



## SEASPACE REPORTS FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2012

**Announces 25% Increase to Common Share Quarterly Dividend Effective First Quarter 2013 to \$0.3125 Per Common Share**

**HONG KONG, CHINA - March 5, 2013 /CNW/ -** Seaspan Corporation ("Seaspan") (NYSE:SSW) announced today its financial results for the quarter and year ended December 31, 2012. Below is a summary of Seaspan's key financial results:

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

	<b>Quarter Ended December 31,</b>		<b>Change</b>	
	<b>2012</b>	<b>2011</b>	<b>\$</b>	<b>%</b>
Reported net earnings	\$ 58,983	\$ 23,517	\$ 35,466	150.8 %
Normalized net earnings(1)	\$ 32,078	\$ 35,453	\$ (3,375)	(9.5) %
Earnings per share, basic	\$ 0.66	\$ 0.13	\$ 0.53	407.7 %
Earnings per share, diluted	\$ 0.59	\$ 0.13	\$ 0.46	353.8 %
Normalized earnings per share, converted(1) (Series A preferred shares converted at \$15)	\$ 0.27	\$ 0.31	\$ (0.04)	(12.9) %
Cash available for distribution to common shareholders(2)	\$ 70,980	\$ 65,564	\$ 5,416	8.3 %
Adjusted EBITDA(3)	\$ 128,230	\$ 118,376	\$ 9,854	8.3 %

	<b>Year Ended December 31,</b>		<b>Change</b>	
	<b>2012</b>	<b>2011</b>	<b>\$</b>	<b>%</b>
Reported net earnings (loss)	\$ 121,305	\$ (83,400)	\$ 204,705	245.4 %
Normalized net earnings(1)	\$ 136,693	\$ 123,407	\$ 13,286	10.8 %
Earnings (loss) per share, basic	\$ 0.84	\$ (2.04)	\$ 2.88	141.2 %
Earnings (loss) per share, diluted	\$ 0.81	\$ (2.04)	\$ 2.85	139.7 %
Normalized earnings per share, converted(1) (Series A preferred shares converted at \$15)	\$ 1.22	\$ 1.08	\$ 0.14	13.0 %
Cash available for distribution to common shareholders(2)	\$ 282,544	\$ 233,926	\$ 48,618	20.8 %
Adjusted EBITDA(3)	\$ 505,039	\$ 416,406	\$ 88,633	21.3 %

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, organizational development costs, losses (gains) 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

- (1) basis on the assumption that Seaspan's outstanding Series A preferred shares are converted at \$15.00 per share. Please read "Reconciliation of Non-GAAP Financial Measures for the Quarter and Year Ended December 31, 2012 and 2011- 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 shares, losses (gains) on vessels, interest expense

- (2) 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, 2012 and 2011 - 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 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, losses (gains) on vessels, change in fair

- (3) 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, 2012 and 2011 - 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 98.5% and 98.9% for the quarter and year ended December 31, 2012, respectively.
- Accepted delivery of four newbuilding vessels in 2012, bringing Seaspan's operating fleet to a total of 69 vessels at December 31, 2012.
- Paid a quarterly dividend of \$0.59375 per Series C preferred share on October 30, 2012, representing a total distribution of \$8.3 million. This dividend was paid to all Series C shareholders of record on October 29, 2012 for the period from July 30, 2012 to October 29, 2012.
- Paid a quarterly dividend of \$0.25 per Class A common share on November 23, 2012 to all shareholders of record as of November 13, 2012. Together with the dividend declared and paid in February 2013, in regard to the fourth quarter of 2012, Seaspan's common share dividends for the four quarters ended December 31, 2012 totaled \$1.00 per share.

- Issued 3.1 million 7.95% Series D Cumulative Redeemable Perpetual Preferred Shares ("Series D Preferred Shares") for net proceeds of approximately \$74.7 million in December 2012.

Gerry Wang, Chief Executive Officer, Co-Chairman, and Co-Founder of Seaspan, commented, "We are satisfied with the operational and financial results that we achieved during the year of 2012. We are also pleased with the steps we took to further strengthen our balance sheet and capital structure, positioning the Company to take advantage of an attractive acquisition environment. We commenced the year 2013 by entering into two important transactions with MOL and Yang Ming for their large ship requirements. We remain well positioned to continue to execute our disciplined growth strategy."

Mr. Wang continued, "The 25% increase in our dividend for the first quarter of 2013 reflects our financial strength and our confidence in our future. We have increased our quarterly common dividend by 213% since March 31, 2010."

## **Fourth Quarter Developments**

### *Issuance of Series D Preferred Shares*

In December 2012, Seaspan issued 3.1 million Series D Preferred Shares at a price of \$25.00 per share, for net proceeds of approximately \$74.7 million. Dividends are payable on the Series D Preferred Shares at the rate of 7.95% per annum of the stated liquidation preference of \$25.00 per share. Seaspan will use the net proceeds from this offering for general corporate purposes, which may include making vessel acquisitions or investments.

### *Time Charters*

During the quarter ended December 31, 2012, three 4250 TEU vessels were re-delivered to Seaspan. Two of the vessels are expected to commence short-term charters in late March, while the other vessel remains currently off-charter.

### *Open Market Share Repurchase Plan*

In February 2012, Seaspan's board of directors authorized the repurchase of up to \$50.0 million of Seaspan's Class A common shares. During the quarter ended December 31, 2012, Seaspan repurchased 31,600 Class A common shares under an open market share repurchase plan for an aggregate of \$0.5 million, or an average of \$14.93 per share. An additional \$47.8 million is authorized under the plan.

### *Amended and Restated Employment Agreement with CEO Gerry Wang*

In December 2012, Seaspan entered into amended and restated employment and transaction services agreements with its chief executive officer, Gerry Wang, which supersede the agreements entered into with Mr. Wang in March 2011 in connection with Seaspan's investment in the Greater China Intermodal Investments LLC ("GCI"), an investment vehicle established by Seaspan, an affiliate of global alternative asset manager The Carlyle Group, and Blue Water Commerce LLC.

The primary changes in the amended and restated employment arrangement are the extension of Mr. Wang's employment term until the termination of Seaspan's right of first refusal with GCI, which is scheduled to expire on March 31, 2015, the granting to Mr. Wang of stock appreciation rights with respect to Seaspan's common shares and the termination of Mr. Wang's employment agreement with Seaspan Ship Management Ltd., under which he was paid \$600,000 annually. The fee under the

transaction services agreement with Mr. Wang that would apply following any termination of employment prior to March 31, 2015 has decreased from 1.5% to 1.25% per transaction.

## **Subsequent Events**

### *Newbuilding Contracts*

In January 2013, Seaspan entered into contracts for the construction of five 14000 TEU class newbuilding containerships with Hyundai Heavy Industries Co., Ltd. The vessels are scheduled for delivery in 2015 and will be constructed using Seaspan's fuel efficient SAVER design. Concurrently with executing the newbuilding contracts, Seaspan signed 10-year, fixed-rate time charters for the vessels with Yang Ming Marine Transport Corporation ("Yang Ming"). After the initial 10-year charter periods, Yang Ming may extend the charter for each vessel up to an additional two years.

Pursuant to its right of first refusal agreement with GCI, Seaspan will retain three of the 14000 TEU class newbuilding containerships and GCI will acquire the remaining two vessels.

In January 2013, Seaspan signed contracts for the construction of four 10000 TEU class newbuilding containerships with Jiangsu New Yangzi Shipbuilding Co., Ltd. and Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. The vessels are scheduled for delivery in 2014 and will be constructed using Seaspan's fuel efficient SAVER design. Concurrently with entering into these newbuilding contracts, Seaspan signed long-term, fixed-rate time charters for these vessels with Mitsui O.S.K. Lines, Ltd. ("MOL"). In connection with this transaction, Seaspan also agreed to purchase from MOL four existing 2003-built 4600 TEU vessels, which are scheduled for delivery in late 2013 and early 2014, and has signed two-year short-term fixed-rate time charters for these vessels with MOL.

Pursuant to its right of first refusal agreement with GCI, Seaspan will retain two of the 10000 TEU newbuilding containerships and two of the existing vessels and GCI will acquire the remaining two 10000 TEU newbuilding containerships and two existing vessels.

Seaspan intends to fund the construction of its five newbuilding containerships and the acquisition of the two existing vessels initially with a portion of the proceeds of its previous Series C and D preferred share offerings and, subsequently over the next few quarters, with debt financing. Seaspan is considering various sources of debt financing to which it has access. Seaspan will supervise the construction of all nine newbuilding vessels and manage all 13 vessels included in these transactions.

### *Loan Facility Transaction*

In January 2013, Seaspan entered into a LIBOR-based term loan facility with a leading Chinese bank for loan facilities in the amount of up to \$340.0 million to be used towards the refinancing of existing vessels. The facilities bear interest at LIBOR plus a margin.

### *Dividends*

On January 14, 2013, Seaspan declared a cash dividend of \$0.59375 per share on its Series C preferred shares (NYSE:SSW PR C) for the period from October 30, 2012 to January 29, 2013, and a pro-rated cash dividend of \$0.25948 per share on its Series D preferred shares (NYSE:SSW PR D) for the period from December 13, 2012 to January 29, 2013. The dividends, representing a total distribution of \$9.1 million were paid on January 30, 2013 to all Series C and Series D preferred shareholders of record as of January 29, 2013.

On February 7, 2013, Seaspan declared a quarterly dividend of \$0.25 per Class A common share payable to all shareholders of record as of February 18, 2013. The dividend was paid on February 27,

2013.

In March 2013, Seaspan's board of directors approved a 25.0% increase in the quarterly common share dividend to \$0.3125 per share, which dividend will be subsequently declared for the quarter ending March 31, 2013. This \$0.0625 per share increase to Seaspan's quarterly common share dividend represents the fourth increase since March 31, 2010 for an aggregate increase of 212.5%. Seaspan expects common share dividends for the four quarters ending December 31, 2013 to total \$1.25 per share.

### Results for the Quarter and Year Ended December 31, 2012

The following table summarizes vessel utilization for the quarter and year ended December 31, 2012:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year Ended	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<b>Vessel Utilization:</b>										
Ownership Days	5,591	5,087	5,847	5,421	5,980	5,857	5,981	5,741	23,399	22,106
Less Off-hire Days:										
Scheduled 5-Year Survey	(44)	(53)	(24)	(58)	(12)	(6)	-	(17)	(80)	(134)
Unscheduled Off-hire(1)	(7)	(2)	(14)	(3)	(56)	(7)	(90)	(12)	(167)	(24)
<b>Operating Days</b>	<b>5,540</b>	<b>5,032</b>	<b>5,809</b>	<b>5,360</b>	<b>5,912</b>	<b>5,844</b>	<b>5,891</b>	<b>5,712</b>	<b>23,152</b>	<b>21,948</b>
<b>Vessel Utilization</b>	<b>99.1 %</b>	<b>98.9 %</b>	<b>99.4 %</b>	<b>98.9 %</b>	<b>98.9 %</b>	<b>99.8 %</b>	<b>98.5 %</b>	<b>99.5 %</b>	<b>98.9 %</b>	<b>99.3 %</b>

(1) Unscheduled off-hire includes days related to vessels off-charter. Certain of these days were used to dry-dock such vessels.

Seaspan accepted delivery of 10 vessels during the year ended December 31, 2011. Seaspan began 2012 with 65 vessels in operation and during the year ended December 31, 2012, accepted delivery of four vessels, bringing its fleet to a total of 69 vessels in operation as at December 31, 2012. 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 quarter and year ended December 31, 2012 and 2011:

	Quarter Ended December 31,		Increase		Year Ended December 31,		Increase	
	2012	2011	Days	%	2012	2011	Days	%
	Operating days	5,891	5,712	179	3.1%	23,152	21,948	1,204
Ownership days	5,981	5,741	240	4.2%	23,399	22,106	1,293	5.8%

Financial Summary (in millions of USD)	Quarter Ended December 31,		Change		Year Ended December 31,		Change	
	2012	2011	\$	%	2012	2011	\$	%
Revenue	\$ 169.8	\$ 156.1	\$ 13.7	8.8 %	\$ 660.8	\$ 565.6	\$ 95.2	16.8 %
Ship operating expense	36.9	35.9	1.0	2.9 %	138.7	135.7	3.0	2.2 %
Depreciation and amortization expense	42.8	38.2	4.6	12.2 %	165.5	140.4	25.2	17.9 %
General and administrative expense	6.5	5.2	1.3	25.5 %	24.6	16.8	7.8	46.4 %
Operating lease expense	1.1	-	1.1	100 %	3.1	-	3.1	100 %
Loss (gain) on vessels	-	7.3	(7.3)	(100) %	(9.8)	16.2	(26.0)	(160.2) %
Interest expense	17.3	16.0	1.3	8.0 %	72.0	50.8	21.1	41.6 %
Change in fair value of financial instruments	3.4	27.5	(24.1)	(87.7) %	136.0	281.0	(145.0)	(51.6) %

### Revenue

Revenue increased by 8.8% and 16.8%, respectively, for the quarter and year ended December 31, 2012 over the prior year's comparable periods. This is primarily due to an increase in operating days of 3.1% and 5.5% for the quarter and year ended December 31, 2012, respectively, over the prior year's comparable periods and higher time-charter rates attributed to the delivery of Seaspan's larger newbuild vessels. The increase in operating days and the financial impact thereof for the quarter and year ended December 31, 2012 relative to the corresponding periods in 2011, is attributable to the following:

	Quarter Ended December 31, 2012		Year Ended December 31, 2012	
	Operating Days impact	\$ impact (in millions)	Operating Days impact	\$ impact (in millions)
2012 vessel deliveries	368	\$ 20.5	1,092	\$ 60.9
Full period contribution for 2011 vessel deliveries	-	-	1,380	66.1
Changes due to bareboat charters (1)	(129)	(2.6)	(1,221)	(24.2)

Change in daily charterhire rate and re-charters	-	(3.0)	-	(6.4)
Change in charterhire days	-	-	41	1.3
Scheduled off-hire	17	0.3	54	0.7
Unscheduled off-hire	(77)	(1.5)	(142)	(3.2)
<b>Total</b>	<b>179</b>	<b>\$ 13.7</b>	<b>1,204</b>	<b>\$ 95.2</b>

(1) Commencing in the fourth quarter of 2011, Seaspan bareboat chartered four 4800 TEU vessels to Mediterranean Shipping Company S.A., or MSC. These transactions were accounted for as sales-type leases with the vessels being deemed disposed of and a gross investment in lease recorded, which is being amortized to income through revenue. Prior to the commencement of the bareboat charters, these vessels were on time charter to A.P. Møller-Mærsk. In the comparable periods in the prior year, the hire payments from the time chartering of these vessels to A.P. Møller-Mærsk A/S was included in revenue.

Vessel utilization was 98.5% and 98.9%, for the quarter and year ended December 31, 2012, respectively, compared to 99.5% and 99.3% for the quarter and year ended December 31, 2011, respectively.

The decrease in vessel utilization for the year ended December 31, 2012 was primarily due to a 142-day increase in unscheduled off-hire. The unscheduled off-hire includes 118 days for the Seaspan Dalian, Seaspan Felixstowe and Seaspan Ningbo. While the Seaspan Dalian and Seaspan Felixstowe were off-charter, their scheduled dry-dockings were completed. There were also 22 days of unscheduled off-hire related to mechanical issues experienced onboard the COSCO Indonesia. During the year ended December 31, 2012, Seaspan completed six dry-dockings which resulted in 80 days of scheduled off-hire, compared to the year ended December 31, 2011, where Seaspan completed nine dry-dockings which resulted in 134 days of scheduled off-hire.

The dry-dockings Seaspan completed during the year ended December 31, 2012 involved the following vessels:

<b>Vessel</b>	<b>Completed</b>
Rio de Janeiro Express	Q1
CSCL Zeebrugge	Q1
COSCO Fuzhou	Q1
COSCO Yingkou	Q1
CSCL Long Beach	Q2
Seaspan Ningbo	Q3
Seaspan Dalian (1)	Q3
Seaspan Felixstowe (1)	Q3

(1) Dry-dockings for these vessels were completed while these vessels were off-charter, as described above.

Seaspan's cumulative vessel utilization since its initial public offering in August 2005 through

December 31, 2012 was 99.1%.

### *Ship Operating Expense*

Prior to Seaspan's acquisition of Seaspan Management Services Limited (the "Manager"), ship operating expense was comprised of fixed, daily, per vessel fees paid to the Manager for technical services. The amount of this technical services fee was established every three years. As a result of the acquisition, Seaspan's consolidated ship operating expense now represents the direct operating costs of the vessels.

Seaspan's ship operating expenses, presented on a basis comparable to 2011, are as follows:

(\$ impact in millions of USD, except per day amounts)	Quarter Ended December 31,		Change %	Year Ended December 31,		Change %
	2012	2011		2012	2011	
Ship operating expense, as reported	\$ 36.9	\$ 35.9	2.9%	\$ 138.7	\$ 135.7	2.2%
Add: General and administrative component of technical services fee(1)	2.8	-	100.0%	10.7	-	100.0%
Adjusted ship operating expense	\$ 39.7	\$ 35.9	10.8%	\$ 149.4	\$ 135.7	10.1%
Ownership days	5,981	5,741	4.2%	23,399	22,106	5.8%
Adjusted ship operating expense per day	\$ 6,651	\$ 6,252	6.4%	\$ 6,386	\$ 6,138	4.0%

(1) Prior to the acquisition of the Manager, the entire technical services fee was classified as ship operating expense. After the acquisition of the Manager, the Manager's general and administrative expenses that previously would have been included in the technical services fee and reported as ship operating expense are now presented as general and administrative expenses.

Total ship operating expense, as reported, for the year ended December 31, 2012 of \$138.7 million consists of \$9.3 million of technical services fees paid to the Manager during the pre-acquisition period from January 1 to January 26, 2012, and \$129.4 million of direct costs incurred during the post-acquisition period from January 27 to December 31, 2012.

Adjusted ship operating expense for the quarter and year ended December 31, 2012 increased by 10.8% and 10.1% compared to the corresponding periods in the prior year. Of the 10.8% and 10.1%

increase, 4.2% and 5.8% was due to an increase in ownership days for the corresponding periods. The remaining increase was due primarily to an increase in ship operating expenses related to the addition of four 13100 TEU vessels during 2012. Larger TEU vessels are more expensive to operate therefore the increased cost of lubes, insurance and other operating costs associated with these vessels contributed to a higher ship operating expense per day.

#### *Depreciation and Amortization Expense*

The increases in depreciation and amortization for the quarter and year ended December 31, 2012, from the corresponding periods in the prior year, are due to the increase in the size of the fleet. Four vessels delivered in 2012 and a full year of depreciation was taken for the 10 vessels delivered in 2011. The increase was partially offset by a reduction in depreciation as four vessels were sold to MSC in 2011 and the Madinah was sold in 2012.

#### *General and Administrative Expense*

For the quarter and year ended December 31, 2012, general and administrative expenses increased by \$1.3 million and \$7.8 million from \$5.2 million and \$16.8 million for the corresponding periods of the prior year. The increases were primarily attributable to a reclassification of \$10.7 million in general and administrative expenses that would have been included in ship operating expense prior to the January 2012 acquisition of the Manager. Prior to the acquisition of the Manager, Seaspan was charged a portion of the Manager's general and administrative expenses and the remainder of the Manager's general and administrative expenses was included in the technical services fee and classified as ship operating expense. After the acquisition, based on the non-operating nature of the expenses, all of the Manager's general and administrative expenses have been reclassified from ship operating expense to general and administrative expenses.

For the quarter and year ended December 31, 2012, stock compensation expense and integration costs increased compared to the corresponding periods of the prior year but were offset by a decrease in professional fees that were incurred in 2011 related to the acquisition of the Manager.

#### *Operating Lease Expense*

On June 27, 2012, Seaspan sold the Madinah to a U.S. bank and is leasing the vessel back for approximately nine years. Prior to June 27, 2012, Seaspan owned the vessel and financed it with a term loan of \$53.0 million which Seaspan entered into during November 2011. The \$53.0 million loan was repaid using the proceeds from the sale to the U.S. bank. During the quarter and year ended December 31, 2012, Seaspan incurred operating lease expenses of \$1.1 million and \$3.1 million, respectively, for the six months in 2012 that Seaspan leased the Madinah. Since Seaspan had a \$53.0 million term loan, Seaspan incurred interest expense of \$0.4 million instead of operating lease expense for the quarter and year ended December 31, 2011.

#### *Loss/Gain on Vessels*

The Madinah \$53.0 million term loan credit facility matured on June 27, 2012. On June 27, 2012, Seaspan sold the Madinah to the U.S. bank for \$52.1 million, the amount outstanding under the term loan, which resulted in a non-cash gain on vessel of \$9.8 million. The proceeds of this sale were used to fully repay the term loan. The losses of \$7.3 million and \$16.2 million for the quarter and year ended December 2011 resulted from the lease and sale of four vessels to MSC. The transactions were considered sales-type leases and were accounted for as a disposition of the vessels upon commencement of each lease.

## *Interest Expense*

As at December 31, 2012, the balance of Seaspan's long-term debt totaled \$3.1 billion and Seaspan's other long-term liabilities was \$651.6 million. As at December 31, 2012, Seaspan's operating debt balance was \$3.0 billion. Interest expense is comprised primarily of interest incurred on long-term debt and other long-term liabilities at the variable rate calculated by reference to LIBOR plus the applicable margin incurred on debt for operating vessels and a reclassification of amounts from accumulated other comprehensive income 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 increases in interest expense for the quarter and year ended December 31, 2012, were primarily due to the increases in average operating debt and other long-term liabilities attributed to the delivery of four 13100 TEU newbuilding vessels in 2012 and higher average LIBOR for the year ended December 31, 2012. For the quarter ended December 31, 2012, the increase in interest expense was partially offset by a lower average LIBOR compared to the quarter ended December 31, 2011. The average LIBOR charged on Seaspan's long-term debt for the quarter and year ended December 31, 2012 was 0.3% and 0.4%, compared to 0.35% for the comparable periods in the prior year. 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 losses of \$3.4 million and \$136.0 million for the quarter and year ended December 31, 2012, respectively, compared to losses of \$27.5 million and \$281.0 million for the comparable periods last year. The decreases in change in fair value for the quarter and year ended December 31, 2012 were primarily due to decreases in the forward LIBOR curve. 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 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 and a reputation for safety, quality and innovation. Seaspan's managed fleet consists of 89 containerships representing a total capacity of approximately 600,000 TEU, including 16 newbuilding containerships on order scheduled for delivery by the end of 2015. Seaspan's current operating fleet of 69 vessels has an average age of approximately six years and an average remaining lease period 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 quarter and year ended December 31, 2012 on March 6, 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: 16242920. The recording will be available from March 6, 2013 at 8:00 a.m. PT / 11:00 a.m. ET through 8:59 p.m. PT / 11:59 p.m. ET on March 20, 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.

**SEASSPAN CORPORATION**  
**UNAUDITED CONSOLIDATED BALANCE SHEET**  
**AS OF DECEMBER 31, 2012**  
**(IN THOUSANDS OF US DOLLARS)**

	<b>December 31, 2012</b>	<b>December 31, 2011</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 393,478	\$ 481,123
Short-term investments	36,100	—
Accounts receivable	9,573	6,837
Prepaid expenses	20,902	17,398
Gross investment in lease	15,977	14,640
	476,030	519,998
<b>Vessels</b>	4,785,968	4,289,331
<b>Vessels under construction</b>	77,305	407,918
<b>Deferred charges</b>	43,816	45,917
<b>Gross investment in lease</b>	79,821	95,798
<b>Goodwill</b>	75,321	—
<b>Other assets</b>	71,561	88,754
<b>Fair value of financial instruments</b>	41,031	—
	\$ 5,650,853	\$ 5,447,716
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 49,997	\$ 47,400
Current portion of deferred revenue	25,111	23,257
Current portion of long-term debt	66,656	81,482
Current portion of other long-term liabilities	38,542	37,649
	180,306	189,788

Deferred revenue	7,903	12,503
Long-term debt	3,024,288	2,914,247
Other long-term liabilities	613,049	583,263
Fair value of financial instruments	606,740	564,490
	4,432,286	4,264,291
Share capital	804	838
Treasury shares	(312)	—
Additional paid in capital	1,859,068	1,860,979
Deficit	(594,153)	(622,406)
Accumulated other comprehensive loss	(46,840)	(55,986)
Total shareholders' equity	1,218,567	1,183,425
	\$ 5,650,853	\$ 5,447,716

### SEASPIN CORPORATION

### UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT FOR THE

QUARTER AND YEARS ENDED DECEMBER 31, 2012 AND 2011

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

	Quarter Ended December 31, 2012	Year Ended December 31, 2011	Quarter Ended December 31, 2012	Year Ended December 31, 2011
Revenue	\$ 169,783	\$ 156,117	\$ 660,794	\$ 565,610
Operating expenses:				
Ship operating	36,940	35,891	138,655	135,696
Depreciation and amortization	42,799	38,154	165,541	140,354
General and administrative	6,478	5,160	24,617	16,818
Operating lease	1,110	—	3,145	—
Loss (gain) on vessels	—	7,347	(9,773)	16,237
	87,327	86,552	322,185	309,105
Operating earnings	82,456	69,565	338,609	256,505
Other expenses (income):				
Interest expense	17,333	16,048	71,996	50,849
Interest income	(262)	(383)	(1,190)	(854)
Undrawn credit facility fees	168	848	1,516	4,282
Amortization of deferred charges	2,931	853	8,574	3,421

Change in fair value of financial instruments	3,391	27,502	135,998	281,027
Equity loss on investment	42	1,180	259	1,180
Other expenses	(130)	—	151	—
	23,473	46,048	217,304	339,905
<b>Net earnings (loss)</b>	<b>\$ 58,983</b>	<b>\$ 23,517</b>	<b>\$ 121,305</b>	<b>\$ (83,400)</b>
Deficit, beginning of period	(628,889)	(627,340)	(622,406)	(469,616)
Dividends - common shares	(15,755)	(12,989)	(58,940)	(47,414)
Dividends - Series B preferred shares	—	—	—	(1,813)
Redemption of Series B preferred shares	—	2,873	—	2,873
Dividends - Series C preferred shares	(8,312)	(8,312)	(33,250)	(22,206)
Amortization of Series C issuance costs	(180)	(155)	(862)	(830)
Deficit, end of period	\$ (594,153)	\$ (622,406)	\$ (594,153)	\$ (622,406)
Weighted average number of shares, basic	62,727	69,551	62,923	69,217
Weighted average number of shares, diluted	85,031	69,713	64,942	69,217
Earnings (loss) per share, basic	\$ 0.66	\$ 0.13	\$ 0.84	\$ (2.04)
Earnings (loss) per share, diluted	\$ 0.59	\$ 0.13	\$ 0.81	\$ (2.04)

### SEASPACE CORPORATION

### UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND LOSS FOR THE QUARTER AND YEARS ENDED DECEMBER 31, 2012 AND 2011 (IN THOUSANDS OF US DOLLARS)

	Quarter Ended December 31, 2012		Year Ended December 31, 2012	
	2011		2011	
<b>Net earnings (loss)</b>	<b>\$ 58,983</b>	<b>\$ 23,517</b>	<b>\$ 121,305</b>	<b>\$ (83,400)</b>

Other comprehensive income:

Amounts reclassified to earnings (loss) during the period, relating to cash flow hedging instruments	1,940	2,863	9,146	12,175
<b>Comprehensive income (loss)</b>	<b>\$ 60,923</b>	<b>\$ 26,380</b>	<b>\$ 130,451</b>	<b>\$ (71,225)</b>

**SEASPACE CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE QUARTER AND YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(IN THOUSANDS OF US DOLLARS)**

	Quarter Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
Cash from (used in):				
Operating activities:				
Net earnings (loss)	\$ 58,983	\$ 23,517	\$ 121,305	\$ (83,400)
Items not involving cash:				
Depreciation and amortization	42,799	38,154	165,541	140,354
Share-based compensation	1,349	1,012	4,779	3,278
Amortization of deferred charges	2,931	853	8,574	3,421
Amounts reclassified from other comprehensive loss to interest expense	1,715	2,700	8,310	11,670
Unrealized change in fair value of financial instruments	(28,937)	(4,071)	11,215	156,671
Loss (gain) on vessels	—	7,347	(9,773)	16,237
Equity loss on investment	42	1,180	259	1,180
Changes in assets and liabilities	8,333	10,514	973	(9,547)
Cash from operating activities	87,215	81,206	311,183	239,864
Financing activities:				
Preferred shares issued, net of issue costs	74,700	(28)	74,700	344,539
Preferred shares redeemed, including costs	—	(24,600)	—	(24,600)
Draws on credit facilities	—	54,417	113,672	601,577
Repayment of credit facilities	(6,189)	(2,253)	(44,569)	(2,619)
Shares repurchased, including related expenses	(471)	—	(172,812)	—
Repayment of other long-term liabilities	(9,914)	(7,151)	(53,516)	(19,061)

Financing fees	(202)	(1,982)	(3,817)	(9,990)
Dividends on common shares	(14,800)	(9,371)	(51,772)	(34,375)
Dividends on preferred shares	(8,312)	(8,312)	(33,250)	(23,178)
Swaption premium payment	—	—	(10,000)	—
Cash from (used in) financing activities	34,812	720	(181,364)	832,293
<b>Investing activities:</b>				
Proceeds (expenditures) for vessels	540	(19,776)	(209,599)	(621,947)
Short-term investments	(614)	—	(35,737)	—
Cash acquired on acquisition of Manager	—	—	23,911	—
Restricted cash	—	—	5,000	—
Intangible assets	(1,475)	1,186	(1,039)	(1,342)
Investment in affiliate	—	2,051	—	(1,964)
Cash used in investing activities	(1,549)	(16,539)	(217,464)	(625,253)
Increase (decrease) in cash and cash equivalents	120,478	65,387	(87,645)	446,904
Cash and cash equivalents, beginning of period	273,000	415,736	481,123	34,219
Cash and cash equivalents, end of period	\$ 393,478	\$ 481,123	\$ 393,478	\$ 481,123

**SEASSPAN CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE QUARTER AND YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(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, losses (gains) 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.

	Quarter Ended December 31, Year Ended December 31,		2012	2011	2012	2011
Net earnings (loss)	\$ 58,983	\$ 23,517	\$ 121,305	\$ (83,400)		
Add:						
Depreciation and amortization	42,799	38,154	165,541	140,354		
Interest expense	17,333	16,048	71,996	50,849		
Amortization of deferred charges	2,931	853	8,574	3,421		
Share-based compensation	1,349	1,012	4,779	3,278		
Change in fair value of financial instruments	3,391	27,502	135,998	281,027		
Bareboat charter adjustment, net (1)	2,446	1,490	9,472	1,490		
Organizational development costs (2)	441	3,000	1,600	3,000		
Less:						
Amounts paid for dry-dock adjustment	(2,311)	(3,085)	(9,265)	(9,384)		
Series B preferred share dividends paid (3)	—	—	—	(972)		
Series C preferred share dividends paid and accumulated(3)	(8,312)	(8,313)	(33,250)	(27,668)		
Loss (gain) on vessels(4)	—	7,347	(9,773)	16,237		
Net cash flows before interest payments	119,050	107,525	466,977	378,232		
Less:						
Interest expense at the hedged rate(5)	(48,070)	(41,961)	(184,433)	(144,306)		
<b>Cash available for distribution to common shareholders</b>	<b>\$ 70,980</b>	<b>\$ 65,564</b>	<b>\$ 282,544</b>	<b>\$ 233,926</b>		

**SEASPACE CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE QUARTER AND YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(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, losses (gains) 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 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 B (until their repurchase on November 30, 2011), Series C preferred shares 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 earnings per share, basic, can be computed as normalized net earnings attributable to common shareholders divided by the weighted-average number of shares used to compute reported earnings per share, basic.

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

**SEASPACE CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE QUARTER AND YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS )**

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

	Quarter Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
Net earnings (loss)	\$ 58,983	\$ 23,517	\$ 121,305	\$ (83,400)
Adjust:				
Interest expense	17,333	16,048	71,996	50,849
Change in fair value of financial instruments	3,391	27,502	135,998	281,027
Organizational development costs (2)	441	3,000	1,600	3,000
Loss (gain) on vessels (4)	—	7,347	(9,773)	16,237
Interest expense at the hedged rate(5)	(48,070)	(41,961)	(184,433)	(144,306)

<b>Normalized net earnings</b>	<b>\$ 32,078</b>	<b>\$ 35,453</b>	<b>\$ 136,693</b>	<b>\$ 123,407</b>
<b>Less: preferred share dividends</b>				
Series A	8,979	7,976	34,195	30,295
Series B	—	—	—	1,813
Series B premium on redemption	—	(2,873)	—	(2,873)
Series C (including amortization of issuance costs)	8,492	8,468	34,112	28,497
Series D	309	—	309	—
	<b>17,780</b>	<b>13,571</b>	<b>68,616</b>	<b>57,732</b>
<b>Normalized net earnings attributable to common shareholders</b>	<b>\$ 14,298</b>	<b>\$ 21,882</b>	<b>\$ 68,077</b>	<b>\$ 65,675</b>
<b>Weighted average number of shares used to compute earnings (loss) per share</b>				
<b>Reported and normalized, basic</b>	<b>62,727</b>	<b>69,551</b>	<b>62,923</b>	<b>69,217</b>
Share-based compensation	297	162	238	132
Contingent consideration	1,329	—	1,236	—
Shares held in escrow	586	—	545	—
Series A preferred shares liquidation preference converted at \$15	20,092	17,846	19,227	17,078
<b>Normalized, converted</b>	<b>85,031</b>	<b>87,559</b>	<b>84,169</b>	<b>86,427</b>
Series A preferred shares 115% premium (30-day trailing average)	—	5,453	—	2,158
<b>Reported, diluted(6)</b>	<b>85,031</b>	<b>93,012</b>	<b>84,169</b>	<b>88,585</b>
<b>Earnings (loss) per share:</b>				
<b>Reported, basic</b>	<b>\$ 0.66</b>	<b>\$ 0.13</b>	<b>\$ 0.84</b>	<b>\$ (2.04)</b>
<b>Reported, diluted</b>	<b>\$ 0.59</b>	<b>\$ 0.13</b>	<b>\$ 0.81</b>	<b>\$ (2.04)</b>
<b>Normalized, converted - preferred shares converted at \$15(7)</b>	<b>\$ 0.27</b>	<b>\$ 0.31</b>	<b>\$ 1.22</b>	<b>\$ 1.08</b>

**SEASPACE CORPORATION**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
**FOR THE QUARTER AND YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**(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, losses (gains) 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.

	Quarter Ended December 31, Year Ended December 31,			
	2012	2011	2012	2011
Net earnings (loss)	\$ 58,983	\$ 23,517	\$ 121,305	\$ (83,400)
Add:				
Interest expense	17,333	16,048	71,996	50,849
Interest income	(262)	(383)	(1,190)	(854)
Undrawn credit facility fees	168	848	1,516	4,282
Depreciation and amortization	42,799	38,154	165,541	140,354
Amortization of deferred charges	2,931	853	8,574	3,421
Bareboat charter adjustment, net (1)	2,446	1,490	9,472	1,490
Organizational development costs (2)	441	3,000	1,600	3,000
Loss (gain) on vessels(4)	—	7,347	(9,773)	16,237
Change in fair value of financial instruments	3,391	27,502	135,998	281,027
<b>Adjusted EBITDA</b>	<b>\$ 128,230</b>	<b>\$ 118,376</b>	<b>\$ 505,039</b>	<b>\$ 416,406</b>

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.

(1) 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.

Dividends related to the Series B and Series C preferred shares have been deducted as they (3) reduce cash available for distribution to common shareholders. All outstanding Series B preferred shares were redeemed on November 30, 2011.

Gains or losses on disposal of vessels are excluded from the calculation. Included in the current period adjustment is the gain on sale of vessel that resulted from the sale of the Madinah to a U.S. bank on June 27, 2012. Included in the prior period adjustment is the loss on vessels that (4) resulted from the sale of the four 4800 TEU vessels to MSC as a result of the bareboat charters which is considered a sales-type lease and accounted for as a disposition upon delivery of the vessels in October 2011.

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 (5) 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 quarter ended December 31, 2012, and increased for the year ended December 31, 2012 as detailed in the table below:

	Quarter Ended December 31,	Year Ended December 31,
<b>Normalized earnings per share, converted-preferred shares converted at \$15, December 31, 2011</b>	\$ 0.31	\$ 1.08
Excluding share count changes:		
Increase (decrease) in normalized earnings	(0.04)	0.15
Decrease from impact of preferred shares	(0.01)	(0.05)
Share count changes:		
Decrease in converted share count (from 87,559 to 85,031 and from 86,427 to 84,169 for the quarter and year ended, respectively)	0.01	0.04
<b>Normalized earnings per share, converted-preferred shares converted at \$15, December 31, 2012</b>	\$ 0.27	\$ 1.22

#### 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; expansion of Seaspan's business; future time charters; future dividends; the effects of the acquisition of the Manager on Seaspan's ship operating expenses and general and administrative expenses; repurchases of Seaspan common shares under its share repurchase

program; 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; chartering rates; conditions in the containership market; 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 renew or replace long-term contracts; conditions in the public equity markets and the price of Seaspan's common 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, 2011. Seaspan expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in Seaspan's views or expectations, or otherwise.

For further information: For Investor Relations Inquiries: Seaspan Corporation, Mr. Sai W. Chu, Chief Financial Officer, 604-638-2575 / For Media Inquiries: The IGB Group, Mr. Leon Berman, 212-477-8438

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