

Seaspan CORP
Form 6-K
November 03, 2011
[Table of Contents](#)

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 September 30, 2011

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
Hong Kong

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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

Table of Contents

Item 1 Information Contained in this Form 6-K Report

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

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: November 3, 2011

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

Table of Contents**EXHIBIT I****SEASPAN CORPORATION****REPORT ON FORM 6-K FOR THE QUARTER ENDED SEPTEMBER 30, 2011****INDEX**

PART I FINANCIAL INFORMATION	1
<u>Item 1 Interim Consolidated Financial Statements (Unaudited)</u>	1
<u>Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	25
<u>Item 3 Quantitative and Qualitative Disclosures About Market Risk</u>	45
PART II OTHER INFORMATION	47
<u>Item 1 Legal Proceedings</u>	47
<u>Item 1A Risk Factors</u>	47
<u>Item 2 Unregistered Sales of Equity Securities and Use of Proceeds</u>	47
<u>Item 3 Defaults Upon Senior Securities</u>	47
<u>Item 4 Removed and Reserved</u>	47
<u>Item 5 Other Information</u>	47
<u>Item 6 Exhibits</u>	47

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, which provide us with technical, administrative and strategic services.

References to shipbuilders are as follows:

Shipbuilders	Reference
Hyundai Heavy Industries Co., Ltd.	HHI
Hyundai Samho Heavy Industries Co., Ltd. ⁽¹⁾	HSHI
Jiangsu New Yangzi Shipbuilding Co., Ltd.	New Jiangsu
Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd.	Jiangsu Xinfu
Jiangsu Yangzijiang Shipbuilding Co., Ltd.	Jiangsu
Odense-Lindo Shipyard Ltd.	Odense-Lindo
Samsung Heavy Industries Co., Ltd.	Samsung
Zhejiang Shipbuilding Co. Ltd.	Zhejiang

⁽¹⁾ A subsidiary of HHI.

Table of Contents

References to customers are as follows:

Customers	Reference
A.P. Møller-Mærsk A/S	APM
China Shipping Container Lines (Asia) Co., Ltd ⁽¹⁾	CSCL Asia
Compañía Sud Americana De Vapores S.A.	CSAV
COSCO Container Lines Co., Ltd ⁽³⁾	COSCON
Hanjin Shipping Co., Ltd.	Hanjin
Hapag-Lloyd USA, LLC ⁽²⁾	HL USA
Kawasaki Kisen Kaisha Ltd.	K-Line
MSC Mediterranean Shipping Company S.A.	MSC
Mitsui O.S.K. Lines, Ltd.	MOL
United Arab Shipping Company (S.A.G.)	UASC

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

⁽²⁾ A subsidiary of Hapag-Lloyd, AG, or Hapag-Lloyd

⁽³⁾ 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 commonly referred to as vessels. In this Report, we identify the classes of the vessels in our fleet by their approximate average TEU capacity of the vessels in each class. However, we note that the actual TEU capacity of the vessels may differ from the approximate average TEU capacity.

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, 2010, filed with the Securities and Exchange Commission, or the Commission, on March 30, 2011, or our 2010 Annual Report. We prepare our consolidated financial statement in accordance with United States generally accepted accounting principles, or GAAP.

Table of Contents**SEASPAN CORPORATION****PART I FINANCIAL INFORMATION****ITEM 1 INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)****SEASPAN CORPORATION**

Interim Consolidated Balance Sheets

(Unaudited)

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

	September 30, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 415,736	\$ 34,219
Accounts receivable	1,375	1,017
Prepaid expenses	18,764	11,528
	435,875	46,764
Vessels (note 3)	4,810,904	4,210,872
Deferred charges (note 4)	45,085	37,607
Other assets (note 5)	92,702	81,985
	\$ 5,384,566	\$ 4,377,228
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 11(a))	\$ 34,713	\$ 28,394
Deferred revenue	8,758	10,696
Current portion of other long-term liabilities (note 7)	33,997	19,096
	77,468	58,186
Long-term debt (note 6)	2,943,565	2,396,771
Other long-term liabilities (note 7)	596,442	524,716
Fair value of financial instruments (note 13(c))	568,561	407,819
Shareholders' equity:		
Share capital (note 8):		
Preferred shares; \$0.01 par value; 65,000,000 shares authorized		
Class A common shares; \$0.01 par value; 200,000,000 shares authorized; 69,292,009 shares issued and outstanding (2010 - 68,601,240)		
Class B common shares; \$0.01 par value; 25,000,000 shares authorized; nil shares issued and outstanding (2010 - nil)	838	691

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Class C common shares; \$0.01 par value; 100 shares authorized; 100 shares issued and outstanding (2010 - 100)

Additional paid in capital	1,883,883	1,526,822
Deficit	(627,340)	(469,616)
Accumulated other comprehensive loss	(58,851)	(68,161)
	1,198,530	989,736
	\$ 5,384,566	\$ 4,377,228

Commitments and contingent obligations (note 12)

Subsequent events (note 14)

See accompanying notes to interim consolidated financial statements.

Table of Contents**SEASPAN CORPORATION**

Interim Consolidated Statements of Operations

(Unaudited)

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

	Three months ended		Nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Revenue	\$ 154,826	\$ 111,351	\$ 409,493	\$ 289,265
Operating expenses:				
Ship operating (note 2)	35,930	29,229	99,805	78,269
Depreciation	37,696	26,929	100,472	71,302
General and administrative	3,932	2,577	11,658	6,885
Loss on vessels	8,890		8,890	
	86,448	58,735	220,825	156,456
Operating earnings	68,378	52,616	188,668	132,809
Other expenses (income):				
Interest expense	13,998	8,293	34,801	20,272
Interest income	(144)	(5)	(471)	(41)
Undrawn credit facility fee	952	1,011	3,434	3,072
Amortization of deferred charges (note 4)	1,599	808	4,296	2,296
Change in fair value of financial instruments	174,580	113,388	253,525	336,547
	190,985	123,495	295,585	362,146
Net loss	\$ (122,607)	\$ (70,879)	\$ (106,917)	\$ (229,337)
Loss per share (note 9):				
Class A common share, basic and diluted	\$ (2.01)	\$ (1.15)	\$ (2.19)	\$ (3.67)
Class C common share, basic and diluted				

See accompanying notes to interim consolidated financial statements.

Table of Contents**SEASPAN CORPORATION**

Interim Consolidated Statements of Comprehensive Loss

(Unaudited)

(Expressed in thousands of United States dollars)

	Three months ended		Nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Net loss	\$ (122,607)	\$ (70,879)	\$ (106,917)	\$ (229,337)
Other comprehensive income:				
Amounts reclassified to net loss during the period	2,933	3,601	9,312	9,643
Comprehensive loss	\$ (119,674)	\$ (67,278)	\$ (97,605)	\$ (219,694)

See accompanying notes to interim consolidated financial statements.

Table of Contents**SEASPAN CORPORATION**

Interim Consolidated Statements of Shareholders' Equity

(Unaudited)

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

Nine months ended September 30, 2011

	Number of common shares		Number of preferred shares			Common shares	Preferred shares	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
	Class A	Class C	Series A	Series B	Series C						
Balance, December 31, 2009	67,734,811	100	200,000			\$ 677	\$ 2	\$ 1,489,936	\$ (349,802)	\$ (81,247)	\$ 1,059,566
Series B preferred shares issued (note 8)				260,000			3	25,997			26,000
Fees and expenses in connection with issuance of preferred shares								(104)			(104)
Shares issued through dividend reinvestment program (note 8)	708,325										