November 3, 2014

Seaspan Reports Financial Results for the Three and Nine Months Ended September 30, 2014

Signed all Newbuildings to Fixed-Rate Time Charters; Total Committed Revenue Increased to $6.6 Billion

HONG KONG, CHINA--(Marketwired - Nov. 3, 2014) - Seaspan Corporation ("Seaspan") (NYSE:SSW) announced today its financial results for the three and nine months ended September 30, 2014. Below is a summary of Seaspan's key financial results:

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

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Change $	Change %
Reported net earnings	$ 65,441	$ 48,039	$ 17,402	36.2%
Normalized net earnings(1)	$ 38,071	$ 34,057	$ 4,014	11.8%
Earnings per share, basic	$ 0.54	$ 0.42	$ 0.12	28.6%
Earnings per share, diluted	$ 0.54	$ 0.42	$ 0.12	28.6%
Normalized earnings per share, converted(1) (Series A preferred shares converted at $15)	$ 0.25	$ 0.28	$ (0.03)	(10.7)%
Cash available for distribution to common shareholders(2)	$ 77,726	$ 72,389	$ 5,337	7.4%
Adjusted EBITDA(3)	$ 139,880	$ 131,402	$ 8,478	6.5%

Nine Months Ended

September 30, Change

	2014	2013	$	%
Reported net earnings	$ 103,473	$ 230,799	$ (127,326)	(55.2)%
Normalized net earnings(1)	$ 98,951	$ 87,909	$ 11,042	12.6%
Earnings per share, basic	$ 0.66	$ 2.66	$ (2.00)	(75.2)%
Earnings per share, diluted	$ 0.65	$ 2.30	$ (1.65)	(71.7)%
Normalized earnings per share, converted(1) (Series A preferred shares converted at $15)	$ 0.62	$ 0.66	$ (0.04)	(6.1)%
Cash available for distribution to common shareholders(2)	$ 213,668	$ 206,440	$ 7,228	3.5%
Adjusted EBITDA(3)	$ 394,584	$ 381,022	$ 13,562	3.6%

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(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 Nine Months Ended September 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, 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. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Nine Months Ended September 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 common shareholders 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, 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. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Nine Months Ended September 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 99.2% and 99.1% for the three and nine months ended September 30, 2014, respectively, or 99.6% and 99.5% if the impact of off-charter days is excluded.

-- Accepted delivery of one vessel during the third quarter, bringing Seaspan's operating fleet to a total of 75 vessels at September 30, 2014.

-- Paid $13.4 million of regular quarterly dividends to preferred shareholders of record as of July 29, 2014. 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 2014 second quarter of $0.345 per Class A common share to all shareholders of record as of July 21, 2014.

-- Raised a total of approximately $475 million through capital market transactions in the first nine months 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 third quarter, we achieved a number of notable accomplishments related to expanding our relationships with premier liner companies, increasing our time charter coverage, and growing our fleet of large fuel efficient containerships. Specifically, we entered into time charter agreements with Maersk for four state-of-the-art 10000 TEU vessels, underscoring the success of our SAVER design. We also extended time charters for five 14000 TEU vessels with Yang Ming and confirmed Seaspan will build and manage a total of 15 SAVER design vessels for Yang Ming under 10+2-year fixed-rate time charters. Finally, we received delivery of the fourth 10000 TEU SAVER design containership scheduled for delivery in 2014."

Mr. Wang continued, "As we progress through the remainder of 2014, we are pleased to have signed all of our newbuildings to fixed-rate time charters, increasing our total committed revenue to $6.6 billion. With a strong balance sheet and capital structure, we remain well positioned to further solidify our position as the largest containership supplier."

Third Quarter Developments

$220.0 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 Mitsui O.S.K. Lines Ltd. ("MOL") which provided gross proceeds of $220.0 million. Under the lease financing arrangements, Seaspan sold the vessels to the SPCs and, leased the vessels back from the SPCs over a term of approximately 8.5 years, with an option to purchase the vessels at the end of the term for a pre-determined purchase price. On July 16, 2014 and October 29, 2014, Seaspan financed the purchase of the MOL Bravo and MOL Brightness, respectively, through these lease financing arrangements and received the full proceeds. These lease financing arrangements provide financing at market rates.

Vessel Delivery

Seaspan accepted delivery of the MOL Bravo on July 16, 2014, expanding its operating fleet to 75 vessels as of September 30, 2014. The 10000 TEU vessel constructed at Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd. ("Jiangsu Xinfu") using Seaspan's fuel-efficient SAVER design, commenced an eight-year, fixed-rate time charter with MOL.

Time Charters and Option Agreements

In August 2014, Seaspan entered into five-year, fixed-rate time charter contracts with two one-year options with A.P. Moeller-Maersk A/S ("Maersk") for four fuel-efficient SAVER design 10000 TEU vessels to be constructed at Jiangsu New Yangzi Shipbuilding Co., Ltd. ("New Jiangsu") and Jiangsu Xinfu. Two of the vessels were previously allocated to Seaspan and two were allocated to Greater China Intermodal Investments LLC ("GCI") under the right of first refusal agreement (the "ROFR Agreement") between Seaspan, GCI and Blue Water Commerce, LLC ("Blue Water Commerce").

In August 2014, Seaspan entered into an agreement with New Jiangsu and Jiangsu Xinfu under which Seaspan converted its remaining options to acquire up to four 10000 TEU SAVER design vessels to be constructed at those shipyards into options to acquire up to six 10000 TEU or 14000 TEU SAVER design vessels, with delivery dates in 2017 and 2018. Seaspan anticipates that such options, if exercised, will be subject to the ROFR Agreement.

Extension of Time Charter Terms by Yang Ming and Expiry of Yang Ming's Purchase Options

In August 2014, Yang Ming Marine Transport Corp ("Yang Ming") confirmed that the term of the fixed-rate time charters for the five 14000 TEU SAVER design containerships currently being constructed at CSBC Corporation, Taiwan will be extended to 10 years with one two-year option. Two of these vessels previously have been allocated to Seaspan and three have been allocated to GCI under the ROFR Agreement.

The option that Yang Ming held to purchase up to five 14000 TEU newbuilding vessels currently being constructed at Hyundai Heavy Industries Co., Ltd. expired, and as a result, all five of these 14000 TEU newbuilding vessels will also be time chartered to Yang Ming for 10 years with one two-year option. Three of these vessels previously have been allocated to Seaspan and two have been allocated to GCI under the ROFR Agreement.

Vessel Reallocation with GCI

On September 29, 2014, Seaspan and GCI agreed to reallocate four 10000 TEU vessels under construction by exchanging two vessels that Seaspan was scheduled to receive with two vessels GCI was scheduled to receive. As a result, the revised allocation of these vessels between Seaspan and GCI is as follows:

Vessel	Original Owner	After Reallocation	Charterer	Delivery Date
Hull No. 1010	GCI	Seaspan	MOL	2014
Hull No. 1120	GCI	Seaspan	Maersk	2016
Hull No. 1102	Seaspan	GCI	MOL	2015
Hull No. 1104	Seaspan	GCI	Maersk	2015

Subsequent Events

Dividends

On October 14, 2014, Seaspan declared the following quarterly cash dividends on its common and preferred shares, for a total distribution of $46.5 million:

Security	Ticker	Dividend per Share	Period	Record Date	Payment Date
Class A common shares	SSW	$ 0.345	July 1, 2014 to September 30, 2014	October 20, 2014	October 30, 2014
Series C preferred shares	SSW PR C	$ 0.59375	July 30, 2014 to October 29, 2014	October 29, 2014	October 30, 2014
Series D preferred shares	SSW PR D	$0.496875	July 30, 2014 to October 29, 2014	October 29, 2014	October 30, 2014
Series E preferred shares	SSW PR E	$0.515625	July 30, 2014 to October 29, 2014	October 29, 2014	October 30, 2014

Vessel Delivery

On October 29, 2014, Seaspan accepted delivery of a 10000 TEU containership, the MOL Brightness, expanding the Company's operating fleet to 76 vessels. The newbuilding containership was constructed at Jiangsu Xinfu using Seaspan's fuel-efficient SAVER design. The MOL Brightness commenced an eight-year, fixed-rate time charter with MOL.

Results for the Three and Nine Months Ended September 30, 2014

At the beginning of 2014, Seaspan had 71 vessels in operation. Seaspan accepted delivery of four newbuilding vessels during the nine months ended September 30, 2014, bringing its operating fleet to a total of 75 vessels as at September 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.

	Three Months Ended September 30,		Increase		Nine Months Ended September 30,		Increase	
	2014	2013	Days	%	2014	2013	Days	%
Operating days	6,465	6,066	399	6.6%	18,602	17,560	1,042	5.9%
Ownership days	6,515	6,161	354	5.7%	18,766	17,944	822	4.6%

The following table summarizes Seaspan's vessel utilization by quarter and for the nine months ended September 30, 2014 and 2013:

	First Quarter		Second Quarter		Third Quarter		Nine Months Ended September 30,	
	2014	2013	2014	2013	2014	2013	2014	2013
Vessel utilization:								
Ownership Days	6,037	5,850	6,214	5,933	6,515	6,161	18,766	17,944
Less Off-hire Days:								
Scheduled 5-Year Survey	(10)	-	(43)	(19)	(15)	(29)	(68)	(48)
Unscheduled Off-hire(1)	(58)	(230)	(3)	(40)	(35)	(66)	(96)	(336)
Operating Days	5,969	5,620	6,168	5,874	6,465	6,066	18,602	17,560

Vessel Utilization.	98.9%	96.1%	99.3%	99.0%	99.2%	98.5%	99.1%	97.9%

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

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

Financial Summary (in millions of US dollars)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2014	2013	$	%	2014	2013	$	%
Revenue	$185.9	$172.4	$ 13.5	7.8%	$527.7	$505.1	$ 22.6	4.5%
Ship operating expense	41.5	36.7	4.8	13.1%	123.9	111.6	12.2	11.0%
Depreciation and amortization expense	46.6	43.3	3.3	7.6%	134.9	128.9	6.0	4.7%
General and administrative expense	8.1	7.8	0.3	4.3%	23.7	27.4	(3.8)	(13.7)%
Operating lease								

expense	2.4	1.1	1.3	114.5%	4.6	3.3	1.3	39.4%
Interest expense	24.2	15.1	9.1	60.4%	64.8	45.9	18.9	41.3%
(Gain) loss on fair value of financial instruments	(3.0)	16.7	(19.7)	(117.7)%	66.3	(51.8)	118.1	228.1%

Revenue

Revenue increased by 7.8% to $185.9 million and 4.5% to $527.7 million for the three and nine months ended September 30, 2014, respectively, over the same periods for 2013. These increases were due primarily to the delivery of four 10000 TEU vessels in 2014, the delivery of two 4600 TEU secondhand vessels in mid-2013 and a decrease in unscheduled off-hire. These increases were partially offset by lower charter rates for three of Seaspan's vessels which were on short-term charters and a decrease in vessel management revenue.

The increases in operating days and the related financial impact thereof for the three and nine months ended September 30, 2014 relative to the same periods in 2013, are attributable to the following:

	Three Months Ended September 30, 2014		Nine Months Ended September 30, 2014	
	Operating Days Impact	$ Impact (in millions)	Operating Days Impact	$ Impact (in millions)
2014 vessel deliveries	351	$ 14.7	475	$ 20.0
Full period contribution for 2013 vessel deliveries	3	-	347	6.8
Change in daily charter hire rate and re-charters	-	(0.7)	-	(4.0)
Scheduled off-hire	14	0.2	(20)	(0.8)

Unscheduled off-hire	31	0.4	240	2.8
Vessel management revenue	-	(1.0)	-	(1.8)
Other	-	(0.1)	-	(0.4)
Total	399	$ 13.5	1,042	$ 22.6

Vessel utilization was 99.2% and 99.1% for the three and nine months ended September 30, 2014, respectively, compared to 98.5% and 97.9% for the same periods in 2013.

The increase in vessel utilization for the nine months ended September 30, 2014, compared to the same period in 2013, was primarily due to a 240-day decrease in unscheduled off-hire. In the nine months ended September 30, 2014, there were 96 days of unscheduled off-hire, which included 72 off-charter days, compared to 336 days of unscheduled off-hire, which included 300 off-charter days, in the same period of 2013. During the nine months ended September 30, 2014, Seaspan completed five scheduled dry-dockings that resulted in 68 days of scheduled off-hire, compared to five scheduled dry-dockings that resulted in 48 days of scheduled off-hire in the same period of 2013.

Seaspan completed dry-dockings for the following five vessels during the three and nine months ended September 30, 2014:

Vessel	Completed
MOL Emerald	Q2
CSAV Loncomilla	Q2
CSAV Lumaco	Q2
CSCL Callao	Q2
CSCL Manzanillo	Q3

Seaspan's cumulative vessel utilization since its initial public offering in August 2005 through September 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 13.1% to $41.5 million and by 11.0% to $123.9 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013.

Ownership days increased by 5.7% and 4.6% for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013. The increase in ownership days was due to the delivery of four 10000 TEU vessels in 2014. In addition, the two 4600 TEU second-hand vessels delivered in mid-2013 contributed to the increased ownership days for the nine months ended September 30, 2014 compared to the same period in 2013.

Ship operating expenses also rose due to an increase in crew wages that occurred in the first quarter of 2014 compared to the third quarter of 2013. Seaspan also purchased more stores and spares and incurred more repairs and maintenance for its older vessels. Seaspan expects ship operating expense to increase as its fleet ages. Seaspan also incurred higher ship management infrastructure costs to support its expanding fleet.

Depreciation and Amortization Expense

The increase in depreciation and amortization expense for the three and nine months ended September 30, 2014 was primarily due to the increase in the size of the fleet from the 2014 deliveries and the full period of depreciation for the vessels delivered in mid-2013.

General and Administrative Expense

General and administrative expense increased by 4.3% to $8.1 million for the three months ended September 30, 2014 compared to the same period in 2013. There were no significant changes in Seaspan's general and administrative expenses for the three months ended September 30, 2014 compared to the same period in 2013.

General and administrative expense decreased by 13.7% to $23.7 million for the nine months ended September 30, 2014, compared to the same period in 2013. The decrease of $3.8 million for the nine months ended September 30, 2014 compared to the same period in 2013 was primarily due to a net reduction in stock-based compensation expense of $5.1 million. The majority of this reduction was due to a decrease in non-cash stock appreciation rights ("SARs") expense of $5.9 million, partially offset by an increase in other non-cash stock-based awards of $0.8 million. During the nine months ended September 30, 2013, $2.6 million of accelerated stock-based compensation was recognized relating to the vesting of the first tranche of SARs. The decrease for the nine months ended September 30, 2014 was partially offset by an increase in general corporate expenses and executive compensation of $1.1 million.

Interest Expense

At September 30, 2014, Seaspan had total borrowings of $3.8 billion, which consisted of long-term debt of $3.3 billion and other long-term liabilities, excluding deferred gains, of $0.6 billion. At September 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, excluding deferred gains, of $0.6 billion. Seaspan's operating borrowings were $3.5 billion at September 30, 2014 and September 30, 2013.

Interest expense 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. 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 $9.1 million to $24.2 million and by $18.9 million to $64.8 million for the three and nine months ended September 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 the cost of borrowings is due to the refinancing of Seaspan's $1.0 billion credit facility in January 2014 at a higher margin than under the original facility, certain of Seaspan's term loans which have higher margins than the facilities outstanding for the comparative prior periods and higher interest rates under Seaspan's fixed-rate unsecured senior notes that were issued in April 2014.

Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in a gain of $3.0 million and a loss of $66.3 million for the three and nine months ended September 30, 2014, respectively, compared to a loss of $16.7 million and a gain of $51.8 million for the same periods in 2013. The gain of $3.0 million for the three months ended September 30, 2014 was primarily due to increases in the forward LIBOR curve. The loss of $66.3 million for the nine months ended September 30, 2014 was due primarily to significant decreases in the forward LIBOR curve for instruments with terms greater than six years 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 that resulted in a loss of $4.5 million.

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 28 newbuilding containerships on order scheduled for delivery to Seaspan and third parties by the end of 2016. Seaspan's current operating fleet of 76 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 nine months ended September 30, 2014 on November 4, 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: 25778812. The recording will be available from November 4, 2014 at 9:00 a.m. PT / 12:00 p.m. ET through 8:59 p.m. PT / 11:59 p.m. ET on November 18, 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 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 SEPTEMBER 30, 2014

(IN THOUSANDS OF US DOLLARS)

	September 30, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 200,700	$ 476,380
Short-term investments	88,245	11,675
Accounts receivable	22,764	14,149
Loans to affiliate	212,736	54,068
Prepaid expenses	34,773	22,671
Gross investment in lease	21,170	21,170
	580,388	600,113
Vessels	4,854,608	4,670,899
Vessels under construction	306,364	321,372
Deferred charges	58,614	53,971
Gross investment in lease	43,119	58,953
Goodwill	75,321	75,321
Other assets	120,393	106,944
Fair value of financial instruments	45,702	60,188
	$ 6,084,509	$ 5,947,761
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 62,864	$ 65,634
Current portion of deferred revenue	22,968	27,683

Current portion of long-term debt	176,849	388,159
Current portion of other long-term liabilities	42,183	38,930
	304,864	520,406
Deferred revenue	6,000	4,143
Long-term debt	3,079,586	2,853,459
Other long-term liabilities	558,571	572,673
Fair value of financial instruments	392,810	425,375
	4,341,831	4,376,056
Shareholders' equity:		
Share capital	1,199	882
Treasury shares	(379)	(379)
Additional paid in capital	2,218,646	2,023,622
Deficit	(440,176)	(411,792)
Accumulated other comprehensive loss	(36,612)	(40,628)
	1,742,678	1,571,705
	$ 6,084,509	$ 5,947,761

SEASPAN CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013

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

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Revenue	$ 185,870	$ 172,392	$ 527,726	$ 505,102
Operating expenses:				
Ship operating	41,514	36,717	123,853	111,607
Depreciation and amortization	46,612	43,336	134,947	128,929
General and administrative	8,146	7,813	23,670	27,437
Operating lease	2,375	1,107	4,587	3,290
	98,647	88,973	287,057	271,263
Operating earnings	87,223	83,419	240,669	233,839
Other expenses (income):				
Interest expense	24,246	15,114	64,814	45,873
Interest income	(3,472)	(459)	(7,261)	(1,246)
Undrawn credit facility fees	846	653	2,084	1,798
Amortization of deferred charges	2,963	2,854	7,428	7,230
Refinancing expenses and costs	-	-	2,824	-
Change in fair value of				

financial instruments	(2,969)	16,736	66,334	(51,791)
Equity (income) loss on investment	(320)	48	(45)	117
Other expenses	488	434	1,018	1,059
	21,782	35,380	137,196	3,040
Net earnings	$ 65,441	$ 48,039	$ 103,473	$ 230,799
Deficit, beginning of period	(459,154)	(466,783)	(411,792)	(594,153)
Dividends - common shares	(32,730)	(20,137)	(93,986)	(55,923)
Dividends - preferred shares	(13,435)	(9,851)	(37,008)	(28,827)
Preferred shares repurchase	-	(628)	-	(628)
Amortization of Series C issuance costs	(298)	(238)	(863)	(866)
Deficit, end of period	$ (440,176)	$ (449,598)	$ (440,176)	$ (449,598)
Weighted average number of shares, basic	95,954	65,310	92,233	64,528
Weighted average number of shares, diluted	96,073	65,850	92,531	86,837
Earnings per share, basic	$ 0. 54	$ 0.42	$ 0.66	$ 2.66
Earnings per share, diluted	$ 0. 54	$ 0.42	$ 0.65	$ 2.30

SEASPAN CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013

(IN THOUSANDS OF US DOLLARS)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net earnings	$ 65,441	$ 48,039	$ 103,473	$ 230,799
Other comprehensive income:				
Amounts reclassified to net earnings during the period, relating to cash flow hedging instruments	1,273	1,424	4,016	4,829
Comprehensive income	$ 66,714	$ 49,463	$ 107,489	$ 235,628

SEASPAN CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013

(IN THOUSANDS OF US DOLLARS)

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Cash from (used in):				
Operating activities:				
Net earnings	$ 65,441	$ 48,039	$ 103,473	$ 230,799
Items not involving cash:				
Depreciation and amortization	46,612	43,336	134,947	128,929
Share-based compensation	1,769	2,581	6,878	12,022
Amortization of deferred charges	2,963	2,854	7,428	7,230
Amounts reclassified from other comprehensive loss to interest expense	987	1,205	3,302	4,168
Unrealized change in fair value of financial instruments	(31,395)	(15,121)	(23,723)	(146,978)
Equity (income) loss on investment	(320)	48	(45)	117
Operating lease	(490)	-	(490)	-
Refinancing expenses and costs	-	-	2,356	-
Other	3,829	-	7,024	-
Changes in assets and				

liabilities	(2,891)	7,154	3,196	(10,347)
Cash from operating activities	86,505	90,096	244,346	225,940
Financing activities:				
Common shares issued, net of issuance costs	(170)	-	4,243	-
Senior unsecured notes issued	-	-	345,000	-
Preferred shares issued, net of issuance costs	-	-	130,415	-
Shares repurchased, including related expenses	-	(8,560)	-	(8,560)
Draws on credit facilities	-	30,000	340,000	39,000
Repayment of credit facilities	(51,475)	(21,158)	(831,603)	(54,384)
Repayment of other long-term liabilities	(10,375)	(10,041)	(31,000)	(29,901)
Financing fees	(3,584)	(1,963)	(12,562)	(16,743)
Dividends on common shares	(15,952)	(11,489)	(46,084)	(31,927)
Dividends on preferred shares	(13,435)	(9,851)	(37,008)	(28,827)
Proceeds from sale of vessel	110,000	-	110,000	-
Cash from (used in) financing activities	15,009	(33,062)	(28,599)	(131,342)

Investing activities:				
Expenditures for vessels	(108,492)	(63,102)	(211,740)	(178,896)
Short-term investments	(5,057)	(67)	(76,570)	(45,663)
Restricted cash	-	14	-	(1,886)
Loans to affiliate	(51,051)	(77,031)	(178,024)	(77,031)
Other assets	(22,165)	170	(25,093)	193
Investment in affiliate	-	(3,333)	-	(4,444)
Cash used in investing activities	(186,765)	(143,349)	(491,427)	(307,727)
Decrease in cash and cash equivalents	(85,251)	(86,315)	(275,680)	(213,129)
Cash and cash equivalents, beginning of period	285,951	254,564	476,380	381,378
Cash and cash equivalents, end of period	$ 200,700	$ 168,249	$ 200,700	$ 168,249

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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 September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net earnings	$ 65,441	$ 48,039	$ 103,473	$ 230,799
Add:				
Depreciation and amortization	46,612	43,336	134,947	128,929
Interest expense	24,246	15,114	64,814	45,873
Amortization of deferred charges	2,963	2,854	7,428	7,230
Refinancing expenses and costs(1)	-	-	2,356	-
Share-based compensation	1,769	2,581	6,878	12,022
Change in fair value of financial instruments	(2,969)	16,736	66,334	(51,791)
Change in fair value of financial instruments included in equity income	16	-	617	-
Bareboat charter adjustment, net (2)	4,428	2,548	12,914	7,408

Less:				
Amounts paid for dry-dock adjustment	(2,682)	(3,136)	(9,863)	(8,231)
Cash dividends paid on preferred shares:				
Series C	(8,114)	(8,313)	(24,342)	(24,938)
Series D	(2,537)	(1,538)	(7,611)	(3,889)
Series E	(2,784)	-	(5,166)	-
Net cash flows before interest payments	126,389	118,221	352,779	343,412
Less:				
Interest expense at the hedged rate(3)	(48,663)	(45,832)	(139,111)	(136,972)
Cash available for distribution to common shareholders	$ 77,726	$ 72,389	$ 213,668	$ 206,440

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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 Class A common 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 Class A common shares was equal to or above $15.00. If the Class A common share price was less than $15.00, then Seaspan could choose to not convert the Series A preferred shares and to increase the annual increase in the liquidation preference to 15% per annum from 12%. The "converted" number of Series A preferred 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 actual Series A preferred share 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 NINE MONTHS ENDED SEPTEMBER 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 September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net earnings	$ 65,441	$ 48,039	$ 103,473	$ 230,799
Adjust:				
Interest expense	24,246	15,114	64,814	45,873
Change in fair value of financial instruments	(2,969)	16,736	66,334	(51,791)

Change in fair value of financial instruments included in equity income	16	-	617	-
Refinancing expenses and costs(1)	-	-	2,824	-
Interest expense at the hedged rate(3)	(48,663)	(45,832)	(139,111)	(136,972)
Normalized net earnings	$ 38,071	$ 34,057	$ 98,951	$ 87,909
Less: preferred share dividends				
Series A	-	9,810	3,395	28,283
Series C (including amortization of issuance costs)	8,410	8,360	25,203	25,611
Series D	2,537	1,543	7,500	4,631
Series E	2,784	-	6,991	-
	13,731	19,713	43,089	58,525
Normalized net earnings attributable to common shareholders	$ 24,340	$ 14,344	$ 55,862	$ 29,384
Weighted average number of shares used to compute earnings per share				
Reported and normalized, basic	95,954	65,310	92,233	64,528

Share-based compensation	119	266	142	343
Contingent consideration	-	274	156	586
Shares held in escrow	-	-	-	63
Series A preferred shares liquidation preference converted at $15	-	21,950	2,525	21,317
Reported, diluted and normalized, converted	96,073	87,800	95,056	86,837
Earnings per share:				
Reported, basic	$ 0.54	$ 0.42	$ 0.66	$ 2.66
Reported, diluted	$ 0.54	$ 0.42	$ 0.65	$ 2.30
Normalized, converted - preferred shares converted at $15(4)	$ 0.25	$ 0.28	$ 0.62	$ 0.66

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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.

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 September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Net earnings	$ 65,441	$ 48,039	$ 103,473	$ 230,799
Add:				
Interest expense	24,246	15,114	64,814	45,873
Interest income	(3,472)	(459)	(7,261)	(1,246)
Undrawn credit facility fees	846	653	2,084	1,798
Depreciation and amortization	46,612	43,336	134,947	128,929
Amortization of deferred charges	2,963	2,854	7,428	7,230
Refinancing expenses and costs(1)	-	-	2,356	-
Share-based compensation	1,769	2,581	6,878	12,022
Bareboat charter adjustment, net (2)	4,428	2,548	12,914	7,408
Change in fair value of financial instruments	(2,969)	16,736	66,334	(51,791)
Change in fair value of				

financial instruments included in equity income	16	-	617	-
Adjusted EBITDA	$ 139,880	$ 131,402	$ 394,584	$ 381,022

Notes to Non-GAAP Financial Measures

(1) In April 2014, Seaspan issued in a registered public offering senior unsecured notes in an aggregate principal amount of $345.0 million. 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 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) 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 on the effective interest rate.

(4) Normalized earnings per share, converted, decreased for the three and nine months ended September 30, 2014 as detailed in the table below:

	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2014
Normalized earnings per share, converted- preferred shares converted at $15, September 30, 2013	$ 0.28	$ 0.66
Excluding share count changes:		
Increase in normalized earnings(a)	0.03	0.12
Decrease from impact of preferred shares	(0.04)	(0.10)
Share count changes:		
Increase in converted share count (from 87,800 shares to 96,073 shares and from 86,837 to 95,056 for the three and nine months ended, respectively)	(0.02)	(0.06)

Normalized earnings per share, converted-
preferred shares converted at $15,

September 30, 2014	$ 0.25	$ 0.62

(a) The increases in normalized earnings are primarily due to increases in revenue of $13.5 million and $22.6 million and increases in interest income of $3.0 million and $6.0 million, for the three and nine months ended September 30, 2014, respectively. There was also a decrease in general and administrative expenses of $3.8 million for the nine months ended September 30, 2014. These increases to normalized earnings were partially offset by increases in ship operating expenses of $4.8 million and $12.2 million and increases in depreciation and amortization expense of $3.3 million and $6.0 million, for the three and nine months ended September 30, 2014, respectively. Please read "Results for the Three and Nine Months Ended September 30, 2014" for a description of the increases in revenue, ship operating expense, depreciation and amortization expense, and the changes 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; time charters and dividends; and vessel deliveries. 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; 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 equity markets and the price of Seaspan's shares; approval of any such transaction by the conflicts committee of 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, 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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