

Seaspan CORP
Form 6-K
October 24, 2006

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
UNDER THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: October 23, 2006

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

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.

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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

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____ .

Item 1 Information Contained in this Form 6-K Report

Attached as Exhibit I is Seaspan Corporation's report on Form 6-K for the quarter ended September 30, 2006.

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: October 23, 2006

By: /s/ KEVIN M. KENNEDY
Kevin M. Kennedy
Chief Financial Officer

SEASPAN CORPORATION

REPORT ON FORM 6-K FOR THE QUARTER ENDED SEPTEMBER 30, 2006

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SEASPAN CORPORATION

PART I FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS (UNAUDITED)

Interim Balance Sheets

(Unaudited)

(Expressed in thousands of United States dollars)

	September 30, 2006	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,757	\$ 15,718
Accounts receivable	429	
Prepaid expenses	3,210	2,352
	13,396	18,070
Vessels (note 4)	930,091	621,163
Deferred financing fees (note 5)	6,896	6,526
Fair value of financial instruments (note 11)	10,169	4,799
	\$ 960,552	\$ 650,558
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 7(a))	\$ 2,477	\$ 1,467
Deferred revenue	1,723	2,759
	4,200	4,226
Long-term debt (note 6)	447,347	122,893
Fair value of financial instruments (note 11)	15,513	
	467,060	127,119
Shareholders' equity:		
Common shares	512,589	512,589
Additional paid-in capital (note 8)	227	
Retained earnings (deficit)	(14,344)	6,051
Accumulated other comprehensive income	(4,980)	4,799
	493,492	523,439
	\$ 960,552	\$ 650,558

Commitments and contingent obligations (notes 4 and 9)

Subsequent events (note 12)

See accompanying notes to interim financial statements.

SEASPAN CORPORATION

Interim Statement of Operations

(Unaudited)

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

	Three Months Ended September 30,		Nine Months Ended September 30,
	2006	2005	2006
Revenue	\$ 30,133	\$ 11,409	\$ 82,769
Operating expenses:			
Ship operating (note 3)	7,530	2,670	20,672
Depreciation	6,690	2,277	18,570
General and administrative	915	523	3,024
	15,135	5,470	42,266
Operating earnings	14,998	5,939	40,503
Other expenses (earnings):			
Interest expense	4,770	203	11,461
Interest income	(113)		(362)
Undrawn credit facility fee	710	402	2,059
Amortization of deferred financing fees	489	240	1,467
Change in fair value of financial instruments (note 11)	265		364
	6,121	845	14,989
Net earnings	\$ 8,877	\$ 5,094	\$ 25,514
Earnings per share, basic and diluted	\$ 0.25	\$ 0.14	\$ 0.71

See accompanying notes to interim financial statements.

SEASPAN CORPORATION

Interim Statement of Shareholders' Equity

(Unaudited)

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

	Number of Common Shares			Common Shares	Additional Paid-In Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income	Total Shareholder Equity	Total Comprehensive Income
	Class A	Class B	Class C						
Class A common shares issued on initial public offering	28,570,000			\$ 599,970	\$	\$	\$	\$ 599,970	
Class B common shares issued on initial public offering		7,145,000		150,045				150,045	
Class C common shares issued on initial public offering			100	1				1	
Excess of purchase price paid over historical cost on vessel purchase				(197,904)				(197,904)	
Class A common shares issued on exercise of over-allotment option	276,500			5,807				5,807	
Fees and expenses in connection with issuance of the common shares				(45,330)				(45,330)	
Net earnings						14,329		14,329	\$ 14,329
Other comprehensive net income:									
Change in fair value of interest rate swaps designated as cash flow hedging instruments							4,799	4,799	4,799
									\$ 19,128
Dividends on common shares						(8,278)		(8,278)	
Balance, December 31, 2005	28,846,500	7,145,000	100	512,589		6,051	4,799	523,439	
Class A common shares issued as compensation (note 8)	15,000				227			227	
Net earnings						25,514		25,514	\$ 25,514
Other comprehensive income:									
Change in fair value of interest rate swaps designated as cash flow hedging instruments							(9,779)	(9,779)	(9,779)
									\$ 15,735
Dividends on common shares						(45,909)		(45,909)	
Balance, September 30, 2006 (unaudited)	28,861,500	7,145,000	100	\$ 512,589	\$ 227	\$ (14,344)	\$ (4,980)	\$ 493,492	

See accompanying notes to interim financial statements.

SEASPAN CORPORATION

Interim Statement Of Cash Flows

(Unaudited)

(Expressed in thousands of United States dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,
	2006	2005	2006
Cash provided by (used in):			
Operating activities:			
Net earnings	\$ 8,877	\$ 5,094	\$ 25,514
Items not involving cash:			
Depreciation	6,690	2,277	18,570
Stock-based compensation (note 8)	76		227
Amortization of deferred financing fees (note 5)	489	240	1,467
Change in fair value of financial instruments (note 11)	265		364
Change in non-cash operating working capital:			
Prepaid expenses and accounts receivable	(801)	(2,300)	(1,287)
Accounts payable and accrued liabilities	958	1,532	1,010
Deferred revenue	(595)	1,655	(1,036)
Cash from operating activities	15,959	8,498	44,829