# SEASPAN REPORTS FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2015

**Achieves 12% Revenue Growth; Increases Dividend 9% Over Previous Quarter; Orders Seven Additional Vessels**

**HONG KONG, CHINA - April 27, 2015 /CNW/ -** Seaspan Corporation ("Seaspan") (NYSE:SSW) announced today its financial results for the quarter ended March 31, 2015. Below is a summary of Seaspan's key financial results:

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

| | **Quarter Ended March 31,** | | **Change** | |
|---|---|---|---|---|
| | **2015** | **2014** | **$** | **%** |
| Reported net earnings | $ 21,333 | $ 18,028 | $ 3,305 | 18.3% |
| Normalized net earnings(1) | $ 38,356 | $ 28,792 | $ 9,564 | 33.2% |
| Earnings per share, basic and diluted | $ 0.08 | $ 0.03 | $ 0.05 | 166.7% |
| Normalized earnings per share, converted(1) (Series A preferred shares converted at $15) | $ 0.25 | $ 0.18 | $ 0.07 | 38.9% |
| Cash available for distribution to common shareholders(2) | $ 75,805 | $ 67,908 | $ 7,897 | 11.6% |
| Adjusted EBITDA(3) | $ 135,998 | $ 123,815 | $ 12,183 | 9.8% |

(1) Normalized net earnings and normalized earnings per share are non-GAAP measures that are adjusted for items such as interest expense, change in fair value of financial instruments, interest expense at the hedged rate, refinancing expenses and certain other items that Seaspan believes are not representative of its operating performance. For the quarter ended March 31, 2014, normalized earnings per share, converted, reflects normalized earnings per share on a pro-forma basis on the assumption that Seaspan's outstanding Series A preferred shares are converted at $15.00 per share. Please read "Reconciliation of Non-GAAP Financial Measures for the Quarters Ended March 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, share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, amounts paid for dry-dock reserve, 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 Quarters Ended March 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 before interest expense and other debt-related expenses, income tax expense, interest income, depreciation and amortization, amortization of deferred charges, refinancing expenses, share-based compensation, bareboat charter adjustment, change in fair value of financial instruments and certain other items that Seaspan believes are not representative of its operating performance. Please read "Reconciliation of Non-GAAP Financial Measures for the Quarters Ended March 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 98.9% for the quarter ended March 31, 2015, or 99.0% if the impact of off-charter days is excluded.

- Accepted delivery of one vessel during the first quarter, bringing Seaspan's operating fleet to a total of 78 vessels at March 31, 2015.

- Paid $13.4 million of regular quarterly dividends to preferred shareholders of record as of January 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 2014 fourth quarter of $0.345 per Class A common share to all shareholders of record as of January 22, 2015.

- In February 2015, Seaspan's board of directors approved an 8.7% increase in the quarterly Class A common share dividend to $0.375 per share. This $0.03 per share dividend increase represents the sixth common share dividend increase since March 31, 2010 for an aggregate increase of 275.0%.

- Raised a total of approximately $887.7 million through bank financing transactions in 2015.

Gerry Wang, Chief Executive Officer, Co-Chairman and Co-Founder of Seaspan, commented, "During the first quarter, our growing fleet enabled the Company to increase revenue and generate strong and stable cash flow. Subsequently, we took delivery of our first two 14000 TEU SAVER design containerships and commenced an important commercial relationship with Yang Ming, both important milestones for our company. In April, we also entered into transactions for seven newbuildings, five of which are on long-term charter agreements. These transactions increase our owned and managed fleet to 118 vessels. With a strong and flexible capital structure, we remain well positioned to capitalize on growth opportunities, as we continue to provide leading liner companies with large, efficient containerships."

Mr. Wang added, "Complementing our growth strategy, we continue to take advantage of our stable business model to return capital to shareholders. We are pleased to have declared a $0.375 per share common dividend for the first quarter, representing a 9% increase over the fourth quarter 2014 dividend and a 275% increase since March 2010."

## First Quarter Developments

*Vessel Delivery*

On March 31, 2015, Seaspan accepted delivery of one 10000 TEU containership, the MOL Beacon, expanding its operating fleet to 78 vessels. The MOL Beacon was constructed at Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. ("Jiangsu Xinfu") using Seaspan's fuel-efficient SAVER design and commenced an eight-year, fixed-rate time charter with Mitsui O.S.K. Lines Ltd. ("MOL") on April 10, 2015.

*Financings*

On March 11, 2015, Seaspan entered into financing arrangements with Asian special purpose companies, to re-finance three 4500 TEU containerships for total proceeds of $150.0 million.

On March 24, 2015, Seaspan entered into a term loan facility for up to $115.2 million to finance one 14000 TEU containership. The loan bears interest at LIBOR plus a margin. At March 31, 2015, this facility was fully drawn.

In 2014, Seaspan entered into lease financing agreements with special purpose companies (the "SPCs") for a total of four 10000 TEU newbuilding vessels that are chartered to MOL. The lease financing arrangements provided gross financing proceeds of $110.0 million per vessel upon delivery of each vessel, or $440.0 million in total. Under the lease financing arrangements, Seaspan sold the vessels to the SPCs and leased the vessels back from the SPCs over an initial term of 8.5 years, with an option to purchase the vessels at the end of the lease term for a pre-determined fair value purchase price. If the purchase option is not exercised, the lease term will be automatically extended for an additional two years. These lease financing arrangements provide financing at market rates. In 2014, three of these vessels were delivered and financed. On March 31, 2015, Seaspan financed the purchase of the fourth vessel, the MOL Beacon, and received gross proceeds of $110.0 million.

## Subsequent Events

*Vessel Deliveries*

Seaspan accepted delivery of two 14000 TEU containerships, the YM Wish and YM Wellhead, on April 1 and April 17, 2015, respectively, expanding Seaspan's operating fleet to 80 vessels. These two vessels were the first 14000 TEU containerships constructed at Hyundai Heavy Industries Co., Ltd. using Seaspan's fuel-efficient SAVER design and each commenced a 10 year, fixed-rate time charter with Yang Ming Marine Transport Corp. on April 7 and April 22, 2015, respectively.

*Dividends*

On April 13, 2015, Seaspan declared the following quarterly cash dividends on its common and preferred shares, for a total distribution of $50.2 million:

| **Security** | **Ticker** | **Dividend per Share** | **Period** | **Record Date** | **Payment Date** |
|---|---|---|---|---|---|
| Class A common shares | SSW | $0.375 | January 1, 2015 to March 31, 2015 | April 20, 2015 | April 30, 2015 |
| Series C preferred shares | SSW PR C | $0.59375 | January 30, 2015 to April 29, 2015 | April 29, 2015 | April 30, 2015 |
| Series D preferred shares | SSW PR D | $0.496875 | January 30, 2015 to April 29, 2015 | April 29, 2015 | April 30, 2015 |
| Series E preferred shares | SSW PR E | $0.515625 | January 30, 2015 to April 29, 2015 | April 29, 2015 | April 30, 2015 |

*Financings*

On April 10, 2015, Seaspan entered into a term loan facility for up to $195.0 million to finance two of its 14000 TEU containerships. The loan bears interest at LIBOR plus a margin.

On April 22, 2015, Seaspan entered into a 364-day unsecured, revolving loan facility with various banks for up to $200.0 million to be used to fund vessels under construction and for general corporate purposes. The facility bears interest at LIBOR plus a margin.

On April 24, 2015, Seaspan entered into a term loan facility for up to $227.5 million to finance one of its 14000 TEU newbuilding containerships and two of its 10000 TEU newbuilding containerships. The facility bears interest at LIBOR plus a margin.

*Newbuilding Containership Orders*

On April 13, 2014, Seaspan entered into contracts with HHIC-PHIL INC. for the construction of five 11000 TEU newbuilding containerships for an aggregate purchase price of approximately $467.5 million. These five vessels are scheduled for delivery throughout 2017 and each vessel is on a 17-year charter with a leading operator, at the conclusion of which the operator will purchase each vessel at a pre-determined amount. Pursuant to its right of first refusal agreement with Greater China Intermodal Investments LLC, ("GCI"), Seaspan retained three of the 11000 TEU newbuilding containerships and GCI acquired the remaining two vessels.

On April 27, 2015, Seaspan entered into contracts with Jiangsu Xinfu and Jiangsu New Yangzi

Shipbuilding Co., Ltd. for the construction of two 10000 TEU newbuilding containerships for an aggregate purchase price of approximately $186.0 million. These vessels are scheduled for delivery in 2017 and will be constructed using Seaspan's fuel-efficient SAVER design. These vessels remain subject to allocation pursuant to Seaspan's right of first refusal agreement with GCI.

**Results for the Quarter Ended March 31, 2015**

At the beginning of 2015, Seaspan had 77 vessels in operation. Seaspan accepted delivery of one newbuilding vessel during the quarter ended March 31, 2015, bringing its operating fleet to a total of 78 vessels at March 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 March 31,** | | **Increase** | |
|---|---|---|---|---|
| | **2015** | **2014** | **Days** | **%** |
| Operating days | 6,500 | 5,969 | 531 | 8.9% |
| Ownership days | 6,570 | 6,037 | 533 | 8.8% |

The following table summarizes Seaspan's vessel utilization for the quarters ended March 31, 2015 and 2014:

| | **First Quarter** | |
|---|---|---|
| **Vessel Utilization:** | **2015** | **2014** |
| Ownership Days | 6,570 | 6,037 |
| Less Off-hire Days: | | |
| Scheduled 5-Year Survey | (49) | (10) |
| Unscheduled Off-hire(1) | (21) | (58) |
| **Operating Days** | **6,500** | **5,969** |
| **Vessel Utilization** | **98.9 %** | **98.9 %** |

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

The following table summarizes Seaspan's consolidated financial results for the quarters ended March 31, 2015 and 2014:

| **Financial Summary (in millions of US dollars)** | **Quarter Ended March 31,** | | **Change** | |
|---|---|---|---|---|
| | **2015** | **2014** | **$** | **%** |
| Revenue | $ 188.5 | $ 168.0 | $ 20.6 | 12.2 % |
| Ship operating expense | 44.6 | 41.3 | 3.3 | 8.1 % |
| Depreciation and amortization expense | 46.6 | 43.7 | 2.9 | 6.6 % |
| General and administrative expense | 6.8 | 8.0 | (1.2) | (15.5 %) |
| Operating lease expense | 6.2 | 1.1 | 5.0 | 457.8 % |

| | | | | | |
|---|---|---|---|---|---|
| Interest expense | 21.9 | 17.6 | 4.3 | 24.5 | % |
| Refinancing expenses | 1.2 | — | 1.2 | 100 | % |
| Change in fair value of financial instruments | 39.3 | 36.3 | 3.0 | 8.2 | % |

*Revenue*

Revenue increased by 12.2% to $188.5 million for the quarter ended March 31, 2015, over the same period in 2014. The increase was primarily due to the delivery of six 10000 TEU vessels in 2014, partially offset by an increase in scheduled off-hire.

The increase in operating days and the related financial impact thereof for the quarter ended March 31, 2015 relative to the same period in 2014, is attributable to the following:

| | **Quarter Ended March 31, 2015** | |
|---|---|---|
| | **Operating Days Impact** | **$ Impact (in millions)** |
| Full period contribution for 2014 vessel deliveries | 533 | $ 21.5 |
| Change in daily charter hire rate and re-charters | - | 0.1 |
| Scheduled off-hire | (39) | (0.7) |
| Unscheduled off-hire | 37 | - |
| Other | - | (0.3) |
| **Total** | **531** | **$ 20.6** |

Vessel utilization for the quarter ended March 31, 2015 was consistent at 98.9% with the same period in 2014 because the 37-day decrease in unscheduled off-hire was offset by a 39-day increase in scheduled off-hire. In the first quarter of 2015, there were 21 days of unscheduled off-hire, which included three off-charter days, compared to 58 days of unscheduled off-hire, which included 51 off-charter days, in the same period of 2014. During the first quarter of 2015, Seaspan completed four scheduled dry-dockings that resulted in 49 days of scheduled off-hire, compared to one scheduled dry-docking that resulted in 10 days of scheduled off-hire in the same period of 2014.

Seaspan completed dry-dockings for the following four vessels during the quarter ended March 31, 2015:

| **Vessel** |
|---|
| CSCL Vancouver |
| CSCL Sydney |
| Seaspan Lebu(1) |
| Guayaquil Bridge |

(1) Previously, the CSAV Lebu.

During the remainder of 2015, Seaspan expects 17 vessels to undergo their scheduled dry-docking.

Seaspan's cumulative vessel utilization since its initial public offering in August 2005 through March 31, 2015 was approximately 99.0% or 99.3% if the impact of off-charter days is excluded.

*Ship Operating Expense*

Ship operating expense increased by 8.1% to $44.6 million for the quarter ended March 31, 2015, compared to the same period in 2014.

The increase in ship operating expense was primarily due to an 8.8% increase in ownership days for the quarter ended March 31, 2015, due to the delivery of six 10000 TEU vessels in 2014. Seaspan expects ship operating expense to increase as its fleet expands and ages and as the average size of its vessels increases.

*Depreciation and Amortization Expense*

Depreciation and amortization expense increased by 6.6% to $46.6 million for the quarter ended March 31, 2015, compared to the same period in 2014, primarily due to the increase in the size of the fleet from the vessels delivered in 2014.

*General and Administrative Expense*

General and administrative expense decreased by 15.5% to $6.8 million for the quarter ended March 31, 2015, compared to the same period in 2014. The decrease was primarily due to a reduction in non-cash stock-based compensation expense of $1.6 million, which related to certain grants of share appreciation rights that were fully expensed by December 31, 2014.

*Operating Lease Expense*

Operating lease expense increased to $6.2 million for the quarter ended March 31, 2015 from $1.1 million, compared to the same period in 2014. The increase was due to the purchase of four 10000 TEU vessels that were financed through new lease financing arrangements. Under these lease financing arrangements, Seaspan sold the vessels to the SPCs and is leasing the vessels back over an initial term of approximately 8.5 years, with an option to purchase the vessels at the end of the lease term for a pre-determined fair value purchase price. If the purchase option is not exercised, the lease term will be automatically extended for an additional two years. The sale of these four vessels resulted in a deferred gain of $77.9 million that is being recorded as a reduction of operating lease expense over 10.5 years, representing the initial lease term of 8.5 years plus the two year extension.

*Interest Expense*

The following table summarizes Seaspan's borrowings:

| **(in millions of US dollars)** | **March 31,** | | **Change** | | |
|---|---|---|---|---|---|
| | **2015** | **2014** | **$** | **%** | |
| Long-term debt | $ 3,392.8 | $ 3,016.0 | $ 376.8 | 12.5 | % |
| Other long-term liabilities, excluding deferred gains | 360.4 | 601.4 | (241.0) | (40.1) | % |
| Total borrowings | 3,753.2 | 3,617.4 | 135.8 | 3.8 | % |

| | | | | | |
|---|---|---|---|---|---|
| Less: Vessels under construction | (335.9) | (359.1) | 23.2 | 6.5 | % |
| Operating borrowings | $ 3,417.3 | $ 3,258.3 | $ 159.0 | 4.9 | % |

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 $4.3 million in the first quarter of 2015, compared to the same period in 2014, primarily due to an increase in operating borrowings and the cost of borrowings. The increase in operating borrowings primarily relates to the vessels delivered in 2014. The increase in the cost of borrowings was primarily due to Seaspan's fixed rate senior unsecured notes that were issued in April 2014, which have a higher interest rate than Seaspan's other borrowings. These increases were partially offset by the repayment of a fixed-rate term loan in the second quarter of 2014 with a higher interest rate relative to Seaspan's other borrowings and the termination of the lease financing structure related to the 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*

Refinancing expenses increased by $1.2 million for the quarter ended March 31, 2015, compared to the same period in 2014 due to the termination of a financing arrangement resulting in a write-off of the related deferred financing fees.

*Change in Fair Value of Financial Instruments*

The change in fair value of financial instruments resulted in a loss of $39.3 million for the quarter ended March 31, 2015, compared to a loss of $36.3 million for the same period in 2014. The change in fair value for each of the quarters ended March 31, 2015 and 2014, was primarily due to decreases in the forward LIBOR curve and the passage of time. In addition, in the first quarter of 2014 there was an early termination of one of Seaspan's swaps in connection with the refinancing of its $1.0 billion credit facility that resulted in a loss of $4.5 million.

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

**About Seaspan**

Seaspan provides many of the world's major shipping lines with creative outsourcing alternatives to vessel ownership by offering long-term leases on large, modern containerships combined with industry-leading ship management services. Seaspan's managed fleet consists of 118 containerships representing a total capacity of over 935,000 TEU, including 30 newbuilding containerships on order scheduled for delivery to Seaspan and third parties by the end of 2017. Seaspan's current operating fleet of 80 vessels has an average age of approximately seven years and an average remaining lease period of approximately five years.

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

| Symbol: | Description: |
|---|---|
| SSW | Class A common shares |
| SSW PR C | Series C preferred shares |
| SSW PR D | Series D preferred shares |
| SSW PR E | Series E preferred shares |
| SSWN | 6.375% senior unsecured notes due 2019 |

**Conference Call and Webcast**

Seaspan will host a conference call and webcast presentation for investors and analysts to discuss its results for the quarter ended March 31, 2015 on April 28, 2015 at 6:30 a.m. PT / 9:30 a.m. ET. Participants should call 1-877-246-9875 (US/Canada) or 1-707-287-9353 (International) and request the Seaspan call. A telephonic replay will be available for anyone unable to participate in the live call. To access the replay, call 1-855-859-2056 or 1-404-537-3406 and enter the replay passcode: 29592451. The recording will be available from April 28, 2015 at 9:30 a.m. PT / 12:30 p.m. ET through 8:59 p.m. PT / 11:59 p.m. ET on May 12, 2015. The conference call will also be broadcast live over the Internet and will include a slide presentation. To access the live webcast of the conference call, go to www.seaspancorp.com and click on "News & Events" then "Events & Presentations" for the link. The webcast will be archived on the site for one year.

**SEASPAN CORPORATION**
**UNAUDITED CONSOLIDATED BALANCE SHEET**
**AS OF MARCH 31, 2015**
**(IN THOUSANDS OF US DOLLARS)**

| | **March 31, 2015** | **December 31, 2014** |
|---|---|---|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | $ 343,361 | $ 201,755 |
| Short-term investments | 2,988 | 1,212 |
| Accounts receivable | 31,041 | 23,742 |
| Loans to affiliate | 240,643 | 237,908 |
| Prepaid expenses | 38,188 | 31,139 |
| Gross investment in lease | 21,228 | 21,170 |
| | 677,449 | 516,926 |

| | | | | |
|---|---|---|---|---|
| Vessels | | 4,772,249 | | 4,813,721 |
| Vessels under construction | | 335,918 | | 282,002 |
| Deferred charges | | 66,825 | | 64,655 |
| Gross investment in lease | | 32,505 | | 37,783 |
| Goodwill | | 75,321 | | 75,321 |
| Other assets | | 70,478 | | 67,308 |
| Fair value of financial instruments | | 33,239 | | 37,677 |
| | $ | 6,063,984 | $ | 5,895,393 |
| Liabilities and Shareholders' Equity | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | $ | 68,557 | $ | 65,208 |
| Current portion of deferred revenue | | 18,343 | | 27,671 |
| Current portion of long-term debt | | 307,152 | | 298,010 |
| Current portion of other long-term liabilities | | 29,275 | | 18,543 |
| Fair value of financial instruments | | 6,092 | | 7,505 |
| | | 429,419 | | 416,937 |
| | | | | |
| Deferred revenue | | 6,510 | | 7,343 |
| Long-term debt | | 3,085,603 | | 3,084,409 |
| Other long-term liabilities | | 406,191 | | 253,542 |
| Fair value of financial instruments | | 396,650 | | 387,938 |
| | | 4,324,373 | | 4,150,169 |
| | | | | |
| Shareholders' equity: | | | | |
| Share capital | | 1,220 | | 1,209 |
| Treasury shares | | (356) | | (379) |
| Additional paid in capital | | 2,257,928 | | 2,238,872 |
| Deficit | | (484,954) | | (459,161) |
| Accumulated other comprehensive loss | | (34,227) | | (35,317) |
| | | 1,739,611 | | 1,745,224 |
| | $ | 6,063,984 | $ | 5,895,393 |

**SEASPAN CORPORATION**

**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT FOR THE QUARTERS ENDED MARCH 31, 2015 AND 2014**

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

| | Quarter Ended March 31, | | | |
|---|---|---|---|---|
| | **2015** | | **2014** | |
| Revenue | $ | 188,547 | $ | 167,983 |

| | | | | |
|---|---|---|---|---|
| Operating expenses: | | | | |
| Ship operating | | 44,577 | | 41,252 |
| Depreciation and amortization | | 46,599 | | 43,732 |
| General and administrative | | 6,799 | | 8,043 |
| Operating leases | | 6,152 | | 1,103 |
| | | 104,127 | | 94,130 |
| Operating earnings | | 84,420 | | 73,853 |
| Other expenses (income): | | | | |
| Interest expense | | 21,869 | | 17,561 |
| Interest income | | (3,413) | | (1,106) |
| Undrawn credit facility fees | | 857 | | 566 |
| Amortization of deferred charges | | 3,101 | | 2,003 |
| Refinancing expenses | | 1,152 | | — |
| Change in fair value of financial instruments | | 39,335 | | 36,343 |
| Equity (income) loss on investment | | (249) | | 232 |
| Other expenses | | 435 | | 226 |
| | | 63,087 | | 55,825 |
| **Net earnings** | **$** | **21,333** | **$** | **18,028** |
| Deficit, beginning of period | | (459,161) | | (411,792) |
| Dividends - common shares | | (33,377) | | (28,993) |
| Dividends - preferred shares | | (13,435) | | (10,540) |
| Amortization of Series C issuance costs | | (314) | | (279) |
| Deficit, end of period | $ | (484,954) | $ | (433,576) |
| Weighted average number of shares, basic | | 97,988 | | 85,844 |
| Weighted average number of shares, diluted | | 98,036 | | 86,409 |
| Earnings per share, basic and diluted | $ | 0.08 | $ | 0.03 |

**SEASPAN CORPORATION**
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**FOR THE QUARTERS ENDED MARCH 31, 2015 AND 2014**
**(IN THOUSANDS OF US DOLLARS)**

| | Quarter Ended March 31, | |
|---|---|---|
| | **2015** | **2014** |

| | | |
|---|---|---|
| **Net earnings** | **$ 21,333** | **$ 18,028** |
| Other comprehensive income: | | |
| Amounts reclassified to net earnings during the period relating to cash flow hedging instruments | 1,090 | 1,405 |
| **Comprehensive income** | **$ 22,423** | **$ 19,433** |

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

| | **Quarter Ended March 31,** | |
|---|---|---|
| | **2015** | **2014** |
| Cash from (used in): | | |
| Operating activities: | | |
| Net earnings | $ 21,333 | $ 18,028 |
| Items not involving cash: | | |
| Depreciation and amortization | 46,599 | 43,732 |
| Share-based compensation | 912 | 2,303 |
| Amortization of deferred charges | 3,101 | 2,003 |
| Amounts reclassified from other comprehensive loss to interest expense | 872 | 1,192 |
| Unrealized change in fair value of financial instruments | 11,736 | 2,921 |
| Equity (income) loss on investment | (249) | 232 |
| Refinancing expenses | 1,152 | — |
| Operating leases | (1,386) | — |
| Other | 2,561 | 266 |
| Changes in assets and liabilities | (22,262) | 4,383 |
| Cash from operating activities | 64,369 | 75,060 |
| | | |
| Financing activities: | | |
| Preferred shares issued, net of issuance costs | — | 130,401 |
| Draws on credit facilities | 37,575 | 340,000 |
| Repayment of credit facilities | (104,864) | (627,637) |
| Draws on other long-term liabilities | 150,000 | — |
| Repayment of other long-term liabilities | (4,045) | (10,244) |
| Financing fees | (3,290) | (525) |
| Dividends on common shares | (16,311) | (14,318) |
| Dividends on preferred shares | (13,435) | (10,540) |
| Proceeds from sale-leaseback of vessel | 110,000 | — |

| | | |
|---|---|---|
| Cash from (used in) financing activities | 155,630 | (192,863) |
| | | |
| Investing activities: | | |
| Expenditures for vessels | (70,131) | (79,581) |
| Short-term investments | (1,776) | 9,923 |
| Other assets | (418) | (625) |
| Loans to affiliate | (23,901) | (944) |
| Repayment from loans to affiliate | 17,833 | — |
| Cash used in investing activities | (78,393) | (71,227) |
| | | |
| Increase (decrease) in cash and cash equivalents | 141,606 | (189,030) |
| Cash and cash equivalents, beginning of period | 201,755 | 476,380 |
| Cash and cash equivalents, end of period | $ 343,361 | $ 287,350 |

**SEASPAN CORPORATION**
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**
**FOR THE QUARTERS ENDED MARCH 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, share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, amounts paid for dry-dock reserve, cash dividends paid on preferred shares, interest expense at the hedged rate and certain other items that Seaspan believes are not representative of its operating performance.

Cash available for distribution to common shareholders is a non-GAAP measure used to assist in evaluating Seaspan's ability to make quarterly cash dividends before reserves for replacement capital expenditures. Cash available for distribution to common shareholders is not defined by United States generally accepted accounting principles ("GAAP") and should not be considered as an alternative to net earnings or any other indicator of Seaspan's performance required to be reported by GAAP.

| | **Quarter Ended March 31,** | |
|---|---|---|
| | **2015** | **2014** |
| Net earnings | $ 21,333 | $ 18,028 |
| Add: | | |
| Depreciation and amortization | 46,599 | 43,732 |
| Interest expense | 21,869 | 17,561 |
| Amortization of deferred charges | 3,101 | 2,003 |
| Refinancing expenses (1) | 1,152 | — |

| | | |
|---|---|---|
| Share-based compensation | 912 | 2,303 |
| Change in fair value of financial instruments (2) | 39,147 | 36,542 |
| Bareboat charter adjustment, net (3) | 4,441 | 4,186 |
| Less: | | |
| Amounts paid for dry-dock reserve | (4,169) | (2,457) |
| Cash dividends paid on preferred shares: | | |
| Series C | (8,114) | (8,114) |
| Series D | (2,537) | (2,537) |
| Series E | (2,784) | — |
| Net cash flows before interest payments | 120,950 | 111,247 |
| Less: | | |
| Interest expense at the hedged rate(4) | (45,145) | (43,339) |
| **Cash available for distribution to common shareholders** | **$ 75,805** | **$ 67,908** |

**SEASPAN CORPORATION**
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**
**FOR THE QUARTERS ENDED MARCH 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, change in fair value of financial instruments, interest expense at the hedged rate, refinancing expenses and certain other items Seaspan believes affect the comparability of operating results. Normalized net earnings is a useful measure because it excludes those items that Seaspan believes are not representative of its operating performance.

Normalized net earnings is not defined by GAAP and should not be considered as an alternative to net earnings or any other indicator of Seaspan's performance required to be reported by GAAP.

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

Normalized net earnings and normalized earnings per share, converted, are not defined by GAAP and should not be considered as an alternative to net earnings, earnings per share or any other indicator of Seaspan's performance required to be reported by GAAP.

**SEASPAN CORPORATION**
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**
**FOR THE QUARTERS ENDED MARCH 31, 2015 AND 2014**
(**IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS** )

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

| | Quarter Ended March 31, | | | |
|---|---|---|---|---|
| | 2015 | | 2014 | |
| Net earnings | $ | 21,333 | $ | 18,028 |
| Adjust: | | | | |
| Interest expense | | 21,869 | | 17,561 |
| Change in fair value of financial instruments(2) | | 39,147 | | 36,542 |
| Refinancing expenses (1) | | 1,152 | | — |
| Interest expense at the hedged rate(4) | | (45,145) | | (43,339) |
| **Normalized net earnings** | **$** | **38,356** | **$** | **28,792** |
| **Less: preferred share dividends** | | | | |
| Series A | | — | | 3,395 |
| Series C (including amortization of issuance costs) | | 8,428 | | 8,393 |
| Series D | | 2,537 | | 2,426 |
| Series E | | 2,784 | | 1,423 |
| | | **13,749** | | **15,637** |
| **Normalized net earnings attributable to common shareholders** | **$** | **24,607** | **$** | **13,155** |
| **Weighted average number of shares used to compute earnings per share** | | | | |
| **Reported and normalized, basic** | | **97,988** | | **85,844** |
| Share-based compensation | | 48 | | 96 |
| Contingent consideration | | — | | 469 |
| Series A preferred shares liquidation preference converted at $15 | | — | | 7,604 |
| **Reported, diluted and normalized, converted** | | **98,036** | | **94,013** |
| **Earnings per share:** | | | | |
| **Reported, basic and diluted** | **$** | **0.08** | **$** | **0.03** |
| **Normalized, converted - preferred shares converted at $15(5)** | **$** | **0.25** | **$** | **0.18** |

**SEASPAN CORPORATION**

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**
**FOR THE QUARTERS ENDED MARCH 31, 2015 AND 2014**
**(IN THOUSANDS OF US DOLLARS )**

## C. Adjusted EBITDA

Adjusted EBITDA is defined as net earnings before interest expense and other debt-related expenses, income tax expense, interest income, depreciation and amortization, amortization of deferred charges, refinancing expenses, share-based compensation, bareboat charter adjustment, change in fair value of financial instruments and certain other items that Seaspan believes are not representative of its operating performance.

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

| | Quarter Ended March 31, | |
|---|---|---|
| | **2015** | **2014** |
| Net earnings | $ 21,333 | $ 18,028 |
| Add: | | |
| Interest expense | 21,869 | 17,561 |
| Interest income | (3,413) | (1,106) |
| Undrawn credit facility fees | 857 | 566 |
| Depreciation and amortization. | 46,599 | 43,732 |
| Amortization of deferred charges | 3,101 | 2,003 |
| Refinancing expenses(1) | 1,152 | — |
| Share-based compensation | 912 | 2,303 |
| Bareboat charter adjustment, net (3) | 4,441 | 4,186 |
| Change in fair value of financial instruments (2) | 39,147 | 36,542 |
| **Adjusted EBITDA** | **$ 135,998** | **$ 123,815** |

### Notes to Non-GAAP Financial Measures

(1) In March 2015, Seaspan terminated a financing arrangement. As a result, Seaspan wrote off $1.2 million in deferred financing fees in refinancing expenses.

(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) loss on investment.

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

(5) Normalized earnings per share, converted, increased for the quarter ended March 31, 2015 as detailed in the table below:

| | | Quarter Ended March 31, 2015 |
|---|---|---|
| **Normalized earnings per share, converted- preferred shares converted at $15, March 31, 2014** | **$** | **0.18** |
| Excluding share count changes: | | |
| Increase in normalized earnings(a) | | 0.10 |
| Decrease from impact of preferred shares | | (0.02) |
| Share count changes: | | |
| Increase in converted share count (from 94,013 shares to 98,036 shares) | | (0.01) |
| **Normalized earnings per share, converted- preferred shares converted at $15, March 31, 2015** | **$** | **0.25** |

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(a) The increases in normalized earnings are primarily due to increases in revenue of $20.6 million and increases in interest income of $2.3 million for the quarter ended March 31, 2015. These increases to normalized earnings were partially offset by increases in operating leases of $5.0 million, ship operating expenses of $3.3 million, depreciation and amortization expense of $2.9 million, and interest expense at the hedged rate of $1.8 million for the quarter ended March 31, 2015. Please read "Results for the Quarter Ended March 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; vessel deliveries and dividends, including dividends for 2015; the declaration of dividends and related payment dates by Seaspan's board of directors. Although these statements are based upon assumptions Seaspan believes to be reasonable, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to: the availability to Seaspan of containership acquisition 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 equity markets and the price of Seaspan's shares; 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.

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