

Seaspan CORP  
Form 20-F  
March 15, 2007

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**  
**FORM 20-F**

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g) OF THE SECURITIES EXCHANGE ACT OF 1934**  
OR

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal year ended December 31, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
OR

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1932**  
Date of event requiring this shell company report

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-32591

**SEASPAN CORPORATION**

(Exact name of Registrant as specified in its charter)

**Republic of The Marshall Islands**

(Jurisdiction of incorporation or organization)

**Unit 2, 7th Floor, Bupa Centre**

**141 Connaught Road West**

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Hong Kong

China

(Address of principal executive offices)

**Securities registered or to be registered pursuant to Section 12(b) of the Act.**

Title of each class	Name of each exchange on which registered
Class A Common Shares, par value of \$0.01 per share	New York Stock Exchange

**Securities registered or to be registered pursuant to Section 12(g) of the Act:**

None

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:**

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

40,377,250 Class A Common Shares, par value of \$0.01 per share.

7,145,000 Class B Common Shares, par value at \$0.01 per share

100 Class C Common Shares, par value \$0.01 per shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

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## SEASPAN CORPORATION

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**PART I**

*This Annual Report should be read in conjunction with the financial statements and accompanying notes included in this report.*

*In addition to historical information, this Annual Report contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements relate to future events and our operations, objectives, expectations, performance, financial condition and intentions. When used in this Annual Report, the words *expects, anticipates, intends, plans, believes, estimates, projects, forecasts, will, may, potential, should* and variations of such words and similar expressions are intended to identify forward-looking statements. These risks and uncertainties include, but are not limited to:*

future operating or financial results;

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

pending acquisitions, business strategy and expected capital spending;

operating expenses, availability of crew, number of off-hire days, drydocking 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 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;

our expectations about the availability of ships to purchase, the time that it may take to construct new ships, or the useful lives of our ships;

our continued ability to enter into long-term, fixed-rate time charters with our customers;

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

changes in governmental rules and regulations or actions taken by regulatory authorities;

potential liability from future litigation; and

other factors detailed from time to time in our periodic reports, including our Prospectus filed with the Securities and Exchange Commission, or SEC, on November 3, 2006.

*Forward-looking statements in this Annual Report are necessary estimates reflecting the judgment of senior management and involve known and unknown risks and uncertainties. These forward-looking statements are based upon a number of assumptions and estimates that are inherently*

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*subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, these forward-looking statements should be considered in light of various important factors, including those set forth in this Annual Report under the heading Risk Factors.*

*We do not intend to revise any forward-looking statements in order to reflect any change in our expectations or events or circumstances that may subsequently arise. We make no prediction or statement about the performance of our common and subordinated shares. You should carefully review and consider the various disclosures included in this Annual Report and in our other filings made with the SEC that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.*

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Unless we otherwise specify, when used in this prospectus, the terms *Seaspan*, *the Company*, *we*, *our* and *us* refer to *Seaspan Corporation* and, for periods before our initial public offering, our predecessor. References to our Manager are to *Seaspan Management Services Limited* and its wholly owned subsidiaries that provide us with technical, administrative and strategic services.

We use the term *twenty foot equivalent unit*, or *TEU*, the international standard measure of containers, in describing the capacity of our container ships, which are also commonly referred to as *vessels*. Our 9600 TEU class vessels, 8500 TEU class vessels, 5100 TEU class vessels, 4800 TEU class vessels, 4250 TEU class vessels, 3500 TEU class vessels, and 2500 TEU class vessels have an actual capacity of 9580 TEU, 8468 TEU, 5087 TEU, 4809 TEU, 4253 TEU, 3534 TEU, 2546 TEU, respectively.

### Item 1. Identity of Directors, Senior Management and Advisors

Not applicable.

### Item 2. Offer Statistics and Expected Timetable

Not applicable.

### Item 3. Key Information

#### A. Selected Financial Data

	Years Ended December 31,					Year Ended
	2002(1)	2003(1)	2004(1)	January 1 to August 11, 2005(1)	August 12 to December 31, 2005	December 31, 2006
<b>Statements of operations data (period ended):</b>						
Revenue	\$ 20,993	\$ 35,011	\$ 35,933	\$ 40,157	\$ 34,803	\$ 118,489
Operating expenses:						
Ship operating	4,560	6,577	7,157	7,733	8,252	29,407
Depreciation	5,217	8,587	8,808	9,904	7,186	26,878
General and administrative (2)	131	208	207	218	1,694	4,911
Operating earnings	11,085	19,639	19,761	22,302	17,671	57,293
Other expenses (income):						
Interest expense	7,799	12,193	11,804	14,563	1,699	17,594
Change in fair value of interest rate swaps (3)	14,218	(5,808)	(1,416)	(7,308)		908
Interest income					(124)	(1,542)
Write-off on debt refinancing			3,135			
Undrawn credit facility fee					1,041	2,803
Amortization of deferred financing fees	126	183	222	450	726	1,966
Other	74	(36)	(53)	(17)		
Net earnings (loss)	\$ (11,132)	\$ 13,107	\$ 6,069	\$ 14,614	\$ 14,329	\$ 35,564
Common shares outstanding					35,991,600	47,522,350
<b>Per share data:</b>						
Earnings from commencement of operations, basic and diluted in dollars	N/A	N/A	N/A	N/A	\$ 0.40	\$ 0.94
Cash dividends paid	N/A	N/A	N/A	N/A	\$ 0.23	\$ 1.70





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	Years Ended December 31,			Year Ended		
	2002(1)	2003(1)	2004(1)	January 1 to August 11, 2005(1)	August 12 to December 31, 2005	December 31, 2006
<b>Statements of cash flows data (period ended):</b>						
Cash flows provided by (used in):						
Operating activities	\$ 9,646	\$ 16,860	\$ 18,540	\$ 19,289	\$ 24,115	\$ 71,363
Investing activities	(26,294)	(236,369)	(8,692)	(20,939)	(826,253)	(605,652)
Financing activities	25,070	212,320	(8,279)	793	817,856	610,798
<b>Selected balance sheet data (at period end):</b>						
Cash and cash equivalents	\$ 9,686	\$ 2,497	\$ 4,066	\$ 3,209	\$ 15,718	\$ 92,227
Current assets	15,433	9,100	13,258	22,316	18,070	96,655
Vessels	221,021	452,141	454,862	466,112	621,163	1,198,782
Fair value of interest rate swaps, asset (3)					4,799	10,711
Deferred financing fees	1,562	4,828	8,201	8,548	6,526	7,809
Total assets	238,022	466,069	476,321	496,976	650,558	1,315,272
Current liabilities (excluding current portion of long-term debt)	3,925	4,135	5,481	5,357	4,226	11,167
Current portion of long-term debt (4)	11,984	12,848	19,773	26,203		
Long-term debt (4)	155,359	347,946	376,999	405,495	122,893	563,203
Due to related party	69,440	96,883	64,822			