Seaspan Reports Financial Results for the Three and Six Months Ended June 30, 2009

Achieves Strong Utilization Rate for Quarter and Six-month Period; Entire Fleet Remains on Time Charters with Average Duration of 11 Years

HONG KONG, CHINA, Aug 5, 2009 (Marketwire via COMTEX News Network) -- Seaspan Corporation (NYSE:SSW) announced today the financial results for the three and six months ended June 30, 2009.

Second Quarter 2009 and Year-to-Date Highlights:

- Reported revenue of $69.8 million and $133.0 million, respectively, for the three and six months ended June 30, 2009 compared to $54.9 million and $109.1 million for the comparable prior year periods;

- Paid a first quarter dividend of $0.10 per share, representing an approximately 20 percent payout ratio. The first quarter dividend was paid on May 12, 2009 to all shareholders of record as of May 1, 2009;

- Reported decreased normalized net earnings(1) of $0.6 million, or 3.4%, to $18.7 million for the quarter from $19.3 million for the comparable quarter. The normalized net earnings include a $1.1 million expense that was accrued for in the quarter as a result of exercising the delivery deferral options. This amount is due at the deferred delivery date of each vessel and for financial reporting standards represents the cost of entering into the delivery deferral options and therefore accrued for in the period. The Company does not believe it is representative of its operating performance and if excluded, normalized net earnings for the quarter would have increased from the comparable quarter by $0.5 million, or 2.3%;

- Reported increased normalized net earnings by $0.4 million, or 1.2%, to $37.2 million for the six month period from $36.8 million for the comparable period last year. The normalized net earnings include a $1.1 million expense that was accrued for in the current quarter as a result of exercising the delivery deferral options. If excluded, normalized net earnings for the six months ended would have increased from the comparable period in the prior year by $1.5 million, or 4.2%;

- Reported normalized earnings per share(1) of $0.23, a decrease of $0.07 from $0.30, or 23.3% for the prior year's quarter, and reported decreased normalized earnings per share by $0.12 or 20.0% to $0.48 for the six month period from $0.60 for the comparable period last year. The overall decrease in normalized earnings per share over the comparable prior year periods is due to additional shares issued in our April 2008 equity offering, the non-cash dividend accrued to the preferred shareholders as part of the Series A Preferred Stock issuance in January 2009 and the $1.1 million expense for exercising the delivery deferral options. Excluding the impact of the $1.1 million, normalized earnings per share for the three and six months ended June 30, 2009, would be $0.25 and $0.50, respectively;

- Reported net earnings of $112.3 million for the quarter ended June 30, 2009 compared to $85.3 million for the comparable quarter last year. Net earnings includes unrealized gains of $89.3 million and $71.0 million from interest rate swaps for the current and comparable quarters respectively;

- Reported earnings per share of $1.62 for the quarter ended June 30, 2009 compared to $1.32 for the comparable quarter last year. Reported earnings per share includes change in fair value gains of $1.33 per share and $1.10 per share from interest rate swaps for the current and comparable quarters respectively;

- Reported net earnings of $136.5 million for the six months ended June 30, 2009 compared to $47.7 million for the comparable period last year. Net earnings includes unrealized gains of $92.5 million and $17.2 million from interest rate swaps for the current and comparable periods respectively;

- Reported earnings per share of $1.96 for the six months ended June 30, 2009 compared to $0.78 for the comparable period last year. Reported earnings per share includes change in fair value gains of $1.38 per share and $0.28 per share from interest rate swaps for the current and comparable periods respectively;

- Accepted delivery of four newbuild vessels: the CSCL Callao, CSAV Loncomilla, MOL Emerald and CSAV Lumaco;

- Diversified our customer base with the commencement of the time charters with Mitsui O.S.K. Lines, Ltd. and Compania Sud Americana De Vapores S.A.;

- Closed the first $100 million tranche of a $200 million aggregate issuance of the Company's Series A Preferred Stock in January 2009;

- Declared a second quarter dividend of $0.10 per share. The second quarter dividend is to be paid on August 20, 2009 to all shareholders of record as of August 11, 2009; and

- Added George Juetten to our board of directors on July 25, 2009. Mr. Juetten is an independent director appointed by the holders of the Company's Series A Preferred Stock.

Gerry Wang, Chief Executive Officer of Seaspan, stated, "During the second quarter, Seaspan once again achieved strong utilization for its modern, growing fleet. The Company also took delivery of 4 additional time-chartered vessels, advancing its strategy of securing a growing and stable revenue stream. Seaspan's fleet continues to perform as expected. With the delivery of an additional 29 vessels, Seaspan is expected to grow its contracted revenue stream to $7 billion."

Mr. Wang concluded, "During the first half of 2009, Seaspan has taken important steps to increase the company's financial strength. Because of these steps, including the reduction of our quarterly dividend, we have secured committed financing for substantially all of the capital needed to finance our significant contracted fleet growth."

Customer Developments

We currently have two 4250 TEU vessels on charter to CSAV, the CSAV Loncomilla and the CSAV Lumaco, with an additional two 4250 TEU vessels to be chartered to CSAV in the future. For the six months ended June 30, 2009, CSAV represents 2.2% of our reported $133 million revenue. Upon delivery of the two additional vessels, our revenue from CSAV will represent 3% of approximately $7 billion in total revenue expected from our fully delivered fleet of 68 vessels under their current time charters. During the first quarter of 2009, we became aware from media reports of the downgrade of CSAV's counter-party credit rating by major credit rating agencies and subsequent to the release of our first quarter earnings on April 28, 2009, we received requests from CSAV to participate in a restructuring plan and renegotiate the payment terms of our time charters with them. We declined to participate in the restructuring plan, however, we are aware that since that time, CSAV has proceeded with its plan. To date, CSAV has made payments in accordance with the time charter for the CSAV Loncomilla and the CSAV Lumaco.

We currently have nine 4250 TEU vessels on charter to Hapag-Lloyd, USA, a subsidiary of Hapag-Lloyd, AG. We are aware that shareholders of Hapag-Lloyd, AG have agreed in principle to capital and financing measures intended to support and safeguard the company over the long term. To date, Hapag-Lloyd, USA has made payments to us in accordance with the time charters for the nine vessels chartered to them. On July 30, 2009, we received a request from Hapag-Lloyd AG for suggestions on how we can continue our charter parties with them on amended terms and for a meeting to discuss the same. At this time, we do not intend to renegotiate the main terms of our charter parties with Hapag-Lloyd, USA.

If any of our charterers are unable to make charter payments to us in the future and are in default of their respective charter parties, we may not be able to recharter the relevant vessels at rates equal to the rates in our current charters or at all.

Vessel Delivery Deferral

Subsequent to June 30, 2009, we exercised options to defer the delivery date for 11 of the vessels that the Company has contracted to purchase. The deferrals are for periods ranging from two to 15 months from the dates agreed to under the original shipbuilding contracts. The shipbuilding contracts and time charters have been amended to provide for the new delivery dates.

We are also entering into amending agreements with a shipyard and charterer to delay the delivery date for two additional vessels that the Company has contracted to purchase. The deferrals are for a period of approximately nine months from the dates that were agreed to under the original shipbuilding contracts. The amendment agreements will be subject to certain conditions related to the refund guarantees being satisfied.

Three and Six Months Ended June 30, 2009 Financial Summary (dollars in thousands):

Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
2009	2008	$	%	2009	2008	$	%

Reported net earnings	$112,306	$85,327	$26,979	31.6%	$136,524	$47,663	$88,861	186.4%
Normalized net earnings (1)	$ 18,661	$19,310	$ (649)	(3.4)%	$ 37,235	36,805	$ 430	1.2%
Earnings per share (basic)	$ 1.62	$ 1.32	$ 0.30	22.7%	$ 1.96	$ 0.78	$ 1.18	151.3%
Earnings per share (diluted)	$ 1.41	$ 1.32	$ 0.09	6.8%	$ 1.74	$ 0.78	$ 0.96	123.1%
Normalized earnings per share (basic) (1)	$ 0.23	$ 0.30	$ (0.07)	(23.3)%	$ 0.48	$ 0.60	$ (0.12)	(20.0)%
Normalized earnings per share (diluted) (1)	$ 0.23	$ 0.30	$ (0.07)	(23.3)%	$ 0.47	$ 0.60	$ (0.13)	(21.7)%

Results for the Three and Six Months Ended June 30, 2009:

Revenue

Revenue increased by 27.1%, or $14.9 million, to $69.8 million for the quarter ended June 30, 2009, from $54.9 million for the comparable quarter last year. Revenue increased by 21.8%, or $23.8 million, to $133.0 million for the six months ended June 30, 2009, from $109.1 million for the comparable period last year. The increase was primarily due to the delivery of nine additional vessels between August 2008 and May 2009. These deliveries included the CSCL Sao Paulo, CSCL Montevideo, CSCL Lima, CSCL Santiago, CSCL San Jose, CSCL Callao, CSAV Loncomilla, MOL Emerald, and CSAV Lumaco. Expressed in vessel operating days, our primary revenue driver, these nine vessels contributed 715 of the 3,441 operating days in the quarter, or $13.6 million in additional revenue.

	Three Months Ended June 30,		Increase		Six Months Ended June 30,		Increase	
	2009	2008	Days	%	2009	2008	Days	%
Operating days	3,441	2,656	785	29.6%	6,590	5,268	1,322	25.1%
Ownership days	3,445	2,687	758	28.2%	6,595	5,326	1,269	23.8%

Operating days increased by 29.6%, or 785 days, to 3,441 days for the quarter ended June 30, 2009 from 2,656 operating days for the comparable quarter last year. Operating days increased by 25.1%, or 1,322 days, to 6,590 days for the six months ended June 30, 2009 from 5,268 operating days for the comparable period last year. This increase was primarily due to the delivery of nine additional vessels between August 2008 and May 2009. Expressed in operating days, these nine vessels contributed 1,163 of the 1,322 operating days for the six months ended June 30, 2009, or $21.2 million in additional revenue.

Vessel utilization was 99.9% for both the three and six months ended June 30, 2009, compared to 98.8% and 98.9%, respectively, for the comparable periods in the prior year. Our vessel utilization since our initial public offering is 99.3%.

Ship Operating Expense

Ship operating expense increased by 52.2%, or $6.6 million, to $19.4 million for the quarter ended June 30, 2009, from $12.7 million for the comparable quarter last year. The increase was primarily due to the adjustment of technical services fees for the period commencing January 1, 2009 and the delivery of nine vessels to our fleet since August 2008. Approximately $3.1 million of the increase was due to the adjusted technical services fees for the 30 vessels in operation for the quarter ended June 30, 2008 and for the quarter ended June 30, 2009. The fees for these vessels increased by approximately 22% from initial technical services fees. Approximately $3.7 million of the increase was due to the addition of the nine vessels to our fleet since August 2008. Stated in ownership days, our primary driver for ship operating expense based on fixed daily operating rates, these nine deliveries account for an increase of 715 ownership days for the quarter ended June 30, 2009, as compared to the second quarter of 2008.

Ship operating expense increased by 46.3%, or $11.7 million, to $37.1 million for the six months ended June 30, 2009, from $25.3 million for the comparable period last year. Approximately $6.3 million of this increase was due to the adjustment of technical services fees for the period commencing January 1, 2009. The increase was also due to the addition of the nine vessels to our fleet between August 2008 and May 2009. Stated in ownership days, our primary driver for ship operating expense based on fixed daily operating rates, these nine deliveries account for an increase of 1,165 ownership days, or $5.8 million in ship operating expense, for the six months ended June 30, 2009, as compared to the six months ended June 30, 2008. For the six months ended June 30, 2009, we also incurred $0.4 million less in extraordinary costs and expenses not covered by the fixed fee, compared to the comparable period last year.

Depreciation

Depreciation expense increased by 23.4%, or $3.3 million, to $17.2 million for the quarter ended June 30, 2009, from $13.9 million for the comparable quarter last year. Depreciation expense increased by 19.1%, or $5.3 million, to $33.0 million for the six months ended June 30, 2009, from $27.7 million for the comparable period last year. The increase was due to the increase in number of ownership days from the nine deliveries between August 2008 and May 2009.

General and Administrative Expenses

General and administrative expenses decreased by 6.3%, or $0.1 million, to $2.0 million for the quarter ended June 30, 2009, from $2.1 million for the comparable quarter last year. General and administrative expenses increased by 3.0%, or $0.1 million, to $4.1 million for the six months ended June 30, 2009, from $4.0 million for the comparable period last year. Overall the general and administrative expenses are consistent with the comparable periods in the prior year.

Interest Expense

Interest expense decreased by 44.7%, or $4.5 million, to $5.6 million for the quarter ended June 30, 2009, from $10.1 million for the comparable quarter last year. Interest expense decreased by 42.7%, or $8.0 million, to $10.7 million for the six months ended June 30, 2009, from $18.7 million for the comparable period last year. Interest expense is composed of interest at the variable rate plus margin incurred on debt for operating vessels and a non-cash reclassification of amounts from accumulated other comprehensive income related to previously designated hedging relationships. Although the average operating debt balance was higher for the quarter ended June 30, 2009 compared to the same quarter in the prior year, interest expense decreased due to a decrease in LIBOR. The average LIBOR for the three and six months ended June 30, 2009 was 0.4% and 0.6%, respectively, compared to 2.6% and 3.0%, respectively, for the comparable periods in the prior year. Although we enter into fixed interest rate swaps, the difference between the variable interest rate and the swapped fixed rate on operating debt is recorded in our change in fair value of financial instruments caption as required by financial reporting standards. The interest incurred on our long-term debt for our vessels under construction is capitalized to the respective vessels under construction.

Change in Fair Value of Financial Instruments

The change in fair value of financial instruments resulted in a gain of $89.3 million for the quarter ended June 30, 2009 compared to a gain of $71.0 million for the comparable quarter last year. The change in fair value of financial instruments resulted in a gain of $92.5 million for the six months ended June 30, 2009 compared to a gain of $17.2 million for the comparable period last year. The change in fair value gain of $89.3 million for the quarter ended June 30, 2009 is due to increases in the forward LIBOR curve and overall market changes in credit risk since March 31, 2009. On September 30, 2008, due to the compliance and expense burden associated with applying hedge accounting, we elected to prospectively de-designate all interest rate swaps for which we were applying hedge accounting treatment. As a result, from October 1, 2008, all of our interest rate swap agreements and the swaption agreement are marked to market with all changes in the fair value of these instruments recorded in "Change in fair value of financial instruments" in the Statement of Operations. Prior to de-designation on September 30, 2008, approximately 30% of the change in fair value was recorded in "Accumulated other comprehensive loss" in the equity section of our balance sheet for our designated swaps with the change in fair value of our non-designated swaps recorded in "Change in fair value of financial instruments" in the statement of operations.

Change in fair value of derivative financial instruments is a required accounting adjustment under financial reporting standards. At the end of each reporting period, we must record a mark-to-market adjustment for our interest rate swap agreements and swaption as though the instruments were realized as of the reporting date.

The accounting adjustments appear in the following locations in the financial statements:

1) Other Comprehensive Income - For interest rate swaps that the Company had designated as hedges under the technical accounting requirements for hedge accounting, an amount was included in "Other comprehensive income" that approximated the adjustment in fair value. Since we have elected to prospectively de-designate the interest rate swaps for which we applied hedge accounting, no further fair value changes are recorded to "Other comprehensive income". Following the de-designations, the amounts in "Other comprehensive income" will be reclassified to earnings when and where the interest payments are reflected in earnings.

2) Statement of Operations - For interest rate swaps that are not designated as hedges under the accounting requirements for hedge accounting, mark-to-market adjustments and periodic cash interest settlements are recorded in "Change in fair value of financial instruments".

Other expenses

Additional payments of $1.1 million were accrued for in the three and six months ended June 30, 2009. This amount is due to the shipyards in connection with the 11 options of $0.1 million each that we exercised subsequent to the quarter end. These amounts are due at the deferred delivery date of each vessel and are considered to represent the cost of entering into the delivery deferral options in accordance with financial reporting standards and therefore were accrued for in the period.

Cash Available for Distribution(2)

During the three and six months ended June 30, 2009, we generated $39.0 million and $73.8 million, respectively, of cash available for distribution, as compared to $32.9 million and $65.4 million, respectively, for the comparative periods in 2008. For the three months ended June 30, 2009, this represents an increase of $6.1 million, or 18.6%, as compared to the same quarter in 2008. For the six months ended June 30, 2009, this represents an increase of $8.4 million, or 12.9%, as compared to the same six month period in 2008.

We announced on April 28, 2009 that our board of directors decided to reduce our quarterly dividends from $0.475 to $0.10 per share to retain a higher portion of our distributable cash to fund future capital expenditures due to the uncertainties associated with the global recession and the capital markets. Our board of directors cannot determine how long this reduction will be in effect. This reduction will enable us to retain an approximate additional amount of $100 million per year that can be redeployed to fund our newbuilding program. Based on a dividend of $0.475 per quarter, our annualized dividend on the current number of shares outstanding would be approximately $128 million. Based on a dividend of $0.10 per quarter, our annualized dividend on the current number of shares outstanding would be approximately $27 million.

$200 Million Preferred Share Issuance

On January 22, 2009, Seaspan announced an agreement to issue and sell Series A Preferred Stock to Dennis R. Washington, Kevin L. Washington, Kyle R. Washington, who is the Company's chairman, and Graham Porter, through their respective affiliates, for $200 million.

Seaspan closed the first tranche of the $200 million aggregate investment in the Company's Series A Preferred Stock on January 30, 2009. At the closing, the Company issued and sold an aggregate of 100,000 shares of 12% preferred stock for a total purchase price of $100 million. The second tranche of $100 million aggregate amount of the preferred shares is expected to close in the fourth quarter of 2009, subject to customary closing conditions.

The preferred shares will automatically convert into Seaspan's common shares at an exercise price of $15.00 at any time on or after January 31, 2014 if the trailing 30 day average trading price of the common shares is equal to or above $15.00. The exercise price represents a premium of approximately 57% to the closing price of Company's common shares of $9.54 on January 22, 2009.

If at any time on or after January 31, 2014 the trailing 30 day average price of the common shares is less than $15.00, Seaspan has the option to convert the preferred shares at an exercise price of $15.00 and pay the investor 115% of the difference between the exercise price and the trailing 30 day average price of the common shares, payable in cash or common shares at Seaspan's option.

The preferred share dividends are non-cash and will accrue at a rate of 12% per annum until January 31, 2014. This will not reduce the Company's distributable cash available to common shareholders or ability to fund capital expenditures with cash from operations during the next five years. If the preferred shares have not converted into common shares on or after January 31, 2014, the rate will increase to 15%, which will be payable at the investors' option in cash or by continuing to increase the liquidation value of the preferred shares by 15% per annum.

The issuance and sale of the Series A Preferred Stock was approved by the Company's conflicts committee, which is composed entirely of independent directors. The conflicts committee retained its own financial advisor to provide an opinion on the transaction.

Equity Capital Requirements

As of June 30, 2009, the estimated remaining installments of the 29 vessels that we have contracted to purchase but have not yet been delivered amounted to approximately $1.9 billion. Seaspan has secured long term credit facilities to fund the newbuild vessels and does not have any credit facilities maturing until 2015. To fund the remaining portion of the price of the vessels the Company has contracted to purchase, we intend to raise in the range of approximately $180 million to $240 million in common or other equity and or other forms of capital over the next approximate 20 to 24 month period beginning in late 2010 to early 2011. The current state of the global financial markets and current economic conditions may adversely impact our ability to issue additional equity at prices which will not be dilutive to our existing shareholders or preclude us from issuing equity at all. We continue to actively pursue alternatives which will allow us to defer or eliminate some or all of our current equity needs.

Our credit facilities do not contain traditional vessel market value covenants that require us to repay our facilities solely because the market value of our vessels declined below a certain level. Our $1.3 billion credit facility agreement contains a loan to market value ratio requirement that must be met before we can borrow funds under that facility. Based on a valuation obtained in June of 2009, we are currently unable to borrow the additional $268 million under our $1.3 billion credit facility.

Dividend Declared:

For the quarter ended June 30, 2009, we declared a quarterly dividend of $0.10, representing a total distribution of $6.7 million. The dividend will be paid on August 20, 2009 to all shareholders of record as of August 11, 2009.

Since our initial public offering in August 2005, we have declared cumulative dividends of $6.29 per share. Because we adopted a dividend reinvestment plan, or DRIP, the actual amount of cash dividends paid may be less than the $6.7 million based on shareholder participation in the DRIP. Cumulatively, since we adopted the DRIP in May 2008, an additional 0.9 million shares were issued through the participation in the DRIP. As of today's date and based on a discount of 3%, participating shareholders invested $10.0 million in the DRIP since we adopted the DRIP in May 2008.

Fleet Utilization:

Our fleet utilization was 99.9% for the both the three and six months ended June 30, 2009 compared to 98.8% and 98.9%, respectively, for the comparable periods in the prior year.

The following tables summarize vessel utilization and the impact of the unplanned off-hire time incurred on our revenues for the three and six months ended June 30, 2009:

	First Quarter		Second Quarter		Year to Date	
	2009	2008	2009	2008	2009	2008
Vessel Utilization:						
Ownership Days	3,150	2,639	3,445	2,687	6,595	5,326
Less Off-hire Days:						
Scheduled 5-Year Survey	-	-	-	(10)	-	(10)
Unscheduled off-hire(3)	(1)	(27)	(4)	(21)	(5)	(48)
Operating Days	3,149	2,612	3,441	2,656	6,590	5,268
Vessel Utilization	99.9%	99.0%	99.9%	98.8%	99.9%	98.9%

	First Quarter		Second Quarter		Year to Date	
	2009	2008	2009	2008	2009	2008
Revenue - Impact of Off-Hire:						
100% Utilization	$63,147	$54,703	$69,904	$55,507	$133,051	$110,210
Less Off-hire:						
Scheduled 5-Year Survey	-	-	-	(186)	-	(186)
Unscheduled off-hire(3)	(20)	(488)	(73)	(389)	(93)	(877)
Actual Revenue Earned	$63,127	$54,215	$69,831	$54,932	$132,958	$109,147

About Seaspan

Seaspan owns containerships and charters them pursuant to long-term fixed-rate charters. Seaspan's contracted fleet of 68 containerships consists of 39 containerships in operation and 29 containerships to be delivered over approximately the next three years. Seaspan's operating fleet of 39 vessels has an average age of approximately five years and an average remaining charter period of approximately seven years. All of the 29 vessels to be delivered to Seaspan are already committed to long-term time charters averaging approximately 11 years in duration from delivery. Seaspan's customer base consists of seven of the world's largest liner companies, including China Shipping Container Lines, A.P. Moller-Maersk, Mitsui O.S.K. Lines, Hapag-Lloyd, COSCO Container Lines, K-Line and CSAV.

Seaspan's common shares are listed on the New York Stock Exchange under the symbol "SSW".

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, 2009 on August 6, 2009 at 5:30 a.m. PT / 8:30 a.m. ET. Participants should call 1-888-364-3105 (US/Canada) or 1-719-325-2145 (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 1-888-203-1112 or 1-719-457-0820 and enter replay passcode: 8584158. The recording will be available from August 6, 2009 at 8:30 a.m. PT / 11:30 a.m. ET through to 8:59 p.m. PT / 11:59 p.m. ET on August 20, 2009. 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 "Investor Relations" 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, 2009
(IN THOUSANDS OF US DOLLARS)

	June 30, 2009	December 31, 2008
Assets		
Current assets:		
Cash and cash equivalents	$ 62,517	$ 136,285
Accounts receivable	147	172
Prepaid expenses	7,102	5,254
	69,766	141,711

Vessels	3,321,218	3,126,489
Deferred charges	21,829	20,306
Other assets	10,547	8,366
	$ 3,423,360	$ 3,296,872
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 16,892	$ 15,211
Deferred revenue	3,204	8,443
	20,096	23,654
Long-term debt (operating vessels)	792,342	703,835
Long-term debt (vessels under construction)	972,377	1,017,323
Other long-term liabilities	400,946	390,931
Fair value of financial instruments	283,126	414,769
	2,468,887	2,550,512
Share capital	674	668
Additional paid-in capital	1,386,216	1,282,189
Deficit	(345,041)	(443,081)
Accumulated other comprehensive loss	(87,376)	(93,416)
Total shareholders' equity	954,473	746,360
	$ 3,423,360	$ 3,296,872

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009 AND 2008
(IN THOUSANDS OF US DOLLARS, EXCEPT PER SHARE AMOUNTS)

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Revenue	69,831	54,932	132,958	109,147
Operating expenses:				
Ship operating	19,379	12,731	37,071	25,335
Depreciation	17,177	13,924	32,952	27,665
General and administrative	2,004	2,139	4,073	3,956
	38,560	28,794	74,096	56,956
Operating earnings	31,271	26,138	58,862	52,191
Other expenses (earnings):				
Interest expense	5,559	10,055	10,698	18,671

Interest income	(68)	(163)	(249)	(439)
Undrawn credit facility fees	1,173	1,492	2,356	2,604
Amortization of deferred charges	468	446	933	908
Change in fair value of financial instruments	(89,267)	(71,019)	(92,500)	(17,216)
Other expenses	1,100	-	1,100	-
	(81,035)	(59,189)	(77,662)	4,528
Net earnings	112,306	85,327	136,524	47,663
Deficit, beginning of period	(450,630)	(187,340)	(443,081)	(122,317)
Dividends on common shares	(6,717)	(31,000)	(38,484)	(58,359)
Deficit, end of period	(345,041)	(133,013)	(345,041)	(133,013)
Weighted average number of shares, basic	67,260	64,562	67,138	61,080
Weighted average number of shares, diluted	79,551	64,595	78,413	61,117
Earnings per share, basic	$ 1.62	$ 1.32	$ 1.96	$ 0.78
Earnings per share, diluted	$ 1.41	$ 1.32	$ 1.74	$ 0.78

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009 AND 2008
(IN THOUSANDS OF US DOLLARS)

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Net earnings	$ 112,306	$ 85,327	$ 136,524	$ 47,663
Other comprehensive income (loss):				
Change in fair value of financial instruments designated as cash flow hedging instruments	-	39,796	-	(27,525)
Amounts reclassified to earnings during the period	3,349	2,318	6,040	5,005
Other comprehensive income (loss)	3,349	42,114	6,040	(22,520)
Comprehensive income	$ 115,655	$ 127,441	$ 142,564	$ 25,143

SEASPAN CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009 AND 2008
(IN THOUSANDS OF US DOLLARS)

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Cash provided by (used in):				
Operating activities:				
Net earnings	112,306	85,327	136,524	47,663
Items not involving cash:				
Depreciation	17,177	13,924	32,952	27,665
Share-based compensation	557	632	1,024	1,273
Amortization of deferred charges	468	446	933	908
Amounts reclassified from other comprehensive income	3,328	-	6,005	-
Unrealized change in fair value of financial instruments	(110,239)	(71,019)	(131,643)	(17,216)
Change in assets and liabilities	3,716	2,865	(5,779)	897
Cash provided by operating activities	27,313	32,175	40,016	61,190
Financing activities:				
Preferred shares issued, net of share issue costs	(190)	-	98,842	-
Common shares issued, net of share issue costs	-	227,856	-	227,856
Draws on credit facilities	3,475	120,614	43,561	284,175
Other long-term liabilities	-	-	-	35,405
Repayment of credit facility	-	(205,000)	-	(343,000)
Financing fees incurred	(412)	(2,291)	(3,372)	(5,630)
Dividends on common shares(i)	(5,616)	(31,000)	(34,317)	(58,359)
Cash provided by (used in) financing activities	(2,743)	110,179	104,714	140,447
Investing activities:				
Expenditures for vessels	(171,568)	(123,983)	(217,815)	(288,938)
Cash payments on interest rate swaps	-	(2,440)	-	(3,795)
Intangible assets	(683)	(136)	(683)	(136)
Cash used in investing activities	(172,251)	(126,559)	(218,498)	(292,869)
Increase (decrease) in cash and cash equivalents	(147,681)	15,795	(73,768)	(91,232)

Cash and cash equivalents,

beginning of period	210,198	16,107	136,285	123,134
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Cash and cash equivalents, end of period	$ 62,517	$ 31,902	$ 62,517	$ 31,902
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(i) During the three and six months ended June 30, 2009, non-cash dividends of $1.1 million and $4.2 million were paid through the dividend reinvestment program. Shareholders have invested $10.0 million in the dividend reinvestment program since its adoption in May 2008.

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009 AND 2008

(IN THOUSANDS OF US DOLLARS)

Description of Non-GAAP Financial Measures

A. Cash Available for Distribution

Cash available for distribution represents net earnings adjusted for depreciation, amortization of deferred charges, non-cash undrawn credit facility fees, write-off of deferred financing fees on debt refinancing, non-cash share-based compensation, dry-dock adjustment, non-cash interest income, change in fair value of financial instruments, interest expense(4), cash interest paid at the hedged rate(6) and other items that the Company believes are not representative of its operating performance. Cash available for distribution is a non-GAAP quantitative standard used to assist in evaluating a company's ability to make quarterly cash dividends before reserves. Cash available for distribution is not defined by accounting principles generally accepted in the United States and should not be considered as an alternative to net earnings or any other indicator of Seaspan's performance required by accounting principles generally accepted in the United States. Cash available for distribution is a non-GAAP measure used to assist in evaluating a company's overall operating performance because cash available for distribution eliminates the effects of non-cash items and items that do not impact our operating performance or our ability to distribute cash to our shareholders.

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
	---------	--------	---------	---------
Net earnings	$ 112,306	$ 85,327	$ 136,524	$ 47,663
Add:				
Depreciation	17,177	13,924	32,952	27,665
Interest expense(4)	5,559	10,055	10,698	18,671
Amortization of deferred charges	468	446	933	908
Undrawn credit facility fees	1,173	1,492	2,356	2,604
Share-based compensation	557	632	1,024	1,273
Change in fair value of financial instruments	(89,267)	(71,019)	(92,500)	(17,216)
Other expenses(5)	1,100	-	1,100	-
Less:				
Dry-dock adjustment	(860)	(703)	(1,677)	(1,394)
Interest income	(68)	(163)	(249)	(439)
	---------	--------	---------	---------
Net cash flows before cash				

interest	48,145	39,991	91,161	79,735
Less:				
Cash interest paid at the hedged rate(6)	(8,699)	(6,031)	(16,406)	(13,112)
Cash paid for undrawn credit facility fees	(501)	(1,211)	(1,198)	(1,678)
Add:				
Cash interest received	69	138	245	432
Cash available for distribution	$ 39,014	$ 32,887	$ 73,802	$ 65,377

Seaspan has changed the definition of cash available for distribution in the current year to include other items the Company believes are not representative of its operating performance. The following item is now included as adjustments: Other expenses. Please refer to footnote (5) for a detailed description of Other expenses. This new definition of cash available for distribution used in the current period does not impact the cash available for distribution for the comparative periods.

SEASPAN CORPORATION

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009

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

Description of Non-GAAP Financial Measures

B. Normalized Net Earnings and Normalized Earnings per share

Normalized net earnings represent net earnings adjusted for items such as the non-cash change in fair value of financial instruments, write-off of deferred financing fees on debt refinancing, interest expense(4) and interest expense at the hedged rate(7). With these adjustments normalized net earnings reflects interest expense on our operating debt at the fixed rate on our interest rate swaps plus the applicable margin on the related credit facilities. We believe that this presentation of normalized net earnings is useful because investors and securities analysts frequently adjust net earnings for non-operating items, as described above, to evaluate companies in our industry. Normalized net earnings is a non-GAAP measure used to assist in evaluating a company's overall operating performance and liquidity because normalized net earnings eliminates the effects of non-cash items and items that do not impact our operating performance or our ability to distribute cash to our shareholders.

Normalized net earnings is not defined by accounting principles generally accepted in the United States and should not be considered as an alternative to net earnings or any other indicator of Seaspan's performance required by accounting principles generally accepted in the United States. Normalized earnings per share are calculated using the normalized net earnings and weighted average number of shares.

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
Net earnings	$ 112,306	$ 85,327	$ 136,524	$ 47,663
Adjust:				

Change in fair value of financial instruments	(89,267)	(71,019)	(92,500)	(17,216)
Interest expense(4)	5,559	10,055	10,698	18,671
Interest expense at the hedged rate(7)	(9,937)	(5,053)	(17,487)	(12,313)
Normalized net earnings	$ 18,661	$ 19,310	$ 37,235	$ 36,805
Basic	67,260	64,562	67,138	61,080
Diluted	79,551	64,595	78,413	61,117
Earnings per share, basic and diluted				
Reported (basic)(ii)	$ 1.62	$ 1.32	$ 1.96	$ 0.78
Reported (diluted)(iii)	$ 1.41	$ 1.32	$ 1.74	$ 0.78
Normalized (basic)(ii)	$ 0.23	$ 0.30	$ 0.48	$ 0.60
Normalized (diluted)(iii)	$ 0.23	$ 0.30	$ 0.47	$ 0.60

(ii) Basic earnings per share (Reported and Normalized) are calculated as net earnings or normalized net earnings, less the dividends accrued for Series A preferred shares, divided by the basic number of shares outstanding for the period. During the three and six months ended June 30, 2009, dividends of $3,050 and $5,023 were accrued for Series A preferred shares, respectively.

(iii) Diluted earnings per share (Reported and Normalized) are calculated as net earnings or normalized net earnings divided by the diluted number of shares outstanding for the period. The diluted number of shares includes the impact of the convertible Series A preferred shares.

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) concerning future events and our operations, performance and financial condition, including, in particular, the likelihood of our success in developing and expanding our business. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "projects", "forecasts", "will", "may", "potential", "should", and similar expressions are forward-looking statements. These forward-looking statements reflect management's current views only as of the date of this presentation and are not intended to give any assurance as to future results. As a result, you are cautioned not to rely on any forward-looking statements. Forward-looking statements appear in a number of places in this release. Although these statements are based upon assumptions we believe to be reasonable based upon available information, including operating margins, earnings, cash flow, working capital and capital expenditures, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to: future operating or financial results; our expectations relating to dividend payments and our ability to make such payments; pending acquisitions, business strategy and expected capital spending; operating expenses, availability of crew, number of off-hire days, dry-docking requirements and insurance costs; general market conditions and shipping market trends, including charter rates and factors affecting supply and demand; our financial condition and liquidity, including our ability to borrow funds under our credit facilities and to obtain additional financing in the future to fund capital expenditures, acquisitions and other general corporate activities; estimated future capital expenditures needed to preserve our capital base; our expectations about the availability of ships to purchase, the time that it may take to construct new ships, or the useful lives of our ships; our continued ability to enter into long-term, fixed-rate time charters with our customers; our ability to leverage to our advantage Seaspan Management Services Limited's relationships and reputation in the containership industry; changes in governmental rules and regulations or actions taken by regulatory authorities; the financial condition of our shipyards, charterers, lenders, refund guarantors and other counterparties and their ability to perform their obligations under their agreements with us; changes in worldwide container demand; changes in trading patterns; competitive factors in the markets in which we operate; potential inability to implement our growth strategy; potential for early termination of long-term contracts and our potential inability to renew or replace long-term contracts; ability of our customers to make charter payments; potential liability from future litigation; conditions in the public equity markets; and other factors detailed from time to time in our periodic reports. We expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, or otherwise. We make no prediction or statement about the performance of our common shares.

(1) Normalized net earnings and normalized earnings per share are non-GAAP measures that are adjusted for non-cash items such as the non-cash change in fair value of financial instruments, write-off on debt refinancing, interest expense and interest expense at the hedged rate. Please read "Reconciliation of Non-GAAP Financial Measures for the Three and Six Months Ended June 30, 2009 -- Description of Non-GAAP Financial Measures -- B. Normalized Net Earnings and Normalized Earnings per Share" for a description of normalized net earnings and a reconciliation of net earnings to normalized net earnings.

(2) Cash available for distribution is a non-GAAP measure that represents net earnings adjusted for depreciation, amortization of deferred charges, non-cash undrawn credit facility fees, write-off on debt refinancing, non-cash share-based compensation, dry-dock adjustment, change in fair value of financial instruments, interest expense, interest income, cash interest paid at the hedged rate and other items that the Company 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, 2009 - Description of Non-GAAP Financial Measures - A. Cash Available for Distribution" for a description of cash available for distribution and a reconciliation of net earnings to cash available for distribution.

(3) Other includes charterer deductions that are not related to off-hire.

(4) Interest expense as reported on the consolidated statement of operations.

(5) Other expenses represent additional payments of $1.1 million that were accrued for in the three and six months ended June 30, 2009. This amount is due to the shipyards in connection with the 11 options of $0.1 million each that we exercised subsequent to the quarter end. These amounts are due at the deferred delivery date of each vessel and are considered to represent the cost of entering into the delivery deferral options in accordance with financial reporting standards and therefore were accrued for in the period.

(6) Cash interest paid 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, on a cash basis.

(7) 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, on an accrual basis.

SOURCE: Seaspan Corporation

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