

ODE TO A SERIAL DEALMAKER

CONTRIBUTION TO SHIP FINANCE

By George Weltman

Winner: Seaspan Corporation and its Many Bankers and Advisors

Back in March, Seaspan had just completed the industry's inaugural baby bond offering raising \$345 million and we had to present it in Freshly Minted for our readers. Recalling how often they had been appearing in our pages recently, we took a look back at what they had accomplished since the 4th quarter of 2013 and began our article with the following slightly modified excerpt:

Whenever Seaspan Corporation comes to market to raise capital, we can be confident that the transaction will likely be innovative and, in all cases, will have the interests of its shareholders at the forefront. Sai Chu has quietly

led his team through a very busy period since October (2013). After declining to move forward with the concurrent offering of common shares and convertible notes as "not being in the best interests of its shareholders", the company went on a roll raising \$732 million in new capital funding including the Series D Perpetual Preferred (\$50MM), Common Stock (\$77MM), a five year unsecured non-amortizing fixed rate loan (\$125MM), the Series E Perpetual Preferred (\$135MM) and the industry's first baby bond offering of five-year Senior Unsecured Notes (\$345MM). Oh and by the way, the company at some point found time to extend and refinance its \$1 billion credit facility a year

before it matured. These are but a few of my favorite innovations. Missing from the list are the ones that pre-dated October and include their IPO, a synthetic MLP, which remains the largest shipping one ever, the Series B Preferred which was used to acquire a vessel, the non-convertible preferred, and the Carlyle joint venture. To put their adventures in context, it is worth noting that the company today has five separate listings on the NYSE. These all speak to the creativity and the superb execution of the team, its advisors and many excellent bankers.

Subsequently, as we began to judge the Deals of the Year, we had an epiphany. Recalling the

article, it was clear that they have accessed nearly every source of capital and in many instances have been the first to do so. Certainly we can delve further into specific transactions but their body of work, for us, stands on its own. We hope we captured a goodly portion of their accomplishments as they are described below. And from that you should be able to discern why we have awarded Seaspan this year's Contribution to Ship Finance Award. It could not have done it without a lot of help from its many advisors and bankers, who are too numerous to mention. You know who you are and Seaspan thanks you.



Date Transaction	Transaction Type	Participants	Total Proceeds [mUSD]	Comments
May 2014	Equity Follow On	Citigroup, Credit Suisse	\$75	Equity distribution agreement. Proceeds to be used for general corporate purposes, which may include funding vessel acquisitions.
March 2014	Bond	Sterne Agee, BB&T, DNB Markets, Incapital, Janney Montgomery Scott, Ladenburg Thalmann, Wunderlich Securities, Maxim Group, National Securities, Santander	\$345	5 year, senior secured, corporate bond. Proceeds to be used for general corporate purposes, which may include funding vessel acquisitions and repayment of debt under outstanding credit facilities. Underwriters fully exercised option to purchase an additional \$45 million of notes.
February 2014	Equity Follow On	Merrill Lynch, Morgan Stanley; UBS, Citigroup, Credit Suisse, Deutsche Banks, Barclays, Incapital, Ladenburg Thalmann, Maxim Group	\$135	5 million shares of 8.25% Series E Cumulative Redeemable Perpetual Preferred Stock. Proceeds to be used for general corporate purposes.
January 2014	Bank Loan		\$125	Non-amortizing, unsecured, 5 year, fixed rate loan agreement with a privately held global financial services firm. Proceeds to be used for general corporate purposes.

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December 2013	Refinance	BNP Paribas Securities	\$1,000	Extension and refinance of \$1 billion credit facility. The maturity was extended from May 2015 to May 2019 and the outstanding amount reduced to approximately \$435 million with interest beared at market terms.
November 2013	Equity Follow On	Citigroup, BofA Merrill Lynch, Credit Suisse Securities USA), Deutsche Bank Securities, J.P. Morgan Securities, Jefferies, Clarkson Capital Markets	\$77	3.5 million follow on at \$22 per share. Proceeds to be used for general coporate purposes, which may include funding vessel acquisitions.
November 2013	Preferred Equity	Merrill Lynch, Citigroup, Credit Suisse, Incapital	\$50	2 million shares of 7.95% Series D Cumulative Redeemable Perpetual Preferred Stock priced at \$25 per share. Proceeds from the offering will be used for general corporate purposes, possibly including vessel acquisitions.
December 2012	Preferred Equity	Incapital, Jefferies, Incapital, Credit Suisse	\$78	Company issued 3.1 million shares of its 7.95% Series D Cumulative Perpetual Preferred Shares with a liquidation preference of \$25 per share. Proceeds to be used for general corporate purposes including making vessel acquisitions or investments.
October 2011	Lease		\$53	Subsidiary of Seaspan will purchase from United Arab shipping Co. the UASC Madinah, a 4,250 teu vessel for \$53 million, financed by a secured loan from a US bank. The vessel will then be chartered by Seaspan, keeping the charter to UASC. In June 2012, the vessel will be sold to the bank for the o/s amount and then chartered back by the subsidiary for 9 yrs.
September 2011	Bank Loan		\$150	Non-recourse, senior secured loan to Seaspan subsidiary to finance a 13,100 TEU vessel which will be chartered back to Seaspan and then to COSCON under a 12 -year charter. Refinances Seaspan credit facility.
May 2011	Preferred Equity	BofA Merrill Lynch, Citi, Dahlman Rose, Jefferies	\$109	Additional offering of 4 million shares of previously issued 9.5% Series C Cumulative Redeemable Perpetual Preferred at \$27.15 per share, including accrued dividends. Proceeds to be used for general corporate purposes including vessel acquisitions.
April 2011	Joint Venture	Deutshe Bank	\$5,000	The Carlyle Group, Tiger Group, Seaspan, and the Washington Family established the joint venture Greater China Intermodal to purchase container vessels.
January 2011	Preferred Equity	BofA Merrill Lynch, Citi, Credit Suisse, Dahlman Rose, BNP Paribas, DnB NOR	\$250	Issued 10 million shares of 9.5% Series C Cumulative Redeemable Perpetual Preferred Stock, with a liquidation preference of \$25 per share. Net proceeds will be used for general corporate purposes, which may include vessel acquisitions or investments. Must exercise call option prior to January 30, 2017 or pay increasing coupon.
October 2010	Lease		\$150	Entered into 12 year sale-leaseback with Credit Agricole for one 13,100 TEU containership upon delivery from Hyundai. The vessel will be sold to CA and chartered back by a subsidiary of SSW, who will then continue the existing charter to COSCO. The transaction is non-recourse to SSW.
October 2010	Lease	Lloyds Banking Group	\$400	Amended \$400 million UK Tax Lease Facility to reduce Seapsan's guarantee of scheduled rental and termination amounts to a significantly reduced fixed amount.
May 2010	Lease		\$150	Sale-leaseback of 13,100 TEU containership for up to \$150 million with a Chinese bank affiliate. COSCO charter stays in place.
January 2009	Preferred Equity			\$200 million of 12% Series A Preferred Stock in two \$100 million tranches. \$160 million of the issuance was purchased by Dennis Washington, with the remainder purchased by Graham Porter, Kevin Washington, and Kyle Washington.
May 2008	Equity Follow On	Merrill Lynch, Citi and Goldman Sachs	\$237	7 million share follow on offering, priced at \$27.25 each. Over allotment of 1.05m shares excersised, plus concurrent sale of 663,330 shares to company directors.
April 2008	Bank Loan	Sumitomo Mitsui Banking Corp	\$235	To finance the acquisition of two vessels.
January 2008	Bank Loan		\$900	Concurrent with newbuild order of 5 containerships. Long term interest rate of 6% with an interest margin of LIBOR +55 bps.
August 2007	Bank Loan	DnB NOR, Credit Suisse, CEXIM, ICBC, SMBC	\$920	100% pre- and 65% post delivery financing for 12 newbuildings; priced at L+50 and fixed at 5.7% through 2025.
August 2007	Equity Follow On	Citi, Merrill Lynch, Dahlman Rose	\$149	Follow-on offering of 4.5 million common shares for general corporate purposes including vessel acquisitions.
May 2007	Bank Loan	Citigroup, Fortis Capital, Credit Suisse, DnB Nor Bank, Landesbank Hessen-Thuringen	\$1,300	Refinancing of existing \$1 billion facility, 7-yr tenor with 1-yr extension option, L+70.
April 2007	Equity Follow On	Citi, Merrill, Dahlman Rose	\$147	Follow-on offering of 5 million common shares at \$29.45 per share with proceeds to fund a portion of the purchase price of undelivered vessels.
November 2006	Equity Follow On	Citigroup, Merrill Lynch, Wachovia, Dalman Rose, DnB Nor, Fortis	\$247	Offering of 10 million new shares + 1.5 million share overallotment at \$21.50 per share.
October 2006	Lease		\$160	5 year sale-leaseback with Maersk of four 4,800 TEU vessels at \$23,450 per vessel per day
August 2006	Lease		\$334	12 year sale-leaseback with Mitsui OSK Lines at \$28,880 perday of four 5,100 teu ships to be delivered in 2009.
May 2006	Bank Loan	DnB NOR, Credit Suisse, Fortis, Landesbank Hessen-Thuringen	\$365	Revolving credit facility with a 10-13 year term at L+85-92.5.
August 2005	IPO	Citigroup, Merrill Lynch	\$600	IPO on NYSE of 28,570,000 at \$21.00 per share.