



July 28, 2014

## Seaspan Reports Financial Results for the Three and Six Months Ended June 30, 2014

### Generates Stable Cash Flow, Continues to Execute Newbuilding Program and Strengthens Balance Sheet

HONG KONG, CHINA--(Marketwired - July 28, 2014) - Seaspan Corporation ("Seaspan") (NYSE:SSW) announced today its financial results for the three and six months ended June 30, 2014. Below is a summary of Seaspan's key financial results:

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

|  | Three Months Ended |            |              |         |
|--|--------------------|------------|--------------|---------|
|  | June 30,           |            | Change       |         |
|  | 2014               | 2013       | \$           | %       |
| Reported net earnings  | \$ 20,004          | \$ 127,154 | \$ (107,150) | (84.3)% |
| Normalized net earnings(1)   | \$ 32,088          | \$ 25,502  | \$ 6,586     | 25.8%   |
| Earnings per share, basic  | \$ 0.07            | \$ 1.67    | \$ (1.60)    | (95.8)% |
| Earnings per share,<br>diluted   | \$ 0.07            | \$ 1.35    | \$ (1.28)    | (94.8)% |
| Normalized earnings per<br>share, converted(1)<br>(Series A preferred<br>shares converted at \$15) | \$ 0.19            | \$ 0.18    | \$ 0.01      | 5.6%    |
| Cash available for<br>distribution to common<br>shareholders(2)                                    | \$ 68,034          | \$ 67,236  | \$ 798       | 1.2%    |
| Adjusted EBITDA(3)   | \$ 130,889         | \$ 125,585 | \$ 5,304     | 4.2%    |

#### Six Months Ended

June 30, Change

|  | 2014       | 2013       | \$           | %       |
|--|------------|------------|--------------|---------|
| Reported net earnings  | \$ 38,032  | \$ 182,760 | \$ (144,728) | (79.2)% |
| Normalized net earnings(1)   | \$ 60,880  | \$ 53,852  | \$ 7,028     | 13.1%   |
| Earnings per share, basic  | \$ 0.10    | \$ 2.24    | \$ (2.14)    | (95.5)% |
| Earnings per share,<br>diluted   | \$ 0.10    | \$ 1.88    | \$ (1.78)    | (94.7)% |
| Normalized earnings per<br>share, converted(1)<br>(Series A preferred<br>shares converted at \$15) | \$ 0.37    | \$ 0.39    | \$ (0.02)    | (5.1)%  |
| Cash available for<br>distribution to common<br>shareholders(2)                                    | \$ 135,942 | \$ 134,051 | \$ 1,891     | 1.4%    |
| Adjusted EBITDA(3)   | \$ 254,704 | \$ 249,620 | \$ 5,084     | 2.0%    |

(1) Normalized net earnings and normalized earnings per share are non-GAAP measures that are adjusted for items such as interest expense, change in fair value of financial instruments, interest expense at the hedged rate, refinancing expenses and costs and certain other items that Seaspan believes are not representative of its operating performance. Normalized earnings per share, converted, reflects normalized earnings per share on a pro-forma basis on the assumption that Seaspan's outstanding Series A preferred shares are converted at \$15.00 per share. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Six Months Ended June 30, 2014 and 2013- Description of Non-GAAP Financial Measures - B. Normalized Net Earnings and Normalized Earnings

per Share" for a description of normalized net earnings and normalized earnings per share, converted, and for reconciliations of these measures to net earnings and earnings per share, respectively.

(2) Cash available for distribution to common shareholders is a non-GAAP measure that represents net earnings adjusted for depreciation and amortization, interest expense, amortization of deferred charges, share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, amounts paid for dry-docking, cash dividends paid on preferred shares, interest expense at the hedged rate, refinancing expenses and costs 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, 2014 and 2013 - Description of Non-GAAP Financial Measures - A. Cash Available for Distribution to Common Shareholders" for a description of cash available for distribution to common shareholders and a reconciliation of cash available for distribution to net earnings.

(3) Adjusted EBITDA is a non-GAAP measure that represents net earnings before interest expense and other debt-related expenses, income tax expense, interest income, depreciation and amortization, amortization of deferred charges, share-based compensation, bareboat charter adjustment, change in fair value of financial instruments, refinancing expenses and costs 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, 2014 and 2013 - Description of Non-GAAP Financial Measures - C. Adjusted EBITDA" for a description of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net earnings.

## Summary of Key Highlights

- Achieved vessel utilization of 99.3% and 99.1% for the three and six months ended June 30, 2014, respectively, or 99.3% and 99.5% if the impact of off-charter days is excluded.
- Accepted delivery of two vessels during the quarter, bringing Seaspan's operating fleet to a total of 74 vessels at June 30, 2014.
- Paid \$13.0 million of regular quarterly dividends to preferred shareholders of record as of April 29, 2014. Dividends per share were:
  - \$0.59375 Series C (NYSE: SSW PR C);
  - \$0.496875 Series D (NYSE: SSW PR D); and
  - \$0.441146 Series E (NYSE: SSW PR E), pro-rated from the February 13, 2014 issuance date.
- Paid a quarterly dividend for the 2014 first quarter of \$0.345 per Class A common share to all shareholders of record as of April 21, 2014.
- Raised a total of approximately \$475 million through capital market transactions in the first half of 2014, including Seaspan's first issuance of unsecured notes.

Gerry Wang, Chief Executive Officer, Co-Chairman and Co-Founder of Seaspan, commented, "During the second quarter, we generated stable cash flow for shareholders, while continuing to execute on our newbuilding program, which is aimed at increasing the size of our fleet and future earnings power. We are pleased to have delivered two 10000 TEU SAVER design containerships to Hanjin Shipping Co. Ltd."

Mr. Wang continued, "During the second quarter, we successfully accessed the capital markets, completing a \$345 million

unsecured notes offering and entering into an equity distribution agreement for up to \$75 million of our common shares. With significant financial strength and flexibility, we remain well positioned to continue to capitalize on compelling growth opportunities, complementing the value we create for shareholders through our dividend policy."

## Second Quarter Developments

### Vessel Deliveries

Seaspan accepted delivery of the Hanjin Namu and the Hanjin Tabul on May 30, 2014 and June 30, 2014, respectively, bringing its operating fleet to a total of 74 vessels as of June 30, 2014. Both 10000 TEU vessels, constructed using Seaspan's fuel-efficient SAVER design, commenced ten-year, fixed-rate time charters with Hanjin Shipping Co. Ltd.

### Issuance of \$345.0 Million 6.375% Senior Unsecured Notes Due 2019

On April 3, 2014, Seaspan issued in a registered public offering 13,800,000 senior unsecured notes (the "Notes") at a price of \$25.00 per note for net proceeds of approximately \$340.4 million, including the full exercise of the underwriters' option to purchase an additional 1,800,000 Notes. The Notes mature on April 30, 2019 and bear interest at a rate of 6.375% per year, payable quarterly. Seaspan used a portion of the net proceeds from the offering to repay its \$125.0 million credit facility, and intends to use the remaining net proceeds from the offering for general corporate purposes, which may include funding vessel acquisitions and repaying indebtedness under other outstanding credit facilities.

### Loan Facility Transactions

On May 1, 2014, Seaspan entered into a 364-day unsecured revolving loan facility with various banks for up to \$100.0 million to be used to fund vessels under construction and for general corporate purposes. The facility bears interest at market rates.

On June 30, 2014, Seaspan entered into a five-year term loan facility with a leading European bank for up to \$83.0 million to fund the construction of one 14000 TEU newbuilding containership. The facility bears interest at market rates.

### At-the-Market Offering of Class A Common Shares

On May 22, 2014, Seaspan announced that it had entered into an equity distribution agreement with sales agents under which Seaspan may, from time to time, issue Class A common shares in one or more at-the-market ("ATM") offerings up to an aggregate of \$75.0 million in gross sales proceeds. Sales of such Class A common shares will be made by means of ordinary brokers' transactions on the New York Stock Exchange at market prices, in block transactions, or as otherwise agreed between Seaspan and the sales agents. During the three months ended June 30, 2014, Seaspan issued 206,600 Class A common shares under the ATM program for gross proceeds of approximately \$4.7 million.

### Subsequent Events

### Dividends

On July 15, 2014, Seaspan declared the following quarterly cash dividends on its common and preferred shares, for a total distribution of \$46.2 million:

| Security                        | Ticker   | Dividend<br>per Share | Period                                | Record<br>Date   | Payment<br>Date  |
|---------------------------------|----------|-----------------------|---------------------------------------|------------------|------------------|
| Class A common<br>shares        | SSW      | \$ 0.345              | April 1, 2014 to<br>June 30, 2014     | July 21,<br>2014 | July 30,<br>2014 |
| Series C<br>preferred<br>shares | SSW PR C | \$ 0.59375            | April 30, 2014<br>to<br>July 29, 2014 | July 29,<br>2014 | July 30,<br>2014 |
| Series D<br>preferred<br>shares | SSW PR D | \$ 0.496875           | April 30, 2014<br>to<br>July 29, 2014 | July 29,<br>2014 | July 30,<br>2014 |
| Series E<br>preferred<br>shares | SSW PR E | \$ 0.515625           | April 30, 2014<br>to<br>July 29, 2014 | July 29,<br>2014 | July 30,<br>2014 |

#### Vessel Delivery

On July 16, 2014, Seaspan accepted delivery of a 10000 TEU containership, the MOL Bravo, expanding the Company's operating fleet to 75 vessels. The newbuilding containership was constructed at Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. using Seaspan's fuel-efficient SAVER design. The MOL Bravo commenced an eight-year, fixed-rate time charter with Mitsui O.S.K. Lines Ltd. ("MOL").

#### \$220 Million Lease Financings

On July 11, 2014 Seaspan entered into lease financing agreements with Asian special purpose companies (collectively, the "SPCs") for two 10000 TEU newbuilding vessels that are chartered to MOL. The lease financing agreements (the "Lease Financing Arrangements") are expected to provide gross proceeds of approximately \$110 million per vessel, or \$220 million in total. Under the Lease Financing Arrangements, Seaspan will sell the vessels to the SPCs, lease the vessels back from the SPCs over a term of approximately 8.5 years, and have an option to purchase the vessels at the end of the term for a pre-determined purchase price. On July 16, 2014, Seaspan financed the purchase of the MOL Bravo through the Lease Financing Arrangements and received gross proceeds of \$110 million. Seaspan expects to finance the purchase of the MOL Brightness, scheduled for delivery during the fourth quarter of 2014 through the Lease Financing Arrangements. These Lease Financing Arrangements will provide financing at market rates.

## Proposed Extensions of GCI Right of First Refusal Agreement, CEO Employment Agreement and Related Agreements

Greater China Intermodal Investments LLC ("GCI") is an investment vehicle established with an affiliate of global asset manager The Carlyle Group, and others, including affiliates of Seaspan's director Graham Porter and of Seaspan's largest shareholder, Dennis R. Washington. Seaspan has a right of first refusal (the "ROFR") on containership investment opportunities available to GCI and a right of first offer (the "ROFO") for certain containerships GCI may propose to sell. The ROFR and ROFO expire on March 31, 2015. The investors in GCI intend to extend the terms of the ROFR and ROFO by one year to March 31, 2016. By extending the ROFR, Seaspan believes it will continue to have increased buying power and scale by which it can selectively and cost effectively grow its fleet as well as better serve its customers. In addition, through this venture, Seaspan believes that it will continue to realize better volume discounts and obtain more attractive financing than it would otherwise be able to achieve on its own. Since GCI was formed, Seaspan has expanded its managed fleet by 40 containerships, including 30 newbuilding vessels on order or under construction.

In connection with the planned extension of the ROFR and ROFO, Seaspan intends to extend through March 31, 2016 its employment and transaction services agreements with Gerry Wang and its financing services agreement with Tiger Ventures Limited ("Tiger Ventures"), an affiliate of Mr. Porter.

For additional information about GCI, the ROFR, the ROFO and the terms of the employment and transaction services agreements with Mr. Wang and the financing services agreement with Tiger Ventures, please read "Certain Relationships and Related Party Transactions" in Seaspan's Annual Report on Form 20-F for the year ended December 31, 2013. The proposed transactions described above remain subject to negotiation of mutually acceptable terms and documentation and approval of the conflicts committee of Seaspan's board of directors, and such transactions may not happen pursuant to the terms described above, if at all.

### Time Charters

The Madinah is expected to re-deliver to Seaspan on August 4, 2014 and will be off-charter until a charter is entered into.

### Results for the Three and Six Months Ended June 30, 2014

The following table summarizes vessel utilization for the three and six months ended June 30, 2014:

|                     | Year to Date - |       |                |       |          |        |
|---------------------|----------------|-------|----------------|-------|----------|--------|
|                     | First Quarter  |       | Second Quarter |       | June 30, |        |
|                     | 2014           | 2013  | 2014           | 2013  | 2014     | 2013   |
| Vessel utilization: |                |       |                |       |          |        |
| Ownership Days      | 6,037          | 5,850 | 6,214          | 5,933 | 12,251   | 11,783 |
| Less Off-hire Days: |                |       |                |       |          |        |
| Scheduled 5-Year    |                |       |                |       |          |        |
| Survey              | (10)           | -     | (43)           | (19)  | (53)     | (19)   |
| Unscheduled Off-    |                |       |                |       |          |        |
| hire(1)             | (58)           | (230) | (3)            | (40)  | (61)     | (270)  |
| Operating Days      | 5,969          | 5,620 | 6,168          | 5,874 | 12,137   | 11,494 |

|                    |       |       |       |       |       |       |
|--------------------|-------|-------|-------|-------|-------|-------|
| Vessel Utilization | 98.9% | 96.1% | 99.3% | 99.0% | 99.1% | 97.5% |
|--------------------|-------|-------|-------|-------|-------|-------|

(1) Unscheduled off-hire includes days related to vessels off-charter.

At the beginning of 2014, Seaspan had 71 vessels in operation. Seaspan accepted delivery of three newbuilding vessels during the six months ended June 30, 2014, bringing its fleet to a total of 74 vessels in operation as at June 30, 2014. 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.

The following table summarizes Seaspan's consolidated financial results for the three and six months ended June 30, 2014 and 2013:

|                 | Three Months |       |          |      | Six Months |        |          |      |
|-----------------|--------------|-------|----------|------|------------|--------|----------|------|
|                 | Ended        |       | Increase |      | Ended      |        | Increase |      |
|                 | June 30,     |       |          |      | June 30,   |        |          |      |
|                 | 2014         | 2013  | Days     | %    | 2014       | 2013   | Days     | %    |
| Operating       |              |       |          |      |            |        |          |      |
| days            | 6,168        | 5,874 | 294      | 5.0% | 12,137     | 11,494 | 643      | 5.6% |
| Ownership       |              |       |          |      |            |        |          |      |
| days            | 6,214        | 5,933 | 281      | 4.7% | 12,251     | 11,783 | 468      | 4.0% |
| Financial       |              |       |          |      |            |        |          |      |
| Summary         | Three Months |       |          |      | Six Months |        |          |      |
| (in millions of | Ended        |       |          |      | Ended      |        |          |      |
| USD)            | June 30,     |       | Change   |      | June 30,   |        | Change   |      |



|   | 2014    | 2013    | \$     | %       | 2014    | 2013    | \$     | %       |
|---|---------|---------|--------|---------|---------|---------|--------|---------|
| Revenue                                       | \$173.9 | \$167.8 | \$ 6.1 | 3.6%    | \$341.9 | \$332.7 | \$ 9.1 | 2.7%    |
| Ship operating expense                        | 41.1    | 37.3    | 3.7    | 10.0%   | 82.3    | 74.9    | 7.4    | 9.9%    |
| Depreciation and amortization expense         | 44.6    | 42.8    | 1.8    | 4.1%    | 88.3    | 85.6    | 2.7    | 3.2%    |
| General and administrative expense            | 7.5     | 11.8    | (4.4)  | (36.8)% | 15.5    | 19.6    | (4.1)  | (20.9)% |
| Operating lease expense                       | 1.1     | 1.1     | -      | 1.1%    | 2.2     | 2.2     | -      | 1.3%    |
| Interest expense                              | 23.0    | 15.3    | 7.7    | 50.6%   | 40.6    | 30.8    | 9.8    | 31.9%   |
| Refinancing expenses and costs                | 2.8     | -       | 2.8    | 100.0%  | 2.8     | -       | 2.8    | 100.0%  |
| Change in fair value of financial instruments | 33.0    | (71.2)  | 104.2  | 146.3%  | 69.3    | (68.5)  | 137.8  | 201.1%  |

## Revenue

Revenue increased by 3.6% and 2.7% for the three and six months ended June 30, 2014, respectively, over the same periods for 2013. These increases were due primarily to the two 10000 TEU vessels which commenced time charters in the first half of 2014, the impact of a full quarter of revenue contribution from the two 4600 TEU secondhand vessels delivered in mid-2013 and a decrease in unscheduled off-hire. These increases were partially offset by lower charter rates for three vessels which were on short-term charters during the three and six months ended June 30, 2014, an increase in scheduled off-hire, and a decrease in vessel management revenue.

The increases in operating days and the related financial impact thereof for the three and six months ended June 30, 2014

relative to the corresponding periods in 2013, are attributable to the following:

|                              | Three Months Ended |               | Six Months Ended |               |
|------------------------------|--------------------|---------------|------------------|---------------|
|                              | June 30, 2014      |               | June 30, 2014    |               |
|                              | Operating          | \$ Impact     | Operating        | \$ Impact     |
|                              | Days               | (in           | Days             | (in           |
|                              | Impact             | millions)     | Impact           | millions)     |
| 2014 vessel deliveries       | 117                | \$ 5.0        | 124              | \$ 5.3        |
| Full period contribution for |                    |               |                  |               |
| 2013 vessel deliveries       | 164                | 3.2           | 344              | 6.8           |
| Change in daily charter hire |                    |               |                  |               |
| rate and re-charters         | -                  | (1.5)         | -                | (3.3)         |
| Scheduled off-hire           | (24)               | (0.7)         | (34)             | (1.0)         |
| Unscheduled off-hire         | 37                 | 1.0           | 209              | 2.4           |
| Vessel management revenue    | -                  | (0.8)         | -                | (0.8)         |
| Other                        | -                  | (0.1)         | -                | (0.3)         |
| <b>Total</b>                 | <b>294</b>         | <b>\$ 6.1</b> | <b>643</b>       | <b>\$ 9.1</b> |

Vessel utilization was 99.3% and 99.1% for the three and six months ended June 30, 2014, respectively, compared to 99.0% and 97.5% for the same periods in 2013.

The increase in vessel utilization for the six months ended June 30, 2014, compared to the same period in 2013, was primarily due to a 209-day decrease in unscheduled off-hire. In the six months ended June 30, 2014, there were 61 days of unscheduled off-hire which included 50 off-charter days compared to 270 days of unscheduled off-hire in the six months ended June 30, 2013, which included 238 off-charter days. However, during the six months ended June 30, 2014, Seaspan completed four scheduled dry-dockings that resulted in 53 days of scheduled off-hire, compared to two scheduled dry-dockings that resulted in 19 days of scheduled off-hire in the same period of 2013.

Seaspan completed dry-dockings for the following vessels during the three and six months ended June 30, 2014:

| Vessel          | Completed |
|-----------------|-----------|
| -----           | -----     |
| MOL Emerald     | Q2        |
| CSAV Loncomilla | Q2        |
| CSAV Lumaco     | Q2        |
| CSCL Callao     | Q2        |

Seaspan's cumulative vessel utilization since its initial public offering in August 2005 through June 30, 2014 is approximately 99.0% or 99.3% if the impact of off-charter days is excluded.

#### Ship Operating Expense

Ship operating expense increased by 10.0% to \$41.1 million and by 9.9% to \$82.3 million for the three and six months ended June 30, 2014, respectively, compared to the same periods in 2013, due primarily to an increase in crew wages, stores, spares, repairs and ship management infrastructure costs. Ownership and managed days also increased by 2.2% and by 2.6% for the three and six months ended June 30, 2014, respectively, compared to the same periods in 2013, which contributed to the increase in ship operating expense. The increase in ownership days was due to the newbuilding vessel deliveries in 2014 and a full period of ownership for the vessels delivered in mid-2013. Crew wages increased due to an increase in the number of crew as well as the earlier timing of wage increases that occurred in the first quarter of 2014 compared to the third quarter of 2013. In addition, the purchase of stores and spare parts occurred earlier in 2014 than in 2013. Seaspan expects ship operating expense to increase as the average size of its vessels increases and as its fleet ages.

#### Depreciation and Amortization Expense

The increase in depreciation and amortization expense for the three and six months ended June 30, 2014 was due to the increase in the size of the fleet from the 2014 deliveries. In addition, two vessels were delivered in mid-2013 and a full period of depreciation for these vessels was expensed in the three and six months ended June 30, 2014.

#### General and Administrative Expense

General and administrative expense decreased by 36.8% to \$7.5 million and by 20.9% to \$15.5 million for the three and six months ended June 30, 2014, compared to the same periods in 2013.

The decreases were primarily due to decreases of \$4.5 million and \$4.8 million for the three and six months ended, respectively, in stock-based compensation expense related to non-cash stock appreciation rights ("SARs") granted to Seaspan's Chief Executive Officer in December 2012 and to certain members of management in March 2013. During the three and six months ended June 30, 2013, \$2.6 million of accelerated stock-based compensation was recognized related to the vesting of the first tranche of SARs.

The decrease for the six months ended June 30, 2014 was partially offset by an increase in executive compensation and general corporate expenses of \$0.7 million.

#### Interest Expense

At June 30, 2014, Seaspan had total borrowings of \$3.9 billion, which consisted of long-term debt of \$3.3 billion and other long-term liabilities of \$0.6 billion. At June 30, 2013, Seaspan had total borrowings of \$3.7 billion, which consisted of long-term debt of \$3.1 billion and other long-term liabilities of \$0.6 billion. At June 30, 2014, Seaspan's operating borrowings were \$3.62 billion compared to \$3.55 billion at June 30, 2013. Interest expense is comprised primarily of interest incurred on long-term debt and other long-term liabilities relating to operating vessels at either the variable rate calculated by reference to LIBOR plus the applicable margin or at fixed rates. 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. Interest expense also includes a non-cash reclassification of amounts from

accumulated other comprehensive loss related to previously designated hedging relationships. Interest incurred on Seaspan's borrowings related to vessels under construction is capitalized to the cost of the respective vessels under construction.

Interest expense increased by \$7.7 million to \$23.0 million and by \$9.8 million to \$40.6 million for the three and six months ended June 30, 2014, respectively, compared to the same periods in 2013. The increase in interest expense was primarily due to an increase in the cost of borrowings. The increase in cost of borrowings is related to the refinancing of Seaspan's \$1.0 billion credit facility in January 2014 and certain of its term loans which have higher margins than the facilities outstanding for the comparative periods, in addition to higher interest rates under the fixed-rate Notes.

#### Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in losses of \$33.0 million and \$69.3 million for the three and six months ended June 30, 2014, respectively, compared to gains of \$71.2 million and \$68.5 million for the same periods in 2013, respectively. The change in fair value for the three and six months ended June 30, 2014 was primarily due to decreases in the forward LIBOR curve and the effect of the passage of time. In addition, during the first quarter of 2014 there was an early termination of one of Seaspan's swaps in connection with the refinancing of its \$1.0 billion credit facility.

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 over the term of the instruments. Seaspan's valuation techniques have not changed and remain consistent with those followed by other valuation practitioners.

#### About Seaspan

Seaspan provides many of the world's major shipping lines with creative outsourcing alternatives to vessel ownership by offering long-term leases on large, modern containerships combined with industry leading ship management services. Seaspan's managed fleet consists of 109 containerships representing a total capacity of over 840,000 TEU, including 30 newbuilding containerships on order scheduled for delivery to Seaspan and third parties by the end of 2016. Seaspan's current operating fleet of 75 vessels has an average age of approximately seven years and an average remaining lease period of approximately five years.

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

| Symbol:  | Description:                           |
|----------|--|
| SSW      | Class A common shares                  |
| SSW PR C | Series C preferred shares              |
| SSW PR D | Series D preferred shares              |
| SSW PR E | Series E 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, 2014 on July 29, 2014 at 6:00 a.m. PT / 9:00 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: 77152393. The recording will be available from July 29, 2014 at 9:00 a.m. PT / 12:00 p.m. ET through 8:59 p.m. PT / 11:59 p.m. ET on August 12, 2014. The conference call will also be broadcast live over the Internet and will include a slide presentation. To access the live webcast and slide presentation, go to [www.seaspancorp.com](http://www.seaspancorp.com) and click on "News & Events" and then "Events & Presentations" for the link. The webcast and slides will be archived on the site for one year.

SEASPAN CORPORATION

UNAUDITED CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2014

(IN THOUSANDS OF US DOLLARS)

June 30, 2014      December 31, 2013

Assets

Current assets:

|                           |    |         |    |         |
|---------------------------|----|---------|----|---------|
| Cash and cash equivalents | \$ | 285,951 | \$ | 476,380 |
| Short-term investments    |    | 83,188  |    | 11,675  |
| Accounts receivable       |    | 21,181  |    | 14,149  |
| Loans to affiliate        |    | 172,708 |    | 54,068  |
| Prepaid expenses          |    | 33,863  |    | 22,671  |
| Gross investment in lease |    | 21,170  |    | 21,170  |

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618,061                      600,113

|                                     |  |           |  |           |
|-------------------------------------|--|-----------|--|-----------|
| Vessels                             |  | 4,896,572 |  | 4,670,899 |
| Vessels under construction          |  | 277,434   |  | 321,372   |
| Deferred charges                    |  | 58,025    |  | 53,971    |
| Gross investment in lease           |  | 48,455    |  | 58,953    |
| Goodwill                            |  | 75,321    |  | 75,321    |
| Other assets                        |  | 99,359    |  | 106,944   |
| Fair value of financial instruments |  | 48,882    |  | 60,188    |

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\$ 6,122,109 \$ 5,947,761

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Liabilities and Shareholders' Equity

Current liabilities:

Accounts payable and accrued

liabilities \$ 63,664 \$ 65,634

Current portion of deferred revenue 24,615 27,683

Current portion of long-term debt 170,201 388,159

Current portion of other long-term  
liabilities 40,101 38,930

-----  
298,581 520,406

Deferred revenue 5,800 4,143

Long-term debt 3,137,709 2,853,459

Other long-term liabilities 550,875 572,673

Fair value of financial instruments 427,252 425,375

-----  
4,420,217 4,376,056

Share capital 1,188 882

Treasury shares (379) (379)

Additional paid in capital 2,198,122 2,023,622

Deficit (459,154) (411,792)

Accumulated other comprehensive loss (37,885) (40,628)

-----  
Total shareholders' equity 1,701,892 1,571,705

-----

\$ 6,122,109 \$ 5,947,761

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SEASPAN CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013

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

|                                  | Three Months Ended |            | Six Months Ended |            |
|----------------------------------|--------------------|------------|------------------|------------|
|                                  | June 30,           |            | June 30,         |            |
|                                  | 2014               | 2013       | 2014             | 2013       |
|                                  | -----              | -----      | -----            | -----      |
| Revenue                          | \$ 173,873         | \$ 167,786 | \$ 341,856       | \$ 332,710 |
| Operating expenses:              |                    |            |                  |            |
| Ship operating                   | 41,087             | 37,344     | 82,339           | 74,890     |
| Depreciation and<br>amortization | 44,603             | 42,840     | 88,335           | 85,593     |
| General and administrative       | 7,481              | 11,833     | 15,524           | 19,624     |
| Operating lease                  | 1,109              | 1,097      | 2,212            | 2,183      |
|                                  | -----              | -----      | -----            | -----      |
|                                  | 94,280             | 93,114     | 188,410          | 182,290    |
|                                  | -----              | -----      | -----            | -----      |
| Operating earnings               | 79,593             | 74,672     | 153,446          | 150,420    |

Other expenses (income):

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| Interest expense                              | 23,007       | 15,275       | 40,568       | 30,759       |
| Interest income                               | (2,683)      | (600)        | (3,789)      | (787)        |
| Undrawn credit facility fees                  | 672          | 748          | 1,238        | 1,145        |
| Amortization of deferred charges              | 2,462        | 2,266        | 4,465        | 4,376        |
| Refinancing expenses and costs                | 2,824        | -            | 2,824        | -            |
| Change in fair value of financial instruments | 32,960       | (71,193)     | 69,303       | (68,527)     |
| Equity loss on investment                     | 43           | 35           | 275          | 69           |
| Other expenses                                | 304          | 987          | 530          | 625          |
|   | -----        | -----        | -----        | -----        |
|   | 59,589       | (52,482)     | 115,414      | (32,340)     |
|   | -----        | -----        | -----        | -----        |
| Net earnings                                  | \$ 20,004    | \$ 127,154   | \$ 38,032    | \$ 182,760   |
| Deficit, beginning of period                  | (433,576)    | (563,770)    | (411,792)    | (594,153)    |
| Dividends - common shares                     | (32,263)     | (19,992)     | (61,256)     | (35,786)     |
| Dividends - preferred shares                  | (13,033)     | (9,857)      | (23,573)     | (18,976)     |
| Amortization of Series C issuance costs       | (286)        | (318)        | (565)        | (628)        |
|   | -----        | -----        | -----        | -----        |
| Deficit, end of period                        | \$ (459,154) | \$ (466,783) | \$ (459,154) | \$ (466,783) |
|   | -----        | -----        | -----        | -----        |
|   | -----        | -----        | -----        | -----        |
| Weighted average number of shares, basic      | 94,791       | 64,487       | 90,342       | 64,129       |
| Weighted average number of                    |              |              |              |              |



|                             |    |        |         |         |         |
|-----------------------------|----|--------|---------|---------|---------|
| shares, diluted             |    | 95,001 | 86,703  | 90,729  | 86,350  |
| Earnings per share, basic   | \$ | 0.07   | \$ 1.67 | \$ 0.10 | \$ 2.24 |
|                             |    | -----  | -----   | -----   | -----   |
| Earnings per share, diluted | \$ | 0.07   | \$ 1.35 | \$ 0.10 | \$ 1.88 |
|                             |    | -----  | -----   | -----   | -----   |

SEASpan CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013

(IN THOUSANDS OF US DOLLARS)

|                             | Three Months Ended |            | Six Months Ended |            |
|-----------------------------|--------------------|------------|------------------|------------|
|                             | June 30,           |            | June 30,         |            |
|                             | 2014               | 2013       | 2014             | 2013       |
|                             | -----              | -----      | -----            | -----      |
| Net earnings                | \$ 20,004          | \$ 127,154 | \$ 38,032        | \$ 182,760 |
| Other comprehensive income: |                    |            |                  |            |
| Amounts reclassified to     |                    |            |                  |            |
| earnings during the         |                    |            |                  |            |
| period, relating to cash    |                    |            |                  |            |
| flow hedging instruments    | 1,338              | 1,603      | 2,743            | 3,405      |
|                             | -----              | -----      | -----            | -----      |
| Comprehensive income        | \$ 21,342          | \$ 128,757 | \$ 40,775        | \$ 186,165 |

SEASPAN CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013

(IN THOUSANDS OF US DOLLARS)

|                             | Three Months Ended |            | Six Months Ended |            |
|-----------------------------|--------------------|------------|------------------|------------|
|                             | June 30,           |            | June 30,         |            |
|                             | 2014               | 2013       | 2014             | 2013       |
| Cash from (used in):        |                    |            |                  |            |
| Operating activities:       |                    |            |                  |            |
| Net earnings                | \$ 20,004          | \$ 127,154 | \$ 38,032        | \$ 182,760 |
| Items not involving cash:   |                    |            |                  |            |
| Depreciation and            |                    |            |                  |            |
| amortization                | 44,603             | 42,840     | 88,335           | 85,593     |
| Share-based compensation    | 2,806              | 6,630      | 5,109            | 9,441      |
| Amortization of deferred    |                    |            |                  |            |
| charges                     | 2,462              | 2,266      | 4,465            | 4,376      |
| Amounts reclassified from   |                    |            |                  |            |
| other comprehensive loss to |                    |            |                  |            |
| interest expense            | 1,123              | 1,384      | 2,315            | 2,963      |
| Unrealized change in fair   |                    |            |                  |            |
| value of financial          |                    |            |                  |            |
| instruments                 | 4,751              | (102,988)  | 7,672            | (131,857)  |
| Equity loss on investment   | 43                 | 35         | 275              | 69         |
| Refinancing expenses and    |                    |            |                  |            |

|                                |           |          |           |          |
|--------------------------------|-----------|----------|-----------|----------|
| costs                          | 2,356     | -        | 2,356     | -        |
| Other                          | 2,929     | -        | 3,195     | -        |
| Changes in assets and          |           |          |           |          |
| liabilities                    | 1,653     | 2,680    | 6,089     | (17,501) |
|                                | -----     | -----    | -----     | -----    |
| Cash from operating activities | 82,730    | 80,001   | 157,843   | 135,844  |
|                                | -----     | -----    | -----     | -----    |
| Financing activities:          |           |          |           |          |
| Common shares issued, net of   |           |          |           |          |
| issuance costs                 | 4,427     | -        | 4,427     | -        |
| Senior unsecured notes issued  | 345,000   | -        | 345,000   | -        |
| Preferred shares issued, net   |           |          |           |          |
| of issuance costs              | -         | -        | 130,401   | -        |
| Draws on credit facilities     | -         | -        | 340,000   | 9,000    |
| Repayment of credit facilities | (152,491) | (12,219) | (780,128) | (33,226) |
| Repayment of other long-term   |           |          |           |          |
| liabilities                    | (10,383)  | (9,787)  | (20,627)  | (19,860) |
| Financing fees                 | (8,453)   | (2,903)  | (8,978)   | (14,780) |
| Dividends on common shares     | (15,814)  | (11,266) | (30,132)  | (20,438) |
| Dividends on preferred shares  | (13,033)  | (9,857)  | (23,573)  | (18,976) |
|                                | -----     | -----    | -----     | -----    |
| Cash from (used in) financing  |           |          |           |          |
| activities                     | 149,253   | (46,032) | (43,610)  | (98,280) |
|                                | -----     | -----    | -----     | -----    |
| Investing activities:          |           |          |           |          |
| Expenditures for vessels       | (23,667)  | (33,065) | (103,248) | (92,294) |
| Short-term investments         | (81,436)  | (15,323) | (71,513)  | (45,596) |
| Restricted cash                | -         | (500)    | -         | (1,900)  |
| Loans to affiliate             | (125,976) | 21,560   | (126,973) | -        |

|  |            |            |            |            |
|--|------------|------------|------------|------------|
| Other assets                                   | (2,303)    | (24,595)   | (2,928)    | (23,477)   |
| Investment in affiliate                        | -          | -          | -          | (1,111)    |
|  | -----      | -----      | -----      | -----      |
| Cash used in investing activities              | (233,382)  | (51,923)   | (304,662)  | (164,378)  |
|  | -----      | -----      | -----      | -----      |
| Decrease in cash and cash equivalents          | (1,399)    | (17,954)   | (190,429)  | (126,814)  |
| Cash and cash equivalents, beginning of period | 287,350    | 272,518    | 476,380    | 381,378    |
|  | -----      | -----      | -----      | -----      |
| Cash and cash equivalents, end of period       | \$ 285,951 | \$ 254,564 | \$ 285,951 | \$ 254,564 |
|  | -----      | -----      | -----      | -----      |
|  | -----      | -----      | -----      | -----      |

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013

(IN THOUSANDS OF US DOLLARS)

Description of Non-GAAP Financial Measures

A. Cash Available for Distribution to Common Shareholders

Cash available for distribution to common shareholders is defined as net earnings adjusted for depreciation and amortization, interest expense, amortization of deferred charges, refinancing expenses and costs, share-based compensation, change in fair value of financial instruments, bareboat charter adjustment, amounts paid for dry-docking, 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 |            | Six Months Ended |            |
|---------------------------|--------------------|------------|------------------|------------|
|                           | June 30,           |            | June 30,         |            |
|                           | 2014               | 2013       | 2014             | 2013       |
| Net earnings              | \$ 20,004          | \$ 127,154 | \$ 38,032        | \$ 182,760 |
| Add:                      |                    |            |                  |            |
| Depreciation and          |                    |            |                  |            |
| amortization              | 44,603             | 42,840     | 88,335           | 85,593     |
| Interest expense          | 23,007             | 15,275     | 40,568           | 30,759     |
| Amortization of deferred  |                    |            |                  |            |
| charges                   | 2,462              | 2,266      | 4,465            | 4,376      |
| Refinancing expenses and  |                    |            |                  |            |
| costs(1)                  | 2,356              | -          | 2,356            | -          |
| Share-based compensation  | 2,806              | 6,630      | 5,109            | 9,441      |
| Change in fair value of   |                    |            |                  |            |
| financial instruments     | 32,960             | (71,193)   | 69,303           | (68,527)   |
| Change in fair value of   |                    |            |                  |            |
| financial instruments     |                    |            |                  |            |
| included in equity loss   | 402                | -          | 601              | -          |
| Bareboat charter          |                    |            |                  |            |
| adjustment, net (2)       | 4,300              | 2,465      | 8,486            | 4,860      |
| Less:                     |                    |            |                  |            |
| Amounts paid for dry-dock |                    |            |                  |            |
| adjustment                | (4,724)            | (2,610)    | (7,181)          | (5,095)    |
| Cash dividends paid on    |                    |            |                  |            |
| preferred shares:         |                    |            |                  |            |
| Series C                  | (8,114)            | (8,312)    | (16,228)         | (16,625)   |

|                         |           |           |            |            |
|-------------------------|-----------|-----------|------------|------------|
| Series D                | (2,537)   | (1,545)   | (5,074)    | (2,351)    |
| Series E                | (2,382)   | -         | (2,382)    | -          |
| -----                   |           |           |            |            |
| Net cash flows before   |           |           |            |            |
| interest payments       | 115,143   | 112,970   | 226,390    | 225,191    |
| Less:                   |           |           |            |            |
| Interest expense at the |           |           |            |            |
| hedged rate(3)          | (47,109)  | (45,734)  | (90,448)   | (91,140)   |
| -----                   |           |           |            |            |
| Cash available for      |           |           |            |            |
| distribution to common  |           |           |            |            |
| shareholders            | \$ 68,034 | \$ 67,236 | \$ 135,942 | \$ 134,051 |
| -----                   |           |           |            |            |
| -----                   |           |           |            |            |

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013

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

B. Normalized Net Earnings and Normalized Earnings per Share

Normalized net earnings is defined as net earnings adjusted for items such as interest expense, change in fair value of financial instruments, interest expense at the hedged rate, refinancing expenses and costs and certain other items Seaspan believes affect the comparability of operating results. Normalized net earnings is a useful measure because it excludes those items that Seaspan believes are not representative of its operating performance.

Normalized net earnings is not defined by GAAP and should not be considered as an alternative to net earnings or any other indicator of Seaspan's performance required to be reported by GAAP.

Normalized earnings per share, converted, is calculated as normalized net earnings, less dividends on Series C (excluding the retained earnings impact of any repurchases), Series D and Series E preferred shares, divided by the "converted" number of shares outstanding for the period. On January 30, 2014, Seaspan's outstanding 200,000 Series A preferred shares automatically converted into a total of 23,177,175 Class A common shares pursuant to Seaspan's articles of incorporation. The conversion provisions provided for automatic conversion to Class A common shares at a price of \$15.00 per share (and based on the applicable liquidation preference of the Series A preferred shares), if the conversion occurred on or after January 30, 2014 and the trailing 30-day average trading price of the common shares was equal to or above \$15.00. If the share price was less than \$15.00, then Seaspan could choose to not convert the preferred shares and to increase the annual increase in the liquidation preference to 15% per annum from 12%. The "converted" number of shares includes: basic weighted average

number of shares, share-based compensation, contingent consideration, shares held in escrow and the impact of the Series A preferred shares converted at \$15.00 per share. This method reflects Seaspan's ability to control the conversion if the share price had been less than \$15.00 and the per share impact of the preferred shares conversion at \$15.00.

Normalized net earnings and normalized earnings per share, converted, 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.

SEASpan CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013

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

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

|   | Three Months Ended |            | Six Months Ended |            |
|---|--------------------|------------|------------------|------------|
|   | June 30,           |            | June 30,         |            |
|   | 2014               | 2013       | 2014             | 2013       |
| Net earnings  | \$ 20,004          | \$ 127,154 | \$ 38,032        | \$ 182,760 |
| Adjust:   |                    |            |                  |            |
| Interest expense  | 23,007             | 15,275     | 40,568           | 30,759     |
| Change in fair value of<br>financial instruments                            | 32,960             | (71,193)   | 69,303           | (68,527)   |
| Change in fair value of<br>financial instruments<br>included in equity loss | 402                | -          | 601              | -          |
| Refinancing expenses and<br>costs(1)  | 2,824              | -          | 2,824            | -          |
| Interest expense at the<br>hedged rate(3)                                   | (47,109)           | (45,734)   | (90,448)         | (91,140)   |

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Normalized net earnings  | \$ 32,088 | \$ 25,502 | \$ 60,880 | \$ 53,852 |
| Less: preferred share dividends                                      |           |           |           |           |
| Series A   | -         | 9,423     | 3,395     | 18,473    |
| Series C (including amortization of issuance costs)                  | 8,400     | 8,631     | 16,793    | 17,251    |
| Series D   | 2,537     | 1,545     | 4,963     | 3,088     |
| Series E   | 2,784     | -         | 4,207     | -         |
|  | 13,721    | 19,599    | 29,358    | 38,812    |
| Normalized net earnings attributable to common shareholders          | \$ 18,367 | \$ 5,903  | \$ 31,522 | \$ 15,040 |
| Weighted average number of shares used to compute earnings per share |           |           |           |           |
| Reported and normalized, basic                                       | 94,791    | 64,487    | 90,342    | 64,129    |
| Share-based compensation   | 210       | 399       | 153       | 382       |
| Contingent consideration   | -         | 508       | 234       | 743       |
| Shares held in escrow  | -         | -         | -         | 95        |
| Series A preferred shares liquidation preference converted at \$15   | -         | 21,309    | 3,802     | 21,001    |



|   |         |         |         |         |
|---|---------|---------|---------|---------|
| Reported, diluted and<br>normalized, converted                      | 95,001  | 86,703  | 94,531  | 86,350  |
| -----   |         |         |         |         |
| Earnings per share:   |         |         |         |         |
| Reported, basic   | \$ 0.07 | \$ 1.67 | \$ 0.10 | \$ 2.24 |
| -----   |         |         |         |         |
| -----   |         |         |         |         |
| Reported, diluted   | \$ 0.07 | \$ 1.35 | \$ 0.10 | \$ 1.88 |
| -----   |         |         |         |         |
| -----   |         |         |         |         |
| Normalized, converted -<br>preferred shares<br>converted at \$15(4) | \$ 0.19 | \$ 0.18 | \$ 0.37 | \$ 0.39 |
| -----   |         |         |         |         |
| -----   |         |         |         |         |

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013

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

C. Adjusted EBITDA

Adjusted EBITDA is defined as net earnings before interest expense and other debt-related expenses, income tax expense, interest income, depreciation and amortization, amortization of deferred charges, refinancing expenses and costs, share-based compensation, bareboat charter adjustment, change in fair value of financial instruments, and certain other items that Seaspan believes are not representative of its operating performance.

In the third quarter of 2013, the definition of Adjusted EBITDA was revised to exclude share-based compensation expense and, accordingly, the comparative figures for the prior periods have been adjusted to reflect this change. The impact of excluding share-based compensation resulted in an increase in Adjusted EBITDA for the three and six months ended June 30, 2013 of approximately 5.6% and 3.9%, respectively.

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

net earnings or any other indicator of Seaspan's performance required to be reported by GAAP.

|   | Three Months Ended |            | Six Months Ended |            |
|---|--------------------|------------|------------------|------------|
|   | June 30,           |            | June 30,         |            |
|   | 2014               | 2013       | 2014             | 2013       |
| Net earnings  | \$ 20,004          | \$ 127,154 | \$ 38,032        | \$ 182,760 |
| Add:  |                    |            |                  |            |
| Interest expense  | 23,007             | 15,275     | 40,568           | 30,759     |
| Interest income   | (2,683)            | (600)      | (3,789)          | (787)      |
| Undrawn credit facility fees  | 672                | 748        | 1,238            | 1,145      |
| Depreciation and amortization   | 44,603             | 42,840     | 88,335           | 85,593     |
| Amortization of deferred charges                                      | 2,462              | 2,266      | 4,465            | 4,376      |
| Refinancing expenses and costs(1)                                     | 2,356              | -          | 2,356            | -          |
| Share-based compensation  | 2,806              | 6,630      | 5,109            | 9,441      |
| Bareboat charter adjustment, net (2)                                  | 4,300              | 2,465      | 8,486            | 4,860      |
| Change in fair value of financial instruments                         | 32,960             | (71,193)   | 69,303           | (68,527)   |
| Change in fair value of financial instruments included in equity loss | 402                | -          | 601              | -          |
| Adjusted EBITDA   | \$ 130,889         | \$ 125,585 | \$ 254,704       | \$ 249,620 |

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- (1) In April 2014, Seaspan issued in a registered public offering 13,800,000 senior unsecured notes. Seaspan used a portion of the net proceeds from the offering to repay its \$125.0 million credit facility. In connection with the refinancing, Seaspan incurred refinancing expenses and costs of \$2.8 million, of which \$0.5 million was cash and \$2.3 million was non-cash.
  
- (2) In the second half of 2011, Seaspan entered into agreements to bareboat charter four 4800 TEU vessels to Mediterranean Shipping Company S.A. ("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 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) 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 borrowings is calculated on the effective interest rate.
  
- (4) Normalized earnings per share, converted, increased for the three

months, and decreased for the six months ended June 30, 2014 as detailed in the table below:

|   | Three Months<br>Ended<br>June 30,<br>2014 | Six Months<br>Ended<br>June 30,<br>2014 |
|---|---|---|
|   | -----                                     | -----                                   |
| Normalized earnings per share, converted-   |   |   |
| preferred shares converted at \$15, June 30, 2013   | \$ 0.18                                   | \$ 0.39                                 |
| Excluding share count changes:  |   |   |
| Increase in normalized earnings(a)  | 0.07                                      | 0.08                                    |
| Decrease from impact of Series C, D and E<br>preferred shares   | (0.04)                                    | (0.07)                                  |
| Share count changes:  |   |   |
| Increase in converted share count (from 86,703<br>shares to 95,001 shares and from 86,350 to<br>94,531 for the three and six months ended,<br>respectively) | (0.02)                                    | (0.03)                                  |
|   | -----                                     | -----                                   |
| Normalized earnings per share, converted-   |   |   |
| preferred shares converted at \$15, June 30, 2014   | \$ 0.19                                   | \$ 0.37                                 |
|   | -----                                     | -----                                   |
|   | -----                                     | -----                                   |

-----

(a) The increases in normalized net earnings are primarily due to increases

in revenue of \$6.1 million and \$9.1 million and decreases in general and administrative expenses of \$4.4 million and \$4.1 million, partially offset by increases in ship operating expenses of \$3.7 million and \$7.4 million, and increases in depreciation and amortization expense of \$1.8 million and \$2.7 million, for the three and six months ended June 30, 2014, respectively. Please read "Results for the Three and Six Months Ended June 30, 2014" for a description of the increases in revenue, ship operating expense, and depreciation and amortization expense, and the decreases in general and administrative expense.

#### STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release contains certain forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended), which reflect management's current views with respect to certain future events and performance, including, in particular, statements regarding: future operating results; expansion of Seaspan's business; future time charters and dividends; vessel deliveries; vessel financing arrangements; use of public offering net proceeds and Seaspan's capital requirements; and amendments to the GCI ROFR and ROFO, the employment and transaction services agreements with Gerry Wang and the financing services agreement with Tiger Ventures Limited. 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; amounts of any payments to the former owners of Seaspan's Manager related to fleet growth; 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; 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; negotiations with GCI, Gerry Wang and Tiger Ventures Limited about agreement amendments; 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 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, 2013. 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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