

Seaspan CORP
Form 424B5
January 25, 2011
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-168938

PROSPECTUS SUPPLEMENT

(To Prospectus dated August 19, 2010)

10,000,000 Shares

9.50% Series C Cumulative Redeemable Perpetual

Preferred Shares

Seaspan Corporation

(Liquidation Preference \$25 Per Share)

We are offering 10,000,000 of our 9.50% Cumulative Redeemable Perpetual Series C Preferred Shares, par value \$0.01 per share, liquidation preference \$25.00 per share (the Series C Preferred Shares).

Dividends on the Series C Preferred Shares are cumulative from the date of original issue and will be payable quarterly in arrears on the 30th day of January, April, July and October of each year, commencing April 30, 2011, when, as and if declared by our board of directors. Dividends will be payable out of amounts legally available therefor at an initial rate equal to 9.50% per annum of the stated liquidation preference, subject to adjustment as described in this prospectus supplement.

At any time on or after January 30, 2016, the Series C Preferred Shares may be redeemed, in whole or in part, out of amounts legally available therefor, at a redemption price of \$25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. If (i) we fail to comply with certain covenants (a Covenant Default), (ii) we experience certain defaults under any of our credit facilities (a Cross Default), (iii) four quarterly dividends payable on the Series C Preferred Shares are in arrears (a Dividend Payment Default) or (iv) the Series C Preferred Shares are not redeemed in whole by January 30, 2017 (a Failure to Redeem), the dividend rate payable on the Series C Preferred Shares shall increase, subject to aggregate maximum rate per annum of 25% prior to January 30, 2016 and 30% thereafter, to a rate that is 1.25 times the dividend rate payable on the Series C Preferred Shares as of the close of business on the day immediately preceding the Covenant Default, Cross Default, Dividend Payment Default or Failure to Redeem, as applicable, and on each subsequent Dividend Payment Date, the dividend rate payable shall increase to a rate that is 1.25 times the dividend rate payable on the Series C Preferred Shares as in effect as of the close of business on the day immediately preceding such Dividend Payment Date, until the Covenant Default, Cross Default or Dividend Payment Default is cured or the Series C Preferred Shares are no longer outstanding. Please read Description of Series C Preferred Shares Dividends Dividend Payment Dates Increase in Base Dividend Rate Following a Covenant Default, Cross Default, Dividend Payment Default or Failure to Redeem.

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We intend to apply to have the Series C Preferred Shares registered for listing on The New York Stock Exchange. Currently, there is no public market for the Series C Preferred Shares.

Investing in our Series C Preferred Shares involves a high degree of risk. Please read Risk Factors beginning on page S-20 of this prospectus supplement and page 5 of the accompanying base prospectus.

	Per Share	Total
Public offering price	\$ 25.00	\$ 250,000,000
Underwriting discount	\$ 0.875	\$ 8,750,000
Proceeds (before expenses) to us	\$ 24.125	\$ 241,250,000

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.

The underwriters expect to deliver the Series C Preferred Shares in book entry form through the facilities of The Depository Trust Company on or about January 28, 2011.

Sole Book-Running Manager and Structuring Agent

BofA Merrill Lynch

Co-Managers

Citi

Credit Suisse

Dahlman Rose & Company

BNP PARIBAS

DnB NOR Markets

January 21, 2011

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ABOUT THIS PROSPECTUS SUPPLEMENT

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 statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

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 the Series C Preferred 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.

We expect that delivery of the Series C Preferred Shares will be made against payment therefor on or about the date specified on the cover page of this prospectus supplement, which will be the five business days following the date of this prospectus supplement (this settlement cycle being referred to as T+5). You should note that trading on the Series C Preferred Shares on the date of this prospectus supplement or the next business day may be affected by the T+5 settlement. Please read Underwriting.

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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 Series C Preferred Shares, as well as the 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-20 of this prospectus supplement and on page 5 of the accompanying base prospectus to determine whether an investment in our Series C Preferred 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 GAAP.

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 Series C Preferred 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.

Shipbuilders: References to Samsung are to Samsung Heavy Industries Co., Ltd. References to HHI are to Hyundai Heavy Industries Co., Ltd. References to HSHI are to Hyundai Samho Heavy Industries Co., Ltd., a subsidiary of HHI. References to Jiangsu are to Jiangsu Yangzijiang Shipbuilding Co., Ltd. References to New Jiangsu are to Jiangsu New Yangzi Shipbuilding Co., Ltd. References to Zhejiang are to Zhejiang Shipbuilding Co. Ltd. References to Odense-Lindo are to Odense-Lindo Shipyard Ltd. Samsung, HHI, HSHI, Jiangsu, New Jiangsu, Zhejiang and Odense-Lindo are commonly referred to as our shipbuilders.

Customers: References to CSCL Asia are to China Shipping Container Lines (Asia) Co., Ltd., a subsidiary of China Shipping Container Lines Co., Ltd., or CSCL. References to APM are to A.P. Møller-Mærsk A/S. References to HL USA are to Hapag-Lloyd USA, LLC, a subsidiary of Hapag-Lloyd, AG, or Hapag-Lloyd. References to COSCON are to COSCO Container Lines Co., Ltd., a subsidiary of China COSCO Holdings Company Limited. References to K-Line are to Kawasaki Kisen Kaisha Ltd. References to MOL are to Mitsui O.S.K. Lines, Ltd. References to CSAV are to Compañía Sud Americana De Vapores S.A. References to UASC are to United Arab Shipping Company (S.A.G.).

Our Company

We are a leading independent charter owner of containerships, which we charter primarily pursuant to long-term, fixed-rate time charters to major container liner companies. As of December 31, 2010, our operating fleet included 55 containerships (including one leased vessel), and we had entered into contracts for the purchase of an additional eight containerships and contracts to lease an additional six containerships, all of which are currently or will be under construction, and have scheduled delivery dates through April 2012.

Customers for our operating fleet are CSCL Asia, HL USA, APM, COSCON, CSAV, MOL, K-Line and UASC. Customers for the additional 14 newbuilding vessels will include K-Line and COSCON. 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. As of December 31, 2010, the charters on the 55 vessels in our operating fleet had an average remaining term of approximately seven years, excluding the effect of charterers' options to extend certain time charters.

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The following table summarizes key facts regarding our vessels as of December 31, 2010:

Vessel Name	Vessel Class (TEU)	Year Built	Charter Start Date	Charterer	Length of Time Charter	Daily Charter Rate (in thousands)
CSCL Zeebrugge	9600	2007	3/15/07	CSCL Asia	12 years	\$ 34.0 ⁽¹⁾
CSCL Long Beach	9600	2007	7/6/07	CSCL Asia	12 years	34.0 ⁽¹⁾
CSCL Oceania	8500	2004	12/4/04	CSCL Asia	12 years + one 3-year option	29.8 ⁽²⁾
CSCL Africa	8500	2005	1/24/05	CSCL Asia	12 years + one 3-year option	29.5 ⁽²⁾
COSCO Japan	8500	2010	3/9/10	COSCON	12 years + three one-year options	42.9 ⁽³⁾
COSCO Korea	8500	2010	4/5/10	COSCON	12 years + three one-year options	42.9 ⁽³⁾
COSCO Philippines	8500	2010	4/24/10	COSCON	12 years + three one-year options	42.9 ⁽³⁾
COSCO Malaysia	8500	2010	5/19/10	COSCON	12 years + three one-year options	42.9 ⁽³⁾
COSCO Indonesia	8500	2010	7/5/10	COSCON	12 years + three one-year options	42.9 ⁽³⁾
COSCO Thailand	8500	2010	10/20/10	COSCON	12 years + three one-year options	42.9 ⁽³⁾
MOL Emerald	5100	2009	4/30/09	MOL	12 years	28.9
MOL Eminence	5100	2009	8/31/09	MOL	12 years	28.9
MOL Emissary	5100	2009	11/20/09	MOL	12 years	28.9
MOL Empire	5100	2010	1/8/10	MOL	12 years	28.9
Maersk Merritt ⁽⁴⁾	4800	1989	11/6/06	APM	5 years + two 1-year options + one 2-year option	23.5 ⁽⁵⁾
Cap Victor	4800	1988	11/20/06	APM	5 years + two 1-year options + one 2-year option	23.5 ⁽⁵⁾
Cap York	4800	1989	12/6/06	APM	5 years + two 1-year options + one 2-year option	23.5 ⁽⁵⁾
Maersk Moncton ⁽⁶⁾	4800	1989	12/22/06	APM	5 years + two 1-year options + one 2-year option	23.5 ⁽⁵⁾
Brotonne Bridge ⁽⁷⁾	4500	2010	10/25/10	K-Line	12 years + two 3-year options	34.3 ⁽⁸⁾
CSAV Licanten ⁽⁹⁾	4250	2001	7/3/01	CSCL Asia	10 years + one 2-year option	18.3 ⁽¹⁰⁾
CSCL Chiwan	4250	2001	9/20/01	CSCL Asia	10 years + one 2-year option	18.3 ⁽¹⁰⁾
CSCL Ningbo	4250	2002	6/15/02	CSCL Asia	10 years + one 2-year option	19.7 ⁽¹¹⁾
CSCL Dalian	4250	2002	9/4/02	CSCL Asia	10 years + one 2-year option	19.7 ⁽¹¹⁾
CSCL Felixstowe	4250	2002	10/15/02	CSCL Asia	10 years + one 2-year option	19.7 ⁽¹¹⁾
CSCL Vancouver	4250	2005	2/16/05	CSCL Asia	12 years	17.0
CSCL Sydney	4250	2005	4/19/05	CSCL Asia	12 years	17.0
CSCL New York	4250	2005	5/26/05	CSCL Asia	12 years	17.0
CSCL Melbourne	4250	2005	8/17/05	CSCL Asia	12 years	17.0
CSCL Brisbane	4250	2005	9/15/05	CSCL Asia	12 years	17.0

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Vessel Name	Vessel Class (TEU)	Year Built	Charter Start Date	Charterer	Length of Time Charter
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