



SEASPAN REPORTS FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012

Continued Strong Revenue and Cash Flow; Dividend of \$0.25 per Common Share

HONG KONG, CHINA - Aug. 1, 2012 /CNW/ - Seaspan Corporation (NYSE:SSW) announced today its financial results for the three and six months ended June 30, 2012. Below is a summary of Seaspan's key financial results:

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

	Quarter Ended June 30,		Change		
	2012	2011	\$	%	
Reported loss	\$ (6,749)	\$ (34,862)	\$ 28,113	80.6	%
Normalized net earnings(1)	\$ 37,779	\$ 28,675	\$ 9,104	31.7	%
Loss per share, basic and diluted	\$ (0.38)	\$ (0.72)	\$ 0.34	47.2	%
Normalized earnings per share, converted(1) (Series A preferred shares converted at \$15)	\$ 0.35	\$ 0.24	\$ 0.11	45.8	%
Cash available for distribution to common shareholders(2)	\$ 76,409	\$ 53,533	\$ 22,876	42.7	%
Adjusted EBITDA(3)	\$ 131,940	\$ 95,831	\$ 36,109	37.7	%

	Six Months Ended June 30,		Change		
	2012	2011	\$	%	
Reported net earnings	\$ 44,509	\$ 15,690	\$ 28,819	183.7	%
Normalized net earnings(1)	\$ 71,007	\$ 53,821	\$ 17,186	31.9	%
Earnings (Loss) per share, basic and diluted	\$ 0.17	\$ (0.17)	\$ 0.34	200.0	%
Normalized earnings per share, converted(1) (Series A preferred shares converted at \$15)	\$ 0.65	\$ 0.48	\$ 0.17	35.4	%
Cash available for distribution to common shareholders(2)	\$ 141,753	\$ 104,430	\$ 37,323	35.7	%
Adjusted EBITDA(3)	\$ 247,766	\$ 183,066	\$ 64,700	35.3	%

(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, 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 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 Three and Six Months Ended June 30, 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.

(2) Cash available for distribution to common shareholders is a non-GAAP measure that represents net earnings adjusted for depreciation, 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 drydocking, 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. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Six Months Ended June 30, 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.

(3) Adjusted EBITDA is a non-GAAP measure that represents net earnings before interest expense and other debt-related expenses, interest income, income tax expense, depreciation and amortization expense, 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. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Six Months Ended June 30, 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 99.4% and 99.2% for the three and six months ended June 30, 2012, respectively.**
- **Accepted delivery of two newbuilding vessels during the quarter, bringing Seaspan's operating fleet to a total of 69 vessels at June 30, 2012. The delivered vessels are the last in a series of eight 13100 TEU newbuilding vessels all fixed on 12-year time charters with COSCO Container Lines Co., Ltd. ("COSCON"). These are the largest vessels in Seaspan's fleet and flagship vessels in COSCON's containership fleet.**
- **Paid a second quarter dividend of \$0.59375 per Series C preferred share on April 30, 2012, representing a distribution of \$8.3 million. The dividend was paid to all Series C shareholders of record as of April 27, 2012 for the period from January 30, 2012 to April 29, 2012.**
- **On May 12, 2012, Seaspan's board of directors declared a quarterly dividend of \$0.25 per Class A common share. The dividend was paid on June 8, 2012 to all shareholders of record as of May 29, 2012. This represents a 33.3% increase over the previous quarterly common share dividend. Seaspan has increased its quarterly common share dividend by 150% since March 31, 2010. Seaspan expects common share dividends for the four quarters ending December 31, 2012 to total \$1.00 per share.**

Gerry Wang, Chief Executive Officer, Co-Chairman, and Co-Founder of Seaspan, commented, "During

the second quarter, Seaspan's business continued to perform as expected. We achieved high utilization and posted strong results in revenue, normalized net earnings, and cash available for distribution. During the quarter, we grew our fleet by taking delivery of the last two of a series of eight 13,100 TEU vessels on 12 year time charters with COSCON and continued to extend and re-charter vessels and expand our customer portfolio."

Mr. Wang added, "We remain well positioned to capitalize on our strong capital structure and liquidity position to grow our business. We intend to maintain a disciplined approach to growth, as we seek to provide liner companies with fuel efficient, state-of-the-art vessels using our SAVER vessel design."

Second Quarter Developments

Delivery of vessels

On April 18 and 27, 2012, Seaspan accepted delivery of the COSCO Hope and the COSCO Fortune, respectively, bringing its operating fleet to 69 vessels. Both 13100 TEU vessels are on charter to COSCON under 12-year, fixed-rate time charter contracts.

CSCL Ningbo Time Charter

On April 24, 2012, Seaspan fixed the CSCL Ningbo on a six-month time charter with CSCL with an additional six-month extension option.

Madinah

In March 2012, United Arab Shipping Company (S.A.G.), or UASC, notified Seaspan that the time charter for the UASC Madinah would not be extended, and the vessel was returned to Seaspan in June 2012. On June 20, 2012, the Madinah commenced a three-month time charter with Yang Ming (UK) Ltd. with an additional four-month option.

Prior to June 27, 2012, this vessel was owned by one of Seaspan's indirect subsidiaries, and is chartered by the subsidiary to Seaspan. Seaspan's subsidiary financed the vessel with a term loan of \$53.0 million from a leading U.S. bank, and this term loan matured in June 2012. On June 27, 2012, Seaspan's subsidiary sold the vessel to the U.S. bank for \$52.1 million, an amount equal to the amount outstanding under the term loan, and the sale proceeds were used to repay the loan in full. The U.S. bank leased the vessel back to Seaspan's subsidiary for approximately nine years.

Open Market Share Repurchase Plan

In February 2012, Seaspan's board of directors authorized the repurchase of up to \$50.0 million of its Class A common shares. During the quarter ended June 30, 2012, Seaspan repurchased 22,100 shares under an open market share repurchase plan for an aggregate of \$0.3 million, or an average of \$14.83 per share, leaving \$49.7 million outstanding under the plan.

Subsequent Events

Dividends

On July 17, 2012, Seaspan declared a quarterly dividend of \$0.59375 per Series C preferred share, representing a total distribution of \$8.3 million. This dividend was paid on July 30, 2012 to all shareholders of record on July 27, 2012.

On July 28, 2012, Seaspan declared a quarterly dividend of \$0.25 per Class A common share. The

dividend will be paid on August 22, 2012 to all shareholders of record as of August 13, 2012.

Loan Facility Transaction

On July 3, 2012, three of Seaspan's subsidiaries entered into a \$224.0 million loan facility with a leading Chinese bank relating to the construction of its three 10000 TEU newbuilding vessels. These vessels are scheduled to be delivered in 2014. Immediately after delivery, these vessels will commence operations under charters with Hanjin Shipping Co., Ltd. ("Hanjin") for a period of 10 years, plus an additional two years at the option of Hanjin. Seaspan has conditionally guaranteed certain financial obligations of its subsidiaries to the Chinese bank under the loan facility.

\$1.3 Billion Credit Facility Amendment

On July 6, 2012, Seaspan amended its \$1.3 billion credit facility to (i) reduce the lenders' commitment from \$1.3 billion to \$1.0 billion, or by \$267.0 million (the undrawn amount under the facility) and (ii) change the formula for the amount Seaspan would be required to repay on the removal of a vessel serving as collateral under the facility. As a result of the foregoing reduction in the lenders' commitment, Seaspan will now refer to this as its \$1.0 billion facility. Seaspan paid an administration fee of \$1.95 million to the lenders.

Seaspan Dalian Time Charter

The CSCL Dalian was re-delivered to Seaspan on July 13, 2012. The vessel was renamed Seaspan Dalian. On July 26, 2012, the Seaspan Dalian commenced a four-month time charter with Hyundai Merchant Marine Co., Ltd. with an additional two-month extension.

Election of Director

On August 1, 2012, the holders of Seaspan's outstanding Series A Preferred shares elected Mr. Harald Ludwig to Seaspan's board of directors. Pursuant to Seaspan's articles of incorporation, the holders of Series A Preferred shares have the right to elect up to two members of the board. George Juetten was elected by the holders of Series A Preferred shares in 2009.

Mr. Harald Ludwig is an experienced businessman and board director. Mr. Ludwig is the Co-Founder, President and Chief Executive Officer at Macluan Capital Corporation, a private equity investment firm and serves on the board of directors of a number of publicly listed companies.

Results for the Three and Six Months Ended June 30, 2012

The following tables summarize vessel utilization and the impact of off-hire time on Seaspan's revenues for the three and six months ended June 30, 2012:

	First Quarter		Second Quarter		Year to Date -June 30		
	2012	2011	2012	2011	2012	2011	
Vessel Utilization:							
Ownership Days	5,591	5,087	5,847	5,421	11,438	10,508	
Less Off-hire Days:							
Scheduled 5-Year Survey	(44)	(53)	(24)	(58)	(68)	(111)	
Unscheduled Off-hire	(7)	(2)	(14)	(3)	(21)	(5)	
Operating Days	5,540	5,032	5,809	5,360	11,349	10,392	
Vessel Utilization	99.1	% 98.9	% 99.4	% 98.9	% 99.2	% 98.9	%

	First Quarter		Second Quarter		Year to Date-June 30	
	2012	2011	2012	2011	2012	2011
Revenue - Impact of Off-Hire (in thousands):						
100% Utilization	\$ 153,349	\$ 121,983	\$ 167,297	\$ 134,902	\$ 320,646	\$ 256,885
Less Off-hire:						
Scheduled 5-Year Survey	(1,058)	(955)	(675)	(1,173)	(1,733)	(2,128)
Unscheduled Off-hire (1)	(202)	(33)	(301)	(57)	(503)	(90)
Actual Revenue Earned	\$ 152,089	\$ 120,995	\$ 166,321	\$ 133,672	\$ 318,410	\$ 254,667

(1) Includes charterer deductions that are not related to off-hire.

Seaspan accepted delivery of 10 vessels during the year ended December 31, 2011. Seaspan began 2012 with 65 vessels in operation and during the six months ended June 30, 2012, accepted delivery of four vessels, bringing its fleet to a total of 69 vessels in operation as at June 30, 2012. Revenue is determined primarily by the number of operating days, and ship operating expenses is determined primarily by the number of ownership days.

The following table summarizes Seaspan's consolidated financial results for the three and six months ended June 30, 2012 and 2011:

	Three Months Ended June 30,		Increase		Six Months Ended June 30,		Increase		
	2012	2011	Days	%	2012	2011	Days	%	
Operating days	5,809	5,360	449	8.4	% 11,349	10,392	957	9.2	%
Ownership days	5,847	5,421	426	7.9	% 11,438	10,508	930	8.9	%

Financial Summary (in millions)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change		
	2012	2011	\$	%	2012	2011	\$	%	
Revenue	\$ 166.3	\$ 133.7	\$ 32.6	24.4	% \$ 318.4	\$ 254.7	\$ 63.7	25.0	%
Ship operating expense	31.5	32.8	(1.3)	(3.9)	% 66.1	63.9	2.2	3.4	%
Depreciation	41.5	32.8	8.7	26.6	% 78.8	62.8	16.0	25.5	%

General and administrative expense	6.7	5.0	1.6	32.6	%	12.5	7.7	4.8	62.1	%
Interest expense	19.2	10.7	8.5	79.8	%	36.1	20.8	15.3	73.7	%
Change in fair value of financial instruments loss	82.1	84.7	(2.6)	(3.1)	%	86.8	78.9	7.8	9.9	%
Gain on vessels	9.8	-	9.8	100.0	%	9.8	-	9.8	100.0	%

Revenue

Revenues increased by 24.4% and 25.0%, respectively, for the three and six months ended June 30, 2012 over the prior year's comparable periods. This is due to an increase in operating days of 8.4% and 9.2% for the three and six months ended June 30, 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 three and six months ended June 30, 2012 relative to the corresponding period in 2011, is attributable to the following:

	Three Months Ended June 30, 2012		Six Months Ended June 30, 2012	
	Operating Days	\$ impact (in millions)	Operating Days	\$ impact (in millions)
2012 vessel deliveries	316	\$ 17.6	356	\$ 19.9
Full period contribution for 2011 vessel deliveries	494	24.4	1,257	60.0
Changes due to bareboat charters (1)	(364)	(8.5)	(724)	(16.9)
Change in daily charterhire rate	-	(0.8)	-	(0.6)
Change in charterhire days	(20)	(0.4)	41	1.3
Scheduled off-hire	34	0.5	43	0.4
Unscheduled off-hire	(11)	(0.2)	(16)	(0.4)
Total	449	\$ 32.6	957	\$ 63.7

(1) Seaspan bareboat chartered to Mediterranean Shipping Company S.A., or MSC, four 4800 TEU vessels commencing in the fourth quarter of 2011. 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 interest income from leasing. 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 99.4% and 99.2%, for the three and six months ended June 30, 2012, respectively, compared to 98.9% for both the three and six months ended June 30, 2011.

The increase in vessel utilization for the six months ended June 30, 2012 was primarily due to a 43 day decrease in scheduled off-hire. During the six months ended June 30, 2012, Seaspan commenced five dry-dockings which resulted in 68 days of scheduled off-hire and for the six months ended June 30, 2011, there were seven dry-dockings which resulted in 111 days of scheduled off-hire.

The dry-dockings Seaspan commenced during the six months ended June 30, 2012 involved the following vessels:

Vessel	Commenced
Rio de Janeiro Express	Q1
CSCL Zeebrugge	Q1
COSCO Fuzhou	Q1
COSCO Yingkou	Q1
CSCL Long Beach	Q2

Seaspan's cumulative vessel utilization since its initial public offering in August 2005 is 99.2%.

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.

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 is now presented as general and administrative expenses.

Total ship operating expense for the six months ended June 30, 2012 of \$66.1 million consists of \$9.3 million of technical services fees paid to the Manager during the pre-acquisition period to January 26, 2012, and \$56.8 million of direct costs incurred during the post-acquisition period from January 27 to June 30, 2012.

Total ship operating expense decreased by 3.9% to \$31.5 million from \$32.8 million for the three months ended June 30, 2012 and increased by 3.4% to \$66.1 million from \$63.9 million for the six months ended June 30, 2012. The changes in ship operating expense for the three and six months ended June 30, 2012 are primarily attributable to the general and administrative reclassification, as explained above, of approximately \$2.3 million and \$4.2 million, respectively, and the increase in ownership days of 426 days and 930 days, respectively.

To be consistent with the basis of presentation for the six months ended June 30, 2011, approximately \$4.2 million of expenses included in general and administrative expenses for the six months ended June 30, 2012 would be reclassified to ship operating expense. This adjustment would result in an average ship operating expense of approximately \$6,200 per vessel per day for the six months ended June 30, 2012 compared to approximately \$6,100 per vessel per day for the comparable period in 2011, representing approximately a 2% increase in average per vessel per day operating expense. This increase compares favourably to our estimate of an approximate 8% increase in average per vessel per day ship operating expense from the levels charged under the Management agreement for

the year ending December 31, 2011, and reflects the results of Seaspan's cost saving initiatives.

Depreciation

The increase in depreciation expense for the three and six months ended June 30, 2012, from the corresponding periods in the prior year is due to the increase in the size of the fleet. Four vessels delivered in 2012 and a full period of depreciation was taken for the 10 vessels delivered in 2011, partially offset by the impact of the disposition of the four MSC bareboat charter vessels.

General and Administrative Expenses

The increases of \$1.6 million and \$4.8 million, respectively, in general and administrative expenses for the three and six months ended June 30, 2012 compared to the corresponding periods of the prior year, are primarily due to the reclassification of approximately \$2.3 million and approximately \$4.2 million, respectively, of the Manager's general and administrative expense from ship operating expense.

Interest Expense

As at June 30, 2012, the balance of Seaspan's long-term debt was \$3.1 billion and Seaspan's other long-term liabilities was \$671.4 million. Interest expense is comprised primarily of interest incurred on long-term debt and other long-term liabilities 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. Seaspan's long-term debt and other long-term liabilities bear interest primarily at variable rates calculated by reference to LIBOR plus the applicable margin.

The increase in interest expense for the three and six months ended June 30, 2012, were primarily due to a higher average operating debt and other long-term liabilities balance and higher average LIBOR compared to the respective periods in the prior year. The average LIBOR charged on Seaspan's long-term debt and other long-term liabilities for the three and six months ended June 30, 2012 was 0.5%, compared to 0.4% for the corresponding periods of 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 a loss of \$82.1 million for the three months ended June 30, 2012, compared to a loss of \$84.7 million for the comparable quarter last year. The change in fair value of financial instruments resulted in a loss of \$86.8 million for the six months ended June 30, 2012, compared to a loss of \$78.9 million for the comparable period last year. The change in change in fair value for the quarter ended June 30, 2012 was 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 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. As these factors may change, the fair value of the instruments is an estimate and may deviate significantly from the actual cash settlements realized over the term of the instruments. Seaspan's valuation techniques have not

changed and remain consistent with those followed by other valuation practitioners.

Gain on vessels

The \$53.0 million term loan credit facility matured on June 27, 2012. On June 27, 2012, Seaspan sold the UASC Madinah to the U.S. bank for \$52.1 million, the amount outstanding under the term loan which resulted in a gain on vessel of \$9.8 million. The proceeds of this sale were used to fully repay the term loan.

About Seaspan

Seaspan is a leading independent owner and manager of containerships, which it charters primarily pursuant to long-term fixed-rate time charters to major container liner companies. Seaspan's contracted fleet of 72 containerships consists of 69 containerships in operation and three containerships scheduled for delivery in 2014. Seaspan's operating fleet of 69 vessels has an average age of approximately five years and an average remaining charter period of approximately seven years. The three vessels to be delivered to Seaspan are already committed to fixed-rate time charters of 10 years in duration from delivery. Seaspan's customer base consists of ten of the world's largest liner companies, including China Shipping Container Lines (Asia) Co., Ltd., Compania Sud Americana de Vapores S.A., COSCO Container Lines Co., Ltd., Hanjin Shipping Co., Ltd., Hapag-Lloyd USA, LLC, Hyundai Merchant Marine Co., Ltd., Kawasaki Kisen Kaisha Ltd., Mediterranean Shipping Company S.A., Mitsui O.S.K. Lines, Ltd., and Yang Ming (UK) Ltd.

Seaspan's common shares are listed on the New York Stock Exchange under the symbol "SSW".

Seaspan's Series C preferred shares are listed on the New York Stock Exchange under the symbol "SSW PR C".

Conference Call and Webcast

Seaspan will host a conference call and webcast presentation for investors and analysts to discuss its results for the three and six months ended June 30, 2012 on August 2, 2012 at 7:00 a.m. PT / 10:00 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: 13714019. The recording will be available from August 2, 2012 at 10:00 a.m. PT / 1:00 p.m. ET through 8:59 p.m. PT / 11:59 p.m. ET on August 16, 2012. 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 and click on "News & Events" and then "Events & Presentations" for the link. The webcast and slides will be archived on the site for one year.

SEASPAN CORPORATION UNAUDITED CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2012 (IN THOUSANDS OF US DOLLARS)

	June 30, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 338,311	\$ 481,123

Short term investments	10,436	-
Accounts receivable	10,935	6,837
Prepaid expenses	29,355	17,398
Gross investment in lease	14,600	14,640
	403,637	519,998
Vessels	4,868,999	4,289,331
Vessels under construction	30,017	407,918
Deferred charges	43,633	45,917
Gross investment in lease	88,558	95,798
Goodwill	66,662	-
Other assets	72,561	88,754
	\$ 5,574,067	\$ 5,447,716

Liabilities and Shareholders' Equity

Current liabilities:

Accounts payable and accrued liabilities	\$ 52,580	\$ 47,400
Deferred revenue	24,160	23,257
Current portion of long-term debt	72,518	81,482
Current portion of other long-term liabilities	38,308	37,649
	187,566	189,788
Long-term deferred revenue	10,124	12,503
Long-term debt	3,050,192	2,914,247
Other long-term liabilities	633,052	583,263
Fair value of financial instruments	590,256	564,490
	4,471,190	4,264,291
Share capital	772	838
Treasury shares	(417)	-
Additional paid-in capital	1,775,842	1,860,979
Deficit	(622,454)	(622,406)
Accumulated other comprehensive loss	(50,866)	(55,986)
Total shareholders' equity	1,102,877	1,183,425
	\$ 5,574,067	\$ 5,447,716

SEASPAN CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011

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

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Revenue	\$ 166,321	\$ 133,672	\$ 318,410	\$ 254,667
Operating expenses:				
Ship operating	31,515	32,809	66,065	63,875
Depreciation	41,533	32,818	78,814	62,776
General and administrative	6,671	5,032	12,521	7,726
Gain on vessels	(9,773)	-	(9,773)	-
	69,946	70,659	147,627	134,377
Operating earnings	96,375	63,013	170,783	120,290
Other expenses (income):				
Interest expense	19,157	10,656	36,132	20,803
Interest income	(321)	(172)	(629)	(327)
Interest income from leasing	(1,316)	-	(2,659)	-
Undrawn credit facility fees	398	1,221	1,203	2,482
Amortization of deferred charges	2,956	1,423	5,167	2,697
Equity loss on investment	-	-	134	-
Change in fair value of financial instruments	82,084	84,747	86,760	78,945
Other expenses	166	-	166	-
	103,124	97,875	126,274	104,600
Net earnings (loss)	\$ (6,749)	\$ (34,862)	\$ 44,509	\$ 15,690
Deficit, beginning of period	(591,415)	(428,560)	(622,406)	(469,616)
Dividends common shares	(15,720)	(12,902)	(27,455)	(21,483)
Dividends series B preferred shares	-	(605)	-	(1,196)
Dividends series C preferred shares	(8,312)	(6,069)	(16,625)	(6,069)
Amortization of Series C issuance costs	(258)	(181)	(477)	(505)
Deficit, end of period	\$ (622,454)	\$ (483,179)	\$ (622,454)	\$ (483,179)
Weighted average number of shares, basic	62,608	69,019	63,153	68,937

Weighted average number of shares, diluted	62,608	69,019	64,466	68,937
Earnings (loss) per share, basic	\$ (0.38)	\$ (0.72)	\$ 0.17	\$ (0.17)

SEASPAN CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AND LOSS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(IN THOUSANDS OF US DOLLARS)

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Net earnings (loss)	\$ (6,749)	\$ (34,862)	\$ 44,509	\$ 15,690
Other comprehensive income: Amounts reclassified to earnings (loss) during the period, relating to cashflow hedging instruments	2,412	3,003	5,120	6,379
Comprehensive income (loss)	\$ (4,337)	\$ (31,859)	\$ 49,629	\$ 22,069

SEASPAN CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(IN THOUSANDS OF US DOLLARS)

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Cash provided by (used in):				
Operating activities:				
Net earnings (loss)	\$ (6,749)	\$ (34,862)	\$ 44,509	\$ 15,690
Items not involving cash:				
Depreciation	41,533	32,818	78,814	62,776

Share-based compensation	1,943	865	2,529	1,252
Amortization of deferred charges	2,956	1,423	5,167	2,697
Amounts reclassified from other comprehensive loss	2,194	2,900	4,736	6,185
Unrealized change in fair value of financial instruments	51,354	53,798	25,571	18,246
Equity loss on investment	—	—	134	—
Gain on vessels	(9,773)	—	(9,773)	—
Change in assets and liabilities	8,737	3,281	(9,733)	(10,234)
Cash provided by operating activities	92,195	60,223	141,954	96,612
Financing activities:				
Preferred shares issued, net of share issue costs	—	104,280	—	344,656
Draws on credit facilities	69,997	387	115,487	2,297
Repayment of credit facilities	(2,760)	—	(12,802)	—
Repayment of other long-term liabilities	(8,335)	(3,487)	(32,984)	(5,700)
Proceeds from share repurchase	(329)	—	(170,938)	—
Financing fees	198	(385)	182	(1,067)
Dividends on common shares	(14,811)	(9,375)	(22,178)	(15,626)
Dividends on preferred shares	(8,312)	(6,394)	(16,625)	(6,714)
Cash provided by (used in) financing activities	35,648	85,026	(139,858)	317,846
Investing activities:				
Expenditures for vessels	(77,640)	(208,704)	(164,275)	(299,265)
Cash acquired on acquisition of Manager	—	—	23,910	—
Short term investments	141	—	(10,073)	—
Restricted cash	5,000	5,000	5,000	5,000
Intangible assets	(6,511)	(995)	530	(1,584)
Cash used in investing activities	(79,010)	(204,699)	(144,908)	(295,849)
Increase (decrease) in cash and cash equivalents	48,833	(59,450)	(142,812)	118,609
Cash and cash equivalents, beginning of period	289,478	212,278	481,123	34,219
Cash and cash equivalents, end of period	\$ 338,311	\$ 152,828	\$ 338,311	\$ 152,828

SEASPAN CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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, 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 affect the comparability of its operating results.

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.

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Net earnings (loss)	\$ (6,749)	\$ (34,862)	\$ 44,509	\$ 15,690
Add:				
Depreciation	41,533	32,818	78,814	62,776
Interest expense	19,157	10,656	36,132	20,803
Amortization of deferred charges	2,956	1,423	5,167	2,697
Share-based compensation	1,943	865	2,529	1,252
Change in fair value of financial instruments	82,084	84,747	86,760	78,945
Bareboat charter adjustment, net (1)	2,324	—	4,621	—
Organizational development costs (2)	331	—	962	—
Less:				
Amounts paid for dry-dock adjustment	(1,814)	(2,970)	(3,760)	(4,428)
Series B preferred share dividends paid (3)	—	(325)	—	(645)

Series C preferred share dividends paid and accumulated (3)	(8,312)	(6,953)	(16,625)	(11,043)
Losses (gains) on vessels (4)	(9,773)	—	(9,773)	—
Net cash flows before interest payments	123,680	85,399	229,336	166,047
Less:				
Interest expense at the hedged rate (5)	(47,271)	(31,866)	(87,583)	(61,617)
Cash available for distribution to common shareholders	\$ 76,409	\$ 53,533	\$ 141,753	\$ 104,430

SEASPAN CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011
(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Description of Non-GAAP Financial Measures

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) and Series C 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, 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.

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Net earnings (loss)	\$ (6,749)	\$ (34,862)	\$ 44,509	\$ 15,690
Adjust:				
Interest expense	19,157	10,656	36,132	20,803
Change in fair value of financial instruments	82,084	84,747	86,760	78,945
Organizational development costs (2)	331	—	962	—
Losses (gains) on vessels (4)	(9,773)	—	(9,773)	—
Interest expense at the hedged rate(5)	(47,271)	(31,866)	(87,583)	(61,617)
Normalized net earnings	\$ 37,779	\$ 28,675	\$ 71,007	\$ 53,821
Less: preferred share dividends				
Series A	8,371	7,435	16,499	14,577
Series B	—	605	—	1,196
Series C (including amortization of issuance costs)	8,569	7,134	17,102	11,548
	16,940	15,174	33,601	27,321
Normalized net earnings attributable to common shareholders	\$ 20,839	\$ 13,501	\$ 37,406	\$ 26,500
Weighted average number of shares used to compute earnings (loss) per share				
Reported and normalized, basic	62,608	69,019	63,153	68,937
Share-based compensation	210	142	204	121
Contingent consideration	703	—	605	—
Shares held in escrow	586	—	504	—
Series A preferred shares liquidation preference converted at \$15	18,933	16,816	18,658	16,573
Normalized, converted	83,040	85,977	83,124	85,631
Series A preferred shares 115% premium (30-day trailing average)	—	—	—	—
Reported, diluted (6)	83,040	85,977	83,124	85,631

Earnings (loss) per share:

Reported, basic and diluted	\$ (0.38)	\$ (0.72)	\$ 0.17	\$ (0.17)
Normalized, converted - preferred shares converted at \$15 (7)	\$ 0.35	\$ 0.24	\$ 0.65	\$ 0.48

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(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 expense, 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.

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Net earnings (loss)	\$ (6,749)	\$ (34,862)	\$ 44,509	\$ 15,690
Add:				
Interest expense	19,157	10,656	36,132	20,803
Interest income	(321)	(172)	(629)	(327)
Undrawn credit facility fees	398	1,221	1,203	2,482
Depreciation	41,533	32,818	78,814	62,776
Amortization of deferred charges	2,956	1,423	5,167	2,697
Bareboat charter adjustment, net (1)	2,324	—	4,621	—
Organizational development costs (2)	331	—	962	—
Losses (gains) on vessels (4)	(9,773)	—	(9,773)	—

Change in fair value of financial instruments	82,084	84,747	86,760	78,945
Adjusted EBITDA	\$ 131,940	\$ 95,831	\$ 247,766	\$ 183,066

(1) In the second half of 2011, Seaspan entered into agreements to bareboat charter to MSC four 4800 TEU vessels 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 leases was recorded, which is being amortized to income through interest income from leasing. 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 is deducted resulting in a net bareboat charter adjustment.

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

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

(4) 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 results from the sale of the Madinah to a U.S. bank on June 27, 2012.

(5) Interest expense at the hedged rate is calculated as the interest incurred on operating debt at the fixed rate on the related interest rate swaps plus the applicable margin on the related credit facilities and variable rate leases, on an accrual basis. Interest expense on fixed rate leases is calculated on the effective interest rate.

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

(7) Normalized earnings per share, converted, increased for the three and six months ended June 30, 2012 as compared to the comparable periods in the prior year. Excluding share count changes, a decrease of \$0.01 per share due to the impact of the Series B and C preferred shares for the three months ended June 30, 2012 was partially offset by an increase of \$0.10 per share due to a rise in normalized net earnings. In addition, due to a decrease in converted share count (from 85,977 to 83,040), there is an increase of \$0.02 per share for the three months ended June 30, 2012. Excluding share count changes, a decrease of \$0.05 per share due to the impact of the Series B and C preferred shares for the six months ended June 30, 2012 was offset by an increase of \$0.20 per share due to a rise in normalized net earnings. In addition, due to a decrease in converted share count (85,631 to 83,124), there is an increase of \$0.02 per share for the six months ended June 30, 2012.

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 dividends; the effects of the acquisition of the Manager on Seaspan and its operations and results, including, among other things, on ship

operating expenses and general and administrative expenses; the closing of the financing for the three newbuilding vessels; 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; integration of the Manager acquisition and the number of additional vessels managed by the Manager in the future; satisfaction of closing conditions for the newbuilding vessel financing; 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
