July 25, 2016

Seaspan Reports Financial Results for the Three and Six Months Ended June 30, 2016

Series of Transactions Strengthens Balance Sheet and Supports Continued Growth of Stable Cash Flows

HONG KONG, China, July 25, 2016 /PRNewswire/ - Seaspan Corporation ("Seaspan") (NYSE: SSW) announced today its financial results for the three and six months ended June 30, 2016. Below is a summary of Seaspan's key financial results:

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

	Three Months Ended June 30,		Change	
	2016	2015	$	%
Revenue	$ 224,314	$ 199,152	$ 25,162	12.6%
Reported net earnings	$ 36,425	$ 81,356	$ (44,931)	(55.2%)
Normalized net earnings[(1)]	$ 43,977	$ 35,163	$ 8,814	25.1%
Earnings per share, basic and diluted	$ 0.23	$ 0.68	$ (0.45)	(66.2%)
Normalized earnings per share, diluted[(1)]	$ 0.30	$ 0.22	$ 0.08	36.4%
Cash available for distribution to common shareholders[(2)]	$ 111,223	$ 105,708	$ 5,515	5.2%
Adjusted EBITDA[(3)]	$ 177,150	$ 168,816	$ 8,334	4.9%

	Six Months Ended June 30,		Change	
	2016	2015	$	%
Revenue	$ 439,837	$ 387,699	$ 52,138	13.4%
Reported net earnings	$ 43,553	$ 102,689	$ (59,136)	(57.6%)
Normalized net earnings[(1)]	$ 89,981	$ 73,519	$ 16,462	22.4%
Earnings per share, basic and diluted	$ 0.17	$ 0.76	$ (0.59)	(77.6%)
Normalized earnings per share, diluted[(1)]	$ 0.64	$ 0.47	$ 0.17	36.2%
Cash available for distribution to common shareholders[(2)]	$ 211,750	$ 199,590	$ 12,160	6.1%
Adjusted EBITDA[(3)]	$ 340,805	$ 322,891	$ 17,914	5.5%

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(1) Normalized net earnings and normalized earnings per share are non-GAAP measures that are adjusted for interest expense, excluding amortization of deferred financing fees, refinancing expenses, foreign exchange gain, write-off of vessel equipment, change in fair value of financial instruments, interest expense at the hedged rate, and certain other items that Seaspan believes are not representative of its operating performance. Normalized earnings per share, diluted, includes the dilutive impact of share-based compensation arrangements and convertible preferred shares. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Six Months Ended June 30, 2016 and 2015—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 for reconciliations of these measures to net earnings and earnings per share, respectively.

(2) Cash available for distribution to common shareholders is a non-GAAP measure that represents net earnings adjusted for depreciation and amortization, interest expense and amortization of deferred financing fees, refinancing expenses, share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, gain on sales, amortization of deferred gain, foreign exchange gain, dry-dock reserve adjustment, cash dividends paid on preferred shares, interest expense at the hedged rate and certain other items that Seaspan believes are not representative of its operating performance. Please read "Reconciliation of Non-GAAP Financial Measures for Three and Six Months Ended June 30, 2016 and 2015—Description of Non-GAAP Financial Measures—A. Cash Available for Distribution to Common Shareholders" for a description of cash available for distribution to common shareholders and a reconciliation of cash available for distribution to common shareholders to net earnings.

(3) Adjusted EBITDA is a non-GAAP measure that represents net earnings adjusted for interest expense and amortization of deferred financing fees, income tax expense, interest income, undrawn credit facility fees, depreciation and amortization, refinancing expenses, share-based compensation, gain on sales, amortization of deferred gain, foreign exchange gain, bareboat charter adjustment, change in fair value of financial instruments and certain other items that Seaspan believes are not representative of its operating performance. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Six Months Ended June 30, 2016 and 2015—Description of Non-GAAP Financial Measures—C. Adjusted EBITDA" for a description of Adjusted EBITDA and a

reconciliation of Adjusted EBITDA to net earnings.

Summary of Key Highlights

- Achieved vessel utilization of 98.1% and 97.7% for the three and six months ended June 30, 2016, or 98.4% and 98.3% if the impact of scheduled off-hire days is excluded.
- Accepted delivery of one vessel during the second quarter and leased in two vessels, bringing Seaspan's operating fleet to a total of 89 vessels at June 30, 2016.
- Paid $13.2 million of regular quarterly dividends to preferred shareholders of record as of April 29, 2016. Dividends per share were:
  - $0.59375 Series C (NYSE: SSW PR C)
  - $0.496875 Series D (NYSE: SSW PR D)
  - $0.515625 Series E (NYSE: SSW PR E)
- Paid a quarterly dividend for the 2016 first quarter of $0.375 per Class A common share to all shareholders of record as of April 20, 2016.
- Raised approximately $1.2 billion through capital markets and financing transactions during 2016.

Gerry Wang, Chief Executive Officer, Co-Chairman and Co-Founder of Seaspan, commented, "We continued to generate strong financial and operational results in the second quarter, which was defined by a series of transactions that strengthened our balance sheet and positioned us for further growth. Seaspan secured in excess of $1.0 billion in new capital during the second quarter, comprised of loan, lease and equity financings. Our continued ability to access capital from diverse sources is a strong endorsement of our stress tested business model and disciplined growth strategy."

Mr. Wang, added, "During the second quarter, we expanded our fleet with the delivery of our eighth 14000 TEU SAVER design containership, which commenced a ten-year fixed-rate contract with Yang Ming. We also grew our operating fleet by entering into leasing arrangements for two newly-delivered vessels that were previously owned by GCI and constructed under our supervision. Each of these vessels has been contracted for long-term fixed-rate charters. Finally, at the end of the second quarter, Seaspan acquired two newbuilding 11000 TEU vessels from GCI and their associated 17-year charters with MSC. With these actions, we have taken significant steps to ensure the stability of our cash flows while increasing our position as the world's largest independent owner and lessor of containerships."

Second Quarter Developments

Vessel Deliveries

During the second quarter of 2016, Seaspan accepted delivery of one 14000 TEU vessel, the YM Width. The vessel was constructed at CSBC Corporation, Taiwan using our fuel efficient SAVER design and commenced a 10-year fixed-rate time charter with Yang Ming Marine Transport Corp. ("Yang Ming Marine") on May 29, 2016.

On April 28, 2016, Seaspan entered into a lease financing arrangement with third parties for one 10000 TEU newbuilding vessel, the MOL Beyond. The vessel is being leased from the third parties over a term of 11 years, with an option to purchase the vessel at the nine-year anniversary of the lease for a pre-determined fair value purchase price. Seaspan received the eight-year time charter contract with Mitsui O.S.K. Lines Ltd. for the MOL Beyond from Greater China Intermodal Investment LLC ("GCI") for no consideration.

On May 6, 2016, Seaspan entered into a lease financing arrangement with third parties for one 14000 TEU newbuilding vessel, the YM Window. The vessel is being leased from the third parties over a term of 12 years, with an option to purchase the vessel at the 9.5-year anniversary of the lease for a pre-determined fair value purchase price. Seaspan received the 10-year time charter contract with Yang Ming Marine for the YM Window from GCI for no consideration.

Vessel Acquisitions

On June 29, 2016, Seaspan acquired two 11000 TEU newbuilding vessels from GCI for a total purchase price of $195.6 million. These vessels will commence 17-year bareboat charters with MSC Mediterranean Shipping Company S.A. ("MSC") upon their respective deliveries scheduled in 2017. MSC is obligated to purchase the vessels for a pre-determined amount at the end of their respective charters. These two vessels are sister ships to Seaspan's three 11000 TEU vessels also scheduled for delivery in 2017 and chartered to MSC.

Equity Financings

On May 17, 2016, Seaspan issued to a third-party Asian investor 5,600,000 Series F preferred shares at a price of $25.00 per share, for an aggregate purchase price of $140.0 million. The holder of the Series F preferred shares has the right to convert these shares into common shares at a conversion price of $18.00 per share. The dividend rate is initially set at 6.95%, but will increase by 1.0% annually after the fifth anniversary date up to a maximum of 10.5% by the ninth anniversary date, or in certain circumstances to 10.5% on January 1, 2018. Seaspan has the right to call the Series F preferred shares at par plus any accumulated and unpaid dividends at any time after the dividend increases above 6.95%.

On May 27, 2016, Seaspan issued 5,750,000 Class A common shares in a public offering for net proceeds of approximately $81.1 million before expenses. Concurrently with the closing of the public offering, Seaspan's chief executive officer and affiliates of one of Seaspan's directors and of Dennis Washington purchased directly from Seaspan, in a private placement and at the public offering price, an aggregate of $15.0 million additional Class A common shares.

On June 16, 2016, Seaspan issued 4,600,000 Series G preferred shares at a price of $25.00 per share, for net proceeds of approximately $111.4 million before expenses. Dividends are payable on the Series G preferred shares at a rate of 8.20% per annum on the stated liquidation preference of $25.00 per share.

Redemption of Series C Preferred Shares

In June 2016, Seaspan redeemed 13,321,774 Series C preferred shares, representing all of the issued and outstanding Series C preferred shares, using net proceeds from the Series F preferred share issuance and Class A common share public offering and concurrent private placement.

Revolving Credit Facility

On April 29, 2016, Seaspan completed the renewal of its 364-day unsecured, revolving loan facility with various banks for a total commitment of up to $150.0 million. The facility includes features providing for an increase in commitments by up to $30.0 million, enabling a total facility size of up to $180.0 million. The revolving loan facility bears interest at LIBOR plus a margin.

Lease Financings

On May 5, 2016, Seaspan entered into 17-year financing arrangements with an Asian-based leasing company, consisting of leases with commitments totalling approximately $253 million to fund the construction and delivery of three 11000 TEU newbuilding containerships and leases with commitments totalling approximately $168 million to fund the construction and delivery of two 11000 TEU containerships. These financing arrangements bear interest at LIBOR plus a margin. The five 11000 TEU newbuilding containerships will commence 17-year bareboat charters upon their deliveries, scheduled during 2017.

On May 25, 2016, Seaspan entered into a sale-leaseback transaction with special purpose companies, ("SPCs"), for the YM Width for gross proceeds of $144.0 million. Under the lease, Seaspan sold the vessel to the SPCs and leased the vessel back for twelve years, with an option to purchase the vessel at the 9.5-year anniversary for a pre-determined fair value purchase price.

Employment Agreement with CEO Gerry Wang

On May 16, 2016, Seaspan entered into an employment agreement with Gerry Wang to replace the existing employment agreement, dated December 7, 2012. Pursuant to the new employment agreement, Mr. Wang has agreed to continue to serve as Seaspan's chief executive officer and co-chairman through May 31, 2021.

Financial Services Agreement

On May 16, 2016, Seaspan entered into a Financial Services Agreement, with Seaspan Financial Services Ltd., ("SFSL"), an entity owned and controlled by Graham Porter, a Seaspan director, to replace the Financial Services Agreement dated March 14, 2011, between Seaspan and Tiger Ventures Limited, an entity also owned and controlled by Mr. Porter. Under the Financial Services Agreement, SFSL will provide Seaspan with certain strategic services, including negotiating and procuring pre-delivery and post-delivery financing or refinancing for the construction of new vessels or the acquisition of second hand vessels.

Subsequent Events

Dividends

On July 12, 2016, Seaspan declared the following quarterly cash dividends on its common and preferred shares, for a total distribution of $47.9 million:

Security	Ticker	Dividend per Share	Period	Record Date	Payment Date
Class A common shares	SSW	$0.375	April 1, 2016 to June 30, 2016	July 20, 2016	August 1, 2016
Series D preferred shares	SSW PR D	$0.496875	April 30, 2016 to July 29, 2016	July 29, 2016	August 1, 2016
Series E preferred shares	SSW PR E	$0.515625	April 30, 2016 to July 29, 2016	July 29, 2016	August 1, 2016
Series F preferred shares	-	$0.352326	May 17, 2016 to July 29, 2016	July 29, 2016	August 1, 2016
Series G preferred shares	SSW PR G	$0.250556	June 16, 2016 to July 29, 2016	July 29, 2016	August 1, 2016

Results for the Three and Six Months Ended June 30, 2016

At the beginning of 2016, Seaspan had 85 vessels in operation. Seaspan accepted delivery of two newbuilding vessels and leased in two vessels during the six months ended June 30, 2016, bringing its operating fleet to a total of 89 vessels at June 30, 2016. Revenue from time charters is determined primarily by the number of operating days, and ship operating expense is determined primarily by the number of ownership days.

	Three Months Ended June 30,		Increase		Six Months Ended June 30,		Increase	
	2016	2015	Days	%	2016	2015	Days	%
Operating days[1]	7,468	6,762	706	10.4 %	14,640	13,262	1,378	10.4 %
Ownership days[1]	7,612	6,901	711	10.3 %	14,987	13,471	1,516	11.3 %

The following table summarizes Seaspan's vessel utilization by quarter and for the six months ended June 30, 2016 and 2015:

	First Quarter		Second Quarter		Year To Date- June 30,	
	2016	2015	2016	2015	2016	2015
Vessel Utilization:						
Ownership Days[1]	7,375	6,570	7,612	6,901	14,987	13,471
Less Off-hire Days:						
Scheduled 5-Year Survey	(75)	(49)	(19)	(66)	(94)	(115)
Unscheduled Off-hire[2]	(128)	(21)	(125)	(73)	(253)	(94)
Operating Days[1]	**7,172**	**6,500**	**7,468**	**6,762**	**14,640**	**13,262**
Vessel Utilization	**97.2 %**	**98.9 %**	**98.1 %**	**98.0 %**	**97.7 %**	**98.4 %**

(1) Operating and ownership days include leased vessels and exclude vessels under bareboat charter.
(2) Unscheduled off-hire includes days related to vessels off-charter.

The following table summarizes Seaspan's consolidated financial results for the three and six months ended June 30, 2016 and 2015:

Financial Summary (in millions of US dollars)	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	$	%	2016	2015	$	%
Revenue	$ 224.3	$ 199.2	$ 25.2	12.6%	$ 439.8	$ 387.7	$ 52.1	13.4%
Ship operating expense	49.2	49.3	(0.1)	(0.1%)	96.8	93.9	3.0	3.2%
Depreciation and amortization expense	54.5	52.4	2.2	4.1%	113.4	99.0	14.4	14.6%
General and administrative expense	9.1	6.4	2.7	42.0%	16.9	13.2	3.7	27.9%
Operating lease expense	20.7	8.6	12.1	140.8%	35.5	14.7	20.8	141.0%
Interest expense and amortization of deferred financing fees	30.1	28.3	1.8	6.4%	60.2	53.3	7.0	13.1%
Refinancing expenses	0.8	1.2	(0.4)	(33.0%)	0.8	2.3	(1.5)	(66.5%)
Change in fair value of financial Instruments	23.6	(19.5)	43.1	221.2%	75.8	19.9	55.9	281.6%

Revenue

Revenue increased by 12.6% to $224.3 million and 13.4% to $439.8 million for the three and six months ended June 30, 2016, respectively, over the same periods in 2015, primarily due to the delivery of newbuilding vessels in 2015 and 2016 and the additional two leased in vessels in 2016, partially offset by lower average charter rates for vessels that were on short-term charters.

The increases in operating days and the related financial impact thereof for the three and six months ended June 30, 2016, respectively, relative to the same periods in 2015, are attributable to the following:

	Three Months Ended June 30, 2016		Six Months Ended June 30, 2016	
	Operating Days Impact	$ Impact (in millions)	Operating Days Impact	$ Impact (in millions)
2016 vessel deliveries	241	9.5	245	9.6
Full period contribution for 2015 vessel deliveries	470	20.7	1,190	52.7
Change in daily charter hire rate and re-charters	-	(8.0)	-	(12.7)
Additional days due to leap year	-	-	81	2.1
Unscheduled off-hire	(52)	(1.0)	(159)	(2.8)

Scheduled off-hire	47	1.0	21	(1.8)
Supervision fee revenue	-	2.6	-	3.9
Vessel management revenue	-	0.4	-	1.0
Other	-	-	-	0.1
Total	**706**	**$ 25.2**	**1,378**	**$ 52.1**

Vessel utilization was 98.1% and 97.7% for the three and six months ended June 30, 2016, respectively, compared to 98.0% and 98.4% the same periods in 2015.

The decrease in vessel utilization for the six months ended June 30, 2016, compared to the same period in 2015, was primarily due to an increase in unscheduled off-hire by 159 days. The increase in unscheduled off-hire was primarily due to eight vessels that were off-charter for a total of 230 days during the six months ended June 30, 2016, compared to two vessels that were off-charter for a total of 38 days in the same period of 2015.

Seaspan completed dry-dockings for 12 vessels during the three and six months ended June 30, 2016:

Vessel Class (TEU)	First Quarter	Second Quarter	Year To Date-June 30, 2016
4250	2 [(1)]	1 [(1)]	3
4500	1	—	1
8500	1	—	1
13100	5	2	7
	9	3	12

(1) Dry-docking for these vessels was completed between their time charters.

During the remainder of 2016, Seaspan expects three vessels to undergo their scheduled dry-dockings.

Ship Operating Expense

Ship operating expense decreased by 0.1% to $49.2 million for the three months ended June 30, 2016, compared to the same period in 2015, primarily due to cost savings initiatives implemented, which resulted in lower crew costs and lower stores and spares purchases. This decrease is partially offset by a 10.3% increase in ownership days due to the delivery of newbuilding vessels in 2015 and 2016, and the additional two leased in vessels in 2016.

Ship operating expense increased by 3.2% to $96.8 million for the six months ended June 30, 2016, compared to the same period in 2015, primarily due to an 11.3% increase in ownership days for the six months ended June 30, 2016. The increase in ownership days is primarily due to the delivery of newbuilding vessels in 2015 and 2016, and the additional two leased in vessels in 2016, partially offset by cost savings initiatives implemented which resulted in lower crew costs.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 4.1% to $54.5 million and by 14.6% to $113.4 million for the three and six months ended June 30, 2016, respectively, compared to the same periods in 2015, primarily due to an increase in fleet size from vessels delivered in 2015 and an increase in dry-dock amortization from an increase in the number of vessels dry-docked. For the six months ended June 30, 2016, the increase in depreciation and amortization was also due to write-offs of replaced vessel equipment.

General and Administrative Expense

General and administrative expense increased by 42.0% to $9.1 million and by 27.9% to $16.9 million for the three and six months ended June 30, 2016, respectively, compared to the same periods in 2015. The increases were primarily due to professional fees and other corporate expenses incurred.

Operating Lease Expense

Operating lease expense increased to $20.7 million and $35.5 million for the three and six months ended June 30, 2016, respectively, from $8.6 million and $14.7 million in the same periods in 2015. The increase was primarily due to the deliveries of four vessels in 2015 and two vessels in 2016 that were financed through sale-leaseback transactions. Under these transactions, Seaspan sold the vessels to the SPCs and are leasing the vessels back over a term of 11 or 12 years, with an option to purchase the vessels at the nine or 9.5-year anniversary of the lease for a pre-determined fair value purchase price. The unamortized portion of the deferred gain on all sale-leasebacks was $202.3 million as at June 30, 2016.

In addition, operating lease expense also increased due to the two leases entered into with third parties in April and May 2016 for a 10000 TEU vessel, the MOL Beyond and a 14000 TEU vessel, the YM Window, respectively.

Interest Expense and Amortization of Deferred Financing Fees

The following table summarizes Seaspan's borrowings:

(in millions of US dollars)	As at June 30, 2016	As at June 30, 2015	Change $	Change %
Long-term debt, excluding deferred financing fees	$ 3,316.6	$ 3,350.8	$ (34.2)	(1.0%)
Other long-term liabilities, excluding deferred gains, deferred financing fees and other	411.7	354.6	57.1	16.1
Total borrowings	3,728.3	3,705.4	22.9	0.6
Less: Vessels under construction	(289.8)	(211.5)	(78.3)	(37.0)
Operating borrowings	$ 3,438.5	$ 3,493.9	$ (55.4)	(1.6%)

Interest expense and amortization of deferred financing fees is comprised primarily of interest incurred on long-term debt and other long-term liabilities, excluding deferred gains, relating to operating vessels at either the variable rate calculated by reference to LIBOR plus the applicable margin or at fixed rates. Interest expense also includes a non-cash reclassification of amounts from accumulated other comprehensive loss related to previously designated hedging relationships. Interest incurred on long-term debt and other long-term liabilities for Seaspan's vessels under construction is capitalized to the cost of the respective vessels under construction. Effective January 1, 2016, in accordance with recent accounting pronouncements, interest expense includes the amortization of debt issuance costs. Previously these amounts were reported as amortization of deferred charges. The comparative figures for the prior period have been reclassified to conform with the current year's presentation.

Interest expense and amortization of deferred financing fees increased by $1.8 million to $30.1 million and by $7.0 million to $60.2 million for the three and six months ended June 30, 2016, respectively, compared to the same periods in 2015. These increases were due to an increase in operating borrowings primarily related to certain vessels that delivered in 2015 and an increase in LIBOR, partially offset by repayments made on existing operating borrowings and lower amortization of deferred financing fees. For the six months ended June 30, 2016, the increase in interest expense was also due to the full period impact of three 4500 TEU vessels which were refinanced in March 2015.

Although Seaspan has entered into fixed interest rate swaps for some of its variable rate debt, the difference between the variable interest rate and the swapped fixed-rate on operating debt is recorded in Seaspan's change in fair value of financial instruments rather than in interest expense.

Refinancing expenses

Refinancing expenses decreased by $0.4 million to $0.8 million and by $1.5 million to $0.8 million for the three and six months ended June 30, 2016, respectively, compared to the same periods in 2015. These decreases were primarily due to deferred financing fees that were written-off in connection with the termination and repayment of term loans.

Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in losses of $23.6 million and $75.8 million for the three and six months ended June 30, 2016, respectively, compared to a gain of $19.5 million and a loss of $19.9 million for the same periods in 2015. The losses for the three and six months ended June 30, 2016 and 2015 were primarily due to decreases in the forward LIBOR curve and the effect of the passage of time.

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

About Seaspan

Seaspan provides many of the world's major shipping lines with creative outsourcing alternatives to vessel ownership by offering long-term leases on large, modern containerships combined with industry-leading ship management services. Seaspan's managed fleet consists of 118 containerships representing a total capacity of over 935,000 TEU, including 14 newbuilding containerships on order scheduled for delivery to Seaspan and third parties by the end of 2017. Seaspan's current operating fleet of 89 vessels has an average age of approximately six years and an average remaining lease period of approximately five years, on a TEU weighted basis.

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

Symbol:	Description:
SSW	Class A common shares

SSW PR D	Series D preferred shares
SSW PR E	Series E preferred shares
SSW PR G	Series G preferred shares
SSWN	6.375% senior unsecured notes due 2019

Conference Call and Webcast

Seaspan will host a conference call and webcast presentation for investors and analysts to discuss its results for the three and six months ended June 30, 2016 on July 26, 2016 at 6:30 a.m. PT / 9:30 a.m. ET. Participants should call 1-877-246-9875 (US/Canada) or 1-707-287-9353 (International) and request the Seaspan call. A telephonic replay will be available for anyone unable to participate in the live call. To access the replay, call 1-855-859-2056 or 1-404-537-3406 and enter the replay passcode: 51022200. The recording will be available from July 26, 2016 at 9:30 a.m. PT / 12:30 p.m. ET through 8:59 p.m. PT / 11:59 p.m. ET on August 9, 2016. The conference call will also be broadcast live over the Internet and will include a slide presentation. To access the live webcast of the conference call, go to www.seaspancorp.com and click on "News & Events" then "Events & Presentations" for the link. The webcast will be archived on the site for one year.

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2016
(IN THOUSANDS OF US DOLLARS)

	June 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$ 346,657	$ 215,520
Short-term investments	2,365	3,415
Accounts receivable	35,138	24,065
Loans to affiliate	74,063	219,649
Prepaid expenses	35,642	39,731
Gross investment in lease	27,227	37,783
	521,092	540,163
Vessels	4,984,498	5,069,229
Vessels under construction	289,798	209,119
Deferred charges	70,708	57,299
Goodwill	75,321	75,321
Other assets	120,581	89,056
Fair value of financial instruments	18,096	33,632
	$ 6,080,094	$ 6,073,819
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 69,532	$ 76,386
Current portion of deferred revenue	17,883	22,199
Current portion of long-term debt	264,313	285,783
Current portion of other long-term liabilities	42,623	38,173
Fair value of financial instruments	8	1,260
	394,359	423,801
Deferred revenue	2,275	2,730
Long-term debt	3,026,489	3,072,058
Other long-term liabilities	574,868	462,161
Fair value of financial instruments	352,951	336,886
	4,350,942	4,297,636
Shareholders' equity:		
Share capital	1,259	1,223
Treasury shares	(367)	(356)
Additional paid in capital	2,278,476	2,266,661
Deficit	(521,404)	(460,425)
Accumulated other comprehensive loss	(28,812)	(30,920)
	1,729,152	1,776,183
	$ 6,080,094	$ 6,073,819

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(IN THOUSANDS OF US DOLLARS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	$ 224,314	$ 199,152	$ 439,837	$ 387,699

Operating expenses:				
Ship operating	49,233	49,289	96,840	93,866
Cost of services, supervision fees	3,900	1,300	5,200	1,300
Depreciation and amortization	54,515	52,351	113,352	98,950
General and administrative	9,064	6,383	16,857	13,182
Operating leases	20,662	8,582	35,513	14,734
	137,374	117,905	267,762	222,032
Operating earnings	86,940	81,247	172,075	165,667
Other expenses (income):				
Interest expense and amortization of deferred financing fees	30,095	28,287	60,238	53,257
Interest income	(2,768)	(3,246)	(5,845)	(6,659)
Undrawn credit facility fees	741	850	1,153	1,707
Refinancing expenses	772	1,152	772	2,304
Change in fair value of financial instruments	23,614	(19,480)	75,765	19,855
Equity income on investment	(2,168)	(1,085)	(3,968)	(1,334)
Other expenses (income)	229	(6,587)	407	(6,152)
	50,515	(109)	128,522	62,978
Net earnings	**$ 36,425**	**$ 81,356**	**$ 43,553**	**$ 102,689**
Deficit, beginning of period	(503,690)	(484,954)	(460,425)	(459,161)
Dividends - common shares	(36,875)	(36,724)	(73,755)	(70,101)
Dividends - preferred shares	(16,999)	(13,435)	(30,153)	(26,870)
Amortization of Series C issuance costs	—	(321)	(116)	(635)
Other	(265)	—	(508)	—
Deficit, end of period	$ (521,404)	$ (454,078)	$ (521,404)	$ (454,078)
Weighted average number of shares, basic	101,480	99,237	99,616	98,606
Weighted average number of shares, diluted	101,616	99,301	99,702	98,662
Earnings per share, basic and diluted	$ 0.23	$ 0.68	$ 0.17	$ 0.76

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(IN THOUSANDS OF US DOLLARS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net earnings	**$ 36,425**	**$ 81,356**	**$ 43,553**	**$ 102,689**
Other comprehensive income:				
Amounts reclassified to net earnings during the period, relating to cash flow hedging instruments	1,047	1,185	2,108	2,275
Comprehensive income	**$ 37,472**	**$ 82,541**	**$ 45,661**	**$ 104,964**

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(IN THOUSANDS OF US DOLLARS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Cash from (used in):				
Operating activities:				
Net earnings	$ 36,425	$ 81,356	$ 43,553	$ 102,689
Items not involving cash:				
Depreciation and amortization	54,515	52,351	113,352	98,950
Share-based compensation	1,472	1,102	2,418	2,014
Amortization of deferred financing fees	3,055	3,490	6,366	6,591
Amounts reclassified from other comprehensive loss to interest expense	784	845	1,595	1,717
Unrealized change in fair value of financial instruments	1,491	(47,143)	30,350	(35,407)
Refinancing expenses	772	1,152	772	2,304

Equity income on investment	(2,168)	(1,085)	(3,968)	(1,334)
Amortization of deferred gain	(4,450)	(1,967)	(8,316)	(3,353)
Other income	—	(6,600)	—	(6,600)
Other	20	1,813	44	4,374
Changes in assets and liabilities	(4,232)	6,680	(20,580)	(15,582)
Cash from operating activities	87,684	91,994	165,586	156,363
Financing activities:				
Common shares issued, net of issuance costs	96,034	—	96,034	—
Preferred shares issued, net of issuance costs	247,663	—	247,663	—
Draws on credit facilities	80,485	158,000	220,485	195,575
Repayment of credit facilities	(200,596)	(199,989)	(291,116)	(304,853)
Draws on other long-term liabilities	81,150	—	81,150	150,000
Repayment of other long-term liabilities	(6,142)	(5,809)	(12,183)	(9,854)
Common shares repurchased, including related expenses	—	—	(8,269)	—
Preferred shares redeemed, including related expenses	(333,061)	—	(333,061)	—
Financing fees	(9,408)	(9,128)	(11,018)	(12,418)
Dividends on common shares	(35,493)	(17,117)	(71,063)	(33,428)
Dividends on preferred shares	(16,999)	(13,435)	(30,153)	(26,870)
Proceeds from sale-leaseback of vessels	144,000	144,000	254,000	254,000
Cash from financing activities	47,633	56,522	142,469	212,152
Investing activities:				
Expenditures for vessels	(98,112)	(322,198)	(215,536)	(392,329)
Short-term investments	(4)	(10,047)	1,050	(11,823)
Loans to affiliate	(2,670)	(61,560)	(16,220)	(85,461)
Repayment of loans to affiliate	54,306	165,614	54,306	183,447
Other assets	(230)	511	(317)	93
Restricted cash	(201)	—	(201)	—
Cash used in investing activities	(46,911)	(227,680)	(176,918)	(306,073)
Increase (decrease) in cash and cash equivalents	88,406	(79,164)	131,137	62,442
Cash and cash equivalents, beginning of period	258,251	343,361	215,520	201,755
Cash and cash equivalents, end of period	$ 346,657	$ 264,197	$ 346,657	$ 264,197

SEASPAN CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(IN THOUSANDS OF US DOLLARS)

Description of Non-GAAP Financial Measures

A. Cash Available for Distribution to Common Shareholders

Cash available for distribution to common shareholders is defined as net earnings adjusted for depreciation and amortization, interest expense and amortization of deferred financing fees, refinancing expenses, share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, gain on sales, amortization of deferred gain, foreign exchange gain, dry-dock reserve adjustment, cash dividends paid on preferred shares, interest expense at the hedged rate and certain other items that Seaspan believes are not representative of its operating performance.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net earnings	$ 36,425	$ 81,356	$ 43,553	$ 102,689
Add:				
Depreciation and amortization	54,515	52,351	113,352	98,950
Interest expense and amortization of deferred financing fees	30,095	28,287	60,238	53,257
Refinancing expenses	772	1,152	772	2,304
Share-based compensation	1,472	1,102	2,418	2,014
Change in fair value of financial instruments(1)	23,328	(19,769)	75,357	19,378
Bareboat charter adjustment, net(2)	4,838	4,561	9,608	9,002
Gain on sales(3)	32,182	30,739	48,515	50,202

Less:				
Amortization of deferred gain[4]	(4,450)	(1,967)	(8,316)	(3,353)
Foreign exchange gain[5]	—	(6,600)	—	(6,600)
Dry-dock reserve adjustment	(5,132)	(3,813)	(10,981)	(7,982)
Cash dividends paid on preferred shares:				
Series C	(11,755)	(8,114)	(19,665)	(16,228)
Series D	(2,475)	(2,537)	(4,950)	(5,074)
Series E	(2,769)	(2,784)	(5,538)	(5,568)
Net cash flows before interest payments	157,046	153,964	304,363	292,991
Less:				
Interest expense at the hedged rate[6]	(45,823)	(48,256)	(92,613)	(93,401)
Cash available for distribution to common shareholders	**$ 111,223**	**$ 105,708**	**$ 211,750**	**$ 199,590**

B. Normalized Net Earnings and Normalized Earnings per Share

Normalized net earnings is defined as net earnings adjusted for interest expense, excluding amortization of deferred financing fees, refinancing expenses, foreign exchange gain, write-off of vessel equipment, change in fair value of financial instruments, interest expense at the hedged rate 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 and normalized earnings per share are not defined by GAAP and should not be considered as an alternative to net earnings, earnings per share or any other indicator of Seaspan's performance required to be reported by GAAP.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Net earnings	$ 36,425	$ 81,356	$ 43,553	$ 102,689
Adjust:				
Interest expense, excluding amortization of deferred financing fees	27,040	24,797	53,872	46,666
Refinancing expenses	772	1,152	772	2,304
Foreign exchange gain[5]	—	(6,600)	—	(6,600)
Write-off of vessel equipment[7]	2,235	2,483	9,040	2,483
Change in fair value of financial instruments[1]	23,328	(19,769)	75,357	19,378
Interest expense at the hedged rate[6]	(45,823)	(48,256)	(92,613)	(93,401)
Normalized net earnings	**$ 43,977**	**$ 35,163**	**$ 89,981**	**$ 73,519**
Less: preferred share dividends				
Series C (including amortization of issuance costs)	6,394	8,435	14,420	16,863
Series D	2,475	2,537	4,950	5,074
Series E	2,769	2,784	5,538	5,568
Series F	1,189	—	1,189	—
Series G	393	—	393	—
	13,220	**13,756**	**26,490**	**27,505**
Normalized net earnings attributable to common shareholders	**$ 30,757**	**$ 21,407**	**$ 63,491**	**$ 46,014**
Weighted average number of shares used to compute earnings per share				
Reported, basic	**101,480**	**99,237**	**99,616**	**98,606**
Share-based compensation	136	64	87	56
Series F convertible preferred shares	— [8]	—	128	—
Reported and normalized, diluted	**101,616**	**99,301**	**99,831**	**98,662**
Earnings per share:				
Reported, basic and diluted	**$ 0.23**	**$ 0.68**	**$ 0.17**	**$ 0.76**
Normalized, diluted[9]	**$ 0.30**	**$ 0.22**	**$ 0.64**	**$ 0.47**

C. Adjusted EBITDA

Adjusted EBITDA is defined as net earnings adjusted for interest expense and amortization of deferred financing fees, income tax expense, interest income, undrawn credit facility fees, depreciation and amortization, refinancing expenses, share-based compensation, gain on sales, amortization of deferred gain, foreign exchange gain, bareboat charter adjustment, change in fair value of financial instruments and certain other items that Seaspan believes are not representative of its operating performance.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net earnings	$ 36,425	$ 81,356	$ 43,553	$ 102,689
Adjust:				
Interest expense and amortization of deferred financing fees	30,095	28,287	60,238	53,257
Interest income	(2,768)	(3,246)	(5,845)	(6,659)
Undrawn credit facility fees	741	850	1,153	1,707
Depreciation and amortization	54,515	52,351	113,352	98,950
Refinancing expenses	772	1,152	772	2,304
Share-based compensation	1,472	1,102	2,418	2,014
Gain on sales[3]	32,182	30,739	48,515	50,202
Amortization of deferred gain[4]	(4,450)	(1,967)	(8,316)	(3,353)
Foreign exchange gain[5]	—	(6,600)	—	(6,600)
Bareboat charter adjustment, net[2]	4,838	4,561	9,608	9,002
Change in fair value of financial instruments[1]	23,328	(19,769)	75,357	19,378
Adjusted EBITDA	**$ 177,150**	**$ 168,816**	**$ 340,805**	**$ 322,891**

Notes to Non-GAAP Financial Measures

(1) Change in fair value of financial instruments includes realized and unrealized losses (gains) on Seaspan's interest rate swaps, unrealized losses (gains) on Seaspan's foreign currency forward contracts and unrealized losses (gains) on interest rate swaps included in equity income on investment.

(2) In the second half of 2011, Seaspan entered into agreements to bareboat charter four 4800 TEU vessels to MSC for a five-year term, beginning from vessel delivery dates that occurred in 2011. Upon delivery of the vessels to MSC, the transactions were accounted for as sales-type leases. The vessels were disposed of and a gross investment in lease was recorded, which is being amortized to income through revenue. The bareboat charter adjustment in the applicable non-GAAP measures is included to reverse the GAAP accounting treatment and reflect the transaction as if the vessels had not been disposed of. Therefore, the bareboat charter fees are added back and the interest income from leasing, which is recorded in revenue, is deducted resulting in a net bareboat charter adjustment.

(3) During the three months ended June 30, 2016, the gain on sale relates to the proceeds received in excess of vessel cost upon the sale of one 14000 TEU vessel that was sold and leased back through a sale-leaseback transaction. During the six months ended June 30, 2016, the gain on sale relates to the proceeds received in excess of vessel cost upon the sale of one 10000 TEU and one 14000 TEU vessel that were sold and leased back through sale-leaseback transactions. Under these transactions, Seaspan sold the vessels to the SPCs and is leasing the vessels back. For accounting purposes, the gain is recognized over the term of the lease.

(4) Nine vessels were sold by Seaspan and Seaspan is leasing back the vessels. The gain on sales was deferred and is being amortized as a reduction of operating lease expense.

(5) Seaspan entered into contracts for the construction of five 14000 TEU newbuilding containerships. The contracts included a foreign exchange adjustment to adjust the US dollar denominated purchase price of the vessels. In connection with the allocation of two of the vessels to GCI, Seaspan recognized a foreign exchange gain of $6.6 million which has been included in other income.

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

(7) Commencing in May 2015, Seaspan installed vessel upgrades for certain of its vessels at the request of its charterer to enhance fuel efficiency. As a result, Seaspan incurred non-cash write-offs related to the original vessel equipment of $2.2 million and $9.0 million for the three and six months ended June 30, 2016. These write-offs are included in depreciation and amortization expense. The costs of the vessel upgrades are recoverable from the charterer.

(8) The convertible Series F preferred shares are not included in the computation of diluted EPS because its effect is anti-dilutive for the period.

(9) Normalized earnings per share increased for the three and six months ended June 30, 2016 as detailed in the table below:

	Three Months Ended June 30, 2016	Six Months Ended June 30, 2016
Normalized earnings per share- June 30, 2015	**$ 0.22**	**$ 0.47**
Excluding share count changes:		
Increase in normalized earnings[a]	0.08	0.17
Increase from impact of preferred shares	0.01	0.01

Share count changes:		
Increase in diluted share count (from 99,301 shares to 101,616 shares and from 98,662 to 99,831 for the three and six months ended, respectively)..	(0.01)	(0.01)
Normalized earnings per share, diluted....................................	**$ 0.30**	**$ 0.64**

[a] The increase in normalized earnings is primarily due to an increase in revenue of $25.2 million and $52.1 million and a decrease in interest at the hedged rate of $2.4 million and $0.8 million for the three and six months ended June 30, 2016 over the same period in 2015, respectively. These increases to normalized earnings were partially offset by increases in operating lease expense of $12.1 million and $20.8 million, general and administrative expense of $2.7 million and $3.7 million and depreciation and amortization expense of $2.4 million and $7.8 million for the three and six months ended June 30, 2016 over the same periods in 2015. There was also a decrease in ship operating expense of $0.1 million and an increase of $3.0 million for the three and six months ended June 30, 2016 over the same periods in 2015, respectively. Please read "Results for the Three and Six Months Ended June 30, 2016" for a description of these changes.

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release contains certain forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended), which reflect management's current views with respect to certain future events and performance, including, in particular, statements regarding: future operating results; time charters; ship operating expense; vessel dry-docking schedules; future contracted revenues; Seaspan's access to capital and financial strength and flexibility; vessel deliveries and dividends, including the amount and timing of payment thereof for 2016. Although these statements are based upon assumptions Seaspan believes to be reasonable, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to: the availability to Seaspan of containership acquisition or construction opportunities; the availability and cost to Seaspan of financing to pursue growth opportunities; the number of additional vessels managed by the Manager in the future; general market conditions and shipping market trends, including chartering rates; increased operating expenses; the number of off-hire days; dry-docking requirements; Seaspan's ability to borrow funds under its credit facilities and to obtain additional financing in the future; Seaspan's future cash flows and its ability to make dividend and other payments; the time that it may take to construct new ships; Seaspan's continued ability to enter into primarily long-term, fixed-rate time charters with customers; changes in governmental rules and regulations or actions taken by regulatory authorities; the financial condition of shipyards, charterers, lenders, refund guarantors and other counterparties and their ability to perform their obligations under their agreements with Seaspan; the potential for early termination of long-term contracts and Seaspan's potential inability to enter into, renew or replace long-term contracts; conditions in the public capital markets and the price of Seaspan's shares; the declaration of dividends and related payment dates by Seaspan's board of directors; and other factors detailed from time-to-time in Seaspan's periodic reports and filings with the Securities and Exchange Commission, including Seaspan's Annual Report on Form 20-F for the year ended December 31, 2015. 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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