

Seaspan CORP
Form 6-K
July 30, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2014

Commission File Number 1-32591

SEASPAN CORPORATION

(Exact name of Registrant as specified in its Charter)

Unit 2, 2nd Floor

Bupa Centre

141 Connaught Road West

Hong Kong

China

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(1). Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(7). Yes No

Item 1 Information Contained in this Form 6-K Report

Attached as Exhibit I is Seaspan Corporation's report on Form 6-K for the quarter ended June 30, 2014. This Form 6-K is hereby incorporated by reference into the Registration Statement of Seaspan Corporation filed with the Securities and Exchange Commission (the "SEC") on May 30, 2008 on Form F-3D (Registration No. 333-151329), the Registration Statement of Seaspan Corporation filed with the SEC on March 31, 2011 on Form S-8 (Registration No. 333-173207), the Registration Statement of Seaspan Corporation filed with the SEC on April 24, 2012 on Form F-3ASR (Registration No. 333-180895), the Registration Statement of Seaspan Corporation filed with the SEC on June 20, 2013 on Form S-8 (Registration No. 333-189493), the Registration Statement of Seaspan Corporation filed with the SEC on August 19, 2013 on Form F-3 ASR (Registration No. 333-190718), as amended on October 7, 2013 and the Registration Statement of Seaspan Corporation filed with the SEC on April 29, 2014 on Form F-3ASR (Registration No. 333-195571).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SEASPAN CORPORATION

Date: July 30, 2014

By: /s/ Sai W. Chu
Sai W. Chu
Chief Financial Officer

(Principal Financial and Accounting Officer)

SEASPAN CORPORATION

REPORT ON FORM 6-K FOR THE QUARTER ENDED JUNE 30, 2014

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Unless we otherwise specify, when used in this Report the terms "Seaspan", the "Company", "we", "our" and "us" refer to Seaspan Corporation and its subsidiaries. References to our "Manager" are to Seaspan Management Services Limited and its wholly owned subsidiaries (including Seaspan Ship Management Ltd.), which we acquired in January 2012.

References to shipbuilders are as follows:

Shipbuilder	Reference
CSBC Corporation, Taiwan	CSBC
Hyundai Heavy Industries Co., Ltd.	HHI
Jiangsu New Yangzi Shipbuilding Co., Ltd.	New Jiangsu
Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd.	Jiangsu Xinfu

References to customers are as follows:

Customer	Reference
China Shipping Container Lines (Asia) Co., Ltd. ⁽¹⁾	CSCL Asia
Compañía Sud Americana De Vapores S.A.	CSAV
COSCO Container Lines Co., Ltd. ⁽²⁾	COSCON
Hanjin Shipping Co., Ltd.	Hanjin
Hapag-Lloyd, AG	Hapag-Lloyd
Hapag-Lloyd USA, LLC	HL USA
Kawasaki Kisen Kaisha Ltd.	K-Line
Mediterranean Shipping Company S.A.	MSC
Mitsui O.S.K. Lines, Ltd	MOL
Yang Ming Marine Transport Corp.	Yang Ming Marine

⁽¹⁾ A subsidiary of China Shipping Container Lines Co., Ltd., or CSCL

⁽²⁾ A subsidiary of China COSCO Holdings Company Limited

We use the term twenty foot equivalent unit, or TEU, the international standard measure of containers, in describing the capacity of our containerships, which are also referred to as our vessels. We identify the classes of our vessels by the approximate average TEU capacity of the vessels in each class. However, the actual TEU capacity of a vessel may differ from the approximate average TEU capacity of the vessels in such vessel's class.

The information and the unaudited consolidated financial statements in this Report should be read in conjunction with the consolidated financial statements and related notes and the Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 20-F for the year ended December 31, 2013, filed with the Securities and Exchange Commission, or the Commission, on March 11, 2014, or our 2013 Annual Report. Unless otherwise indicated all amounts in this Report are presented in U.S. Dollars, or USD. We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles, or U.S. GAAP.

SEASPAN CORPORATION

PART I FINANCIAL INFORMATION

ITEM 1 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

SEASPAN CORPORATION

Interim Consolidated Balance Sheets

(Unaudited)

(Expressed in thousands of United States dollars, except number of shares and par value amounts)

	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 (note 2)	172,708	54,068
Prepaid expenses	33,863	22,671
Gross investment in lease	21,170	21,170
	618,061	600,113
Vessels (note 3)	5,174,006	4,992,271
Deferred charges (note 4)	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 (note 13(b))	48,882	60,188
	\$ 6,122,109	\$ 5,947,761
Liabilities and Shareholders Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 63,664	\$ 65,634
Current portion of deferred revenue (note 5)	24,615	27,683
Current portion of long-term debt (note 6)	170,201	388,159
Current portion of other long-term liabilities	40,101	38,930
	298,581	520,406
Deferred revenue (note 5)	5,800	4,143
Long-term debt (note 6)	3,137,709	2,853,459

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Other long-term liabilities	550,875	572,673
Fair value of financial instruments (note 13(b))	427,252	425,375
Shareholders' equity:		
Share capital (note 7):		
Preferred shares; \$0.01 par value; 150,000,000 shares authorized (2013 65,000,000); 24,170,531 shares issued and outstanding (2013 18,970,531)		
Class A common shares; \$0.01 par value; 200,000,000 shares authorized (2013 200,000,000); 94,560,868 shares issued and outstanding (2013 69,208,888)	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)
	1,701,892	1,571,705
	\$ 6,122,109	\$ 5,947,761

Commitments and contingencies (note 11)

Subsequent events (note 14)

See accompanying notes to interim consolidated financial statements.

SEASPAN CORPORATION

Interim Consolidated Statements of Operations

(Unaudited)

(Expressed in thousands of United States dollars, except per share amounts)

	Three months ended June 30,		Six months ended 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 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 fee	672	748	1,238	1,145
Amortization of deferred charges (note 4)	2,462	2,266	4,465	4,376
Refinancing expenses and costs (note 4)	2,824		2,824	
Change in fair value of financial instruments (note 13(b))	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
Earnings per share (note 8):				
Class A common share, basic	\$ 0.07	\$ 1.67	\$ 0.10	\$ 2.24
Class A common share, diluted	0.07	1.35	0.10	1.88

See accompanying notes to interim consolidated financial statements.

SEASPAN CORPORATION

Interim Consolidated Statements of Comprehensive Income

(Unaudited)

(Expressed in thousands of United States dollars)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Net earnings	\$ 20,004	\$ 127,154	\$ 38,032	\$ 182,760
Other comprehensive income:				
Amounts reclassified to net 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

See accompanying notes to interim consolidated financial statements.

SEASPAN CORPORATION

Interim Consolidated Statements of Shareholders' Equity

(Unaudited)

(Expressed in thousands of United States dollars, except number of shares)

Six months ended June 30, 2014 and year ended December 31, 2013

	Number of common shares		Number of preferred shares		Common	Preferred	Treasury	Additional	Accumulated	Accumulated	Accumulated
	Class A	Series A	Series C	Series D	Series E	shares	shares	paid-in	Deficit	other	comprehensive
								capital		loss	income
December 31, 2013	63,042,217	200,000	14,000,000	3,105,000	\$ 631	\$ 173	\$ (312)	\$ 1,859,068	\$ (594,153)	\$ (46,840)	\$ 1,218,156
Share repurchases									299,028		
Comprehensive income										6,212	
Share repurchases			2,000,000			20		49,980			
Share repurchases	3,500,000					35		76,965			
Share repurchases								(5,959)			
Share repurchases										(76,340)	
Share repurchases										(38,493)	
Share repurchases								1,174	(1,174)		
Share repurchases	1,561,838					16		31,945			

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