

Seaspan CORP
 Form 424B5
 November 20, 2013
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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered⁽¹⁾	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee⁽²⁾
Class A Common Shares, par value \$0.01 per share, and associated preferred share purchase rights ⁽³⁾	4,025,000 ⁽⁴⁾	\$22.00	\$88,550,000.00	\$11,405.24

(1) The securities registered herein are offered pursuant to an automatic shelf registration statement on Form F-3 (Registration No. 333-190718) filed by Seaspan Corporation on August 19, 2013.

(2) This filing fee is calculated in accordance with Rule 457(r) and is made in accordance with Rule 456(b) under the Securities Act of 1933, as amended.

(3) The preferred share purchase rights are presently attached to and transferable only with the common shares of the registrant. Prior to the occurrence of specified events, the preferred share purchase rights will not be exercisable or evidenced separately from the common stock. The value, if any, attributable to the preferred share purchase rights, if any, is reflected in the value attributable to the common stock.

(4) Includes an additional 525,000 Class A common shares that the underwriters have an option to purchase.

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**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-190718**

PROSPECTUS SUPPLEMENT

(To Prospectus dated August 19, 2013)

3,500,000 Shares

Seaspn Corporation

Class A Common Shares

\$22.00 per share

We are offering 3,500,000 of our Class A common shares.

We have granted the underwriters an option to purchase up to 525,000 additional Class A common shares.

Our Class A common shares are listed on The New York Stock Exchange under the symbol SSW. The last reported sale price of our Class A common shares on The New York Stock Exchange on November 19, 2013 was \$23.43 per share.

Investing in our Class A common shares involves risks. Please read Risk Factors beginning on page S-10 of this prospectus supplement and page 4 of the accompanying base prospectus.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	\$ 22.00	\$ 77,000,000
Underwriting Discount	\$ 0.88	\$ 3,080,000
Proceeds to Us (Before Expenses)	\$ 21.12	\$ 73,920,000

The underwriters expect to deliver the Class A common shares to purchasers on or about November 25, 2013 through the book-entry facilities of The Depository Trust Company.

Joint Book-Running Managers

Citigroup

BofA Merrill Lynch

Credit Suisse

Deutsche Bank Securities

J.P. Morgan

Jefferies

Co-Manager

Clarkson Capital Markets

November 20, 2013

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This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying base prospectus, which gives more general information, some of which may not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts combined. If information in the prospectus supplement conflicts with information in the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statements so modified or superseded will be deemed not to constitute a part of this prospectus except as so modified or superseded.

You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of our Class A common shares in any state or jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus or the information that is incorporated by reference herein is accurate as of any date other than its respective date.

Unless we otherwise specify, when used in this prospectus supplement, the terms Seaspan, the Company, we, our and us refer to Seaspan Corporation and its subsidiaries, except that when such terms are used in this prospectus supplement in reference to the Class A common shares, they refer specifically to Seaspan Corporation. References to our Manager are to Seaspan Management Services Limited and its wholly owned subsidiaries, which provide us with all of our technical, administrative and strategic services, and 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

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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
Yang Ming (UK) Ltd	Yang Ming

- (1) A subsidiary of China Shipping Container Lines Co., Ltd., or CSCL
- (2) A subsidiary of China COSCO Holdings Company Limited

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SUMMARY

This summary highlights important information contained elsewhere in this prospectus supplement and the accompanying base prospectus. You should carefully read this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference to understand fully our business and the terms of our Class A common shares, as well as tax and other considerations that are important to you in making your investment decision. You should consider carefully the Risk Factors section beginning on page S-10 of this prospectus supplement and on page 4 of the accompanying base prospectus to determine whether an investment in our Class A common shares is appropriate for you. Unless otherwise indicated, all references in this prospectus supplement to dollars and \$ are to, and amounts are presented in, U.S. Dollars, and financial information presented in this prospectus supplement is prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. On September 28, 2013, we ordered five 10000 TEU vessels which will be built by shipbuilders New Jiangsu and Jiangsu Xinfu (or, the September 2013 ROFR Vessels) which are scheduled for delivery in 2015 and remain subject to allocation under our right of first refusal agreement with Greater China Intermodal Investments LLC, or GCI, which is our investment partnership established with an affiliate of global asset manager The Carlyle Group, or Carlyle, and others. For purposes of this prospectus supplement and unless otherwise set forth herein, we have assumed that, following allocation under the right of first refusal, we will own three of the vessels and GCI will own the remaining two vessels. The ultimate allocation of the vessels between us and GCI may differ from our assumption.

Our Company

We are a leading independent charter owner and manager of containerships, which we charter primarily pursuant to long-term, fixed-rate time charters with major container liner companies. We operate a fleet of 71 containerships (including eight vessels under long-term leases), and we have entered into contracts for the purchase of an additional 16 newbuilding containerships, which have scheduled delivery dates through May 2016. Of our 16 newbuilding containerships, 13 will commence operation under long-term, fixed-rate charters upon delivery. We expect to enter into long-term charter contracts for the remaining newbuilding containerships in the near future. The average age of the 71 vessels in our operating fleet is approximately seven years.

Customers for our current operating fleet are COSCON, CSAV, CSCL Asia, HL USA, Hapag-Lloyd, K-Line, MSC, MOL, and Yang Ming. The customers for the 13 newbuilding containerships that are subject to charter contracts are Hanjin, MOL and Yang Ming Marine. Our primary objective is to continue to grow our business through accretive vessel acquisitions as market conditions allow.

We primarily deploy our vessels on long-term, fixed-rate time charters to take advantage of the stable cash flow and high utilization rates that are typically associated with long-term time charters. The charters on the 71 vessels in our operating fleet have an average remaining term of approximately six years, excluding the effect of charterers' options to extend certain time charters.

In January 2012, we acquired our Manager, which provides us with all of our technical, administrative and strategic services. Our Manager also manages a limited number of vessels for third and related parties.

New Vessel Contracts

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Our primary objective is to continue to grow our business through accretive vessel acquisitions focused on increasing cash flow as market conditions allow.

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We have contracted to purchase 16 newbuilding containerships, which have scheduled delivery dates through May 2016. These vessels consist of the following, excluding the September 2013 ROFR Vessels:

Vessel	Vessel Class (TEU)	Length of Time Charter(1)	Charterer	Scheduled Delivery Date	Shipbuilder
Hull No. 983	10000	10 years + one 2-year option	Hanjin	2014	New Jiangsu
Hull No. 985	10000	10 years + one 2-year option	Hanjin	2014	Jiangsu Xinfu
Hull No. 993	10000	10 years + one 2-year option	Hanjin	2014	New Jiangsu
Hull No. 1006	10000	8 years + one 2-year option	MOL	2014	New Jiangsu and Jiangsu Xinfu
Hull No. 1008	10000	8 years + one 2-year option	MOL	2014	New Jiangsu and Jiangsu Xinfu
Hull No. 2638	14000	10 years + one 2-year option	Yang Ming Marine	2015	HHI
Hull No. 2640	14000	10 years + one 2-year option	Yang Ming Marine	2015	HHI
Hull No. 2642	14000	10 years + one 2-year option	Yang Ming Marine	2015	HHI
Hull No. 2643	14000	10 years + one 2-year option	Yang Ming Marine	2015	HHI
Hull No. 2645	14000	10 years + one 2-year option	Yang Ming Marine	2015	HHI
Hull No. 2647	14000	10 years + one 2-year option	Yang Ming Marine	2015	HHI
Hull No. 1037	14000	Minimum 6 years to maximum of 10 years + one 2-year option	Yang Ming Marine	2016	CSBC
Hull No. 1039	14000	Minimum 6 years to maximum of 10 years + one 2-year option	Yang Ming Marine	2016	CSBC

(1) Each charter is scheduled to begin upon delivery of the vessel to the charterer

The following chart indicates the estimated number of owned, leased and managed vessels in our fleet based on scheduled delivery dates as of September 30, 2013, including the September 2013 ROFR Vessels.

	Scheduled for the year ended December 31,			
	2013	2014	2015	2016
Owned and leased vessels, beginning of year	69	71	76	85
Deliveries	2	5	9	2
Total, end of year	71	76	85	87
Managed vessels, beginning of year		2	6	14
Deliveries	2	4	8	3
Total, end of year	2	6	14	17
Total Fleet	73	82	99	104
Approximate Total Capacity (TEU)	423,500	513,500	723,500	793,500

Market Opportunity

We believe that there is an opportunity for shipowners with access to capital to acquire vessels at attractive prices and employ them in a manner that will generate attractive returns on capital and is accretive to cash flow. Due to the financial constraints of shipowners and lower rates of growth in global trade, orders for newbuilding containerships, as a percentage of the global fleet, have declined since peaking in 2008. The current orderbook represents approximately 21.6% of global fleet capacity and is heavily weighted towards larger post-panamax vessels greater than 8000 TEU. We believe demand for large fuel-efficient ships will remain strong as container liner companies seek to reduce costs and achieve operating efficiencies, creating opportunities for shipowners with the necessary operational and financial capabilities.

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We intend to continue to expand our fleet primarily through entering into newbuilding contracts with shipyards, but believe that there will also be select opportunities to acquire existing or newbuilding vessels from other shipowners, shipbuilders due to defaulting purchasers under construction contracts, or banks and other lessors that may acquire vessels upon borrower or lessee defaults. We believe we are well positioned to take

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advantage of current market opportunities. We believe that we will be able to fund the remaining payments for the containerships that we have contracted to purchase through the availability under our credit facilities, including future credit facilities, other financings, current cash balances and operating cash flow.

We may seek to undertake additional acquisitions of high-quality newbuilding or secondhand vessels through asset or business acquisitions, and we regularly consider potential opportunities. In evaluating these opportunities, we consider, among other things, the size of the vessels and the tenor of the related time charters relative to those in our existing fleet. We anticipate that we would fund the purchase price for any secondhand vessels we may acquire primarily through the assumption of debt, with the balance funded through borrowings under our existing credit facilities, cash, other financings or a combination thereof. There is no assurance that we will be able to acquire any of the containerships opportunities we are evaluating.

Our Competitive Strengths

We believe that we possess a number of competitive strengths that will allow us to capitalize on the opportunities in the containership industry, including the following:

Scale, Diversity and High Quality of Our Fleet. We are one of the largest independent charter owners and managers of containerships and believe that the size of our fleet appeals to our customers and provides us cost savings through volume purchases and leverage in negotiating newbuilding contracts and accessing shipyard berths. Our operating fleet of 71 containerships has an average age of approximately seven years, which is significantly below the industry average of approximately 10 years. Our newbuilding containerships also will be subject to our high standards for design, construction quality and maintenance. The vessels in our current operating fleet range in size from 2500 TEU to 13100 TEU, and our 13100 TEU containerships are among the largest containerships in operation. All of our newbuilding containerships under construction are 10000 TEU and 14000 TEU containerships. We believe that our operational cost savings and leverage with shipyards is further enhanced by our investment in GCI.

Strong, Long-Term Relationships with High-Quality Customers, Including Leading Asian Container Liner Companies. We have developed strong relationships with our customers, which include leading container liner companies. We believe we are the largest charterer of containerships to China, and we anticipate that Asian demand for containerships will continue to rebound and grow following the recent worldwide economic downturn. We attribute the strength of our customer relationships in part to our consistent operational quality, customer oriented service and historical average utilization of approximately 99% since our initial public offering, or IPO, in 2005.

Enhanced Stability of Cash Flows Through Long-Term, Fixed-Rate Time Charters. Our vessels are primarily subject to long-term, fixed-rate time charters, which have an average remaining term of approximately six years. As a result, substantially all of our revenue is protected from the volatility of spot rates and short-term charters. To further promote cash flow stability, we have primarily placed newbuilding orders and purchased secondhand vessels when we have concurrently entered into long-term time charters with our customers. As at November 1, 2013, excluding any extensions of our time charters, we had an aggregate of approximately \$6.2 billion of contracted future minimum revenue under existing fixed-rate time charters and interest income from sales-type capital leases. Our commercial arrangements allow Yang Ming Marine to reduce the number of newbuilding containerships to be delivered to us and chartered to Yang Ming Marine by up to three vessels. These commercial arrangements expire in August 2014. The contracted time charter revenue attributable to these three vessels is approximately \$0.5 billion.

Proven Ability to Source Capital for Growth. Since our IPO in 2005, we have successfully accessed capital to grow our fleet. Including our IPO, we have raised approximately \$2.3 billion in public and private issuances of equity securities. In addition, we have secured credit and lease facilities with aggregate outstanding borrowings and commitments of \$4.7 billion as of September 30, 2013. We also

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accessed capital during the recent worldwide economic downturn, including raising preferred share equity and entering into sale-leaseback financings. As of September 30, 2013 and assuming three of the five September 2013 ROFR Vessels are allocated to us pursuant to our right of first refusal with GCI, we had total remaining capital expenditures of approximately \$1.4 billion relating to 16 newbuilding containerships. We expect to fund our remaining capital expenditures for these newbuilding vessels with our cash, approximately \$446.0 million of availability under credit facilities associated with the newbuilding vessels as at September 30, 2013, and approximately \$750.0 million of new debt financing that we expect to arrange in advance of vessel deliveries. We intend to continue to access existing capital, and to seek new sources of capital, to cost-effectively maintain and grow our fleet over the long term.

Significant Delivered Fleet Growth. We have significantly grown our fleet since our IPO in August 2005. At that time, we had an operating fleet of 10 vessels with another 13 vessels on order, aggregating 116,950 TEU. We now have 71 vessels in operation and 16 newbuilding containerships on order, aggregating 606,300 TEU, an increase since our IPO of 418% in TEU capacity. The aggregate capacity of these 16 newbuilding vessels that we have contracted to purchase, with scheduled delivery dates through May 2016, represents approximately 46% of the aggregate capacity of our vessels currently in operation. We believe that our longstanding relationships with key constituents in the containership industry, including container liner companies, shipbuilders and shipping banks, as well as our investment in GCI, will enable us to continue sourcing newbuilding and secondhand vessel acquisition opportunities at terms attractive to us.

Experienced Management. Our chief executive officer, chief operating officer and chief financial officer have over 60 years of combined professional experience in the shipping industry, and they have experience managing shipping companies through several economic cycles. The members of our management team have prior experience with many companies in the international ship management industry, such as China Merchants Group, Neptune Orient Lines, APL Limited, Safmarine Container Lines and Columbia Ship Management, and provide expertise across commercial, technical, financial and other functional management areas of our business. The acquisition of our Manager in January 2012 provides us direct control over these functions.

Our Business Strategies

We seek to continue to expand our business and increase our cash flow by employing the following business strategies:

Pursuing Long-Term, Fixed-Rate Charters. We intend to continue to primarily employ our vessels under long-term, fixed-rate charters, which contribute to the stability of our cash flows. In addition, container liner companies typically employ long-term charters for strategic expansion into major trade routes, while using spot charters for shorter term discretionary needs. To the extent container liner companies expand their services into major trade routes, we believe we are well positioned to participate in their growth.

Expanding and Diversifying Our Customer Relationships. Since our IPO, we have increased our customer base from two to 11 customers and have expanded our revenue from existing customers. We intend to continue to expand our existing customer relationships and to add new customers to the extent container liner companies increase their use of chartered-in vessels to add capacity in their existing trade routes and establish new trade routes. We believe that we will benefit from the expected growth of worldwide container shipping demand, especially in certain markets that we believe have high growth potential, such as Asia, where we have strong customer relationships. We also believe that our experience in working with container liner companies to provide ship design, construction supervision and chartering services will improve our ability to secure new customers.

Actively Acquiring Newbuilding and Secondhand Vessels. We have increased, and intend to further increase, the size of our fleet through selective acquisitions of new and secondhand containerships that we

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believe will be accretive to our cash flow. We believe that entering into newbuilding contracts will continue our long-term fleet growth and provide modern vessels to our customers. In addition, we intend to continue to selectively consider any nearer-term growth opportunities to acquire high-quality secondhand vessels, primarily either with existing long-term charters or where we can enter into long-term charters concurrently with the acquisitions. We also intend to consider appropriate (a) partnering opportunities that would allow us to seek to capitalize on opportunities in the newbuilding and secondhand markets with more modest investments, and (b) business acquisitions, as well as the potential sale of any older vessels in our fleet as part of fleet renewal.

Maintaining Efficient Capital Structure. We intend to pursue a financial strategy that aims to preserve our financial flexibility and achieve a low cost of capital so that we may take advantage of acquisition and expansion opportunities in the future while also meeting our existing obligations.

An investment in our Class A common shares involves risks. Our growth depends on our ability to make accretive vessel acquisitions, expand existing and develop new relationships with charterers and obtain new charters. Substantial competition may hamper our business strategy. Our growth also depends upon continued growth in demand for containerships. A reduction in demand for containerships, increased competition or an inability to make accretive vessel acquisitions may lead to reductions and volatility in charter hire rates and profitability. In addition, we may be unable to realize expected benefits from acquisitions, and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results. Before investing in our Class A common shares, you should consider carefully the factors set forth in the section of this prospectus entitled *Risk Factors* beginning on page S-10 of this prospectus supplement and on page 4 of the accompanying base prospectus.

Recent Developments

Proposed Refinancing of \$1.0 Billion Credit Facility

We have an outstanding balance of approximately \$1.0 billion under a credit facility that matures in May 2015, or the Facility. We have proposed to the existing lenders for the Facility that, effective during the first quarter of 2014, the maturity date for the Facility be extended from May 2015 to May 2019, the outstanding amount of the Facility be reduced to approximately \$435 million and the interest rate be increased.

To fund the proposed reduction in the outstanding amount of the Facility, we would (a) draw \$340 million under an existing facility with an Asian bank and pledge as collateral for this facility certain vessels currently securing the Facility and (b) pay the remaining amount of approximately \$255 million using existing liquidity.

We are in the documentation stage of this proposed transaction and expect to conclude it in the near future. However, there is no assurance the existing lenders for the Facility will approve our proposal or that the final terms of any refinancing will be on the terms described above, if at all.

Dividends

On October 30, 2013, our board of directors declared a dividend in respect of our quarter ended September 30, 2013 of \$0.3125 per Class A common share. The dividend will be paid on November 27, 2013 to the holders of record of our Class A common shares on November 18, 2013 (or, the Record Date). Because the closing of this offering will occur after the Record Date, you will not receive this dividend on any Class A

common shares you purchase in this offering.

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Carlyle Shipping-Focused Investment Vehicle

In March 2011, we invested in GCI, which intends to invest up to \$900 million equity capital in containership assets, primarily newbuilding vessels strategic to the People's Republic of China, Taiwan, Hong Kong and Macau, or Greater China. We believe that the combination of our expertise and relationships in the containership market and Carlyle's financial resources, global business network and access to capital enhance our ability to take advantage of growth opportunities in the containership market.

Although pricing has recently been increasing, we believe there exists significant excess capacity in Asian shipyards, and that, as a result of this excess capacity, shipyards are willing to provide pricing and design concessions for large newbuilding construction orders in the near term. The size of these orders likely exceeds the size of orders we would be able or willing to make on our own. As a result, we view our participation in GCI as a means of diversifying our capital sources and cost-effectively expanding our fleet. We believe that the combined scale of our business with GCI allows us to realize volume discounts for newbuilding orders, negotiate design improvements from shipyards and obtain more attractive vessel financing than we would otherwise be able to achieve on our own, thereby creating a competitive advantage for us. In addition, we believe we will benefit from additional operational economies of scale as we manage GCI's existing and, once delivered, newbuilding vessels.

We believe that all of GCI's containership investment opportunities identified by Gerry Wang, our chief executive officer and the chairman of the board of managers of GCI, will be subject to our right of first refusal agreement with GCI. We may exercise this right until March 31, 2015, unless it is terminated earlier as the result of certain triggering events, including if we exercise this right for more than 50% of the aggregate vessels subject to the right prior to specified dates. In addition, we have rights of first offer relating to certain containerships that GCI may propose to sell or dispose of.

GCI will invest up to \$900 million equity capital in containership assets, of which we committed up to \$100 million. We currently have an ownership interest in GCI of approximately 10% and, as of September 30, 2013, our investment in GCI totaled approximately \$4.9 million. Since GCI's formation, we have ordered 31 newbuilding vessels and four existing vessels, of which 15 have been allocated to us and 15 to GCI and the five September 2013 ROFR Vessels remain subject to allocation in relation to the right of first refusal agreement with GCI. For additional information about GCI and the right of first refusal, please read "Certain Relationships and Related Party Transactions—Our Investment in Carlyle Containership-Focused Investment Vehicle."

Corporate Information

We are a Marshall Islands corporation incorporated on May 3, 2005. We maintain our principal executive offices at Unit 2, 7th Floor, Bupa Centre, 141 Connaught Road West, Hong Kong, China. Our telephone number is (852) 2540-1686. We maintain a website at www.seaspancorp.com. The information on our website is not part of this prospectus, and you should rely only on the information contained in this prospectus and the documents we incorporate by reference herein when making a decision as to whether to invest in our Class A common shares. Our agent for service of process is Puglisi & Associates, located at 850 Library Avenue, Suite 204, Newark, Delaware 19711.

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THE OFFERING

Issuer	Seaspan Corporation
Class A common shares offered to the public by us	3,500,000 Class A common shares, plus up to an additional 525,000 Class A common shares if the underwriters exercise their option to purchase additional Class A common shares in full.
Class A common shares outstanding immediately after this offering	69,349,016 Class A common shares if the underwriters exercise their option to purchase additional Class A common shares in full.
Use of Proceeds	We intend to use the net proceeds of this offering of approximately \$73.5 million (or approximately \$84.6 million if the underwriters exercise their option to purchase additional Class A common shares in full) for general corporate purposes, which may include funding vessel acquisitions. Please read Use of Proceeds.
Risk Factors	An investment in our Class A common shares involves risks. You should consider carefully the factors set forth in the section of this prospectus entitled Risk Factors beginning on page S-10 of this prospectus supplement and on page 4 of the accompanying base prospectus to determine whether an investment in our Class A common shares is appropriate for you.

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The following table presents, in each case for the periods and as at the dates indicated, our summary historical financial and operating data.

The summary historical consolidated financial and operating data has been prepared on the following basis:

The historical consolidated financial and operating data as at December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010 is derived from our audited consolidated financial statements and the notes thereto, which are contained in our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the Securities and Exchange Commission, or the SEC, on March 19, 2013, and incorporated by reference into this prospectus.

The historical consolidated financial data as at December 31, 2010 is derived from our audited consolidated financial statements and the notes thereto, which are contained in our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the SEC on March 26, 2012.

The historical consolidated financial and operating data as at and for the nine months ended September 30, 2013 and 2012 is derived from our unaudited interim consolidated financial statements and the notes thereto, which are contained in our Reports on Form 6-K filed with the SEC on November 1, 2013 and November 9, 2012, and incorporated by reference into this prospectus.

The following table should be read together with, and is qualified in its entirety by reference to, our financial statements and the notes thereto incorporated by reference into this prospectus, as well as the notes to the table in the section of this prospectus entitled "Selected Historical Consolidated Financial and Operating Data." Certain information has been reclassified to conform with the financial statement presentation adopted in 2012.

	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,	
	2010	2011	2012	2012	2013
Statements of operations data					
(in thousands of dollars):					
Revenue	\$ 407,211	\$ 565,610	\$ 660,794	\$ 491,011	\$ 505,102
Operating expenses:					
Ship operating	108,098	135,696	138,655	101,715	111,607
Depreciation and amortization	101,026	140,354	165,541	122,742	128,929
General and administrative	9,612	16,818	24,617	18,139	27,437
Operating lease			3,145	2,035	3,290
(Gain) loss on vessels		16,237	(9,773)	(9,773)	
Operating earnings	188,475	256,505	338,609	256,153	233,839
Other expenses (income):					
Interest expense	28,801	50,849	71,996	54,663	45,873
Interest income	(60)	(854)	(1,190)	(928)	(1,246)
Undrawn credit facility fee	4,515	4,282	1,516	1,348	1,798
Amortization of deferred charges	1,933	3,421	8,574	5,643	7,230
Change in fair value of financial instruments(1)	241,033	281,027	135,998	132,607	(51,791)

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Equity loss on investment		1,180	259	217	117
Other expenses			151	281	1,059
Net earnings (loss)	\$ (87,747)	\$ (83,400)	\$ 121,305	\$ 62,322	\$ 230,799

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	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,	
	2010	2011	2012	2012	2013
Earnings (loss) per share:					
Class A common share, basic	\$ (1.70)	\$ (2.04)	\$ 0.84	\$ 0.18	\$ 2.66
Class A common share, diluted	(1.70)	(2.04)	0.81	0.18	2.30

Statements of cash flows data**(in thousands of dollars):**

Cash flows provided by (used in):

Operating activities	\$ 153,587	\$ 239,864	\$ 311,183	\$ 223,968	\$ 225,719
Financing activities	529,680	832,293	(181,364)	(216,176)	(131,342)
Investing activities(2)	(782,448)	(625,253)	(229,564)	(226,415)	(307,506)

Selected balance sheet data**(at period end, in thousands of dollars):**

Cash and cash equivalents(2)	\$ 34,219	\$ 481,123	\$ 381,378	\$ 262,500	\$ 168,249
Current assets(2)	46,764	519,998	463,930	344,391	388,013
Vessels(3)	4,210,872	4,697,249	4,863,273	4,904,089	4,957,938
Total assets	4,377,228	5,447,716	5,650,853	5,570,579	5,683,842
Long-term debt	2,396,771	2,995,729	3,090,944	3,097,132	3,110,500
Share capital(4)	691	838	804	772	818
Total shareholders' equity	989,736	1,183,425	1,218,567	1,098,194	1,400,886

Other data:

Number of vessels in operation at period end	55	65	69	69	71
TEU capacity at period end	265,300	352,700	405,100	405,100	414,300
Fleet utilization rate(5)	98.7%	99.3%	98.9%	99.1%	97.9%

- (1) All of our interest rate swap agreements and swaption agreements are marked to market and the changes in the fair value of these instruments are recorded in earnings.
- (2) The balance sheet and cash flow data for 2012 and for the nine months ended September 30, 2012 has been recast to separately present balances of and movement in restricted cash, included in other assets, from cash and cash equivalents. This reclassification, which is immaterial, had no impact on the consolidated statement of operations data.
- (3) Vessel amounts include the net book value of vessels in operation and deposits on vessels under construction.
- (4) For a description of our capital stock, please read Description of Capital Stock.
- (5) Fleet utilization is based on the number of operating days divided by the number of ownership days during the period.

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RISK FACTORS

Any investment in our Class A common shares involves a high degree of risk. You should consider carefully the information contained in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference into this document before making an investment in our Class A common shares. If any of these risks were to occur, our business, financial condition or operating results could be harmed, which may lower the trading price of our Class A common shares. You may lose all or part of your investment. In addition, we are subject to the following risks and uncertainties:

Risks of Investing in Our Class A Common Shares

The Price Of Our Class A Common Shares May Be Volatile, And The Value Of An Investment In Our Class A Common Shares May Decline.

The trading price of our Class A common shares has been volatile. During the period from January 1, 2008 to November 19, 2013, the trading price of our Class A common shares has been as high as \$31.40 and as low as \$4.37 per share. Please read Price Range of Class A Common Shares and Dividends. The market price of our Class A common shares could continue to be subject to wide fluctuations in response to many of the risk factors discussed in this prospectus supplement and accompanying base prospectus and others beyond our control, including:

prevailing interest rates;

the market for similar securities;

general economic and financial market conditions;

our issuance of debt or preferred equity securities;

our financial condition, results of operations and prospects;

the rates we obtain from our charters or recharterers and the ability of our customers to perform their obligations under their time charters;

the level of our operating costs;

the number of off-charter or unscheduled off-hire days for our fleet and the timing of, and number of days required for, dry-docking of our containerships;

delays in the delivery of new vessels and the beginning of payments under charters relating to those ships;

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prevailing global and regional economic and political conditions;

the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business;

changes in the basis of taxation of our activities in various jurisdictions;

our ability to service and refinance our current and future indebtedness;

our ability to raise additional debt and equity to satisfy our capital needs;

our ability to draw on our existing credit facilities and the ability of our lenders and lessors to perform their obligations under their agreements with us;

announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital-raising activities or commitments;

fluctuations in the valuation of companies perceived by investors to be comparable to us;

issuance of new or updated research or reports by securities analysts;

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sales of our Class A common shares by us or our shareholders; and

stock price and volume fluctuations attributable to inconsistent trading volume levels of our Class A common shares.

Furthermore, the stock markets in recent years have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of the equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our Class A common shares. If the market price of our Class A common shares declines, you may not realize any return on your investment in us and may lose some or all of your investment. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. Current or future securities litigation against us could result in substantial costs and divert management's attention from other business concerns, which could harm our business, results of operations and financial condition.

Future Sales Of Our Class A Common Shares In The Public Market Could Cause Our Share Price To Decline.

We cannot predict the effect, if any, that market sales of shares or the availability of shares for sale will have on the prevailing trading price of our Class A common shares from time to time. Sales of a substantial number of shares of our Class A common shares could cause our share price to decline.

Our Management Team Will Have Broad Discretion Over The Use Of The Net Proceeds We Receive In This Offering, And Might Not Apply The Proceeds In Ways That Increase The Value Of Your Investment.

Our management team will have broad discretion in using the net proceeds we receive in this offering. We currently expect to use these proceeds primarily for general corporate purposes, which may include funding vessel acquisitions. We have not allocated these proceeds for any specific purposes. If we do not invest or apply these proceeds in ways that enhance shareholder value, we may fail to achieve expected financial results, which could cause our share price to decline.

The Amount Of Cash We Have Available For Dividends On Our Class A Common Shares Will Not Depend Solely On Our Profitability.

The actual amount of cash we will have available for dividends on our Class A common shares also depends on many factors, including, among others:

changes in our operating cash flow, capital expenditure requirements, working capital requirements and other cash needs;

restrictions under our existing or future credit and lease facilities or any future debt securities, including existing restrictions under our credit and lease facilities on our ability to declare or pay dividends if an event of default has occurred and is continuing or if the payment of the dividend would result in an event of default;

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the amount of any reserves established by our board of directors; and

restrictions under Marshall Islands law, which generally prohibits the payment of dividends other than from surplus (i.e., retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

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The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which is affected by non-cash items, and our board of directors in its discretion may elect not to declare any dividends. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income.

Risks Inherent in Our Business

Our Ability To Obtain Additional Debt Financing For Future Acquisitions Of Vessels May Depend Upon The Performance Of Our Then Existing Charters And The Creditworthiness Of Our Customers.

The actual or perceived credit quality of our customers, and any defaults by them, may materially affect our ability to obtain funds we may require to purchase vessels in the future or for general corporate purposes, or may significantly increase our costs of obtaining such funds. Our inability to obtain additional financing at attractive rates, if at all, could harm our business, results of operations and financial condition.

We Will Be Required To Make Substantial Capital Expenditures To Complete The Acquisition Of Our Newbuilding Containerships And Any Additional Vessels We Acquire In The Future, Which May Result In Increased Financial Leverage Or Dilution Of Our Equity Holders Interests.

We have contracted to purchase an additional 16 newbuilding containerships with scheduled delivery dates through May 2016. The total purchase price of the 16 containerships remaining to be paid is estimated to be approximately \$1.4 billion. Our obligation to purchase the 16 containerships is not conditional upon our ability to obtain financing for such purchases. We intend to significantly expand the size of our fleet beyond our existing contracted vessel program. The acquisition of additional newbuilding or existing containerships or businesses will require significant additional capital expenditures.

To fund existing and future capital expenditures, we intend to use cash from operations, incur borrowings, raise capital through the sale of additional securities, enter into other sale-leaseback or financing arrangements, or use a combination of these methods. Incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional equity securities may result in significant shareholder dilution. Our ability to obtain or access bank financing or to access the capital markets for future debt or equity financings may be limited by our financial condition at the time of any such financing or offering and covenants in our credit facilities, as well as by adverse market conditions. To the extent that we enter into newbuilding or other vessel acquisition contracts prior to entering into charters for such vessels, our ability to obtain new financing for such vessels may be limited and we may be required to fund all or a portion of the cost of such acquisitions with our existing capital resources. Our failure to obtain funds for our capital expenditures at attractive rates, if at all, could harm our business, results of operations and financial condition.

Over The Long Term, We Will Be Required To Make Substantial Capital Expenditures To Preserve The Operating Capacity Of Our Fleet.

We must make substantial capital expenditures over the long-term to preserve the operating capacity of our fleet. If we do not retain funds in our business in amounts necessary to preserve the operating capacity of our fleet, over the long-term our fleet and related charter revenues may diminish and we will not be able to continue to refinance our indebtedness. At some time in the future, as our fleet ages, we will likely need to retain additional funds, on an annual basis, to provide reasonable assurance of maintaining the operating capacity of our fleet over the long-term.

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There are several factors that will not be determinable for a number of years, but which our board of directors will consider in future decisions about the amount of funds to be retained in our business to preserve our capital base.

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Restrictive Covenants In Our Credit And Lease Facilities And In Our Preferred Shares Impose Financial And Other Restrictions On Us, Which May Limit, Among Other Things, Our Ability To Borrow Funds Under Such Facilities.

To borrow funds under our credit facilities, we must, among other things, meet specified financial covenants. For example, we are prohibited under certain of our existing credit facilities from incurring total borrowings in an amount greater than 65% of our total assets. Total borrowings and total assets are terms defined in our credit facilities and differ from those used in preparing our consolidated financial statements, which are prepared in accordance with U.S. GAAP. To the extent we are not able to satisfy the requirements in our credit facilities, we may not be able to borrow additional funds under the facilities, and if we are not in compliance with specified financial ratios or other requirements, we may be in breach of the facilities, which could require us to repay outstanding amounts. We may also be required to prepay amounts borrowed under our credit facilities if we, or in certain circumstances, our customers, experience a change of control.

Our credit and lease facilities impose operating and financial restrictions on us and require us to comply with certain financial covenants. These restrictions and covenants limit our ability to, among other things:

pay dividends if an event of default has occurred and is continuing under one of our credit facilities or if the payment of the dividend would result in an event of default;

incur additional indebtedness under the credit facilities or otherwise, including through the issuance of guarantees;

create liens on our assets;

sell our vessels without replacing such vessels or prepaying a portion of our loan; or

merge or consolidate with, or transfer all or substantially all our assets to, another person.

Accordingly, we may need to seek consent from our lenders or lessors in order to engage in some corporate actions. The interests of our lenders or lessors may be different from ours, and we may be unable to obtain our lenders' or lessors' consent when and if needed. In addition, we are subject to covenants for our preferred shares. Please read [Description of Capital Stock](#). If we do not comply with the restrictions and covenants in our credit or lease facilities or in our preferred shares, our business, results of operations and financial condition will be harmed.

We May Not Be Able To Timely Repay Or Be Able To Refinance Indebtedness Incurred Under Our Credit and Lease Facilities.

We intend to finance a substantial portion of our fleet expansion with secured indebtedness drawn under our existing and future credit and lease facilities. We have significant repayment obligations under our credit and lease facilities, both prior to and at maturity. The earliest maturity date of our credit facilities is 2015 and we intend to refinance amounts drawn under our existing or future credit facilities with cash from operations, replacement facilities, proceeds of future debt or equity offerings, or a combination thereof. Please read [Summary Recent Developments Proposed Refinancing of \\$1.0 Billion Credit Facility](#). If we are not able to refinance outstanding indebtedness at an interest rate or on terms acceptable to us, or at all, we will have to dedicate a significant portion of our cash flow from operations to repay such indebtedness, which may require us to delay certain business activities or capital expenditures. If we are not able to satisfy these obligations (whether or not refinanced) under our credit or lease facilities with cash flow from operations, we may have to seek to restructure our indebtedness, undertake alternative financing

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plans (such as additional debt or equity capital) or sell assets, which may not be available on terms attractive to us or at all. If we are unable to meet our debt obligations, or if we otherwise default under our credit facilities, our lenders could declare all outstanding indebtedness to be immediately due and payable and foreclose on the vessels securing such indebtedness. The market value of our vessels, which fluctuates with market conditions, will also affect our ability to obtain financing or refinancing as our vessels serve as collateral for loans. Lower vessel values at the time of any financing or refinancing may reduce the amounts of funds we may borrow.

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Our Substantial Debt Levels And Vessel Lease Obligations May Limit Our Flexibility In Obtaining Additional Financing And In Pursuing Other Business Opportunities.

As of September 30, 2013, we had approximately \$3.1 billion outstanding under our credit facilities and capital lease obligations of approximately \$621.7 million, including approximately \$1.0 billion under the Facility. Please read [Summary Recent Developments Proposed Refinancing of \\$1.0 Billion Credit Facility](#). These amounts outstanding under our credit facilities and our lease obligations will further increase following the completion of our acquisition of the 16 newbuilding containerships that we have contracted to purchase. For the 16 newbuilding containerships that we have contracted to purchase, we have entered into additional credit facilities for six of the vessels and plan to enter into additional credit facilities or lease obligations to finance the remaining 10 vessels. Our level of debt and vessel lease obligations could have important consequences to us, including the following:

our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;

we may need to use a substantial portion of our cash from operations to make principal and interest payments on our debt or make our lease payments, reducing the funds that would otherwise be available for operations and future business opportunities;

our debt level could make us more vulnerable to competitive pressures or a downturn in our business or the economy generally than our competitors with less debt; and

our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our debt and vessel lease obligations will depend upon, among other things, our financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our results of operations are not sufficient to service our current or future indebtedness and vessel lease obligations, we will be forced to take actions such as reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms, or at all.

Future Disruptions In Global Financial Markets And Economic Conditions Or Changes In Lending Practices May Harm Our Ability To Obtain Financing On Acceptable Terms, Which Could Hinder Or Prevent Us From Meeting Our Capital Needs.

Global financial markets and economic conditions were disrupted and volatile following the events of 2007 and 2008. During this time, the debt and equity capital markets became exceedingly distressed, and it was difficult generally to obtain financing and the cost of any available financing increased significantly. While markets have stabilized since this time, if global financial markets and economic conditions significantly deteriorate in the future, we may be unable to obtain adequate funding under our credit facilities because our lenders may be unwilling or unable to meet their funding obligations or we may not be able to obtain funds at the interest rate agreed in our credit facilities due to market disruption events or increased costs. Such deterioration may also cause lenders to be unwilling to provide us with new financing to the extent needed to fund our ongoing operations and growth. In addition, in recent years, the number of lenders for shipping companies has decreased and ship-funding lenders have generally lowered their loan-to-value ratios and shortened loan terms and accelerated repayment schedules. These factors may hinder our ability to access financing.

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If financing or refinancing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they come due or we may be unable to implement our growth strategy, complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could harm our business, results of operations and financial condition.

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The Business And Activity Levels Of Many Of Our Customers, Shipbuilders And Third Parties With Which We Do Business And Their Respective Abilities To Fulfill Their Obligations Under Agreements With Us, Including Payments For The Charter Of Our Vessels, May Be Hindered By Any Deterioration In The Credit Markets.

Our current vessels are, and we anticipate that those that we acquire in the future will be, primarily chartered to customers under long-term time charters. Payments to us under those charters currently, and are expected to continue to, account for nearly all of our revenue. Many of our customers finance their activities through cash flow from operations, the incurrence of debt or the issuance of equity. During the recent financial and economic crises, there occurred a significant decline in the credit markets and the availability of credit and other forms of financing. Additionally, the equity value of many of our customers substantially declined during that period. The combination of a reduction of cash flow resulting from declines in world trade, a reduction in borrowing bases under reserve-based credit facilities and the limited or lack of availability of debt or equity financing potentially reduced the ability of our customers to make charter payments to us. Any recurrence of the significant financial and economic disruption of the last few years could result in similar effects on our customers or other third parties with which we do business, which in turn could harm our business, results of operations and financial condition.

Similarly, the shipbuilders with whom we have contracted to construct newbuilding vessels may be affected by future instability of the financial markets and other market conditions, including with respect to the fluctuating price of commodities and currency exchange rates. In addition, the refund guarantors under our shipbuilding contracts (which are banks, financial institutions and other credit agencies that guarantee, under certain circumstances, the repayment of installment payments we make to the shipbuilders), may also be negatively affected by adverse financial market conditions in the same manner as our lenders and, as a result, be unable or unwilling to meet their obligations to us due to their own financial condition. If our shipbuilders or refund guarantors are unable or unwilling to meet their obligations to us, this will harm our fleet expansion and may harm our business, results of operations and financial condition.

We Will Be Paying All Costs For The Newbuilding Vessels That We Have Contracted To Purchase, And Have Incurred Borrowings To Fund, In Part, Installment Payments Under The Relevant Shipbuilding Contracts. If Any Of These Vessels Are Not Delivered As Contemplated, We May Be Required To Refund All Or A Portion Of The Amounts We Borrowed.

The construction period currently required for a newbuilding containership similar to those we have ordered is approximately one year. For each of the newbuilding vessels that we have agreed to purchase, we are required to make certain payment installments prior to a final installment payment, which final installment payment generally is approximately 60-70% of the total vessel purchase price. We have entered into long-term credit facilities to partially fund the construction of our newbuilding vessels and plan to enter into additional credit facilities or lease obligations to fund the remaining vessels that we have contracted to purchase. We are required to make these payments to the shipbuilder and to pay the debt service cost under the credit facilities in advance of receiving any revenue under the time charters for the vessels, which commence following delivery of the vessels.

If a shipbuilder is unable to deliver a vessel or if we or one of our customers rejects a vessel, we may be required to repay a portion of the outstanding balance of the relevant credit facility. Such an outcome could harm our business, results of operations and financial condition.

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We Derive Our Revenue From A Limited Number Of Customers, And The Loss Of Any Of Such Customers Would Harm Our Revenue And Cash Flow.

The following table shows, as at September 30, 2013, the number of vessels in our operating fleet that were chartered to our then nine customers and the percentage of our total containership revenue attributable to the charters with such customers for the nine months ended September 30, 2013:

CUSTOMER	NUMBER OF VESSELS IN OUR OPERATING FLEET CHARTERED TO SUCH CUSTOMER	PERCENTAGE OF TOTAL REVENUE FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013
COSCON	18	44.7%
CSCL Asia	18	20.2%
K-Line	7	11.3%
Other	28	23.8%
Total	71	100.0%

The majority of our vessels are chartered under long-term time charters, and customer payments are our primary source of operating cash flow. The loss of any of these charters or any material decrease in payments thereunder could materially harm our business, results of operations and financial condition.

Under some circumstances, we could lose a time charter or payments under the charter if:

the customer fails to make charter payments because of its financial inability, disagreements with us, defaults on a payment or otherwise;

at the time of delivery, the vessel subject to the time charter differs in its specifications from those agreed upon under the shipbuilding contract; or

the customer exercises certain limited rights to terminate the charter, including (a) if the ship fails to meet certain guaranteed speed and fuel consumption requirements and we are unable to rectify the situation or otherwise reach a mutually acceptable settlement and (b) under some charters, if we undertake a change of control to which the customer does not consent or if the vessel is unavailable for operation for certain reasons for a specified period of time, or if delivery of a newbuilding is delayed for a prolonged period.

Any recurrence of the significant financial and economic disruption of the last few years could result in our customers being unable to make charter payments to us in the future or seeking to amend the terms of our charters. Any such event could harm our business, results of operations and financial condition.

Our Growth Depends Upon Continued Growth In Demand For Containerships.

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Our growth will generally depend on continued growth and renewal in world and regional demand for containership chartering. The ocean-going shipping container industry is both cyclical and volatile in terms of charter hire rates and profitability. Short-term containership charter rates have fluctuated significantly during the last five years, and are expected to continue to fluctuate in the future. Fluctuations in containership charter rates result from changes in the supply and demand for vessel capacity which are driven by global fleet capacity and utilization and changes in the supply and demand for the major products internationally transported by containerships. The factors affecting the supply and demand for containerships, and the nature, timing and degree of changes in industry conditions are unpredictable.

Factors that influence demand for containership capacity include, among others:

supply and demand for products suitable for shipping in containers;

changes in global production of products transported by containerships;

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seaborne and other transportation patterns, including the distances over which container cargoes are transported and changes in such patterns and distances;

the globalization of manufacturing;

global and regional economic and political conditions;

developments in international trade;

environmental and other regulatory developments;

currency exchange rates; and

weather.

Factors that influence the supply of containership capacity include, among others:

the number of newbuilding orders and deliveries;

the extent of newbuilding vessel deferrals;

the scrapping rate of containerships;

newbuilding prices and containership owner access to capital to finance the construction of newbuildings;

charter rates and the price of steel and other raw materials;

changes in environmental and other regulations that may limit the useful life of containerships;

the number of containerships that are slow-steaming or extra slow-steaming to conserve fuel;

the number of containerships that are idle;

port congestion and canal closures; and

demand for fleet renewal.

Our ability to recharter our containerships upon the expiration or termination of their current time charters and the charter rates payable under any renewal or replacement charters will depend upon, among other things, the then current state of the containership market. The time charter for one of our vessels that commenced in early November 2013 will expire before March 31, 2014. If charter rates are low when our existing time charters expire, we may be required to recharter our vessels at reduced rates or even possibly a rate whereby we incur a loss, which would harm our results of operations. Alternatively, we may determine to leave such vessels off-charter. The same issues will exist if we acquire additional vessels and seek to charter them under long-term time charter arrangements as part of our growth strategy.

The Majority Of Our Vessels Are Chartered To Chinese Customers And Some Of Our Shipbuilders Are Based In China. The Legal System In China Is Not Fully Developed And Has Inherent Uncertainties That Could Limit The Legal Protections Available To Us, And The Geopolitical Risks Associated With Chartering Vessels To Chinese Customers And Constructing Vessels In China Could Harm Our Business, Results Of Operations And Financial Condition.

A total of 18 of the 87 vessels in our current or contracted fleet are chartered to CSCL Asia, and 18 vessels are chartered to COSCON. CSCL Asia and COSCON are subsidiaries of Chinese companies. Our vessels that are chartered to Chinese customers and our eight newbuilding vessels that are being constructed in China are subject to various risks as a result of uncertainties in Chinese law, including (a) the risk of loss of revenues, property or equipment as a result of expropriation, nationalization, changes in laws, exchange controls, war, insurrection, civil unrest, strikes or other political risks and (b) being subject to foreign laws and legal systems and the exclusive jurisdiction of Chinese courts and tribunals.

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The Chinese legal system is based on written statutes and their legal interpretation by the standing Committee of the National People's Congress. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the Chinese government has been developing a comprehensive system of laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. However, because these laws and regulations are relatively new, and because of the limited volume of published cases and their non-binding nature, interpretation and enforcement of these laws and regulations involve uncertainties.

If we are required to commence legal proceedings against a lender, a customer or a charter guarantor based in China with respect to the provisions of a credit facility, a time charter or a time charter guarantee, we may have difficulties in enforcing any judgment obtained in such proceedings in China. Similarly, our shipbuilders based in China provide warranties against certain defects for the vessels that they will construct for us and we have refund guarantees from a Chinese financial institution for installment payments that we will make to the shipbuilders. Although the shipbuilding contracts and refund guarantees are governed by English law, if we are required to commence legal proceedings against these shipbuilders or against the refund guarantor, we may have difficulties enforcing in China any judgment obtained in such proceeding.

A Decrease In The Level Of China's Export Of Goods Or An Increase In Trade Protectionism Will Harm Our Customers' Business And, In Turn, Harm Our Business, Results Of Operations And Financial Condition.

Most of our customers' containership business revenue is derived from the shipment of goods from the Asia Pacific region, primarily China, to various overseas export markets, including the United States and Europe. Any reduction in or hindrance to the output of China-based exporters could negatively affect the growth rate of China's exports and our customers' business. For instance, the government of China has implemented economic policies aimed at increasing domestic consumption of Chinese-made goods. This may reduce the supply of goods available for export and may, in turn, result in a decrease in shipping demand.

Our international operations expose us to the risk that increased trade protectionism will harm our business. If global economic challenges exist, governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. Specifically, increasing trade protectionism in the markets that our customers serve has caused and may continue to cause an increase in (a) the cost of goods exported from China, (b) the length of time required to deliver goods from China and (c) the risks associated with exporting goods from China. Such increases may also affect the quantity of goods to be shipped, shipping time schedules, voyage costs and other associated costs.

Any increased trade barriers or restrictions on trade, especially trade with China and Asia, would harm our customers' business, results of operations and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us. This could harm our business, results of operations and financial condition.

Adverse Economic Conditions Globally, And Especially In The Asia Pacific Region, The European Union Or The United States, Could Harm Our Business, Financial Condition And Results Of Operations.

The global economy recently experienced disruption and volatility following adverse changes in global capital markets. The deterioration in the global economy caused, and any renewed deterioration may cause, a decrease in worldwide demand for certain goods and shipping. Economic instability could harm our business, financial condition and results of operations.

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In particular, because a significant number of the port calls made by our vessels involves the loading or discharging of containerships in ports in the Asia Pacific region, economic turmoil in that region may exacerbate the effect of any economic slowdown on us. China has been one of the world's fastest growing economies in terms of gross domestic product, which has increased the demand for shipping. However, China's high rate of real GDP growth declined in 2012 and during the first nine months of 2013, and is forecasted to decline further.

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during the remainder of 2013. Additionally, the European Union and certain of its member states are facing significant economic and political challenges. Our business, results of operations and financial condition will likely be harmed by any significant economic downturn in the Asia Pacific region, including China, or in the European Union or the United States.

Our Growth And Our Ability To Recharter Our Vessels Depends On Our Ability To Expand Relationships With Existing Customers And Develop Relationships With New Customers, For Which We Will Face Substantial Competition.

We intend to acquire additional containerships as market conditions allow in conjunction with entering primarily into additional long-term, fixed-rate time charters for such ships, and to recharter our existing vessels following the expiration of their current long-term time charters to the extent we retain those vessels in our fleet. The time charter for one of our vessels that commenced in early November 2013 will expire before March 31, 2014. The process of obtaining new long-term time charters is highly competitive and generally involves an intensive screening process and competitive bids, and often extends for several months. Containership charters are awarded based upon a variety of factors relating to the vessel operator, including, among others:

shipping industry relationships and reputation for customer service and safety;

container shipping experience and quality of ship operations, including cost effectiveness;

quality and experience of seafaring crew;

the ability to finance containerships at competitive rates and the shipowner's financial stability generally;

relationships with shipyards and the ability to get suitable berths;

construction management experience, including the ability to obtain on-time delivery of new ships according to customer specifications;

willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and

competitiveness of the bid in terms of overall price.

Competition for providing new containerships for chartering purposes comes from a number of experienced shipping companies, including direct competition from other independent charter owners and indirect competition from state-sponsored and other major entities with their own fleets. Some of our competitors have significantly greater financial resources than we do and can operate larger fleets and may be able to offer better charter rates. An increasing number of marine transportation companies have entered the containership sector, including many with strong reputations and extensive resources and experience in the marine transportation industry. This increased competition may cause greater price competition for time charters. As a result of these factors, we may be unable to expand our relationships with existing customers or to develop relationships with new customers on a profitable basis, if at all, which would harm our business, results of operations and financial condition. These risks will be heightened to the extent that we enter into newbuilding or other vessel acquisition contracts prior to entering into charters for such vessels.

If A More Active Short-term Or Spot Containership Market Develops, We May Have More Difficulty Entering Into Long-term, Fixed-rate Time Charters And Our Existing Customers May Begin To Pressure Us To Reduce Our Charter Rates.

One of our principal strategies is to enter into long-term, fixed-rate time charters. As more vessels become available for the spot or short-term market, we may have difficulty entering into additional long-term, fixed-rate time charters for our vessels due to the increased supply of vessels and possibly lower rates in the spot market. As a result, our cash flow may be subject to instability in the long term. A more active short-term or spot market may require us to enter into charters based on changing market prices, as opposed to contracts based on a fixed

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rate, which could result in a decrease in our cash flow in periods when the market price for containerships is depressed or insufficient funds are available to cover our financing costs for related vessels. In addition, the development of an active short-term or spot containership market could affect rates under our existing time charters as our current customers may begin to pressure us to reduce our rates.

We May Be Unable To Make Or Realize Expected Benefits From Acquisitions Or Investments, And Implementing Our Growth Strategy Through Acquisitions Of Existing Businesses Or Vessels Or Investments In Other Containership Businesses May Harm Our Business, Results Of Operations And Financial Condition.

Our growth strategy includes selectively acquiring new containerships, existing containerships, containership-related assets and containership businesses as market conditions allow. We may also invest in other containership businesses. Factors that may limit the number of acquisition or investment opportunities in the containership industry include the ability to access capital to fund such transactions, the overall economic environment and the status of global trade and the ability to secure long-term, fixed-rate charters.

Any acquisition of or investment in a vessel or business, including our January 2012 acquisition of our Manager, may not be profitable to us at or after the time we acquire or make it and may not generate cash flow sufficient to justify our investment. In addition, our acquisition growth strategy exposes us to risks that may harm our business, financial condition and results of operations, including risks that we may:

fail to realize anticipated benefits, such as new customer relationships, cost savings or cash flow enhancements;

be unable to hire, train or retain qualified shore and seafaring personnel to manage and operate our growing business and fleet;

decrease our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions or investments;

incur or assume unanticipated liabilities, losses or costs associated with the business or vessels acquired;

have difficulties achieving internal controls effectiveness and integrating the acquired business into our internal controls framework;

incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges; or

not be able to service our debt obligations.

We Have Not Completed Our Assessment Of The Effectiveness Of The Manager's Internal Controls Over Financial Reporting.

We are in the process of assessing the internal controls over financial reporting of the Manager, which we acquired in January 2012. Accordingly, we have not yet determined whether such internal controls are effective or if there exist material weaknesses in such internal controls. Any such material weaknesses could contribute to harm to our business, results of operations and financial condition.

Our Ability To Grow May Be Reduced By The Introduction Of New Accounting Rules For Leasing.

International and U.S. accounting standard-setting organizations have proposed the elimination of operating leases. The proposals are not yet finalized. If the proposals are enacted, they would have the effect of bringing most off-balance sheet leases onto a lessee's balance sheet as liabilities. This proposed change could affect our customers and potential customers and may cause them to breach certain financial covenants. This may make them less likely to enter into time charters for our containerships, which could reduce our growth opportunities.

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Under The Time Charters For Some Of Our Vessels, If A Vessel Is Off-hire For An Extended Period, The Customer Has A Right To Terminate The Charter Agreement For That Vessel.

Under most of our time charter agreements, if a vessel is not available for service, or off-hire, for an extended period, the customer has a right to terminate the charter agreement for that vessel. If a time charter is terminated early, we may be unable to re-deploy the related vessel on terms as favorable to us, if at all. In the worst case, we may not receive any revenue from that vessel, but be required to continue to pay financing costs for the vessel and expenses necessary to maintain the vessel in proper operating condition.

Under The Time Charters For Some Of Our Vessels, the Customer Has the Right to Purchase the Vessel.

Our commercial arrangements allow Yang Ming Marine to reduce the number of newbuilding containerships to be delivered to us and chartered to Yang Ming Marine by up to three vessels. These commercial arrangements expire in August 2014. If Yang Ming Marine were to exercise all of these rights, we would not receive delivery of the three vessels or the approximately \$0.5 billion of aggregate contracted time charter revenue attributable to them. Yang Ming Marine also has the right to purchase these vessels from us upon expiration of the time charters, at a price that provides an agreed upon minimum rate of return to us.

Risks Inherent In The Operation Of Ocean-going Vessels Could Harm Our Business And Reputation.

The operation of ocean-going vessels carries inherent risks. These risks include the possibility of:

marine disaster;

environmental accidents;

grounding, fire, explosions and collisions;

cargo and property losses or damage;

business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries, labor strikes or adverse weather conditions; and

piracy.

Such occurrences could result in death or injury to persons, loss of property or environmental damage, delays in the delivery of cargo, loss of revenue from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates, and damage to our reputation and customer relationships generally. The involvement of our vessels in an environmental disaster could harm our reputation as a safe and reliable vessel owner and operator. Any of these circumstances or events could harm our business, results of operations

and financial condition.

Acts Of Piracy On Ocean-going Vessels Have Increased In Frequency, Which Could Harm Our Business.

Piracy is an inherent risk in the operation of ocean-going vessels and has historically affected vessels trading in certain regions of the world, including, among other areas, the South China Sea and the Gulf of Aden off the coast of Somalia. We may not be adequately insured to cover losses from these incidents, which could harm our business, results of operations and financial condition. In addition, crew costs, including for employing onboard security guards, could increase in such circumstances. Any of these events, or the loss of use of a vessel due to piracy, may harm our customers, impairing their ability to make payments to us under our charters, which would harm our business, results of operations and financial condition.

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Terrorist Attacks And International Hostilities Could Harm Our Business, Results Of Operations And Financial Condition.

Terrorist attacks such as the attacks on the United States on September 11, 2001, and the continuing response of the United States to these attacks, as well as the threat of future terrorist attacks, continue to cause uncertainty in the world financial markets. Conflicts in Afghanistan, the Middle East and other regions and periodic tensions between North and South Korea (where many shipbuilders are located) may lead to additional acts of terrorism, regional conflict and other armed conflict around the world, which may contribute to further economic instability in the global financial markets or in regions where our customers do business or, in the case of countries in which our shipbuilders are located, affect our access to new vessels. These uncertainties or events could harm our business, results of operations and financial condition, including our ability to obtain additional financing on terms acceptable to us or at all. In addition, terrorist attacks targeted at sea vessels in the future may negatively affect our operations and financial condition and directly affect our containerships or customers.

Our Insurance May Be Insufficient To Cover Losses That May Occur To Our Property Or Result From The Inherent Operational Risks Of The Shipping Industry.

We maintain insurance for our fleet against risks commonly insured against by vessel owners and operators. Our insurance includes hull and machinery insurance, war risks insurance and protection and indemnity insurance (which includes environmental damage and pollution insurance). We may not be adequately insured against all risks and our insurers may not pay a particular claim. Even if our insurance coverage is adequate to cover any vessel loss, we may not be able to timely obtain a replacement vessel. Our credit facilities and lease agreements restrict our use of any proceeds we may receive from claims under our insurance policies. In addition, in the future we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. We may also be subject to supplementary or additional calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the protection and indemnity associations, as an industry group, through which we receive indemnity insurance coverage for statutory, contractual and tort liability, due to the sharing and reinsurance arrangements stated in the insurance rules. Our insurance policies also contain deductibles, limitations and exclusions which, although we believe they are standard in the shipping industry, may directly or indirectly increase our costs.

In addition, we do not carry loss-of-hire insurance, which covers the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled dry-docking due to damage to the vessel from accidents. Accordingly, any loss of a vessel or extended vessel off-hire, due to an accident or otherwise, could harm our business, results of operations and financial condition.

Increased Inspection Procedures, Tighter Import And Export Controls And New Security Regulations Could Cause Disruption Of Our Business.

International containership traffic is subject to security and customs inspection and related procedures in countries of origin, destination and trans-shipment points. These inspections can result in cargo seizure, delays in the loading, offloading, trans-shipment or delivery of containers and the levying of customs duties, fines or other penalties against exporters or importers and, in some cases, customers.

Since the events of September 11, 2001, U.S. and Canadian authorities have increased container inspection rates. Government investment in non-intrusive container scanning technology has grown and there is interest in electronic monitoring technology. It is unclear what changes, if any, to the existing inspection procedures will ultimately be proposed or implemented, or how any such changes will affect the industry. Such changes may impose additional financial and legal obligations on carriers and may render the shipment of certain types of goods by container uneconomical or impractical. Additional costs that may arise from current or future inspection procedures may not be fully recoverable from customers through higher rates or security surcharges. Any of these effects could harm our business, results of operations and financial

condition.

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An Over-supply Of Containership Capacity May Lead To Reductions In Charter Hire Rates And Profitability.

As of November 1, 2013, newbuilding containerships with an aggregate capacity of 3.7 million TEUs, representing approximately 21.6% of the total worldwide containership fleet capacity as of that date, were under construction. The size of the orderbook will result in the increase in the size of the world containership fleet over the next few years. An over-supply of containership capacity, combined with stability or any decline in the demand for containerships, may result in a reduction of charter hire rates. If such a reduction occurs when we seek to charter newbuilding vessels, our growth opportunities may be diminished. If such a reduction occurs upon the expiration or termination of our containerships' current time charters, we may only be able to recharter our containerships for unprofitable rates, if at all.

Depending On The Outcome Of An Ongoing European Union Investigation Of Container Liner Companies Related To Potential Antitrust Violations, Our Growth, Results Of Operations And Our Ability To Charter Our Vessels May Be Reduced.

The European Commission is conducting investigations of certain major container liner companies, including some of our existing customers, related to potential violations of European Union competition (antitrust) rules. Although we have no basis for assessing the outcome of these investigations, it is possible that additional financial and legal obligations may be imposed on one or more of these liner companies. Such obligations may make these customers or similarly situated potential customers less likely to enter into or renew time charters for our containerships, which could reduce our growth opportunities and harm our business, results of operations and financial condition. In addition, any significant financial penalties arising from these or similar investigations could reduce the ability of our customers to make charter payments to us, which likewise could harm our business, results of operations and financial condition.

Over Time, Containership Values May Fluctuate Substantially, Which Could Adversely Affect Our Results Of Operations Or Our Ability To Raise Capital.

Containership values can fluctuate substantially over time due to a number of different factors, including, among others:

prevailing economic conditions in the market in which the containership trades;

a substantial or extended decline in world trade;

increases in the supply of containership capacity; and

the cost of retrofitting or modifying existing ships as a result of technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

If a charter terminates, we may be unable to re-deploy the vessel at attractive rates and, rather than continue to incur costs to maintain and finance the vessel, may seek to dispose of it. Our inability to dispose of the containership at a reasonable price, or at all, could result in a loss on its sale and harm our business, results of operations and financial condition.

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In addition, if we determine at any time that a containership's value has been impaired, we may need to recognize a significant impairment charge that will reduce our earnings and net assets. We review our containership assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, which occurs when the assets' carrying value is greater than the undiscounted future cash flows the asset is expected to generate over its remaining useful life. In our experience, certain assumptions relating to our estimates of future cash flows are more predictable by their nature, including estimated revenue under existing contract terms, ongoing operating costs and remaining vessel life. Certain assumptions relating to our estimates of future cash flows require more discretion and are inherently less predictable, such as future charter rates beyond the firm period of existing contracts and vessel residual values,

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due to factors such as the volatility in vessel charter rates and vessel values. We believe that the assumptions used to estimate future cash flows of our vessels are reasonable at the time they are made. We can make no assurances, however, as to whether our estimates of future cash flows, particularly future vessel charter rates or vessel values, will be accurate. Vessels that are currently not considered impaired may become impaired over time, if the future estimated undiscounted cash flows decline at a rate that is faster than the depreciation of our vessels.

A reduction in our net assets could result in a breach of certain financial covenants contained in our credit and lease facilities and our preferred shares, which could limit our ability to borrow additional funds under our credit and lease facilities, require us to repay outstanding amounts, or increase the dividend rate of our Series C preferred shares. Further, declining containership values could affect our ability to raise cash by limiting our ability to refinance vessels or use unencumbered vessels as collateral for new loans. This could harm our business, results of operations and financial condition.

We Are Subject To Regulation And Liability Under Environmental Laws That Could Require Significant Expenditures And Affect Our Operations.

Our business and the operation of our containerships are materially affected by environmental regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which our containerships operate, as well as in the countries of their registration, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, water discharges and ballast water management. Because such conventions, laws and regulations are often revised, we cannot predict the ultimate cost or effect of complying with such requirements or the effect thereof on the resale price or useful life of our containerships. Additional conventions, laws and regulations may be adopted that could limit our ability to do business or increase the cost of our doing business, which may harm our business, results of operations and financial condition.

Environmental requirements can also affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in substantial penalties, fines or other sanctions, including the denial of access to certain jurisdictional waters or ports or detention in certain ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations and natural resource damages, if there is a release of petroleum or other hazardous materials from our vessels or otherwise in connection with our operations. We could also become subject to personal injury or property damage claims relating to the release of hazardous materials associated with our operations.

In addition, in complying with existing environmental laws and regulations and those that may be adopted, we may incur significant costs in meeting new maintenance and inspection requirements and new restrictions on air emissions from our containerships, in developing contingency arrangements for potential spills and in obtaining insurance coverage. Government regulation of vessels, particularly in the areas of safety, security and environmental requirements, can be expected to become stricter in the future and require us to incur significant capital expenditures on our vessels to keep them in compliance, or even to scrap or sell certain vessels altogether. Substantial violations of applicable requirements or a catastrophic release of bunker fuel from one of our containerships could harm our business, results of operations and financial condition.

Compliance With Safety And Other Vessel Requirements Imposed By Classification Societies May Be Costly And Harm Our Business.

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and the Safety of Life at Sea

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Convention. In addition, a vessel generally must undergo annual, intermediate and special surveys to maintain classification society certification. If any vessel does not maintain its class or fails any annual, intermediate or special survey, the vessel will be unable to trade between ports and will be unemployable and we could be in violation of certain covenants in our credit facilities and our lease agreements. This could harm our business, results of operations and financial condition.

Delays In Deliveries Of Our Newbuilding Containerships Could Harm Our Business.

We are currently under contract to purchase 16 newbuilding containerships, which are scheduled to be delivered at various times through May 2016. The delivery of these containerships, or any other containerships we may order, could be delayed, which would delay our receipt of revenue under the time charters for the containerships and, if the delay is prolonged, could permit our customers to terminate the newbuilding containership time charter. Any of such events could harm our business, results of operations and financial condition.

The delivery of the containerships could be delayed because of:

work stoppages, other labor disturbances or other events that disrupt any of the shipyards' operations;

quality or engineering problems;

changes in governmental regulations or maritime self-regulatory organization standards;

bankruptcy or other financial crisis of any of the shipyards;

a backlog of orders at any of the shipyards;

hostilities, or political or economic disturbances in Korea, Taiwan or China, where the containerships are being built;

weather interference or catastrophic event, such as a major earthquake, fire or tsunami;

our requests for changes to the original containership specifications;

shortages of or delays in the receipt of necessary construction materials, such as steel;

our inability to obtain requisite permits or approvals;

a dispute with any of the shipyards;

the failure of our banks to provide debt financing; or

a disruption to the financial markets.

In addition, each of the shipbuilding contracts for our newbuilding containerships contains force majeure provisions whereby the occurrence of certain events could delay delivery or possibly result in termination of the contract. If delivery of a containership is materially delayed or if a shipbuilding contract is terminated, it could harm our business, results of operations and financial condition.

Due To Our Lack Of Diversification, Adverse Developments In Our Containership Transportation Business Could Harm Our Business, Results Of Operations And Financial Condition.

Our Articles of Incorporation currently limit our business to the chartering or rechartering of containerships to others and other related activities, unless otherwise approved by our board of directors and the holders of a majority of our Series A preferred shares.

Nearly all of our cash flow is generated from our charters that operate in the containership transportation business. Due to our lack of diversification, an adverse development in the containership industry may more significantly harm our business, results of operations and financial condition than if we maintained more diverse assets or lines of business.

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Because Each Existing And Newbuilding Vessel In Our Contracted Fleet Is Or Will Be Built In Accordance With Standard Designs And Uniform In All Material Respects To All Other Vessels In Its TEU Class, Any Material Design Defect Likely Will Affect All Vessels In Such Class.

Each existing and newbuilding vessel in our fleet is built, or will be built, in accordance with standard designs and uniform in all material respects to all other vessels in its class. As a result, any latent design defect discovered in one of our vessels will likely affect all of our other vessels in that class. Any disruptions in the operation of our vessels resulting from these defects could harm our business, results of operations and financial condition.

There Are Greater Than Normal Construction, Delivery And Operational Risks With Respect To Our New Panamax 10000, 13100 And 14000 TEU Newbuilding Vessels.

Our eight 13100 TEU newbuilding vessels that have been delivered are some of the first vessels of this type to be built. In addition, we have contracted to purchase eight new Panamax 10000 TEU vessels and eight new Panamax 14000 TEU vessels and may order additional vessels of these types in the future. The 10000 TEU and 14000 TEU vessels will be the first vessels constructed using this new design and the first vessels constructed of these sizes at some of these shipyards. As such, there may exist greater than normal construction, delivery and operational risks associated with these vessels. Deliveries of these vessels could be delayed and problems with operation of these vessels could be encountered, either of which could adversely affect our reputation, the receipt of revenue under time charters for or the operating cost of these vessels, and their future resale value.

Increased Technological Innovation In Competing Vessels Could Reduce Our Charter Hire Rates And The Value Of Our Vessels.

The charter hire rates and the value and operational life of a vessel are determined by a number of factors, including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to be loaded and unloaded quickly. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. Physical life is related to the original design and construction, maintenance and the impact of the stress of operations. If new containerships are built that are more efficient or flexible or have longer physical lives than our vessels, competition from these more technologically advanced containerships could adversely affect the amount of charter hire payments we receive for our vessels once their initial charters end and the resale value of our vessels. As a result, our business, results of operations and financial condition.

Maritime Claimants Could Arrest Our Vessels, Which Could Interrupt Our Cash Flow.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against the applicable vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by arresting a vessel through foreclosure proceedings. In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel that is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister ship" liability against one vessel in our fleet for claims relating to another of our ships. The arrest or attachment of one or more of our vessels could interrupt our business and cash flow and require us to pay significant amounts to have the arrest lifted, which could harm our business, results of operations and financial condition.

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Governments Could Requisition Our Containerships During A Period Of War Or Emergency, Resulting In Loss Of Earnings.

The government of a ship's registry could requisition for title or seize our containerships. Requisition for title occurs when a government takes control of a ship and becomes the owner. Also, a government could requisition our containerships for hire. Requisition for hire occurs when a government takes control of a ship and

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effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of our containerships could harm our business, results of operations and financial condition.

We May Experience Greater Operating Cost Volatility As A Result Of The Acquisition Of Our Manager.

In January 2012, we acquired our Manager. The acquisition of our Manager has increased our control over access to the services our Manager provides on a long-term basis. We previously paid fees to our Manager for technical services on a fixed basis, which fees were adjusted every three years. Technical services include managing day-to-day vessel operations, arranging general vessel maintenance, ensuring regulatory compliance and classification society compliance, purchasing stores, supplies, spares and lubricating oil, and attending to all other technical matters necessary to run our fleet. Prior to our acquisition of our Manager, we paid our Manager fixed fees for vessel construction supervision services. As a result of the acquisition of our Manager, our operating costs vary more directly with the actual cost, set by the market, of providing these services for our fleet. Increased costs for technical services or construction supervision services could harm our business, results of operations and financial condition.

Exposure To Currency Exchange Rate Fluctuations May Result In Fluctuations in Our Results of Operations And Financial Condition.

All of our charter revenues are earned in U.S. dollars. Although a significant portion of our operating and general and administrative costs are incurred in U.S. dollars, we have some exposure to currencies other than U.S. dollars, including Canadian dollars, Indian Rupees, Euros and other foreign currencies. Although we monitor exchange rate fluctuations on a continuous basis, and seek to reduce our exposure in certain circumstances by denominating charter-hire revenue, ship building contracts, purchase contracts and debt obligations in U.S. dollars when practical to do so, we do not currently fully hedge movements in currency exchange rates. As a result, currency fluctuations may have a negative effect on our results of operations and financial condition.

Damage To Our Reputation Or Industry Relationships Could Harm Our Business.

Our operational success and our ability to grow depend significantly upon our satisfactory performance of technical services (including vessel maintenance, crewing, purchasing, shipyard supervision, insurance, assistance with regulatory compliance and financial services). Our business will be harmed if we fail to perform these services satisfactorily. Our ability to compete for and to enter into new charters and expand our relationships with our customers depends upon our reputation and relationships in the shipping industry. If we suffer material damage to our reputation or relationships, it may harm our ability to, among other things:

renew existing charters upon their expiration;

obtain new charters;

successfully interact with shipyards;

dispose of vessels on commercially acceptable terms;

obtain financing on commercially acceptable terms;

maintain satisfactory relationships with our customers and suppliers; or

grow our business.

If our ability to do any of the things described above is impaired, it could harm our business, results of operations and financial condition.

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As We Expand Our Business Or Provide Services To Third Parties, We May Need To Improve Our Operating And Financial Systems, Expand Our Commercial And Technical Management Staff, And Recruit Suitable Employees And Crew For Our Vessels.

Since our IPO in 2005, we have increased the size of our contracted fleet from 23 to 87 vessels. We have also agreed to provide technical management services to third and related parties, including GCI, and affiliates of Dennis R. Washington for vessels they may acquire. Our current operating and financial systems may not be adequate if we further expand the size of our fleet or if we provide services to third parties, and attempts to improve those systems may be ineffective. In addition, we will need to recruit suitable additional administrative and management personnel to manage any growth. We may not be able to continue to hire suitable employees in such circumstances. If a shortage of experienced labor exists or if we encounter business or financial difficulties, we may not be able to adequately staff our vessels. If we expand our fleet, or as we provide services to third parties, and we are unable to grow our financial and operating systems or to recruit suitable employees, our business, results of operations and financial condition may be harmed.

Our Chief Executive Officer Does Not Devote All Of His Time To Our Business.

Our chief executive officer, Gerry Wang, is involved in other business activities that may result in his spending less time than is appropriate or necessary in order to manage our business successfully. Pursuant to his employment agreement with us, Mr. Wang is permitted to provide services to Tiger Management Limited, an entity owned and controlled by one of our directors, Graham Porter, or the Tiger Member, and GCI and certain of their respective affiliates, in addition to the services that he provides to us. In addition, Mr. Wang is the chairman of the board of managers of GCI. Please read [Certain Relationships and Related Party Transactions](#) [Certain Relationships and Transactions](#).

Our Business Depends Upon Certain Employees Who May Not Necessarily Continue To Work For Us.

Our future success depends to a significant extent upon our chief executive officer and co-chairman of our board of directors, Gerry Wang, and certain members of our senior management. Mr. Wang has substantial experience and relationships in the containership industry and has been instrumental in developing our relationships with our customers. Mr. Wang and other members of our senior management are crucial to the development of our business strategy and to the growth and development of our business. If they, and Mr. Wang in particular, were no longer to be affiliated with us, we may fail to recruit other employees with equivalent talent, experience and relationships, and our business, results of operations and financial condition may be harmed as a result. Although Mr. Wang has an employment agreement with us through the termination of our right of first refusal with GCI (which is scheduled to expire on March 31, 2015, unless earlier terminated), Mr. Wang could terminate his employment at any time. As such, it is possible that Mr. Wang will no longer provide services to us and that our business, results of operations and financial condition may be harmed by the loss of such services.

We May Not Achieve Expected Benefits From Our Participation In The Carlyle Investment Vehicle.

In March 2011, we agreed to participate in GCI, which invests in containership assets, primarily newbuilding vessels strategic to the People's Republic of China, Taiwan, Hong Kong and Macau, or Greater China. We believe that the combined scale of our business and GCI, together with current excess capacity at shipyards, allows us to realize volume discounts for newbuilding orders and to negotiate fuel-efficient design improvements from shipyards that are attractive to our customers. To the extent excess shipyard capacity decreases, we may be unable to achieve these benefits. In addition, we may be unable to obtain more attractive vessel financing through GCI than otherwise available to us on our own.

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GCI Intends To Compete In Our Markets, And Its Entry Into The Containership Market May Harm Our Business, Results Of Operations And Financial Condition.

Carlyle, which controls GCI, is a leading global alternative asset manager. GCI intends to invest equity capital in containership and other maritime assets, primarily newbuilding vessels strategic to Greater China, which is similar to our growth strategy of investing in primarily newbuilding vessels strategic to Greater China. The involvement of Carlyle in GCI and the amount of funds that GCI may invest in containerships could result in GCI becoming the owner of a significant fleet of containerships, which could compete with us for growth opportunities, subject to certain rights of first refusal in our favor that may continue up to March 31, 2015, subject to earlier termination. Please read **Certain Relationships and Related Party Transactions** Our Investment in Carlyle Containership-Focused Investment Vehicle **Rights of First Refusal and First Offer**. Our business, results of operations and financial condition could be harmed to the extent GCI successfully competes against us for containership opportunities.

We Have Reduced The Fiduciary Duties Of Gerry Wang And Graham Porter In Relation To Certain Growth Opportunities That Become Subject To Our Right Of First Refusal With GCI, Which May Limit Our Rights In Such Growth Opportunities To Our Rights Under The Right Of First Refusal.

Pursuant to agreements between us and each of our chief executive officer and co-chairman of our board of directors, Gerry Wang, and one of our directors, Graham Porter, we have reduced the fiduciary duties of Mr. Wang and Mr. Porter in relation to certain containership vessel and business opportunities to the extent such opportunities are subject to our right of first refusal with GCI and (a) the conflicts committee of our board of directors decides to reject such opportunity or we fail to exercise our right of first refusal to pursue such opportunity, (b) we exercise such right but fail to pursue such opportunity or (c) we do not have the right under our right of first refusal to pursue such opportunity. Our rights to such opportunities may be limited to our rights under our right of first refusal with GCI, which would be more restrictive than the rights based on fiduciary duties we otherwise would have relating to such opportunities.

In Order To Timely Exercise Our Right Of First Refusal From GCI, We May Be Required To Enter Into Containership Construction Contracts Without Financing Arrangements Or Charter Contracts Then Being In Place, Which May Result In Financing On Less Favorable Terms Or Employment Of The Vessels Other Than On Long-Term, Fixed-rate Charters, If At All.

Under our right of first refusal with GCI relating to containership acquisition opportunities, we generally must exercise our right of first refusal within 12 business days of receiving a notice from GCI of the acquisition opportunity. At the time we must exercise our right of first refusal, there may be no financing arrangement or charter commitment relating to the newbuilding or existing containership to be acquired. If we elect to acquire the vessel without a financing arrangement or charter commitment then in place, we may be unable subsequently to obtain financing or charter the vessel on a long-term, fixed-rate basis, on terms that will result in positive cash flow to us from operation of the vessel, or at all. Accordingly, our business, results of operations and financial condition may be harmed.

Certain Of Our Officers And Directors Or Their Affiliates Have Separate Interests In Or Related To GCI, Which May Result In Conflicts Of Interest Between Their Interests And Those Of Us And Our Shareholders Relative To GCI.

One of our directors, Graham Porter, through his interest in the Tiger Member, is an indirect investor in Greater China Industrial Investments LLC, or GC Industrial, the member with the largest capital commitment in GCI. Blue Water Commerce, LLC, an affiliate of Dennis R. Washington, or the Washington Member, has an indirect interest in the Tiger Member. As a result, Mr. Porter and the Washington Member will have an indirect interest in incentive distributions received by GC Industrial from GCI. These incentive distributions will range between 20%

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and 30% after a cumulative compounded rate of return of 12% has been generated on all member capital contributions. Our chief executive officer, Gerry Wang, is the chairman of the board of managers of GCI.

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Messrs. Wang and Porter are members of GCI's transaction committee, which will be primarily responsible for approving the purchase, newbuild contracting, chartering, financing and technical management of new and existing investments for GCI. Kyle R. Washington, co-chairman of our board of directors, is a non-voting member of GCI's transaction committee. In addition, affiliates of Messrs. Wang and Porter provide certain transactional and financing services to GCI, for which they receive compensation. As a result of these interests relating to GCI, the interests of Messrs. Wang, Porter and Kyle R. Washington may conflict with those of us or our shareholders relative to GCI.

Anti-Takeover Provisions In Our Organizational Documents Could Make It Difficult For Our Shareholders To Replace Or Remove Our Current Board Of Directors Or Have The Effect Of Discouraging, Delaying Or Preventing A Merger Or Acquisition, Which Could Adversely Affect The Market Price Of Our Securities.

Several provisions of our Articles of Incorporation and our bylaws could make it difficult for our shareholders to change the composition of our board of directors in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable.

These provisions include:

authorizing our board of directors to issue blank check preferred shares without shareholder approval;

providing for a classified board of directors with staggered, three-year terms;

prohibiting cumulative voting in the election of directors;

authorizing the removal of directors only for cause and only upon the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote for those directors;

prohibiting shareholder action by written consent unless the written consent is signed by all shareholders entitled to vote on the action;

limiting the persons who may call special meetings of shareholders;

establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at shareholder meetings; and

restricting business combinations with interested shareholders.

We have also adopted a shareholder rights plan pursuant to which our board of directors may cause the substantial dilution of the holdings of any person that attempts to acquire us without the board's prior approval.

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In addition, holders of our Series A preferred shares have the power to vote as a single class to approve certain major corporate changes, including any merger, consolidation, asset sale or other disposition of all or substantially all of our assets. These shareholders could exercise this power to block a change of control that might otherwise be beneficial to holders of our other securities.

These anti-takeover provisions, including the provisions of our shareholder rights plan, could substantially impede a potential change in control and, as a result, may adversely affect the market price of our securities. Please read [Description of Capital Stock Preferred Stock Series A Preferred Shares](#).

We Are Incorporated In The Republic Of The Marshall Islands, Which Does Not Have A Well-Developed Body Of Corporate Law.

Our corporate affairs are governed by our Articles of Incorporation and bylaws and by the Marshall Islands Business Corporations Act, or BCA. The provisions of the BCA resemble provisions of the corporation laws of some states in the United States. However, there have been few judicial cases in the Republic of the Marshall

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Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Republic of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain United States jurisdictions. Shareholder rights may differ as well. While the BCA does specifically incorporate non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, our public shareholders may have more difficulty in protecting their interests in the face of actions by management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction.

Because We Are Organized Under The Laws Of The Marshall Islands, It May Be Difficult To Serve Us With Legal Process Or Enforce Judgments Against Us, Our Directors Or Our Management.

We are organized under the laws of the Marshall Islands, and all of our assets are located outside of the United States. Our principal executive offices are located in Hong Kong and a majority of our directors and officers are residents outside of the United States. As a result, it may be difficult or impossible for you to bring an action against us or against our directors or our management in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Marshall Islands and of other jurisdictions may prevent or restrict you from enforcing a judgment against our assets or our directors and officers.

Tax Risks

In addition to the following risk factors, you should read [Business Taxation of the Company](#), [Certain Material United States Federal Income Tax Considerations](#) and [Non-United States Tax Considerations](#) for a more complete discussion of the expected material U.S. federal and non-U.S. income tax considerations relating to us and the ownership and disposition of the Class A common shares.

U.S. Tax Authorities Could Treat Us As A Passive Foreign Investment Company, Which Could Have Adverse U.S. Federal Income Tax Consequences To U.S. Shareholders.

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a passive foreign investment company, or a PFIC, for such purposes in any taxable year for which either (a) at least 75% of its gross income consists of passive income or (b) at least 50% of the average value of the corporation's assets is attributable to assets that produce or are held for the production of passive income. For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property, rents and royalties (other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business) but does not include income derived from the performance of services.

There are legal uncertainties involved in determining whether the income derived from our time-chartering activities constitutes rental income or income derived from the performance of services, including the decision in *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), which held that income derived from certain time chartering activities should be treated as rental income rather than services income for purposes of a foreign sales corporation provision of the Internal Revenue Code of 1986, as amended, or the Code. However, the Internal Revenue Service, or IRS, stated in an Action on Decision (AOD 2010-01) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the *Tidewater* decision, and in its discussion stated that the time charters at issue in *Tidewater* would be treated as producing services income for PFIC purposes. The IRS's statement with respect to *Tidewater* cannot be relied upon or otherwise cited as precedent by taxpayers. Consequently, in the absence of any binding legal authority specifically relating to the statutory provisions governing PFICs, there can be no assurance that the IRS or a court would not follow the *Tidewater* decision in interpreting the PFIC provisions of the Code. Nevertheless, based on the current composition of our assets and operations (and those of our subsidiaries), we intend to take the position

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that we are not now and have never been a PFIC, and our counsel, Perkins Coie LLP, is of the opinion that we should not

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be a PFIC based on applicable law, including the Code, legislative history, published revenue rulings and court decisions, and representations we have made to them regarding the composition of our assets, the source of our income and the nature of our activities and other operations following this offering. No assurance can be given, however, that the opinion of Perkins Coie LLP would be sustained by a court if contested by the IRS, or that we would not constitute a PFIC for any future taxable year if there were to be changes in our assets, income or operations.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. shareholders would face adverse tax consequences. For a more comprehensive discussion regarding our status as a PFIC and the tax consequences to U.S. shareholders if we are treated as a PFIC, please read [Certain Material United States Federal Income Tax Considerations](#) [U.S. Federal Income Taxation of U.S. Holders](#) [PFIC Status and Significant Tax Consequences](#).

We, Or Any Of Our Subsidiaries, May Become Subject To Income Tax In Jurisdictions In Which We Are Organized Or Operate, Including The United States, Canada And Hong Kong, Which Would Reduce Our Earnings And Potentially Cause Certain Shareholders To Be Subject To Tax In Such Jurisdictions.

We intend that our affairs and the business of each of our subsidiaries will be conducted and operated in a manner that minimizes income taxes imposed upon us and our subsidiaries. However, there is a risk that we will be subject to income tax in one or more jurisdictions, including the United States, Canada and Hong Kong, if under the laws of any such jurisdiction, we or such subsidiary is considered to be carrying on a trade or business there or earn income that is considered to be sourced there and we do not or such subsidiary does not qualify for an exemption. Please read [Business Taxation of the Company](#). In addition, while we do not believe that we are, nor do we expect to be, resident in Canada, in the event that we were treated as a resident of Canada, shareholders who are non-residents of Canada may be or become subject to tax in Canada. Please read [Business Taxation of the Company](#) [Canadian Taxation](#) and [Non-United States Tax Considerations](#) [Canadian Federal Income Tax Considerations](#).

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FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in the prospectus concerning our operations, cash flows, and financial position, including, in particular, the likelihood of our success in developing and expanding our business, include forward-looking statements. 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. Although these statements are based upon assumptions we believe to be reasonable based upon available information, including projections of revenues, operating margins, earnings, cash flow, working capital and capital expenditures, they are subject to risks and uncertainties that are described more fully in this prospectus in the section titled Risk Factors. These forward-looking statements represent our estimates and assumptions only as of the date of this prospectus 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 prospectus. These statements include, among others, statements about:

future operating or financial results;

future growth prospects;

our business strategy and other plans and objectives for future operations;

our expectations relating to dividend payments and our ability to make such payments;

potential acquisitions, vessel financing arrangements and other investments, and our expected benefits from such transactions, including any acquisition opportunities, vessel financing arrangements and related benefits relating to our venture with GCI;

the effects of the acquisition of our Manager on our operations and results;

the effects of grants of stock appreciation rights to our chief executive officer and certain members of management on our general and administrative expenses;

the amount of any payments to the former owners of our Manager related to fleet growth;

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, to refinance our existing 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;

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our expectations about the availability of vessels to purchase, the time that it may take to construct new vessels, the delivery dates of new vessels, the commencement of service of new vessels under long-term time charter contracts or the useful lives of our vessels;

our continued ability to enter into primarily long-term, fixed-rate time charters with our customers, including for the September 2013 ROFR Vessels;

the allocation between us and GCI of the September 2013 ROFR Vessels;

the repurchase plan for our Series C preferred shares;

our ability to leverage to our advantage our relationships and reputation in the containership industry;

changes in governmental rules and regulations or actions taken by regulatory authorities, and the effect on our business of governmental regulations;

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the financial condition of our shipbuilders, customers, lenders, refund guarantors and other counterparties and their ability to perform their obligations under their agreements with us;

the economic downturn and crisis in the global financial markets and potential negative effects of any recurrence of such disruptions on our customers' ability to charter our vessels and pay for our services;

taxation of our company and of distributions to our shareholders;

potential liability from future litigation; and

other factors discussed in the section titled "Risk Factors."

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 securities.

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USE OF PROCEEDS

We will receive net proceeds of approximately \$73.5 million (or approximately \$84.6 million if the underwriters exercise their option to purchase additional Class A common shares in full), after deducting underwriting discounts and estimated offering expenses for this offering. We intend to use the net proceeds from this offering for general corporate purposes, which may include funding vessel acquisitions.

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The following table sets forth our capitalization as of September 30, 2013, on an actual basis and on an as adjusted basis to give effect to this offering and the application of the net proceeds therefrom and from the Series D preferred share offering on November 8, 2013. Please read Use of Proceeds.

	SEPTEMBER 30, 2013	
	ACTUAL	AS ADJUSTED(1)
	(unaudited)	
	(dollars in thousands)	
Cash and cash equivalents	\$ 168,249	\$ 289,869
Long-term debt (including current portion)	\$ 3,110,500	\$ 3,110,500
Other long-term liabilities (including current portion)(2)	621,690	621,690
Shareholders' equity(3):		
Share capital		
Series A preferred shares, \$0.01 par value; 315,000 shares authorized; 200,000 shares issued and outstanding		
Series C preferred shares, \$0.01 par value; 40,000,000 shares authorized; 13,680,000 shares issued and outstanding		
Series D preferred shares, \$0.01 par value; 20,000,000 shares authorized; 3,105,000 shares issued and outstanding, actual; 5,105,000 shares issued and outstanding, as adjusted(4)		
Class A common shares, par value \$0.01 per share, 200,000,000 shares authorized; 64,841,758 shares issued and outstanding, actual; 68,341,758 shares issued and outstanding, as adjusted(5)	818	873
Treasury shares (Class A common shares)	(373)	(373)
Additional paid-in capital	1,892,050	2,013,615
Deficit	(449,598)	(449,598)
Accumulated other comprehensive loss	(42,011)	(42,011)
Total shareholders' equity	1,400,886	1,522,506
Total capitalization	\$ 5,133,076	\$ 5,254,696

- (1) As adjusted data reflects our issuance and sale of 3,500,000 Class A common shares in this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their option to purchase additional Class A common shares in full and after making such related deductions, our as adjusted cash and cash equivalents, total shareholders' equity and total capitalization would be approximately \$301.0 million, \$1.5 billion and \$5.3 billion, respectively.
- (2) Other long-term liabilities represent amounts due under non-recourse or limited recourse sale-leaseback arrangements with financial institutions to fund certain operating vessels.
- (3) Excludes references to our Series B preferred shares, Series R preferred shares, Class B common shares and Class C common shares, all of which have no shares issued and outstanding.
- (4) Excludes up to 300,000 additional Series D preferred shares issuable to the underwriters in connection with a registered public offering on November 8, 2013 if such underwriters exercise in full their option to purchase additional shares.
- (5) Excludes additional shares we will issue in connection with our acquisition of our Manager in January 2012 for certain additional vessels the Manager (or its successor) orders or acquires prior to August 15, 2014. Please read Certain Relationships and Related Party Transactions Acquisition of Seaspan Management Services Limited.

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The following table presents, in each case for the periods and as at the dates indicated, our selected historical consolidated financial and operating data.

The selected historical consolidated financial and operating data has been prepared on the following basis:

The historical consolidated financial and operating data as at December 31, 2012 and 2011 and for the years ended December 31, 2012, 2011 and 2010 is derived from our audited consolidated financial statements and the notes thereto, which are contained in our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 19, 2013, and incorporated by reference into this prospectus.

The historical financial and operating data as at December 31, 2010, 2009 and 2008 and for the years ended December 31, 2009 and 2008 is derived from our audited consolidated financial statements and the notes thereto, which are contained in our Annual Reports on Form 20-F for the years ended December 31, 2010 and 2009, filed with the SEC on March 30, 2011 and March 19, 2010.

The historical financial and operating data as at and for the nine months ended September 30, 2013 and 2012 is derived from our unaudited interim consolidated financial statements and the notes thereto, which are contained in our Reports on Form 6-K filed with the SEC on November 1, 2013 and November 9, 2012, and incorporated by reference into this prospectus.

The following table should be read together with, and is qualified in its entirety by reference to our financial statements and historical predecessor combined financial statements, and the notes thereto incorporated by reference into this prospectus. Certain information has been reclassified to conform to the financial statement presentation adopted in 2012.

	2008	YEAR ENDED DECEMBER 31,			2012	NINE MONTHS ENDED SEPTEMBER 30,	
		2009	2010	2011		2012	2013
Statements of operations data							
(in thousands of dollars):							
Revenue	\$ 229,405	\$ 285,594	\$ 407,211	\$ 565,610	\$ 660,794	\$ 491,011	\$ 505,102
Operating expenses:							
Ship operating	54,416	80,162	108,098	135,696	138,655	101,715	111,607
Depreciation and amortization	57,975	70,554	101,026	140,354	165,541	122,742	128,929
General and administrative	8,895	7,968	9,612	16,818	24,617	18,139	27,437
Operating lease					3,145	2,035	3,290
(Gain) loss on vessels				16,237	(9,773)	(9,773)	
Operating earnings	108,119	126,910	188,475	256,505	338,609	256,153	233,839
Other expenses (income):							
Interest expense	33,035	21,194	28,801	50,849	71,996	54,663	45,873
Interest income	(694)	(311)	(60)	(854)	(1,190)	(928)	(1,246)
Undrawn credit facility fee	5,251	4,641	4,515	4,282	1,516	1,348	1,798
Amortization of deferred charges	1,298	1,484	1,933	3,421	8,574	5,643	7,230
	268,575	(46,450)	241,033	281,027	135,998	132,607	(51,791)

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Change in fair value of financial instruments(1)							
Equity loss on investment				1,180	259	217	117
Other expenses	1,100				151	281	1,059
Net earnings (loss)	\$ (199,346)	\$ 145,252	\$ (87,747)	\$ (83,400)	\$ 121,305	\$ 62,322	\$ 230,799

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	YEAR ENDED DECEMBER 31,						NINE MONTHS ENDED SEPTEMBER 30,	
	2008	2009	2010	2011	2012	2012	2013	
Earnings (loss) per share:								
Class A common share, basic	\$ (3.12)	\$ 1.94	\$ (1.70)	\$ (2.04)	\$ 0.84	\$ 0.18	\$ 2.66	
Class A common share, diluted	(3.12)	1.75	(1.70)	(2.04)	0.81	0.18	2.30	
Statements of cash flows data								
(in thousands of dollars):								
Cash flows provided by (used in):								
Operating activities	\$ 124,752	\$ 94,576	\$ 153,587	\$ 239,864	\$ 311,183	\$ 223,968	\$ 225,719	
Financing activities	523,181	312,059	529,680	832,293	(181,364)	(216,176)	(131,342)	
Investing activities(2)	(634,782)	(409,520)	(782,448)	(625,253)	(229,564)	(226,415)	(307,506)	
Selected balance sheet data								
(at period end, in thousands of dollars):								
Cash and cash equivalents(2)	\$ 136,285	\$ 133,400	\$ 34,219	\$ 481,123	\$ 381,378	\$ 262,500	\$ 168,249	
Current assets(2)	141,711	146,053	46,764	519,998	463,930	344,391	388,013	
Vessels(3)	3,126,489	3,485,350	4,210,872	4,697,249	4,863,273	4,904,089	4,957,938	
Total assets	3,296,872	3,664,447	4,377,228	5,447,716	5,650,853	5,570,579	5,683,842	
Long-term debt	1,721,158	1,883,146	2,396,771	2,995,729	3,090,944	3,097,132	3,110,500	
Share capital(4)	668	679	691	838	804	772	818	
Total shareholders equity	746,360	1,059,566	989,736	1,183,425	1,218,567	1,098,194	1,400,886	
Other data:								
Number of vessels in operation at period end	35	42	55	65	69	69	71	
TEU capacity at period end	158,483	187,456	265,300	352,700	405,100	405,100	414,300	
Fleet utilization rate(5)	99.3%	99.7%	98.7%	99.3%	98.9%	99.1%	97.9%	

- (1) All of our interest rate swap agreements and swaption agreements are marked to market and the changes in the fair value of these instruments are recorded in earnings.
- (2) The balance sheet and cash flow data for 2012 and for the nine months ended September 30, 2012 has been recast to separately present balances of and movement in restricted cash, included in other assets, from cash and cash equivalents. This reclassification, which is immaterial, had no impact on the consolidated statement of operations data.
- (3) Vessel amounts include the net book value of vessels in operation and deposits on vessels under construction.
- (4) For a description of our capital stock, please read Description of Capital Stock.
- (5) Fleet utilization is based on number of operating days divided by the number of ownership days during the period.

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THE INTERNATIONAL CONTAINERSHIP INDUSTRY

The information and data contained in this prospectus relating to the international container shipping industry has been provided by Clarkson Research Services Limited, or CRSL, and is taken from CRSL's database and other sources. We do not have any knowledge that the information provided by CRSL is inaccurate in any material respect. CRSL has advised that: (a) some information in CRSL's database is derived from estimates or subjective judgments; (b) the information in the databases of other maritime data collection agencies may differ from the information in CRSL's database; (c) while CRSL has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures and may accordingly contain errors.

Overview of the Container Shipping Market

Container shipping is responsible for the movement of a wide range of goods between different parts of the world in a unitized form and, since its beginnings in the 1950s, containerization has become an integral part of the global economy. The use of containers in global trade has resulted in considerable production and efficiency gains and has become important to the process of globalization. A wide range of cargoes are transported by container but most notably container transportation is responsible for the shipment of a diverse selection of manufactured and consumer goods. These cargoes are transported by container to end users in all regions of the world, and in particular from key producing and manufacturing regions to end users in the world's largest consumer economies. Participants in the container shipping industry include liner shipping companies, who operate container shipping services and in many instances own containerships, containership owners, often known as charter owners, who own containerships and charter them out to liner companies, and shippers who require the seaborne movement of containerized goods.

Containership Demand

The expansion of global container trade is heavily influenced by global economic growth, increases in economic consumption at a global and regional level, and the process of globalization. In 2008, global container trade peaked at 135 million TEU, having increased at a compound annual growth rate of 9.5% in the period 1998 to 2008. During this period rapid growth in exports from China drove a significant part of the increase in container trade, along with growth in container trade volumes in and out of Russia and the Baltic, and to and from other emerging markets such as Brazil. Intra-Asian container trade volumes also grew rapidly during this period. In 2009, global container trade was an estimated 122 million TEU following a significant contraction of 9.2% due to the worldwide recession. Global trade subsequently rebounded by 13.1% to 138 million TEU in 2010. Global trade grew by a further 7.2% in 2011 to stand at 148 million TEU, and reached 153 million TEU in 2012, representing growth of 3.2%. The rate of global trade growth is currently expected to stand at 4.8% in full year 2013 and 6.1% in 2014 although these projections are subject to a wide range of risks from the global economy.

Note: The full year 2013 and 2014 forecasts are as of the start of November 2013 and subject to change. Complete trade and economic data for 2013 is not yet available, estimates are subjective and there is no guarantee that current trends will continue.

Table of Contents***Trade Routes and Growth Trends***

Global container trade is spread over a range of long-haul, regional, and intra-regional routes, which can be separated into four categories. The individual mainlane container trades on the major east-west routes are the world's largest in volume terms. The Transpacific trade route is the world's largest container trade with 13.6% of the total container volume in 2012, followed by the Far East-Europe trade route and the Transatlantic trade route. Due to the higher cargo volumes on these routes, they are generally served by very large Post-Panamax ships with capacity of 8000 TEU and above, and by other large Post-Panamax and Panamax containerships generally with capacity from 8000 TEU down to approximately 4500 TEU. There are also some 3000-4500 TEU containerships which continue to serve these trades. Non-Mainlane east-west routes include trade lanes between the Indian Sub-Continent or the Middle East and North America, Europe or the Far East, and are generally served by a range of ship sizes, from smaller Post-Panamax containerships below 8000 TEU to vessels of Panamax size and below. North-south trade routes form the second layer of the global liner network, connecting the northern hemisphere with South America, Africa and Oceania, and are generally served by vessels of between 1000-5000 TEU, but also increasingly by vessels of 5000 TEU and above. Intra-regional trade routes include both intra-Asian and intra-European trades, where containerships below 3000 TEU in size generally provide the majority of transportation. Intra-Asian container trades collectively constitute the largest portion of global containership volumes. Ports involved in these trades, and some north-south trades, often impose infrastructural and other limitations on the vessel types that can be utilized, such as draft restrictions or the lack of availability of handling equipment. As mentioned above, 2012 experienced increased demand for global container trade, although the rate of volume growth slowed from 2011. Recent data suggests that European demand has begun to pick up, having proven weak through the first five months of 2013 and overall, the rate of global demand growth is projected to increase in full year 2013 from 2012. At present, gradually increasing container trade volumes are expected across trade lanes in 2014, although this projection is subject to a wide range of risks from the global economy.

Note: The full year 2013 and 2014 forecasts are as of the start of November 2013 and subject to change. Complete trade and economic data for 2013 is not yet available, estimates are subjective and there is no guarantee that current trends will continue.

Containership Supply

The most significant portion of the global container capable fleet is comprised of fully cellular containerships which as of November 1, 2013, totaled 5,135 vessels with an aggregate capacity of 17.1 million TEU. The remainder of the fleet is made up of a range of non-fully cellular vessel types, including multi-purpose vessels, or MPPs, capable of carrying container and breakbulk cargo, roll-on roll-off cargo vessels, or Ro-Ros, and general cargo vessels, which often have container carrying capacity. Unless noted otherwise, the remainder of the discussion in this section focuses

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on fully cellular containerships. As of November 1, 2013, liner companies accounted for the ownership of 52.4% of containership fleet capacity, and charter owners, who own containerships and charter them out for operation by liner companies, accounted for 47.6% of total fleet capacity.

Overall fully cellular containership standing slot capacity expanded at a compound annual growth rate of 10.5% in the period between the start of 1985 and end of 2009. Fully cellular fleet capacity is estimated to have expanded by 9.6% in 2010 and by 7.9% in 2011. Fully cellular fleet capacity grew by 5.9% in 2012, and is currently expected to grow by 7.0% in full year 2013 and 5.6% in 2014.

Note: The full year 2013 and 2014 forecasts are as of the start of November 2013. These figures are subject to change as a result of actual delivery delay and cancellation, re-negotiation of contracts and levels of scrapping. Due to technical and contractual issues, there is currently considerable uncertainty surrounding the delivery of the orderbook.

As of November 1, 2013, the containership orderbook comprised 479 vessels and 3.7 million TEU, representing 21.6% of the existing fleet in terms of capacity. The size of orderbook, however, differed widely across containership size segments, as demonstrated below, with the most significant portion of the orderbook as a proportion of existing fleet capacity being in the larger vessel sizes.

Containership Orderbook by Year of Delivery													
		Total Orderbook		2013		2014		2015		2016		% Non-Delivery	
Containership Type	Size (TEU)	Number	000 TEU	% of fleet	000 TEU	% of flt	000 TEU	% of flt	000 TEU	% of flt	000 TEU	% of flt	(2012)
Post-Panamax	8000 & above	252	2,970.6	53.8%	187.0	3.4%	1,062.5	19.2%	1,327.4	24.0%	393.7	7.1%	14%
Post-Panamax	3000-7999	98	488.7	13.4%	118.9	3.3%	252.4	6.9%	91.9	2.5%	25.6	0.7%	33%
Panamax	3000 & above	11	38.3	1.0%	18.0	0.5%	14.1	0.4%	3.1	0.1%	3.1	0.1%	32%
Sub-Panamax	2000-2999	44	103.1	6.1%	19.3	1.1%	25.6	1.5%	48.4	2.9%	9.7	0.6%	35%
Handy	1000-1999	65	92.9	5.4%	8.5	0.5%	45.6	2.6%	32.1	1.8%	6.7	0.4%	30%
Feeder/Max	100-999	9	7.0	1.0%	4.6	0.7%	1.8	0.2%	0.6	0.1%			50%
Total	100+ TEU	479	3,700.5	21.6%	356.3	2.1%	1,402.0	8.2%	1,503.5	8.8%	438.7	2.6%	21%

Source: Clarkson Research, November 2013.

Note: Orderbook data is correct as of November 1, 2013 and does not take into account potential delivery problems. Going forward, the orderbook will be influenced by delays, cancellations and the re-negotiation of contracts. Due to these technical and contractual issues, there is currently considerable uncertainty surrounding the orderbook. The orderbook includes some orders originally scheduled for delivery prior to 2013.

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Overall, since the start of 2000, the containership orderbook has represented an average of 37% of fully cellular fleet capacity. Towards the end of 2007, the containership orderbook as a proportion of fully cellular fleet capacity reached a high of 60.8%, decreasing to 50.6% at the start of 2009, 38.2% at the start of 2010 and 27.2% at the start of 2011 before increasing marginally to 30.4% at the start of July 2011, and then decreasing to 28.5% at the start of 2012, 21.2% at the start of 2013 and 21.6% as at the start of November 2013.

Note: Orderbook data is as of November 1, 2013. The historical orderbook is subject to change as a result of statistical reporting delays.

Although establishing accurate data is difficult, approximately 21% of scheduled deliveries in terms of TEU capacity expected to enter the fleet in 2012 at the start of that year have been confirmed as non-delivered during 2012. This figure was 50% for containerships below 1000 TEU in size, 32% for containerships between 1000 TEU and 2999 TEU, 32% for Panamax containerships and 18% for Post-Panamax containerships. This is partly due to statistical reporting delays but also because of delays in construction and cancellations of orders. The right-hand column of the previous table illustrates the difference between scheduled start year and actual containership deliveries in 2012. Delivering the orderbook presents a number of challenges, with factors both technical and financial facing both shipyards and owners contributing to delays in and cancellations of the containership scheduled deliveries.

In the period from 1996 to 2008, an average of 313 containership orders were placed each year, with the average annual level of capacity ordered totaling 1.2 million TEU. In 2007, a historical high level of 3.2 million TEU of containership capacity was ordered. In 2008 the volume of ordering slowed to 1.2 million TEU, while containership contracting activity in 2009 was negligible. Contracting activity picked up in the second half of 2010, taking total contracting in 2010 to 0.6 million TEU. Contracting levels remained high in the first half of 2011 and a total of 1.8 million TEU was contracted in the full year. Contracting activity in 2012 once again slowed and a total of 0.4 million TEU was contracted in the full year. In the first ten months of 2013, 203 containerships of a combined 1.7 million TEU were contracted.

In the period from 1996 to 2008, an average of 30 containerships was scrapped each year. A substantial volume of ageing containership capacity was sold for scrap in 2009, with the full year seeing 202 containerships with a combined capacity of 0.38 million TEU sold for scrap, significantly higher than historical levels. In 2010, 86 containerships with a combined capacity of 0.13 million TEU were sold for scrap and in 2011, 60 containerships with a combined capacity of 0.08 million TEU were sold for scrap. In 2012, 178 containerships

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with a combined capacity of 0.33 million TEU were sold for demolition. In the first ten months of 2013, 152 containerships of a combined 0.34 million TEU have been scrapped. As of November 1, 2013, the average age of a vessel in the containership fleet was 10.9 years. The majority of ageing containership capacity is at the smaller end of the fleet below 4000 TEU, where some capacity may be more at risk of becoming outdated as larger ships prove more efficient at serving increased trade volumes. Overall, 4.1% of containership fleet capacity is currently aged 20 years or more.

As a result of the slowdown in demand through 2009, the portion of the fleet not in operation (or idle) grew from 0.42 million TEU at the end of 2008 to peak at an estimated 1.52 million TEU of capacity in December 2009, representing approximately 572 vessels, according to AXS-Alphaliner, equal to 11.8% of the global fleet by capacity, according to Clarkson Research. However, the proportion of idle capacity declined through most of 2010 and the first half of 2011 as carriers reintroduced capacity on reactivated or newly implemented services, and in some cases upgraded capacity on existing services, to meet the apparent increase in trade volumes. However, owners once again increased the number of idle containerships in the second half of 2011 and by mid-March 2012, 302 containerships of a combined 0.91 million TEU were in lay-up according to AXS-Alphaliner, equal to 5.9% of the global fleet by capacity according to Clarkson Research. The total idled capacity has subsequently declined, with just over 3% of the global fleet by capacity (0.52 million TEU) in lay-up at the end of October 2013.

Following the downturn in container trade volumes in late 2008 and 2009, a significant number of container shipping services began to be operated by liner companies at slower vessel speeds than in the past, with additional ships added to services in order to maintain fixed regular port call schedules. This management of supply not only reduced liner company bunker costs but also helped absorb containership capacity, as slow steamed services offer the same amount of running capacity while requiring additional standing vessel capacity. As of November 2013, slow steaming remains in place on a range of container shipping services and appears to have been most prevalent on services on the longer mainline trades such as the Far East-Europe and the Transpacific, where there is the greater possibility to add extra ships and adjust the service speed to an appropriate level, than on shorter-haul trades. Along with the idling of capacity, slow steaming of services was another of a range of initiatives to manage supply during the period of surplus capacity.

During this period, redeployment of supply across trade lanes has also been a key feature of the containership sector. With deliveries of new capacity dominated by larger containerships and trade volumes growing more rapidly on north-south and intra-regional trade lanes traditionally served by medium-sized and smaller containerships, a significant degree of vessel redeployment, known as cascading has been required. As new very large Post-Panamax vessels have been delivered into service on the Far East-Europe trade lane, vessels have been redeployed from the Far East-Europe to other trade lanes including the Transpacific, from where medium-sized capacity has in turn been redeployed notably to north-south trade lanes, from where in turn some smaller vessels have been redeployed to intra-regional trade lanes for example.

Containership Markets***Containership Time Charter Rates***

Pricing of containership transportation services occurs against a background of a highly competitive global containership charter market. Containership charter rates depend on the supply of, and demand for, containership capacity, and can vary significantly from year to year. Containership economies of scale mean that the daily time charter rate per TEU for a larger containership is less than for a ship with lower TEU capacity. The containership charter market experienced significant upward movement in time charter rates in the period between the start of 2002 and the middle of 2005. The market recovered from the decreases in charter rates seen in 2001 to levels beyond previous market highs before decreasing again mid-way through 2005, stabilizing in the first half of 2006, and then slipping further during the second half of 2006. The first half of 2007 saw the containership charter market recover to rate levels similar to those seen in late 2005 and early 2006. However, the onset of the

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global economic downturn and the resulting slowdown in container trade growth created a relative oversupply of capacity, leading to a rapid decrease in containership earnings in the latter half of 2008, which continued in the first half of 2009, with earnings remaining depressed during the rest of the year. In 2010, containership charter rates registered an upward trend over the year as a whole and made further gains in early 2011 before decreasing sharply in the second half of 2011 and remaining depressed through 2012 and the first ten months of 2013. Based on an index covering a range of containership sizes, time charter daily rates improved 84% during 2010 only to decrease by around 29% during 2011 and remain relatively steady through 2012. The estimated one year time charter rate for a 3500 TEU containership at the end of December 2010 was \$14,500 per day. At the end of December 2011, the rate had declined to \$6,500 per day and after fluctuating slightly through the following year, it still stood at \$6,500 per day at the end of 2012. By the end of October 2013, the benchmark time charter rate had increased marginally to \$7,500 per day. This compares to a ten year historical average of \$20,928 per day.

Note: Estimates based on market assessments for theoretical fully cellular ships by brokers. These estimates are based on a given point in time and are no guide to or guarantee of future rates. Geared vessels have their own cranes for the purpose of loading and unloading containers.

There are limitations and risks to future projections, depending on developments in the world economy and global trade patterns, and the development of ordering, deliveries and scrapping in the future. With the decrease in demand for container volume in 2009, supply far outweighed demand for the global movement of containers, causing significant downwards pressure on the entire container shipping sector. The impact of the differential between growth in demand and supply on the containership charter market pushed rates sharply downwards. Demand growth outpaced capacity expansion in 2010 leading to upwards pressure on rates, while supply growth and demand growth were relatively matched in 2011 on an annual basis. However, in 2012, and in the first ten months of 2013, demand growth has proven weaker than the growth in supply, and combined with the majority share of idle capacity constituted by charter owner vessels, this has suppressed any significant upwards movement in charter rates.

Vessel Values: The Newbuild & Secondhand Containership Market

Newbuild Prices: The development of containership newbuild prices reflects both the demand for vessels as well as the cost of acquisition of new containerships by owners from shipyards, which is influenced by the cost of materials and labor, availability of shipbuilding capacity, and the impact of demand from other shipping sectors on shipyards. Economies of scale in containership building mean that the cost per TEU involved in building larger containerships is less than for vessels with smaller TEU capacity.

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The newbuild price for a benchmark 6600 TEU containership increased from \$60.0 million at the start of 2003 to a peak of \$108.0 million in the period June to September 2008. However, following the onset of the global economic downturn, this figure fell to \$66.0 million at the end of January 2010. By the end of 2010 it had increased to \$79.5 million. The figure subsequently softened slightly in 2011, and continued to decrease, falling to \$58.0 million at the end of 2012. By the end of October 2013 the benchmark newbuilding price estimate had risen slightly to \$65.0 million. The ten year historical average price for a 6600 TEU containership newbuild is estimated at \$83.1 million. The following graph shows the historical development of containership newbuild prices.

Note: Prices are evaluated at the end of each calendar month. Newbuild prices assume European spec., standard payment schedules and first class competitive yards quotations.

Secondhand Prices: Over the long-term, as the containership charter market has played an increasingly important role in the container shipping industry as a whole, the market for the sale and purchase of secondhand containerships has also expanded. Secondhand vessel prices are influenced by newbuild prices and also by vessel charter rates or earnings, although there is sometimes a lag in the relationship.

Activity on the secondhand market for containerships has grown from the relatively low levels of the past. A portion of this activity has been constituted by the sale of containerships by liner companies to charter owners. These sales have commonly been accompanied by time charter back arrangements whereby the liner company sells the vessel, removing the asset from its balance sheet, then, as part of the transaction, arranges a time charter of the vessel from the party to which it has sold the ship. The liquidity of the secondhand sales market is much greater for small and medium-sized containerships than for large vessels. Only 299 of the 1,749 secondhand containership sales recorded between the start of 2000 and the start of November 2013 have involved ships with 3000 TEU or more in capacity. Large containerships are generally newer, and more likely to remain owned by their original owner either for their own end use or on an initial relatively long-term charter.

Secondhand containership sales volumes show some volatility. In 2010, a total of 171 secondhand vessels with a combined capacity of 373,667 TEU were sold, while a total of 94 vessels with a combined 259,437 TEU were sold in 2011 and 152 vessels with a combined 253,988 TEU were sold in 2012. The following graph shows the development of secondhand prices for five-year old 3500 TEU, 1700 TEU and 1000 TEU containerships. Trends in secondhand prices for older containerships typically move according to similar cycles. The price for a benchmark five-year old 1700 TEU containership decreased from \$37.5 million at the end of May 2008 to

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\$14.0 million at the end of 2009. There was an upward trend in secondhand containership prices in 2010 and the prices then remained steady in the first eight months of 2011, with the price of a benchmark 1700 TEU containership peaking at \$24.0 million, before falling to \$17.0 million by the end of 2011. The five-year old 1700 TEU price at the end of 2012 was estimated to be approximately \$13.0 million and \$14.25 million at the end of October 2013, compared to a ten year historical average of \$24.7 million.

Note: Prices are evaluated at the end of each calendar month. There have been periods of uncertainty surrounding secondhand prices and the values provided between October 2008 and December 2009 are subject to wider than usual confidence margins.

Table of Contents**BUSINESS****Overview**

We are a leading independent charter owner and manager of containerships, which we charter primarily pursuant to long-term, fixed-rate time charters with major container liner companies. We operate a fleet of 71 containerships (including eight vessels under long-term leases), and we have entered into contracts for the purchase of an additional 16 newbuilding containerships, which have scheduled delivery dates through May 2016. Of our 16 newbuilding containerships, 13 will commence operation under long-term, fixed-rate charters upon delivery. We expect to enter into long-term charter contracts for the remaining newbuilding containerships in the near future. The average age of the 71 vessels in our operating fleet is approximately seven years.

Customers for our current operating fleet are COSCON, CSAV, CSCL Asia, HL USA, Hapag-Lloyd, K-Line, MSC, MOL, and Yang Ming. The customers for the 13 newbuilding containerships that are subject to charter contracts are Hanjin, MOL and Yang Ming Marine. Our primary objective is to continue to grow our business through accretive vessel acquisitions as market conditions allow. Please read *Our Fleet* for more information about our vessels and time charter contracts. Most of our customers' containership business revenues are derived from the shipment of goods from the Asia Pacific region, primarily China, to various export markets in the United States and in Europe.

We primarily deploy our vessels on long-term, fixed-rate time charters to take advantage of the stable cash flow and high utilization rates that are typically associated with long-term time charters. The charters on the 71 vessels in our operating fleet have an average remaining term of approximately six years, excluding the effect of charterers' options to extend certain time charters.

In January 2012, we acquired our Manager, which provides us with all of our technical, administrative and strategic services. Our Manager also manages a limited number of vessels for third parties.

Our Fleet***Our Current Fleet***

The following table summarizes key facts regarding our 71 operating vessels as of November 1, 2013:

VESSEL NAME	VESSEL CLASS (TEU)	YEAR BUILT	CHARTER START DATE	CHARTERER	LENGTH OF CHARTER	DAILY CHARTER RATE (in thousands)
COSCO Glory	13100	2011	6/10/11	COSCON	12 years	\$55.0
COSCO Pride(1)	13100	2011	6/29/11	COSCON	12 years	55.0
COSCO Development	13100	2011	8/10/11	COSCON	12 years	55.0
COSCO Harmony	13100	2011	8/19/11	COSCON	12 years	55.0

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COSCO Excellence	13100	2012	3/8/12	COSCON	12 years	55.0
COSCO Faith(1)	13100	2012	3/14/12	COSCON	12 years	55.0
COSCO Hope	13100	2012	4/19/12	COSCON	12 years	55.0
COSCO Fortune	13100	2012	4/29/12	COSCON	12 years	55.0
CSCL Zeebrugge	9600	2007	3/15/07	CSCL Asia	12 years	34.5(2)
CSCL Long Beach	9600	2007	7/6/07	CSCL Asia	12 years	34.5(2)
CSCL Oceania	8500					