



## SEASPAN REPORTS FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2014

**Announces 9% Increase in Common Share Quarterly Dividend Effective First Quarter 2015 to \$0.375 per Common Share**

HONG KONG, CHINA - February 23, 2015 /CNW/ - Seaspan Corporation ("Seaspan") (NYSE: [SSW](#)) announced today its financial results for the quarter and year ended December 31, 2014. Below is a summary of Seaspan's key financial results:

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

	<b>Quarter Ended December 31,</b>		<b>Change</b>		
	<b>2014</b>	<b>2013</b>	<b>\$</b>	<b>%</b>	
Reported net earnings	\$27,774	\$68,229	\$(40,455)	(59.3)	%
Normalized net earnings(1)	\$40,132	\$33,464	\$6,668	19.9	%
Earnings per share, basic	\$0.14	\$0.70	\$(0.56)	(80.0)	%
Earnings per share, diluted	\$0.14	\$0.64	\$(0.50)	(78.1)	%
Normalized earnings per share, converted(1) (Series A preferred shares converted at \$15)	\$0.27	\$0.25	\$0.02	8.0	%
Cash available for distribution to common shareholders(2)	\$78,656	\$71,033	\$7,623	10.7	%
Adjusted EBITDA(3)	\$141,003	\$128,821	\$12,182	9.5	%
	<b>Year Ended December 31,</b>		<b>Change</b>		
	<b>2014</b>	<b>2013</b>	<b>\$</b>	<b>%</b>	
Reported net earnings	\$131,247	\$299,028	\$(167,781)	(56.1)	%
Normalized net earnings(1)	\$139,083	\$121,373	\$17,710	14.6	%
Earnings per share, basic	\$0.80	\$3.36	\$(2.56)	(76.2)	%
Earnings per share, diluted	\$0.79	\$2.93	\$(2.14)	(73.0)	%
Normalized earnings per share, converted(1) (Series A preferred shares converted at \$15)	\$0.90	\$0.92	\$(0.02)	(2.2)	%
Cash available for distribution to common shareholders(2)	\$292,324	\$277,473	\$14,851	5.4	%
Adjusted EBITDA(3)	\$535,587	\$509,843	\$25,744	5.0	%

(1) Normalized net earnings and normalized earnings per share are non-GAAP measures that are adjusted for items such as interest expense, change in fair value of financial instruments, interest expense at the hedged rate, refinancing expenses and recoveries and certain other items that Seaspan believes are not representative of

its operating performance. For the quarter and year ended December 31, 2014, normalized earnings per share, converted, reflects normalized earnings per share on a pro-forma basis on the assumption that Seaspan's outstanding Series A preferred shares are converted at \$15.00 per share. Please read "Reconciliation of Non-GAAP Financial Measures for the Quarter and Year Ended December 31, 2014 and 2013-Description of Non-GAAP Financial Measures-B. Normalized Net Earnings and Normalized Earnings per Share" for a description of normalized net earnings and normalized earnings per share, converted, and for reconciliations of these measures to net earnings and earnings per share, respectively.

(2) Cash available for distribution to common shareholders is a non-GAAP measure that represents net earnings adjusted for depreciation and amortization, interest expense, amortization of deferred charges, refinancing expenses and recoveries, share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, amounts paid for dry-docking, 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. Please read "Reconciliation of Non-GAAP Financial Measures for the Quarter and Year Ended December 31, 2014 and 2013-Description of Non-GAAP Financial Measures-A. Cash Available for Distribution to Common Shareholders" for a description of cash available for distribution to common shareholders and a reconciliation of cash available for distribution to common shareholders to net earnings.

(3) Adjusted EBITDA is a non-GAAP measure that represents net earnings before interest expense and other debt-related expenses, income tax expense, interest income, depreciation and amortization, amortization of deferred charges, refinancing expenses and recoveries, share-based compensation, bareboat charter adjustment, change in fair value of financial instruments and certain other items that Seaspan believes are not representative of its operating performance. Please read "Reconciliation of Non-GAAP Financial Measures for the Quarter and Year Ended December 31, 2014 and 2013-Description of Non-GAAP Financial Measures-C. Adjusted EBITDA" for a description of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net earnings.

### **Summary of Key Highlights**

- Achieved vessel utilization of 98.7% and 99.0% for the quarter and year ended December 31, 2014, respectively, or 98.9% and 99.4% if the impact of off-charter days is excluded.
- Accepted delivery of two vessels during the fourth quarter, bringing Seaspan's operating fleet to a total of 77 vessels at December 31, 2014.
- Paid \$13.4 million of regular quarterly dividends to preferred shareholders of record as of October 29, 2014. Dividends per share were:
  - \$0.59375 Series C (NYSE: [SSW PR C](#))
  - \$0.496875 Series D (NYSE: [SSW PR D](#))
  - \$0.515625 Series E (NYSE: [SSW PR E](#))
- Paid a quarterly dividend for the 2014 third quarter of \$0.345 per Class A common share to all shareholders of record as of October 20, 2014.
- Raised a total of approximately \$1.6 billion through capital market and bank financing transactions during the year ended December 31, 2014, including Seaspan's first issuance of unsecured notes.

Gerry Wang, Chief Executive Officer, Co-Chairman and Co-Founder of Seaspan, commented, "2014 was an important year for Seaspan, as we took steps to further grow our high quality fleet, contracted revenue stream and earnings power. Our on-going success signing attractive long-term time charters with world class liner companies enabled Seaspan to increase its total committed revenue to \$6.4 billion, positioning the company to continue to provide shareholders with stable and growing cash flows. During the year, we also further diversified and strengthened our capital structure, highlighting the strong support we continue to receive from leading banks and the capital markets."

Mr. Wang added, "We continue to execute our disciplined growth strategy and are pleased to announce our sixth dividend increase since 2010, reflecting our stable business model and commitment to return capital to shareholders."

## **Fourth Quarter Developments**

### *Vessel Deliveries*

Seaspan accepted delivery of two 10000 TEU vessels, the MOL Brightness on October 29, 2014 and the MOL Breeze on November 12, 2014, expanding its operating fleet to 77 vessels as of December 31, 2014. Both vessels were constructed at Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. ("Jiangsu Xinfu") using Seaspan's fuel-efficient SAVER design, and each commenced an eight-year, fixed-rate time charter with Mitsui O.S.K. Lines Ltd. ("MOL").

### *Newbuilding Containership Order*

On December 19, 2014, Seaspan entered into contracts with Jiangsu New Yangzi Shipbuilding Co., Ltd. ("New Jiangsu") and Jiangsu Xinfu for the construction of two 10000 TEU newbuilding containerships for an aggregate purchase price of approximately \$186.0 million. These vessels are scheduled for delivery in October 2016 and January 2017 and will be constructed using Seaspan's fuel-efficient SAVER design. Pursuant to Seaspan's right of first refusal agreement with Greater China Intermodal Investments LLC ("GCI") and Blue Water Commerce, LLC (the "ROFR"), Seaspan retained one of the 10000 TEU newbuilding containerships and GCI acquired the remaining vessel.

### *Option Agreements*

In August 2014, Seaspan entered into an agreement with New Jiangsu and Jiangsu Xinfu under which Seaspan converted its remaining options to acquire up to four 10000 TEU fuel-efficient SAVER design vessels to be constructed at those shipyards into options to acquire up to six 10000 TEU or 14000 TEU fuel-efficient SAVER design vessels, with delivery dates in 2017 and 2018. On December 19, 2014, the agreement was amended to allow Seaspan to exercise the options by June 30, 2015. Seaspan anticipates that such options, if exercised, will be subject to the ROFR.

### *Financings*

On November 4, 2014, Seaspan entered into lease financing agreements with Asian special purpose companies (collectively, the "SPCs") for two 10000 TEU newbuilding vessels that are or will be chartered to MOL. The lease financing arrangements are expected to provide gross financing proceeds of approximately \$110.0 million per vessel upon delivery of each vessel, or \$220.0 million in total. Under the lease financing arrangements, Seaspan will sell the vessels to the SPCs and lease the vessels back from the SPCs over an initial term of 8.5 years, with an option to purchase the vessels at the end of the lease term for a pre-determined fair value purchase price. If the purchase option is not exercised, the lease term will be automatically extended for an additional two years. On November 12, 2014, Seaspan financed the purchase of the MOL Breeze and received gross proceeds of \$110.0 million. Seaspan expects to finance the purchase of the MOL Beacon, scheduled for delivery during the first quarter of 2015, through these lease financing arrangements.

In December 2014, Seaspan negotiated an early termination of the lease financing structure related to five 4500 TEU vessels and, through a series of agreements, regained legal title to the vessels. As a result, Seaspan paid the termination amounts, realized a net gain of \$3.8 million and wrote off deferred financing fees of \$0.9 million.

On December 24, 2014, Seaspan entered into a term loan facility for up to \$67.0 million to refinance two 4500

TEU containerships that were previously financed under the early terminated lease financing structure. The loan bears interest at LIBOR plus a margin. At December 31, 2014, \$67.0 million has been drawn under this facility.

## Subsequent Events

### Dividends

On January 13, 2015, Seaspan declared the following quarterly cash dividends on its common and preferred shares, for a total distribution of \$46.8 million:

Security	Ticker	Dividend per Share	Period	Record Date	Payment Date
Class A common shares	SSW	\$0.345	October 1, 2014 to December 31, 2014	January 22, 2015	January 30, 2015
Series C preferred shares	SSW PR C	\$0.59375	October 30, 2014 to January 29, 2015	January 29, 2015	January 30, 2015
Series D preferred shares	SSW PR D	\$0.496875	October 30, 2014 to January 29, 2015	January 29, 2015	January 30, 2015
Series E preferred shares	SSW PR E	\$0.515625	October 30, 2014 to January 29, 2015	January 29, 2015	January 30, 2015

In February 2015, Seaspan's board of directors approved an 8.7% increase in the 2015 quarterly Class A common share dividend to \$0.375 per share. This \$0.03 per share increase to Seaspan's quarterly Class A common share dividend represents the sixth increase since March 31, 2010 for an aggregate increase of 275.0%. Seaspan expects the quarterly \$0.375 Class A common share dividends for the four quarters ending December 31, 2015 to be paid on April 30, July 30 and October 30 of 2015 and February 1, 2016 for a total dividend of \$1.50 per share.

## Results for the Quarter and Year Ended December 31, 2014

At the beginning of 2014, Seaspan had 71 vessels in operation. Seaspan accepted delivery of six newbuilding vessels during the year ended December 31, 2014, bringing its operating fleet to a total of 77 vessels at December 31, 2014. Revenue from time charters is determined primarily by the number of operating days, and ship operating expense is determined primarily by the number of ownership days.

	Quarter Ended		Increase		Year Ended		Increase	
	December 31, 2014	December 31, 2013	Days	%	December 31, 2014	December 31, 2013	Days	%
Operating days	6,555	6,072	483	8.0%	25,157	23,632	1,525	6.5%
Ownership days	6,642	6,165	477	7.7%	25,408	24,109	1,299	5.4%

The following table summarizes Seaspan's vessel utilization by quarter and for the years ended December 31, 2014 and 2013:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year Ended	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<b>Vessel Utilization:</b>										
Ownership Days	6,037	5,850	6,214	5,933	6,515	6,161	6,642	6,165	25,408	24,109
Less Off-hire Days:										
Scheduled 5-Year Survey	(10)	-	(43)	(19)	(15)	(29)	(64)	-	(132)	(48)
Unscheduled Off-hire(1)	(58)	(230)	(3)	(40)	(35)	(66)	(23)	(93)	(119)	(429)
<b>Operating Days</b>	<b>5,969</b>	<b>5,620</b>	<b>6,168</b>	<b>5,874</b>	<b>6,465</b>	<b>6,066</b>	<b>6,555</b>	<b>6,072</b>	<b>25,157</b>	<b>23,632</b>
<b>Vessel Utilization</b>	<b>98.9%</b>	<b>96.1%</b>	<b>99.3%</b>	<b>99.0%</b>	<b>99.2%</b>	<b>98.5%</b>	<b>98.7%</b>	<b>98.5%</b>	<b>99.0%</b>	<b>98.0%</b>

(1) Unscheduled off-hire includes days related to vessels off-charter.

The following table summarizes Seaspan's consolidated financial results for the quarters and years ended December 31, 2014 and 2013:

**Financial Summary**  
(in millions of US dollars)

	Quarter Ended		Change			Year Ended		Change		
	December 31, 2014	December 31, 2013	\$	%		December 31, 2014	December 31, 2013	\$	%	
Revenue	\$189.4	\$172.0	\$17.5	10.1	%	\$717.2	\$677.1	\$40.1	5.9	%
Ship operating expense	42.2	38.5	3.7	9.7	%	166.1	150.1	16.0	10.7	%
Depreciation and amortization expense	46.6	43.5	3.1	7.0	%	181.5	172.5	9.1	5.3	%
General and administrative expense	6.8	7.3	(0.6)	(7.5)	%	30.5	34.8	(4.3)	(12.4)	%
Operating lease expense	5.0	1.1	3.9	351.5	%	9.5	4.4	5.2	117.5	%
Interest expense	23.3	14.6	8.7	59.6	%	88.2	60.5	27.7	45.7	%
Refinancing expenses and (recoveries)	(2.8)	4.0	(6.8)	(168.2)	%	0.1	4.0	(4.0)	(98.3)	%
Change in fair value of financial instruments	39.4	(8.7)	48.1	551.7	%	105.7	(60.5)	166.2	274.7	%

*Revenue*

Revenue increased by 10.1% to \$189.4 million and 5.9% to \$717.2 million for the quarter and year ended December 31, 2014, respectively, over the same periods in 2013. The increases for the quarter and year ended December 31, 2014 were primarily due to the delivery of six 10000 TEU vessels in 2014 and a decrease in unscheduled off-hire. In addition, the delivery of two 4600 TEU second-hand vessels in mid-2013 contributed to the increase for the year ended December 31, 2014. These increases were partially offset by an increase in scheduled off-hire, lower average charter rates for three of Seaspan's vessels which were on short-term charters and a decrease in vessel management revenue.

The increases in operating days and the related financial impact thereof for the quarter and year ended

December 31, 2014 relative to the same periods in 2013, are attributable to the following:

	<b>Quarter Ended</b>		<b>Year Ended</b>	
	<b>December 31, 2014</b>		<b>December 31, 2014</b>	
	<b>Operating</b>	<b>\$ Impact</b>	<b>Operating</b>	<b>\$ Impact</b>
	<b>Days Impact</b>	<b>(in millions)</b>	<b>Days Impact</b>	<b>(in millions)</b>
2014 vessel deliveries	477	\$19.4	952	\$39.4
Full period contribution for 2013 vessel deliveries	-	-	347	6.8
Change in daily charter hire rate and re-charters	-	0.2	-	(3.8)
Scheduled off-hire	(64)	(1.9)	(84)	(2.7)
Unscheduled off-hire	70	0.6	310	3.4
Vessel management revenue	-	(0.3)	-	(2.1)
Other	-	(0.5)	-	(0.9)
<b>Total</b>	<b>483</b>	<b>\$17.5</b>	<b>1,525</b>	<b>\$40.1</b>

Vessel utilization was 98.7% and 99.0% for the quarter and year ended December 31, 2014, respectively, compared to 98.5% and 98.0% for the same periods in 2013.

The increase in vessel utilization for the year ended December 31, 2014, compared to 2013, was primarily due to a 310-day decrease in unscheduled off-hire. During the year ended December 31, 2014, there were 119 days of unscheduled off-hire, which included 86 off-charter days, compared to 429 days of unscheduled off-hire, which included 386 off-charter days, in 2013. During the year ended December 31, 2014, Seaspan completed ten scheduled dry-dockings that resulted in 132 days of scheduled off-hire, compared to five scheduled dry-dockings that resulted in 48 days of scheduled off-hire in 2013.

Seaspan completed dry-dockings for the following ten vessels during the year ended December 31, 2014:

<b>Vessel</b>	<b>Completed</b>
MOL Emerald	Q2
CSAV Loncomilla	Q2
CSAV Lumaco	Q2
CSCL Callao	Q2
CSCL Manzanillo	Q3
CSCL Oceania	Q4
CSCL Africa	Q4
MOL Eminence	Q4
MOL Emissary	Q4
MOL Empire	Q4

During 2015, Seaspan expects 21 vessels to undergo their scheduled dry-docking.

Seaspan's cumulative vessel utilization since its initial public offering in August 2005 through December 31, 2014 was approximately 99.0% or 99.3% if the impact of off-charter days is excluded.

#### *Ship Operating Expense*

Ship operating expense increased by 9.7% to \$42.2 million and by 10.7% to \$166.1 million for the quarter and year ended December 31, 2014, respectively, compared to the same periods in 2013.

Ownership days increased by 7.7% and 5.4% for the quarter and year ended December 31, 2014, respectively, compared to the same periods in 2013. The increases in ownership days for the quarter and year ended December 31, 2014 were due to the delivery of six 10000 TEU vessels in 2014. In addition, the delivery of the two 4600 TEU second-hand vessels in mid-2013 contributed to the increase for the year ended December 31, 2014.

Ship operating expense also rose due to increases in crew wages that occurred in the third quarter of 2013 and in the first quarter of 2014. During the quarter and year ended December 31, 2014, Seaspan purchased more stores and spares and incurred higher repairs and maintenance expense for its older vessels. Seaspan also incurred higher ship management infrastructure costs to support its expanding fleet. Seaspan expects ship operating expense to increase as its fleet expands and ages and as the average size of its vessels increases.

#### *Depreciation and Amortization Expense*

The increase in depreciation and amortization expense for the quarter and year ended December 31, 2014, compared to the same periods in 2013, were primarily due to the increase in the size of the fleet from the 2014 deliveries and the full period of depreciation for the vessels delivered in mid-2013.

#### *General and Administrative Expense*

General and administrative expense decreased by 7.5% to \$6.8 million for the quarter ended December 31, 2014, compared to the same period in 2013. The decrease of \$0.6 million was primarily due to a reduction in stock-based compensation expense of \$1.2 million, which was partially offset by increases in executive compensation and general corporate expenses of \$0.6 million, which included costs relating to the evaluation of strategic options for Seaspan's investment in GCI.

General and administrative expense decreased by 12.4% to \$30.5 million for the year ended December 31, 2014, compared to the same period in 2013. The decrease of \$4.3 million was primarily due to a net reduction in stock-based compensation expense of \$6.3 million. The majority of this reduction was due to a decrease in non-cash stock appreciation rights ("SARs") expense of \$7.2 million, partially offset by an increase in other non-cash stock-based awards of \$0.9 million. During the year ended December 31, 2013, \$2.6 million of accelerated stock-based compensation was recognized relating to the vesting of the first tranche of SARs. These decreases were partially offset by increases in executive compensation and general corporate expenses of \$2.0 million, which included costs relating to the evaluation of strategic options for Seaspan's investment in GCI.

#### *Operating Lease Expense*

Operating lease expense increased by \$3.9 million to \$5.0 million and by \$5.2 million to \$9.5 million for the quarter and year ended December 31, 2014, respectively, over the same periods in 2013. These increases were primarily due to financing the purchase of three 10000 TEU vessels through new lease financing arrangements entered into in July, October and November 2014. Under these lease financing arrangements, Seaspan sold the vessels to the SPCs and is leasing the vessels back over an initial term of approximately 8.5 years, with an option to purchase the vessels at the end of the lease term for a pre-determined fair value purchase price. If the purchase option is not exercised, the lease term will be automatically extended for an additional two years. Upon the sale of these vessels, there was a deferred gain of \$59.1 million that is being recorded as a reduction of operating leases expense over 10.5 years, representing the initial lease term of 8.5 years plus the two year extension.

#### *Interest Expense*

The following table summarizes Seaspan's borrowings:

(in millions of US dollars)	Year Ended		Change		
	December 31, 2014	2013	\$	%	
Long-term debt	\$3,382.4	\$3,241.6	\$140.8	4.3	%
Other long-term liabilities, excluding deferred gains	214.5	611.6	(397.1)	(64.9)	%
Total borrowings	3,596.9	3,853.2	(256.3)	(6.7)	%
Less: Vessels under construction	(282.0)	(321.4)	(39.4)	(12.3)	%
Operating borrowings	\$3,314.9	\$3,531.8	\$(216.9)	(6.1)	%

Interest expense is comprised primarily of interest incurred on long-term debt and other long-term liabilities, excluding deferred gains, relating to operating vessels at either the variable rate calculated by reference to LIBOR plus the applicable margin or at fixed rates. Although Seaspan has entered into fixed interest rate swaps for much of its variable rate debt, the difference between the variable interest rate and the swapped fixed-rate on operating debt is recorded in Seaspan's change in fair value of financial instruments. Interest expense also includes a non-cash reclassification of amounts from accumulated other comprehensive loss related to previously designated hedging relationships. Interest incurred on Seaspan's borrowings related to vessels under construction is capitalized to the cost of the respective vessels under construction.

Interest expense increased by \$8.7 million to \$23.3 million and by \$27.7 million to \$88.2 million for the quarter and year ended December 31, 2014, respectively, compared to the same periods in 2013. The increases in interest expense were primarily due to increases in the cost of borrowings. The increases in the cost of borrowings were due to the refinancing of Seaspan's \$1.0 billion credit facility in January 2014 at a higher margin than under the original facility, certain of Seaspan's term loans which have higher margins than the facilities outstanding for the comparative prior periods and Seaspan's fixed-rate senior unsecured notes that were issued in April 2014, which have higher interest rates than Seaspan's other borrowings.

#### *Refinancing Expenses and Recoveries*

Refinancing expenses and recoveries decreased by \$6.8 million to a recovery of \$2.8 million and by \$4.0 million to an expense of \$0.1 million for the quarter and year ended December 31, 2014, respectively, compared to the same periods in 2013. The costs in 2014 were primarily related to the repayment of a \$125.0 million credit facility, partially offset by a net gain of \$3.8 million realized on the early termination of the lease financing structure related to five 4500 TEU vessels. The costs in 2013 related to refinancing the \$1.0 billion credit facility.

#### *Change in Fair Value of Financial Instruments*

The change in fair value of financial instruments resulted in losses of \$39.4 million and \$105.7 million for the quarter and year ended December 31, 2014, respectively, compared to gains of \$8.7 million and \$60.5 million for the same periods in 2013. The losses for the quarter and year ended December 31, 2014, were primarily due to decreases in the forward LIBOR curve and the passage of time. In addition, during the first quarter of 2014 there was an early termination of one of Seaspan's swaps in connection with the refinancing of its \$1.0 billion credit facility that resulted in a loss of \$4.5 million.



The fair value of interest rate swap and swaption agreements is subject to change based on the company-specific credit risk of Seaspan and of the counterparty included in the discount factor and the interest rate implied by the current swap curve, including its relative steepness. In determining the fair value, these factors are based on current information available to Seaspan. These factors are expected to change through the life of the instruments, causing the fair value to fluctuate significantly due to the large notional amounts and long-term nature of Seaspan's derivative instruments. Because these factors may change, the fair value of the instruments is an estimate and may deviate significantly from the actual cash settlements realized over the term of the instruments. Seaspan's valuation techniques have not changed and remain consistent with those followed by other valuation practitioners.

## 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 111 containerships representing a total capacity of over 860,000 TEU, including 28 newbuilding containerships on order scheduled for delivery to Seaspan and third parties by the end of 2017. Seaspan's current operating fleet of 77 vessels has an average age of approximately seven years and an average remaining lease period of approximately five years.

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

Symbol:	Description:
SSW	Class A common shares
SSW PR C	Series C preferred shares
SSW PR D	Series D preferred shares
SSW PR E	Series E preferred shares
SSWN	2019 senior unsecured notes

## Conference Call and Webcast

Seaspan will host a conference call and webcast presentation for investors and analysts to discuss its results for the quarter and year ended December 31, 2014 on February 24, 2015 at 6:30 a.m. PT / 9:30 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: 88681896. The recording will be available from February 24, 2015 at 9:30 a.m. PT / 12:30 p.m. ET through 8:59 p.m. PT / 11:59 p.m. ET on March 10, 2015. 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](http://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 DECEMBER 31, 2014 (IN THOUSANDS OF US DOLLARS)

December 31, December 31,

	<b>2014</b>	<b>2013</b>
Assets		
Current assets:		
Cash and cash equivalents	\$201,755	\$476,380
Short-term investments	1,212	11,675
Accounts receivable	23,742	14,149
Loans to affiliate	237,908	54,068
Prepaid expenses	31,139	22,671
Gross investment in lease	21,170	21,170
	516,926	600,113
Vessels	4,813,721	4,670,899
Vessels under construction	282,002	321,372
Deferred charges	64,655	53,971
Gross investment in lease	37,783	58,953
Goodwill	75,321	75,321
Other assets	67,308	106,944
Fair value of financial instruments	37,677	60,188
	\$5,895,393	\$5,947,761
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$65,208	\$65,634
Current portion of deferred revenue	27,671	27,683
Current portion of long-term debt	298,010	388,159
Current portion of other long-term liabilities	18,543	38,930
Fair value of financial instruments	7,505	—
	416,937	520,406
Deferred revenue	7,343	4,143
Long-term debt	3,084,409	2,853,459
Other long-term liabilities	253,542	572,673
Fair value of financial instruments	387,938	425,375
	4,150,169	4,376,056
Shareholders' equity:		
Share capital	1,209	882
Treasury shares	(379)	(379)
Additional paid in capital	2,238,872	2,023,622
Deficit	(459,161)	(411,792)
Accumulated other comprehensive loss	(35,317)	(40,628)
	1,745,224	1,571,705
	\$5,895,393	\$5,947,761

**SEASPAN CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
**FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2014 AND 2013**

(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Quarter Ended		Year Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Revenue	\$189,444	\$171,988	\$717,170	\$677,090
Operating expenses:				
Ship operating	42,244	38,498	166,097	150,105
Depreciation and amortization	46,580	43,530	181,527	172,459
General and administrative	6,792	7,346	30,462	34,783
Operating leases	4,957	1,098	9,544	4,388
	100,573	90,472	387,630	361,735
Operating earnings	88,871	81,516	329,540	315,355
Other expenses (income):				
Interest expense	23,345	14,623	88,159	60,496
Interest income	(3,392)	(799)	(10,653)	(2,045)
Undrawn credit facility fees	1,025	927	3,109	2,725
Amortization of deferred charges	2,914	2,247	10,342	9,477
Refinancing expenses and (recoveries)	(2,754)	4,038	70	4,038
Change in fair value of financial instruments	39,360	(8,713)	105,694	(60,504)
Equity (income) loss on investment	(211)	553	(256)	670
Other expenses	810	411	1,828	1,470
	61,097	13,287	198,293	16,327
<b>Net earnings</b>	<b>\$27,774</b>	<b>\$68,229</b>	<b>\$131,247</b>	<b>\$299,028</b>
Deficit, beginning of period	(440,176)	(449,598)	(411,792)	(594,153)
Dividends - common shares	(33,020)	(20,417)	(127,007)	(76,340)
Dividends - preferred shares	(13,435)	(9,666)	(50,443)	(38,493)
Preferred shares repurchase	-	(32)	-	(660)
Amortization of Series C issuance costs	(304)	(308)	(1,166)	(1,174)
Deficit, end of period	\$(459,161)	\$(411,792)	\$(459,161)	\$(411,792)
Weighted average number of shares, basic	96,871	67,485	93,402	65,273
Weighted average number of shares, diluted	96,965	90,803	93,650	87,834
Earnings per share, basic	\$0.14	\$0.70	\$0.80	\$3.36
Earnings per share, diluted	\$0.14	\$0.64	\$0.79	\$2.93

**SEASPAN CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2014 AND 2013**  
**(IN THOUSANDS OF US DOLLARS)**

	<b>Quarter Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Net earnings</b>	<b>\$27,774</b>	<b>\$68,229</b>	<b>\$131,247</b>	<b>\$299,028</b>
Other comprehensive income:				
Amounts reclassified to net earnings during the period, relating to cash flow hedging instruments	1,295	1,383	5,311	6,212
<b>Comprehensive income</b>	<b>\$29,069</b>	<b>\$69,612</b>	<b>\$136,558</b>	<b>\$305,240</b>

**SEASPAN CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2014 AND 2013**  
**(IN THOUSANDS OF US DOLLARS)**

	<b>Quarter Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Cash from (used in):				
Operating activities:				
Net earnings	\$27,774	\$68,229	\$131,247	\$299,028
Items not involving cash:				
Depreciation and amortization	46,580	43,530	181,527	172,459
Share-based compensation	1,423	2,582	8,301	14,604
Amortization of deferred charges	2,914	2,247	10,342	9,477
Amounts reclassified from other comprehensive loss to interest expense	957	1,162	4,259	5,330
Unrealized change in fair value of financial instruments	10,659	(40,544)	(13,064)	(187,522)
Equity (income) loss on investment	(211)	553	(256)	670
Refinancing expenses and (recoveries)	(2,754)	2,017	(398)	2,017
Operating leases	(938)	-	(1,428)	-
Other	3,590	720	10,614	720
Changes in assets and liabilities	8,619	21,233	11,815	10,886
Cash from operating activities	98,613	101,729	342,959	327,669

Financing activities:

Senior unsecured notes issued	-	-	345,000	-
Preferred shares issued, net of issuance costs	-	47,862	130,415	47,862
Common shares issued, net of issuance costs	-	73,179	4,245	73,179
Draws on credit facilities	167,040	125,000	507,040	164,000
Repayment of credit facilities	(41,056)	(13,022)	(872,659)	(67,406)
Repayment of other long-term liabilities	(362,380)	(10,087)	(393,382)	(39,988)
Shares repurchased, including related expenses	-	(390)	-	(8,950)
Financing fees	(4,843)	(6,591)	(17,405)	(23,334)
Dividends on common shares	(16,226)	(12,452)	(62,310)	(44,379)
Dividends on preferred shares	(13,435)	(9,666)	(50,443)	(38,493)
Proceeds from sale of vessels	220,000	-	330,000	-
Cash from (used in) financing activities	(50,900)	193,833	(79,499)	62,491
Investing activities:				
Expenditures for vessels	(159,395)	(76,697)	(371,135)	(255,593)
Short-term investments	87,033	70,088	10,463	24,425
Restricted cash	60,000	131	60,000	(1,755)
Loans to affiliate	(32,188)	(596)	(210,713)	(93,700)
Repayment from loans to affiliate	349	23,560	850	39,633
Other assets	(2,457)	(3,917)	(27,550)	(3,724)
Investment in affiliate	-	-	-	(4,444)
Cash from (used in) investing activities	(46,658)	12,569	(538,085)	(295,158)
Increase (decrease) in cash and cash equivalents	1,055	308,131	(274,625)	95,002
Cash and cash equivalents, beginning of period	200,700	168,249	476,380	381,378
Cash and cash equivalents, end of period	\$201,755	\$476,380	\$201,755	\$476,380

**SEASPAN CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2014 AND 2013**  
**(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, amortization of deferred charges, refinancing expenses and recoveries, share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, amounts paid for dry-docking, 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 United States generally accepted accounting principles ("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.

	<b>Quarter Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net earnings	\$27,774	\$68,229	\$131,247	\$299,028
Add:				
Depreciation and amortization	46,580	43,530	181,527	172,459
Interest expense	23,345	14,623	88,159	60,496
Amortization of deferred charges	2,914	2,247	10,342	9,477
Refinancing expenses and (recoveries) (1)	(2,754)	2,017	(398)	2,017
Share-based compensation	1,423	2,582	8,301	14,604
Change in fair value of financial instruments	39,360	(8,713)	105,694	(60,504)
Change in fair value of financial instruments included in equity income	232	510	849	510
Bareboat charter adjustment, net (2)	4,496	3,668	17,410	11,076
Less:				
Amounts paid for dry-dock adjustment	(3,455)	(2,771)	(13,318)	(11,002)
Cash dividends paid on preferred shares:				
Series C	(8,114)	(8,121)	(32,456)	(33,059)
Series D	(2,535)	(1,545)	(10,146)	(5,434)
Series E	(2,785)	-	(7,951)	-
Net cash flows before interest payments	126,481	116,256	479,260	459,668
Less:				
Interest expense at the hedged rate(3)	(47,825)	(45,223)	(186,936)	(182,195)
<b>Cash available for distribution to common shareholders</b>	<b>\$78,656</b>	<b>\$71,033</b>	<b>\$292,324</b>	<b>\$277,473</b>

**SEASPAN CORPORATION  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2014 AND 2013  
(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)**

**B. Normalized Net Earnings and Normalized Earnings per Share**

Normalized net earnings is defined as net earnings adjusted for items such as interest expense, change in fair value of financial instruments, interest expense at the hedged rate, refinancing expenses and recoveries 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 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.

Normalized earnings per share, converted, is calculated as normalized net earnings, less dividends on Series C (excluding the retained earnings impact of any repurchases), Series D and Series E preferred shares, divided by the "converted" number of Class A common shares outstanding for the period. On January 30, 2014, Seaspan's outstanding 200,000 Series A preferred shares automatically converted into a total of 23,177,175 Class A common shares pursuant to Seaspan's articles of incorporation. The conversion provisions provided for automatic conversion to Class A common shares at a price of \$15.00 per share (and based on the applicable liquidation preference of the Series A preferred shares), if the conversion occurred on or after January 30, 2014 and the trailing 30-day average trading price of the Class A common shares was equal to or above \$15.00. If the Class A common share price was less than \$15.00, then Seaspan could choose to not convert the Series A preferred shares and to increase the annual increase in the liquidation preference to 15% per annum from 12%. The "converted" number of Series A preferred shares includes: basic weighted average number of shares, share-based compensation, contingent consideration, shares held in escrow and the impact of the Series A preferred shares converted at \$15.00 per share. This method reflects Seaspan's ability to control the conversion if the share price had been less than \$15.00 and the per share impact of the actual Series A preferred share conversion at \$15.00.

Normalized net earnings and normalized earnings per share, converted, 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.

**SEASPAN CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2014 AND 2013**  
**(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)**

**B. Normalized Net Earnings and Normalized Earnings per Share (continued)**

	<b>Quarter Ended</b>		<b>Year Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net earnings	\$27,774	\$68,229	\$131,247	\$299,028
Adjust:				
Interest expense	23,345	14,623	88,159	60,496
Change in fair value of financial instruments	39,360	(8,713)	105,694	(60,504)
Change in fair value of financial instruments included in equity income	232	510	849	510
Refinancing expenses and (recoveries) (1)	(2,754)	4,038	70	4,038
Interest expense at the hedged rate(3)	(47,825)	(45,223)	(186,936)	(182,195)
<b>Normalized net earnings</b>	<b>\$40,132</b>	<b>\$33,464</b>	<b>\$139,083</b>	<b>\$121,373</b>

<b>Less: preferred share dividends</b>				
Series A	-	10,107	3,395	38,390
Series C (including amortization of issuance costs)	8,418	8,424	33,623	34,035
Series D	2,537	2,113	10,036	6,744
Series E	2,784	-	9,776	-
	<b>13,739</b>	<b>20,644</b>	<b>56,830</b>	<b>79,169</b>
<b>Normalized net earnings attributable to common shareholders</b>	<b>\$26,393</b>	<b>\$12,820</b>	<b>\$82,253</b>	<b>\$42,204</b>
<b>Weighted average number of shares used to compute earnings per share</b>				
<b>Reported and normalized, basic</b>	<b>96,871</b>	<b>67,485</b>	<b>93,402</b>	<b>65,273</b>
Share-based compensation	94	196	131	306
Contingent consideration	-	508	117	567
Shares held in escrow	-	-	-	47
Series A preferred shares liquidation preference converted at \$15	-	22,614	1,896	21,641
<b>Reported, diluted and normalized, converted</b>	<b>96,965</b>	<b>90,803</b>	<b>95,546</b>	<b>87,834</b>
<b>Earnings per share:</b>				
<b>Reported, basic</b>	<b>\$0.14</b>	<b>\$0.70</b>	<b>\$0.80</b>	<b>\$3.36</b>
<b>Reported, diluted</b>	<b>\$0.14</b>	<b>\$0.64</b>	<b>\$0.79</b>	<b>\$2.93</b>
<b>Normalized, converted - preferred shares converted at \$15(4)</b>	<b>\$0.27</b>	<b>\$0.25</b>	<b>\$0.90</b>	<b>\$0.92</b>

**SEASPAN CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2014 AND 2013**  
**(IN THOUSANDS OF US DOLLARS, EXCEPT PER SHARE AMOUNTS)**

**C. Adjusted EBITDA**

Adjusted EBITDA is defined as net earnings before interest expense and other debt-related expenses, income tax expense, interest income, depreciation and amortization, amortization of deferred charges, refinancing expenses and recoveries, share-based compensation, 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.



	<b>Quarter Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Net earnings	\$27,774	\$68,229	\$131,247	\$299,028
Add:				
Interest expense	23,345	14,623	88,159	60,496
Interest income	(3,392)	(799)	(10,653)	(2,045)
Undrawn credit facility fees	1,025	927	3,109	2,725
Depreciation and amortization	46,580	43,530	181,527	172,459
Amortization of deferred charges	2,914	2,247	10,342	9,477
Refinancing expenses and (recoveries) (1)	(2,754)	2,017	(398)	2,017
Share-based compensation	1,423	2,582	8,301	14,604
Bareboat charter adjustment, net (2)	4,496	3,668	17,410	11,076
Change in fair value of financial instruments	39,360	(8,713)	105,694	(60,504)
Change in fair value of financial instruments included in equity income	232	510	849	510
<b>Adjusted EBITDA</b>	<b>\$141,003</b>	<b>\$128,821</b>	<b>\$535,587</b>	<b>\$509,843</b>

#### **Notes to Non-GAAP Financial Measures**

(1) In April 2014, Seaspan issued, in a registered public offering, senior unsecured notes in an aggregate principal amount of \$345.0 million. Seaspan used a portion of the net proceeds from the offering to repay its \$125.0 million credit facility. In connection with the refinancing, Seaspan incurred refinancing expenses of \$2.9 million, of which \$2.5 million was non-cash. In December 2014, Seaspan negotiated an early termination of the lease financing structure related to five 4500 TEU vessels and, through a series of agreements, regained legal title to the vessels. As a result, Seaspan realized a non-cash net gain of \$3.8 million and wrote off \$0.9 million in non-cash deferred financing fees in refinancing expenses and recoveries.

(2) In the second half of 2011, Seaspan entered into agreements to bareboat charter four 4800 TEU vessels to 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.

(3) 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.

(4) Normalized earnings per share, converted, increased for the quarter ended December 31, 2014 and decreased for the year ended December 31, 2014 as detailed in the table below:

	<b>Quarter Ended December 31, 2014</b>	<b>Year Ended December 31, 2014</b>
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**Normalized earnings per share, converted- preferred**

<b>shares converted at \$15, December 31, 2013</b>	<b>\$0.25</b>	<b>\$0.92</b>
Excluding share count changes:		
Increase in normalized earnings(a)	0.07	0.19
Decrease from impact of preferred shares	(0.03)	(0.13)
Share count changes:		
Increase in converted share count (from 90,803 shares to 96,965 shares and from 87,834 to 95,546 for the quarter and year ended, respectively)	(0.02)	(0.08)
<b>Normalized earnings per share, converted- preferred shares converted at \$15, December 31, 2014</b>	<b>\$0.27</b>	<b>\$0.90</b>

(a) The increases in normalized earnings are primarily due to increases in revenue of \$17.5 million and \$40.1 million, increases in interest income of \$2.6 million and \$8.6 million, and decreases in general and administrative expenses of \$0.6 million and \$4.3 million, for the quarter and year ended December 31, 2014, respectively. These increases to normalized earnings were partially offset by increases in ship operating expenses of \$3.7 million and \$16.0 million, increases in depreciation and amortization expense of \$3.1 million and \$9.1 million, and increases in operating lease expense of \$3.9 million and \$5.2 million for the quarter and year ended December 31, 2014, respectively. Please read "Results for the Quarter and Year Ended December 31, 2014" 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 results; time charters, vessel deliveries and dividends, including the amount and timing of payment thereof for the four quarters of 2015; the declaration of dividends and related payment dates by Seaspan's board of directors. 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 opportunities; the availability and cost to Seaspan of financing to pursue growth opportunities; the number of additional vessels managed by the Manager in the future; general market conditions and shipping market trends, including, chartering rates; increased operating expenses; the number of off-hire days; dry-docking requirements; Seaspan's ability to borrow funds under its credit facilities and to obtain additional financing in the future; 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, lenders, refund guarantors and other counterparties and their ability to perform their obligations under their agreements with Seaspan; the potential for early termination of long-term contracts and Seaspan's potential inability to enter into, renew or replace long-term contracts; conditions in the public equity markets and the price of Seaspan's shares; 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, 2013. 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 further information: For Investor Relations Inquiries: Seaspan Corporation, Mr. Sai W. Chu, Chief

