



**seaspan**  
CORPORATION

A Leading Independent Containership Owner and Manager

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# Second Quarter 2013 Financial Results Conference Call

July 30, 2013

# Notice on Forward Looking Statements

This presentation contains certain forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended), which reflect management's current views with respect to certain future events and performance, including, in particular, statements regarding: future operating or financial results; expansion of Seaspan's business; future time charters, including the obtaining of charters for the vessels recently ordered by Seaspan; future dividends; the effects of grants of stock appreciation rights on Seaspan's general and administrative expenses; vessel deliveries; vessel financing arrangements; and Seaspan's capital requirements. Although these statements are based upon assumptions Seaspan believes to be reasonable, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to: the availability to Seaspan of containership acquisition opportunities; the availability and cost to Seaspan of financing to pursue growth opportunities; the number of additional vessels managed by the Manager in the future; the amounts of any payments to the former owners of our Manager related to fleet growth; the timing of recognition of compensation expenses related to stock appreciation rights; general market conditions and shipping market trends, including chartering rates; conditions in the containership market; increased operating expenses; the number of off-hire days; dry-docking requirements; availability of crew; insurance costs; Seaspan's ability to borrow funds under its credit facilities and to obtain additional financing in the future; Seaspan's future cash flows and its ability to make dividend and other payments; the time that it may take to construct new ships; Seaspan's continued ability to enter into primarily long-term, fixed-rate time charters with customers, including charters for the vessels recently ordered by Seaspan; Seaspan's ability to leverage to its advantage its relationships and reputation in the containership industry; changes in governmental rules and regulations or actions taken by regulatory authorities; the financial condition of shipyards, charterers, lenders, refund guarantors and other counterparties and their ability to perform their obligations under their agreements with Seaspan; taxation of Seaspan and of distributions to its shareholders; potential liability from future litigation; the potential for early termination of long-term contracts and Seaspan's potential inability to renew or replace long-term contracts; conditions in the public equity markets and the price of Seaspan's shares; and other factors detailed from time to time in Seaspan's periodic reports and filings with the Securities and Exchange Commission, including Seaspan's Report on Form 20-F for the year ended December 31, 2012. Seaspan expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in Seaspan's views or expectations, or otherwise.

Please refer to the earnings release for a description and reconciliation of non-GAAP financial measures such as cash available for distribution to common shareholders, normalized net earnings, normalized earnings per share and adjusted EBITDA, which is available on our website at [www.seaspancorp.com](http://www.seaspancorp.com).

# Second Quarter 2013 Highlights

## Utilization

- 99.0% and 97.5% utilization for the three and six months ended June 30, 2013, respectively
- The operating fleet is currently fully employed with one 4250 TEU vessel expected to re-deliver on July 30

## Q2 Dividends

- \$0.3125 per Class A common share;
- \$0.59375 per Series C preferred share; \$0.496875 per Series D preferred share

## Main Transactions

- Newbuild contracts:
  - July-2013: Seaspan entered into contracts with an Asian shipbuilder for approximately \$550 million in vessels with 2015 scheduled delivery dates. Seaspan expects to sign long-term time charters for these vessels shortly.
  - Allocation of these vessels between Seaspan and GCI, pursuant to the ROFR, remains to be determined.
- Vessel deliveries and fixtures:
  - 2 x 4600 TEU 2003-built vessels delivered June and July commenced two year fixed rate time charters with MOL
  - July 2013, Seaspan Dalian and Seaspan Felixstowe were fixed on time charters of up to 30 months each, with additional option periods of six to 12 months
- Term loan financing transactions, entered into:
  - April-2013: up to \$174 million with an Asian bank to fund the delivery of 2 x 14000 TEU newbuilds to be chartered to Yang Ming
  - June-2013: up to \$30 million with a U.S. bank and an Australian bank to fund the purchase of 2 x 4600 TEU containerships chartered to MOL
  - July-2013: up to \$83 million with a European bank to fund the delivery of 1 x 14000 TEU newbuild to be chartered to Yang Ming

# Results for Three and Six Months Ended June 30

Operating Metrics	Three Months Ended Jun 30		Change		Six Months Ended Jun 30		Change	
	2013	2012	\$	%	2013	2012	\$	%
Revenue	\$167.8	\$167.6	\$0.1	0.1%	\$332.7	\$321.1	\$11.6	3.6%
Ship operating expenses	\$37.3	\$31.5	\$5.8	18.5%	\$74.9	\$66.1	\$8.8	13.4%
<b>Operating Cash Flow Metrics</b>								
Adjusted EBITDA <sup>1</sup>	\$119.0	\$131.9	\$(13.0)	(9.8%)	\$240.2	\$247.8	\$(7.6)	(3.1%)
Cash available for distribution to common shareholders <sup>1</sup>	\$67.2	\$76.4	\$(9.2)	(12.0%)	\$134.1	\$141.8	\$(7.7)	(5.4%)
Cash dividends paid (incl. non-convertible preferred shares, excl. DRIP)	\$21.1	\$23.1	\$(2.0)	(8.6%)	\$39.4	\$38.8	\$0.6	1.6%
<b>Earnings Metrics</b>								
Normalized net earnings <sup>1</sup>	\$25.5	\$37.8	\$(12.3)	(32.5%)	\$53.9	\$71.0	\$(17.2)	(24.2%)
Normalized converted EPS <sup>1,2</sup>	\$0.18	\$0.35	\$(0.17)	(48.6%)	\$0.39	\$0.65	\$(0.26)	(40.0%)
Converted shares outstanding (in millions) <sup>1,2</sup>	86.7	83.0	3.7	4.4%	86.4	83.1	3.2	3.9%

Dollar amounts in millions, except per share amounts

(1) Adjusted EBITDA, cash available for distribution to common shareholders, normalized net earnings and normalized converted EPS are non-GAAP measures. Please refer to the earnings release for definitions of these terms and reconciliations of such measures to measures under GAAP.  
(2) Series A preferred shares deemed converted into common shares at a price of \$15/share.

# Balance Sheet

	As of Jun 30, 2013	As of Dec 31, 2012	\$ Change	% Change
Cash and cash equivalents	\$254.6	\$381.4	\$(126.8)	(33.3%)
Current assets	\$394.1	\$463.9	\$(69.8)	(15.0%)
Operating vessels	\$4,728.3	\$4,786.0	\$(57.7)	(1.2%)
Total assets	\$5,658.1	\$5,650.9	\$7.2	0.1%
Current liabilities	\$252.6	\$180.3	\$72.3	40.1%
Total debt and other liabilities	\$4,280.0	\$4,432.3	\$(152.2)	(3.4%)
Total liabilities & shareholders' equity	\$5,658.1	\$5,650.9	\$7.2	0.1%

*Dollar amounts in millions*

# Forward Guidance\*

<i>Estimated</i>	2013		2014	2015
	Q3	Q4	FY	FY
<b>Scheduled Deliveries<sup>1</sup></b>	1 x 4600 TEU on charter to MOL (July 4)	-	3 x 10000 TEU on charter to Hanjin (Q1, Q2, Q3)  2 x 10000 TEU on charter to MOL (Q2, Q4)	3 x 14000 TEU on charter to Yang Ming (Q1, 2 x Q2)
<b>Future Dry-dockings (# days)</b>	45	-	~135	~300
<b>Capex Requirements<sup>1 2</sup> (in millions)</b>	\$70	\$10	\$400	\$240
<b>Forward Converted Share Count<sup>3</sup> (in millions)</b>	87.9	89.1	92.2	93.6

Please refer to our website at [www.seaspincorp.com](http://www.seaspincorp.com) for details on our fleet and delivery schedule.

\* Note: All estimates are approximate and subject to change

(1) 2015 scheduled deliveries and capex requirements excludes \$550 million newbuilding vessels ordered in July 2013, such vessels subject to ROFR

(2) Capex Requirements reflect Seaspan contract installments for newbuilding vessels based on current expected construction schedule and delivery dates and expected GCI capital contributions

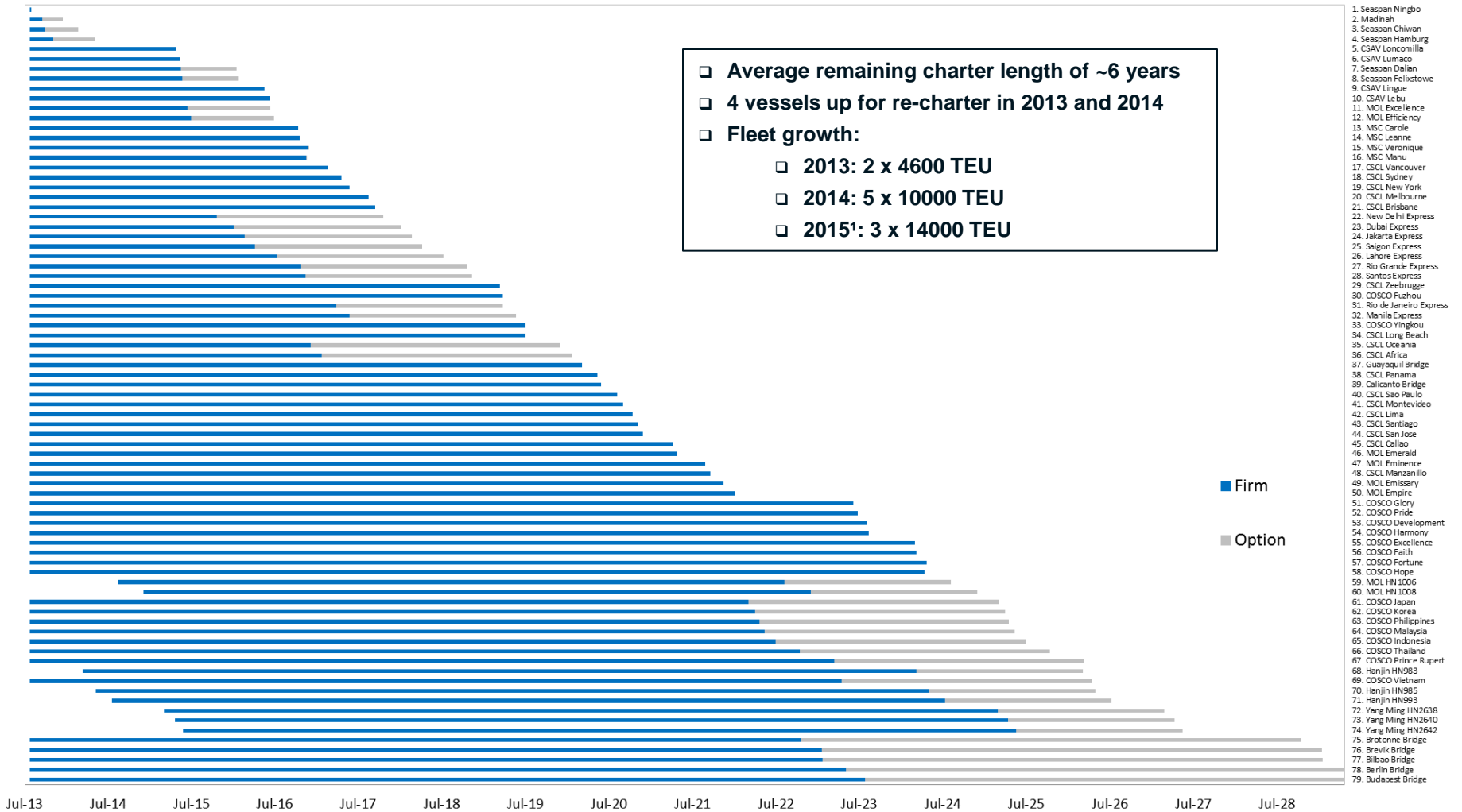
(3) Forward converted share count is based on: current outstanding common shares; a conversion price of \$15 per share for our Series A preferred shares; assumed DRIP participation by the Washington Family to Q1 2015; the current quarterly common share dividend; and expected annual common share dividend yield.

# Container Industry Overview

	2013 vs. 2012
<b>Supply</b>	
<b>Demand</b>	
<b>Freight Rates</b>	<b>Volatile</b>
<b>Charter Rates</b>	<b>Firmer but volatile</b>
<b>Overall Industry</b>	<b>Moderation</b>

# Staggered Charter Maturities

SSW Vessel Charter Maturities to 2029



(1) 2015 fleet growth excludes \$550 million newbuilding vessels ordered in July 2013



## Seaspan will continue to focus on:

Growing our business in a balanced and controlled manner

Pursuing long-term, fixed-rate contracts with strong credit customers and high quality, modern assets

Following a dividend policy aimed at sustainably growing our dividends

Enhancing our financial strength and flexibility for both offensive and defensive purposes

Creating long-term shareholder value



# Q&A

