for delivery to Seaspan and third parties by the end of 2018. Seaspan's current operating fleet of 88 vessels has an average age of approximately six years and an average remaining lease period of approximately five years, on a TEU-weighted basis.

Seaspan has the following securities listed on The New York Stock Exchange:

Symbol	Description
SSW	Class A common shares
SSW PR D	Series D preferred shares
SSW PR E	Series E preferred shares
SSW PR G	Series G preferred shares
SSW PR H	Series H preferred shares
SSWN	6.375% senior unsecured notes due 2019

Conference Call and Webcast

Seaspan will host a conference call and webcast presentation for investors and analysts to discuss its results for the quarter ended March 31, 2017 on April 27, 2017 at 5:30 a.m. PT / 8:30 a.m. ET. Participants should call 1-877-246-9875 (US/Canada) or 1-707-287-9353 (International) and request the Seaspan call. A telephonic replay will be available for anyone unable to participate in the live call. To access the replay, call 1-855-859-2056 or 1-404-537-3406 and enter the replay passcode 7170157. The recording will be available from April 27, 2017 at 8:30 a.m. PT / 11:30 p.m. ET through 8:30 p.m. PT / 11:30 p.m. ET on May 11, 2017. The conference call will also be broadcast live over the Internet and will include a slide presentation. To access the live webcast of the conference call, go to www.seaspancorp.com and click on "News & Events" then "Events & Presentations" for the link. The webcast will be archived on the site for one year.

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2017
(IN THOUSANDS OF US DOLLARS)

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 295,648	$ 367,901
Short-term investments	103	411
Accounts receivable	22,831	30,793
Loans to affiliate	57,266	62,414
Prepaid expenses and other	42,448	37,252
Fair value of financial instruments	—	11,338
	418,296	510,109
Vessels	4,541,213	4,577,667
Vessels under construction	310,444	306,182
Deferred charges	66,472	68,099
Goodwill	75,321	75,321
Other assets	132,800	120,451
	$ 5,544,546	$ 5,657,829
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 64,722	$ 62,157
Current portion of deferred revenue	26,880	28,179
Current portion of long-term debt	370,354	314,817
Current portion of long-term obligations under capital lease	30,535	27,824
Current portion of other long-term liabilities	21,089	21,115
Fair value of financial instruments	12,209	30,752
	525,789	484,844
Deferred revenue	1,528	1,528

Long-term debt	2,420,389	2,569,697
Long-term obligations under capital lease	450,924	459,395
Other long-term liabilities	191,682	195,104
Fair value of financial instruments	195,380	200,012
	3,785,692	3,910,580
Shareholders' equity:		
Share capital	1,424	1,385
Treasury shares	(377)	(367)
Additional paid in capital	2,606,568	2,580,274
Deficit	(823,690)	(807,496)
Accumulated other comprehensive loss	(25,071)	(26,547)
	1,758,854	1,747,249
	$ 5,544,546	$ 5,657,829

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE QUARTERS ENDED MARCH 31, 2017 AND 2016
(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Quarter Ended March 31,	
	2017	2016
Revenue	$ 201,321	$ 215,523
Operating expenses:		
Ship operating	45,607	47,607
Cost of services, supervision fees	—	1,300
Depreciation and amortization	49,946	58,837
General and administrative	7,489	7,793
Operating leases	26,510	14,851
Expenses related to customer bankruptcy	1,013	—
	130,565	130,388
Operating earnings	70,756	85,135

Other expenses (income):		
Interest expense and amortization of deferred financing fees	28,468	30,143
Interest income	(1,172)	(3,077)
Undrawn credit facility fees	630	412
Change in fair value of financial instruments	3,417	52,151
Equity income on investment	(887)	(1,800)
Other expenses	277	178
	30,733	78,007
Net earnings	**$ 40,023**	**$ 7,128**
Deficit, beginning of period	(807,496)	(460,425)
Dividends - common shares	(39,695)	(36,880)
Dividends - preferred shares	(16,105)	(13,154)
Other	(417)	(359)
Deficit, end of period	$ (823,690)	$ (503,690)
Weighted average number of shares, basic	106,721	97,752
Weighted average number of shares, diluted	106,792	97,789
Earnings (loss) per share, basic and diluted	$ 0.22	$ (0.06)

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED MARCH 31, 2017 AND 2016
(IN THOUSANDS OF US DOLLARS)

	Quarter Ended March 31,	
	2017	**2016**
Net earnings	**$ 40,023**	**$ 7,128**
Other comprehensive income:		
Amounts reclassified to net earnings during the period		

relating to cash flow hedging instruments	1,476	1,061
Comprehensive income	**$ 41,499**	**$ 8,189**

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTERS ENDED MARCH 31, 2017 AND 2016
(IN THOUSANDS OF US DOLLARS)

	Quarter Ended March 31,	
	2017	**2016**
Cash from (used in):		
Operating activities:		
Net earnings	$ 40,023	$ 7,128
Items not involving cash:		
Depreciation and amortization	49,946	58,837
Share-based compensation	1,881	946
Amortization of deferred financing fees	3,028	3,311
Amounts reclassified from other comprehensive loss to interest expense	1,279	811
Unrealized change in fair value of financial instruments	(12,148)	28,859
Equity income on investment	(887)	(1,800)
Operating leases	(5,267)	(3,866)
Other	78	24
Changes in assets and liabilities	(1,015)	(16,348)
Cash from operating activities	76,918	77,902
Financing activities:		
Common shares issued, net of issuance costs	23,904	—
Draws on credit facilities	—	140,000
Repayment of credit facilities	(95,530)	(90,520)
Repayment of long-term obligations under capital lease	(6,365)	(6,041)
Common shares repurchased,		

including related expenses	—	(8,269)
Senior unsecured notes repurchased, including related expenses	(457)	—
Financing fees	—	(1,610)
Dividends on common shares	(39,278)	(35,570)
Dividends on preferred shares	(16,105)	(13,154)
Proceeds from sale-leaseback of vessel	—	110,000
Cash from (used in) financing activities	(133,831)	94,836
Investing activities:		
Expenditures for vessels	(11,908)	(117,424)
Short-term investments	308	1,054
Restricted cash	(6,207)	—
Loans to affiliate	(795)	(13,550)
Repayment of loans to affiliate	3,165	—
Other assets	97	(87)
Cash used in investing activities	(15,340)	(130,007)
Increase (decrease) in cash and cash equivalents	(72,253)	42,731
Cash and cash equivalents, beginning of period	367,901	215,520
Cash and cash equivalents, end of period	$ 295,648	$ 258,251

SEASPAN CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE QUARTERS ENDED MARCH 31, 2017 AND 2016
(IN THOUSANDS OF US DOLLARS)

Description of Non-GAAP Financial Measures

A. Cash Available for Distribution to Common Shareholders

Cash available for distribution to common shareholders is defined as net earnings adjusted for depreciation and amortization, interest expense and amortization of deferred financing fees, share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, gain on sale, expenses related to customer bankruptcy, amortization of deferred gain, dry-dock reserve adjustment, cash dividends paid on preferred shares, interest expense at the hedged rate and certain other items that

Seaspan believes are not representative of its operating performance.

Cash available for distribution to common shareholders is a non-GAAP measure used to assist in evaluating Seaspan's ability to make quarterly cash dividends before reserves for replacement capital expenditures. Cash available for distribution to common shareholders is not defined by GAAP and should not be considered as an alternative to net earnings or any other indicator of Seaspan's performance required to be reported by GAAP. In addition, this measure may not be comparable to similar measures presented by other companies.

	Quarter Ended March 31, 2017	2016
Net earnings	$ 40,023	$ 7,128
Add:		
Depreciation and amortization	49,946	58,837
Interest expense and amortization of deferred financing fees	28,468	30,143
Share-based compensation	1,844	946
Change in fair value of financial instruments[1]	3,503	52,029
Bareboat charter adjustment, net[2]	—	4,770
Gain on sale[3]	—	16,333
Expenses related to customer bankruptcy[4]	1,013	—
Less:		
Amortization of deferred gain[5]	(4,919)	(3,866)
Dry-dock reserve adjustment	(5,311)	(5,849)
Cash dividends paid on preferred shares:		
Series C	—	(7,910)
Series D	(2,475)	(2,475)
Series E	(2,769)	(2,769)
Series F	(2,433)	—
Series G	(3,998)	—
Series H	(4,430)	—
Net cash flows before interest payments	98,462	147,317
Less:		
Interest expense at the hedged rate[6]	(38,150)	(46,790)

Cash available for distribution to common shareholders	**$ 60,312**	**$ 100,527**

B. Normalized Net Earnings and Normalized Earnings per Share

Normalized net earnings is defined as net earnings adjusted for interest expense, excluding amortization of deferred financing fees, expenses related to customer bankruptcy, change in fair value of financial instruments, interest expense at the hedged rate, write-off of vessel equipment and certain other items Seaspan believes affect the comparability of operating results. Normalized net earnings is a useful measure because it excludes those items that Seaspan believes are not representative of its operating performance.

Normalized net earnings and normalized earnings per share are not defined by GAAP and should not be considered as an alternative to net earnings, earnings per share or any other indicator of Seaspan's performance required to be reported by GAAP. In addition, this measure may not be comparable to similar measures presented by other companies.

	Quarter Ended March 31,	
	2017	2016
Net earnings	$ 40,023	$ 7,128
Adjust:		
Interest expense, excluding amortization of deferred financing fees	25,440	26,832
Expenses related to customer bankruptcy(4)	1,013	—
Change in fair value of financial instruments(1)	3,503	52,029
Interest expense at the hedged rate(6)	(38,150)	(46,790)
Write-off of vessel equipment(7)	—	6,805
Normalized net earnings	**$ 31,829**	**$ 46,004**
Less: preferred share dividends		
Series C (including amortization of issuance costs)	—	8,026
Series D	2,475	2,475
Series E	2,769	2,769

Series F	2,433	—
Series G	3,998	—
Series H	4,430	—
	16,105	**13,270**
Normalized net earnings attributable to common shareholders	**$ 15,724**	**$ 32,734**
Weighted average number of shares used to compute earnings per share		
Reported, basic	**106,721**	**97,752**
Share-based compensation	71	37
Reported and normalized, diluted(8)	**106,792**	**97,789**
Earnings (loss) per share:		
Reported, basic and diluted	**$ 0.22**	**$ (0.06)**
Normalized, diluted(9)	**$ 0.15**	**$ 0.33**

C. Adjusted EBITDA

Adjusted EBITDA is defined as net earnings adjusted for interest expense and amortization of deferred financing fees, interest income, undrawn credit facility fees, depreciation and amortization, share-based compensation, gain on sale, expenses related to customer bankruptcy, amortization of deferred gain, bareboat charter adjustment, change in fair value of financial instruments and certain other items that Seaspan believes are not representative of its operating performance.

Adjusted EBITDA provides useful information to investors in assessing Seaspan's results of operations. Seaspan believes that this measure is useful in assessing performance and highlighting trends on an overall basis. Seaspan also believes that this measure can be useful in comparing its results with those of other companies, even though other companies may not calculate this measure in the same way as Seaspan. The GAAP measure most directly comparable to Adjusted EBITDA is net earnings. Adjusted EBITDA is not defined by GAAP and should not be considered as an alternative to net earnings or any other indicator of Seaspan's performance required to be reported by GAAP.

	Quarter Ended March 31, 2017	Quarter Ended March 31, 2016
Net earnings	$ 40,023	$ 7,128
Adjust:		
Interest expense and amortization of deferred financing fees	28,468	30,143
Interest income	(1,172)	(3,077)
Undrawn credit facility fees	630	412
Depreciation and amortization	49,946	58,837
Share-based compensation	1,844	946
Gain on sale(3)	—	16,333
Expenses related to customer bankruptcy(4)	1,013	—
Amortization of deferred gain(5)	(4,919)	(3,866)
Bareboat charter adjustment, net(2)	—	4,770
Change in fair value of financial instruments(1)	3,503	52,029
Adjusted EBITDA	**$ 119,336**	**$ 163,655**

Notes to Non-GAAP Financial Measures

(1) Change in fair value of financial instruments includes realized and unrealized losses (gains) on Seaspan's interest rate swaps, unrealized losses (gains) on Seaspan's foreign currency forward contracts and unrealized losses (gains) on interest rate swaps included in equity income on investment.

(2) In the second half of 2011, Seaspan entered into agreements to bareboat charter four 4800 TEU vessels to MSC Mediterranean Shipping Company S.A. ("MSC") for a five-year term, beginning from vessel delivery dates that occurred in 2011. Upon delivery of the vessels to MSC, the transactions were accounted for as sales-type leases. The vessels were disposed of and a gross investment in lease was recorded, which is being amortized to income through revenue. The bareboat charter adjustment in the applicable non-GAAP measures is included to reverse the GAAP accounting treatment and reflect the transaction as if the vessels had not been disposed of. Therefore, the bareboat charter fees are added back and the interest income from leasing, which is recorded in revenue, is deducted resulting in a net bareboat charter adjustment. During the fourth

quarter of 2016, Seaspan sold these vessels to MSC pursuant to the agreements entered into in 2011.

(3) The gain on sale relates to the proceeds received in excess of vessel cost upon the sale and leaseback transaction of one 10000 TEU vessel during the quarter ended March 31, 2016. Under this transaction, Seaspan sold the vessel to a special purpose company and is leasing the vessel back. For accounting purposes, the gain is deferred and amortized as a reduction of operating lease expense over the term of the lease.

(4) Expenses related to customer bankruptcy primarily relates to costs and expenses related to the Hanjin bankruptcy in 2016. As of September 1, 2016, after Hanjin declared bankruptcy, no revenue was recognized on the Hanjin charters.

(5) As of March 31, 2017, ten vessels have been sold and leased back by Seaspan. For GAAP accounting purposes, the gain on sales was deferred and is being amortized as a reduction of operating lease expense over the term of the lease.

(6) Interest expense at the hedged rate is calculated as the interest incurred on operating debt at the fixed rate on the related interest rate swaps plus the applicable margin on the related variable rate credit facilities and leases, on an accrual basis. Interest expense on fixed rate borrowings is calculated using the effective interest rate.

(7) Commencing in May 2015, Seaspan installed upgrades on certain of its vessels to enhance fuel efficiency. As a result, Seaspan incurred non-cash write-offs related to the original vessel equipment of $6.8 million for the quarter ended March 31, 2016. These write-offs are included in depreciation and amortization expense. The costs of the vessel upgrades are recoverable from the charterer.

(8) Seaspan's shares of common stock issuable upon conversion of its convertible Series F preferred shares are not included in the computation of diluted earnings per share because their effect is anti-dilutive for the period.

(9) The decrease in normalized earnings per share for the quarter ended March 31, 2017 is detailed in the table below:

Normalized earnings per share, diluted- March 31, 2016	**$**	**0.33**
Excluding share count changes:		

Decrease in normalized earnings[(a)]	(0.15)
Decrease from impact of preferred shares	(0.02)
Share count changes:	
Increase in diluted share count (from 97,788,868 shares to 106,792,099 shares for the quarter ended)	(0.01)
Normalized earnings per share, diluted- March 31, 2017	**$ 0.15**

(a) The decrease in normalized earnings for the quarter ended March 31, 2017 is primarily due to a decrease in revenue of $14.2 million and an increase in operating lease expense of $11.7 million, compared to the same period in 2016. The decrease in normalized earnings was partially offset by decreases in interest at the hedged rate of $8.6 million, ship operating expense of $2.0 million and depreciation and amortization expense of $2.1 million. Please read "Results for the Quarter Ended March 31, 2017" for a description of these changes.

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release contains certain forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended), which reflect management's current views with respect to certain future events and performance, including, in particular, statements regarding: future operating or financial results; time charters; industry fundamentals, including estimated supply and demand for containerships; ship operating expense; vessel dry-docking schedules; future contracted revenues; Seaspan's capital requirements; Seaspan's access to capital and financial strength and flexibility; Seaspan's belief that a containership recovery is beginning and the company's ability to benefit from any such recovery; vessel deliveries and vessel financing arrangements, including expected financing; and dividends, including the amount and timing of payment thereof for 2017. Although these statements are based upon assumptions Seaspan believes to be reasonable, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to: the availability to Seaspan of containership acquisition or construction opportunities; the availability and cost to Seaspan of financing, including to refinance existing debt and to pursue growth opportunities; the number of additional vessels managed by the our manager, Seaspan Management Services Limited, in the future; the availability of crew; number of off-hire days; dry-docking requirements; general market conditions and shipping market trends, including chartering rates, scrapping rates and newbuild orders, and the sustainability of any recent rate improvements or other signs of a potential market recovery; conditions in the containership market; increased operating expenses; Seaspan's future cash flows and its ability to make dividend and other payments; the time that it may take to construct new ships; Seaspan's continued ability to enter into primarily long-term, fixed-rate time charters with customers; changes in governmental rules and regulations or actions taken by regulatory authorities; the financial condition of shipyards, charterers, customers, lenders, refund guarantors and other counterparties and their ability to perform their obligations under their agreements with Seaspan; the potential for newbuilding delivery delays; the potential for early termination of long-term contracts and Seaspan's potential inability to enter into, renew or replace long-term contracts; changes in accounting rules or treatment; working capital needs; conditions in the public capital markets and the price of Seaspan's shares; the declaration of dividends and related payment dates by Seaspan's board of directors; our ability to maintain our reputation as a leading containership owner and operator; and other factors detailed from time-to-time in Seaspan's periodic reports and filings with the Securities and Exchange Commission, including Seaspan's Annual Report on Form 20-F for the year ended December 31, 2016. Seaspan expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in Seaspan's views or expectations, or otherwise.

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