SEASPAN REPORTS FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

Expands Fleet Under Long-Term Charters and Increases Unencumbered Vessels

HONG KONG, China, Oct. 31, 2017 /CNW/ - Seaspan Corporation ("Seaspan") (NYSE: SSW) announced today its financial results for the three and nine months ended September 30, 2017.

Key Financial Metrics

- Total revenues of $211.0 million for the third quarter and $616.9 million for the nine months.
- Earnings per diluted share of $0.26 for the third quarter and $0.60 for the nine months.
- Normalized earnings per diluted share(1) of $0.18 for the third quarter and $0.50 for the nine months.
- Cash available for distribution to common shareholders(1) of $65.1 million for the third quarter and $220.5 million for the nine months.
- Adjusted EBITDA(1) of $125.1 million for the third quarter and $398.3 million for the nine months.

(1) Refer to the selected financial information accompanying this press release for definitions of these non-GAAP measures and reconciliations of these non-GAAP financial measures as used in this release to the most directly comparable financial measures under U.S. generally accepted accounting principles (GAAP).

Highlights

- Accepted delivery of three 11000 TEU vessels on long-term bareboat charters with MSC Mediterranean Shipping Company S.A. ("MSC").
- Entered into three-year time charter contracts with CMA CGM S.A. ("CMA CGM") for two 10000 TEU newbuilding containerships currently under construction.
- Entered into vessel sale agreements for four 4250 TEU vessels. Two of the individual vessel sales closed in the third quarter and a third closed in the fourth quarter.
- Achieved reductions of 10.7% and 11.7% in ship operating expense per ownership day during the three and nine months ended September 30, 2017, respectively, compared to the same periods in 2016.
- Achieved vessel utilization of 96.9% and 95.6% for the three and nine months ended September 30, 2017, respectively. Excluding the four 4250 TEU vessels that are being sold, vessel utilization was 98.0% and 97.0% for the same periods respectively.
- Currently 19 vessels in Seaspan's operating fleet are unencumbered, including 2 x 3500 TEUs, 14 x 4250 TEUs, 2 x 4500 TEUs, and 1 x 9600 TEU, and excluding the remaining 4250 TEU vessel subject to a sale agreement.
- In October 2017, declared a quarterly dividend of $0.125 per common share for the third quarter of 2017.

David Sokol, Chairman of the Board, commented, "During the third quarter, we grew our operating fleet under long-term time charters and continued to achieve strong operating performance. We are pleased to have taken delivery of three 11000 TEU containerships which are on 17-year fixed-rate charters with MSC. We also capitalized on improving industry conditions as we entered into three-year fixed-rate time charters with CMA CGM for two 10000 TEU newbuildings delivering in 2018. Our operating performance continued at a high level during the quarter as we achieved utilization of 98% excluding vessels being sold, and continued to reduce ship operating expenses per ownership day."

Mr. Sokol continued, "Maintaining a strong and flexible balance sheet remains a priority for Seaspan. Over the past four months, we have repaid over $200 million in secured credit facilities and have grown our unencumbered fleet to 19 vessels. Overall, we remain well positioned to capitalize on growth opportunities that may arise during this period of improving industry fundamentals."

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue	$ 211,013	$ 224,875	$ 616,943	$ 664,712
Reported net earnings (loss)	$ 48,377	$ (184,034)	$ 116,684	$ (140,481)

Normalized net earnings[1]	$ 38,144	$ 43,562	$ 105,511	$ 133,543
Earnings (loss) per share, basic	$ 0.27	$ (1.86)	$ 0.60	$ (1.77)
Earnings (loss) per share, diluted	$ 0.26	$ (1.86)	$ 0.60	$ (1.77)
Normalized earnings per share, diluted[1]	$ 0.18	$ 0.29	$ 0.50	$ 0.92
Cash available for distribution to common shareholders[1]	$ 65,106	$ 90,400	$ 220,462	$ 302,150
Adjusted EBITDA[1]	$ 125,092	$ 148,354	$ 398,328	$ 489,159

(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.

Third Quarter Developments

Vessel Deliveries

In August and September 2017, Seaspan accepted delivery of the MSC Shuba B, the MSC Shreya B, and the MSC Nitya B, each an 11000 TEU vessel. The vessels were constructed at HHIC-PHIL Inc. and each commenced a 17-year fixed-rate bareboat charter with MSC. Upon completion of the bareboat charter period, MSC is obligated to purchase the vessels for a pre-determined amount. These deliveries were financed with previously committed lease facilities.

New Time Charters

In August 2017, Seaspan entered into fixed-rate time charter contracts with CMA CGM for two 10000 TEU newbuilding containerships currently under construction at New Jiangsu Shipbuilding Co., Ltd. and Jiangsu Xinfu Shipbuilding Co., Ltd. The two vessels are currently scheduled to deliver in 2018 and, upon delivery, will commence three-year fixed-rate time charters with options to extend for up to an additional three years. Seaspan has entered into advanced discussions on financing these two 10000 TEU newbuilding containerships with a leading financial institution.

Vessel Sales

In August 2017, Seaspan entered into vessel sale agreements for four 4250 TEU vessels (the Seaspan Alps, Seaspan Grouse, Seaspan Kenya and Seaspan Mourne) for gross proceeds of approximately $37 million. In the third quarter of 2017, Seaspan closed on the sales of the Seaspan Alps and Seaspan Kenya, recording a gain on sale of $6.6 million, and the remaining two individual vessel sales are expected to close during the fourth quarter of 2017.

At-the-Market Offering and Private Placement of Class A Common Shares

In August 2017, Seaspan issued 2,450,000 Class A common shares under at-the-market ("ATM") offerings for gross proceeds of $16.4 million, which completed the previously-approved $75.0 million Class A common share ATM plan.

In August 2017, Mr. Sokol purchased 1.0 million shares of Seaspan common stock for a purchase price of $6.0 million, or $6.00 per share, in a private placement.

Subsequent Events

Issuance of $80.0 million 7.125% Senior Unsecured Notes due 2027

In October 2017, Seaspan issued in a public offering an aggregate principal amount of $80.0 million of 7.125% senior unsecured notes ("Notes") at a price of $25.00 per note. The Notes have a 10-year maturity and Seaspan has granted the underwriters of the offering a 30-day option to purchase up to an additional $12.0 million principal amount of the Notes on the same terms. Seaspan used the net proceeds to repay a portion of a secured debt facility.

Vessel Sale

In October 2017, the sale of the Seaspan Mourne closed for gross sale proceeds of approximately $9.6 million.

Dividends

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

Results for the Three and Nine Months Ended September 30, 2017

At the beginning of 2017, Seaspan had 87 vessels in operation. Seaspan acquired one 4250 TEU vessel, accepted delivery of one 14000 TEU vessel and three 11000 TEU vessels, and sold two 4250 TEU vessels during the nine months ended September 30, 2017, bringing its operating fleet to a total of 90 vessels as at September 30, 2017. Revenue is determined primarily by the number of operating days, and ship operating expense is determined primarily by the number of ownership days.

	Three Months Ended September 30,		Increase		Nine Months Ended September 30,		I
	2017	2016	Days	%	2017	2016	Days
Operating days(1)	7,894	7,451	443	5.9%	23,044	22,091	953
Ownership days(1)	8,148	7,794	354	4.5%	24,102	22,781	1,321

The following table summarizes Seaspan's vessel utilization by quarter and for the nine months ended September 30, 2017 and 2016:

	Three Months Ended March 31,		Three Months Ended June 30,		Three Months Ended September 30,	
	2017	2016	2017	2016	2017	2016
Vessel Utilization:						
Ownership Days(1)	7,917	7,375	8,037	7,612	8,148	7,794
Less Off-hire Days:						
Scheduled 5-Year Survey	—	(75)	—	(19)	—	(25)
Unscheduled Off-hire(2)	(662)	(128)	(142)	(125)	(254)	(318)
Operating Days(1)	**7,255**	**7,172**	**7,895**	**7,468**	**7,894**	**7,451**
Vessel Utilization	**91.6%**	**97.2%**	**98.2%**	**98.1%**	**96.9%**	**95.6%**

(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 quarter and nine months ended September 30, 2017 and 2016:

Financial Summary (in millions of US dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue	$ 211.0	$ 224.9	$ 616.9	$ 664.7
Ship operating expense	45.4	48.6	135.8	145.4
Depreciation and amortization expense	49.8	52.7	149.6	166.1
General and administrative expense	14.0	8.1	29.0	25.0
Operating lease expense	30.3	23.8	85.0	59.3
Interest expense and amortization of deferred financing fees	28.3	30.0	85.1	90.2
(Gain) loss on disposals	(6.6)	16.5	(6.6)	16.5
Change in fair value of financial instruments	2.4	(0.7)	19.5	75.1

Revenue

Revenue decreased by 6.2% to $211.0 million and 7.2% to $616.9 million for the three and nine months ended September 30, 2017, respectively, compared to the same periods in 2016. The decreases were primarily due to lower average charter rates for vessels that were on short-term charters, partially offset by the delivery of newbuilding vessels in 2016 and 2017. For the nine months ended September 30, 2017, the decrease was also due to an increase in off-charter days that related primarily to three 10000 TEU vessels that were previously on long-term charters and commenced short-term charters with Hapag-Lloyd AG during the first half of 2017.

The increase in operating days and the related financial impact thereof for the three and nine months ended September 30, 2017, relative to the same periods in 2016, are attributable to the following:

	Three Months Ended September 30, 2017		Nine Months Ended September 30, 2017	
	Operating Days Impact	$ Impact (in millions of US dollars)	Operating Days Impact	$ Impact (in millions of US dollars)
2017 vessel deliveries	153	4.2	360	6.2
Full period contribution for 2016 vessel deliveries	339	4.0	1,542	31.7
Change in daily charter hire rate and re-charters	—	(21.0)	—	(65.3)
Fewer days due to leap year	—	—	(81)	(2.4)
Unscheduled off-hire	64	0.4	(487)	(13.0)
Scheduled off-hire	25	0.4	119	5.3
Supervision fee revenue	—	(1.9)	—	(7.1)
Vessel disposals	(138)	(0.5)	(500)	(2.8)
Other	—	0.5	—	(0.4)
Total	**443**	**$ (13.9)**	**953**	**$ (47.8)**

Vessel utilization increased for the three months ended September 30, 2017, compared to the same period in 2016, primarily due to fewer off-charter days and fewer scheduled drydock days. Vessel utilization decreased for the nine months ended September 30, 2017, compared to the same period in 2016, primarily due to an increase in off-charter days and the impact of the four 4250 TEU vessels being sold.

During the nine months ended September 30, 2017, Seaspan completed dry-dockings for three 4250 TEU vessels, which were completed between their time charters.

Ship Operating Expense

Ship operating expense decreased by 6.6% to $45.4 million and by 6.6% to $135.8 million for the three and nine months ended September 30, 2017, respectively, compared to the same periods in 2016, primarily due to cost savings initiatives. These decreases were achieved while the ownership days increased by 4.5% and 5.8% for the three and nine months ended September 30, 2017. As a result, ship operating expense per ownership day declined by 10.7% and 11.7% for the three and nine months ended September 30, 2017, respectively, compared to the same periods in 2016.

Depreciation and Amortization Expense

Depreciation and amortization expense decreased by 5.4% to $49.8 million and by 9.9% to $149.6 million for the three and nine months ended September 30, 2017, respectively, compared to the same periods in 2016, primarily due to lower depreciation on 16 vessels that were impaired as of December 31, 2016.

General and Administrative Expense

General and administrative expense increased by 73.4% to $14.0 million and by 16.3% to $29.0 million for the three and nine months ended September 30, 2017, respectively, compared to the same periods in 2016. The increases were due primarily to an increase in share-based compensation expense of $6.9 million related primarily to the issuance of 1.0 million fully-vested Class A common shares to the chairman of the board during the three months ended September 30, 2017. The chairman will not receive any further cash or share-based compensation for his services through to the end of 2020.

Operating Lease Expense

Operating lease expense increased by 27.4% to $30.3 million and 43.2% to $85.0 million for the three and nine months ended September 30, 2017, respectively, compared to the same periods in 2016. The increase was primarily due to the delivery of one vessel in 2016 and one vessel in 2017 that were financed through sale-leaseback transactions. For the nine months ended September 30, 2017, the increase was also due to the delivery of two 10000 TEU vessels financed through sale-leaseback transactions and two operating leases entered into during the first half of 2016.

Interest Expense and Amortization of Deferred Financing Fees

The following table summarizes Seaspan's borrowings:

(in millions of US dollars)	**As at September 30,**	
	2017	**2016**
Long-term debt, excluding deferred financing fees	$ 2,577.6	$ 3,104.4
Long-term obligations under capital lease, excluding deferred financing fees	615.6	505.1
Total borrowings	3,193.2	3,609.5

Less: Vessels under construction	(136.6)	(300.7)
Operating borrowings	$ 3,056.6	$ 3,308.8

Interest expense and amortization of deferred financing fees decreased by $1.6 million to $28.3 million and by $5.1 million to $85.1 million for the three and nine months ended September 30, 2017, respectively, compared to the same periods in 2016. The decreases were primarily due to repayments made on existing operating borrowings in 2016 and 2017, partially offset by an increase in LIBOR and financing related to the delivery of newbuilding vessels in 2017.

Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in losses of $2.4 million and $19.5 million for the three and nine months ended September 30, 2017, respectively, which were 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. Excluding the remaining 4250 TEU class vessel which is being sold, Seaspan's managed fleet consists of 110 containerships representing a total capacity of approximately 900,000 TEUs, including six 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, excluding the remaining 4250 TEU class vessel which is being sold, 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
SSWA	7.125% senior unsecured notes due 2027

Conference Call and Webcast

Seaspan will host a conference call and webcast presentation for investors and analysts to discuss its results for the three and nine months ended September 30, 2017 on November 1, 2017 at 6:00 a.m. PT / 9:00 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 3897029. The recording will be available from November 1, 2017 at 9:00 a.m. PT / 12:00 p.m. ET through 8:00 a.m. PT / 11:00 a.m. ET on November 15, 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 SEPTEMBER 30, 2017
(IN THOUSANDS OF US DOLLARS)

	September 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 308,927	$ 367,901
Short-term investments	104	411
Accounts receivable	18,718	30,793
Loans to affiliate	36,100	62,414
Prepaid expenses and other	42,805	37,252
Gross investment in lease	26,609	—

Vessels held for sale		11,039		—
Fair value of financial instruments		—		11,338
		444,302		510,109
Vessels		4,433,691		4,577,667
Vessels under construction		136,642		306,182
Deferred charges		62,603		68,099
Gross investment in lease		521,031		—
Goodwill		75,321		75,321
Other assets		139,829		120,451
	$	5,813,419	$	5,657,829
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	57,661	$	62,157
Current portion of deferred revenue		48,561		28,179
Current portion of long-term debt		203,164		314,817
Current portion of long-term obligations under capital lease		40,323		27,824
Current portion of other long-term liabilities		23,638		21,115
Fair value of financial instruments		—		30,752
		373,347		484,844
Deferred revenue		248,707		1,528
Long-term debt		2,360,069		2,569,697
Long-term obligations under capital lease		564,664		459,395
Other long-term liabilities		206,272		195,104
Fair value of financial instruments		193,294		200,012
		3,946,353		3,910,580
Shareholders' equity:				
Share capital		1,566		1,385
Treasury shares		(377)		(367)
Additional paid in capital		2,697,915		2,580,274
Deficit		(807,970)		(807,496)
Accumulated other comprehensive loss		(24,068)		(26,547)
		1,867,066		1,747,249
	$	5,813,419	$	5,657,829

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Three Months Ended September 30,		Nine Months Ende September 30,	
	2017	2016	2017	
Revenue	$ 211,013	$ 224,875	$ 616,943	$
Operating expenses:				
Ship operating	45,378	48,590	135,808	
Cost of services, supervision fees	650	2,600	650	
Depreciation and amortization	49,835	52,701	149,579	
General and administrative	14,034	8,094	29,009	
Operating leases	30,332	23,817	84,990	
Expenses related to customer bankruptcy	—	18,883	1,013	
(Gain) loss on disposals	(6,606)	16,487	(6,606)	
Vessel impairments	—	202,775	—	
	133,623	373,947	394,443	
Operating earnings (loss)	77,390	(149,072)	222,500	

Other expenses (income):				
Interest expense and amortization of deferred financing fees	28,332	29,952	85,061	
Interest income	(1,080)	(1,231)	(3,445)	
Undrawn credit facility fees	584	810	1,849	
Refinancing expenses	—	1,190	—	
Change in fair value of financial instruments	2,444	(684)	19,471	
Equity (income) loss on investment	(1,510)	4,562	(4,039)	
Other expenses	243	363	6,919	
	29,013	34,962	105,816	
Net earnings (loss)	**$ 48,377**	**$ (184,034)**	**$ 116,684**	**$ (**
Deficit, beginning of period	(825,359)	(521,404)	(807,496)	(
Dividends - common shares	(14,744)	(39,532)	(68,137)	(
Dividends - preferred shares	(16,104)	(8,370)	(48,313)	
Other	(140)	(445)	(708)	
Deficit, end of period	$ (807,970)	$ (753,785)	$ (807,970)	$ (
Weighted average number of shares, basic	121,752	106,000	114,201	
Weighted average number of shares, diluted	121,832	106,046	114,260	
Earnings (loss) per share, basic	$ 0.27	$ (1.86)	$ 0.60	$
Earnings (loss) per share, diluted	0.26	(1.86)	0.60	

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(IN THOUSANDS OF US DOLLARS)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Net earnings (loss)	**$ 48,377**	**$ (184,034)**	**$ 116,684**	**$ (140,481)**
Other comprehensive income:				
Amounts reclassified to net earnings (loss) during the period relating to cash flow hedging instruments	342	1,414	2,479	3,522
Comprehensive income (loss)	**$ 48,719**	**$ (182,620)**	**$ 119,163**	**$ (136,959)**

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(IN THOUSANDS OF US DOLLARS)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Cash from (used in):				
Operating activities:				
Net earnings (loss)	$ 48,377	$ (184,034)	$ 116,684	$ (140,481)
Items not involving cash:				
Depreciation and amortization	49,835	52,701	149,579	166,053

Share-based compensation	8,507	1,986	12,377	4,404
Amortization of deferred financing fees	2,605	3,385	8,818	9,751
Amounts reclassified from accumulated other comprehensive loss to interest expense	144	1,166	1,824	2,761
Unrealized change in fair value of financial instruments	(11,483)	(20,921)	(24,668)	9,429
Equity (income) loss on investment	(1,510)	4,562	(4,039)	594
Refinancing expenses	—	905	—	1,677
Operating leases	(5,911)	(5,472)	(16,678)	(13,788)
Vessel impairments	—	202,775	—	202,775
Expenses related to customer bankruptcy	—	18,883	—	18,883
(Gain) loss on disposals	(6,606)	16,487	(6,606)	16,487
Other	107	7	6,574	51
Changes in assets and liabilities	10,986	(25,514)	(9,597)	(46,094)
Cash from operating activities	95,051	66,916	234,268	232,502
Financing activities:				
Common shares issued, net of issuance costs	22,102	—	79,368	96,034
Preferred shares issued, net of issuance costs	—	294,073	—	541,736
Draws on credit facilities	—	—	—	220,485
Repayment of credit facilities	(98,295)	(212,144)	(269,452)	(503,260)
Draws on long-term obligations under capital lease	136,331	99,600	136,331	180,750
Repayment of long-term obligations under capital lease	(6,619)	(6,225)	(19,492)	(18,408)
Common shares repurchased, including related expenses	—	—	—	(8,269)
Preferred shares redeemed, including related expenses	—	(13)	—	(333,074)
Senior unsecured notes repurchased, including related expenses	—	—	(3,122)	—
Financing fees	(858)	(1,550)	(3,172)	(12,568)
Dividends on common shares	(7,701)	(38,284)	(53,411)	(109,347)
Dividends on preferred shares	(16,104)	(8,371)	(48,313)	(38,524)
Net proceeds from sale-leaseback of vessels	—	100,000	90,753	354,000
Cash from (used in) financing activities	28,856	227,086	(90,510)	369,555
Investing activities:				
Expenditures for vessels	(139,364)	(106,755)	(235,725)	(322,291)
Short-term investments	(1)	24	307	1,074
Net proceeds from vessel disposals	18,338	5,843	18,338	5,843
Restricted cash	395	—	(5,404)	(201)
Loans to affiliate	(546)	(978)	(2,131)	(17,198)
Repayment of loans to affiliate	546	—	21,779	54,306
Other assets	60	(317)	104	(634)
Cash used in investing activities	(120,572)	(102,183)	(202,732)	(279,101)
Increase (decrease) in cash and cash equivalents	3,335	191,819	(58,974)	322,956
Cash and cash equivalents, beginning of period	305,592	346,657	367,901	215,520
Cash and cash equivalents, end of period	$ 308,927	$ 538,476	$ 308,927	$ 538,476

SEASPAN CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 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 (loss) adjusted for depreciation and amortization, interest expense and amortization of deferred financing fees, refinancing expenses, share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, gain on sales, gain or loss on disposals, expenses related to customer bankruptcy, adjustments to equity income on investment, termination fee, vessel impairments, 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2(
Net earnings (loss)	$ 48,377	$ (184,034)	$ 116,684	$ (1
Adjust:				
Depreciation and amortization	49,835	52,701	149,579	1
Interest expense and amortization of deferred financing fees	28,332	29,952	85,061	
Refinancing expenses	—	905	—	
Share-based compensation	8,507	1,986	12,377	
Change in fair value of financial instruments(1)	2,485	(563)	19,684	
Bareboat charter adjustment, net(2)	214	4,971	214	
Gain on sales(3)	—	3,720	31,291	
(Gain) loss on disposals(4)	(6,606)	16,487	(6,606)	
Expenses related to customer bankruptcy(5)	—	18,883	1,013	
Adjustments to equity income on investment(6)	—	5,880	—	
Termination fee(7)	—	—	6,250	
Vessel impairment(8)	—	202,775	—	2
Amortization of deferred gain(9)	(5,556)	(4,888)	(15,623)	(
Dry-dock reserve adjustment	(5,619)	(6,381)	(16,473)	(
Cash dividends paid on preferred shares:				
Series C	—	—	—	(
Series D	(2,475)	(2,475)	(7,425)	
Series E	(2,768)	(2,770)	(8,308)	
Series F	(2,433)	(1,973)	(7,298)	
Series G	(3,998)	(1,153)	(11,993)	
Series H	(4,430)	—	(13,289)	
Net cash flows before interest payments	103,865	134,023	335,138	4
Less:				
Interest expense at the hedged rate(10)	(38,759)	(43,623)	(114,677)	(1
Cash available for distribution to common shareholders	**$ 65,106**	**$ 90,400**	**$ 220,462**	**$ 3**

SEASPAN CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(IN THOUSANDS OF US DOLLARS, EXCEPT PER SHARE DATA)

B. Normalized Net Earnings and Normalized Earnings per Share

Normalized net earnings is defined as net earnings (loss) adjusted for interest expense, excluding amortization of deferred financing fees, refinancing expenses, gain or loss on disposals, expenses related to customer bankruptcy, change in fair value of financial instruments, termination fee, adjustments to equity income on investment, vessel impairments, interest expense at the hedged rate, share-based compensation to chairman of the board, 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net earnings (loss)	$ 48,377	$ (184,034)	$ 116,684	$ (140,481)
Adjust:				
Interest expense, excluding amortization of deferred financing fees	25,727	26,567	76,243	80,439
Refinancing expenses	—	1,190	—	1,962
(Gain) loss on disposals	(6,606)	16,487	(6,606)	16,487
Expenses related to customer bankruptcy(5)	—	18,883	1,013	18,883
Change in fair value of financial instruments(1)	2,485	(563)	19,684	74,794
Termination fee(7)	—	—	6,250	—
Adjustments to equity income on investment(6)	—	5,880	—	5,880
Vessel impairments(8)	—	202,775	—	202,775
Interest expense at the hedged rate(10)	(38,759)	(43,623)	(114,677)	(136,236)
Share-based compensation to chairman of the board(11)	6,920	—	6,920	—
Write-off of vessel equipment(12)	—	—	—	9,040
Normalized net earnings	**$ 38,144**	**$ 43,562**	**$ 105,511**	**$ 133,543**
Less: preferred share dividends				
Series C (including amortization of issuance costs)	—	—	—	14,420
Series D	2,475	2,475	7,425	7,425
Series E	2,768	2,769	8,308	8,307
Series F	2,433	2,433	7,298	3,622
Series G	3,998	3,014	11,993	3,407
Series H	4,430	2,412	13,289	2,412
	16,104	**13,103**	**48,313**	**39,593**
Normalized net earnings attributable to common shareholders	**$ 22,040**	**$ 30,459**	**$ 57,198**	**$ 93,950**
Weighted average number of shares used to compute earnings per share				
Reported, basic	**121,752**	**106,000**	**114,201**	**101,763**
Share-based compensation	79	46	59	73
Reported and normalized, diluted(13)	**121,831**	**106,046**	**114,260**	**101,836**
Earnings (loss) per share:				
Reported, basic	**$ 0.27**	**$ (1.86)**	**$ 0.60**	**$ (1.77)**
Reported, diluted	**$ 0.26**	**$ (1.86)**	**$ 0.60**	**$ (1.77)**
Normalized, diluted(14)	**$ 0.18**	**$ 0.29**	**$ 0.50**	**$ 0.92**

SEASPAN CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(IN THOUSANDS OF US DOLLARS)

C. Adjusted EBITDA

Adjusted EBITDA is defined as net earnings (loss) adjusted for interest expense and amortization of deferred financing fees, interest income, undrawn credit facility fees, depreciation and amortization, refinancing expenses, share-based compensation, gain on sales, gain or loss on disposals, expenses related to customer bankruptcy, adjustments to equity income on investment, vessel impairments, termination fee, 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net earnings (loss)	$ 48,377	$ (184,034)	$ 116,684	$ (140,481)
Adjust:				
Interest expense and amortization of deferred financing fees	28,332	29,952	85,061	90,190
Interest income	(1,080)	(1,231)	(3,445)	(7,076)
Undrawn credit facility fees	584	810	1,849	1,963
Depreciation and amortization	49,835	52,701	149,579	166,053
Refinancing expenses	—	905	—	1,677
Share-based compensation	8,507	1,986	12,377	4,404
Gain on sales(3)	—	3,720	31,291	52,235
(Gain) loss on disposals(4)	(6,606)	16,487	(6,606)	16,487
Expenses related to customer bankruptcy(5)	—	18,883	1,013	18,883
Adjustments to equity income on investment(6)	—	5,880	—	5,880
Vessel impairments(8)	—	202,775	—	202,775
Termination fee(7)	—	—	6,250	—
Amortization of deferred gain(9)	(5,556)	(4,888)	(15,623)	(13,204)
Bareboat charter adjustment, net(2)	214	4,971	214	14,579
Change in fair value of financial instruments(1)	2,485	(563)	19,684	74,794
Adjusted EBITDA	**$ 125,092**	**$ 148,354**	**$ 398,328**	**$ 489,159**

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) Certain of Seaspan's vessels are on bareboat charters, which are accounted for as direct financing-type leases. Under these arrangements, the vessels were disposed of and a gross investment in lease was recorded, which is amortized to income through revenue. The bareboat charter adjustment in the applicable non-GAAP measure 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 hire is added back and the interest income from leasing, which is recorded in revenue, is deducted, resulting in a net bareboat charter adjustment. The 2016 adjustment relates to four 4800 TEU vessels on five-year bareboat charters to MSC commencing in 2011 and which were sold to MSC in the fourth quarter of 2016 pursuant to agreements entered into in 2011. The 2017 adjustment relates to three 11000 TEU vessels which commenced 17-year bareboat charters with MSC during the third quarter of 2017. Upon completion of the bareboat charter period, MSC is obligated to purchase the vessels for pre-determined amounts.

(3) The gain on sale relates to the proceeds received in excess of vessel cost upon the sale and leaseback transaction of one 14000 TEU vessel during the nine months ended September 30, 2017. Under this transaction, Seaspan sold the vessel to special purpose companies 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) The gain on disposal relates to the sale of two 4250 TEU vessels during the three and nine months ended September 30, 2017. The loss on

disposal relates to the sale of one 4600 TEU vessel during the three and nine months ended September 30, 2016.

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

(6) Adjustments to equity income on investment excludes Seaspan's proportionate interest in the impact of the sale by Greater China Intermodal Investments LLC ("GCI") of two 4600 TEU vessels in the third quarter of 2016 and GCI's reserves for past due accounts receivables related to GCI's four 10000 TEU vessels previously chartered to Hanjin.

(7) The termination fee relates to a non-cash payment in connection with the termination of the financial services agreement with Seaspan Financial Services Ltd., an entity controlled by former Director Graham Porter.

(8) During the three and nine months ended September 30, 2016, Seaspan recognized vessel impairments of $202.8 million related to ten vessels less than 5000 TEU in size and held for use.

(9) As of September 30, 2017, 11 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.

(10) 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.

(11) Includes the issuance of 1.0 million fully-vested shares of Class A common shares to the chairman of the board and his investment in additional Class A common shares. The chairman will not receive any further cash or share-based compensation for his services through to the end of 2020.

(12) 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 $9.0 million for the nine months ended September 30, 2016. These write-offs are included in depreciation and amortization expense. The costs of the vessel upgrades are recoverable from the charterer.

(13) 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.

(14) The decrease in normalized earnings per share for the three and nine months ended September 30, 2017 is detailed below:

	Three Months Ended September 30	Nine Months Ended September 30
Normalized earnings per share, diluted - September 30, 2016	**$ 0.29**	**$ 0.92**
Excluding share count changes:		
Decrease in normalized earnings[(a)]	(0.05)	(0.27)
Decrease from impact of preferred shares	(0.03)	(0.09)
Share count changes:		
Increase in diluted share count (from 106,046,000 shares to 121,831,000 shares and from 101,836,000 shares to 114,260,000 shares for the three and nine months ended, respectively)	(0.03)	(0.06)
Normalized earnings per share, diluted - September 30, 2017	**$ 0.18**	**$ 0.50**

(a) The decrease in normalized earnings for the three months ended September 30, 2017, compared to the same period in 2016, is primarily due to a decrease in revenue of $13.9 million and an increase in operating lease expense of $6.5 million. The decreases in normalized earnings were partially offset by decreases in interest at the hedged rate of $4.9 million, depreciation and amortization expense of $2.9 million and ship operating expense of $3.2 million.
The decrease in normalized earnings for the nine months ended September 30, 2017, compared to the same period in 2016, is primarily due to a decrease in revenue of $47.8 million and an increase in operating lease expense of $25.7 million. The decreases in normalized earnings were partially offset by decreases in interest at the hedged rate of $21.6 million, depreciation and amortization expense of $7.4 million and ship operating expense of $9.6 million. Please read "Results for the Three and Nine Months Ended September 30, 2017" for further 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; industry fundamentals and conditions; ship operating expense; vessel dry-docking schedules; Seaspan's access to capital and vessel financing; vessel sales closing dates; and Seaspan's ability to capitalize on future opportunities. 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 off-hire days; dry-docking requirements; general market conditions and shipping market trends, including chartering rates, scrapping rates and newbuild orders; increased operating expenses; Seaspan's future cash flows and its ability to make 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; changes in accounting rules or treatment; working capital needs; any impairment charges; conditions in the public capital markets and the price of Seaspan's shares; Seaspan's ability to maintain its reputation as a leading containership owner and operator; access to and the terms of any additional financing; 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.

For Investor Relations Inquiries:
Mr. David Spivak
Chief Financial Officer
Seaspan Corporation
Tel. 604-638-2580

Mr. Michael Sieffert
Director, Corporate Finance
Seaspan Corporation
Tel. 778-328-6490

For Media Inquiries:
Mr. Leon Berman
The IGB Group
Tel. 212-477-8438

SOURCE Seaspan Corporation