SeaCube Container Leasing Ltd.
Form 10-K
February 21, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2012
or

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

For the transition period from ________ to ________

Commission File Number 001-34931

SeaCube Container Leasing Ltd.
(Exact name of registrant as specified in its charter)

Bermuda	98-0655416
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1 Maynard Drive, Park Ridge, New Jersey 07656
(Address of principal executive offices)
(Registrant's telephone number, including area code) (201) 391-0800

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Shares, par value $.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes o No x

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes o No x

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 x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No x

The aggregate market value of shares held by non-affiliates as of June 30, 2012 was approximately $187.3 million.

The number of Registrant’s outstanding common shares as of February 15, 2013 was 20,413,359.

DOCUMENTS INCORPORATED BY REFERENCE

Information required by certain portions of Part III (Items 10, 11, 12, 13 and 14) is incorporated by reference to either a definitive proxy statement or an amendment to this Form 10-K to be filed with the Securities and Exchange Commission within 120 days of December 31, 2012.

SEACUBE CONTAINER LEASING LTD.

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve substantial risks and uncertainties. All statements, other than statements of historical facts, including statements regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. You can identify these forward-looking statements by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “cou “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “target,” “projects,” “contemplates” or the negativ those words or other comparable words. Any forward-looking statements contained in this annual report are based upon our historical performance and on our current plans, estimates and expectations in light of information currently available to us. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to, a decrease in the overall demand for leased container assets, the economic condition of the global container asset leasing industry and the ability of our lessees and potential lessees to make operating lease payments to us, the condition of the global economy and world financial markets, changes in the values of our assets, acquisition risks, competitive pressures within the industry, risks related to the geographic markets in which we and our lessees operate, our ability to retain key personnel, the impact of new or existing regulations, whether we are replaced as manager of any containers that we manage for third parties and other factors described in the section entitled “Item 1A – Risk Factors”.

The forward-looking statements made in this annual report relate only to events as of the date on which the statements are made. We do not undertake any obligation to publicly update or review any forward-looking statement except as required by law, whether as a result of new information, future developments or otherwise. We caution you not to unduly rely on the forward-looking statements when evaluating the information presented this report.

WEBSITE AND ACCESS TO COMPANY’S REPORTS

Our Internet website can be found at www.seacubecontainers.com. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) are available free of charge through our website as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, and Board of Directors committee charters (including the charters of the Audit Committee, Compensation Committee, and Nominating, Corporate Governance and Conflicts Committee) are also available on our website.

The information on our website is not part of, or incorporated by reference, into this report, or any other report we file with, or furnish to, the SEC.

PART I

ITEM 1. BUSINESS

Our Company

We are one of the world's largest container leasing companies based on total assets. Containers are the primary means by which products are shipped internationally because they facilitate the secure and efficient movement of goods via multiple transportation modes, including ships, rail and trucks. The principal activities of our business include the acquisition, leasing, re-leasing and subsequent sale of refrigerated and dry containers and generator sets. We lease our containers primarily under long-term contracts to a diverse group of the world's leading shipping lines. As of December 31, 2012, we employed 77 people in seven offices worldwide and have total assets of $1.7 billion. We operate in a single segment.

Formation and Corporate History

We were incorporated by Seacastle Operating Company Ltd. (our "Initial Shareholder") in Bermuda in March 2010. Our Initial Shareholder is a subsidiary of Seacastle Inc. ("Seacastle"). Seacastle is owned by private equity funds that are managed by an affiliate of Fortress Investment Group LLC ("Fortress") and by employees of Seacastle and other shareholders. Container Leasing International, LLC (d/b/a SeaCube Containers, LLC), the entity through which we conduct all of our operations ("CLI"), was founded in 1993 and was acquired by an affiliate of our Initial Shareholder in 2006.

In March 2010, in preparation of our initial public offering ("IPO"), we and our Initial Shareholder formed SeaCube Container Holdings Ltd., SeaCube Container Investment LLC and SeaCube Operating Company Ltd. and entered into a series of intercompany transactions to finalize the separation of our container leasing business from the other businesses of Seacastle and to establish the appropriate organizational structure for us (the "Structure Formation"). Among other things, the formation of SeaCube Container Holdings Ltd. and SeaCube Container Investment LLC helped to simplify certain tax reporting obligations and eliminated the need for public shareholders to make certain additional tax elections that might otherwise need to be made when SeaCube formed a new subsidiary. In March 2010, all of the equity interests in CLI were transferred to one of our wholly owned subsidiaries and we continue to conduct all of our operations through CLI and its operating subsidiaries.

On October 27, 2010, the U.S. Securities and Exchange Commission (the "SEC") declared effective the registration statement relating to the Company's IPO of 10,925,000 shares at a price to the public of $10.00 per share. The Company issued 3,450,000 shares in the offering (inclusive of the underwriters' over-allotment), which less underwriting discounts and expenses resulted in net proceeds of approximately $27.3 million. The Initial Shareholder sold 7,475,000 of previously outstanding shares (inclusive of the underwriters' over-allotment).

Amalgamation Agreement

On January 18, 2013, we entered into an Agreement and Plan of Amalgamation (the "Amalgamation Agreement") with 2357575 Ontario Limited ("Parent") and SC Acquisitionco Ltd., a subsidiary of Parent ("Acquisition Sub"). Parent and Acquisition Sub are affiliates of Ontario Teachers' Pension Plan Board. Pursuant to the Amalgamation Agreement and subject to the terms and conditions set forth therein, SeaCube and Acquisition Sub will amalgamate under the laws of Bermuda (the "Amalgamation") and the amalgamated company will continue as a subsidiary of Parent.

Pursuant to the Amalgamation Agreement, at the effective time of the Amalgamation, each of our issued and outstanding common shares (other than (i) common shares that are held by any shareholders who properly demand appraisal in connection with the Amalgamation under applicable law ("Dissenting Shares") and (ii) the Carry-Forward Share (as such term is defined in the Amalgamation Agreement)) will be converted into the right to receive $23.00 in cash, without interest, other than any common shares owned by Parent or SeaCube or any of their wholly-owned subsidiaries (which will automatically be canceled with no consideration paid therefor). At the effective time of the Amalgamation, any vesting conditions or restrictions applicable to our restricted common shares outstanding immediately prior to the effective time will lapse and each such restricted share will be treated in accordance with the procedures outlined above for our common shares.

The Amalgamation Agreement includes customary representations, warranties and covenants of SeaCube, Parent and Acquisition Sub. Among other things, we agreed to conduct our business in the ordinary course of business and in a manner consistent with prior practice until the Amalgamation is consummated. We have also agreed not to pay a quarterly dividend with respect to the fourth quarter of 2012.

Under the Amalgamation Agreement, consummation of the Amalgamation is subject to satisfaction or waiver of certain customary closing conditions, including, among others: the approval of the Amalgamation by our shareholders, the absence of certain legal impediments to the consummation of the Amalgamation, the receipt of required governmental consents and approvals and the expiration of any waiting periods under applicable regulatory clearance processes, no more than 8% of our common shares being Dissenting Shares and, subject to certain materiality exceptions, the accuracy of representations and warranties made by SeaCube and Parent, respectively, and compliance by SeaCube and Parent with their respective obligations under the Amalgamation Agreement.

The Amalgamation Agreement contains certain provisions giving each of SeaCube and Parent the right to terminate the Amalgamation Agreement under certain circumstances, including the right of SeaCube to terminate the Amalgamation Agreement in order to enter into a definitive agreement with a third party making an unsolicited acquisition proposal that our board of directors, in the exercise of its fiduciary duties, determines to be superior to the transaction with Parent. Upon termination of the Amalgamation Agreement, under specified circumstances (including those described above), we may be required to pay Acquisition Sub a termination fee of $15,500,000.

The Amalgamation Agreement also provides that Parent will pay, or cause to be paid, to the Company an amount equal to $35,000,000 if the Amalgamation Agreement is terminated by us under circumstances in which (i) Parent fails to consummate the Amalgamation when all the conditions set forth in the Amalgamation Agreement have been satisfied or waived (other than those conditions that by their terms are to be satisfied at the closing of the Amalgamation) and (ii)(A) specified consents relating to the refinancing of certain SeaCube credit facilities have not been received and (B) such facilities are not refinanced or replaced at the closing of the Amalgamation.

Upon the effectiveness of the Amalgamation, SeaCube will no longer be a reporting company under the Exchange Act.

Competitive Strengths –

We believe that the key competitive strengths that will enable us to execute our strategy include:

Leading Market Position. We are one of the world’s largest container lessors and have a significant investment in refrigerated containers, or reefers, with approximately 20% of the refrigerated container market share based on TEUs as of December 31, 2012 (twenty foot equivalent units, or TEUs, is the international standards measure of containers). Reefers have historically demonstrated greater stability in underlying demand, pricing and lease rates than other types of containers. We believe that our strength in the reefer market provides us with certain utilization, cost, marketing and capability advantages relative to other container leasing companies.

High and Stable Utilization. For the years ended December 31, 2012, 2011 and 2010, our utilization rate averaged 97.8%, 98.3%, and 97.9%, respectively. As of December 31, 2012, approximately 86.9% of our owned assets based on net book value were on long-term lease to our customers. The average remaining term of our owned assets was approximately 3.2 years. We believe that our focus on reefers as well as our focus on long-term and direct finance leases has enabled us to maintain high and consistent utilization rates.

Our Assets Generate Significant Cash Flow. Our assets generate significant and predictable revenues and operating cash flow that reflects our high and stable asset utilization, low customer defaults and high recovery rates, strong operating profit margins and low working capital requirements. As of December 31, 2012, our existing leases provided for approximately $1.2 billion of contracted cash flow through the life of the remaining leases.

Long-Standing Relationships with High Quality Customers. We have an extensive history with our customers which provide us with strong relationships at senior levels of management. In addition, we have built a reputation for service, reliability and quality. We lease our containers to a diversified customer base of over 160 shipping lines throughout the world, including all of the world's 20 largest international shipping lines. Our top customers include APL, CMA-CGM, CSAV, Evergreen, Hanjin, Mediterranean Shipping, and NYK Line. We believe that our customer relationships are some of the best in the industry and will enable us to continue to grow our business.

Access to Significant Amounts of Capital to Expand our Business. As of December 31, 2012, we had approximately \$176.5 million of available capital to invest in new containers and pursue sale/leaseback transactions. In addition, we manage containers for a number of third-party owners and we believe that these relationships may provide us with opportunities to grow our managed fleet. We believe that our access to capital and our relationships with third-party owners will provide us with a competitive advantage and enable us to grow our business.

Experienced Management, Global and Scaleable Business Platform. Our management team has extensive experience in the acquisition, leasing, financing, technical management and sale of containers. We operate globally, using modern asset management systems designed for container leasing companies and are capable of handling a significantly larger asset portfolio without a proportional increase in overhead costs.

Growth Strategy

We plan to leverage our competitive strengths to grow our fleet and earnings by employing the following business strategies:

Continue to Invest in New Container Assets. We believe that the current industry dynamics support significant growth opportunities. Demand for containers is driven by global trade growth and slow-steaming (running containerships at slower speeds to reduce fuel costs), which means that shipping lines require more containers to deliver the same amount of cargo. Furthermore, due to the extensive capital requirements for their containership fleets, we believe that a number of shipping lines will increase the percentage of containers they lease rather than own in the near- to medium-term.

Opportunistically Pursue Growth Opportunities. We may pursue strategic acquisitions of container fleets (both on an owned and managed basis) and sale/leaseback transactions with liner companies. We believe that each of these types of transactions can allow us to grow our fleet profitably. Our management team has proven its ability to successfully execute transactions of this nature and we have confidence that we can execute more of these transactions over time. We believe that our existing management platform and expertise can support more assets without significant increases to our infrastructure or expense base due to the scalable nature of our operations.

Continue to Maintain Disciplined Lease Terms and Credit Underwriting. We plan to continue to target attractive returns on our assets over their life cycle by concentrating on long-term leases with a disciplined pricing structure in order to maximize our profitability and fleet utilization. Over the last three years, our renewal rate has averaged 91.8% of total units. Furthermore, we plan to continue to maintain strict underwriting standards as well as proactive credit monitoring to minimize any future credit write-offs. Over the last five years, we had net write-offs of approximately \$8.2 million on total billings of approximately \$1.6 billion, representing approximately 0.5% of such billings.

Industry Trends

The market for container leasing is characterized by the following key trends:

Sustained Growth in Container Trade. Container trade is an important component of the movement of goods through the global economy. According to Harrison Consulting, worldwide container trade has grown at an average annual rate of more than 8% for over 30 years. After declining in 2009, for the first time in over 30 years, container trade grew by approximately 9% in 2010, 7% in 2011 and 5% in 2012. Harrison Consulting believes that in the short to medium term, as a result of slower growth in developed economies, world container trade is likely to expand at an annual rate of 5-6% rather than the long-term trend rate of 8%.

Significant Use of Leased Equipment. Approximately 46% of the global container fleet of 32.8 million TEUs is owned or managed by container leasing companies according to Harrison Consulting. We believe that there was an increased reliance on operating lessors in the last three years as our customers sought alternative sources of capital as well as the operational flexibility of leasing.

Limited Supply of Existing Containers. The shortage of containers that occurred as a result of strong trade growth and relatively low levels of ordering by capital-constrained shipping lines in 2010 was to some extent alleviated by higher levels of ordering in 2011, but the supply of containers remained tight in 2011-12. As a consequence of this, according to Harrison Consulting, utilization rates for the container leasing companies quickly recovered from the 2009 downturn and have since remained at historically high levels of 97-98% for most of our peer companies.

Our Assets

Our fleet of equipment consists of three types of container assets: refrigerated containers, dry freight containers and generator sets. These assets are either owned or managed by us on behalf of other third party owners. We lease our equipment to a diversified customer base of the world's leading shipping lines. As of December 31, 2012, we owned or managed 791,852 containers and generator sets, representing 1,224,395 TEUs of containers and generator sets. As of December 31, 2012, the average age of our owned container fleet is 4.2 years.

Refrigerated Containers. Refrigerated containers, or reefers, are insulated containers that include an integrated cooling machine. These containers are typically used to carry perishable cargo such as fresh and frozen produce, meat, poultry, fish and other temperature sensitive products.

Dry Containers. A dry container is essentially a steel box with a set of doors on one end. Dry containers are the least-expensive type of intermodal container and are used to carry most types of freight.

Generator Sets. Generator sets, or gensets, are portable diesel fueled generators used to power reefers. They can be used when reefers are transported by trucks. When a reefer is carried on a containership, it is usually plugged in to the containership's main power supply.

Our containers are either owned by us or owned by third-parties and managed by us. The tables below summarize the composition of our fleet by unit, TEU and net book value as of December 31, 2012:

Equipment Fleet by Units

	Refrigerated	Dry	Gensets	Total
Operating Leases	36,442	196,857	2,369	235,668
Direct Finance Leases	25,931	244,281	2,710	272,922
Total Owned	62,373	441,138	5,079	508,590
Managed	30,216	251,723	1,323	283,262
Total Fleet	92,589	692,861	6,402	791,852

Equipment Fleet by TEUs

	Refrigerated	Dry	Gensets	Total
Operating Leases	66,551	303,687	2,369	372,607
Direct Finance Leases	50,442	376,594	2,710	429,746
Total Owned	116,993	680,281	5,079	802,353
Managed	56,855	363,864	1,323	422,042
Total Fleet	173,848	1,044,145	6,402	1,224,395

Container Fleet by Net Book Value

	Refrigerated	Dry	Gensets	Total
Operating Leases	$ 433,006	$518,343	$9,883	$961,232
Direct Finance Leases	213,847	400,373	13,639	627,859
Total Fleet	$ 646,853	$918,716	$23,522	$1,589,091

Lease Overview

We focus on leasing our containers on long-term leases. Substantially all of our new equipment is initially leased for terms of five to eight years and approximately 86.9% of our owned assets were on long-term and direct finance leases as measured by net book value. Approximately 6.7% of our assets as measured by net book value are leased on a short-term basis to satisfy customers' peak or seasonal requirements, generally at higher rates than under long-term leases to reflect the added flexibility that short-term leases provide to our customers. As of December 31, 2012, the average remaining duration of the leases on our owned containers was 3.2 years, and our existing leases provided for total contractual cash flow of approximately $1.2 billion (assuming early terminations only for which there are no penalties and no renewals).

We offer our customers both long-term operating leases as well as direct finance leases. Long-term operating leases are triple net leases (lessee pays rent as well as taxes, insurance and maintenance expenses that arise from the use of the leased equipment) with fixed per diems and typically have an initial term of five to eight years. Under operating leases, we bear the re-leasing and residual value risks. Long-term operating leases for our assets can contain an early termination provision allowing the lessee to return equipment prior to expiration of the lease upon payment of an early termination fee or a retroactively applied increase in lease payments. We have experienced minimal early returns of our equipment under our long-term leases, primarily because of the penalties involved. Additionally, customers may bear substantial costs related to repositioning and repair upon return of the equipment.

Under a direct finance lease, the customer commits to a fixed lease term and typically receives a bargain purchase option at the expiration of the lease. Under this type of lease, the substantive risks and rewards of equipment ownership are transferred to the lessee. The lease payments are segregated into principal and interest components similar to a loan. The interest component, calculated using the effective interest method over the term of the lease, is recognized by us as finance revenue. The principal component of the lease payments is reflected as a reduction to the net investment in the direct finance lease asset in our cash flow statement. As a result, we do not bear utilization or residual value risk for assets that are subject to direct finance leases.

Frequently, a lessee will retain long-term leased equipment well beyond the initial lease term. In these cases, long-term leases will be renewed at the then prevailing market rate, for one to five- year periods or as a direct finance lease. Over the last three years, our renewal rate averaged 91.8% of total units.

6

We believe that our fleet of reefers as well as our portfolio of long-term and direct finance leases has enabled us to maintain high and consistent historical utilization rates. The average utilization rates for our total fleet as measured in units are as follows:

Average Utilization (Units)

	Q1	Q2	Q3	Q4	Year
2012	97.7%	97.8%	97.9%	97.7%	97.8%
2011	98.5%	98.6%	98.2%	98.1%	98.3%
2010	97.2%	98.2%	98.2%	98.1%	97.9%

Lease rentals are typically calculated on a per diem basis, regardless of the term of the lease. Our leases generally provide for monthly billing and require payment by the lessee within 60 days after presentation of an invoice. Typically, the lessee is responsible for payment of all taxes, handling charges and other charges arising out of use of the equipment and must carry specified amounts of insurance to cover physical damage to and loss of equipment, as well as bodily injury and property damage to third parties. In addition, our leases usually require lessees to repair any damage to the containers other than normal wear and tear. Lessees are also required to indemnify the lessor of the equipment against losses arising from accidents and other occurrences involving the leased equipment. All of our operating leases, both short-term and long-term, generally set forth a list of locations where lessees may return equipment, along with any monthly quantity return limits. In addition, our containers typically remain on-hire at the contractual per diem rate for an additional six to twelve months beyond the end of the contractual lease term due to the logistical requirements of our customers having to return containers to specific drop-off locations.

Marketing and Customer Service

We lease our containers to a diversified customer base of over 160 shipping lines throughout the world, including all of the world's 20 largest international shipping lines. Our global sales and customer service force is responsible for developing and maintaining relationships with senior operations staff at our shipping line customers, negotiating lease contracts and maintaining day-to-day coordination with operating level staff at our customers. This close customer communication allows us to negotiate lease contracts that satisfy both our financial return requirements and our customers' operating needs and ensures that we are aware of our customers' potential equipment shortages and that they are aware of our available container inventories.

Operations

All container equipment, whether owned or managed, is operated as a single fleet. We are responsible for providing marketing, billing and collection services as well as arranging for the repair of all equipment in the fleet that is not on lease. To the extent that equipment is managed for other third party investors, these investors bear the risks of equipment ownership. We remit the revenues earned by their equipment, net of any operating expenses and bad debts related to their equipment. In addition, they receive the proceeds from the sale of their equipment at the end of its useful life. In return for these management services, we earn management fees based on the net operating income of the fleet.

Depots. We have relationships with 200 depot facilities and operate in all major containerized transportation markets throughout the world. Depots are facilities owned by third parties at which containers and other items of transportation equipment are stored, maintained and repaired. We utilize independent agents/depots to handle and inspect containers delivered to, or returned by lessees, as well as to store containers that are not leased and to perform maintenance and repairs.

Repositioning and Other Operating Expenses. If lessees return a large number of units to a location with a larger supply than demand, we, as the owner of equipment, may incur additional expenses in repositioning the equipment to a more favorable location. In addition, there are other operating expenses associated with the containers, such as costs of maintenance and repairs not required to be made by lessees, agent fees, depot expenses for handling, inspection and storage, and insurance coverage in excess of that maintained by the lessee.

Maintenance, Repairs and Refurbishment. As containers age, the need for maintenance increases. Our customers are generally responsible for maintenance and repairs of equipment other than normal wear and tear. When normal wear and tear or other damage is extensive, the container is usually sold or scrapped since major repairs are typically not cost effective.

Redeployment and Disposition of Containers. Containers that were previously on lease are generally redeployed by us under new leases or are sold by us to shipping or transportation companies for continued use in the intermodal transportation industry or to secondary market buyers such as wholesalers, depot operators, mini-storage operators, construction companies and others, for use as storage sheds and similar structures. The presence of our dedicated resale team in Europe, Asia, North and South America allows us to sell our used containers directly to the retail market that generally commands higher pricing.

The decision to sell depends on the equipment's condition, remaining useful life and suitability for continued leasing or for other uses, as well as prevailing local market resale prices and an assessment of the economic benefits of repairing and continuing to lease the equipment compared to the benefits of selling.

The selling price of a container will depend upon, among other factors, its mechanical or economic obsolescence, its physical condition and its location. While there have been some changes in standards (like height and weight), there have been no major technological advances in the history of dry freight containerization that have made active dry freight equipment obsolete.

Our Suppliers

We purchase the majority of our containers in China. We primarily use three large manufacturers of reefers and three large manufacturers of dry freight containers. Four companies are active in manufacturing the refrigeration units for reefers. Our technical staff reviews the designs for our containers and periodically audits the production facilities of our suppliers. In addition, we use our Asian operations group and third-party inspectors to visit factories when our containers are being produced to provide an extra layer of quality control. We have long relationships with all of our major container suppliers.

Competition

We are one of the world's largest container lessors and have a significant investment in reefers. According to Harrison Consulting, as of December 31, 2012, we had approximately 20% of the lessor-owned refrigerated container fleet based on TEUs and our share of the total lessor-owned container fleet was approximately 8% based on replacement cost. We compete with several other major container leasing companies, many smaller leasing companies, manufacturers of container equipment, financial institutions such as banks, promoters of container ownership and leasing as a tax shelter investment, shipping lines, which sometimes lease their excess container stock, and suppliers of alternative types of equipment for freight transport. The top five container leasing companies control approximately 63% of the total equipment held by all container leasing companies based on TEUs. It is common for the shipping lines to utilize several leasing companies to meet their container needs.

Our competitors compete with us in many ways, including pricing, lease flexibility, supply reliability, customer service and access to capital. While we compete aggressively on price, we believe that our reliable supply of containers, in-depth customer knowledge and high level of customer service are often defining factors in winning business. We invest heavily to ensure adequate container availability in high demand locations, dedicate large portions of our organization to building customer relationships and maintain close day-to-day coordination with our customers' operating staffs. We believe that our close customer relationships, experienced staff, reputation for market leadership, scale efficiencies and proprietary systems provide important competitive advantages.

Environmental and Other Regulations

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. Under some environmental laws in the United States and certain other countries, the owner or operator of a container may be liable for environmental damage, cleanup or other costs in the event of a spill or discharge of material from the container without regard to the fault of the owner or operator. We could incur substantial costs, including cleanup costs, fines and third-party claims for property or natural resource damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations in connection with our or our lessee's current or historical operations. While we typically maintain liability insurance coverage and typically require our lessees to provide us with indemnity against certain losses, the insurance coverage is subject to large deductibles, limits on maximum coverage and significant exclusions and may not be sufficient or available to protect against any or all liabilities and such indemnities may not cover or be sufficient to protect us against losses arising from environmental damage.

Many countries, including the United States, restrict, prohibit or otherwise regulate the use of certain kinds of refrigerants. The refrigerant specified by virtually all reefer box operators is R134a (also known as HFC134a). R134a is used in substantially all of our reefers. Regulation of refrigerants may become stricter in the future and R134a may, at some point, become due for replacement and phase-out. Market pressure or government regulation of refrigerants and synthetic insulation materials may require reefers using non-conforming substances to be retrofitted with refrigerants deemed to be less destructive to atmosphere ozone at substantial cost to us. In addition, reefers that are not retrofitted may command lower prices in the market for used containers once we retire these containers from our fleet.

Insurance

Lessees and storage depots generally must either carry physical damage and liability insurance providing primary insurance coverage for loss and damage to the containers, cargo, and third parties while the containers are in their care, custody and control or provide proof of creditworthiness to self insure. In addition, we maintain liability coverage, including contingent liability coverage for any claims or losses, including while the containers are on-hire to a lessee or otherwise in the possession of a third party.

Existing insurance guidelines for lessees are explicitly stated in each lease and we require certificates evidencing lessees' insurance prior to delivery of containers. Minimum insurance guidelines generally requested in most of the lease agreements are as follows:

All Risks Physical Damage Insurance in an amount equal to 100% of the replacement value of all equipment leased thereunder while on land, afloat, in transit, or at rest anywhere in the world.

Comprehensive General Liability Insurance, including contractual liability against claims for bodily injury or death and property damage, including cargo damage, in an amount not less than $1 million combined single limit.

The insurance companies from which the policies are purchased must be acceptable to us. To the extent any claim is not recovered by the policy, the lessee remains liable for the full amount of the claim. We do not offer any insurance product except, in limited instances, a Damage Protection Plan (DPP) which covers certain damages to the containers. The precise nature and amount of such insurance may vary from lessee to lessee. Some lessees may also be self-insured.

Credit Process

We maintain detailed customer credit records. Our credit policy sets maximum exposure guidelines for each customer. Credit criteria may include, but are not limited to financial strength, customer trade route, country, social and political climate, assessments of net worth, asset ownership, bank and trade credit references, credit bureau reports, operational history and payment history with us.

We have benefited from strong credit performance. The table below shows write-offs, net of recoveries, as a percentage of net billings. The write-offs are matched with the year that the billings occurred. The figures below are adjusted to coincide with the year of default, when recoveries are substantially completed.

Net Write-Offs as a Percentage of Net Billings

2007	2008	2009	2010	2011	2012
0.59%	0.95%	1.08%	0.69%	0.00%	0.00%

We believe that this strong credit performance is due to our comprehensive credit underwriting and monitoring in addition to certain attributes of our business including the size and quality of our customers and our ability to recover containers and remarket them in default situations.

In some cases, we seek to reduce credit risk by maintaining insurance coverage against customer insolvency and related equipment losses. We maintain contingent physical damage, recovery and loss of revenue insurance, which provides coverage upon the occurrence of a customer's insolvency, bankruptcy or default giving rise to our demand for return of all of our equipment. Subject to the applicable deductible, the policy covers the cost of recovering our equipment from the customer, including repositioning cost, damage to the equipment and the value of equipment which could not be located or was uneconomical to recover. It also covers a portion of the equipment leasing revenues that we might lose as a result of the customer's default (i.e., up to 180 days of lease payments following an occurrence under the policy).

This insurance policy provides coverage for both the equipment owned by us and the equipment we manage for third party investors. We are reimbursed for the premiums related to the portion of the coverage related to the managed equipment. Any losses related to managed equipment in excess of the amounts due from the insurance coverage are the responsibility of the third party investor.

Customer Concentration

Revenue from our ten largest customers represented 67% of revenue for the year ended December 31, 2012. Although each individual lease covers a distinct group of containers and no single lease with any customer contributed more than 5% of our revenue, the aggregate revenue from CMA-CGM and Mediterranean Shipping accounted for approximately 14% and 11%, respectively, of our revenue for the year ended December 31, 2012.

Our customers use containers to conduct their global trading operations which utilize a vast network of worldwide trade routes. We earn our revenues from such customers when the equipment is in use carrying cargo around the world. Substantially all of our revenues are denominated in U.S. dollars. All of our containers are used internationally and no one container is domiciled in one particular place for a prolonged period of time. As such, substantially all of our long-lived assets are considered to be international with no single country of use.

Systems and Information Technology

We have fully integrated equipment fleet management systems. Our systems track all of our assets individually by unit number, provide design specifications for the equipment, track on-hire and off-hire transactions, match each on-hire asset to a lease contract and each off-hire asset to a depot contract, maintain the major terms for each lease contract, track accumulated depreciation, calculate the monthly bill for each customer and track bills for equipment repairs. Our systems are EDI capable, which means they can receive and process container activity transactions electronically.

Employees

As of December 31, 2012, we employed 77 people, in seven offices worldwide. We believe that our relations with our employees are good. We are not a party to any collective bargaining agreements.

10

ITEM 1A. RISK FACTORS

The section below discusses the most significant risks that may materially affect our business, results of operations and financial condition. Because of the following risks, as well as other factors affecting the Company's business, results of operations and financial condition, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods.

Risks Relating to our Pending Amalgamation

We may be unable to obtain satisfaction of all conditions to complete the Amalgamation, including the approval of our shareholders, in the anticipated timeframe.

On January 18, 2013, we entered into the Amalgamation Agreement with Parent and Acquisition Sub, pursuant to which Parent has agreed to acquire SeaCube.

Completion of the Amalgamation is contingent upon customary closing conditions, including approval of the Amalgamation Agreement by our shareholders. If our shareholders do not approve the Amalgamation Agreement at a shareholder meeting to be held after the related proxy statement is mailed to shareholders, the Amalgamation will not be consummated. Completion of the Amalgamation is also conditioned upon no more than 8% of our common shares being Dissenting Shares, as well as the receipt of approvals (i) by the Committee on Foreign Investment in the United States and (ii) under the foreign competition laws of the Republic of Cyprus.

Although SeaCube and Parent have agreed in the Amalgamation Agreement to use reasonable best efforts to consummate the Amalgamation as promptly as practicable, these and the other conditions to the Amalgamation may fail to be satisfied. In addition, satisfying the conditions to, and completion of, the Amalgamation may take longer than, and could cost more than, we expect. Failure to complete the Amalgamation may adversely affect us.

Failure to complete the Amalgamation could negatively impact our share price, future business and financial results.

The conditions to the completion of the Amalgamation may not be satisfied as noted above. If the Amalgamation is not completed for any reason, we would still remain liable for significant transaction costs and the focus of our management would have been diverted from seeking other potential strategic opportunities, in each case without realizing any benefits of a completed amalgamation. Depending on the reasons for not completing the Amalgamation, we could also be required to pay Acquisition Sub a termination fee of $15.5 million. For these and other reasons, a failed amalgamation could adversely affect our business, operating results or financial condition. In addition, the trading price of our common shares could be adversely affected to the extent that the current price reflects an assumption that the Amalgamation will be completed.

While the Amalgamation is pending, we are subject to business uncertainties and contractual restrictions that could adversely affect our business.

Our employees, customers and suppliers may have uncertainties about the effects of the Amalgamation. Although we have taken actions designed to reduce any adverse effects of these uncertainties, these uncertainties may impair our ability to attract, retain and motivate key employees and could cause customers, suppliers and others that deal with us to try to change our existing business relationships.

The pursuit of the Amalgamation and preparations for integration have placed and will continue to place a significant burden on many employees and internal resources. If, despite our efforts, key employees depart because of these uncertainties and burdens, or because they do not wish to remain with a combined company, our business and operating results could be adversely affected.

While the Amalgamation is pending, some of our customers could delay or forgo purchasing or leasing decisions and suppliers could seek additional rights or benefits from us. In addition, the Amalgamation Agreement restricts us from taking certain actions with respect to our business and financial affairs without Parent's consent, and these restrictions could be in place for an extended period of time if the Amalgamation is delayed. For these and other reasons, the pendency of the Amalgamation could adversely affect our business, operating results or financial condition.

The Amalgamation Agreement generally requires us to operate our business in the ordinary course of business pending consummation of the Amalgamation, but includes certain contractual restrictions on the conduct of our business. In addition the pendency of the acquisition by Parent and the completion of the conditions to closing could divert the time and attention of our management.

In addition, the Amalgamation Agreement prohibits us from, among other things, soliciting, initiating or knowingly encouraging or facilitating the submission of any proposal or engaging in any discussions or negotiations with respect to an alternative transaction, subject to exceptions set forth in the Amalgamation Agreement. The Amalgamation Agreement also provides that we are required to pay a termination fee of $15.5 million if the Amalgamation Agreement is terminated under certain circumstances, including if we terminate to accept a superior alternative acquisition proposal. These provisions limit our ability to receive or pursue offers from third parties that may otherwise have resulted in greater value to our shareholders than the value resulting from the Amalgamation.

Risks Related to Our Business

Global economic growth and the volume of world trade are critical factors affecting demand for containerized leasing, and a decline in world trade can adversely affect our business.

Demand for leasing our containers depends largely on the extent of world trade and economic growth, with U.S. consumer demand being the most critical factor affecting this growth. Economic downturns in one or more countries, particularly in the United States, the European Union, Asia and other countries and regions with consumer-oriented economies, have in the past, and in the future could, reduce world trade volume and/or demand by container shipping, rail and trucking lines for leased containers. Cyclical recessions can negatively affect lessors' operating results because during economic downturns or periods of reduced trade, shipping lines tend to lease fewer containers and related assets or lease containers only at reduced rates, and tend to rely more on their own equipment and fleets to satisfy a greater percentage of their requirements. Thus, decreases in the volume of world trade may adversely affect our leased asset utilization and lease rates and lead to reduced revenue, reduced capital investment, increased operating expenses (such as storage and positioning) and reduced financial performance.

The global recession that occurred in 2008 and 2009 demonstrated the negative impact that an economic downturn can have on our business. As a result of that downturn, container trade decreased by approximately 7% during 2009. This led to reduced demand for containers, lower utilization and lease rates and adversely affected our results. Although the containerized trade market recovered in 2010, we cannot predict whether, or when, any future economic downturns will occur. If there were an economic downturn and demand were to decrease, our financial performance might be adversely affected, and the impact to our financial results could be significant.

The demand for leased containers depends on many economic, political and other factors beyond our control and these factors may adversely affect our business.

We believe that a substantial amount of our leasing business involves shipments of goods exported from Asia. As a result, a negative change in economic conditions in any Asia Pacific country, particularly in China or Japan, may have an adverse effect on our business and results of operations, as well as our future prospects. In particular, in recent years, China has been one of the world's fastest growing economies in terms of gross domestic product and has become one of the world's largest and fastest growing exporters. We cannot assure you that such growth will be sustained or that the Chinese economy will not experience slower or negative growth in the future, or that trade relations with China will not deteriorate. Moreover, if changes in exchange rates between the Chinese yuan and other currencies were to occur, the growth of Chinese exports could be affected. In addition, from time to time, there have been other disruptions in Asia, such as health scares, including SARS and avian flu, financial markets turmoil, natural disasters and political instability in certain countries. If these events were to occur in the future, they could adversely affect our lessees, a number of whom are entities domiciled in Asian countries, and the general demand for shipping and lead to reduced demand for leased containers or otherwise adversely affect us.

Other general factors affecting demand, utilization and per diem rates for leased containers include the following:

- the available supply and prices of new and used containers;
- the availability and terms of equipment financing;
- fluctuations in interest rates and foreign currency values;
- economic conditions, and competitive pressures and consolidation in the shipping industry;
- the globalization of manufacturing;
- changes in the operating efficiency of our customers;
- fluctuations in supply and demand for products suitable for shipping in containers;
- fuel costs and their impact on overall transportation costs;
- developments in international trade and shifting trends and patterns of cargo and trucking traffic;
- the price of steel and other raw materials;
- acts of God such as droughts, storms, or other natural disasters such as the recent earthquake in Chile, which is reported to have damaged shipping ports and disrupted agricultural and fishing operations, flu or other pandemics that result in economic disruptions that may disrupt or interfere with trade or otherwise affect local and global economies;
- overcapacity or undercapacity of the container manufacturers;
- the lead times required to purchase containers;
- the number of containers purchased by competitors and lessees;
- increased repositioning by container shipping lines of their own empty containers, as the case may be, to higher-demand locations in lieu of leasing equipment from us;
- consolidation or withdrawal of individual lessees in the container shipping industry;
- import/export tariffs, trade barriers and restrictions;
- customs procedures, foreign exchange controls and other environmental and regulatory developments;
- changes in the credit ratings on U.S. government debt securities or default or delay in payment by the United States of its obligations; and
- global and regional economic and political conditions.

All of these factors are inherently unpredictable and beyond our control. These factors will vary over time, often quickly and unpredictably, and any change in one or more of these factors may have a material adverse effect on our business and results of operations. Many of these factors also influence the decision by current and potential customers to lease our containers. Should one or more of these factors influence current and potential customers to buy a larger percentage of the container assets they operate, our utilization rate could decrease, resulting in decreased revenue, increased storage and repositioning costs, and as a result, lower operating cash flow.

Changing macroeconomic and business conditions have and could continue to negatively impact our business.

The global financial markets have experienced significant volatility and disruption. While these conditions have stabilized since the first quarter of 2009 and the capital markets generally have shown signs of improvement, the sustainability of an economic recovery is uncertain and additional macroeconomic, business and financial disruptions could have a material adverse effect on our business, cash flows and financial condition, as well as our future prospects. Continued issues involving liquidity and capital adequacy affecting lenders could affect our ability to fully access our credit facilities or obtain additional debt and could affect the ability of our lenders to meet their funding requirements when we need to borrow. Further, volatility in the equity markets may make it difficult in the future for us to access the equity markets for additional capital at attractive prices, if at all. The recent credit crisis in Greece, for example, and concerns over debt levels of certain other European Union member states, increased volatility in global credit and equity markets. If we are unable to access existing credit, obtain new credit or access the capital markets, our business could be negatively impacted, as could our ability to pay dividends. See "We intend to incur substantial additional debt and issue substantial additional equity in order to expand our business and pay dividends."

We further believe that many of our customers are reliant on liquidity from global credit markets and, in some cases, require external financing to fund a portion of their operations. As a consequence, if our customers lack liquidity, it would likely negatively impact their ability to pay amounts due to us.

These and other factors affecting the container industry are inherently unpredictable and beyond our control.

Equipment prices and lease rates may decrease, which may adversely affect our earnings.

Container lease rates depend on the cost of the container, the type and length of the lease, the type and age of the container equipment, competition, the location of the container being leased, and other factors more fully discussed herein. Because steel is the major component used in the construction of new containers, the price for new containers, as well as prevailing lease rates, are both highly correlated with the price of steel. In the late 1990s, new equipment prices and lease rates declined due to, among other factors, a drop in worldwide steel prices and a shift in container manufacturing from Taiwan and Korea to areas with lower labor costs in mainland China. Such factors, among others, may cause container prices and leasing rates to fall again. In 2009, new equipment prices and lease rates declined due to a lack of demand for containerized cargo. However, in 2010, new equipment prices and lease rates increased due to a shortage of production capacity and increased demand for containers.

In addition, lease rates can be negatively impacted by the entrance of new leasing companies, overproduction of new containers by factories and over-buying by shipping lines and leasing competitors. For example, during 2001 and 2005, overproduction of new containers, coupled with a build-up of container inventories in Asia by leasing companies and shipping lines, led to decreasing prices and utilization rates. In the event that the container shipping industry were to be characterized by over-capacity in the future, or if available supply of intermodal assets were to increase significantly as a result of, among other factors, new companies entering the business of leasing and selling intermodal equipment, both utilization and lease rates can be expected to decrease, thereby adversely affecting the revenues generated by our container leasing business.

We face competition in the container leasing industry, and if we are not able to compete successfully, our business will be harmed.

The container leasing industry is highly competitive. We compete with many container leasing companies, financial institutions such as banks, as well as shipping lines, which sometimes lease their excess container stocks. Some of these competitors may have large, underutilized inventories of containers, which could lead to downward pressure on lease rates, asset utilization and operating margins.

14

Competition among container leasing companies depends upon many factors, including, among others, lease rates, lease terms (including lease duration, drop-off restrictions and repair provisions), customer service, and the location, availability, quality and individual characteristics of equipment as well as quality and experience of an equipment manager. New entrants into the leasing business have been attracted by the high rate of containerized trade growth in recent years, and new entrants have generally been less disciplined, in our opinion, than we are in pricing and structuring leases. As a result, the entry of new market participants together with the already highly competitive nature of our industry may undermine our ability to maintain a high level of asset utilization or, alternatively, could force us to reduce our pricing and accept lower revenue and profit margins in order to achieve our growth plans.

Our customers may decide to buy rather than lease containers, which would adversely affect our earnings.

We, like other suppliers of leased containers, are dependent upon decisions by shipping lines to lease rather than buy their containers. If shipping lines decide to buy a larger percentage of the containers they operate, our utilization rates would decrease, resulting in decreased leasing revenue, increased storage and repositioning costs and lower operating cash flow. Most of the factors affecting the decisions of our customers, including whether to lease or buy their equipment, are outside our control. See “The demand for leased containers depends on many economic, political and other factors beyond our control and these factors may adversely affect our business.”

While the percentage of containers leased compared with the percentage of containers owned by shipping companies has been fairly steady historically, several factors may cause the percentage of leased containers to decrease in the future. These factors include, among other things, access of shipping lines to lower-cost bank financing, the consolidation of the shipping industry and improvements in information technology. The materialization of any of such trends could negatively affect our business.

Lessee defaults and terminations of agreements by our customers may adversely affect our financial condition, results of operation and cash flow by decreasing revenue and increasing storage, positioning, repair, collection and recovery expenses.

Our containers are leased to numerous customers. Lease payments and other compensation, as well as indemnification for damage to or loss of leased containers, is generally payable by the end users under leases and other arrangements. Inherent in the nature of the leases and other arrangements for use of the containers is the risk that once a lease is consummated, we may not receive, or may experience delay in realizing, all of the compensation and other amounts to be paid in respect of the leased containers. Furthermore, not all of our customers provide detailed financial information regarding their operations. As a result, customer risk is in part assessed on the basis of our customers’ reputation in the market, and there can be no assurance that they can or will fulfill their obligations under the contracts we enter into with them. Our customers could incur financial difficulties, or otherwise have difficulty making payments to us when due for any number of factors which may be out of our control and which we may be unable to anticipate. If a sufficient number of our customers were to default or were to terminate or restructure their agreements with us, in particular one or more of our largest customers, it could have a material adverse effect on our results of operation. We do not maintain any credit insurance with respect to non-payment of receivables by our lessees. A delay or diminution in amounts received under the leases and other arrangements could adversely affect our business and financial prospects and our ability to make payments on our debt or to pay dividends to our shareholders.

In general, the profitability of our shipping line customers deteriorated significantly in 2008 due to decreasing freight rates caused by excess vessel capacity and most major shipping lines recorded large financial losses in 2009. These losses increased the risk of default by our customers. While most of our customers have reported improving financial performance and productivity, we cannot be assured this will continue in the future.

The cash flow from our containers, principally lease rentals, management fees, and proceeds from the sale of owned containers, is affected significantly by the ability to collect payments under leases and other arrangements for the use of the leased equipment and the ability to replace cash flows from terminating leases by re-leasing or selling leased equipment on favorable terms. All of these factors are subject to external economic conditions and the performance by lessees and service providers that will not fully be within our control.

When lessees default, we may fail to recover all of our leased containers, and the containers we do recover may be returned in damaged condition or to locations where we will not be able to efficiently re-lease or sell them. We may have to repair and reposition such recovered containers to other places where we can re-lease or sell them, which could be expensive depending on the locations and distances involved. As a result, we may lose lease or management revenues and incur additional operating expenses in repossessing, repositioning, repairing and storing the equipment.

We depend on a limited number of customers for a substantial portion of our revenue, and the loss of, or a significant reduction in revenue resulting from a default by, any key customer could significantly reduce our revenue.

A significant portion of our revenue is derived from a relatively small number of customers. We earned approximately 67%, 65% and 64% of revenues from our top ten customers for the years ended December 31, 2012, 2011 and 2010, respectively. Although each individual lease covers a distinct group of containers and no single lease with any customer contributed more than 5% of our revenue, the aggregate revenue from CMA-CGM and Mediterranean Shipping accounted for approximately 14% and 11%, respectively, of our revenue for the year ended December 31, 2012. Our operating results in the foreseeable future will continue to depend on our ability to enter into agreements with these customers. The loss of, or a significant reduction in revenue from, any of our key customers, or a default by any key customers on its obligations under any contract with us, or the restructuring of lease agreements due to economic circumstances facing our customers would significantly reduce our revenue and adversely affect our business.

In addition, some of the contracts under which we lease our containers contain early termination provisions. Although in the past we have experienced minimal early returns due in part to penalties including early termination fees and costs associated with repairs and repositioning upon return borne by lessees, we cannot assure you that the number of leases that our customers terminate early will not increase in the future. This increase could happen due to any number of factors that are outside of our control, such as financial difficulty or a business downturn experienced by any of our customers. We may also elect to terminate leases with a customer and demand the immediate redelivery of our containers due to non-payment or other defaults, which would significantly reduce our revenue and adversely impact our business.

The volatility of the residual value of containers upon expiration of their leases or at the time of their sale could adversely affect our operating results.

Although our operating results primarily depend upon equipment leasing, profitability is also affected by the residual values (either for sale or re-leasing) of the containers upon expiration of their leases or at the time of their sale. These values, which can vary substantially, depend upon, among other factors:

- the age of our equipment;
- expenses associated with off-hire, storage, repair, repositioning and re-marketing of returned equipment;
- prevailing economic conditions;
- supply and demand for similar types of equipment;
- the current cost of comparable new equipment, which is partially dependent on raw material costs including steel;
- changes in lessees' requirements;
- the availability of used equipment;

- rates of inflation; and
- the obsolescence of certain types of equipment in our fleet.

Most of these factors are outside of our control. Operating leases, under which we derived 62% of our revenue for the year ended December 31, 2012, are subject to greater residual risk than direct finance leases because we own the containers at the expiration of an operating lease term. If the residual value of our assets during any period proves lower than anticipated, our operating results may be adversely affected. Furthermore, we base our decision to invest in new containers in part on our expectations of our ability to sell or re-lease existing assets. To the extent we fail to anticipate the degree to which we need to replace existing assets, we may not have sufficient assets to meet demand and would therefore forgo revenues.

Changes in market price, availability or transportation costs of equipment manufactured in China could adversely affect our ability to maintain our supply of containers.

Changes in the political, economic or financial conditions of China, which could increase the market price, availability or transportation costs of containers, could adversely affect our ability to maintain our supply of equipment. China is currently the largest container producing nation in the world. We currently purchase the vast majority of our containers from manufacturers in China. In the event that it were to become more expensive for us to procure containers in China or to transport these containers at a low cost from China to the locations where they are needed, because of changes in exchange rates between the U.S. Dollar and Chinese Yuan, further consolidation among container suppliers, a shift in United States trade policy towards China, increased tariffs imposed by the United States or other governments, increased fuel costs, a significant downturn in the political, economic or financial conditions in China, or for any other reason, we would have to seek alternative sources of supply. We may not be able to make alternative arrangements quickly enough to meet our equipment needs, and any alternative arrangements may increase our costs.

We depend on key personnel, and we may not be able to operate and grow our business effectively if we lose the services of any of our key personnel or are unable to attract qualified personnel in the future.

The success of our business is heavily dependent on our ability to retain our current management and other key personnel and to attract and retain qualified personnel in the future. In particular, we are dependent upon the management and leadership of Joseph Kwok. Competition for senior management personnel is intense, and we may not be able to retain our personnel. The loss of key personnel could affect our ability to run our business effectively. Although we have entered into at will employment agreements with certain of our key personnel, these agreements do not ensure that our key personnel will continue in their present capacity with us for any particular period of time. Although Mr. Kwok also serves as the Chairman of Seacastle Inc., the parent company of our Initial Shareholder, and as the Chairman of Seacastle Holdings LLC, a wholly owned subsidiary of our Initial Shareholder, he is required to devote 80% or more of his time and attention to our business. We do not have key man insurance for any of our current management or other key personnel. The loss of any key personnel requires the remaining key personnel to divert immediate and substantial attention to seeking a replacement. An inability to find a suitable replacement for any departing executive officer on a timely basis could adversely affect our ability to operate and grow our business.

The international nature of the industry exposes us to numerous risks.

Our ability to enforce lessees' obligations under our leases for use of our containers will be subject to applicable law in the jurisdictions in which enforcement is sought or the country of domicile of the lessee. Our containers are manufactured primarily in China and are predominantly used on international waterways, and our lessees are domiciled in many different countries. It is not possible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions whose laws do not confer the same security interests and rights to creditors and lessors as those in the United States and in jurisdictions where recovery of equipment from the defaulting lessee is more cumbersome. As a result, the relative success and expedience of enforcement proceedings with respect to the containers in various jurisdictions also cannot be predicted. As more of our business shifts to areas outside of the United States and Europe, such as China, it may become more difficult and expensive to enforce our rights and recover our containers. If the number and size of defaults increases in the future, and if a large percentage of the defaulted containers are located in countries with less developed legal systems, losses resulting from recovery payments and unrecovered containers could be large and could negatively impact our profitability.

We are also subject to risks inherent in conducting business across national boundaries, any one of which could adversely impact our business. These risks include:

- regional or local economic downturns;
- changes in governmental policy or regulation;
- restrictions on the transfer of funds into or out of the country;
- potential liabilities relating to foreign withholding taxes;
- compliance with U.S. Treasury sanctions regulations restricting doing business with certain nations or specially designated nationals;
- compliance with the Foreign Corrupt Practices Act;
- import and export duties and quotas;
- domestic and foreign customs and tariffs;
- military outbreaks or terrorist attacks;
- government instability;
- nationalization of foreign assets;
- government protectionism;
- compliance with export controls, including those of the U.S. Department of Commerce;
- compliance with import procedures and controls, including those of the U.S. Department of Homeland Security;
- potentially negative consequences from changes in tax laws;
- higher interest rates;
- requirements relating to withholding taxes on remittances and other payments by subsidiaries;
- labor or other disruptions at key ports;
- difficulty in staffing and managing widespread operations; and
- restrictions on our ability to own or operate subsidiaries, make investments or acquire new businesses in these jurisdictions.

Any one of these factors could impair our current or future international operations and, as a result, harm our overall business, financial condition and results of operations.

We may incur costs and business disruptions associated with new security regulations regarding our containers.

We are, and will likely continue to be, subject to regulations promulgated in various countries, including the United States, seeking to protect the integrity of international commerce and prevent the use of containers for international terrorism or other illicit activities. For example, the Container Security Initiative, the Customs-Trade Partnership Against Terrorism and Operation Safe Commerce are among the programs administered by the U.S. Department of Homeland Security that are designed to enhance security for cargo moving throughout the international transportation system by identifying existing vulnerabilities in the supply chain and developing improved methods for ensuring the security of containerized cargo entering and leaving the United States, including pre-screening containers that pose a risk at the port of departure prior to arrival at U.S. ports and/or the use of conveyance security devices. Moreover, the International Convention for Safe Containers, 1972 (CSC), as amended, adopted by the International Maritime Organization, applies to new and existing containers and seeks to maintain a high level of safety of human life in the transport and handling of containers by providing uniform international safety regulations. Inspection procedures can result in the seizure of contents of our containers, delays in the loading, offloading or delivery and, in some instances, the levying of customs duties, fines or other penalties against container operators and owners. Changes to inspection procedures could also impose additional costs and obligations on our lessees and may, in certain cases, render the shipment of certain types of cargo uneconomic or impractical.

As these regulations develop and change, we may incur increased compliance costs due to the acquisition of new, compliant containers and/or the adaptation of existing containers to meet any new requirements imposed by such regulations. Additionally, certain companies are currently developing or may in the future develop products designed to enhance the security of containers transported in international commerce. Regardless of the existence of current or future government regulations mandating the safety standards of intermodal shipping containers, our competitors may adopt such products or our customers may require that we adopt such products in the conduct of our container leasing business. In responding to such market pressures, we may incur increased costs, which could have a material adverse effect on our financial condition and results of operations.

Terrorist attacks could negatively impact our operations and our profitability and may expose us to liability and reputational damage.

Terrorist attacks may negatively affect our operations and your investment. Such attacks in the past have caused uncertainty in the world financial markets and economic instability in the United States and elsewhere, and further acts of terrorism, violence or war could similarly affect world financial markets and trade, as well as the industries in which we and our customers operate. In addition, terrorist attacks or hostilities may directly impact ports our containers come in and out of, depots, our physical facilities or those of our suppliers or customers and could impact our sales and our supply chain. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all. A severe disruption to the worldwide ports system and flow of goods could result in a reduction in the level of international trade in which our containers are involved and lower demand for containers. The consequences of any terrorist attacks or hostilities are unpredictable, and we may not be able to foresee events that could have an adverse effect on our operations or your investment.

It is also possible that our containers could be involved in a terrorist attack. Although our lease agreements require our lessees to indemnify us against all damages arising out of the use of our containers, and we carry insurance to potentially offset any costs in the event that our customer indemnifications prove to be insufficient, we may not be fully protected from liability arising from a terrorist attack which utilizes our containers. In addition, any terrorist attack involving any of our containers may cause reputational damage, or other losses, which could be catastrophic to our business.

Environmental liability may adversely affect our business and financial condition.

Like other companies, we are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those regulating discharges to air and water, health and safety and the use and disposal of hazardous substances. We and the third party equipment owners could incur substantial costs, including cleanup costs, fines and third-party claims for property damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations in connection with our current or historical operations. Under some environmental laws in the United States and certain other countries, the owner of a leased container may be liable for environmental damage, cleanup or other costs in the event of a spill or discharge of material from a container without regard to the owner's fault. While we maintain insurance and require lessees to indemnify us against certain losses, such insurance and indemnities may not cover or be sufficient to protect us and our third party equipment owners against losses arising from environmental damage.

Moreover, environmental laws are subject to frequent change and have tended to become more stringent over time. For example, the refrigerant specified by virtually all reefer box operators and used in substantially all of our reefers is R134a (also known as HFC134a). R134a, like other refrigerants used before R134a became the industry standard, may, at some point, become due for replacement and phase-out. Market pressure or government regulation of refrigerants and synthetic insulation materials may require reefers using non-conforming substances to be retrofitted with refrigerants deemed to be less destructive to atmosphere ozone at substantial cost to us. Regulatory initiatives in the European Union and California to phase out R134a in automotive cooling systems may in the future increase pressure on the continued use of R134a in reefers. In addition, reefers that are not retrofitted may command lower prices in the market for used containers once we retire these containers from our fleet.

Increased concerns over climate change and current and future regulation of greenhouse gas emissions could have a material effect on our business. Regulatory initiatives at international, national and local levels to reduce the emission of greenhouse gasses could increase the cost of container shipping and the demand for our containers. Concerns over climate change could also favor competing local products over products shipped over long distances. In addition, the effects of climate change may produce more variable or severe weather events that can adversely affect marine shipping. Each of these events could increase our cost of operations or affect our profitability.

These or other additional environmental laws and regulations may be adopted that could limit our ability to conduct business or increase the cost of our doing business, which may have a materially negative impact on our business, results of operation and financial condition. New regulations could diminish the resale value or useful lives of our containers, require us to retrofit our assets for continued use, or other operational changes or restrictions. For example, restrictions could be imposed on the use of certain woods in container flooring. Additionally, environmental-related laws and regulations may prohibit or restrict shipment of certain cargos that could impact the use of our containers. For example, the Lacey Act prohibits the importation of certain protected woods into the United States.

Certain liens may arise on our equipment.

Substantially all of our container assets currently are subject to liens relating to existing financing arrangements and, in the event of a default under any of those arrangements, the lenders thereunder would be permitted to take possession of or sell our container assets.

In addition, depot operators, repairmen, transporters, vessel mortgagees and other parties may come into possession of our containers from time to time and have sums due to them from the lessees or sublessees of the containers. In many jurisdictions, a maritime lienholder may enforce its lien by arresting a containership through foreclosure proceedings. In the event of nonpayment of those charges by the lessees or sublessees, we may be delayed in, or entirely barred from, repossessing the containers or be required to make payments or incur expenses to discharge such liens on the equipment.

The lack of an international title registry for containers increases the risk of ownership disputes.

Although the Bureau International des Containers registers and allocates a unique four letter prefix to every container in accordance with ISO standard 6346 (Freight container coding, identification and marking) there is no internationally recognized system of recordation or filing to evidence our title to containers nor is there an internationally recognized system for filing security interest in containers. While this has not historically been an issue, the lack of a title recordation system with respect to containers could result in disputes with lessees, end-users, or third parties, such as creditors of end-users, who may improperly claim ownership of the containers, especially in countries with less developed legal systems.

Container investors may elect not to have us manage their containers, which could adversely affect our business, results of operations and financial condition.

A percentage of our revenue is attributable to management fees earned on services related to the leasing of containers owned by container investors. Our ability to continue to retain and attract management contracts depends upon a number of factors, including our ability to lease and release containers on attractive lease terms, to maintain a high utilization rate for our owned and managed fleets, to efficiently manage the billing, collection, repositioning, maintenance and repair, storage and disposition of containers and the management fees that we charge. In the event container investors believe another container leasing company can better provide stable and attractive rates of return on their investment, we may lose management contract opportunities in the future, which could adversely affect our business, results of operations and financial condition.

We could face litigation involving our management of containers for container investors.

We manage containers for third-party container owners under management agreements that are negotiated with each container investor. We make no assurances to container investors that they will make any amount of profit on their investment or that our management activities will result in any particular level of income or return of their initial capital, although some of these agreements do contain provisions that permit owners to terminate them if certain performance metrics are not met during relevant time periods. As the number of containers that we manage for container investors increases, the possibility that we may be drawn into litigation and/or arbitration relating to these managed containers may also increase. Although our management agreements contain contractual protections and indemnities that are designed to limit our exposure to such litigation, such provisions may not be effective and we may be subject to a significant loss in a successful litigation by a container investor.

Manufacturers of our equipment may be unwilling or unable to honor manufacturer warranties covering defects in our equipment.

We obtain warranties from the manufacturers of our equipment. When defects in the containers occur, we work with the manufacturers to identify and rectify the problem. However, there is no assurance that manufacturers will be willing or able to honor warranty obligations. If defects are discovered in containers that are not covered by manufacturer warranties, we could be required to expend significant amounts of money to repair the containers and/or the useful life of the containers could be shortened and the value of the containers reduced, all of which could adversely affect our results of operations.

We have no control over third party contractors engaged by our lessees to perform maintenance and repair services on our containers.

Leases of containers require the lessee to maintain such containers in accordance with specified repair and maintenance standards and to return such containers in conformity with such specified standards at the expiration or earlier termination of such lease. Many lessees utilize third party contractors to perform any repairs that are necessary to service and return such containers to conformity with such maintenance standards. Failure by such third party servicers to properly repair, service or use proper components, materials or refrigerants could cause the containers to fail to satisfy industry safety and/or operational standards, which could cause injury, which if not adequately covered by our existing insurance policies, could adversely affect our results of operations.

We rely on our information technology systems to conduct our business. If these systems fail to adequately perform these functions, or if we experience an interruption in their operation, our business and financial results could be adversely affected.

The efficient operation of our business is highly dependent on equipment tracking and billing systems. We rely on such systems to track transactions, such as container pick-ups and drop-offs, repairs, and to bill our customers for the use of and damage to our equipment. We also use the information provided by these systems in our day-to-day business decisions in order to effectively manage our lease portfolio and improve customer service. The failure of this system to perform as we anticipate could disrupt our business and results of operation and cause our relationships with our customers to suffer. In addition, our information technology systems are vulnerable to damage or interruption from circumstances beyond our control, including fire, natural disasters, power loss and computer systems failures and viruses. Any such interruption could negatively affect our business.

Increases in the cost of or the lack of availability of insurance could increase our risk exposure and reduce our profitability.

Our lessees and depots are required to maintain all risks physical damage insurance, comprehensive general liability insurance and to indemnify us against loss. We also maintain our own contingent liability insurance and off-hire physical damage insurance. Nevertheless, lessees' and depots' insurance or indemnities and our insurance may not fully protect us. The cost of such insurance may increase or become prohibitively expensive for us and our customers, and such insurance may not continue to be available. Other types of industry insurance that we have maintained from time to time based on our evaluation of risk, such as default insurance providing coverage for the cost to recover our containers due to a customer's insolvency, bankruptcy or default may not be available, which could increase our risk.

Our future business prospects could be adversely affected by consolidation within the container shipping industry.

We primarily lease containers to shipping lines. Over the last several years, there have been several large shipping line acquisitions that have resulted in some consolidation within the container shipping industry, including among some of our customers. This consolidation has reduced the number of large shipping lines and also increased the concentration of business in a smaller number of larger customers. Our future business prospects could be adversely affected if there is a continued reduction in the number of shipping lines in the world. Due to concentration risk and resulting impact on credit risk, we might decide to limit the amount of business exposure we have with any single customer if the exposure were deemed unacceptable, which could negatively impact the volume of equipment we lease and the revenues we would otherwise earn if we had leased assets despite the concentration risk or had the previously separate customers not combined.

Our strategy to pursue acquisition opportunities may subject us to considerable business and financial risk, and unforeseen integration obstacles or risks.

In order to grow our business, we expect to employ various strategies, including consummating strategic and complementary acquisitions and joint ventures from time to time. We may not be successful in identifying acquisition opportunities, assessing the value, strengths and weaknesses of these opportunities and consummating acquisitions on acceptable terms. Furthermore, suitable acquisition opportunities may not be made available or known to us. Unanticipated issues may arise in the implementation of these contemplated strategies, which could impair our ability to expand our business as expected. For example:

then-favorable conditions in the equipment leasing and shipping markets, including the rate of world trade and economic growth, could deteriorate;

equipment prices and lease rates could decrease as a result of a variety of factors, including a decrease in worldwide steel prices;

the financial condition of our third party depot operators and other business partners may deteriorate;

turmoil in, or tightening of the credit markets may limit our ability to obtain debt financing for acquisitions;

we may be unable to obtain financing through additional debt facilities or by issuing additional debt or equity, in each case on terms acceptable to us;

our customers could decide to buy rather than lease a larger percentage of the containers they operate; and

we may not be able to execute strategic acquisitions or to integrate such acquired assets successfully into our business.

Any of the above risks could adversely affect our financial position and results of operations and could cause us to abandon some or all of our growth strategies. Furthermore, any acquisitions or joint ventures may expose us to particular business and financial risks that include, but are not limited to:

diverting management's attention;

incurring additional indebtedness and assuming liabilities;

incurring significant additional capital expenditures, transaction and operating expenses and non-recurring acquisition-related charges;

experiencing an adverse impact on our earnings from the amortization or write-off of acquired goodwill and other intangible assets;

failing to integrate the operations and personnel of the acquired businesses;

acquiring businesses with which we are not familiar;

entering new markets with which we are not familiar;

increasing the scope, geographic diversity and complexity of our operations; and

failing to retain key personnel, suppliers and customers of the acquired businesses.

We may not be able to successfully manage acquired businesses or increase our cash flow from these operations. If we are unable to successfully implement our acquisition strategy or address the risks associated with acquisitions, or if we encounter unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired entities and the expansion of operations, our growth and ability to compete may be impaired, we may fail to achieve acquisition synergies, and we may be required to focus resources on integration of operations rather than on other profitable areas. We anticipate that we may finance acquisitions through cash provided by operating activities, borrowings under our credit facilities and other indebtedness, which would reduce our cash available for other purposes, including the repayment of indebtedness and payment of dividends.

If we are unable to enter into interest rate swaps on reasonable commercial terms or if a counterparty under our interest rate swap agreements defaults, our exposure associated with our variable rate debt could increase.

We have typically funded a significant portion of the purchase price of new containers through borrowings under our revolving credit facility and our secured debt facilities. We intend to use borrowings under our revolving credit facility and our secured debt facility for such funding purposes in the future. The amounts outstanding under these facilities are subject to variable interest rates. We have entered into various interest rate swap agreements to mitigate our exposure associated with this variable rate debt. There can be no assurance that these interest rate swaps will be available in the future, or if available, will be available on terms satisfactory to us. If we are unable to obtain such interest rate swaps or if a counterparty under our interest rate swap agreements defaults, our exposure associated with our variable rate debt could increase.

Storage space for containers may become limited, increasing depot costs for the storage of containers.

Land in and around many port areas is limited, and nearby depot space could become difficult to find and more costly with limited space and fewer depots in the area. In addition, local communities in port areas may impose regulations that prohibit the storage of containers near their communities, further limiting the availability of storage facilities, and increasing storage, repair costs, and transportation charges relating to the use of our containers. Additionally, depots in prime locations may become filled to capacity based on market conditions, and may refuse additional redeliveries due to space restraints. This could require us to enter into higher cost storage agreements with depot operators in order to accommodate our customers' redelivery requirements, and could result in increased costs and expenses for us.

23

Because we are a recently formed company with a limited separate operating history, our historical financial and operating data may not be representative of our future results.

We are a recently incorporated company with limited separate operating history. Our results of operations, financial condition and cash flows reflected in our consolidated financial statements may not be indicative of the results we would have achieved had we operated as a stand-alone or public entity for all periods presented.

Our loan agreements contain restrictive covenants that may limit our liquidity and corporate activities.

Our loan agreements impose operating and financial restrictions on us. These restrictions may limit our ability to, among other things:

- incur additional indebtedness on satisfactory terms or at all;
- incur liens on our assets;
- sell capital stock of our subsidiaries;
- make investments;
- engage in amalgamations, mergers or acquisitions;
- pay dividends (following an event of default or our breach of a covenant or in the event of CLI not maintaining certain net worth);
- enter into the sale and leaseback of our containers;
- make capital expenditures;
- compete effectively to the extent our competitors are subject to less onerous financial restrictions; and
- sell our containers.

We are required to maintain certain financial ratios. If we are unable to maintain these ratios, our creditors could accelerate our debt, which could materially harm our financial condition and business. Therefore, we may need to seek permission from our lenders in order to engage in certain corporate actions. Our lenders' interests may be different from ours, and we cannot guarantee that we will be able to obtain our lenders' permission when needed. This restriction may prevent us from taking actions that are in our best interest.

Our inability to service our debt obligations or to obtain additional financing as needed would have a material adverse effect on our business, financial condition and results of operations.

We have a significant amount debt outstanding. As of December 31, 2012, we had outstanding indebtedness of approximately $1.4 billion with related interest expense for the year ended December 31, 2012 of approximately $68.7 million. Our ability to meet our debt obligations will depend upon, among other things, our financial and operating performance, which will be affected by prevailing economic conditions and by financial, business, regulatory and other factors affecting our operations. Many of these factors are beyond our control. If our cash flow is insufficient to service our current and future indebtedness and to meet our other obligations and commitments, or if we are unable to obtain new financing on a timely basis, we will be required to adopt one or more alternatives, such as reducing or delaying our business activities, acquisitions, investments, capital expenditures, the payment of dividends or the implementation of our other strategies, refinancing or restructuring our debt obligations, selling intermodal assets, seeking to raise additional debt or equity capital or seeking bankruptcy protection. However, we may not be able to effect any of these remedies or alternatives on a timely basis, on satisfactory terms or at all and, in any event, we would need to do so in a manner consistent with the Amalgamation Agreement.

We intend to incur substantial additional debt and may issue substantial additional equity in order to expand our business and pay dividends.

We plan to expand our business substantially by continuing to acquire containers each year. We intend to fund a portion of this growth with additional borrowings from time to time, which will increase our indebtedness and interest expense. We may also fund a portion of this growth with sales of additional equity securities, and such sales may be significant, which could have a significant dilutive effect on our shareholders. There is no assurance that we will continue to be able to access the debt and equity markets to the extent necessary to fund our plans, or that our cash flow will increase sufficiently to enable us to cover our increased borrowing costs and dividend payments. If our cash flow is insufficient to meet our needs, we may need to restrict our growth or dividend payments, or both, and we could face an increased risk of default. Our ability to fund our plans will depend on market conditions in our industry and in the financial markets as well as on our operating performance, each of which, to a significant extent, is out of our control. The recent downturn in the world's major economies, constraints in the credit markets and turbulence in the financial markets generally underscore the uncertainty concerning our ability to achieve our plans for growth and dividend payments. In addition, our ability to draw funds under our existing credit facility is subject to our compliance with various covenants and requirements under the facility.

Risks Related to Our Organization and Structure

If the ownership of our common shares continues to be highly concentrated, it may prevent you and other minority shareholders from influencing significant corporate decisions and may result in conflicts of interest.

As of February 15, 2013, the Initial Shareholder, an entity primarily owned by certain private equity funds managed by an affiliate of Fortress, beneficially owns approximately 41.8% of our common shares. As a result, the Initial Shareholder may be able to control voting over corporate matters and transactions, including: the election of directors; amalgamations, consolidations or acquisitions; the sale of all or substantially all of our assets and other decisions affecting our capital structure; the amendment of our memorandum of association and our bye-laws, and our winding up and dissolution. This concentration of ownership may delay, deter or prevent acts that would be favored by our other shareholders. The interests of the Initial Shareholder may not always coincide with our interests or the interests of our other shareholders. This concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of us. Also, the Initial Shareholder may seek to cause us to take courses of action that, in its judgment, could enhance its investment in us, but which might involve risks to our other shareholders or adversely affect us or our other shareholders. As a result, the market price of our common shares could decline or shareholders might not receive a premium over the then-current market price of our common shares upon a change in control. In addition, this concentration of share ownership may adversely affect the trading price of our common shares because investors may perceive disadvantages in owning shares in a company with significant shareholders.

We are a holding company with no operations and rely on our operating subsidiaries to provide us with funds necessary to meet our financial obligations and to pay dividends.

We are a holding company with no material direct operations. Our principal assets are the equity interests we directly or indirectly hold in our operating subsidiaries, which own our operating assets. As a result, we are dependent on loans, dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations and to pay dividends on our common shares. Our subsidiaries are legally distinct from us and may be prohibited or restricted from paying dividends or otherwise making funds available to us under certain conditions. If we are unable to obtain funds from our subsidiaries, we may be unable to, or our board may exercise its discretion not to, pay dividends.

We are a Bermuda exempted company, and it may be difficult for you to enforce judgments against us or our directors and executive officers.

We are a Bermuda exempted company and, as such, the rights of holders of our common shares will be governed by Bermuda law and our memorandum of association and bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. A substantial portion of our assets are located outside the United States. As a result, it may be difficult for investors to effect service of process on those persons in the United States or to enforce in the United States judgments obtained in U.S. courts against us or those persons based on the civil liability provisions of the U.S. securities laws. Uncertainty exists as to whether courts in Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against us or our directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against us or our directors or officers under the securities laws of other jurisdictions.

Our bye-laws restrict shareholders from bringing legal action against our officers and directors.

Our bye-laws contain a broad waiver by our shareholders of any claim or right of action, both individually and on our behalf, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty.

Certain provisions of the Shareholders Agreement and our bye-laws could hinder, delay or prevent a change in control of our company, which could adversely affect the price of our common shares.

Certain provisions of the shareholders agreement ("the Shareholders Agreement") which we entered into with the Initial Shareholder prior to the completion of our IPO, and our bye-laws contain provisions that could make it more difficult for a third party to acquire us without the consent of our board of directors or the Initial Shareholder. These provisions provide for:

a classified board of directors with staggered three-year terms;

provisions in our bye-laws regarding the election of directors, classes of directors, the term of office of directors, amalgamations and the bye-law governing the amendment of the foregoing bye-laws to be rescinded, altered or amended only upon approval by a resolution of the directors and by a resolution of our shareholders, including the affirmative votes of at least 66% of the votes attaching to all shares in issue entitling the holder to vote on such resolution (provided, however, that for so long as the Initial Shareholder and certain other affiliates of Fortress and permitted transferees (referred to collectively, as the "Fortress Shareholders") beneficially own at least 25% of our issued and outstanding common shares, no such bye-law shall be rescinded, altered or amended and no new bye-law shall be made which would have the effect of rescinding, altering or amending or would be inconsistent with the purpose and intent of the provisions of such bye-laws, until the same has been approved by a resolution of the directors and by a resolution of our shareholders, including the affirmative votes of at least a majority of all votes attaching to all shares in issue entitling the holder to vote on such resolution);

provisions in our bye-laws dealing with the removal of directors, filling vacancies on the board, the right of shareholders to call special meetings, shareholder action by resolution in writing, corporate opportunity to be rescinded, altered or amended only upon approval by a resolution of the directors and by a resolution of our shareholders, including the affirmative votes of at least 80% of the votes attaching to all shares in issue entitling the holder to vote on such resolution;

removal of directors only for cause and only with the affirmative vote of at least 80% of the votes attaching to all shares in issue entitling the holder to vote on such resolution (provided, however, that for so long as the Fortress Shareholders beneficially own at least 40% of our issued and outstanding common shares, directors may be removed with or without cause with the affirmative vote of a majority of the votes attaching to all shares in issue entitling the holder to vote on such resolution);

our board of directors to determine the powers, preferences and rights of our preference shares and to issue such preference shares without shareholder approval;

advance notice requirements by shareholders for director nominations and actions to be taken at annual meetings;

26

the Shareholders Agreement will provide certain rights to the Fortress Shareholders with respect to the designation of directors for nomination and election to our board of directors, including the ability to appoint a majority of the members of our board of directors for so long as the Fortress Shareholders continue to hold at least 40% of our issued and outstanding common shares.;

no provision in our bye-laws for cumulative voting in the election of directors, which means that the holders of a majority of the issued and outstanding common shares can elect all the directors standing for election; and

our bye-laws only permit action by our shareholders outside a meeting by unanimous written consent, provided, however, that for so long as the Fortress Shareholders beneficially own at least 25% of our issued and outstanding common shares, our shareholders may act without a meeting by written consent of a majority of our shareholders, such majority being that majority of our shareholders who at the date of the notice of any written consent represent such majority of votes as would be required if the resolution had been voted on at a meeting of the shareholders.

In addition, these provisions may make it difficult and expensive for a third party to pursue a tender offer, change in control or takeover attempt that is opposed by our Initial Shareholder, our management and/or our board of directors. Public shareholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to shareholders. These anti-takeover provisions could substantially impede the ability of public shareholders to benefit from a change in control or change our management and board of directors and, as a result, may adversely affect the market price of our common shares and your ability to realize any potential change of control premium.

Certain of our shareholders have the right to engage or invest in the same or similar businesses as us.

The Fortress Shareholders have other investments and business activities in addition to their ownership of us. Under our bye-laws, the Fortress Shareholders have the right, and have no duty to abstain from exercising such right, to engage or invest in the same or similar businesses as us, do business with any of our clients, customers, lessors or vendors or employ or otherwise engage any of our officers, directors or employees. In particular, Joseph Kwok, our Chief Executive Officer, served as Chief Executive Officer of Seacastle Inc., the parent company of our Initial Shareholder, until our incorporation in March 2010, and continues to serve as Chairman of Seacastle Inc. and Seacastle Holdings LLC. Mr. Kwok will receive additional compensation from a subsidiary of Seacastle Holdings LLC. Two of our directors are individuals affiliated with Fortress, one of whom also serves on the board of directors of Seacastle Inc. Seacastle Inc. is a holding company that owns businesses that are engaged in the business of acquiring and leasing chassis and containerships, two other types of intermodal equipment that are used in global containerized cargo trade. Mr. Kwok currently holds restricted common shares in Seacastle Inc. If the Fortress Shareholders or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us, our shareholders or our affiliates.

In the event that any of our directors and officers who is also a director, officer or employee of any of the Fortress Shareholders acquires knowledge of a corporate opportunity or is offered a corporate opportunity, provided that this knowledge was not acquired solely in such person's capacity as a director or officer of SeaCube and such person acts in good faith, then to the fullest extent permitted by law such person is deemed to have fully satisfied such person's duties owed to us and is not liable to us, if the Fortress Shareholder pursues or acquires the corporate opportunity or if the Fortress Shareholder does not present the corporate opportunity to us.

Risks Related to the Company's Common Stock

Future offerings of debt or equity securities by us may adversely affect the market price of our common shares.

In the future, we may attempt to obtain financing or to further increase our capital resources by issuing common shares or additional equity securities or offering debt securities, including commercial paper, medium-term notes, senior or subordinated notes or preference shares. Issuing additional common shares or other equity offerings may dilute the economic and voting rights of our existing shareholders or reduce the market price of our common shares, or both. Upon liquidation, holders of such debt securities and preferred shares, if issued, and lenders with respect to other borrowings, would receive a distribution of our available assets prior to the holders of our common shares. Preferred shares, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our common shares. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common shares bear the risk of our future offerings reducing the market price of our common shares and diluting their share holdings in us.

The market price of our common shares could be negatively affected by sales of substantial amounts of our common shares in the public markets.

As of February 15, 2013, there were 20,413,359 common shares issued and outstanding. All of our issued and outstanding common shares will be freely transferable, except for approximately 45.9% of our issued and outstanding common shares held by the Initial Shareholder and members of our management, directors and employees, which can be resold into the public markets in the future in accordance with the requirements of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act").

Pursuant to our Shareholders Agreement, the Initial Shareholder and certain of its affiliates and permitted third-party transferees will have the right, in certain circumstances, to require us to register their 8,525,000 common shares that they own for sale into the public markets. Upon the effectiveness of such a registration statement, all shares covered by the registration statement will be freely transferable.

On October 28, 2010, we filed a registration statement on Form S-8 under the Securities Act to register an aggregate of 1,000,000 common shares reserved for issuance under our incentive plans. We may increase the number of shares registered for this purpose at any time. Subject to any restrictions imposed on the shares and options granted under our incentive plans, shares registered under the registration statement on Form S-8 will be available for sale into the public markets.

The sale of, or a report of the possible sale of, any substantial portion of these shares may negatively impact the market price of our shares. A decline in the price of our common shares might impede our ability to raise capital through the issuance of additional common shares or other equity securities.

The future issuance of additional common shares in connection with our incentive plans, acquisitions or otherwise will dilute all other shareholdings.

As of February 15, 2013, we will have an aggregate of 378,972,188 common shares authorized but unissued and not reserved for issuance under our incentive plans. We may issue all of these common shares without any action or approval by our shareholders, subject to certain exceptions. We also intend to continue to actively pursue acquisitions of containers and container businesses and may issue common shares in connection with these acquisitions. Any common shares issued in connection with our incentive plans, our acquisitions, the exercise of outstanding share options or otherwise would dilute the percentage ownership held by current investors.

We may not be able to pay or maintain dividends at their current level and the failure to pay or maintain dividends may adversely affect our share price.

Our ability to maintain dividends at current levels will depend on, among other things, our cash flows, our cash requirements, our financial condition, cash available under our existing credit facilities, contractual restrictions binding on us, legal restrictions on the payment of dividends, including a statutory dividend test and other limitations under Bermuda law, and other factors that our board of directors may deem relevant. Because we intend to use funds available under our existing credit facilities from time to time as an efficient source to pay a portion of any future dividends, our ability to pay dividends will depend, in part, on our ability to maintain credit facilities or other external sources of financing with favorable terms. In addition, our loan agreements contain certain restrictions on our ability to make dividend payments if an event of default under a loan agreement has occurred and is continuing, or would result therefrom, or upon the occurrence of specified amortization events. There can be no assurance that we will generate sufficient cash from continuing operations or external sources of financing in the future, or have sufficient surplus or net profits, as the case may be, under the laws of Bermuda or jurisdictions where our subsidiaries are located, to pay dividends on our common shares. Our dividend policy is based upon our directors' current assessment of our business and the environment in which we operate and that assessment could change based on a number of factors, including competitive developments (which could, for example, increase our need for capital expenditures), market conditions or new growth opportunities. Our board of directors may, in its discretion, amend or repeal this dividend policy to decrease the level of dividends or entirely discontinue the payment of dividends. The reduction or elimination of declaring and paying dividends may negatively affect the market price of our common shares.

Under Bermuda law a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realizable value of its assets would thereby be less than the sum of its liabilities and its issued share capital (par value) and share premium accounts (share premium being the amount of consideration paid for the subscription of shares in excess of the par value of those shares). As a result, in future years, if the realizable value of our assets decreases, our ability to pay dividends may require our shareholders to approve resolutions reducing our share premium account by transferring an amount to our contributed surplus account.

Pursuant to the terms of the Amalgamation Agreement, we will not pay a dividend with respect to the fourth quarter of 2012.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). If we do not maintain compliance with the Sarbanes-Oxley Act, or if we or our auditors discover a material weakness in our internal controls over financial reporting, our share price could decline, our reputation could be significantly harmed and our ability to raise capital could be impaired.

Risks Related to Taxation

We expect to be a passive foreign investment company ("PFIC") and may be a controlled foreign corporation ("CFC") for U.S. federal income tax purposes.

We expect to be treated as a PFIC and may be a CFC for U.S. federal income tax purposes. If you are a U.S. person and do not make certain elections with respect to your investment, unless we are a CFC and you own 10% of our voting shares, you would be subject to special deferred tax and interest charges with respect to certain distributions on our common shares, any gain realized on a disposition of our common shares and certain other events. The effect of these deferred tax and interest charges could be materially adverse to you. Alternatively, if you are such a shareholder and make one of such elections, or if we are a CFC and you own 10% or more of our voting shares, you will not be subject to those charges, but could recognize taxable income in a taxable year with respect to our common shares in excess of any distributions that we make to you in that year, thus giving rise to so-called "phantom income" and to a potential out-of-pocket tax liability.

Distributions made to a U.S. person that is an individual will not be eligible for taxation at reduced tax rates generally applicable to dividends paid by certain United States corporations and "qualified foreign corporations" on or prior to December 31, 2012. The more favorable rates applicable to regular corporate dividends could cause individuals to perceive investment in our shares to be relatively less attractive than investment in the shares of other corporations, which could adversely affect the value of our shares.

We may become subject to unanticipated tax liabilities that may have a material adverse effect on our results of operations.

We may be subject to income, withholding or other taxes in other jurisdictions by reason of our activities and operations, where our containers are used, or where the lessees of our containers (or others in possession of our containers) are located. It is also possible that taxing authorities in any such jurisdictions could assert that we are subject to greater taxation than we currently anticipate. A portion of our income is treated as effectively connected with our conduct of a trade or business within the U.S., and is accordingly subject to U.S. federal income tax. It is possible that the U.S. Internal Revenue Service could assert that a greater portion of our income is effectively connected income that should be subject to U.S. federal income tax. If we become subject to a significant amount of unanticipated tax liabilities, our business would be adversely affected and decreased earnings would be available for distribution to our shareholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

NONE

ITEM 2. PROPERTIES

We maintain offices in Park Ridge, New Jersey; San Ramon, California; Bergen Op Zoom, Netherlands; Hong Kong; Shanghai, China; Taipei, Taiwan and Singapore. All properties are office space that is leased or sub-leased from third parties. We do not own any real estate.

We believe that our current offices are adequate to meet current requirements and that additional or substitute space will be available as needed to accommodate our growth.

ITEM 3. LEGAL PROCEEDINGS

We have been, and may from time to time be, involved in litigation and claims incidental to the conduct of our business in the ordinary course. Our industry is also subject to scrutiny by government regulators, which could result in enforcement proceedings or litigation related to regulatory compliance matters. We maintain insurance policies in amounts and with the coverage and deductibles we believe are adequate, based on the nature and risks of our business, historical experience and industry standards.

Shareholder Litigation

We are aware of five lawsuits relating to the Amalgamation Agreement filed by purported shareholders against the Company, the Company's directors, Acquisition Sub and Parent. Three such lawsuits were filed in New Jersey state court, and allege, among other things, that the directors of the Company have breached their fiduciary duties to the shareholders and that Acquisition Sub and Parent aided and abetted the Company's directors' alleged breach of their fiduciary duties. Such lawsuits seek, among other things, to preliminarily and permanently enjoin the defendants from effectuating the Amalgamation, along with a declaration that the Company's directors breached their fiduciary duties, an accounting, rescissory damages, costs and fees. Plaintiffs in one of the three state court lawsuits amended their complaint to assert disclosure claims. Such plaintiffs also filed a motion to consolidate the actions and a motion to expedite discovery. Following the filing of this motion, the parties agreed to a stipulation and order governing consolidation and discovery. Two additional shareholder lawsuits were filed in New Jersey federal court against the Company, the Company's directors, Acquisition Sub and Parent. The Federal actions allege that the that the directors of the Company have engaged in "oppressive" conduct in violation of Section 111 of the Companies Act 1981 of Bermuda by entering into the Amalgamation Agreement, and that the Company's preliminary proxy statement on Schedule 14A relating to the Amalgamation is false and misleading in violation of the federal securities laws.

ITEM 4. MINE SAFETY DISCLOSURES

NONE

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common shares are listed for trading on the New York Stock Exchange under the symbol "BOX". As of February 8, 2013, there were approximately 140 record holders.

The following table sets forth the quarterly high and low prices of our common shares on the New York Stock Exchange for the periods indicated:

	High	Low
Year Ended December 31, 2012:		
First Quarter	$ 17.93	$ 14.52
Second Quarter	18.92	16.31
Third Quarter	19.25	17.02
Fourth Quarter	18.99	17.05
Year Ended December 31, 2011:		
First Quarter	$ 16.22	$ 13.38
Second Quarter	17.99	15.04
Third Quarter	17.46	10.75
Fourth Quarter	15.54	12.03

Performance Graph

The following graph illustrates the cumulative total return to holders of our common shares relative to the cumulative total returns of the Russell 2000 Index and a customized peer group for the period from October 28, 2010 (the date our common shares began trading) to December 31, 2012. The peer group consists of three companies as follows: Textainer Group Holdings Limited (NYSE: TGH), TAL International Group, Inc. (NYSE: TAL), and CAI International Inc (NYSE: CAP). The graph assumes the investment of $100 as of October 28, 2010 and the reinvestment of all dividends.

Company/Index	Base Period 10/28/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31
SeaCube Container Leasing Ltd	100.00	129.66	147.64	160.62	114.90	145.31	171.57	173.02	192.96	197.1
Russell 2000 Index	100.00	111.68	120.55	118.61	92.68	107.02	120.33	116.15	122.25	124.5
Peer Group	100.00	116.35	147.99	129.14	87.88	116.60	142.17	147.05	136.12	145.0

Dividends

We declared the following dividends during the years ended December 31, 2012 and 2011 on our issued and outstanding common shares:

Declaration Date	Record Date	Payment Date	Aggregate Payment		Per Share Payment	
March 9, 2011	April 8, 2011	April 15, 2011	$	4.4 million	$	0.220
May 10, 2011	July 8, 2011	July 15, 2011	$	4.4 million	$	0.220
August 9, 2011	October 7, 2011	October 14, 2011	$	4.8 million	$	0.240
November 8, 2011	December 8, 2011	December 15, 2011	$	4.8 million	$	0.240
February 29, 2012	March 13, 2012	March 20, 2012	$	5.3 million	$	0.260
May 7, 2012	June 7, 2012	June 14, 2012	$	5.7 million	$	0.280
August 6, 2012	September 7, 2012	September 14, 2012	$	5.9 million	$	0.290
November 5, 2012	December 7, 2012	December 14, 2012	$	6.1 million	$	0.300

Pursuant to the terms of the Amalgamation Agreement, we will not pay a dividend with respect to the fourth quarter of 2012. We expect that the Amalgamation will close during the first half of 2013. If the Amalgamation has not closed prior to the scheduled payment date for our regular dividend with respect to the first quarter of 2013, we will be permitted to pay our regular dividend with respect to the first quarter of 2013 during the second quarter of 2013 in accordance with past practice. The amount of any dividend with respect to the first quarter of 2013, if declared and paid, will not exceed $0.31 per share. In 2012, our board approved and declared a dividend with respect to the first quarter of 2012 on May 7, 2012, which was paid on June 14, 2012.

Securities Authorized for Issuance Under Equity Compensation Plans

The information required by this Item is incorporated by reference to a definitive proxy statement or amendment to this Form 10-K to be filed with the SEC within 120 days of December 31, 2012.

ITEM 6. SELECTED FINANCIAL DATA

The selected historical consolidated financial data presented below have been derived from the audited consolidated financial statements, at the dates and for the periods indicated, for SeaCube Container Leasing Ltd. (formerly Container Leasing International, LLC and subsidiaries ("CLI")) ("SeaCube"). In March 2010, all of the equity interests in CLI were transferred from Seacastle Operating Company Ltd. (our "Initial Shareholder") to an indirect wholly owned subsidiary of SeaCube Container Leasing Ltd.

You should read the following tables along with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," and our consolidated historical financial statements and the related notes included elsewhere in this report.

	Year Ended December 31, (amounts in thousands, except for per share data and container units)				
	2012	2011	2010	2009	2008
Consolidated Statements of Operations Data:					
Total revenues	$ 198,915	$ 169,479	$ 137,249	$ 141,873	$ 238,819
Direct operating expenses	5,928	5,987	6,139	9,073	13,780
Selling, general and administrative expenses	24,092	23,441	21,853	21,983	26,215
Depreciation expenses	53,545	45,800	35,341	37,769	79,491
Provision for doubtful accounts	1,100	388	(1,693)	4,678	1,468
Interest expense	68,702	54,638	44,522	51,922	81,114
Loss on terminations and modification of derivative instruments(1)	—	—	—	37,922	—
Gain on 2009 Sale(1)	—	—	—	15,583	—
Loss on retirement of debt(1)	—	—	—	1,330	413
Provision (benefit) for income taxes	(504)	(691)	796	248	—
Net income (loss)	$ 46,436	$ 39,436	$ 29,620	$ (15,004)	$ 30,036
Net income (loss) per share of common stock:					
Basic and diluted	$ 2.29	$ 1.96	$ 1.75	$ (0.94)	$ 1.88
Common shares used in computing net income (loss) per common share basic and diluted	20,270	20,143	16,842	16,000	16,000
Consolidated Balance Sheet Data (at end of period):					
Cash and cash equivalents	$ 16,518	$ 15,006	$ 17,868	$ 8,014	$ 30,567
Restricted cash	36,727	29,649	17,132	22,060	30,056
Net investment in direct finance leases	627,859	639,248	516,158	555,990	582,320
Leasing equipment, net of accumulated depreciation	961,232	748,945	476,566	360,847	863,730

Total assets	1,728,891	1,525,302	1,098,227	1,097,229	1,581,386
Debt, current	180,206	161,171	130,095	131,270	506,777
Debt, long-term	1,192,492	1,039,274	664,107	666,994	709,437
Total liabilities	1,473,085	1,306,173	908,921	862,875	1,327,783
Total shareholders' equity/members' interest	$ 255,806	$ 219,129	$ 189,306	$ 234,354	$ 253,603
Other Operating Data:					
Distribution to Initial Shareholder	$ —	$ —	$ —	$ 60,000	$ —
Dividends	22,926	18,550	6,804	—	—
Non-cash distribution to Initial Shareholder	$ —	$ —	$ 96,874	$ —	$ —
Consolidated Statement of Cash Flows Data:					
Cash flows provided by operating activities	$ 103,981	$ 93,462	$ 76,743	$ 50,966	$ 127,392
Capital expenditures	$ 387,441	$ 574,314	$ 191,043	$ 55,304	$ 108,472
Selected Fleet Data:					
Average container units(2)	619,741	535,328	515,671	550,560	599,831
Average utilization(3)	97.8 %	98.3 %	97.9 %	96.5 %	98.2 %

(1) Refer to the 2009 Sale described in "Management's Discussion and Analysis of Financial Condition and Results of Operations".

(2) Includes our operating fleet (which comprises our owned and managed fleet), the fleet of Interpool Limited for all periods presented and units under finance leases.

(3) Utilization excludes assets held for sale and new units at the factory.

34

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This management's discussion and analysis of financial condition and results of operations contains forward-looking statements that involve risks and uncertainties. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those listed under "Risk Factors" included elsewhere in this report.

Overview

SeaCube Container Leasing Ltd ("SeaCube" or "the Company") is one of the world's largest container leasing companies based on total assets. Containers are the primary means by which products are shipped internationally because they facilitate efficient movement of goods via multiple transportation modes including ships, rail and trucks. The principal activities of our business include the acquisition, leasing, re-leasing and subsequent sale of refrigerated and dry containers and generator sets. The Company leases our containers primarily under long-term contracts to a diverse group of the world's leading shipping lines. As of December 31, 2012, we employ 77 people in seven offices worldwide and have total assets of $1.7 billion.

As of December 31, 2012, we own or manage a fleet of 791,852 units, representing 1,224,395 TEUs of containers and generator sets. For the year ended December 31, 2012, our average utilization was 97.8% (1), as measured in units. We plan to grow our business by maximizing the profitability of our existing fleet and making additional investments in new containers.

The tables below summarize the composition of our fleet by unit, TEU and net book value as of December 31, 2012:

Equipment Fleet by Units

	Refrigerated	Dry	Gensets	Total
Operating Leases	36,442	196,857	2,369	235,668
Direct Finance Leases	25,931	244,281	2,710	272,922
Total Owned	62,373	441,138	5,079	508,590
Managed	30,216	251,723	1,323	283,262
Total Fleet	92,589	692,861	6,402	791,852

Equipment Fleet by TEUs

	Refrigerated	Dry	Gensets	Total
Operating Leases	66,551	303,687	2,369	372,607
Direct Finance Leases	50,442	376,594	2,710	429,746
Total Owned	116,993	680,281	5,079	802,353
Managed	56,855	363,864	1,323	422,042
Total Fleet	173,848	1,044,145	6,402	1,224,395

Container Fleet by Net Book Value

	Refrigerated	Dry	Gensets	Total
Operating Leases	$ 433,006	$ 518,343	$ 9,883	$ 961,232
Direct Finance Leases	213,847	400,373	13,639	627,859

Total Fleet	$ 646,853	$918,716	$23,522	$1,589,091

(1) Utilization excludes assets held for sale and new units at the factory.

Segment Reporting

The Company manages the business through a single set of product metrics and profitability measures that did not seek to allocate costs amongst the individual products. We employ a single sales force that sells each product and the back office functions are not allocable in total or in part to a single product. We expect to continue to operate our business as a single reportable segment.

Amalgamation Agreement

As of December 31, 2012, we recognized $0.8 million of expenses associated with our activities surrounding the pending Amalgamation. We have not recognized certain other expenses that are contingent on completion of the Amalgamation. These expenses include financial advisory fees and compensation expense comprised of retention bonuses, severance and share-based compensation for share-based awards that will vest in connection with the Amalgamation. These contingent expenses will be recognized in our consolidated financial statements commencing in the period in which the Amalgamation occurs. The final amount of compensation expense to be recognized is partially dependent upon personnel decisions that will be made as part of the integration planning. These amounts may be material.

Upon completion of the Amalgamation, our assets and liabilities will be revalued and recorded at fair value. The assignment of fair value will require a significant amount of judgment. The use of fair value measures will affect the comparability of our post-amalgamation financial information and may make it more difficult to predict earnings in future periods.

2009 Sale of Containers (the “2009 Sale”)

On January 20, 2009, we entered into sale agreements with an unrelated third party investor group for the sale of approximately 65,000 containers and gensets for cash consideration of $454.2 million. The leasing assets sold had a book value of approximately $427.7 million, and we also sold accounts receivable with a carrying value of $10.9 million. This transaction resulted in a gain of approximately $15.6 million which was recorded in our 2009 consolidated financial statements. In conjunction with the sale of these assets, CLI entered into administrative services agreements, whereby, for a ten-year term subject to a maximum 3 year extension at the option of the container owner, CLI has agreed to operate, lease and re-lease the containers and to act on the owners’ behalf as so directed. Under the agreements, CLI does not retain any risk of ownership. Management fees will be paid by the owners to CLI depending upon the type of lease that the equipment is under (term, master lease or direct finance lease). CLI will collect lease receivables on behalf of the owners and remit amounts to the owners after deducting the applicable management fees. These fees are recorded in other revenue in the consolidated statements of operations.

The containers and gensets and associated lease interests that were sold in the 2009 Sale were a representative sample of our total operating lease fleet with regard to equipment type, customer mix, age, and utilization. The principal reasons why we entered into the 2009 Sale were (i) to provide us with an opportunity to establish a new relationship with a third-party capital provider, (ii) to allow us to mitigate some customer credit and residual risk of ownership to a third party, thereby reducing our aggregate risk exposure to several customers, and (iii) to provide us with additional revenue in the form of management fees from the long-term administrative services agreements that CLI entered into at the time of the sale.

Results of Operations

Comparison of the Year Ended December 31, 2012 to the Year Ended December 31, 2011

	Year ended December 31, 2012	Year ended December 31, 2011	$ Change	% Change
	(dollars in thousands)			
Equipment leasing revenue	$ 122,888	$ 104,869	$ 18,019	17 %
Finance revenue	64,762	54,337	10,425	19 %
Other revenue	11,265	10,273	992	10 %
Total revenues	$ 198,915	$ 169,479	$ 29,436	17 %

Revenue

Total revenue was $198.9 million for the year ended December 31, 2012 compared to $169.5 million for the year ended December 31, 2011, an increase of $29.4 million or 17%.

Equipment leasing revenue was $122.9 million for the year ended December 31, 2012 compared to $104.9 million for the year ended December 31, 2011, an increase of $18.0 million or 17%. The increase was the result of an increase to the average on-hire fleet by approximately 46,300 units.

Finance revenue was $64.8 million for the year ended December 31, 2012 compared to $54.3 million for the year ended December 31, 2011, an increase of $10.4 million or 19%. The increase was the result of new investments that increased the average size of our finance lease portfolio.

Other revenue, which includes management fee revenues and re-billable costs to our lessees, was $11.3 million for the year ended December 31, 2012 compared to $10.3 million for the year ended December 31, 2011, an increase of $1.0 million or 10%. This increase was attributable to higher rebillable costs of $1.6 million, which were partially offset by lower management fee revenues of $0.6 million.

	Year ended December 31, 2012	Year ended December 31, 2011	$ Change	% Change
	(dollars in thousands)			
Direct operating expenses	$ 5,928	$ 5,987	$ (59)	-1 %
Selling, general and administrative expenses	24,092	23,441	651	3 %
Depreciation expenses	53,545	45,800	7,745	17 %
Provision for doubtful accounts	1,100	388	712	*
Impairment of leasing equipment held for sale	2,158	1,289	869	67 %
Total	$ 86,823	$ 76,905	$ 9,918	13 %

* Not meaningful.

Direct Operating Expenses

Direct operating expenses were $5.9 million for the year ended December 31, 2012 compared to $6.0 million for the year ended December 31, 2011, a decrease of $0.1 million or 1%. During the current year period, more containers were returned upon the completion of their lease than in the prior year period resulting in higher positioning as well as maintenance and repair costs. This was offset by higher recovery costs incurred in the prior year that were attributable to one customer.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $24.1 million for the year ended December 31, 2012, compared to $23.4 million for the year ended December 31, 2011, an increase of $0.7 million or 3%. This is primarily due to merit increases and higher incentive compensation expense that was partially offset by savings in travel, professional and legal fees.

Depreciation Expenses

Depreciation of leasing equipment was $53.5 million for the year ended December 31, 2012 compared to $45.8 million for the year ended December 31, 2011, an increase of $7.7 million or 17%. Depreciation on new additions net of disposals and sales accounted for an increase of $8.8 million, which was offset by a decrease of $1.1 million due to equipment reaching the end of their depreciable lives.

Provision for Doubtful Accounts

Provision for doubtful accounts was $1.1 million for the year ended December 31, 2012 compared to $0.4 million for year ended December 31, 2011. While we continue to have a good credit and collections experience, due to our comprehensive credit underwriting and monitoring, the current year period provision for doubtful account increased compared to the prior year period.

Impairment of Leasing Equipment Held for Sale

We recorded an impairment of leasing equipment held for sale of $2.2 million for the year ended December 31, 2012 compared to $1.3 million for the year ended December 31, 2011. We evaluate the recovery of our containers and gensets designated for sale and record a loss if the ultimate sales value is expected to be below the current carrying cost. The majority of our impairments occur at the conclusion of an operating lease when our equipment is older and has incurred a certain amount of damage that the lessee is responsible for. These impairments do not include amounts that we recover from lessees to return containers to leasable condition, in accordance with industry standards. We bill our lessees for the cost to repair equipment to this industry standard even if we do not repair the container. This revenue is recorded as Other Revenue and not a reduction of impairment losses. In the current year period, we had more containers returned and sold upon the completion of their lease term.

	Year ended December 31, 2012 (dollars in thousands)	Year ended December 31, 2011	$ Change	% Change
Interest expense	$ 68,702	$ 54,638	$ 14,064	26 %
Interest income	(265)	(309)	44	-14 %
Other expenses (income), net	(2,277)	(500)	(1,777)	*
Total	$ 66,160	$ 53,829	$ 12,331	23 %

* Not meaningful.

Interest Expense

Interest expense was $68.7 million for the year ended December 31, 2012 compared to $54.6 million for the year ended December 31, 2011, an increase of $14.1 million or 26%. Our weighted average debt balance for the year ended December 31, 2012 increased by approximately $268 million due to our investment in new containers. This resulted in an increase of approximately $13.4 million to interest expense. In the current year period, there were slightly higher commitment fees of $0.3 million. In addition, non-cash interest expense increased in the current period by $0.4 million, which included higher amortization of deferred financing fees of $1.8 million partially offset by increases in gains recognized directly into income for ineffective derivatives of $0.3 million and by lower amortization of terminated derivatives of $1.1 million.

Interest Income

Interest income was $0.3 million for both the year ended December 31, 2012 and 2011.

Other Expense (Income), Net

Other expense (income), net, was $(2.3) million for the year ended December 31, 2012 compared to $(0.5) million for the year ended December 31, 2011. This is attributable to higher gains on the sale of equipment in the current year period due to more containers being returned and sold upon the completion of leases. These gains were partially offset by approximately $0.8 million of one-time transaction expenses associated with the pending Amalgamation.

	Year ended December 31, 2012	Year ended December 31, 2011	$ Change	% Change
	(dollars in thousands)			
Provision (benefit) for income taxes	$ (504)	$ (691)	$ 187	*

* Not meaningful.

Provision (benefit) for Income Taxes

Provision (benefit) for income taxes was $(0.5) million for the year ended December 31, 2012 and $(0.7) million for the year ended December 31, 2011. The Company is not subject to taxation in its country of incorporation and although the Company is subject to taxation in certain other jurisdictions, including in the U.S. and other foreign countries, none of those taxable amounts are material. Further, given the nature of the Company's operations and activities, including where its containers are used and where the lessees of its containers (or others in possession of its containers) are located, the remainder of its earnings is not attributable to any specific tax jurisdiction and is thus not taxable. The change in the effective tax rate is primarily attributable to its lower or nontaxed foreign sourced income.

	Year ended December 31, 2012	Year ended December 31, 2011	$ Change	% Change
		(dollars in thousands)		
Net income	$ 46,436	$ 39,436	$ 7,000	18 %
Adjusted net income**	$ 51,470	$ 44,128	$ 7,342	17 %
Adjusted EBITDA**	$ 289,478	$ 239,755	$ 49,723	21 %

** Adjusted net income and adjusted EBITDA are measures of financial and operational performance that are not defined by U.S. GAAP. See “Non-GAAP Measures” for the discussion of adjusted net income and adjusted EBITDA as a non-GAAP measures and their reconciliation to net income (loss).

Net Income

Net income was $46.4 million for the year ended December 31, 2012 as compared to $39.4 million for the year ended December 31, 2011. The increase in net income was attributable to the items above.

Adjusted Net Income

Adjusted net income was $51.5 million for the year ended December 31, 2012 compared to $44.1 million for the year ended December 31, 2011, an increase of $7.3 million or 17%. In addition to the changes in net income noted above, the year ended December 31, 2012, includes an increase in non-cash interest expense of $0.3 million, which is excluded in the adjusted net income calculation.

Adjusted EBITDA

Adjusted EBITDA was $289.5 million for the year ended December 31, 2012 compared to $239.8 million for the year ended December 31, 2011, an increase of $49.7 million or 21%. In addition to the changes in net income noted above, the year ended December 31, 2012, includes higher depreciation of $7.7 million and higher interest expense of $14.1 million, which are excluded in the adjusted EBITDA calculation. In addition, the current year period had higher collections on investments in direct financing leases of $20.7 million.

Comparison of the Year Ended December 31, 2011 to the Year Ended December 31, 2010

	Year ended December 31, 2011	Year ended December 31, 2010	$ Change	% Change
		(dollars in thousands)		
Equipment leasing revenue	$ 104,869	$ 73,404	$ 31,465	43 %
Finance revenue	54,337	51,627	2,710	5 %
Other revenue	10,273	12,218	(1,945)	-16 %
Total revenues	$ 169,479	$ 137,249	$ 32,230	23 %

Revenue

Total revenue was $169.5 million for the year ended December 31, 2011 compared to $137.2 million for the year ended December 31, 2010, an increase of $32.2 million or 23%.

Equipment leasing revenue was $104.9 million for the year ended December 31, 2011 compared to $73.4 million for the year ended December 31, 2010, an increase of $31.5 million or 43%. The increase was the result of an increase to the average on-hire fleet by approximately 41,700 units.

Finance revenue was $54.3 million for the year ended December 31, 2011 compared to $51.6 million for the year ended December 31, 2010, an increase of $2.7 million or 5%. The increase was the result of new investments that increased the average size of our finance lease portfolio.

Other revenue, which includes management fee revenues and re-billable costs to our lessees, was $10.3 million for the year ended December 31, 2011 compared to $12.2 million for the year ended December 31, 2010, a decrease of $1.9 million or 16%. This decrease was due to lower management fee revenues of $1.9 million.

	Year ended December 31, 2011	Year ended December 31, 2010	$ Change	% Change
		(dollars in thousands)		
Direct operating expenses	$ 5,987	$ 6,139	$ (152)	-2 %
Selling, general and administrative expenses	23,441	21,853	1,588	7 %
Depreciation expenses	45,800	35,341	10,459	30 %
Provision for doubtful accounts	388	(1,693)	2,081	*
Impairment of leasing equipment held for sale	1,289	1,343	(54)	-4 %
Total	$ 76,905	$ 62,983	$ 13,922	22 %

* Not meaningful.

Direct Operating Expenses

Direct operating expenses were $6.0 million for the year ended December 31, 2011 compared to $6.1 million for the year ended December 31, 2010, a decrease of $0.2 million or 2%. Our storage fees continue to be relatively low, which is attributable to higher utilization (and thus fewer units stored). Overall, our lower storage and repair costs were partially offset by higher costs associated with recovering units and higher positioning expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $23.4 million for the year ended December 31, 2011, compared to $21.9 million for the year ended December 31, 2010, an increase of $1.6 million or 7%. The increase was primarily due to incremental costs associated with being a publicly traded company for the full year of 2011.

Depreciation Expenses

Depreciation of leasing equipment was $45.8 million for the year ended December 31, 2011 compared to $35.3 million for the year ended December 31, 2010, an increase of $10.5 million or 30%. Depreciation on new additions net of disposals and sales accounted for $10.8 million of the increase, which was offset by a decrease of $0.3 million due to equipment reaching the end of their depreciable lives.

Provision for Doubtful Accounts

Provision for doubtful accounts was $0.4 million for the year ended December 31, 2011 compared to $(1.7) million for year ended December 31, 2010. We continued to have a strong credit and collections experience, which was due to the improved credit quality of our customer base along with our comprehensive credit underwriting and monitoring. During the year ended December 31, 2010, we lowered our reserve as the credit quality of our customer base improved.

Impairment of Leasing Equipment Held for Sale

We recorded an impairment of leasing equipment held for sale of $1.3 million for both the year ended December 31, 2011 and the year ended December 31, 2010. We evaluate the recovery of our containers and gensets designated for sale and record a loss if the ultimate sales value is expected to be below the current carrying cost. The evaluation of the expected ultimate sales price is performed on a quarterly basis. The majority of our impairments occur at the conclusion of an operating lease when our equipment is older and has incurred a certain amount of damage that the lessee is responsible for. The decision to sell the container is based upon a discounted cash flow model which includes rebillable costs. These rebillable costs are recorded as other revenues and are not recorded as a reduction in the impairment of leasing equipment held for sale.

	Year ended December 31, 2011	Year ended December 31, 2010	$ Change	% Change
	(dollars in thousands)			
Interest expense	$ 54,638	$ 44,522	$ 10,116	23 %
Interest income	(309)	(1,055)	746	-71 %
Other expenses (income), net	(500)	383	(883)	*
Total	$ 53,829	$ 43,850	$ 9,979	23 %

* Not meaningful.

Interest Expense

Interest expense was $54.6 million for the year ended December 31, 2011, compared to $44.5 million for the year ended December 31, 2010, an increase of $10.1 million or 23%. Our weighted average debt balance for the year ended December 31, 2011 increased by $211.0 million due to our investment in new containers, resulting in an increase of approximately $10 million to interest cost. In addition, in May and November of 2010, we increased our available credit under the CLIF IV and Revolving Credit Facilities, respectively, which resulted in higher commitment fees of $0.3 million in 2011. There was also a decrease in non-cash interest expense in 2011, including lower amortization of terminated derivatives of $2.1 million, which was partially offset by an increase in amortization of deferred financing fees of $1.4 million and a decrease in gains recognized directly into income for ineffective derivatives of $0.1 million.

Interest Income

Interest income was $0.3 million for the year ended December 31, 2011, compared to $1.1 million for the year ended December 31, 2010, a decrease of $0.7 million. The decrease is primarily attributable to the decrease in the interest received from the $94.8 million promissory note from the Initial Shareholder to CLI. In March 2010, SeaCube Operating Company Ltd assumed the obligation of the Initial Shareholder, which was treated as a non-cash equity distribution to the Initial Shareholder.

Other Expense (Income), Net

Other expense (income), net, was $(0.5) million for the year ended December 31, 2011 compared to $0.4 million for the year ended December 31, 2010. In the prior year, we received default insurance proceeds of $1.7 million. There were no proceeds from default insurance in the current year. In addition, the year ended December 31, 2011 included gains on the sale of leasing equipment of $0.7 million versus losses of $1.9 million for the year ended December 31, 2010.

	Year ended December 31, 2011	Year ended December 31, 2010	$ Change	% Change
		(dollars in thousands)		
Provision (benefit) for income taxes	$ (691)	$ 796	$ (1,487)	*

* Not meaningful.

Provision (benefit) for Income Taxes

Provision (benefit) for income taxes was $(0.7) million for the year ended December 31, 2011 and $0.8 million for the year ended December 31, 2010. The Company is not subject to taxation in its country of incorporation and although the Company is subject to taxation in certain other jurisdictions, including in the U.S. and other foreign countries, none of those taxable amounts are material. Further, given the nature of the Company's operations and activities, including where its containers are used and where the lessees of its containers (or others in possession of its containers) are located, the remainder of its earnings is not attributable to any specific tax jurisdiction and is thus not taxable. The change in the effective tax rate is primarily attributable to its lower or nontaxed foreign sourced income. In addition, the year ended December 31, 2011 contains deferred tax benefits resulting from net operating losses from US sources.

	Year ended December 31, 2011	Year ended December 31, 2010	$ Change	% Change
		(dollars in thousands)		
Net income	$ 39,436	$ 29,620	$ 9,816	33 %
Adjusted net income**	$ 44,128	$ 34,708	$ 9,420	27 %
Adjusted EBITDA**	$ 239,755	$ 211,310	$ 28,445	13 %

** Adjusted net income and adjusted EBITDA are measures of financial and operational performance that are not defined by U.S. GAAP. See "Non-GAAP Measures" for the discussion of adjusted net income and adjusted EBITDA as a non-GAAP measures and their reconciliation to net income (loss).

Net Income

Net income was $39.4 million for the year ended December 31, 2011 as compared to $29.6 million for the year ended December 31, 2010. The increase in net income was attributable to the items above.

Adjusted Net Income

Adjusted net income was $44.1 million for the year ended December 31, 2011 compared to $34.7 million for the year ended December 31, 2010, an increase of $9.4 million or 27%. In addition to the changes in net income noted above, the adjustment includes lower non-cash interest expense of $0.4 million in 2011.

Adjusted EBITDA

Adjusted EBITDA was $239.8 million for the year ended December 31, 2011 compared to $211.3 million for the year ended December 31, 2010, an increase of $28.4 million or 13%. In addition to the changes in net income noted above, the year ended December 31, 2011, includes higher depreciation of $10.5 million and higher interest expense of $10.9 million, which are excluded from the adjusted EBITDA calculation. In addition, the year ended December 31, 2011 had lower collections on investments in direct financing leases of $1.2 million.

Liquidity and Capital Resources

We have historically met our liquidity requirements primarily from the following sources:

Revenues including operating lease revenues, total finance lease collections, billings to lessors for repairs and maintenance, and asset management fees. Cash flows from operating activities including the principal collections on finance leases were $225.5 million, $194.3 million and $178.8 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Lines of credit and other secured borrowings, under which $1,372.7 million was outstanding and $160 million was available for borrowing as of December 31, 2012.

Sales of our older leasing equipment, which was $23.1 million, $19.1 million and $15.6 million for the years ended December 31, 2012, 2011 and 2010, respectively.

We expect that our cash flows from our operations, principal collections on direct finance leases, existing credit facilities and sales of older equipment will be sufficient to meet our liquidity needs. Our current projections of cash flows from operations and the availability of funds under our revolving credit agreement are expected to be sufficient to fund our maturing debt and contractual obligations in the next several years. We will need to borrow funds to finance the purchases of new assets we intend to buy to expand our business in the next few years. No assurance can be made that we will be able to meet our financing and other liquidity needs as currently contemplated. See "Risk Factors—Our inability to service our debt obligations or to obtain additional financing as needed would have a material adverse effect on our business, financial condition and results of operations." included elsewhere in this report.

Foreign Cash

As of December 31, 2012, substantially all of the Company's cash and cash equivalents are held in banks in the United States.

Liquidity Needs to Acquire Equipment to be Leased

The acquisition of leasing assets fuels our growth. As a result, we expect to invest substantial funds to acquire containers and gensets, although there can be no assurances as to the timing and amount of such acquisitions. Since 2010, we invested an average of approximately $395 million per year in containers and gensets. Going forward, provided there is sufficient demand, production capacity, appropriate pricing and available financing, we intend to invest in containers at a level that is at least consistent with our historical investment activity. As of February 7, 2013, SeaCube has committed to purchase approximately $129.5 million of equipment for delivery through March 2013. Of this amount, approximately $98.7 million, or 76%, has been committed to long-term leases.

Over the next several years, we expect that our single largest cash expenditure will be the purchase of containers. In order to finance these expenditures, we will actively seek to enter into new debt facilities with greater borrowing capacity to expand and/or replace our existing facilities, although there can be no assurance that we will be able to obtain any additional facilities. We believe that we will be able to generate or otherwise obtain sufficient capital to support our replacement and growth strategy that will enable us to pay dividends to holders of our common shares as contemplated by our dividend policy. However, deterioration in our performance, the credit markets or our inability to obtain additional financing on attractive terms, or at all, could limit our access to funding or drive the cost of capital higher than our current cost. In addition, any equity financing we may seek could have a dilutive effect on our shareholders. These factors, as well as numerous other factors detailed above in "Risk Factors," could limit our ability to raise funds, further the growth of our business or pay dividends.

43

Cash Flow

Cash Flow Information for the Years Ended December 31, 2012, 2011 and 2010

The following table sets forth certain historical cash flow information for the years ended December 31, 2012, 2011 and 2010.

	Year Ended December 31, 2012	Year Ended December 31, 2011	Year Ended December 31, 2010
	(dollars in thousands)		
Net cash provided by operating activities	$ 103,981	$ 93,462	$ 76,743
Net cash provided by (used in) investing activities	(241,387)	(467,119)	(82,353)
Net cash provided by (used in) financing activities	139,011	370,931	15,446
Effect of changes in exchange rates on cash and cash equivalents	(93)	(136)	18
Net increase (decrease) in cash and cash equivalents	$ 1,512	$ (2,862)	$ 9,854

Comparison of the Year Ended December 31, 2012 to the Year Ended December 31, 2011

Net cash provided by operating activities was $104.0 million and $93.5 million for the years ended December 31, 2012 and 2011, respectively, a $10.5 million increase. The increase in operating cash flow was primarily the result of increased profitability, which was partially offset by a decrease in working capital.

Net cash provided by (used in) investing activities was $(241.4) million and $(467.1) million for the year ended December 31, 2012 and 2011, respectively, a $225.7 million increase to cash flow. The primary driver of the increase is the timing of purchases of leased equipment as well as investment in direct finance leases. Our restricted cash balances increased by $7.1 million in the year ended December 31, 2012 versus $12.5 million in the year ended December 31, 2011. In addition, we had higher collections on net investment in direct finance leases and higher proceeds from the sale of leasing equipment of $20.7 million and $4.0 million, respectively.

Net cash provided by (used in) financing activities was $139.0 million and $370.9 million for the year ended December 31, 2012 and 2011, respectively, a $231.9 million decrease to cash flow. During the current period, the proceeds of long-term debt (net of payments) decreased by $234.0 million versus the prior period. In conjunction with the closing of the Series 2012-1 Notes and the restatement of the revolving credit facility in the current year period, we incurred debt issuance costs of $6.1 million. In conjunction with the closing borrowings in the prior year period, we incurred debt issuance costs of $10.8 million and paid $0.7 million, which represented the fair value of the derivative on the CLIF IV borrowings. In addition, there were higher dividends paid during the year ended December 31, 2012 of $0.4 million.

Comparison of the Year Ended December 31, 2011 to the Year Ended December 31, 2010

Net cash provided by operating activities was $93.5 million and $76.7 million for the years ended December 31, 2011 and 2010, respectively, a $16.7 million increase. The increase in operating cash flow was primarily the result of increased profitability.

Net cash provided by (used in) investing activities was $(467.1) million and $(82.4) million for the year ended December 31, 2011 and 2010, respectively, a $384.8 million decrease to cash flow. The primary driver of the decrease is our increased investment in direct finance leases and purchases of leased equipment of $383.3 million, which reflects the strong market demand for containers. In addition, our restricted cash balances increased by $12.5 million for the year ended December 31, 2011 versus a decrease of $4.9 million for the year ended December 31, 2010. The principal reason for the increase in the current year is the advanced funding requirements in accordance with the terms of the Series 2011-1 and 2011-2 Fixed Rate Secured Notes. Finally, there was $13.7 million of lower cash uses related to the Shareholder Note in 2011. In 2010, there was an advance of approximately $8 million on the shareholder note as well as higher interest accrued due to a larger outstanding balance.

Net cash provided by (used in) financing activities was $370.9 million and $15.4 million for the year ended December 31, 2011 and 2010, respectively, a $355.5 million increase to cash flow. During 2011, the proceeds of long-term debt (net of payments) increased by $410.3 million as a result of our increased investment in direct finance leases and leasing equipment. In 2011, due to additional borrowings, we had higher debt issuance costs of $6.9 million. Also, upon the repayment of the outstanding borrowings under CLIF IV, we paid $0.7 million, which represented the fair value of the interest rate derivative on these borrowings. Dividends paid during the year ended December 31, 2011 were $22.6 million compared with $2.8 million during the year ended December 31, 2010 and, in 2010, we had proceeds from our IPO of $27.3 million.

Contractual Obligations and Commitments

The following table summarizes our various contractual obligations in order of their maturity dates as of December 31, 2012. For a discussion of certain financing activities and purchase commitments since December 31, 2012, which affect the amounts shown in the table below, see "—Liquidity and Capital Resources" above.

	As of December 31, 2012	Maturity in Years					
		Less than 1 Year	2 Years	3 Years	4 Years	5 Years	Thereafter
		(dollars in thousands)					
Container Revolving Credit Facility	$ 95,000	$ —	$ —	$ —	$ 95,000	$ —	$ —
Series 2006-1 Notes	227,958	62,171	62,170	62,170	41,447	—	—
CLI Funding III Credit Facility	179,551	45,134	71,404	22,661	19,771	16,232	4,349
CLI Funding IV Credit Facility	195,000	—	11,700	15,600	15,600	15,600	136,500
CLI Funding V Credit Facility	625,189	72,901	75,642	75,713	69,927	66,711	264,295
Unsecured Term Loan	50,000	—	—	—	50,000	—	—
Equipment Purchase Commitments	2,256	2,256	—	—	—	—	—
Interest Payments	223,759	59,818	50,353	39,399	27,572	19,061	27,556
Operating Leases	1,490	696	474	135	96	89	—
Total	$ 1,600,203	$ 242,976	$ 271,743	$ 215,678	$ 319,413	$ 117,693	$ 432,700

Our contractual obligations consist of principal and interest payments related to our revolving credit facilities and our asset-backed securitizations, equipment purchase commitments, and operating lease payments for our facilities. Interest payments are based upon the net effect of swapping our variable interest rate payments for fixed rate payments consistently applied and in accordance with our policy.

Container Revolving Credit Facility

CLI had a two-year senior secured revolving credit facility, which allowed for maximum borrowings of $100.0 million. The agreement included a $10.0 million sub-limit for letters of credit. On August 19, 2008, the facility was renewed for a term of one year and reduced the total facility size to $50.0 million. On August 19, 2009, this facility was reduced to $25.0 million and renewed for a term of one year. On January 26, 2010, the facility was amended to increase the amounts available to $40.0 million. The terms of the amendment included a declining advance rate and an increased interest rate spread depending upon the amounts drawn.

On November 3, 2010, CLI executed a $120 million revolving credit facility (with a $10 million letters of credit sublimit) (the “Container Revolving Credit Facility”), which replaced the previous revolving credit facility. All amounts borrowed under the previous credit agreement were repaid in full. Proceeds of loans under the Container Revolving Credit Facility are available to be used for working capital and general corporate purposes. The commitments of the lenders are for three (3) years, with a maturity date of November 3, 2013, and may be extended for an additional 364 days , subject to payment of an extension fee and satisfaction of certain other conditions. The loans bear interest, at CLI's option, at the rate per annum equal to either (i) the greater of (a) the prime lending rate, plus 2% and (b) the Federal Funds Effective Rate plus 1/2 of 1% plus 2% or (ii) the LIBOR rate determined for the applicable interest period, plus 3%.

On June 27, 2012, CLI amended and restated its existing revolving credit agreement, dated November 3, 2010 (as amended and restated, the “Fifth Amended and Restated Revolving Credit Agreement”). The Fifth Amended and Restated Revolving Credit Agreement (i) increases the total commitments of the lenders available to CLI to $150 million from $120 million; and (ii) extends the Maturity Date (as defined therein) to June 27, 2015, from November 3, 2013.

The Container Revolving Credit Facility contains typical representations and covenants for loans of this type that, among other things and subject to exceptions set forth in the Agreement, restrict the ability of CLI and certain restricted subsidiaries, to incur indebtedness and/or create liens against its assets and/or to make investments, to dispose of assets, to merge or consolidate with any other person, to engage in transactions with affiliates except on an arm's-length basis in the ordinary course of business, or to incur certain restrictions or prohibitions on granting liens and/or making distributions, dividends or similar payments. In addition, CLI shall not permit the tangible net worth of CLI and its subsidiaries at any time to be less than $200 million. CLI will also be required to comply with a maximum consolidated leverage ratio of 5.25 times adjusted EBITDA through the third anniversary of the facility and of 5.00 times adjusted EBITDA with respect to the time period thereafter.

The Container Revolving Credit Facility also provides for customary events of default, including payment defaults, failure to comply with covenants, bankruptcy or insolvency, and change of control. Any event of default could, subject to applicable notice and timing requirements, result in termination of all commitments and loans and all amounts owed and other loan documents could become immediately due and payable.

CLI pledged certain assets for the benefit of the secured parties as collateral security for the payment and performance of obligations under the facility and other loan documents and under the guaranty. The pledged assets included, among other things, marine and intermodal containers, gensets and equity interests in certain subsidiaries and all proceeds of any and all of the foregoing. As of December 31, 2012 and 2011, the outstanding balance was $95.0 million and $79.0 million, respectively. The weighted-average interest rate for the years ended December 31, 2012 and 2011 was 3.35% and 3.39% excluding unused fees and the amortization of up-front costs, respectively.

Container Asset-Backed Securitizations

On August 24, 2006, CLI entered into the Container Asset-Backed Securitizations (as defined below). CLI contributed certain eligible containers, together with related leases, to CLI Funding LLC, a special purpose entity ("SPE") whose primary business activity is to issue asset-backed notes. The SPE is one of our wholly owned subsidiaries. These borrowings are an obligation of the SPE, and the lenders' recourse in respect of the borrowings is generally limited to the collections that the 2006 SPE receives on the assets.

The Series 2006-1 Notes (as defined below) bear interest at the rate of one-month LIBOR plus a margin. The Series 2006-2 Notes (as defined below), which were repaid in full on January 20, 2009 upon the culmination of the 2009 Sale, bore interest at (i) a rate equal to the sum of the commercial paper rate (determined in accordance with the Series 2006-2 Supplement) and a margin, if the advance has been funded through the issuance of commercial paper, (ii) a rate equal to the quotient of (a) LIBOR divided by (b) the Federal Reserve's Eurodollar Reserve Rate plus a margin, if the advance is funded utilizing a source of funds for which interest is determined by reference to LIBOR or (iii) the greater of (a) the prime rate as set forth by the agent under the agreement plus a margin or (b) the Federal Funds Rate plus a margin, if the advance is funded utilizing a source of funds for which interest is determined by reference to some rate other than LIBOR and is not funded with commercial paper. The SPE paid a commitment fee in connection with the Series 2006-2 Notes to each note holder on the total available commitments of such note holder.

At no time shall the outstanding amount of the Series 2006-1 Notes exceed the asset base, which at any time is the sum in the aggregate of 85% of the net book value of eligible containers that are not then subject to a direct finance lease, plus 85% of the net value of the direct finance lease receivables of all eligible containers that are then subject to a direct finance lease, plus the amount then on deposit in the restricted cash account. If the outstanding loans exceed the asset base at any time, the SPE will be required to repay the excess for application toward repayment of the amount of the Series 2006 Notes. Failure by the SPE to repay such excess amount within 90 days is an event of default. The Container Securitization Documents contain typical representations and covenants for indebtedness of this type. The unpaid principal amount of the Series 2006-1 Notes, together with interest and all other related amounts, is scheduled to be repaid in full by August 2016, and is otherwise due and payable in full by August 2021.

The Series 2006-1 Notes contains typical representations and covenants for loans of this type that, among other things and subject to exceptions set forth in the agreement, restrict the ability of CLI and certain restricted subsidiaries, to incur indebtedness and/or create liens against its assets and/or to make investments, to dispose of assets, to merge or consolidate with any other person, to engage in transactions with affiliates except on an arm's-length basis in the ordinary course of business, or to incur certain restrictions or prohibitions on granting liens and/or making distributions, dividends or similar payments. In addition, CLI shall not permit the tangible net worth of CLI and its subsidiaries at any time to be less than $175 million.

The outstanding balance of the Series 2006-2 Notes and $48.0 million of the Series 2006-1 Notes were repaid in conjunction with the 2009 Sale on January 20, 2009. At December 31, 2012 and 2011, the amount outstanding under this facility was $228.0 million and $290.1 million, respectively. The weighted-average interest rate for the years ended December 31, 2012 and 2011 was 6.25% and 6.28%, respectively.

CLI Funding III Credit Facility

On October 31, 2007, our wholly owned subsidiary CLI Funding III LLC, a special purpose vehicle incorporated under the laws of Delaware, entered into a $300.0 million senior secured credit facility (the “CLI Funding III Credit Facility”) to finance a portfolio of container finance leases and certain new container finance leases acquired in the future. The facility was amended on April 22, 2008, increasing the facility size to $400.0 million. The facility had a two-year revolving period, during which additional finance leases could be added to the portfolio, followed by a term-out period not to exceed ten years during which the facility amortizes. Borrowings under the facility are limited to a maximum of 85% of the present value of finance lease receivables throughout the facility’s 12-year term and bear interest at a rate equal to LIBOR or a Cost of Funds rate (as defined in the agreement) plus a margin. CLI has guaranteed the payment obligations of CLI Funding III LLC.

The CLI Funding III Credit Facility contains typical representations and covenants for loans of this type that, among other things and subject to exceptions set forth in the agreement, restrict the ability of CLI and certain restricted subsidiaries, to incur indebtedness and/or create liens against its assets and/or to make investments, to dispose of assets, to merge or consolidate with any other person, to engage in transactions with affiliates except on an arm's-length basis in the ordinary course of business, or to incur certain restrictions or prohibitions on granting liens and/or making distributions, dividends or similar payments. In addition, CLI shall not permit the tangible net worth of CLI and its subsidiaries at any time to be less than $200 million.

At December 31, 2012 and 2011, the amount outstanding under this facility was $179.6 million and $245.2 million, respectively. The weighted-average interest rate for the years ended December 31, 2012 and 2011 was 4.08% and 4.20%, respectively.

CLI Funding IV Credit Facility

On May 18, 2010, our indirect wholly owned subsidiary, CLI Funding IV LLC, a special purpose vehicle formed under the laws of Delaware, entered into a $200 million revolving loan credit agreement (the “CLI Funding IV Credit Facility”) to finance new container purchases in the future. The facility had a one year revolving period, which was to expire on May 17, 2011. On May 9, 2011, CLI Funding IV Credit Facility was extended for 2 years, which included extending the revolving period to May 9, 2013. On March 27, 2012, CLI Funding IV LLC, amended and restated in its entirety its existing credit facility, dated May 18, 2010 (as amended and restated, the “Amended and Restated Credit Agreement”). The Amended and Restated Credit Agreement increases the total commitments of the Lenders available to $300 million from $200 million and extends the revolving period to March 27, 2014, from May 9, 2013. After the revolving credit period expires, the facility converts to a 5 year amortizing term loan. Borrowings under the facility are limited to a maximum of 80% of the eligible equipment’s net book value, 80% of the net present value of eligible finance leases, plus 100% of the restricted cash accounts and borrowings under this facility bear interest at a rate equal to LIBOR plus a margin.

The CLI Funding IV Credit Facility contains typical representations and covenants for loans of this type that, among other things and subject to exceptions set forth in the agreement, restrict the ability of CLI and certain restricted subsidiaries, to incur indebtedness and/or create liens against its assets and/or to make investments, to dispose of assets, to merge or consolidate with any other person, to engage in transactions with affiliates except on an arm's-length basis in the ordinary course of business, or to incur certain restrictions or prohibitions on granting liens and/or making distributions, dividends or similar payments. In addition, CLI shall not permit the tangible net worth of CLI and its subsidiaries at any time to be less than $200 million. CLI will also be required to comply with a maximum consolidated leverage ratio of 5.25 times adjusted EBITDA through the third anniversary of the facility and of 5.00 times adjusted EBITDA with respect to the time period thereafter.

At December 31, 2012 and 2011, the amount outstanding under this facility was $195.0 million and $76.0 million, respectively. The weighted-average interest rate for the year ended December 31, 2012 and 2011 was 3.24% and 3.43%, respectively.

CLI Funding V Credit Facility

On March 18, 2011, the Company, through its wholly owned subsidiary, CLI Funding V LLC ("CLIF V") completed its offering of $230 million Series 2011-1 Fixed Rate Secured Notes ("Series 2011-1 Notes"). The Series 2011-1 Notes were issued with an annual interest rate of 4.5% and have a scheduled maturity date of March 18, 2021 with a legal final maturity date of March 18, 2026.

On November 3, 2011, CLIF V completed its offering of $250 million Series 2011-2 Fixed Rate Secured Notes ("Series 2011-2 Notes"). The Series 2011-2 Notes were issued with an interest rate of 4.94%, have a scheduled maturity date of November 18, 2021 and a legal final maturity date of October 18, 2026.

On June 21, 2012, CLIF V completed its offering of $225 million aggregate principal amount of Series 2012-1 Fixed Rate Secured Notes ("Series 2012-1 Notes"). The Series 2012-1 Notes were issued with an annual interest rate of 4.21%, have a scheduled maturity date of December 18, 2022 and a legal final maturity date of June 18, 2027.

The CLI Funding V indenture (as supplemented) contains typical representations and covenants for loans of this type that, among other things and subject to exceptions set forth in the agreement, restrict the ability of CLI and certain restricted subsidiaries, to incur indebtedness and/or create liens against its assets and/or to make investments, to dispose of assets, to merge or consolidate with any other person, to engage in transactions with affiliates except on an arm's-length basis in the ordinary course of business, or to incur certain restrictions or prohibitions on granting liens and/or making distributions, dividends or similar payments. In addition, CLI shall not permit the tangible net worth of CLI and its subsidiaries at any time to be less than $175 million.

At December 31, 2012 and 2011, the amount outstanding under this facility was $625.2 million and $460.2 million, respectively. The weighted-average interest rate for the year ended December 31, 2012 and 2001 was 4.63% and 4.58%, respectively.

Unsecured Term Loan

On April 28, 2011, the Company closed on a $50 million Five Year Senior Unsecured Term Loan. The loan has an interest rate of 11%, which is payable semi-annually beginning on July 1, 2011. There are no required principal payments prior to maturity on April 28, 2016.

At December 31, 2012 and 2011, the amount outstanding under this facility was $50.0 million. The weighted-average interest rate for the year ended December 31, 2012 and 2011 was 10.98% and 10.82%, respectively.

Covenants

At December 31, 2012, the Company was in compliance with all covenants.

Commitments

Equipment Purchase Commitments

The equipment purchase commitments are related to purchase orders we place for containers, both refrigerated and dry, and complementary equipment in the normal course of business. We do not bear the risks and rewards of ownership and therefore have not recorded an asset or a liability related to these commitments. We also had obligations to purchase containers of $2.3 million at December 31, 2012. As of February 7, 2013, SeaCube has committed to purchase approximately $129.5 million of equipment for delivery through March 2013. Of this amount, approximately $98.7 million, or 76%, has been committed to long-term leases.

Operating Leases

We are a party to various operating leases relating to office facilities and certain other equipment with various expiration dates through 2017. Minimum rent payments under our material leases were $1.5 million as of December 31, 2012.

Inflation

Management believes that inflation has not had a material adverse effect on the results of our operations. In the past, the effects of inflation on administrative and operating expenses have been largely offset through economies of scale achieved through expansion of the business.

Non-GAAP Measure

Adjusted Net Income

Adjusted net income is a measure of financial and operating performance that is not defined by U.S. GAAP and should not be considered a substitute for net income, income from operations or cash flow from operations, as determined in accordance with U.S. GAAP. Adjusted net income is a measure of our operating and financial performance used by management to focus on consolidated financial and operating performance exclusive of income and expenses that relate to non-routine or significant non-cash items of the business.

We define adjusted net income (loss) as net income before non-cash interest expense related to amortization of deferred financing fees, terminations and modifications of derivative instruments, losses on retirement of debt, fair value adjustments on derivative instruments, loss on swap terminations, and write-offs of goodwill. We use adjusted net income to assess our consolidated financial and operating performance, and we believe this non-GAAP measure is helpful to management and investors in identifying trends in our performance. This measure helps management make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance. Adjusted net income provides us with a measure of financial performance of the business based on operational factors including the profitability of assets on an economic basis net of operating expenses and the capital costs of the business on a consistent basis as it removes the impact of certain non-routine and non-cash items from our operating results. Adjusted net income is a key metric used by senior management and our board of directors to review the consolidated financial performance of the business.

The following table shows the reconciliation of net income, the most directly comparable U.S. GAAP measure to adjusted net income:

SeaCube Container Leasing Ltd.
Non-GAAP Reconciliation of Adjusted Net Income
(Amounts in thousands)
(unaudited)

	Year Ended December 31,		
	2012	2011	2010
Net income	$ 46,436	$ 39,436	$ 29,620
Non-cash interest expense, net of tax	5,034	4,692	5,088
Adjusted net income	$ 51,470	$ 44,128	$ 34,708

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") is a measure of financial and operating performance that is not defined by U.S. GAAP and should not be considered a substitute for net income, income from operations or cash flow from operations, as determined in accordance with U.S. GAAP.

We define adjusted EBITDA as income (loss) from continuing operations before income taxes, interest expenses including loss on retirement of debt, depreciation and amortization, fair value adjustments on derivative instruments, loss on terminations and modification of derivative instruments, gain on sale of assets, and write-offs of goodwill plus principal collections on direct finance lease receivables. We use adjusted EBITDA in a number of ways to assess our consolidated financial and operating performance, and we believe this measure is helpful to management, the board of directors and investors in identifying trends in our performance. We use adjusted EBITDA as a measure of our consolidated operating performance exclusive of income and expenses that relate to the financing, income taxes, and capitalization of the business. Also, adjusted EBITDA assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges on our outstanding debt) and asset base (primarily depreciation and amortization) from our operating results. In addition, Adjusted EBITDA helps management identify controllable expenses and make decisions designed to help us meet our current financial goals and optimize our financial performance. Accordingly, we believe this metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure and expenses of the organization. Lastly, adjusted EBITDA is the basis for calculating selected financial ratios as required in the debt covenants of one of our credit facilities and one of our management agreements.

The following table shows the reconciliation of net income, the most directly comparable U.S. GAAP measure to adjusted EBITDA:

SeaCube Container Leasing Ltd.
Non-GAAP Reconciliation of Adjusted EBITDA
(Amounts in thousands)
(unaudited)

	Year Ended December 31,		
	2012	2011	2010
Net income	$ 46,436	$ 39,436	$ 29,620
Provision (benefit) for income taxes	(504)	(691)	796
Depreciation expenses	53,545	45,800	35,341
Interest expense, net of interest income	68,437	54,329	43,467
Collections on net investment in direct financing leases, net of interest earned	121,564	100,881	102,086
Adjusted EBITDA	$ 289,478	$ 239,755	$ 211,310

Critical Accounting Policies

Our consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the amounts reported in the financial statements. We base our estimates on historical experiences and assumptions believed to be reasonable under the circumstances and re-evaluate them on an ongoing basis. Those estimates form the basis for our judgments that affect the amounts reported in the financial statements. Actual results could differ from our estimates under different assumptions or conditions. Our significant accounting policies, which may be affected by our estimates and assumptions, are more fully described in Note 2 "Summary of Significant Accounting Policies" to our audited consolidated financial statements that appear elsewhere in this report.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the financial statements.

Although we believe the policies summarized below to be the most critical, other accounting policies also have significant effect on our financial statements and certain of these policies also require the use of estimates and assumptions.

Revenue Recognition

Our primary sources of equipment leasing revenue are derived from operating leases and revenue earned on direct finance leases.

Revenue Recognition—Equipment Leasing Revenue

We generate equipment leasing revenue through short-term and long-term leases with shipping lines and ocean carriers. In the majority of our transactions, we act as the lessor of leasing equipment for a specified period of time and at a specified per diem rate. Revenue is recognized on a straight-line basis over the life of the respective lease.

Revenue Recognition—Direct Finance Revenue

We enter into direct finance leases as lessor of equipment that we own. In most instances, the leases include a bargain purchase option to purchase the leased equipment at the end of the lease term. The Net investment in direct finance leases represents the receivables due from lessees, net of unearned income. The lease payments are segregated into principal and interest components similar to a loan. Unearned income is recognized on an effective interest basis over the life of the lease term and is recorded as finance revenue in the Consolidated Statements of Operations. The principal component of the lease payment is reflected as a reduction to the Net investment in finance leases.

Revenue Recognition—Other Revenue

Other revenue includes fees that our customers are contractually obligated to pay to return equipment to a leasable condition as well as fees for third party positioning of equipment. When a lessee leases equipment from us, the lessee is contractually obligated to return the equipment in a leasable condition according to predetermined standards. Upon redelivery of the units, we bill the lessee for the expected cost to repair the equipment based on a repair survey performed at the depot. When the equipment comes off lease, estimates of the cost to repair the equipment are prepared. We bill the lessee based on this estimate and record maintenance and repair revenue at that time. In accordance with Revenue-Revenue Recognition—Principal Agent Considerations Topic, we recognize billings to customers for damages incurred and certain other pass-through costs as revenue. We recognize gross revenues from these pass-through costs as we are the primary obligor with respect to purchasing goods and services from third parties; we generally have the discretion in selection of the repair service provider; and we generally have the credit risk because the services are purchased prior to reimbursement being received.

Other revenue includes fees earned on the management of container equipment for third party owners.

Leasing Equipment

Leasing equipment includes refrigerated and dry containers and gensets, which are stated at cost less accumulated depreciation. Residual values are evaluated annually or sooner if market conditions cause our estimates to change significantly. We estimate residual values based on fair market values and prior history. We account for initial direct costs in the acquisition of leases in accordance with the Leases FASB Topic 840. In certain circumstances, we will prepay commissions to sales agents when they have closed equipment lease transactions. For both operating and direct finance leases, we capitalize those commission payments and amortize them over the initial lease term or the earliest date that the lease may be terminated.

Containers

Containers are recorded at cost and depreciated to an estimated residual value on a straight-line basis over the estimated useful life of the equipment. The estimated useful life for our reefers is 15 years from the date of service and 12.5 years for dry containers. Residual values for reefers are estimated to be 10% of their original cost and dry containers residual values are estimated to be 37% of their original cost. Cost incurred to place the new equipment into service, including costs to transport the equipment to its initial on-hire location, are capitalized. We recognize repair and maintenance costs that do not extend the lives of our assets as incurred and include them in Direct operating expenses in the Consolidated Statements of Operations.

Gensets

Gensets are recorded at cost and depreciated to an estimated residual value on a straight-line basis over the estimated useful life of the equipment. Gensets are depreciated over a 12 year life from the date of service. Residual values for gensets are estimated to be 10% of their original cost.

Direct Finance Leases

Direct finance leases are recorded at the aggregated future minimum lease payments, including any bargain or economically compelled purchase options granted to the customer, less unearned income. Management performs annual reviews of the estimated residual values.

Accounting for Customer Defaults

We have sought to reduce credit risk by maintaining insurance against loss of equipment (and to a limited extent, loss of lease revenue) due to customer insolvency. We cease the recognition of lease revenues for amounts billable to the lessee after the lease default date at the time we determine that such amounts are not probable of collection from the lessee. In connection with the accounting for the insurance policy, we record a reduction to our expenses in the period when the insurance proceeds are received.

Leasing Equipment Held for Sale

In accordance with the Property, Plant and Equipment Topic, leasing equipment held for sale are stated at the lower of carrying value or fair value less estimated costs to sell. Leasing assets held for sale are not depreciated and related deferred costs are not amortized. Leasing assets held for sale are recorded at the lower of cost or fair market value. The majority of our impairments occur at the conclusion of an operating lease whereby our equipment is of an advanced age with a certain amount of damage that the lessee is responsible for. The decision to categorize the equipment as “held for sale” is based upon a discounted cash flow model which includes costs rebillable to the lessee. These costs are recorded as other revenues and are not recorded as a reduction of the impairment on leasing assets.

Sales of Leasing Equipment

We record the gains and losses from the sales of leasing equipment as part of other expense, net on the Consolidated Statement of Operations. Gains and losses are recognized upon completion of the sale based upon the sales price and the book value of the equipment.

Impairment of Leasing Equipment

In accordance with the Property, Plant and Equipment Topic, Accounting for the Impairment or Disposal of Long-Lived Assets, we review our leasing equipment for impairment when events or changes in circumstances indicate that the carrying amount of the asset group as a whole may not be recoverable. Impairment exists when the carrying value of leasing assets taken as a whole exceeds the sum of the related undiscounted cash flows. Our review for impairment includes considering the existence of impairment indicators including third party appraisals of our equipment, adverse changes in market conditions for specific long-lived assets and the occurrence of significant adverse changes in general industry and market conditions that could affect the fair value of our equipment. When indicators of impairment suggest that the carrying value of our leasing assets may not be recoverable, we determine whether the impairment recognition criteria have been met by evaluating whether the carrying value of the leasing assets taken as a whole exceeds the related undiscounted future cash flows expected to result from the use and eventual disposition of the asset group. The preparation of the related undiscounted cash flows requires the use of assumptions and estimates, including the level of future rents, the residual value expected to be realized upon disposition of the assets estimated downtime between re-leasing events and the amount of re-leasing costs.

Additionally, we test our equipment for impairment when equipment comes off lease and a determination is made as to whether the carrying value of the equipment exceeds its estimated future undiscounted cash flows.

If we determine that the carrying value may not be recoverable, we will assess the fair values of the assets. In determining the fair value of the assets, we consider market trends, published values for similar assets, recent transactions of similar assets and quotes from third party appraisers. If the carrying amount of the equipment coming off lease exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value.

Provision for Doubtful Accounts

Our allowance for doubtful accounts is based upon a periodic review of the collectability of our receivables on a customer-by-customer basis for those accounts which we believe may be experiencing difficulties in meeting their payment terms or have had such difficulties in the past. The determination of the amount of the allowance for the doubtful account for each of these customers is based upon several factors including: their credit rating, their prior payment history, discussions with the customers' management, and current events we are involved in that could have financial implications. For all remaining accounts, we apply a delinquency factor based upon prior history to the total amount due in order to determine the allowance for doubtful accounts. The delinquency factor represents the best estimate of those accounts that will become uncollectible. Changes in economic conditions may require a reassessment of the risk and could result in additions or deductions to the allowance for doubtful accounts. We believe our allowance for doubtful accounts is adequate to provide for credit losses inherent in our existing receivables. However, actual losses could exceed the amounts provided for in certain periods.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company evaluates a tax position to determine whether it is more likely than not that the tax position will be sustained upon examination, based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is subject to a measurement assessment to determine the amount of benefit to recognize in the consolidated statement of operations and the appropriate reserve to establish, if any. If a tax position does not meet the more-likely-than-not recognition threshold a tax reserve is established and no benefit is recognized. Potential interest and penalties associated with uncertain tax positions are recorded as a component of income tax expense.

Goodwill

Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and identifiable intangible assets of businesses acquired. In accordance with Intangibles—Goodwill and Other Topic, goodwill is not amortized, but instead is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. We evaluate the recoverability of goodwill using a two-step impairment test approach. Management has determined that we have one reporting unit.

In the first step, the fair value is compared to its carrying value including goodwill. Estimates of fair value are based on a number of factors, including quoted market prices and discounted cash flow analysis based on current operating forecasts and long range projections. If the fair value is less than the carrying value, a second step is performed which compares the implied fair value of the goodwill to the carrying value of the goodwill. The implied fair value of the goodwill is determined based on the difference between the fair value of the reporting unit and the net fair value of the identifiable assets and liabilities. If the implied fair value of the goodwill is less than the carrying value, the difference is recognized as an impairment charge.

We performed our impairment assessment of goodwill using consistent methodologies and concluded that fair value substantially exceeded carrying value and no impairment existed for the years ended December 31, 2012, 2011 and 2010.

Derivatives Instruments and Hedging Activities

We account for derivative instruments in accordance with the Derivatives and Hedging Topic, which requires that all derivative instruments be recorded on the balance sheet at their fair value and establishes criteria for both the designation and effectiveness of hedging activities.

In order to reduce interest rate risk, we have and may enter into interest rate swap agreements from time to time where we would receive floating rate payments in exchange for fixed rate payments, effectively converting a floating rate borrowing to fixed rate. We intend to hedge only the risk related to changes in the benchmark interest rate (LIBOR). We do not enter into other derivative financial instruments for trading or speculative purposes.

We face credit risk if the counterparties to these transactions are unable to perform their obligations. However, we seek to minimize this risk by entering into transactions with counterparties that are major financial institutions with high credit ratings.

New Accounting Pronouncements

Adopted in 2012

In June 2011, the FASB issued Accounting Standards Update No. 2011-05, Presentation of Comprehensive Income (“ASU 2011-05”), which eliminates the option to present other comprehensive income and its components in the statement of shareholders' equity. The Company may either present the total of comprehensive income, the components of net income, and the components of other comprehensive income in a single continuous statement of comprehensive income or in two separate but consecutive statements. The Company adopted ASU 2011-05 on January 1, 2012 and now presents the components of net income and other comprehensive income in two separate but consecutive statements.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of December 31, 2012.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Exchange Rate Risk

While our leasing per diems are billed and paid to us in U.S. dollars, we are subject to exchange gains and losses for local currency expenditures. We record the effect of non-U.S. dollar currency transactions when we translate the non-U.S. subsidiaries' financial statements into U.S. dollars using exchange rates as they exist at the end of each month.

We have a division located in Denmark, with the functional currency of the Danish Krone. The effect of fluctuations in Danish Krone was not material in any period presented.

Interest Rate Risk

We have long-term debt obligations that accrue interest at variable rates. Interest rate changes may therefore impact the amount of interest payments, future earnings and cash flows. We have entered into interest rate swap agreements to mitigate the impact of changes in interest rates that may result from fluctuations in the variable rates of interest accrued by our long-term debt obligations. Based on the debt obligation payable as of December 31, 2012, we estimate that cash flows from interest expense relating to variable rate debt and the relevant interest rate swap agreement would increase (decrease) by approximately $0.1 million on an annual basis in the event interest rates were to increase (decrease) by 10%.

Credit Risk

We are subject to concentrations of credit risk with respect to amounts due from customers. We seek to limit our credit risk by performing ongoing credit evaluations and, when deemed necessary, require letters of credit, guarantees or collateral. Our credit policy sets different maximum exposure guidelines for each customer. Credit criteria may include, but are not limited to, customer trade route, country, social and political climate, assessments of net worth, asset ownership, bank and trade credit references, credit bureau reports, operational history and financial strength.

We seek to reduce credit risk by maintaining insurance coverage against customer insolvency and related equipment losses. We maintain contingent physical damage, recovery and loss of revenue insurance, which provides coverage in the event of a customer's insolvency, bankruptcy or default giving rise to our demand for return of all of our equipment. Subject to the policy's deductible and other terms and conditions, it covers the cost of recovering our equipment, damage to the equipment, loss of equipment and, to a limited extent, lost revenues. This coverage automatically renews for one additional one-year term on the anniversary of the commencement date subject to maintaining a certain claim experience rate.

Our hedging transactions using derivative instruments have counterparty credit risk. The counterparties to our derivative arrangements and repurchase agreements are major financial institutions with high credit ratings. As a result, we do not anticipate that any of these counterparties will fail to meet their obligations. However, there can be no assurance that we will be able to adequately protect against this risk and will ultimately realize an economic benefit from our hedging strategies or recover the full value of the securities underlying our repurchase agreements in the event of a default by a counterparty.

Provision for Doubtful Accounts

The provision for doubtful accounts includes our estimate of allowances necessary for receivables on both operating and direct financing lease receivables. The provision for doubtful accounts is developed based on two key components (1) specific reserves for receivables which are impaired for which management believes full collection is doubtful and (2) reserves for estimated losses inherent in the receivables based upon historical trends. We believe our provision for doubtful accounts is adequate to provide for credit losses inherent in our accounts receivable. The provision for doubtful accounts requires the application of estimates and judgments as to the outcome of collection efforts and the realization of collateral, among other things. In addition, changes in economic conditions or other events may necessitate additions or deductions to the provision for doubtful accounts. Direct financing leases are evaluated on a case-by-case basis. When evaluating our operating and direct financing lease receivables for impairment, we consider, among other things, the level of past due amounts of the respective receivable, the borrower's financial condition, credit quality indicators of the borrower, the value of underlying collateral and third party credit enhancements such as guarantees and insurance policies. Once a direct financing lease is determined to be non-performing, our procedures provide for the following events to take place in order to evaluate collectability:

The past due amounts are reclassified to accounts receivable,

The equipment value supporting such direct financing lease is reclassified to leasing equipment, and

Collectability is evaluated, taking into consideration equipment book value and the total outstanding receivable, as well as the likelihood of collection through the recovery of equipment.

The adequacy of our provision for doubtful accounts is provided based upon a monthly review of the collectability of our receivables. This review is based on the risk profile of the receivables, credit quality indicators such as the level of past-due amounts and economic conditions, as well as the value of underlying collateral in the case of direct financing lease receivables.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements and notes thereto, referred to in Item 15 of this Form 10-K, are filed as part of this report and appear in this Form 10-K beginning on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2012. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2012, the Company's disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or because the degree of compliance with policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2012. The assessment was based on criteria established in the framework Internal Control — Integrated Framework, issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2012.

57

Ernst & Young LLP, the independent registered public accounting firm that audited our Consolidated Financial Statements included in this Annual Report on Form 10-K, audited the effectiveness of our controls over financial reporting as of December 31, 2012. Ernst & Young LLP has issued their report which is included below.

Changes in Internal Control over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders
SeaCube Container Leasing Ltd.

We have audited SeaCube Container Leasing Ltd.'s internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). SeaCube Container Leasing Ltd.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, SeaCube Container Leasing Ltd. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of SeaCube Container Leasing Ltd. as of December 31, 2012 and 2011, and the related consolidated statements of income and comprehensive income, shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2012 of SeaCube Container Leasing Ltd. and our report dated February 21, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

MetroPark, New Jersey

February 21, 2013

59

Item 9B. Other Information

None

PART III

ITEM 10. Director, Executive Officers and Corporate Governance

The information required by this Item is incorporated by reference to a definitive proxy statement or amendment to this Form 10-K to be filed with the SEC within 120 days of December 31, 2012.

ITEM 11. Executive Compensation

The information required by this Item is incorporated by reference to a definitive proxy statement or amendment to this Form 10-K to be filed with the SEC within 120 days of December 31, 2012.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated by reference to a definitive proxy statement or amendment to this Form 10-K to be filed with the SEC within 120 days of December 31, 2012.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated by reference to a definitive proxy statement or amendment to this Form 10-K to be filed with the SEC within 120 days of December 31, 2012.

ITEM 14. Principal Accounting Fees and Services

The information required by this Item is incorporated by reference to a definitive proxy statement or amendment to this Form 10-K to be filed with the SEC within 120 days of December 31, 2012.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

(A) 1. Consolidated Financial Statements

The following financial statements are included pursuant to Item 8 of this report:

(A) 2. Financial Statement Schedules

F-33

Schedule II – Valuation and Qualifying Accounts for the Years Ended December 31, 2012, 2011 and 2010

61

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the accompanying consolidated financial statements or notes thereto.

(A) 3. List of Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Amalgamation, dated as of January 18, 2013, by and among SeaCube Container Leasing Ltd., 2357575 Ontario Limited and SC Acquisitionco Ltd. (incorporated by reference to Exhibit 2.1 of the Registrant's Current Report on Form 8-K filed with the SEC on January 23, 2013).
3.1	Memorandum of Association (incorporated by reference to Exhibit 3.1 of Amendment No. 5 to SeaCubes's Registration Statement on Form S-1, filed with the SEC on October 12, 2010)
3.2	Bye-laws (incorporated by reference to Exhibit 3.2 of the SeaCube's Form 10-Q, filed with the SEC on November 12, 2010)
4.1	Specimen Common Share Certificate (incorporated by reference to Exhibit 4.1 of Amendment No. 3 to SeaCubes's Registration Statement on Form S-1, filed with the SEC on June 4, 2010)
4.2	Shareholders Agreement by and between SeaCube Container Leasing Ltd. and Seacastle Operating Company Ltd. (incorporated by reference to Exhibit 4.2 of the SeaCube's Form 10-Q, filed with the SEC on November 12, 2010)
4.3	Indenture, dated as of March 18, 2011, between CLI Funding V LLC, as Issuer, and U.S Bank National Association, as Indenture Trustee and Securities Intermediary (incorporated by reference to Exhibit 4.3 of SeaCube's Quarterly Report on Form 10-Q filed with the SEC on May 5, 2011)
4.4	Series 2011-2 Supplement dated November 3, 2011 to Indenture, dated March 18, 2011 between CLI Funding V LLC (the "Issuer") and U.S. Bank National Association (the "Indenture Trustee") (incorporated by reference to Exhibit 4.1 of SeaCube's Current Report on Form 8-K, filed with the SEC on November 3, 2011)
4.5	Series 2012-1 Supplement dated June 21, 2012 to Indenture, dated March 18, 2011 between CLI Funding V LLC (the "Issuer") and U.S. Bank National Association (the "Indenture Trustee"). (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed with the SEC on June 25, 2012).
10.1	Form of SeaCube Container Leasing Ltd. 2010 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.1 of Amendment No. 3 to SeaCubes's Registration Statement on Form S-1, filed with the SEC on June 4, 2010)
10.2	Form of Director Restricted Share Agreement (incorporated by reference to Exhibit 10.2 of Amendment No. 3 to SeaCubes's Registration Statement on Form S-1, filed with the SEC on June 4, 2010)
10.3	Third Amended and Restated Revolving Credit Agreement, dated as of January 26, 2010, by and among Container Leasing International, LLC (d/b/a Carlisle Leasing International, LLC and/or Seacastle Container Leasing, LLC), as the Borrower, Deutsche Bank Securities Inc., as the Lead Arranger, Deutsche Bank Trust Company Americas, as the Administrative Agent and Lender, and the other Lenders referred to therein (incorporated by reference to Exhibit 10.3 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.4	Second Amended and Restated Intercreditor Collateral Agreement, dated as of October 26, 2001, as amended and restated as of August 24, 2006, by and among Container Leasing International, LLC (d/b/a Carlisle Leasing International, LLC), CLI Funding LLC, US Bank National Association as Trustee and as Collateral Agent, Deutsche Bank Trust Company Americas as Revolver Agent and various other parties from time to time parties thereto (incorporated by reference to Exhibit 10.4 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)

62

Exhibit No.	Description
10.5	Supplemental Agreement, dated as of January 20, 2009, to the Second Amended and Restated Intercreditor Collateral Agreement, dated as of August 24, 2006, by and among Container Leasing International, LLC (d/b/a Carlisle Leasing International, LLC), GL Finance I Ltd., GL Finance II Ltd. and ING Bank, N.V., as agent (incorporated by reference to Exhibit 10.5 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.6	Second Amended and Restated Indenture, dated as of August 24, 2006, between CLI Funding LLC, as Issuer, and U.S. Bank National Association, as Indenture Trustee and individually as a Securities Intermediary (incorporated by reference to Exhibit 10.6 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.7	Series 2006-1 Supplement, dated as August 24, 2006, between CLI Funding LLC and U.S. Bank National Association (incorporated by reference to Exhibit 10.7 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.8	Amendment Number 1 to the Second Amended and Restated Indenture, dated as of April 26, 2007, between CLI Funding LLC and U.S. Bank National Association (incorporated by reference to Exhibit 10.8 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.9	Amendment Number 2 to the Second Amended and Restated Indenture, dated as of August 21, 2008, between CLI Funding LLC and U.S. Bank National Association (incorporated by reference to Exhibit 10.9 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.10	Credit Agreement, dated as of October 31, 2007, among CLI Funding III LLC, as Borrower, the lenders from time to time party thereto, and ING Bank N.V., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.10 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.11	Amendment No. 1, dated January 31, 2008, to the Credit Agreement, dated as of October 31, 2007, among CLI Funding III LLC, as Borrower, the lenders from time to time party thereto, and ING Bank N.V., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.11 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.12	Amendment No. 2, dated March 31, 2008, to the Credit Agreement, dated as of October 31, 2007, among CLI Funding III LLC, as Borrower, the lenders from time to time party thereto, and ING Bank N.V., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.12 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.13	Amendment No. 3, dated April 22, 2008, to the Credit Agreement, dated as of October 31, 2007, among CLI Funding III LLC, as Borrower, the lenders from time to time party thereto, and ING Bank N.V., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.13 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.14	Guaranty, dated as of October 31, 2007, made by Container Leasing International, LLC (d/b/a Carlisle Leasing International, LLC), as Guarantor (incorporated by reference to Exhibit 10.14 of SeaCubes's Registration Statement on Form S-1, filed with the SEC on March 29, 2010)
10.15	Credit Agreement, dated as of May 18, 2010, by and among CLI Funding IV LLC, as Borrower, Wells Fargo Bank, National Association and other lenders from time to time party thereto, as Lenders, and Wells Fargo Securities LLC, as Administrative Agent (incorporated by reference to Exhibit 10.15 of Amendment No. 2 to SeaCubes's Registration Statement on Form S-1, filed with the SEC on May 20, 2010)
10.16	Form of Indemnification Agreement with directors and officers (incorporated by reference to Exhibit 10.16 of Amendment No. 3 to SeaCubes's Registration Statement on Form S-1, filed with the SEC on

June 4, 2010)

63

Exhibit No.	Description
10.17	Employment Agreement, dated May 13, 2010, by and among SeaCube Container Leasing Ltd., Container Leasing International, LLC and Joseph Kwok (incorporated by reference to Exhibit 10.17 of Amendment No. 2 to SeaCubes's Registration Statement on Form S-1, filed with the SEC on May 20, 2010)
10.18	Employment Agreement, dated May 18, 2010, by and among SeaCube Container Leasing Ltd., Container Leasing International, LLC and Stephen P. Bishop (incorporated by reference to Exhibit 10.18 of Amendment No. 2 to SeaCubes's Registration Statement on Form S-1, filed with the SEC on May 20, 2010)
10.19	Restricted Share Exchange Agreement, dated as of April 23, 2010, by and among Seacastle Inc., SeaCube Container Leasing Ltd., Seacastle Operating Company Ltd., Container Leasing International, LLC and Stephen P. Bishop (incorporated by reference to Exhibit 10.19 of Amendment No. 3 to SeaCubes's Registration Statement on Form S-1, filed with the SEC on June 4, 2010)
10.20	Restricted Share Exchange Agreement, dated as of April 23, 2010, by and among Seacastle Inc., SeaCube Container Leasing Ltd., Seacastle Operating Company Ltd., Container Leasing International, LLC and Lisa Leach (incorporated by reference to Exhibit 10.20 of Amendment No. 5 to SeaCubes's Registration Statement on Form S-1, filed with the SEC on October 12, 2010)
10.21	Fourth Amended and Restated Revolving Credit Agreement, dated as of November 3, 2010, by and among Container Leasing International, LLC (d/b/a Carlisle Leasing International, LLC and/or Seacastle Container Leasing, LLC and/or SeaCube Containers, LLC), as the Borrower, Deutsche Bank Securities Inc., JP Morgan Securities, Inc. and Citigroup Global Markets, Inc. each as a Lead Arranger, Deutsche Bank Trust Company Americas, as the Administrative Agent and Lender, and the other Lenders referred to therein (incorporated by reference to Exhibit 10.1 of SeaCube's Current Report on Form 8-K, filed with the SEC on November 9, 2010)
10.22	Term Loan Agreement, dated April 28, 2011 among SeaCube Container Leasing Ltd., as the Borrower, the guarantors named therein, as Guarantors, the lenders listed therein, Wells Fargo Bank N.A., as Administrative Agent and Apollo Investment Corporation, as Sole Lead Arranger. (incorporated by reference to Exhibit 10.1 of SeaCube's Current Report on Form 8-K, filed with the SEC on April 29, 2011)
10.23	Omnibus Amendment 1, dated as of May 9, 2011 among CLI Funding IV LLC (the "Borrower") Container Leasing International, LLC, as Manager or, in its respective capacity as guarantor, Wells Fargo Bank, National Association (the "Lender") and Wells Fargo Securities, LLC (the "Administrative Agent") (incorporated by reference to Exhibit 10.23 of SeaCube's Quarterly Report on Form 10-Q filed with the SEC on May 5, 2011)
10.24	Amended and Restated Credit Agreement, dated March 27, 2012 between CLI Funding IV LLC and Wells Fargo Bank, National Association, Deutsche Bank Trust Company America and other lenders from time to time and Wells Fargo Securities, LLC, as Administrative Agent (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed with the SEC on March 27, 2012).
10.25	Fifth Amended and Restated Credit Agreement, dated June 27, 2012 between and among Container Leasing International, LLC (d/b/a Carlisle Leasing International, LLC and/or Seacastle Container Leasing, LLC and/or SeaCube Containers, LLC), as the Borrower, Deutsche Bank Trust Company Americas, Citibank, N.A. and JPMorgan Chase Bank, N.A., as lenders, and Deutsche Bank Securities Inc., Citigroup Global Markets, Inc., and J.P. Morgan Securities LLC, as lead arrangers, and Deutsche Bank Trust Company Americas, as the Administrative Agent. (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed with the SEC on June 28, 2012).
10.26	SeaCube Container Leasing Ltd. Key Employee Severance Plan (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed with the SEC on January 23, 2013).

64

Exhibit No.	Description
10.27	Letter Agreement, dated as of January 18, 2013, by and among SeaCube Container Leasing Ltd., SC Acquisitionco Ltd. and Joseph Kwok (incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed with the SEC on January 23, 2013).
10.28	Letter Agreement, dated as of January 18, 2013, by and among SeaCube Container Leasing Ltd., SC Acquisitionco Ltd. and Stephen Bishop (incorporated by reference to Exhibit 10.3 of the Registrant's Current Report on Form 8-K filed with the SEC on January 23, 2013).
10.29	Letter Agreement, dated as of January 18, 2013, by and among SeaCube Container Leasing Ltd., SC Acquisitionco Ltd. and Lisa Leach (incorporated by reference to Exhibit 10.4 of the Registrant's Current Report on Form 8-K filed with the SEC on January 23, 2013).
21.1	List of Subsidiaries
23.1	Consent of Independent Registered Public Accounting Firm
23.2	Consent of Harrison Consulting
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned there unto duly authorized.

Date: February 21, 2013

SEACUBE CONTAINER LEASING LTD.
Registrant

By: /s/ Stephen P. Bishop
Stephen P. Bishop
Chief Operating and Chief Financial Officer
(Principal Financial and Accounting Officer
and
Duly Authorized Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant, in the capacities indicated and on the date indicated.

Name	Title	Date
/s/ Joseph Kwok Joseph Kwok	Chief Executive Officer (Principal Executive Officer)	February 21, 2013
/s/ Stephen P. Bishop Stephen P. Bishop	Chief Operating Officer and Chief Financial Officer (Principal Financial and Accounting Officer)	February 21, 2013
/s/ Joseph P. Adams, Jr Joseph P. Adams, Jr.	Chairman of the Board of Directors	February 21, 2013
/s/ Jonathan G. Atkeson Jonathan G. Atkeson	Director	February 21, 2013
/s/ Paul R. Goodwin Paul R. Goodwin	Director	February 21, 2013
/s/ Douglas A. Hacker Douglas A. Hacker	Director	February 21, 2013
/s/ Donald P. Hamm Donald P. Hamm	Director	February 21, 2013
/s/ Martin Tuchman Martin Tuchman	Director	February 21, 2013

66

INDEX OF FINANCIAL STATEMENTS

SeaCube Container Leasing Ltd.
Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders
SeaCube Container Leasing Ltd.

We have audited the accompanying consolidated balance sheets of SeaCube Container Leasing Ltd. as of December 31, 2012 and 2011, and the related consolidated statements of income and comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of SeaCube Container Leasing Ltd. at December 31, 2012 and 2011, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), SeaCube Container Leasing Ltd.'s internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

MetroPark, New Jersey
February 21, 2013

SeaCube Container Leasing Ltd.
Consolidated Balance Sheets
(Amounts in thousands, except for share amounts)

	December 31, 2012	December 31, 2011
Assets		
Cash and cash equivalents	$16,518	$15,006
Restricted cash	36,727	29,649
Accounts receivable, net of allowance of $1,712 and $3,290, respectively	41,209	41,570
Net investment in direct finance leases	627,859	639,248
Leasing equipment, net of accumulated depreciation of $176,631 and $171,993, respectively	961,232	748,945
Goodwill	22,483	22,483
Shareholder note	—	8,498
Other assets	22,863	19,903
Total assets	$1,728,891	$1,525,302
Liabilities and shareholders' equity		
Liabilities:		
Equipment purchases payable	$37,574	$26,305
Accrued expenses and other liabilities	33,585	37,097
Fair value of derivative instruments	27,430	38,750
Deferred income	1,070	2,044
Deferred income taxes	728	1,532
Debt:		
Due within one year	180,206	161,171
Due after one year	1,192,492	1,039,274
Total debt	1,372,698	1,200,445
Total liabilities	1,473,085	1,306,173
Commitments and contingencies (Note 8)		
Shareholders' equity:		
Preferred shares, $0.01 par value, 100,000,000 shares authorized	—	—
Common shares, $0.01 par value, 400,000,000 shares authorized; 20,288,359 shares issued and outstanding at December 31, 2012; 20,163,359 shares issued and outstanding at December 31, 2011	202	201
Additional paid in capital	220,659	218,879
Retained earnings	56,426	32,916
Accumulated other comprehensive loss	(21,481)	(32,867)
Total shareholders' equity	255,806	219,129
Total liabilities and shareholders' equity	$1,728,891	$1,525,302

See accompanying notes.

SeaCube Container Leasing Ltd.
Consolidated Statements of Operations
(Amounts in thousands, except for per share amounts)

	Year Ended December 31,		
	2012	2011	2010
Revenues:			
Equipment leasing revenue	$122,888	$104,869	$73,404
Finance revenue	64,762	54,337	51,627
Other revenue	11,265	10,273	12,218
Total revenues	198,915	169,479	137,249
Expenses:			
Direct operating expenses	5,928	5,987	6,139
Selling, general and administrative expenses	24,092	23,441	21,853
Depreciation expenses	53,545	45,800	35,341
Provision for doubtful accounts	1,100	388	(1,693)
Impairment of leasing equipment held for sale	2,158	1,289	1,343
Interest expense, including non-cash interest of $4,979, $4,610 and $5,224, respectively	68,702	54,638	44,522
Interest income	(265)	(309)	(1,055)
Other expenses (income), net	(2,277)	(500)	383
Total expenses	152,983	130,734	106,833
Income before provision for income taxes	45,932	38,745	30,416
Provision (benefit) for income taxes	(504)	(691)	796
Net income	$46,436	$39,436	$29,620
Net income per common share			
Basic and diluted net income per share	$2.29	$1.96	$1.75
Dividend per common shareholder	$1.13	$0.92	$0.375

See accompanying notes.

SeaCube Container Leasing Ltd.
Consolidated Statements of Comprehensive Income
(Amounts in thousands)

	Year Ended December 31,		
	2012	2011	2010
Net income	$46,436	$39,436	$29,620
Other comprehensive income, net of tax:			
Net derivative loss reclassified into earnings	2,694	3,831	5,934
Unrealized gain (loss) on derivative instruments, net of tax of $391, $80, and $(450), respectively	8,785	4,151	(4,617)
Foreign currency translation	(93)	(136)	16
Other comprehensive income	11,386	7,846	1,333
Comprehensive Income	$57,822	$47,282	$30,953

See accompanying notes.

SeaCube Container Leasing Ltd.
Consolidated Statement of Changes in Shareholders' Equity
For the Years Ended December 31, 2012, 2011, and 2010
(Amounts in thousands, except for share amounts)