



## SEASPAN REPORTS FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2015

**Generates Strong Revenue and Earnings per Share Growth; Maintains \$1.50 Annual Dividend**

**HONG KONG, CHINA - March 7, 2016 /CNW/** - Seaspan Corporation ("Seaspan") (NYSE:SSW) announced today its financial results for the quarter and year ended December 31, 2015. Below is a summary of Seaspan's key financial results:

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

	Quarter Ended December 31,		Change		
	2015	2014	\$	%	
Revenue	\$ 218,464	\$ 189,444	\$ 29,020	15.3	%
Reported net earnings	\$ 76,212	\$ 27,774	\$ 48,438	174.4	%
Normalized net earnings(1)	\$ 48,937	\$ 40,132	\$ 8,805	21.9	%
Earnings per share, basic and diluted	\$ 0.63	\$ 0.14	\$ 0.49	350.0	%
Normalized earnings per share(1)	\$ 0.35	\$ 0.27	\$ 0.08	29.6	%
Cash available for distribution to common shareholders(2)	\$ 115,772	\$ 116,469	\$ (697)	(0.6)	%
Adjusted EBITDA(3)	\$ 181,143	\$ 178,816	\$ 2,327	1.3	%

	Year Ended December 31,		Change		
	2015	2014	\$	%	
Revenue	\$ 819,024	\$ 717,170	\$ 101,854	14.2	%
Reported net earnings	\$ 199,391	\$ 131,247	\$ 68,144	51.9	%
Normalized net earnings(1)	\$ 165,820	\$ 139,083	\$ 26,737	19.2	%
Earnings per share, basic	\$ 1.46	\$ 0.80	\$ 0.66	82.5	%
Earnings per share, diluted	\$ 1.46	\$ 0.79	\$ 0.67	84.8	%
Normalized earnings per					

share, converted(1) (Series A preferred shares converted at \$15)	\$ 1.12	\$ 0.90	\$ 0.22	24.4	%
Cash available for distribution to common shareholders(2)	\$ 432,910	\$ 350,287	\$ 82,623	23.6	%
Adjusted EBITDA(3)	\$ 687,497	\$ 593,550	\$ 93,947	15.8	%

- (1) Normalized net earnings and normalized earnings per share are non-GAAP measures that are adjusted for items such as interest expense, refinancing expenses and recoveries, foreign exchange gain, write-off of vessel equipment, change in fair value of financial instruments, interest expense at the hedged rate, and certain other items that Seaspan believes are not representative of its operating performance. For the year ended December 31, 2014, normalized earnings per share, converted, reflects normalized earnings per share on a pro-forma basis on the assumption that, prior to January 30, 2014, Seaspan's then outstanding Series A preferred shares were converted at \$15.00 per share. Please read "Reconciliation of Non-GAAP Financial Measures for the Quarter and Year Ended December 31, 2015 and 2014-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, gain on sales, amortization of deferred gain, foreign exchange 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. Please read "Reconciliation of Non-GAAP Financial Measures for the Quarter and Year Ended December 31, 2015 and 2014-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 adjusted for 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, gain on sales, amortization of deferred gain, foreign exchange 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. Please read "Reconciliation of Non-GAAP Financial Measures for the Quarter and Year Ended December 31, 2015 and 2014-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 97.9% and 98.5% for the quarter and year ended December 31, 2015, respectively, or 99.4% and 99.5%, respectively, if the impact of scheduled off-hire days is excluded.

- Accepted delivery of one vessel during the fourth quarter, bringing Seaspan's operating fleet to a total of 85 vessels at December 31, 2015.
- Paid \$13.3 million of regular quarterly dividends to preferred shareholders of record as of October 29, 2015. 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 2015 third quarter of \$0.375 per Class A common share to all shareholders of record as of October 20, 2015.
- Raised a total of approximately \$1.4 billion through capital market and bank financing transactions during the year ended December 31, 2015.

Gerry Wang, Chief Executive Officer, Co-Chairman and Co-Founder of Seaspan, commented, "During 2015, we achieved an important milestone by growing Seaspan's operating and managed fleet to over 100 vessels, complementing our successful execution of the Company's stable and predictable business model. With the delivery of two 10000 TEU class and six 14000 TEU class state-of-the-art containerships in 2015, Seaspan achieved strong revenue and earnings per share growth for both the year and fourth quarter. We also continued to enter into attractive fixed-rate long-term contracts with high creditworthy counterparties, ending the year with future contracted revenues of nearly \$6 billion."

Mr. Wang added, "During 2015 we took important steps to further strengthen Seaspan's capital structure. Our success raising approximately \$1.4 billion of proceeds from capital and financing transactions underscores our strong access to capital and enhances our financial flexibility. As we seek to capitalize on attractive growth opportunities, we remain committed to returning capital to shareholders and paying a stable dividend of \$1.50 per share for 2016."

## **Fourth Quarter Developments**

### *Vessel Deliveries*

During the fourth quarter of 2015, Seaspan accepted delivery of one 14000 TEU containership, the YM Warmth, expanding Seaspan's operating fleet to 85 vessels. The YM Warmth was constructed at Hyundai Heavy Industries Co., Ltd. using Seaspan's fuel-efficient SAVER design and commenced a 10-year, fixed-rate time charter with Yang Ming Marine Transport Corp. on October 16, 2015.

### *Financings*

On October 2, 2015, Seaspan entered into a lease financing arrangement with a special purpose company ("SPC") for the YM Warmth, which delivered on October 8, 2015. The lease financing arrangement provided gross financing proceeds of \$144.0 million upon delivery of the vessel. Under the lease financing arrangement, Seaspan sold the vessel to the SPC and leased the vessel back from the SPC over an initial term of 9.5 years, with an option to purchase the vessel 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 2.5 years. The lease financing arrangement provides financing at market rates.

On December 9, 2015, Seaspan entered into a term loan facility for up to \$90.0 million to re-finance four 4250 TEU containerships. The loan bears interest at LIBOR plus a margin.

### *Common and Preferred Share Repurchase Plans*

On April 1, 2015, Seaspan renewed its Rule 10b5-1 share repurchase plan for up to \$50.0 million of its Class A common shares which expires in March 2018. Seaspan repurchased 944,524 Class A common shares during the quarter and year ended December 31, 2015 under this plan.

In June 2015, Seaspan's board of directors authorized the repurchase of up to \$150.0 million of its 9.5% Series C preferred shares. In September 2015, Seaspan's board of directors authorized the repurchase of

up to \$25.0 million of each of its 7.95% Series D preferred shares and 8.25% Series E preferred shares. In September 2015, Seaspan entered into share repurchase plans for up to \$75.0 million of its Series C preferred shares and up to \$7.5 million for each of its Series D preferred shares and Series E preferred shares. The share repurchase plans for the preferred shares expired in December 2015. Seaspan repurchased 303,757 Series C preferred shares, 123,971 Series D preferred shares, and 29,400 Series E preferred shares under these plans during the quarter and year ended December 31, 2015.

In addition, during the year ended December 31, 2015, Seaspan repurchased 40,000 of its 9.5% Series C preferred shares at \$25.50 per share for a total of approximately \$1.0 million, including expenses, in the open market.

## Subsequent Events

### Dividends

On January 12, 2016, Seaspan declared the following quarterly cash dividends on its common and preferred shares, for a total distribution of \$48.7 million:

Security	Ticker	Dividend per Share	Period	Record Date	Payment Date
Class A common shares	SSW	\$0.375	October 1, 2015 to December 31, 2015	January 20, 2016	February 1, 2016
Series C preferred shares	SSW PR C	\$0.59375	October 30, 2015 to January 29, 2016	January 29, 2016	February 1, 2016
Series D preferred shares	SSW PR D	\$0.496875	October 30, 2015 to January 29, 2016	January 29, 2016	February 1, 2016
Series E preferred shares	SSW PR E	\$0.515625	October 30, 2015 to January 29, 2016	January 29, 2016	February 1, 2016

Seaspan expects the quarterly \$0.375 Class A common share dividends for the four quarters ending December 31, 2016 to be paid on May 2, August 1 and October 31 of 2016 and January 30, 2017 for a total dividend of \$1.50 per share.

## Results for the Quarter and Year Ended December 31, 2015

At the beginning of 2015, Seaspan had 77 vessels in operation. Seaspan accepted delivery of eight newbuilding vessels during the year ended December 31, 2015, bringing its operating fleet to a total of 85 vessels at December 31, 2015. 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 December 31, 2015					Year Ended December 31, 2015				
	2015	2014	Increase Days	%		2015	2014	Increase Days	%	
Operating days	7,279	6,555	724	11.0	%	27,717	25,157	2,560	10.2	%
Ownership days	7,437	6,642	795	12.0	%	28,133	25,408	2,725	10.7	%

The following table summarizes Seaspan's vessel utilization by quarter and for the years ended December 31, 2015 and 2014:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year Ended December 31,		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
<b>Vessel Utilization:</b>											
Ownership Days	6,570	6,037	6,901	6,214	7,225	6,515	7,437	6,642	28,133	25,408	
Less Off-hire Days:											
Scheduled 5-Year Survey	(49)	(10)	(66)	(43)	(39)	(15)	(112)	(64)	(266)	(132)	
Unscheduled Off-hire(1)	(21)	(58)	(73)	(3)	(10)	(35)	(46)	(23)	(150)	(119)	
<b>Operating Days</b>	<b>6,500</b>	<b>5,969</b>	<b>6,762</b>	<b>6,168</b>	<b>7,176</b>	<b>6,465</b>	<b>7,279</b>	<b>6,555</b>	<b>27,717</b>	<b>25,157</b>	
<b>Vessel Utilization</b>	<b>98.9</b>	<b>% 98.9</b>	<b>% 98.0</b>	<b>% 99.3</b>	<b>% 99.3</b>	<b>% 99.2</b>	<b>% 97.9</b>	<b>% 98.7</b>	<b>% 98.5</b>	<b>% 99.0</b>	<b>%</b>

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

The following table summarizes Seaspan's consolidated financial results for the quarter and years ended December 31, 2015 and 2014:

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financial instruments (gain) loss	(10.1)	39.4	(49.4)	(125.5) %	54.6	105.7	(51.1)	(48.4) %
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### Revenue

Revenue increased by 15.3% to \$218.5 million and 14.2% to \$819.0 million for the quarter and year ended December 31, 2015, respectively, over the same periods in 2014. These increases were primarily due to the delivery of eight vessels in 2015 and the full period contribution of six vessels that delivered in 2014. These increases were partially offset by lower average charter rates for vessels which were on short-term charters and an increase in scheduled and unscheduled off-hire.

The increases in operating days and the related financial impact thereof for the quarter and year ended December 31, 2015, relative to the same periods in 2014, are attributable to the following:

	<b>Quarter Ended December 31, 2015</b>		<b>Year Ended December 31, 2015</b>	
	<b>Operating Days Impact</b>	<b>\$ Impact (in millions)</b>	<b>Operating Days Impact</b>	<b>\$ Impact (in millions)</b>
2015 vessel deliveries	721	\$ 31.6	1,488	\$ 65.5
Full period contribution for 2014 vessel deliveries	74	2.8	1,237	48.7
Change in daily charter hire rate and re- charters	-	(4.5)	-	(9.2)
Scheduled off-hire	(48)	(1.4)	(134)	(3.8)
Unscheduled off-hire	(23)	(0.6)	(31)	(2.2)
Vessel management revenue	-	0.7	-	1.7
Supervision fee revenue	-	0.7	-	2.0
Other	-	(0.3)	-	(0.8)
<b>Total</b>	<b>724</b>	<b>\$ 29.0</b>	<b>2,560</b>	<b>\$ 101.9</b>

Vessel utilization was 97.9% and 98.5% for the quarter and year ended December 31, 2015, respectively, compared to 98.7% and 99.0% for the same periods in 2014.

The decrease in vessel utilization for the year ended December 31, 2015, compared to the same period in 2014, was primarily due to a 134-day increase in scheduled off-hire as a result of an increase in scheduled five-year dry-dockings and a 31-day increase in unscheduled off-hire. During the year ended December 31, 2015, Seaspan completed 26 scheduled dry-dockings that resulted in 266 days of scheduled off-hire, compared to 10 scheduled dry-dockings that resulted in 132 days of scheduled off-hire in 2014. During the year ended December 31, 2015, there were 150 days of unscheduled off-hire, which included 73 off-charter days, compared to 119 days of unscheduled off-hire, which included 86 off-charter days, in the same period of 2014.

Seaspan completed dry-dockings for 26 vessels during the year ended December 31, 2015:

<b>Vessel Class (TEU)</b>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Year Ended December 31, 2015</b>
2500	1	1	-	-	2
4250	3	3	(1) 2	4	(1) 12

4500	=	3	2	4	4
13100	-	-	-	1	1
	4	7	4	11	26

(1) Dry-docking for certain of these vessels was completed between their time charters.

During 2016, Seaspan expects 14 vessels to undergo their scheduled dry-docking.

#### *Ship Operating Expense*

Ship operating expense increased by 19.6% to \$50.5 million and 16.7% to \$193.8 million for the quarter and year ended December 31, 2015, respectively, compared to the same periods in 2014 due primarily to increases in ownership days of 12.0% and 10.7% for the quarter and year ended December 31, 2015, respectively. The increases in ownership days are due to eight vessel deliveries in 2015 and the delivery of six vessels in 2014 resulting in a full period of ownership days for the year ended December 31, 2015. Seaspan also purchased more stores and spares and incurred higher repair and maintenance expense for its older vessels. Seaspan expects ship operating expense to continue to increase as its fleet expands and ages and as the average size of its vessels increases.

#### *Depreciation and Amortization Expense*

Depreciation and amortization expense increased by 16.8% to \$54.4 million and by 12.9% to \$204.9 million for the quarter and year ended December 31, 2015, respectively, compared to the same periods in 2014, primarily due to an increase in fleet size from the vessels delivered in 2014 and 2015, write-offs of replaced vessel equipment and an increase in dry-dock amortization from an increase in the number of vessels dry-docking.

#### *General and Administrative Expense*

General and administrative expense increased by 6.0% to \$7.2 million for the quarter ended December 31, 2015, compared to the same period in 2014.

General and administrative expense decreased by 10.3% to \$27.3 million for the year ended December 31, 2015, compared to the same period in 2014. The decrease of \$3.1 million was primarily due to a \$4.9 million decrease in share-based compensation primarily relating to the grants of share appreciation rights and restricted stock units of \$4.2 million. This decrease was partially offset by increased costs relating to general corporate expenditures.

#### *Operating Lease Expense*

Operating lease expense increased to \$14.4 million and \$40.3 million for the quarter and year ended December 31, 2015, respectively, from \$5.0 million and \$9.5 million in the same periods in 2014. The increases were due to the purchase of three vessels in 2014 and four vessels in 2015 that were financed through new lease financing arrangements. Under these lease financing arrangements, Seaspan sold the vessels to the SPCs and are leasing the vessels back over an initial term of approximately 8.5 or 9.5 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 terms will be automatically extended for an additional two or 2.5 years. The sale of these seven vessels resulted in a deferred gain totaling \$174.8 million, which is being recorded as a reduction of operating lease expense over 10.5 or 12 years, representing the initial lease term plus extensions.

#### *Interest Expense*

The following table summarizes Seaspan's borrowings:

(in millions of US dollars)	As at December 31,		Change	
	2015	2014	\$	%

Long-term debt	\$ 3,387.2	\$ 3,382.4	\$ 4.8	0.1	%
Other long-term liabilities, excluding deferred gains	342.8	214.5	128.3	59.8	
Total borrowings	3,730.0	3,596.9	133.1	3.7	
Less: Vessels under construction	(209.1)	(282.0)	72.9	25.9	
Operating borrowings	\$ 3,520.9	\$ 3,314.9	\$ 206.0	6.2	%

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. Interest expense also includes a non-cash reclassification of amounts from accumulated other comprehensive loss related to previously designated hedging relationships. Interest incurred on long-term debt and other long-term liabilities for Seaspan's vessels under construction is capitalized to the cost of the respective vessels under construction.

Interest expense increased by \$1.8 million to \$25.2 million and by \$8.8 million to \$97.0 million for the quarter and year ended December 31, 2015, respectively, compared to the same periods in 2014. These increases were primarily due to the increase in fleet size from vessels delivered in 2014 and 2015, as the interest incurred on these vessels in 2014 was capitalized to vessels under construction. These increases were partially offset by net repayments made on operating borrowings. For the year ended December 31, 2015, the increase in interest expense was also due to the issuance of Seaspan's fixed-rate senior unsecured notes issued in April 2014, which have a higher interest rate than Seaspan's other borrowings, partially offset by the repayment of a fixed-rate term loan in the second quarter of 2014 and the termination of the lease financing structure related to five 4500 TEU vessels which were refinanced in December 2014 and March 2015.

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 rather than in interest expense.

#### *Refinancing Expenses and Recoveries*

Refinancing expenses increased by \$4.6 million to \$1.9 million and by \$5.7 million to \$5.8 million for the quarter and year ended December 31, 2015, respectively, compared to the same periods in 2014. In 2015, Seaspan wrote-off deferred financing fees related to the termination and repayment of term loans. In 2014, Seaspan wrote-off deferred financing fees related to the repayment of a fixed-rate loan and recognized a net gain of \$3.8 million realized on the early termination of the lease financing structure related to five 4500 TEU vessels.

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

The change in fair value of financial instruments resulted in a gain of \$10.1 million and a loss of \$54.6 million for the quarter and year ended December 31, 2015, respectively, compared to losses of \$39.4 million and \$105.7 million for the same periods in 2014. The gain of \$10.1 million for the three months ended December 31, 2015 was primarily due to increases in the forward LIBOR curve. The loss of \$54.6 million for the year ended December 31, 2015 was due primarily to the effect of the passage of time.

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 during 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 containerhips combined with industry-leading



ship management services. Seaspan's managed fleet consists of 118 containerships representing a total capacity of over 935,000 TEU, including 18 newbuilding containerships on order scheduled for delivery to Seaspan and third parties by the end of 2017. Seaspan's current operating fleet of 85 vessels has an average age of approximately eight years and an average remaining lease period of approximately four 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	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 and year ended December 31, 2015 on March 8, 2016 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: 61034463. The recording will be available from March 8, 2016 at 9:30 a.m. PT / 12:30 p.m. ET through 8:59 p.m. PT / 11:59 p.m. ET on March 22, 2016. 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, 2015 (IN THOUSANDS OF US DOLLARS)

	December 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 215,520	\$ 201,755
Short-term investments	3,415	1,212
Accounts receivable	24,065	23,742
Loans to affiliate	219,649	237,908
Prepaid expenses	39,731	31,139
Gross investment in lease	37,783	21,170
	540,163	516,926
Vessels	5,069,229	4,813,721
Vessels under construction	209,119	282,002
Deferred charges	92,640	64,655
Gross investment in lease	-	37,783
Goodwill	75,321	75,321
Other assets	89,056	67,308
Fair value of financial instruments	33,632	37,677

Liabilities and Shareholders' Equity	\$ 6,109,160	\$ 5,895,393
Current liabilities:		
Accounts payable and accrued liabilities	\$ 76,386	\$ 65,208
Current portion of deferred revenue	22,199	27,671
Current portion of long-term debt	287,346	298,010
Current portion of other long-term liabilities	38,298	18,543
Fair value of financial instruments	1,260	7,505
	425,489	416,937
Deferred revenue	2,730	7,343
Long-term debt	3,099,849	3,084,409
Other long-term liabilities	468,023	253,542
Fair value of financial instruments	336,886	387,938
	4,332,977	4,150,169
Shareholders' equity:		
Share capital	1,223	1,209
Treasury shares	(356)	(379)
Additional paid in capital	2,266,661	2,238,872
Deficit	(460,425)	(459,161)
Accumulated other comprehensive loss	(30,920)	(35,317)
	1,776,183	1,745,224
	\$ 6,109,160	\$ 5,895,393

## **SEASPAN CORPORATION**

### **UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2015 AND 2014**

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

	<b>Quarter Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Revenue	\$ 218,464	\$ 189,444	\$ 819,024	\$ 717,170
Operating expenses:				
Ship operating	50,541	42,244	193,836	166,097
Cost of services, supervision fees	650	-	1,950	-
Depreciation and amortization	54,384	46,580	204,862	181,527
General and administrative	7,197	6,792	27,338	30,462
Operating leases	14,381	4,957	40,270	9,544
	127,153	100,573	468,256	387,630
Operating earnings	91,311	88,871	350,768	329,540
Other expenses (income):				

Interest expense	25,191	23,345	97,008	88,159
Interest income	(2,756)	(3,392)	(11,026)	(10,653)
Undrawn credit facility fees	635	1,025	3,100	3,109
Amortization of deferred charges	1,295	2,914	11,685	10,342
Refinancing expenses and (recoveries)	1,850	(2,754)	5,770	70
Change in fair value of financial instruments	(10,053)	39,360	54,576	105,694
Equity income on investment	(2,090)	(211)	(5,107)	(256)
Other expenses (income)	1,027	810	(4,629)	1,828
	15,099	61,097	151,377	198,293
<b>Net earnings</b>	<b>\$ 76,212</b>	<b>\$ 27,774</b>	<b>\$ 199,391</b>	<b>\$ 131,247</b>
Deficit, beginning of period	(484,561)	(440,176)	(459,161)	(411,792)
Dividends - common shares	(37,269)	(33,020)	(144,553)	(127,007)
Dividends - preferred shares	(13,350)	(13,435)	(53,655)	(50,443)
Amortization of Series C issuance costs	(342)	(304)	(1,310)	(1,166)
Other	(1,115)	-	(1,137)	-
Deficit, end of period	\$ (460,425)	\$ (459,161)	\$ (460,425)	\$ (459,161)
Weighted average number of shares, basic	99,835	96,871	99,217	93,402
Weighted average number of shares, diluted	99,906	96,965	99,278	93,650
Earnings per share, basic	\$ 0.63	\$ 0.14	\$ 1.46	\$ 0.80
Earnings per share, diluted	\$ 0.63	\$ 0.14	\$ 1.46	\$ 0.79

**SEASpan CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2015 AND 2014**  
**(IN THOUSANDS OF US DOLLARS)**

	<b>Quarter Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Net earnings</b>	<b>\$ 76,212</b>	<b>\$ 27,774</b>	<b>\$ 199,391</b>	<b>\$ 131,247</b>
Other comprehensive income:				
Amounts reclassified to net earnings during the period, relating to cashflow hedging instruments	1,077	1,295	4,397	5,311
<b>Comprehensive income</b>	<b>\$ 77,289</b>	<b>\$ 29,069</b>	<b>\$ 203,788</b>	<b>\$ 136,558</b>

**SEASPAN CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2015 AND 2014**  
**(IN THOUSANDS OF US DOLLARS)**

	<b>Quarter Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Cash from (used in):				
Operating activities:				
Net earnings	\$ 76,212	\$ 27,774	\$ 199,391	\$ 131,247
Items not involving cash:				
Depreciation and amortization	54,384	46,580	204,862	181,527
Share-based compensation	1,567	1,423	4,528	8,301
Amortization of deferred charges	1,295	2,914	11,685	10,342
Amounts reclassified from other comprehensive loss to interest expense	816	957	3,319	4,259
Unrealized change in fair value of financial instruments	(34,862)	10,659	(53,252)	(13,064)
Equity income on investment	(2,090)	(211)	(5,107)	(256)
Refinancing expenses and (recoveries)	1,228	(2,754)	5,148	(398)
Amortization of deferred gain	(3,709)	(938)	(9,795)	(1,428)
Other income	-	-	(6,600)	-
Other	1,614	3,590	7,759	10,614
Changes in assets and liabilities	181	8,619	(26,066)	11,815
Cash from operating activities	96,636	98,613	335,872	342,959
Financing activities:				
Senior unsecured notes issued	-	-	-	345,000
Preferred shares issued, net of issuance costs	-	-	-	130,415
Common shares issued, net of issuance costs	-	-	-	4,245
Draws on credit facilities	196,250	167,040	534,325	660,160
Repayment of credit facilities	(156,349)	(41,056)	(607,174)	(872,659)
Draws on other long-term liabilities	-	-	150,000	-
Repayment of other long-term liabilities	(5,968)	(362,380)	(21,691)	(393,382)
Shares repurchased,	(25,168)	-	(26,188)	-

including related expenses				
Financing fees	(2,374)	(4,843)	(17,399)	(17,405)
Dividends on common shares	(36,158)	(16,226)	(105,691)	(62,310)
Dividends on preferred shares	(13,350)	(13,435)	(53,655)	(50,443)
Proceeds from sale-leaseback of vessels	144,000	220,000	542,000	330,000
Cash from (used in) financing activities	100,883	(50,900)	394,527	73,621
Investing activities:				
Expenditures for vessels	(172,037)	(159,395)	(712,663)	(524,255)
Short-term investments	71	87,033	(2,203)	10,463
Restricted cash	-	60,000	-	60,000
Loans to affiliate	(67,633)	(32,188)	(201,865)	(210,713)
Repayment of loans to affiliate	8,106	349	200,680	850
Other assets	(166)	(2,457)	(583)	(27,550)
Cash used in investing activities	(231,659)	(46,658)	(716,634)	(691,205)
Increase (decrease) in cash and cash equivalents	(34,140)	1,055	13,765	(274,625)
Cash and cash equivalents, beginning of period	249,660	200,700	201,755	476,380
Cash and cash equivalents, end of period	\$ 215,520	\$ 201,755	\$ 215,520	\$ 201,755

**SEASPAN CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2015 AND 2014**  
**(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, gain on sales, amortization of deferred gain, foreign exchange 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.

In the second quarter of 2015, the definition of cash available for distribution to common shareholders was revised to include the gain and exclude the amortization of the deferred gain on Seaspan's sale-leaseback financings. Accordingly, the comparative figures for the prior periods have been adjusted to reflect this change. The impact of this change resulted in increases in cash available for distribution to common shareholders for the quarter and year ended December 31, 2014 of approximately 48.1% and 19.8%, respectively.

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>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Net earnings	\$ 76,212	\$ 27,774	\$ 199,391	\$ 131,247
Add:				
Depreciation and amortization	54,384	46,580	204,862	181,527
Interest expense	25,191	23,345	97,008	88,159
Amortization of deferred charges	1,295	2,914	11,685	10,342
Refinancing expenses and (recoveries)(1)	1,228	(2,754)	5,148	(398)
Share-based compensation	1,567	1,423	4,528	8,301
Change in fair value of financial instruments(2)	(10,460)	39,592	53,260	106,543
Bareboat charter adjustment, net(3)	4,761	4,496	18,454	17,410
Gain on sales(4)	32,795	38,751	117,482	59,391
Less:				
Amortization of deferred gain(5)	(3,709)	(938)	(9,795)	(1,428)
Foreign exchange gain(6)	-	-	(6,600)	-
Dry-dock reserve adjustment	(7,334)	(3,455)	(19,655)	(13,318)
Cash dividends paid on preferred shares:				
Series C	(8,054)	(8,114)	(32,396)	(32,456)
Series D	(2,513)	(2,535)	(10,124)	(10,146)
Series E	(2,783)	(2,785)	(11,135)	(7,951)
Net cash flows before interest payments	162,580	164,294	622,113	537,223
Less:				
Interest expense at the hedged rate(7)	(46,808)	(47,825)	(189,203)	(186,936)
<b>Cash available for distribution to common shareholders</b>	<b>\$ 115,772</b>	<b>\$ 116,469</b>	<b>\$ 432,910</b>	<b>\$ 350,287</b>

**SEASPAN CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE QUARTER and YEAR ended DECEMBER 31, 2015 AND 2014**  
**(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, refinancing expenses and recoveries, foreign exchange gain, write-off of vessel equipment, change in fair value of financial instruments, interest expense at the hedged rate, 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 reflected Seaspan's ability to control the conversion if the share price had been less than \$15.00 and reflects 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.

	<b>Quarter Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Net earnings	\$ 76,212	\$ 27,774	\$ 199,391	\$ 131,247
Adjust:				
Interest expense	25,191	23,345	97,008	88,159
Refinancing expenses and (recoveries)(1)	1,850	(2,754)	5,770	70
Foreign exchange gain(6)	-	-	(6,600)	-
Write-off of vessel equipment(8)	2,952	-	6,194	-
Change in fair value of financial instruments(2)	(10,460)	39,592	53,260	106,543
Interest expense at the hedged rate(7)	(46,808)	(47,825)	(189,203)	(186,936)
<b>Normalized net earnings</b>	<b>\$ 48,937</b>	<b>\$ 40,132</b>	<b>\$ 165,820</b>	<b>\$ 139,083</b>
<b>Less: preferred share dividends</b>				
Series A	-	-	-	3,395
Series C (including amortization of issuance costs)	8,330	8,418	33,637	33,623
Series D	2,475	2,537	10,086	10,036
Series E	2,769	2,784	11,121	9,776
	<b>13,574</b>	<b>13,739</b>	<b>54,844</b>	<b>56,830</b>

**Normalized net earnings**

<b>attributable to common shareholders</b>	<b>\$ 35,363</b>	<b>\$ 26,393</b>	<b>\$ 110,976</b>	<b>\$ 82,253</b>
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**Weighted average number of shares used to compute earnings per share**

<b>Reported and normalized, basic</b>	<b>99,835</b>	<b>96,871</b>	<b>99,217</b>	<b>93,402</b>
Share-based compensation	71	94	61	131
Contingent consideration	-	-	-	117
Series A preferred shares liquidation preference converted at \$15	-	-	-	1,896
<b>Reported, diluted and normalized, converted</b>	<b>99,906</b>	<b>96,965</b>	<b>99,278</b>	<b>95,546</b>

**Earnings per share:**

<b>Reported, basic</b>	<b>\$ 0.63</b>	<b>\$ 0.14</b>	<b>\$ 1.46</b>	<b>\$ 0.80</b>
<b>Reported, diluted</b>	<b>\$ 0.63</b>	<b>\$ 0.14</b>	<b>\$ 1.46</b>	<b>\$ 0.79</b>
<b>Normalized, converted - preferred shares converted at \$15(9)</b>	<b>\$ 0.35</b>	<b>\$ 0.27</b>	<b>\$ 1.12</b>	<b>\$ 0.90</b>

## **SEASPAN CORPORATION**

### **RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

**FOR THE QUARTER and YEAR ended DECEMBER 31, 2015 AND 2014**

**(in thousands of US dollars, except share and per share amounts)**

#### **C. Adjusted EBITDA**

Adjusted EBITDA is defined as net earnings adjusted for 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, gain on sales, amortization of deferred gain, foreign exchange 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.

In the second quarter of 2015, the definition of Adjusted EBITDA was revised to include the gain and exclude the amortization of the deferred gain on Seaspan's sale-leaseback financings. Accordingly, the comparative figures for the prior periods have been adjusted to reflect this change. The impact of this change resulted in increases in Adjusted EBITDA for the quarter and year ended December 31, 2014 of approximately 26.8% and 10.8%, respectively.

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  
December 31,**

**Year Ended  
December 31,**



	2015	2014	2015	2014
Net earnings	\$ 76,212	\$ 27,774	\$ 199,391	\$ 131,247
Add:				
Interest expense	25,191	23,345	97,008	88,159
Interest income	(2,756)	(3,392)	(11,026)	(10,653)
Undrawn credit facility fees	635	1,025	3,100	3,109
Depreciation and amortization	54,384	46,580	204,862	181,527
Amortization of deferred charges	1,295	2,914	11,685	10,342
Refinancing expenses and (recoveries)(1)	1,228	(2,754)	5,148	(398)
Share-based compensation	1,567	1,423	4,528	8,301
Gain on sales(4)	32,795	38,751	117,482	59,391
Amortization of deferred gain(5)	(3,709)	(938)	(9,795)	(1,428)
Foreign exchange gain(6)	-	-	(6,600)	-
Bareboat charter adjustment, net(3)	4,761	4,496	18,454	17,410
Change in fair value of financial instruments(2)	(10,460)	39,592	53,260	106,543
<b>Adjusted EBITDA</b>	<b>\$ 181,143</b>	<b>\$ 178,816</b>	<b>\$ 687,497</b>	<b>\$ 593,550</b>

#### Notes to Non-GAAP Financial Measures

(1) During the quarter and year ended December 31, 2015, Seaspan refinanced certain financings. As a result, Seaspan wrote-off non-cash deferred financing fees of \$1.2 million and \$5.1 million, respectively, in refinancing expenses and recoveries.

(2) 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.

(3) In the second half of 2011, Seaspan entered into agreements to bareboat charter four 4800 TEU vessels to Mediterranean Shipping Company ("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.

(4) During the quarter ended December 31, 2015, the gain on sales relates to the proceeds received in excess of vessel cost upon the sale of one 14000 TEU vessel. During the year ended December 31, 2015, the gain on sales relates to the proceeds received in excess of vessel cost upon the sale of three 14000 TEU vessels and one 10000 TEU vessel, respectively, that were financed through sale-leaseback financings. Under these lease financing arrangements, Seaspan sold the vessels to the SPCs and is leasing the vessels back. For accounting purposes,

these gains are recognized over the term of the lease.

- (5) Seven vessels were financed through lease financing arrangements under which Seaspan sold the vessels to the SPCs and is leasing the vessels back. The gain on sales was deferred and is being amortized as a reduction of operating lease expense.

- (6) Seaspan entered into contracts for the construction of five 14000 TEU newbuilding containerships. The contracts included a foreign exchange adjustment to adjust the US dollar denominated purchase price of the vessels. In connection with the allocation of two of the vessels to Greater China Intermodal Investment LLC ("GCI"), Seaspan recognized a foreign exchange gain of \$6.6 million which has been included in other income.

- (7) 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.

- (8) Commencing in May 2015, Seaspan installed vessel upgrades for certain of its vessels at the request of its charterer to enhance fuel efficiency. As a result, Seaspan incurred non-cash write-offs related to the original vessel equipment of \$3.0 million and \$6.2 million for the quarter and year ended December 31, 2015, respectively. These write-offs are included in depreciation and amortization expense. The cost of the vessel upgrades will be recovered from the charterer.

- (9) Normalized earnings per share, converted, increased for the quarter and year ended December 31, 2015 as detailed in the table below:

	<b>Quarter Ended December 31, 2015</b>	<b>Year Ended December 31, 2015</b>
<b>Normalized earnings per share, converted-December 31, 2014</b>	<b>\$ 0.27</b>	<b>\$ 0.90</b>
Excluding share count changes:		
Increase in normalized earnings(a)	0.09	0.27
Decrease from impact of preferred shares	-	(0.01)
Share count changes:		
Increase in converted share count (from 96,965 shares to 99,906 shares and from 95,546 to 99,278 for the quarter and year ended, respectively)	(0.01)	(0.04)
<b>Normalized earnings per share, converted-December 31, 2015</b>	<b>\$ 0.35</b>	<b>\$ 1.12</b>

The increases in normalized earnings are primarily due to increases in revenue of \$29.0 million and \$101.9 million for the quarter and year ended December 31,

- (a) 2015, respectively, partially offset by increases in operating leases of \$9.4 million and \$30.7 million, ship operating expenses of \$8.3 million and \$27.7 million, and depreciation and amortization expense of \$4.8 million and \$17.1 million for the quarter and year ended December 31, 2015, respectively. For the quarter ended December 31, 2015, there was a decrease in interest expense at the hedged rate of \$1.1 million and an increase of interest expense at the hedged rate of \$2.3 million for the year ended December 31, 2015. Please read "Results for the Quarter and Year Ended December 31, 2015" 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; ship operating expense; vessel dry-docking schedules; future contracted revenues; Seaspan's access to capital and financial strength and flexibility; the repurchase plan for Seaspan's common shares and repurchases under such plan; vessel deliveries and dividends, including the amount and timing of payment thereof for the four quarters of 2016. 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 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 capital markets and the price of Seaspan's shares; the declaration of dividends and related payment dates by Seaspan's board of directors; the allocation of vessels pursuant to Seaspan's right of first refusal agreement with GCI; 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, 2014. 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: Mr. Michael Sieffert, Associate Director, Corporate Finance, 778-328-6490 / For Media Inquiries: Mr. Leon Berman, 212-477-8438

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