



## SEASPAN REPORTS FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013

### Signs Newbuilding Contracts for Fuel Efficient Vessels

**HONG KONG, CHINA - July 29, 2013 /CNW/** - Seaspan Corporation ("Seaspan") (NYSE:SSW) announced today its financial results for the three and six months ended June 30, 2013. Below is a summary of Seaspan's key financial results:

### Summary of Key Financial Results (in thousands of USD):

	<b>Three Months Ended June 30,</b>		<b>Change</b>		
	<b>2013</b>	<b>2012</b>	<b>\$</b>	<b>%</b>	
Reported net earnings (loss)	\$ 127,154	\$ (6,749)	\$ 133,903	1984.0	%
Normalized net earnings(1)	\$ 25,502	\$ 37,779	\$ (12,277)	(32.5)	%
Earnings (loss) per share, basic	\$ 1.67	\$ (0.38)	\$ 2.05	539.5	%
Earnings (loss) per share, diluted	\$ 1.35	\$ (0.38)	\$ 1.73	455.3	%
Normalized earnings per share, converted(1) (Series A preferred shares converted at \$15)	\$ 0.18	\$ 0.35	\$ (0.17)	(48.6)	%
Cash available for distribution to common shareholders(2)	\$ 67,236	\$ 76,409	\$ (9,173)	(12.0)	%
Adjusted EBITDA(3)	\$ 118,955	\$ 131,940	\$ (12,985)	(9.8)	%

	<b>Six Months Ended June 30,</b>		<b>Change</b>		
	<b>2013</b>	<b>2012</b>	<b>\$</b>	<b>%</b>	
Reported net earnings	\$ 182,760	\$ 44,509	\$ 138,251	310.6	%
Normalized net earnings(1)	\$ 53,852	\$ 71,007	\$ (17,155)	(24.2)	%
Earnings per share, basic	\$ 2.24	\$ 0.17	\$ 2.07	1217.6	%
Earnings per share, diluted	\$ 1.88	\$ 0.17	\$ 1.71	1005.9	%
Normalized earnings per share, converted(1) (Series A preferred shares converted at \$15)	\$ 0.39	\$ 0.65	\$ (0.26)	(40.0)	%
Cash available for distribution to common shareholders(2)	\$ 134,051	\$ 141,753	\$ (7,702)	(5.4)	%
Adjusted EBITDA(3)	\$ 240,179	\$ 247,766	\$ (7,587)	(3.1)	%

Normalized net earnings and normalized earnings per share, converted, 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, organizational development costs, gain on vessels and certain other items that Seaspan believes are not representative of its operating performance. Normalized earnings per share, converted, reflects normalized earnings per share on a pro-forma basis on the

(1) 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 Three and Six Months Ended June 30, 2013 and 2012- 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.

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, non-cash share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, organizational development costs, amounts paid for dry-docking, cash dividends paid on preferred

(2) shares, gain on vessels, 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 Three and Six Months Ended June 30, 2013 and 2012 - 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.

Adjusted EBITDA is a non-GAAP measure that represents net earnings before interest expense and other debt-related expenses, interest income, depreciation and amortization, bareboat charter adjustment, organizational development costs, gain on vessels, change in fair value of financial instruments and certain other items that

(3) Seaspan believes are not representative of its operating performance. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Six Months Ended June 30, 2013 and 2012 - 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 99.0% and 97.5% for the three and six months ended June 30, 2013, respectively, or 99.3% and 99.6% if the impact of off-charter days is excluded.
- Paid quarterly dividends of \$0.59375 and \$0.496875 per Series C (NYSE:SSW PR C) and Series D (NYSE:SSW PR D) preferred share, respectively, representing a total distribution of \$9.9 million. The dividends were paid to all Series C and Series D preferred shareholders of record as of April 29, 2013 for the period from January 30,

2013 to April 29, 2013.

- Paid a quarterly dividend for the 2013 first quarter of \$0.3125 per Class A common share on May 30, 2013 to all shareholders of record as of May 20, 2013.
- Accepted delivery of one vessel during the quarter, bringing Seaspan's operating fleet to a total of 70 vessels at June 30, 2013.

Gerry Wang, Chief Executive Officer, Co-Chairman, and Co-Founder of Seaspan, commented, "During the first half of 2013, we generated strong and stable results and once again increased our common share dividend."

Mr. Wang continued, "Seaspan continues to capitalize on attractive growth opportunities. We are pleased to have commenced the third quarter by signing a major newbuilding contract and are in the process of finalizing long-term time charter agreements for these vessels. Seaspan's strong balance sheet combined with its technical and operational expertise in large modern containerships position the Company to continue to execute its growth strategy and provide charterers with their desired vessels." **Second Quarter Developments**

#### *Vessel Delivery*

On June 13, 2013, Seaspan accepted delivery of the MOL Excellence, bringing its operating fleet to 70 vessels. The 4600 TEU vessel is on charter to Mitsui O.S.K. Lines Ltd. ("MOL") under a two-year, fixed-rate time charter.

#### *Loan Facility Transactions*

On April 25, 2013, Seaspan entered into a term loan facility with an Asian bank for up to \$174.0 million to be used to fund the construction of two 14000 TEU newbuilding containerships to be chartered to Yang Ming Marine Transport Corp. ("Yang Ming Marine").

On June 20, 2013, Seaspan entered into a term loan facility with a U.S. bank and an Australian bank for up to \$30.0 million to be used to fund the purchase price of two 4600 TEU containerships on charter to MOL. Seaspan drew the full \$30.0 million of this facility on July 9, 2013.

### **Subsequent Events**

#### *Newbuilding Contracts*

On July 19, 2013, Seaspan entered into contracts with a major Asian shipbuilder for certain newbuilding containerships. The vessels are scheduled for delivery in 2015 and have an aggregate purchase price of approximately \$550 million. Seaspan expects to sign long-term time charters with one of the liner majors shortly.

#### *Vessel Delivery*

On July 4, 2013, Seaspan accepted delivery of the MOL Efficiency, bringing its operating fleet to 71 vessels. The 4600 TEU vessel is on charter to MOL under a two-year, fixed-rate time charter.

#### *Time Charters*

In July 2013, three vessels were re-delivered to Seaspan and these vessels were subsequently re-chartered. The Seaspan Chiwan commenced a short-term charter for up to seven months. The Seaspan Dalian and Seaspan Felixstowe commenced time charters for up to 30 months with an additional option period of six to 12 months. The Seaspan Ningbo is expected to be re-delivered to Seaspan on July 30, 2013 and will be off-charter until a charter is entered into.

### *Dividends*

On July 16, 2013, Seaspan declared cash dividends of \$0.59375 and \$0.496875 per Series C and Series D preferred share, respectively, for the period from April 30, 2013 to July 29, 2013. The dividends, representing a total distribution of \$9.9 million, will be paid on July 30, 2013 to all Series C and Series D preferred shareholders of record as of July 29, 2013.

On July 24, 2013, Seaspan declared a quarterly dividend of \$0.3125 per Class A common share. The dividend is payable on August 21, 2013 to all shareholders of record as of August 12, 2013.

### *Loan Facility Transaction*

On July 25, 2013, Seaspan entered into a term loan facility with a leading European bank for up to \$83.0 million to fund the construction of one 14000 TEU newbuilding containership to be chartered to Yang Ming Marine. With this transaction, all three 14000 TEU newbuilding containerships to be chartered to Yang Ming Marine are now financed.

### **Results for the Three and Six Months Ended June 30, 2013**

The following table summarizes vessel utilization for the three and six months ended June 30, 2013:

	<b>First Quarter</b>		<b>Second Quarter</b>		<b>Year to Date - June 30,</b>		
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	
<b>Vessel utilization:</b>							
Ownership days	5,850	5,591	5,933	5,847	11,783	11,438	
Less off-hire days:							
Scheduled 5-year survey	-	(44)	(19)	(24)	(19)	(68)	
Unscheduled off-hire(1)	(230)	(7)	(40)	(14)	(270)	(21)	
<b>Operating days</b>	<b>5,620</b>	<b>5,540</b>	<b>5,874</b>	<b>5,809</b>	<b>11,494</b>	<b>11,349</b>	
<b>Vessel utilization</b>	<b>96.1</b>	<b>% 99.1</b>	<b>% 99.0</b>	<b>% 99.4</b>	<b>% 97.5</b>	<b>% 99.2</b>	<b>%</b>

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

At the beginning of 2013, Seaspan had 69 vessels in operation and accepted delivery of one vessel during the second quarter of 2013, bringing its fleet to a total of 70 vessels as of June 30, 2013. Revenue is determined primarily by the number of operating days, and ship operating expense is determined primarily by the number of ownership days.

The following table summarizes Seaspan's consolidated financial results for the three and six months ended June 30, 2013 and 2012:

	<b>Three Months Ended June 30,</b>		<b>Increase</b>		<b>Six Months Ended June 30,</b>		<b>Increase</b>		
	<b>2013</b>	<b>2012</b>	<b>Days</b>	<b>%</b>	<b>2013</b>	<b>2012</b>	<b>Days</b>	<b>%</b>	
Operating days	5,874	5,809	65	1.1	% 11,494	11,349	145	1.3	%
Ownership days	5,933	5,847	86	1.5	% 11,783	11,438	345	3.0	%

<b>Financial Summary (in millions of USD)</b>	<b>Three Months Ended June 30,</b>		<b>Change</b>		<b>Six Months Ended June 30,</b>		<b>Change</b>		
	<b>2013</b>	<b>2012</b>	<b>\$</b>	<b>%</b>	<b>2013</b>	<b>2012</b>	<b>\$</b>	<b>%</b>	
Revenue	\$ 167.8	\$ 167.6	\$ 0.1	0.1	% \$ 332.7	\$ 321.1	\$ 11.6	3.6	%
Ship operating expense	37.3	31.5	5.8	18.5	% 74.9	66.1	8.8	13.4	%
Depreciation and amortization expense	42.8	42.3	0.6	1.3	% 85.6	80.2	5.4	6.7	%
General and administrative expense	11.8	6.7	5.2	77.4	% 19.6	12.5	7.1	56.7	%
Operating lease expense	1.1	-	1.1	100.0	% 2.2	-	2.2	100.0	%
Interest expense	15.3	19.2	(3.9)	(20.3)	% 30.8	36.1	(5.4)	(14.9)	%
Change in fair value of financial instruments	(71.2)	82.1	153.3	186.7	% (68.5)	86.8	155.3	179.0	%

### *Revenue*

Revenue increased by 0.1% and 3.6% for the three and six months ended June 30, 2013, respectively, over the same periods for 2012. This is due primarily to: the impact of a full period's contribution of the larger newbuilding vessels delivered in 2012 (and higher time-charter rates associated with such vessels); revenue received from management of third party vessels; a decrease in scheduled off-hire; and the delivery of one vessel in June 2013. These increases over the same periods for 2012 were partially offset by: lower rates for five vessels which were on short-term charters during the period; one less day in 2013 due to the 2012 leap year; and an increase in unscheduled off-hire, which included 238 off-charter days for four of Seaspan's 4250 TEU vessels for the six months ended June 30,

2013.

The increase in operating days and the related financial impact for the three and six months ended June 30, 2013, relative to the corresponding periods in 2012, is attributable to the following:

	<b>Three Months Ended June 30, 2013</b>		<b>Six Months Ended June 30, 2013</b>	
	<b>Operating days</b>	<b>\$ impact (in millions)</b>	<b>Operating days</b>	<b>\$ impact (in millions)</b>
2013 vessel deliveries	18	\$ 0.4	18	\$ 0.4
Full period contribution for 2012 vessel deliveries	48	2.7	368	20.6
Change in daily charter hire rate and re-charters	-	(3.5)	-	(5.2)
One less day due to the 2012 leap year	-	-	(61)	(1.7)
Scheduled off-hire	5	0.4	49	1.5
Unscheduled off-hire	(26)	(0.9)	(249)	(5.2)
Vessel management revenue	-	0.9	-	1.2
Other	20	0.1	20	-
<b>Total</b>	<b>65</b>	<b>\$ 0.1</b>	<b>145</b>	<b>\$ 11.6</b>

Vessel utilization was 99.0% and 97.5% for the three and six months ended June 30, 2013, respectively, compared to 99.4% and 99.2% for the comparable periods in 2012.

The decrease in vessel utilization for the six months ended June 30, 2013, compared to the same period in 2012, was primarily due to a 249-day increase in unscheduled off-hire, which includes 238 off-charter days for four of Seaspan's 4250 TEU vessels. During the six months ended June 30, 2013, Seaspan completed two dry-dockings, which resulted in 19 days of scheduled off-hire compared to the completion of five dry-dockings, which resulted in 68 days of scheduled off-hire, during the comparable period in 2012.

The dry-dockings Seaspan completed during the three and six months ended June 30, 2013 involved the following vessels:

<b>Vessel</b>	<b>Completed</b>
CSCL Montevideo	Q2
CSCL Panama	Q2

Seaspan's cumulative vessel utilization since its initial public offering in August 2005 through June 30, 2013 was 99.1%.

### *Ship Operating Expense*

Ship operating expense increased by 18.5% to \$37.3 million and by 13.4% to \$74.9 million for the three and six months ended June 30, 2013, respectively, compared to the same periods in 2012. The increases are due to 233 and 535, or 4.0% and 4.7%, more ownership and managed days for the three and six months ended June 30, 2013, respectively, related to the addition of four 13100 TEU vessels during the first half of 2012 and management of third party vessels. The larger TEU vessels are more expensive to operate and the increased cost of lubes, insurance and other operating costs associated with these vessels further contributed to higher ship operating expenses in 2013. In addition, spare parts expense increased by \$1.2 million and \$1.8 million for the three and six months ended June 30, 2013, respectively, compared to the same periods in 2012 primarily due to earlier timing of purchases in 2013 and increased expense due to an expanding and aging fleet.

Ship operating expense for the three and six months ended June 30, 2012 included fixed, daily per vessel fees totalling \$9.3 million, paid to the Manager for technical services prior to the acquisition of the Manager on January 26, 2012, and \$56.8 million of direct costs incurred during the post-acquisition period from January 27 to June 30, 2012.

### *Depreciation and Amortization Expense*

The increase in depreciation and amortization for the three and six months ended June 30, 2013 was due to the increase in the size of the fleet. Four vessels were delivered in the first six months of 2012 and a full period of depreciation was taken for these vessels in the three and six months ended June 30, 2013.

### *General and Administrative Expense*

General and administrative expenses increased by 77.4% to \$11.8 million and by 56.7% to \$19.6 million for the three and six months ended June 30, 2013, respectively, compared to the same periods in 2012. The increases for the three and six months ended June 30, 2013 over the same periods in 2012 were due primarily to increases of \$5.8 million and \$7.8 million, respectively, in stock-based compensation expense related to the non-cash stock appreciation rights ("SARs") granted to Seaspan's Chief Executive Officer in December 2012 and to certain members of management in March 2013. Of the \$5.8 million increase in stock-based compensation expense for the three months ended June 30, 2013, \$2.6 million resulted from an accelerated recognition of stock-based compensation expense related to the vesting of the first tranche of SARs. During the quarter ended June 30, 2013, the first tranche of SARs vested because the 20 consecutive trading-day average of Seaspan's common stock exceeded the base price of \$21.50 per share for that tranche. The original vesting period that was being used to recognize the stock-based compensation expense was based on a fair value model. Because the first tranche of SARs vested earlier than had been estimated by the fair value model, Seaspan was required to accelerate recognition of \$2.6 million of stock-based compensation expense during the three months ended June 30, 2013, which amount otherwise would have been recognized later in 2013.

### *Operating Lease Expense*

On June 27, 2012, Seaspan sold the Madinah to a U.S. bank and since that date has been leasing the vessel back over a nine-year term. Prior to June 27, 2012, Seaspan owned the

vessel and financed it with a term loan of \$53.0 million, which was repaid using the proceeds from the sale to the bank. During the three and six months ended June 30, 2013, Seaspan incurred operating lease expenses relating to this arrangement of \$1.1 million and \$2.2 million, respectively. In the comparable periods of 2012, instead of operating lease expense, Seaspan incurred interest expense of \$0.5 million and \$1.1 million on the \$53.0 million loan.

### *Interest Expense*

As at June 30, 2013, the balance of Seaspan's long-term debt totalled \$3.1 billion and Seaspan's other long-term liabilities totalled \$631.7 million. As at June 30, 2013, Seaspan's operating debt balance was \$2.9 billion. Interest expense is comprised primarily of interest incurred on long-term debt and other long-term liabilities relating to operating vessels at the variable rate calculated by reference to LIBOR plus the applicable margin. Interest expense also includes a 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.

The decreases in interest expense for the three and six months ended June 30, 2013 of \$3.9 million and \$5.4 million, respectively, compared to the same periods of 2012 were primarily due to lower operating debt and other long-term liabilities as well as a reduction in average LIBOR. The remaining decreases were due to a lower reclassification of accumulated other comprehensive loss into earnings and repayment of the term loan of \$53.0 million in 2012 using the proceeds from the sale of the Madinah. For the six months ended June 30, 2013, the decrease in interest expense is partially offset by less interest capitalized as the average vessel under construction balance for the six months ended June 30, 2013 was lower than for the six months ended June 30, 2012. The average LIBOR charged on Seaspan's long-term debt for the three months and six months ended June 30, 2013 was 0.2% compared to 0.5% for the comparable periods in 2012. 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.

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

The change in fair value of financial instruments resulted in a gain of \$71.2 million for the three months ended June 30, 2013, compared to a loss of \$82.1 million for the comparable period in 2012. The change in fair value of financial instruments resulted in a gain of \$68.5 million for the six months ended June 30, 2013, compared to a loss of \$86.8 million for the same period in 2012. The changes for the three and six months ended June 30, 2013, compared to the same periods in 2012 were primarily due to the effect of the passage of time and less discounting of expected future settlements.

The fair value of interest rate swap and swaption agreements is subject to change based on the counterparty and Seaspan's 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. As 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. With a reputation for safety, quality and innovation, Seaspan provides turnkey services in ship design, cadet development, crewing, and newbuilding supervision. Seaspan's managed fleet consists of 89 containerships representing a total capacity of over 600,000 TEU, including 16 newbuilding containerships on order scheduled for delivery to Seaspan and third parties by the end of 2015. Seaspan's current operating fleet of 71 vessels has an average age and remaining lease period (excluding the effect of charterers' options to extend certain time charters) of approximately six years.

Seaspan's common shares, Series C Preferred Shares and Series D Preferred Shares are listed on The New York Stock Exchange under the symbols "SSW", "SSW PR C" and "SSW PR D", respectively.

## **Conference Call and Webcast**

Seaspan will host a conference call and webcast presentation for investors and analysts to discuss its results for the three and six months ended June 30, 2013 on July 30, 2013 at 5:00 a.m. PT / 8:00 a.m. ET. Participants should call 1-877-246-9875 (US/Canada) or 1-707-287-9353(International) and request the Seaspan call. A telephonic replay will be available for anyone unable to participate in the live call. To access the replay, call 1-855-859-2056 or 1-404-537-3406 and enter the replay passcode: 18697996. The recording will be available from July 30, 2013 at 8:00 a.m. PT / 11:00 a.m. ET through 8:59 p.m. PT / 11:59 p.m. ET on August 13, 2013. The conference call will also be broadcast live over the internet and will include a slide presentation. To access the live webcast and slide presentation, go to [www.seaspancorp.com](http://www.seaspancorp.com) and click on "News & Events" and then "Events & Presentations" for the link. The webcast and slides will be archived on the site for one year.

## **SEASPAN CORPORATION UNAUDITED CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2013 (IN THOUSANDS OF US DOLLARS)**

	<b>June 30, 2013</b>	<b>December 31, 2012</b>
Assets		
Current assets:		
Cash and cash equivalents	\$ 254,564	\$ 381,378
Short-term investments	81,696	36,100
Accounts receivable	11,470	9,573
Prepaid expenses	27,144	20,902

Gross investment in lease	19,235	15,977
	394,109	463,930
Vessels	4,728,264	4,785,968
Vessels under construction	174,650	77,305
Deferred charges	54,705	43,816
Gross investment in lease	69,323	79,821
Goodwill	75,321	75,321
Other assets	109,541	83,661
Fair value of financial instruments	52,143	41,031
	\$ 5,658,056	\$ 5,650,853
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 51,586	\$ 49,997
Current portion of deferred revenue	11,481	25,111
Current portion of long-term debt	150,612	66,656
Current portion of other long-term liabilities	38,927	38,542
	252,606	180,306
Deferred revenue	5,892	7,903
Long-term debt	2,942,746	3,024,288
Other long-term liabilities	592,804	613,049
Fair value of financial instruments	485,995	606,740
	4,280,043	4,432,286
Share capital	817	804
Treasury shares	(432)	(312)
Additional paid in capital	1,887,846	1,859,068
Deficit	(466,783)	(594,153)
Accumulated other comprehensive loss	(43,435)	(46,840)
Total shareholders' equity	1,378,013	1,218,567
	\$ 5,658,056	\$ 5,650,853

**SEASPAN CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013 AND 2012**  
**(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)**

**Three Months Ended  
June 30,**

**Six Months Ended  
June 30,**

	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Revenue	\$ 167,786	\$ 167,637	\$ 332,710	\$ 321,069
Operating expenses:				
Ship operating	37,344	31,515	74,890	66,065
Depreciation and amortization	42,840	42,284	85,593	80,215
General and administrative	11,833	6,671	19,624	12,521
Operating lease	1,097	—	2,183	—
Gain on vessel	—	(9,773)	—	(9,773)
	93,114	70,697	182,290	149,028
Operating earnings	74,672	96,940	150,420	172,041
Other expenses (income):				
Interest expense	15,275	19,157	30,759	36,132
Interest income	(600)	(321)	(787)	(629)
Undrawn credit facility fees	748	398	1,145	1,203
Amortization of deferred charges	2,266	2,205	4,376	3,766
Change in fair value of financial instruments	(71,193)	82,084	(68,527)	86,760
Equity loss on investment	35	—	69	134
Other expenses	987	166	625	166
	(52,482)	103,689	(32,340)	127,532
<b>Net earnings (loss)</b>	<b>\$ 127,154</b>	<b>\$ (6,749)</b>	<b>\$ 182,760</b>	<b>\$ 44,509</b>
Deficit, beginning of period	(563,770)	(591,415)	(594,153)	(622,406)
Dividends - common shares	(19,992)	(15,720)	(35,786)	(27,455)
Dividends - preferred shares	(9,857)	(8,312)	(18,976)	(16,625)
Amortization of Series C issuance costs	(318)	(258)	(628)	(477)
Deficit, end of period	\$ (466,783)	\$ (622,454)	\$ (466,783)	\$ (622,454)
Weighted average number of shares, basic	64,487	62,608	64,129	63,153
Weighted average number of shares, diluted	86,703	62,608	86,350	64,466

Earnings (loss) per share,

basic	\$ 1.67	\$ (0.38)	\$ 2.24	\$ 0.17
Earnings (loss) per share, diluted	\$ 1.35	\$ (0.38)	\$ 1.88	\$ 0.17

**SEASpan CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013 AND 2012**  
**(IN THOUSANDS OF US DOLLARS)**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Net earnings (loss)</b>	<b>\$ 127,154</b>	<b>\$ (6,749)</b>	<b>\$ 182,760</b>	<b>\$ 44,509</b>
Other comprehensive income:				
Amounts reclassified to earnings (loss) during the period, relating to cash flow hedging instruments	1,603	2,412	3,405	5,120
<b>Comprehensive income (loss)</b>	<b>\$ 128,757</b>	<b>\$ (4,337)</b>	<b>\$ 186,165</b>	<b>\$ 49,629</b>

**SEASpan CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013 AND 2012**  
**(IN THOUSANDS OF US DOLLARS)**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Cash from (used in):				
Operating activities:				
Net earnings (loss)	\$ 127,154	\$ (6,749)	\$ 182,760	\$ 44,509
Items not involving cash:				
Depreciation and amortization	42,840	42,284	85,593	80,215
Share-based				

compensation	6,630	1,943	9,441	2,529
Amortization of deferred charges	2,266	2,205	4,376	3,766
Amounts reclassified from other comprehensive loss to interest expense	1,384	2,194	2,963	4,736
Unrealized change in fair value of financial instruments	(102,988)	51,354	(131,857)	25,571
Equity loss on investment	35	-	69	134
Gain on vessel	-	(9,773)	-	(9,773)
Changes in assets and liabilities	24,240	8,737	(17,501)	(9,733)
Cash from operating activities	101,561	92,195	135,844	141,954
Financing activities:				
Draws on credit facilities	-	69,997	9,000	115,487
Repayment of credit facilities	(12,219)	(2,760)	(33,226)	(12,802)
Repayment of other long-term liabilities	(9,787)	(8,335)	(19,860)	(32,984)
Shares repurchased, including related expenses	-	(329)	-	(170,938)
Financing fees	(2,903)	198	(14,780)	182
Dividends on common shares	(11,266)	(14,811)	(20,438)	(22,178)
Dividends on preferred shares	(9,857)	(8,312)	(18,976)	(16,625)
Cash from (used in) financing activities	(46,032)	35,648	(98,280)	(139,858)
Investing activities:				
Expenditures for vessels	(33,065)	(77,640)	(92,294)	(164,275)
Short-term investments	(15,323)	141	(45,596)	(10,073)
Cash acquired on acquisition of Manager	-	-	-	23,910
Other assets	(24,595)	(6,511)	(23,477)	530
Restricted cash	(500)	2,100	(1,900)	(3,900)
Investment in affiliate	-	-	(1,111)	-
Cash used in investing activities	(73,483)	(81,910)	(164,378)	(153,808)
Increase (decrease) in cash and cash equivalents	(17,954)	45,933	(126,814)	(151,712)
Cash and cash equivalents, beginning of period	272,518)	283,478	381,378	481,123
Cash and cash equivalents, end	\$ 254,564)	\$ 329,411	\$ 254,564	\$ 329,411

of period

**SEASPAN CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013 AND 2012**  
**(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, non-cash share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, organizational development costs, amounts paid for dry-docking, cash dividends paid on preferred shares, gain on vessels, 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>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Net earnings (loss)	\$ 127,154	\$ (6,749)	\$ 182,760	\$ 44,509
Add:				
Depreciation and amortization	42,840	42,284	85,593	80,215
Interest expense	15,275	19,157	30,759	36,132
Amortization of deferred charges	2,266	2,205	4,376	3,766
Share-based compensation	6,630	1,943	9,441	2,529
Change in fair value of financial instruments	(71,193)	82,084	(68,527)	86,760
Bareboat charter adjustment, net(1)	2,465	2,324	4,860	4,621
Organizational development costs(2)	-	331	-	962
Less:				
Amounts paid for dry-	(2,610)	(1,814)	(5,095)	(3,760)

docking				
Series C preferred share dividends paid and accumulated(3)	(8,312)	(8,312)	(16,625)	(16,625)
Series D preferred share dividends paid and accumulated(3)	(1,545)	-	(2,351)	-
Gain on vessel(4)	-	(9,773)	-	(9,773)
Net cash flows before interest payments	112,970	123,680	225,191	229,336
Less:				
Interest expense at the hedged rate(5)	(45,734)	(47,271)	(91,140)	(87,583)
<b>Cash available for distribution to common shareholders</b>	<b>\$ 67,236</b>	<b>\$ 76,409</b>	<b>\$ 134,051</b>	<b>\$ 141,753</b>

**SEASPAN CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013 AND 2012**  
**(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, organizational development costs, gain on vessels 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 earnings per share, converted, is calculated as normalized net earnings, less dividends on Series C and Series D preferred shares, divided by the "converted" number of shares outstanding for the period. The Series A preferred shares automatically convert to Class A common shares at a price of \$15.00 per share at any time on or after January 31, 2014 if the trailing 30-day average trading price of the common shares is equal to or above \$15.00. If the share price is less than \$15.00, Seaspan can choose to not convert the preferred shares and to increase the annual increase in the liquidation preference to 15% per annum from 12%. The "converted" number of 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 is less than \$15.00 and the per share impact of the preferred shares 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 Seaspans performance required to be reported by GAAP.

**SEASPAN CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013 AND 2012**  
**(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)**

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

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Net earnings (loss)	\$ 127,154	\$ (6,749)	\$ 182,760	\$ 44,509
Adjust:				
Interest expense	15,275	19,157	30,759	36,132
Change in fair value of financial instruments	(71,193)	82,084	(68,527)	86,760
Interest expense at the hedged rate(5)	(45,734)	(47,271)	(91,140)	(87,583)
Organizational development costs(2)	-	331	-	962
Gain on vessel(4)	-	(9,773)	-	(9,773)
<b>Normalized net earnings</b>	<b>\$ 25,502</b>	<b>\$ 37,779</b>	<b>\$ 53,852</b>	<b>\$ 71,007</b>
<b>Less: preferred share dividends</b>				
Series A	9,423	8,371	18,473	16,499
Series C (including amortization of issuance costs)	8,631	8,569	17,251	17,102
Series D	1,545	-	3,088	-
	<b>19,599</b>	<b>16,940</b>	<b>38,812</b>	<b>33,601</b>
<b>Normalized net earnings attributable to common shareholders</b>	<b>\$ 5,903</b>	<b>\$ 20,839</b>	<b>\$ 15,040</b>	<b>\$ 37,406</b>
<b>Weighted average number of shares used to compute earnings per share</b>				
<b>Reported and normalized, basic</b>	<b>64,487</b>	<b>62,608</b>	<b>64,129</b>	<b>63,153</b>
Share-based compensation	399	210	382	204
Contingent consideration	508	703	743	605



Shares held in escrow	-	586	95	504
Series A preferred shares liquidation preference converted at \$15	21,309	18,933	21,001	18,658
<b>Reported, diluted(6)</b>	<b>86,703</b>	<b>83,040</b>	<b>86,350</b>	<b>83,124</b>
Series A preferred shares 115% premium (30-day trailing average)	—	—	—	—
<b>Normalized, converted</b>	<b>86,703</b>	<b>83,040</b>	<b>86,350</b>	<b>83,124</b>
<b>Earnings (loss) per share:</b>				
<b>Reported, basic</b>	<b>\$ 1.67</b>	<b>\$ (0.38)</b>	<b>\$ 2.24</b>	<b>\$ 0.17</b>
<b>Reported, diluted</b>	<b>\$ 1.35</b>	<b>\$ (0.38)</b>	<b>\$ 1.88</b>	<b>\$ 0.17</b>
<b>Normalized, converted - preferred shares converted at \$15(7)</b>	<b>\$ 0.18</b>	<b>\$ 0.35</b>	<b>\$ 0.39</b>	<b>\$ 0.65</b>

**SEASPAN CORPORATION  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2013 AND 2012  
(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, bareboat charter adjustment, organizational development costs, gain on vessels, 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. 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>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Net earnings (loss)	\$ 127,154	\$ (6,749)	\$ 182,760	\$ 44,509
Add:				

Interest expense	15,275	19,157	30,759	36,132
Interest income	(600)	(321)	(787)	(629)
Undrawn credit facility fees	748	398	1,145	1,203
Depreciation and amortization	42,840	42,284	85,593	80,215
Amortization of deferred charges	2,266	2,205	4,376	3,766
Bareboat charter adjustment, net(1)	2,465	2,324	4,860	4,621
Organizational development costs(2)	-	331	-	962
Gain on vessel(4)	-	(9,773)	-	(9,773)
Change in fair value of financial instruments	(71,193)	82,084	(68,527)	86,760
<b>Adjusted EBITDA</b>	<b>\$ 118,955</b>	<b>\$ 131,940</b>	<b>\$ 240,179</b>	<b>\$ 247,766</b>

(1) 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 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.

(2) Organizational development costs include professional fees and integration costs related to the acquisition of the Manager.

(3) Dividends related to the Series C and Series D preferred shares have been deducted as they reduce cash available for distribution to common shareholders.

(4) Gains or losses on disposal of vessels are excluded from the calculation. The gain on vessel results from the sale of the Madinah to a U.S. bank on June 27, 2012.

(5) 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 credit facilities and variable rate leases, on an accrual basis. Interest expense on fixed rate leases is calculated on the effective interest rate.

(6) If the effect of Series A preferred shares is anti-dilutive, their effect is excluded from the computation of reported diluted earnings per share.

(7) Normalized earnings per share, converted, decreased for the three and six months ended June 30, 2013 as detailed in the table below:

	<b>Three Months Ended, June 30</b>	<b>Six Months Ended, June 30</b>
<b>Normalized earnings per share, converted- preferred shares converted at \$15, June 30, 2012</b>	<b>\$ 0.35</b>	<b>\$ 0.65</b>
Excluding share count changes:		
Decrease in normalized net earnings(1)	(0.14)	(0.20)
Decrease from impact of Series C and D preferred shares	(0.02)	(0.03)
Share count changes:		
Increase in converted share count (from 83,040 to 86,703 and from 83,124 to 86,350 for the three and six months ended, respectively)	(0.01)	(0.03)
<b>Normalized earnings per share, converted- preferred shares converted at \$15, June 30, 2013</b>	<b>\$ 0.18</b>	<b>\$ 0.39</b>

(1) The decreases in normalized net earnings are primarily due to the increases in ship operating expenses of \$5.8 million and \$8.8 million and general and administrative expenses of \$5.2 million and \$7.1 million for the three and six months ended June 30, 2013. Please read "Results for the Three and Six Months Ended June 30, 2013" for a description of the increases in ship operating expenses and general and administrative expenses.

#### STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release contains certain forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended), which reflect management's current views with respect to certain future events and performance, including, in particular, statements regarding: future operating or financial results; expansion of Seaspan's business; future time charters, including the obtaining of charters for the vessels recently ordered by Seaspan; future dividends; the effects of grants of stock appreciation rights on Seaspan's general and administrative expenses; vessel deliveries; vessel financing arrangements; and Seaspan's capital requirements. 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; the amounts of any payments to the former owners of our Manager related to fleet growth; the timing of recognition of compensation expenses related to stock appreciation rights; general market conditions and shipping market trends, including chartering rates; conditions in the containership market; increased operating expenses; the number of off-hire days; dry-docking requirements; availability of crew; insurance costs; 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, including charters for the vessels recently ordered by Seaspan; Seaspan's ability to leverage to its advantage its relationships and reputation in the containership industry; 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; taxation of Seaspan and of distributions to its shareholders; potential liability from future litigation; the potential for early termination of long-term contracts and Seaspan's potential inability to 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 Report on Form 20-F for the year ended December 31, 2012. Seaspan expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in Seaspan's views or expectations, or otherwise.

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