

Seaspan CORP
Form 6-K
May 03, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 6-K

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

For the quarterly period ended March 31, 2013

Commission File Number 1-32591

SEASPAN CORPORATION

(Exact name of Registrant as specified in its Charter)

Unit 2, 7th Floor

Bupa Centre

141 Connaught Road West

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Hong Kong

China

(Address of principal executive office)

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

Form 20-F Form 40-F

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

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

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Item 1 Information Contained in this Form 6-K Report

Attached as Exhibit I is Seaspn Corporation's report on Form 6-K for the quarter ended March 31, 2013. This Form 6-K is hereby incorporated by reference into the Registration Statement of Seaspn Corporation filed with the Securities and Exchange Commission on May 30, 2008 on Form F-3D (Registration No. 333-151329), the Registration Statement of Seaspn Corporation filed with the Securities and Exchange Commission on August 19, 2010 on Form F-3 (Registration No. 333-168938), the Registration Statement of Seaspn Corporation filed with the Securities and Exchange Commission on March 31, 2011 on Form S-8 (Registration No. 333-173207) and the Registration Statement of Seaspn Corporation filed with the Securities and Exchange Commission on April 24, 2012 on Form F-3ASR (Registration No. 333-180895).

SIGNATURES

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

SEASPAN CORPORATION

Date: May 3, 2013

By: /s/ Sai W. Chu
Sai W. Chu
Chief Financial Officer
(Principal Financial and Accounting Officer)

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EXHIBIT I

SEASPAN CORPORATION

REPORT ON FORM 6-K FOR THE QUARTER ENDED MARCH 31, 2013

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

References to shipbuilders are as follows:

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

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References to customers are as follows:

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

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

⁽²⁾ A subsidiary of China COSCO Holdings Company Limited

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

The information and the unaudited consolidated financial statements in this Report should be read in conjunction with the consolidated financial statements and related notes and the Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the Securities and Exchange Commission, or the Commission, on March 19, 2013, or our 2012 Annual Report. Unless otherwise indicated all amounts in this Report are presented in U.S. Dollars. We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles, or U.S. GAAP.

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Interim Consolidated Balance Sheets

(Unaudited)

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

	March 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 286,018	\$ 393,478
Short-term investments	66,373	36,100
Accounts receivable	33,880	9,573
Prepaid expenses	24,479	20,902
Gross investment in lease	17,597	15,977
	428,347	476,030
Vessels (note 4)	4,899,449	4,863,273
Deferred charges (note 5)	53,390	43,816
Gross investment in lease	74,601	79,821
Goodwill (note 2)	75,321	75,321
Other assets	71,050	71,561
Fair value of financial instruments (note 14(b))	43,137	41,031
	\$ 5,645,295	\$ 5,650,853
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 48,301	\$ 49,997
Current portion of deferred revenue (note 6)	11,828	25,111
Current portion of long-term debt (note 7)	95,106	66,656
Current portion of other long-term liabilities	38,906	38,542
	194,141	180,306
Deferred revenue (note 6)	6,869	7,903
Long-term debt (note 7)	3,000,431	3,024,288
Other long-term liabilities	602,612	613,049
Fair value of financial instruments (note 14(b))	579,796	606,740

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Shareholders equity:		
Share capital (note 8):		
Preferred shares; \$0.01 par value; 65,000,000 shares authorized; 17,305,000 shares issued and outstanding (2012- 17,305,000)		
Class A common shares; \$0.01 par value; 200,000,000 shares authorized; 63,517,645 shares issued and outstanding (2012 - 63,042,217)		
Class B common shares; \$0.01 par value; 25,000,000 shares authorized; nil shares issued and outstanding (2012 - nil)		
Class C common shares; \$0.01 par value; 100 shares authorized; nil shares issued and outstanding (2012 - nil)	809	804
Treasury shares	(395)	(312)
Additional paid in capital	1,869,840	1,859,068
Deficit	(563,770)	(594,153)
Accumulated other comprehensive loss	(45,038)	(46,840)
	1,261,446	1,218,567
	\$ 5,645,295	\$ 5,650,853

Commitments (note 12)

Subsequent events (note 15)

See accompanying notes to interim consolidated financial statements.

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Interim Consolidated Statements of Operations

(Unaudited)

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

Three months ended March 31,	2013	2012
Revenue	\$ 164,924	\$ 153,432
Operating expenses:		
Ship operating (note 3)	37,546	34,550
Depreciation and amortization	42,753	37,931
General and administrative	7,791	5,850
Operating lease	1,086	
	89,176	78,331
Operating earnings	75,748	75,101
Other expenses (income):		
Interest expense	15,484	16,975
Interest income	(187)	(308)
Undrawn credit facility fees	397	805
Amortization of deferred charges (note 5)	2,110	1,561
Change in fair value of financial instruments (note 14(b))	2,666	4,676
Equity loss on investment	34	134
Other income	(362)	
	20,142	23,843
Net earnings	\$ 55,606	\$ 51,258
Earnings per share (note 9):		
Class A common share, basic	\$ 0.57	\$ 0.54
Class A common share, diluted	0.53	0.51

See accompanying notes to interim consolidated financial statements.

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SEASPAN CORPORATION

Interim Consolidated Statements of Comprehensive Income

(Unaudited)

(Expressed in thousands of United States dollars)

Three months ended March 31,	2013	2012
Net earnings	\$ 55,606	\$ 51,258
Other comprehensive income:		
Amounts reclassified to net earnings during the period relating to cash flow hedging instruments	1,802	2,708
Comprehensive income	\$ 57,408	\$ 53,966

See accompanying notes to interim consolidated financial statements.

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Interim Consolidated Statements of Shareholders' Equity

(Unaudited)

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

Three months ended March 31, 2013 and year ended December 31, 2012

	Number of common shares		Number of preferred shares			Common shares	Preferred shares	Treasury shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
	Class A	Class C	Series A	Series C	Series D							
Balance, December 31, 2011	69,620,060	100	200,000	14,000,000		\$ 696	\$ 142	\$	\$ 1,860,979	\$ (622,406)	\$ (55,986)	\$ 1,183,425
Series D preferred shares issued					3,105,000		31		77,594			77,625
Fees and expenses in connection with issuance of preferred shares									(2,929)			(2,929)
Shares issued through dividend reinvestment program	474,249					5			7,163			7,168
Share-based compensation expense (note 10):												
Restricted class A common shares, phantom share units and stock appreciation rights issued	123,878					3			4,025			4,028
Other share-based compensation	70,836								839			839
Net earnings										121,305		121,305
Other comprehensive income											9,146	9,146
Dividends on class A common shares (\$0.9375 per										(58,940)		(58,940)

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share)												
Shares repurchased, including related expenses	(11,448,101)				(114)			(172,698)				(172,812)
Shares issued and retired on acquisition (note 2)	4,220,728	(100)			42			83,233				83,275
Treasury shares	(19,433)				(1)		(312)					(313)
Dividends on Series C preferred shares										(33,250)		(33,250)
Amortization of Series C issuance costs								862		(862)		
Balance, December 31, 2012	63,042,217	200,000	14,000,000	3,105,000	\$ 631	\$ 173	\$ (312)	\$ 1,859,068	\$ (594,153)	\$ (46,840)		\$ 1,218,567

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Interim Consolidated Statements of Shareholders' Equity

(Unaudited)

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

Three months ended March 31, 2013 and year ended December 31, 2012

	Number of common shares		Number of preferred shares			Common shares	Preferred shares	Treasury shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
	Class A	Class C	Series A	Series C	Series D							
Balance, December 31, 2012, carried forward	63,042,217		200,000	14,000,000	3,105,000	\$ 631	\$ 173	\$ (312)	\$ 1,859,068	\$ (594,153)	\$ (46,840)	\$ 1,218,567
Fees and expenses in connection with issuance of preferred shares									(30)			(30)
Shares issued through dividend reinvestment program	351,311					4			6,618			6,622
Share-based compensation expense (note 10):												
Restricted class A common shares, phantom share units and stock appreciation rights issued	54,990					1			2,660			2,661
Other share-based compensation	69,127								1,214			1,214
Net earnings										55,606		55,606
Other comprehensive income											1,802	1,802
Dividends on class A common shares (\$0.25 per share)										(15,794)		(15,794)

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Treasury shares								(83)				(83)
Dividends on Series C and D preferred shares									(9,119)			(9,119)
Amortization of Series C issuance costs							310		(310)			
Balance, March 31, 2013	63,517,645	200,000	14,000,000	3,105,000	\$ 636	\$ 173	\$ (395)	\$ 1,869,840	\$ (563,770)	\$ (45,038)		\$ 1,261,446

See accompanying notes to interim consolidated financial statements.

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Interim Consolidated Statements of Cash Flows

(Unaudited)

(Expressed in thousands of United States dollars)

Three months ended March 31,	2013	2012
Cash from (used in):		
Operating activities:		
Net earnings	\$ 55,606	\$ 51,258
Items not involving cash:		
Depreciation and amortization	42,753	37,931
Share-based compensation (note 10)	2,811	586
Amortization of deferred charges (note 5)	2,110	1,561
Amounts reclassified from other comprehensive loss to interest expense	1,579	2,542
Unrealized change in fair value of financial instruments	(28,869)	(25,783)
Equity loss on investment	34	134
Changes in assets and liabilities:		
Accounts receivable and prepaid expenses		