

SEASPAN REPORTS FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011

Fully Time-Chartered Fleet Performs as Expected; Achieves Strong Revenue, Cash Available for Distribution and Normalized Net Earnings Growth

HONG KONG, CHINA - Nov. 1, 2011 /**CNW**/ - Seaspan Corporation (NYSE:SSW) announced today its financial results for the three and nine months ended September 30, 2011. Below is a summary of Seaspan's key financial results:

Summary of Key Financial Results (dollars in thousands):

	m)	Three Months Ended September 30,		O.	Change			
				-		nange		
	2011 2010			\$		%		
Reported net loss	\$	(122,607)	\$	(70,879)	\$	(51,728)	(73.0)	%
Normalized net earnings(1)	\$	34,132	\$	26,125	\$	8,007	30.6	%
Loss per share, basic and diluted	\$	(2.01)	\$	(1.15)	\$	(0.86)	(74.8)	%
Normalized earnings per share,								
converted(1)(Series A preferred	\$	0.29	\$	0.30	\$	(0.01)	(3.3)	%
shares converted at \$15)								
Cash available for distribution to	\$	63,930	\$	52,176	\$		22.5	%
common shareholders(2)	·	•	·	ŕ	·	11,754		
Adjusted EBITDA(3)	\$	114,964	\$	79,545	\$	35,419	44.5	%
		Nine Months E	nde	ed		Change		
		September 30,				· ·		
		2011		2010		\$	%	
Reported net loss	\$	(106,917)	\$	(229,337)	\$	122,420	53.4	%
Normalized net earnings(1)	\$	87,953	\$	68,037	\$	19,916	29.3	%
Loss per share, basic and diluted	\$	(2.19)	\$	(3.67)	\$	1.48	40.3	%
Normalized earnings per share,								
converted(1)(Series A preferred	\$	0.77	\$	0.81	\$	(0.04)	(4.9)	%
shares converted at \$15)								
Cash available for distribution to	\$	168,360	\$	138,272	\$	30,088	21.8	%
common shareholders(2)	Ψ	100,500	Ψ	100,272	Ψ	50,000	21.0	/0
Adjusted EBITDA(3)	\$	298,030	\$	204,111	\$	93,919	46.0	%

(1) Normalized net earnings and normalized earnings per share are non-GAAP measures that are adjusted for items such as the change in fair value of financial instruments, interest expense, interest expense at the hedged rate, loss on vessels and 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 Nine Months Ended September 30, 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 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, amortization of deferred charges, non-cash share-based compensation, dry-dock adjustment, change in fair value of financial instruments, interest expense, interest expense at the hedged rate, cash dividends paid on preferred shares, loss on vessels and other items that Seaspan believes are not representative of its operating performance. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Nine Months Ended September 30, 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 (loss) before interest expense and other debt-related expenses, interest income, income tax expense, depreciation and amortization expense, change in fair value of financial instruments, loss on vessels and certain non-cash charges and selected items that are generally unusual or non-recurring that Seaspan believes are not representative of its operating performance. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Nine Months Ended September 30, 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 Third Quarter Highlights

- Achieved vessel utilization of 99.8% and 99.2%, respectively, for the three and nine months ended September 30, 2011;
- Accepted delivery of three newbuilding vessels during the third quarter, bringing Seaspan's operating fleet to a total of 65 vessels as at September 30, 2011. Two of the three delivered vessels are 13100 TEU vessels, the largest vessels in Seaspan's fleet and flagship vessels in COSCON's containership fleet;
- Paid quarterly dividend of \$0.600347 per share on the Series C preferred shares on August 1, 2011;
- Paid a second quarter dividend of \$0.1875 per common share on August 22, 2011, which represents a 50.0% and 87.5% increase over the dividends paid for the fourth quarter of 2010 and first quarter of 2010, respectively;
- Declared a quarterly dividend of \$0.59375 per Series C preferred share on October 17, 2011, representing a distribution of \$8.3 million. The dividend was paid on October 31, 2011 to all Series C shareholders of record as of October 28, 2011 for the period from July 30, 2011 to October 29, 2011; and
- Declared a third quarter dividend of \$0.1875 per common share to be paid on November 23, 2011 to all common shareholders of record as of November 14, 2011, increasing cumulative dividends declared to \$7.53 per common share since Seaspan's August 2005 initial public offering.

Gerry Wang, Chief Executive Officer, Co-Chairman, and Co-Founder of Seaspan, commented, "Seaspan's fully time-chartered fleet performed as expected during the third quarter, enabling the Company to once again achieve strong utilization as well as to grow its revenue, cash available for distribution and normalized net earnings. During the quarter, Seaspan took delivery of three newbuildings, which commenced operations under long-term time charters with leading liner companies. Additionally, we entered into two agreements to lease two and are finalizing agreements to lease another two of the Company's oldest vessels to MSC on bareboat charters and sell the ships after five years. This transaction will help Seaspan continue to generate stable cash flow and maintain a modern fleet with an efficient cost structure."

Mr. Wang added, "Including our third quarter dividend, Seaspan has now declared cumulative common stock dividends of \$7.53 per share since its initial public offering. We remain committed to returning cash to shareholders and increasing our dividend over time, while utilizing our strong balance sheet for future growth. In executing our controlled and balanced growth strategy, we will continue to focus on taking advantage of select opportunities that meet our strict criteria."

Third Quarter Developments

Non-Recourse Loan Facility Transaction

In September 2011, one of Seaspan's subsidiaries entered into a transaction with affiliates of a leading Chinese and a leading Japanese bank for a non-recourse loan facility in an amount up to \$150 million relating to one of Seaspan's 13100 TEU newbuilding vessels. The vessel is being constructed by Hyundai Samho Heavy Industries Co., Ltd. and was previously financed with up to \$75 million under one of Seaspan's revolving credit facilities. The vessel has been removed as security from that revolving credit facility. Upon delivery of the vessel and through an inter-company operating charter with Seaspan's subsidiary, Seaspan will charter the vessel to COSCON under a 12-year fixed-rate time charter. The subsidiary's indebtedness under the loan facility is non-recourse to Seaspan.

MSC Mediterranean Shipping Company S.A. ("MSC")

In September 2011, Seaspan entered into an agreement to bareboat charter to MSC two of its 4800 TEU vessels for a five-year term, beginning from vessel delivery dates that occurred in October 2011. The charter rates are \$10,000 per vessel per day for the first two years increasing to \$14,500 per vessel per day for the remaining three years. These are Seaspan's first bareboat charters, which means that MSC is responsible for the ship operating and voyage expenses of the vessels as well as for their management, including crewing. At the end of the five-year bareboat charter terms, MSC has agreed to purchase the two vessels for \$5 million each. This transaction resulted in a loss on vessels of \$8.9 million for the two vessels for the quarter ended September 30, 2011.

Subsequent Events

In October 2011, Seaspan, through one of its subsidiaries, entered into a financing transaction with a leading U.S. bank for the UASC Madinah, a 4250 TEU vessel. Initially, the vessel will be sold from Seaspan to one of its subsidiaries, funded by a \$53 million term mortgage-secured loan from the U.S. bank and chartered by its subsidiary to Seaspan under an operating lease that will allow Seaspan to continue to time charter the vessel to United Arab Shipping Company (S.A.G.). In June 2012, subject to certain conditions, it is expected that the vessel will be sold to the U.S. bank for the amount outstanding under the term loan and will be leased back to the Seaspan's subsidiary for approximately nine years.

Seaspan is finalizing agreements to bareboat charter to MSC the remaining two of its 4800 TEU vessels (Maersk Merritt and Victor) under the same terms as the first two ships, beginning from vessel delivery dates that are expected to occur in November 2011. The two vessels had previously been chartered to A.P. Moller-Maersk A/S (APM) but these vessels are expected to be re-delivered early by APM. The transaction with MSC is expected to result in an aggregate loss on vessels of approximately \$7.5 million.

Results for the Three and Nine Months Ended September 30, 2011

Unscheduled

Off-hire(4)

(33)

(1,662)

(57)

The following tables summarize vessel utilization and the impact of off-hire time on Seaspan's revenues for the three and nine months ended September 30, 2011:

three and nine months ended September 30, 2011:											
	First Quarte	er 2010	Second Qua	arter 2010	Third Quart	ter 2010	Year to Date 2011	2010			
Vessel Utilization: Ownership Days Less Off-hire Days:	5,087	3,908	5,421	4,390	5,857	4,871	16,365	13,169			
Scheduled 5-Year Survey	(53)	(20)	(58)	(42)	(6)	(52)	(117)	(114)			
Unscheduled Off-hire	1 (2)	(91)	(3)	(4)	(7)	(10)	(12)	(105)			
Operating Days	5,032	3,797	5,360	4,344	5,844	4,809	16,236	12,950			
Vessel Utilization	98.9 %	97.2 %	98.9 %	99.0 %	99.8 %	98.7 %	99.2 %	98.3 %			
Revenue —	First Quai 2011	rter 2010	Second C	Quarter 2010	Third Qu 2011	arter 2010	Year to D 2011	ate 2010			
Impact of Off-Hire (in thousands): 100% Utilization		\$ 82,378	\$ 134,902	\$ 98,360	\$ 155,056	\$ 112,473	\$ 411,941	\$ 293,211			
Less Off-hire: Scheduled 5-Year Survey	(955)	(347)	(1,173)	(738)	(98)	(914)	(2,226)	(1,999)			

(77)

(132)

(208)

(222)

(1,947)

Actual
Revenue \$ 120,995 \$ 80,369 \$ 133,672 \$ 97,545 \$ 154,826 \$ 111,351 \$ 409,493 \$ 289,265
Earned

4 Includes charterer deductions that are not related to off-hire.

Seaspan accepted delivery of 13 vessels during the year ended December 31, 2010. Seaspan began 2011 with 55 vessels in operation and accepted delivery of 10 vessels as at September 30, 2011, bringing its fleet to a total of 65 vessels in operation as at that date. Operating days are the primary driver of revenue, while ownership days are the primary driver for ship operating costs.

	Three Mon September		Increase		Nine Mont September		Increase	
	2011	2010	Days	%	2011	2010	Days	%
Operating days	5,844	4,809	1,035	21.5%	16,236	12,950	3,286	25.4%
Ownership days	5,857	4,871	986	20.2%	16,365	13,169	3,196	24.3%

Financial Summary (in millions)		ree Moi ptembei		s Ended	Cl	hange			ine Mont			Cl	nange				
, ,	20	11	20	10	\$		%	20	11	20	10	\$		%			
Revenue	\$	154.8	\$	111.4	\$	43.5	39.0	%\$	409.5	\$	289.3	\$	120.2	41.6	%		
Ship																	
operating		35.9		29.2		6.7	22.9	%	99.8		78.3		21.5	27.5	%		
expense																	
Depreciation		37.7		26.9		10.8	40.0	%	100.5		71.3		29.2	40.9	%		
General and		2.0		2.6		1 4	F D. C	0/	11 7		C 0		4.0	CO 2	0/		
administrative	e	3.9		2.6		1.4	52.6	%	11.7		6.9		4.8	69.3	%		
expenses Interest																	
expense		14.0		8.3		5.7	68.8	%	34.8		20.3		14.5	71.7	%		
Change in fai	r																
value of																	
financial		174.6		113.4		61.2	54.0	%	253.5		336.5		(83.0)	(24.7)	%		
instruments																	
loss																	
Loss on		8.9		_		8.9	100.0	%	8.9		_		8.9	100.0	%		
vessels		0.5				0.5	100.0	70	0.0				0.0	100.0	/ 0		

Revenue

The increase in operating days and the dollar impact thereof, for the three and nine months ended September 30, 2011 relative to the corresponding periods in 2010 was due to the following:

	Three Months Ended			Nine Months Ended			
	September 30, 2011			September 30, 2011			
	Operating	\$ i	impact	Operating	\$ i	impact	
	Days Impact	(ir	n millions)	Days Impact	(ir	n millions)	
2011 vessel deliveries	797	\$	35.2	1,350	\$	56.3	
Full period contribution for 2010 vessel	189		7.4	1,846		62.2	
deliveries	103		/ . 4	1,040		02.2	
Changes in daily charterhire rates	-		-	-		0.2	
Scheduled off-hire	46		8.0	(3)		(0.2)	
Unscheduled off-hire	3		0.1	93		1.7	
Total	1,035	\$	43.5	3,286	\$	120.2	

Vessel utilization was 99.8% and 99.2%, respectively, for the three and nine months ended September 30, 2011 compared to 98.7% and 98.3%, respectively, for the comparable periods in the prior year.

The increase in vessel utilization for the nine months ended September 30, 2011 was primarily due to the 90 days of unscheduled off-hire resulting from the grounding of the CSAV Licanten (formerly the CSCL Hamburg) in the Gulf of Aqaba on December 31, 2009. During the nine months ended September 30, 2010, Seaspan completed or started eight dry-dockings, which resulted in 114 days of scheduled off-hire for the following vessels:

Vessei	Commenced					
CSCL Vancouver	Q1					
CSAV Licanten(5)	Q2					
CSCL Sydney	Q2					
CSCL New York	Q2					
CSCL Melbourne	Q3					
New Delhi Express	Q3					
CSCL Brisbane	Q3					
Dubai Express	Q3					

Voccol

(5) CSAV Licanten's next dry-docking was originally scheduled for 2013; however Seaspan combined the repairs of the vessel with an earlier dry-docking which defers the next scheduled dry-docking to 2015.

During the nine months ended September 30, 2011 Seaspan completed or started eight dry-dockings which resulted in a total of 117 days of scheduled off-hire for the following vessels:

Vessel	Commenced
CSCL Sao Paulo(6)	Q1

Jakarta Express	Q1
Saigon Express	Q1
Rio Grande Express	Q1
Lahore Express	Q2
Santos Express	Q2
Victor	Q2
CSCL Chiwan	Q3

(6) CSCL Sao Paulo's next dry-docking was originally scheduled for 2013; however, Seaspan combined the scheduled dry-docking for this vessel with repairs initiated in December 2010 to achieve savings and defer the next scheduled dry-docking to 2016.

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

Ship Operating Expense

The increase in ownership days, and the dollar impact thereof, for the three and nine months ended September 30, 2011 relative to the corresponding periods in the prior year was due to the following:

	Three Month September 30		Nine Months Ended September 30, 2011				
	Ownership Days impact		impact(in	Ownership Days impact		mpact(in	
2011 vessel deliveries	797		5.7	1,350		9.5	
Full period contribution for 2010 vessel deliveries	189		1.3	1,846		11.5	
Changes in extraordinary costs & expenses(7)not covered by the fixed fee	-		(0.3)	-		0.5	
Total	986	\$	6.7	3,196	\$	21.5	

(7) Extraordinary costs and expenses are defined in Seaspan's management agreements and do not relate to extraordinary items as defined by financial reporting standards. The portion of extraordinary costs compared to the fixed technical management fee Seaspan pays its Manager were 3.3% and 4.1% of total expenses for the three and nine months ended September 30, 2011, as compared to 5.3% and 4.7% for the comparable periods in the prior year. The decrease in the three months ended September 30, 2011 is mainly attributable to the bunkers consumed during off-hire for the CSAV Licanten in 2010. Extraordinary costs as a percentage of the fixed technical management fee for the nine months ended September 30, 2011 was consistent with the comparable period in the prior year.

Depreciation

The increases in depreciation expense for the three and nine months ended September 30, 2011 were due to the 10 vessel deliveries in 2011 and a full period of ownership for the 13 deliveries in 2010.

General and Administrative Expenses

The increases in general and administrative expenses for the three and nine months ended September 30, 2011 were primarily due to the new employment agreement with Seaspan's chief executive officer (which had an effective date of January 1, 2011), additional fees paid to Seaspan's board of directors for an increased number of meetings and increased legal costs and professional fees to support financing and growth transactions.

Interest Expense

Interest expense is comprised of interest at the variable rate 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. The increases in interest expense for the three and nine months ended September 30, 2011, were primarily due to higher average operating debt balances compared to the comparable periods in the prior year.

The average LIBOR for the three and nine months ended September 30, 2011 was 0.3% and 0.4%, compared to 0.3% for both of the comparable 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 caption as required by financial reporting standards. The interest incurred on long-term debt for Seaspan's vessels under construction is capitalized to the respective vessels under construction.

Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in a loss of \$174.6 million for the three months ended September 30, 2011, compared to a loss of \$113.4 million for the comparable quarter last year. The change in fair value of financial instruments resulted in a loss of \$253.5 million for the nine months ended September 30, 2011, compared to a loss of \$336.5 million for the comparable period last year. The changes in change in fair value for the three and nine months ended September 30, 2011 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 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 the 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.

Dividends Declared:

Class A Common Shares

For the quarter ended September 30, 2011, Seaspan declared a quarterly dividend of \$0.1875 per common share, representing a total distribution of \$13.0 million. The dividend will be paid on November 23, 2011 to all shareholders of record as of November 14, 2011. Because Seaspan adopted a dividend reinvestment plan, or DRIP, the actual amount of cash dividends paid may be less than \$13.0 million based on shareholder participation in the DRIP.

Since Seaspan's initial public offering in August 2005, it has declared cumulative dividends of \$7.53 per common share. Since Seaspan adopted the DRIP in May 2008, a total of 2.6 million shares have been issued, and \$30.1 million of dividends have been reinvested, through shareholder participation in the DRIP.

Series C Preferred Shares

On August 1, 2011, Seaspan paid a quarterly dividend of \$0.600347 per share on its 9.5% Series C preferred shares, representing a distribution of \$8.4 million. The dividend was paid to all 9.5% Series C preferred shareholders of record as of July 29, 2011 for the period from April 30, 2011 to July 29, 2011.

On October 17, 2011, Seaspan declared a quarterly dividend of \$0.59375 per share, on its 9.5% Series C preferred shares, representing a distribution of \$8.3 million. The dividend was paid on October 31, 2011 to all shareholders of record as of October 28, 2011 for the period from July 30, 2011 to October 29, 2011.

About Seaspan

Seaspan is a leading independent charter owner 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 65 containerships in operation and seven containerships scheduled for delivery through 2014. Seaspan's operating fleet of 65 vessels has an average age of approximately five years and an average remaining charter period of approximately seven years. All of the seven vessels to be delivered to Seaspan are already committed to fixed-rate time charters between 10 and 12 years in duration from delivery. Seaspan's customer base consists of 10 of the world's largest liner companies, including A.P. Moller-Mærsk A/S, 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, Kawasaki Kisen Kaisha Ltd., MSC Mediterranean Shipping Company S.A., Mitsui O.S.K. Lines, Ltd., and United Arab Shipping Company (S.A.G.).

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 nine months ended September 30, 2011 on Tuesday November 1, 2011 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: 19483048. The recording will be available from November 1, 2011 at 10:00 a.m. PT / 1:00 p.m. ET through 8:59 p.m. PT / 11:59 p.m. ET on November 15, 2011. 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

(IN THOUSANDS OF US DOLLARS)

UNAUDITED CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2011

September 30, 2011

December 31, 2010

Assets				
Current assets:				
Cash and cash equivalents	\$	415,736	\$	34,219
Accounts receivable		1,375		1,017
Prepaid expenses		18,764		11,528
		435,875		46,764
Vessels		4,423,242		3,191,734
Vessels under construction		387,662		1,019,138
Deferred charges		45,085		37,607
Other assets		92,702		81,985
	\$	5,384,566	\$	4,377,228
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	\$	34,713	\$	28,394
Deferred revenue		8,758		10,696
Current portion of other long-term liabilities		33,997		19,096
		77,468		58,186
Long-term debt		2,943,565		2,396,771
Other long-term liabilities		596,442		524,716
Fair value of financial instruments		568,561		407,819
		4,186,036		3,387,492
Share capital		838		691
Additional paid-in capital		1,883,883		1,526,822
Deficit		(627,340)		(469,616)
Accumulated other comprehensive loss		(58,851)		(68,161)
Total shareholders' equity		1,198,530		989,736
	\$	5,384,566	\$	4,377,228
SEASPAN CORPORATION				
UNAUDITED CONSOLIDATED STATEMENTS OF O	PEF	RATIONS AND DEFICE	IT I	FOR THE THREE AN
NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2	201	0		

ND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Three months	Three months	Nine months	Nine months		
	ended	ended	ended	ended		
	September 30,	September 30,	September 30,	September 30,		
	2011	2010	2011	2010		
Revenue	\$ 154,826	\$ 111,351	\$ 409,493	\$ 289,265		

Operating expenses:

Ship operating Depreciation General and administrative		35,930 37,696 3,932		29,229 26,929 2,577		99,805 100,472 11,658		78,269 71,302 6,885	
Loss on vessels		8,890 86,448		- 58,735		8,890 220,825		- 156,456	
Operating earnings		68,378		52,616		188,668		132,809	
Other expenses (earnings):									
Interest expense Interest income		13,998 (144)		8,293 (5)		34,801 (471)		20,272 (41)	
Undrawn credit facility fees		952		1,011		3,434		3,072	
Amortization of deferred charges		1,599		808		4,296		2,296	
Change in fair value of financial instruments		174,580		113,388		253,525		336,547	
		190,985		123,495		295,585		362,146	
Net loss	\$	(122,607)	\$	(70,879)	\$	(106,917)	\$	(229,337)	
Deficit, beginning of period Dividends on common shares		(483,179) (12,942)		(522,061) (8,522)		(469,616) (34,425)		(349,802) (22,105)	
Dividends on series B preferred shares		(617)		(593)		(1,813)		(811)	
Dividends on series C preferred shares		(7,825)		-		(13,894)		-	
Amortization of series C issuance costs		(170)		-		(675)		-	
Deficit, end of period	\$	(627,340)	\$	(602,055)	\$	(627,340)	\$	(602,055)	
Weighted average number of shares, basic (thousands)		69,257		68,270		69,045		68,099	
Weighted average number of shares, diluted (thousands)		69,257		68,270		69,045		68,099	
Loss per share, basic and diluted	\$	(2.01)	\$	(1.15)	\$	(2.19)	\$	(3.67)	
SEASPAN CORPORATION UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010									

NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (IN THOUSANDS OF US DOLLARS)

Three months

ended

Nine months

ended

Nine months

ended

Three months

ended

	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010					
Net loss	\$ (122,607)	\$ (70,879)	\$ (106,917)	\$ (229,337)					
Other comprehensive income: Amounts reclassified to earnings (loss) during the period	d 2,933	3,601	9,312	9,643					
Comprehensive loss	\$ (119,674)	\$ (67,278)	\$ (97,605)	\$ (219,694)					
SEASPAN CORPORATION UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (IN THOUSANDS OF US DOLLARS)									
	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010					
Cash provided by (used in):	2011	2010	2011	2010					
Operating activities: Net loss Items not involving cash:	\$ (122,607)	\$ (70,879)	\$ (106,917)	\$ (229,337)					
Depreciation Share-based compensation	37,696 1,014	26,929 706	100,472 2,266	71,302 1,980					
Amortization of deferred charges	1,599	808	4,296	2,296					
Amounts reclassified from other comprehensive loss	2,784	3,520	8,970	9,444					
Unrealized change in fair value of financial instruments	142,496	84,903	160,742	252,462					
Loss on vessels Change in assets and liabilities	8,890 (9,827)	- (5,980)	8,890 (20,061)	- (10,474)					
Cash provided by operating activities	62,045	40,007	158,658	97,673					
Financing activities:									
Preferred shares issued, net of share issue costs	(89)	(15)	344,567	25,880					
Draws on credit facilities Repayment on credit facilities	544,863 (366)	124,820 -	547,160 (366)	487,300 -					
Repayment on other long-term liabilities	(6,210)	-	(11,910)	21,250					

Dividends on common shares(8) Dividends on series B preferred shares)	(9,378) (327)	(6,324) (328)	(25,004) (972)	(16,630) (449)
Dividends on series C preferred shares		(7,824)	-	(13,894)	-
Cash provided by financing activities		513,728	117,916	831,573	514,037
Investing activities: Expenditures for vessels Restricted cash Investment in affiliate Intangible assets Cash used in investing activities		(302,906) (5,000) (4,015) (944) (312,865)	(17,446) - - (156) (17,602)	(602,171) - (4,015) (2,528) (608,714)	(592,071) (5,000) - (1,330) (598,401)
Increase in cash and cash equivalents		262,908	140,321	381,517	13,309
Cash and cash equivalents, beginning of period Cash and cash equivalents, end of period	\$	152,828 415,736	\$ 6,388 146,709	\$ 34,219 415,736	\$ 133,400 146,709

(8,008)

(3,314)

(6,941)

(8) During the three and nine months ended September 30, 2011, non-cash dividends of \$3.6 million and \$9.4 million were paid through the dividend reinvestment plan, respectively. Shareholders have invested a total of \$30.1 million in the dividend reinvestment plan since its adoption in May 2008.

SEASPAN CORPORATION

Financing fees

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (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, amortization of deferred charges, non-cash share-based compensation, amounts paid for dry-docking, change in fair value of financial instruments, interest expense(9), interest expense at the hedged rate(11), cash dividends paid on preferred shares, loss on vessels and certain other items that the Company 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.

	hree months	Three months ended			ne months ded		ne months ded
	eptember 30,		eptember 30,		ptember 30,		ptember 30,
	011	2010		2011			10
Net loss \$			(70,879)		(106,917)		(229,337)
Add:	, ,	·		\$, ,	·	, ,
Depreciation	37,696		26,929		100,472		71,302
Interest expense(9)	13,998		8,293		34,801		20,272
Amortization of deferred charges	1,599		808		4,296		2,296
Share-based compensation	1,014		706		2,266		1,980
Change in fair value of financial instruments	174,580		113,388		253,525		336,547
Loss on vessels	8,890				8,890		
Less:							
Amounts paid for dry-dock adjustment	(1,871)		(2,064)		(6,299)		(4,894)
Series B preferred share dividends paid(10)	(327)		(328)		(972)		(449)
Series C preferred share dividends paid and accumulated(10)	(8,313)		_		(19,356)		_
Net cash flows before cash interest payments	104,659		76,853		270,706		197,717
Less:							
Interest expense at the hedged rate(11)	(40,729)		(24,677)		(102,346)		(59,445)
Cash available for distribution to \$ common shareholders	63,930	\$	52,176	\$	168,360	\$	138,272

Seaspan has changed the definition of cash available for distribution to common shareholders for comparative figures to reflect adjustments to the definition in the prior year. The following items are now excluded as adjustments: non-cash undrawn credit facility fees and non-cash interest income. In addition, cash interest paid at the hedged rate is replaced with interest expense at the hedged rate(11). This change resulted in changes of approximately 1% and -2% in cash available for distribution to common shareholders for the three and nine months ended September 30, 2010.

- (9) Interest expense as reported on the consolidated statement of operations.
- (10) Dividends related to the Series B and Series C preferred shares have been deducted as they reduce cash available for distribution to common shareholders.
- (11) 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.

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (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 the change in fair value of financial instruments, interest expense(9), interest expense at the hedged rate(11), loss on vessels and certain other items Seaspan believes affect the comparability of operating results. With these adjustments, normalized net earnings reflects interest expense on Seaspan's operating debt at the fixed rate on its interest rate swaps plus the applicable margin on the related credit facilities. Normalized net earnings is useful because it excludes the change in fair value of financial instruments that affect the comparability of Seaspan's operating results and includes interest at the hedged rate, which includes the effect of the interest rate swaps on Seaspan's operating debt.

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 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.

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (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 (continued)

Three months	Three months	Nine months	Nine months
ended	ended	ended	ended

		ptember 30, 11	, September 30, 2010		ptember 30, 11	eptember 30, 10
Net loss	\$	(122,607)	\$	(70,879)	\$ (106,917)	\$ (229,337)
Adjust:						
Change in fair value of financial instruments		174,580		113,388	253,525	336,547
Loss on vessels		8,890		-	8,890	-
Interest expense(9)		13,998		8,293	34,801	20,272
Interest expense at the hedged rate(11)		(40,729)		(24,677)	(102,346)	(59,445)
Normalized net earnings	\$	34,132	\$	26,125	\$ 87,953	\$ 68,037
Less: preferred share dividends						
Series A		7,742		6,879	22,319	19,831
Series B		617		593	1,813	811
Series C (including amortization of issuance costs)		8,485		-	20,031	-
,		16,844		7,472	44,163	20,642
Normalized net earnings attributable to common	\$	17,288	\$	18,653		\$ 47,395
shareholders		ŕ		ŕ	\$ 43,790	•
Weighted average number of shares used to compute earnings (loss) per share: Reported and normalized,		69,257		68,270	69,045	68,099
Charachers de communication						•
Share-based compensation Series A preferred shares		125		140	123	89
liquidation preference converted at \$15		17,322		15,390	16,823	14,947
Normalized, converted		86,704		83,800	85,991	83,135
Series A preferred shares 115% premium (30-day trailing average)		3,178		5,476	1,059	6,712
Reported, diluted(12)		89,882		89,276	87,050	89,847
Earnings (loss) per share:						
Reported, basic and diluted	I \$	(2.01)	\$	(1.15)	\$ (2.19)	\$ (3.67)
Normalized, converted – preferred shares converted at \$15(13)	\$	0.29	\$	0.30	\$ 0.77	\$ 0.81

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

(13) Normalized earnings per share, converted, decreased for the three and nine months ended September 30, 2011 as compared to the comparable periods in the prior year. Excluding share count changes, a decrease of \$0.10 per share due to the impact of the Series B and C preferred shares for the three months ended September 30, 2011 was partially offset by an increase of \$0.10 per share due to a rise in normalized net earnings. In addition, due to an increase in converted share count (from 83,800 to 86,704), there is a decrease of \$0.01 per share for the three months ended September 30, 2011. Excluding share count changes, a decrease of \$0.24 per share due to the impact of the Series B and C preferred shares for the nine months ended September 30, 2011 was offset by an increase of \$0.24 per share due to a rise in normalized net earnings. In addition, due to a rise in converted share count (83,135 to 85,991), there is a decrease of \$0.03 per share for the nine months ended September 30, 2011.

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 (IN THOUSANDS OF US DOLLARS, EXCEPT PER SHARE AMOUNTS)

Description of Non-GAAP Financial Measures

C. Adjusted EBITDA

Adjusted EBITDA is defined as net earnings (loss) before interest expense(9) and other debt-related expenses, interest income, income tax expense, depreciation and amortization expense, change in fair value of financial instruments, loss on vessels, and certain non-cash charges and selected items that are generally unusual or non-recurring.

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 (loss) or any other indicator of Seaspan's performance required to be reported by GAAP.

	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010		
Net loss	\$ (122,607)	\$ (70,879)	\$ (106,917)	\$ (229,337)		
Add:						
Interest expense(9)	13,998	8,293	34,801	20,272		
Interest income	(144)	(5)	(471)	(41)		
Undrawn credit facility fees	952	1,011	3,434	3,072		
Depreciation	37,696	26,929	100,472	71,302		

Adjusted EBITDA	\$ 114,964	\$ 79,545	\$ 298,030	\$	204,111	
Loss on vessels	8,890	-	8,890		-	
Change in fair value of financial instruments	174,580	113,388	253,525		336,547	
Amortization of deferred charges	1,599	808	4,296		2,296	

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; 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; completion of the MSC bareboat chartering transactions; chartering rates; conditions in the containership market; increased operating expenses; the number of off-hire days; drydocking 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 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, 2010. Seaspan expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in Seaspan's views or expectations, or otherwise.

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