



COSTAMARE INC. REPORTS RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2015

Athens, Greece, April 28, 2015 – Costamare Inc. (“Costamare” or the “Company”) (NYSE: CMRE) today reported unaudited financial results for the first quarter ended March 31, 2015.

- Voyage revenues of \$120.9 million for the quarter ended March 31, 2015.
- Voyage revenues adjusted on a cash basis of \$121.5 million for the quarter ended March 31, 2015.
- Adjusted EBITDA of \$86.0 million for the quarter ended March 31, 2015.
- Net income of \$26.3 million for the quarter ended March 31, 2015.
- Net income available to common stockholders of \$23.3 million or \$0.31 per share for the quarter ended March 31, 2015.
- Adjusted Net income available to common stockholders of \$28.6 million or \$0.38 per share for the quarter ended March 31, 2015.
- **See “Financial Summary” and “Non-GAAP Measures” below for additional detail.**

New Business Developments

- We entered into a new shipbuilding contract with HHIC-PHIL Inc. (Hanjin Heavy Philippines) for the construction of an 11,000TEU vessel. The vessel is expected to be delivered in December 2016. Pursuant to the Framework Agreement with York Capital, the Company holds a 49% equity interest in the relevant vessel-owning entity.
- The Company entered into the following chartering arrangements:
 - Agreed to extend the charter of the 2000-built, 2,474TEU containership *Areopolis* with Evergreen for a period of minimum 4 and maximum 8 months starting from March 21, 2015 at a daily rate of \$7,200.
 - Agreed to extend the charter of the 1997-built, 2,458TEU containership *Messini* with Evergreen for a period of minimum 9 and maximum 12 months starting from May 1, 2015 at a daily rate of \$7,900.
 - Agreed to extend the charter of the 2000-built, 1,645TEU containership *Neapolis* with Yang Ming for a period of minimum 5 and maximum 7 months starting from May 9, 2015 at a daily rate of \$8,000.
 - Agreed to extend the charter of the 1996-built, 1,504TEU containership *Prosper* with Sea Consortium for a period of minimum 3 and maximum 6 months starting from May 25, 2015 at a daily rate of \$9,500.
 - Charterers exercised their option to extend the charter of the 1999-built, 2,526 TEU containership *Elafonisos* for a period of 6 months starting from May 1, 2015 at a daily rate of \$7,000.As of today, the Company has no ships laid up.

- The investment period pursuant to the Framework Agreement with York Capital is set to expire on May 28, 2015. The Company is in discussions with its partner to extend the investment period.

Dividend Payments

- On March 27, 2015, we declared a dividend of \$0.476563 per share on our Series B Preferred Stock and a dividend of \$0.531250 per share on our Series C Preferred Stock, both paid on April 15, 2015, to holders of record on April 14, 2015.
- On April 1, 2015, we declared a dividend for the first quarter ended March 31, 2015, of \$0.29 per share on our common stock, payable on May 6, 2015, to stockholders of record on April 21, 2015. This will be the Company's eighteenth consecutive quarterly dividend since it commenced trading on the New York Stock Exchange and the third time the Company has increased the dividend.

Mr. Gregory Zikos, Chief Financial Officer of Costamare Inc., commented:

“During the first quarter of the year, the Company continued to deliver positive results.

Recently we placed an order, together with our partners York Capital, for one additional 11,000 TEU containership vessel, to be built by Hanjin in Philippines. The ship is expected to be delivered in December 2016 and Costamare will own a 49% stake.

Our joint venture with York has been progressing quite well and since inception we have done deals of US \$ 1.1 billion. All investments have been performing well and we are currently in discussions with our partner regarding the extension of the investment period.

Regarding the market, there is a positive momentum; charter rates have been rising, the number of idle fleet is below 2% and activity remains high. We have no ships laid up, while the ships coming out of charter this year provide an upside based on today's market conditions.”

Financial Summary

Three-month period ended March 31,

(Expressed in thousands of U.S. dollars, except share and per share data):

	2014	2015
Voyage revenue	\$114,898	\$120,850
Accrued charter revenue (1)	\$2,646	\$ 627
Voyage revenue adjusted on a cash basis (2)	\$117,544	\$ 121,477
Adjusted EBITDA (3)	\$82,082	\$86,035
Adjusted Net Income available to common stockholders (3)	\$26,724	\$28,629
Weighted Average number of shares	74,800,000	74,801,662
Adjusted Earnings per share (3)	\$0.36	\$0.38
EBITDA (3)	\$72,995	\$81,908
Net Income	\$19,833	\$26,284
Net Income available to common stockholders	\$17,227	\$23,274
Weighted Average number of shares	74,800,000	74,801,662
Earnings per share	\$0.23	\$0.31

(1) Accrued charter revenue represents the difference between cash received during the period and revenue recognized on a straight-line basis. In the early years of a charter with escalating charter rates, voyage revenue will exceed cash received during the period, and during the last years of such charter cash received will exceed revenue recognized on a straight line basis.

(2) Voyage revenue adjusted on a cash basis represents Voyage revenue after adjusting for non-cash "Accrued charter revenue" recorded under charters with escalating charter rates. However, Voyage revenue adjusted on a cash basis is not a recognized measurement under U.S. generally accepted accounting principles ("GAAP"). We believe that the presentation of Voyage revenue adjusted on a cash basis is useful to investors because it presents the charter revenue for the relevant period based on the then current daily charter rates. The increases or decreases in daily charter rates under our charter party agreements are described in the notes to the "Fleet List" below.

(3) Adjusted net income available to common stockholders, adjusted earnings per share, EBITDA and adjusted EBITDA are non-GAAP measures. Refer to the reconciliation of net income to adjusted net income and net income available to common stockholders to EBITDA and adjusted EBITDA below.

Non-GAAP Measures

The Company reports its financial results in accordance with U.S. GAAP. However, management believes that certain non-GAAP financial measures used in managing the business may provide users of these financial measures additional meaningful comparisons between current results and results in prior operating periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance. The tables below set out supplemental financial data and corresponding reconciliations to GAAP financial measures for the three-month periods ended March 31, 2015 and 2014. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, voyage revenue or net income as determined in accordance with GAAP. Non-GAAP financial measures include (i) Voyage revenue adjusted on a cash basis (reconciled above), (ii) Adjusted Net Income available to common stockholders, (iii) Adjusted Earnings per share, (iv) EBITDA and (v) Adjusted EBITDA.

**Reconciliation of Net Income to Adjusted Net Income available to common stockholders
and Adjusted Earnings per Share**

	Three-month period ended March 31,	
	2014	2015
(Expressed in thousands of U.S. dollars, except share and per share data)		
Net Income	\$ 19,833	\$ 26,284
Earnings allocated to Preferred Stock	(2,606)	(3,010)
Net Income available to common stockholders	<u>17,227</u>	<u>23,274</u>
Accrued charter revenue	2,646	627
Swaps breakage cost	6,712	-
Unrealized loss from swap option agreement held by a jointly owned company with York included in equity loss on investments	2,503	380
General and administrative expenses – non-cash component	-	2,634
Amortization of prepaid lease rentals	410	1,228
Realized Loss on Euro/USD forward contracts (1)	-	1,030
Gain on derivative instruments (1)	(2,774)	(544)
Adjusted Net income available to common stockholders	<u>\$ 26,724</u>	<u>\$ 28,629</u>
Adjusted Earnings per Share	<u>\$ 0.36</u>	<u>\$ 0.38</u>
Weighted average number of shares	<u>74,800,000</u>	<u>74,801,662</u>

Adjusted Net Income available to common stockholders and Adjusted Earnings per Share represent net income before earnings allocated to preferred stock, non-cash “Accrued charter revenue” recorded under charters with escalating charter rates, realized (gain) /loss on Euro/USD forward contracts, swaps breakage costs, unrealized loss from a swap option agreement held by a jointly owned company with York, which is included in equity loss on investments, General and administrative expenses – non-cash component, amortization of prepaid lease rentals and non-cash changes in fair value of derivatives. “Accrued charter revenue” is attributed to the timing difference between the revenue recognition and the cash collection. However, Adjusted Net Income available to common stockholders and Adjusted Earnings per Share are not recognized measurements under U.S. GAAP. We believe that the presentation of Adjusted Net Income available to common stockholders and Adjusted Earnings per Share are useful to investors because they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that Adjusted Net Income available to common stockholders and Adjusted Earnings per Share are useful in evaluating our ability to service additional debt and make capital expenditures. In addition, we believe that Adjusted Net Income available to common stockholders and Adjusted Earnings per Share are useful in evaluating our operating performance and liquidity position compared to that of other companies in our industry because the calculation of Adjusted Net Income available to common stockholders and Adjusted Earnings per Share generally eliminates the effects of the accounting effects of capital expenditures and acquisitions, certain hedging instruments and other accounting treatments, items which may vary for different companies for reasons unrelated to overall operating performance and liquidity. In evaluating Adjusted Net Income available to common stockholders and Adjusted Earnings per Share, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted Net Income available to common stockholders and Adjusted Earnings per Share should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

(1) Items to consider for comparability include gains and charges. Gains positively impacting net income are reflected as deductions to adjusted net income. Charges negatively impacting net income are reflected as increases to adjusted net income.

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

(Expressed in thousands of U.S. dollars)	Three-month period ended March 31,	
	2014	2015
Net Income	\$ 19,833	\$ 26,284
Interest and finance costs	25,796	27,943
Interest income	(150)	(438)
Depreciation	25,208	25,066
Amortization of prepaid lease rentals	410	1,228
Amortization of dry-docking and special survey costs	1,898	1,825
EBITDA	72,995	81,908
Accrued charter revenue	2,646	627
Swaps breakage cost	6,712	-
Unrealized loss from swap option agreement held by a jointly owned company with York included in equity loss on investments	2,503	380
General and administrative expenses – non-cash component	-	2,634
Realized Loss on Euro/USD forward contracts	-	1,030
Gain on derivative instruments	(2,774)	(544)
Adjusted EBITDA	\$ 82,082	\$ 86,035

EBITDA represents net income before interest and finance costs, interest income, amortization of prepaid lease rentals, depreciation and amortization of deferred dry-docking and special survey costs. Adjusted EBITDA represents net income before interest and finance costs, interest income, amortization of prepaid lease rentals, depreciation, amortization of deferred dry-docking and special survey costs, non-cash “Accrued charter revenue” recorded under charters with escalating charter rates, realized gain / (loss) on Euro / USD forward contracts, swaps breakage costs, unrealized loss from swap option agreement held by a jointly owned company with York, which is included in equity loss on investments, General and administrative expenses – non-cash component and non-cash changes in fair value of derivatives. “Accrued charter revenue” is attributed to the time difference between the revenue recognition and the cash collection. However, EBITDA and Adjusted EBITDA are not recognized measurements under U.S. GAAP. We believe that the presentation of EBITDA and Adjusted EBITDA are useful to investors because they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that EBITDA and Adjusted EBITDA are useful in evaluating our ability to service additional debt and make capital expenditures. In addition, we believe that EBITDA and Adjusted EBITDA are useful in evaluating our operating performance and liquidity position compared to that of other companies in our industry because the calculation of EBITDA and Adjusted EBITDA generally eliminates the effects of financings, income taxes and the accounting effects of capital expenditures and acquisitions, items which may vary for different companies for reasons unrelated to overall operating performance and liquidity. In evaluating EBITDA and Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

(1) Items to consider for comparability include gains and charges. Gains positively impacting net income are reflected as deductions to adjusted EBITDA. Charges negatively impacting net income are reflected as increases to adjusted EBITDA.

Results of Operations

Three-month period ended March 31, 2015 compared to the three-month period ended March 31, 2014

During the three-month periods ended March 31, 2015 and 2014, we had an average of 55.0 and 53.1 vessels, respectively, in our fleet. In the three-month period ended March 31, 2014, we accepted delivery of the newbuild vessels *MSC Azov* and *MSC Ajaccio* with an aggregate TEU capacity of 18,806. In the three-month periods ended March 31, 2015 and 2014, our fleet ownership days totaled 4,950 and 4,775 days, respectively. Ownership days are the primary driver of voyage revenue and vessels' operating expenses and represent the aggregate number of days in a period during which each vessel in our fleet is owned.

(Expressed in millions of U.S. dollars, except percentages)	Three-month period ended March 31,		Change	Percentage Change
	2014	2015		
Voyage revenue	\$ 114.9	\$ 120.9	\$ 6.0	5.2%
Voyage expenses	(0.7)	(0.6)	(0.1)	(14.3%)
Voyage expenses – related parties	(0.9)	(0.9)	-	-
Vessels' operating expenses	(29.4)	(29.6)	0.2	0.7%
General and administrative expenses	(1.1)	(1.3)	0.2	18.2%
Management fees – related parties	(4.5)	(4.8)	0.3	6.7%
General and administrative expenses – non-cash component	-	(2.6)	2.6	100.0%
Amortization of dry-docking and special survey costs	(1.9)	(1.8)	(0.1)	(5.3%)
Depreciation	(25.2)	(25.1)	(0.1)	(0.4%)
Amortization of prepaid lease rentals	(0.4)	(1.2)	0.8	200.0%
Foreign exchange gains/ (losses)	(0.1)	0.2	0.3	300.0%
Interest income	0.2	0.4	0.2	100.0%
Interest and finance costs	(25.8)	(27.9)	2.1	8.1%
Swaps breakage cost	(6.7)	-	(6.7)	(100.0%)
Equity loss on investments	(2.3)	(0.2)	(2.1)	(91.3%)
Other	0.9	0.3	(0.6)	(66.7%)
Gain on derivative instruments	2.8	0.5	(2.3)	(82.1%)
Net Income	\$ 19.8	\$ 26.3		

(Expressed in millions of U.S. dollars, except percentages)	Three-month period ended March 31,		Change	Percentage Change
	2014	2015		
Voyage revenue	\$ 114.9	\$ 120.9	\$ 6.0	5.2%
Accrued charter revenue	2.6	0.6	(2.0)	(76.9%)
Voyage revenue adjusted on a cash basis	<u>\$ 117.5</u>	<u>\$ 121.5</u>	\$ 4.0	3.4%

Vessels operational data	Three-month period ended March 31,		Change	Percentage Change
	2014	2015		
Average number of vessels	53.1	55.0	1.9	3.6%
Ownership days	4,775	4,950	175	3.7%
Number of vessels under dry-docking	2	2	-	

Voyage Revenue

Voyage revenue increased by 5.2%, or \$6.0 million, to \$120.9 million during the three-month period ended March 31, 2015, from \$114.9 million during the three-month period ended March 31, 2014. This increase was mainly due to (i) revenue earned by the three newbuild and three second hand vessels delivered to us during the nine-month period ended December 31, 2014; partly offset by (ii) revenue not earned by vessels sold for scrap during the nine-month period ended December 31, 2014, (iii) decreased charter rates in certain of our vessels during the three-month period ended March 31, 2015, compared to the three-month period ended March 31, 2014, and (iv) increased off-hire days, mainly due to scheduled dry-dockings during the three-month period ended March 31, 2015, compared to the three-month period ended March 31, 2014.

Voyage revenue adjusted on a cash basis (which eliminates non-cash “Accrued charter revenue”), increased by 3.4%, or \$4.0 million, to \$121.5 million during the three-month period ended March 31, 2015, from \$117.5 million during the three-month period ended March 31, 2014. This increase was mainly due to (i) revenue earned by the three newbuild and three second hand vessels delivered to us during the nine-month period ended December 31, 2014; partly offset by (ii) revenue not earned by vessels sold for scrap during the nine-month period ended December 31, 2014, (iii) decreased charter rates in certain of our vessels during the three-month period ended March 31, 2015, compared to the three-month period ended March 31, 2014, and (iv) increased off-hire days, mainly due to scheduled dry-dockings during the three-month period ended March 31, 2015, compared to the three-month period ended March 31, 2014.

Voyage Expenses

Voyage expenses were \$0.6 million, during the three-month period ended March 31, 2015 and \$0.7 million during the three-month period ended March 31, 2014. Voyage expenses mainly include (i) off-hire expenses of our vessels, mainly related to fuel consumption and (ii) third party commissions.

Voyage Expenses – related parties

Voyage expenses – related parties in the amount of \$0.9 million during the three-month period ended March 31, 2015 and in the amount of \$0.9 million during the three-month period ended March 31, 2014, represent fees of 0.75% on voyage revenues charged to us by Costamare Shipping Company S.A. as provided under our group management agreement.

Vessels’ Operating Expenses

Vessels’ operating expenses, which also include the realized gain / (loss) under derivative contracts entered into in relation to foreign currency exposure, increased by 0.7%, or \$0.2 million, to \$29.6 million during the three-month period ended March 31, 2015, from \$29.4 million during the three-month period ended March 31, 2014. The increase was partly attributable to the increased ownership days of our vessels during the three-month period ended March 31, 2015 compared to the three-month period ended March 31, 2014.

General and Administrative Expenses

General and administrative expenses increased by 18.2%, or \$0.2 million, to \$1.3 million during the three-month period ended March 31, 2015, from \$1.1 million during the three-month period ended March 31, 2014. General and administrative expenses for the three-month periods ended March 31, 2015, included \$0.63 million which is part of the annual fee that our manager receives.

Management Fees – related parties

Management fees paid to our managers increased by 6.7%, or \$0.3 million, to \$4.8 million during the three-month period ended March 31, 2015, from \$4.5 million during the three-month period ended March 31, 2014. The increase was primarily attributable to (i) the inflation related upward adjustment by 4% of the management fee for each vessel (effective January 1, 2015), as provided under our group management agreement and (ii) the increased average number of vessels during the three-month period ended March 31, 2015, compared to the three-month period ended March 31, 2014.

General and Administrative expenses – non-cash component

General and administrative expenses – non-cash component for the three-month period ended March 31, 2015 amounted to \$2.6 million, representing the value of the shares issued to our manager on March 31, 2015. No amounts were incurred in the prior period.

Amortization of Dry-docking and Special Survey Costs

Amortization of deferred dry-docking and special survey costs was \$1.8 million for the three-month period ended March 31, 2015 and \$1.9 million for the three-month period ended March 31, 2014. During the three-month period ended March 31, 2015 two vessels underwent and completed their special survey. During the three-month period ended March 31, 2014 two vessels underwent and completed their special survey.

Depreciation

Depreciation expense decreased by 0.4%, or \$0.1 million, to \$25.1 million during the three-month period ended March 31, 2015, from \$25.2 million during the three-month period ended March 31, 2014. The decrease was mainly attributable to a change in the estimated scrap value of vessels, which had a favorable effect of \$1.3 million for the three-month period ended March 31, 2015, partly offset by increased depreciation expenses as a result of the increased average number of vessels during the three-month period ended March 31, 2015, compared to the three-month period ended March 31, 2014.

Foreign Exchange Gains/ (Losses)

Foreign exchange gains were \$0.2 million during the three-month period ended March 31, 2015. Foreign exchange losses were \$0.1 million during the three-month period ended March 31, 2014.

Interest Income

Interest income for the three-month period ended March 31, 2015 and 2014 amounted to \$0.4 million and \$0.2 million, respectively.

Interest and Finance Costs

Interest and finance costs increased by 8.1%, or \$2.1 million, to \$27.9 million during the three-month period ended March 31, 2015, from \$25.8 million during the three-month period ended March 31, 2014. The increase was mainly attributable to the increased interest expense charged to the consolidated statement of income in relation with the sale and leaseback of the three newbuild vessels which were delivered to us during the year ended December 31, 2014. During the three-month period ended March 31, 2014 there was a write-off of deferred finance costs due to the refinancing of one of our bank loans.

Equity Loss on Investments

The equity loss on investments of \$0.2 million for the three-month period ended March 31, 2015, represents our share of the net losses of fifteen jointly owned companies pursuant to the Framework Agreement with York. We hold a range of 25% to 49% of the capital stock of these companies. The net loss of \$0.2 million was mainly attributable to an unrealized loss of \$0.4 million deriving from a swap option agreement entered into by a jointly-owned company.

Gain on Derivative Instruments

The fair value of our 22 interest rate derivative instruments which were outstanding as of March 31, 2015, equates to the amount that would be paid by us or to us should those instruments be terminated. As of March 31, 2015, the fair value of these 22 interest rate derivative instruments in aggregate amounted to a liability of \$73.3 million. The effective portion of the change in the fair value of the interest rate derivative instruments that qualified for hedge accounting is recorded in “Other Comprehensive Income” (“OCI”) while the ineffective portion is recorded in the consolidated statements of income. The change in the fair value of the interest rate derivative instruments that did not qualify for hedge accounting is recorded in the consolidated statement of income. For the three-month period ended March 31, 2015, a net gain of \$0.7 million has been included in OCI and a net gain

of \$2.0 million has been included in Gain on derivative instruments in the consolidated statement of income, resulting from the fair market value change of the interest rate derivative instruments during the three-month period ended March 31, 2015.

Cash Flows

Three-month periods ended March 31, 2015 and 2014

Condensed cash flows	Three-month period ended March 31,	
	2014	2015
(Expressed in millions of U.S. dollars)		
Net Cash Provided by Operating Activities	\$ 53.9	\$ 54.9
Net Cash Used in Investing Activities	\$ (65.1)	\$ (13.4)
Net Cash Provided by / (Used in) Financing Activities	\$ 101.5	\$ (70.3)

Net Cash Provided by Operating Activities

Net cash flows provided by operating activities for the three-month period ended March 31, 2015, increased by \$1.0 million to \$54.9 million, compared to \$53.9 million for the three-month period ended March 31, 2014. The increase was primarily attributable to increased cash from operations of \$3.9 million due to cash generated mainly from the employment of the three newbuild vessels delivered to us during the year ended December 31, 2014 and the decreased payments for interest (including swap payments) during the period of \$0.3 million; partly offset by the unfavorable change in working capital position, excluding the current portion of long-term debt and the accrued charter revenue (representing the difference between cash received in that period and revenue recognized on a straight-line basis) of \$7.6 million.

Net Cash Used in Investing Activities

Net cash used in investing activities was \$13.4 million in the three-month period ended March 31, 2015, which mainly consisted of \$13.0 million in advance payments for the construction of two newbuild vessels, pursuant to the Framework Agreement with York; we hold an equity interest ranging from 25% to 49% in jointly-owned companies.

Net cash used in investing activities was \$65.1 million in the three-month period ended March 31, 2014, which consisted of (a) \$40.6 million for capitalized costs and advance payments for the construction and delivery of three newbuild vessels and (b) \$24.5 million in payments, pursuant to the Framework Agreement with York, to hold an equity interest ranging from 25% to 49% in jointly-owned companies.

Net Cash Provided By Financing Activities

Net cash used in financing activities was \$70.3 million in the three-month period ended March 31, 2015, which mainly consisted of (a) \$50.0 million of indebtedness that we repaid, (b) \$3.3 million we repaid relating to our sale and leaseback agreements (c) \$20.9 million we paid for dividends to holders of our common stock for the second quarter of 2014, and (d) \$1.0 million we paid for dividends to holders of our 7.625% Series B Cumulative Redeemable Perpetual Preferred Stock (“Series B Preferred Stock”) and \$2.1 million we paid for dividends to holders of our 8.500% Series C Cumulative Redeemable Perpetual Preferred Stock (“Series C Preferred Stock”), in both cases for the period from October 15, 2014 to January 14, 2015.

Net cash provided by financing activities was \$101.5 million in the three-month period ended March 31, 2014, which mainly consisted of (a) \$147.5 million of indebtedness that we repaid, (b) \$171.1 million we received regarding the sale and leaseback transaction of two newbuild vessels that we delivered during the period, (c) \$20.2 million we paid for dividends to holders of our common stock for the fourth quarter of 2013, (d) \$1.0 million we paid for dividends to holders of our Series B Preferred Stock for the period from October 15, 2013 to January 14, 2014 and (e) \$96.5 million net proceeds we

received from our public offering in January 2014, of 4.0 million shares of our Series C Preferred Stock, net of underwriting discounts and expenses incurred in the offering.

Liquidity and Capital Expenditures

Cash and cash equivalents

As of March 31, 2015, we had a total cash liquidity of \$141.4 million, consisting of cash, cash equivalents and restricted cash.

Debt-free vessels

As of April 28, 2015, the following vessels were free of debt.

Unencumbered Vessels in the water^(*) *(refer to fleet list for full charter details)*

<u>Vessel Name</u>	<u>Year Built</u>	<u>TEU Capacity</u>
NAVARINO	2010	8,531
VENETIKO	2003	5,928
LAKONIA	2004	2,586
AREOPOLIS	2000	2,474
MESSINI	1997	2,458
NEAPOLIS	2000	1,645

(*) Does not include one secondhand vessel acquired and five newbuild vessels ordered pursuant to the Framework Agreement with York, which are also free of debt.

Capital commitments

As of April 28, 2015, we had outstanding commitments relating to our ten contracted newbuilds aggregating approximately \$307.6 million payable in installments until the vessels are delivered, out of which \$185.0 million will be funded through committed financing. The amounts represent our interest in the relevant jointly-owned entities with York.

Conference Call details:

On Wednesday, April 29, 2015, at 8:30 a.m. ET, Costamare's management team will hold a conference call to discuss the financial results.

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1-866-524-3160 (from the US), 0808 238 9064 (from the UK) or +1-412-317-6760 (from outside the US). Please quote "Costamare".

A replay of the conference call will be available until May 29, 2015. The United States replay number is +1-877-344-7529; the standard international replay number is +1-412-317-0088, and the access code required for the replay is: 10064487.

Live webcast:

There will also be a simultaneous live webcast over the Internet, through the Costamare Inc. website (www.costamare.com) under the "Investors" section. Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

About Costamare Inc.

Costamare Inc. is one of the world's leading owners and providers of containerships for charter. The Company has 41 years of history in the international shipping industry and a fleet of 69 containerships, with a total capacity of approximately 458,000 TEU, including ten newbuild containerships on order. Fourteen of our containerships, including ten newbuilds, have been acquired pursuant to the Framework Agreement with York Capital Management by vessel-owning joint venture entities in which we hold a minority equity interest. The Company's common stock, Series B Preferred Stock and Series C Preferred Stock trade on the New York Stock Exchange under the symbols "CMRE", "CMRE PR B" and "CMRE PR C", respectively.

Forward-Looking Statements

This earnings release contains "forward-looking statements". In some cases, you can identify these statements by forward-looking words such as "believe", "intend", "anticipate", "estimate", "project", "forecast", "plan", "potential", "may", "should", "could" and "expect" and similar expressions. These statements are not historical facts but instead represent only Costamare's belief regarding future results, many of which, by their nature, are inherently uncertain and outside of Costamare's control. It is possible that actual results may differ, possibly materially, from those anticipated in these forward-looking statements. For a discussion of some of the risks and important factors that could affect future results, see the discussion in Costamare Inc.'s Annual Report on Form 20-F (File No. 001-34934) under the caption "Risk Factors".

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Fleet List

The tables below provide additional information, as of April 28, 2015, about our fleet of containerships, including our newbuilds on order and the vessels acquired pursuant to the Framework Agreement with York. Each vessel is a cellular containership, meaning it is a dedicated container vessel.

	Vessel Name	Charterer	Year Built	Capacity (TEU)	Time Charter Term ⁽¹⁾	Current Daily Charter Rate (U.S. dollars)	Expiration of Charter ⁽¹⁾	Average Daily Charter Rate Until Earliest Expiry of Charter (U.S. dollars) ⁽²⁾
1	COSCO GUANGZHOU	COSCO	2006	9,469	12 years	36,400	December 2017	36,400
2	COSCO NINGBO	COSCO	2006	9,469	12 years	36,400	January 2018	36,400
3	COSCO YANTIAN	COSCO	2006	9,469	12 years	36,400	February 2018	36,400
4	COSCO BEIJING	COSCO	2006	9,469	12 years	36,400	April 2018	36,400
5	COSCO HELLAS	COSCO	2006	9,469	12 years	37,519	May 2018	37,519
6	MSC AZOV	MSC	2014	9,403	10 years	43,000	November 2023	43,000
7	MSC AJACCIO	MSC	2014	9,403	10 years	43,000	February 2024	43,000
8	MSC AMALFI	MSC	2014	9,403	10 years	43,000	March 2024	43,000
9	MSC ATHENS	MSC	2013	8,827	10 years	42,000	January 2023	42,000
10	MSC ATHOS	MSC	2013	8,827	10 years	42,000	February 2023	42,000
11	VALOR	Evergreen	2013	8,827	7.0 years ⁽ⁱ⁾	41,700	April 2020 ⁽ⁱ⁾	41,700
12	VALUE	Evergreen	2013	8,827	7.0 years ⁽ⁱ⁾	41,700	April 2020 ⁽ⁱ⁾	41,700
13	VALIANT	Evergreen	2013	8,827	7.0 years ⁽ⁱ⁾	41,700	June 2020 ⁽ⁱ⁾	41,700
14	VALENCE	Evergreen	2013	8,827	7.0 years ⁽ⁱ⁾	41,700	July 2020 ⁽ⁱ⁾	41,700
15	VANTAGE	Evergreen	2013	8,827	7.0 years ⁽ⁱ⁾	41,700	September 2020 ⁽ⁱ⁾	41,700
16	NAVARINO	MSC	2010	8,531	1.0 year		September 2015	
17	MAERSK KAWASAKI ⁽ⁱⁱ⁾	A.P. Moller-Maersk	1997	7,403	10 years	37,000	December 2017	37,000
18	MAERSK KURE ⁽ⁱⁱ⁾	A.P. Moller-Maersk	1996	7,403	10 years	37,000	December 2017	37,000
19	MAERSK KOKURA ⁽ⁱⁱ⁾	A.P. Moller-Maersk	1997	7,403	10 years	37,000	February 2018	37,000
20	MSC METHONI	MSC	2003	6,724	10 years	29,000	September 2021	29,000
21	SEALAND NEW YORK	A.P. Moller-Maersk	2000	6,648	11 years	26,100	March 2018	26,100
22	MAERSK KOBE	A.P. Moller-Maersk	2000	6,648	11 years	26,100	May 2018	26,100
23	SEALAND WASHINGTON	A.P. Moller-Maersk	2000	6,648	11 years	26,100	June 2018	26,100
24	SEALAND MICHIGAN	A.P. Moller-Maersk	2000	6,648	11 years	26,100	August 2018	26,100
25	SEALAND ILLINOIS	A.P. Moller-Maersk	2000	6,648	11 years	26,100	October 2018	26,100
26	MAERSK KOLKATA	A.P. Moller-Maersk	2003	6,644	11 years	38,865 ⁽³⁾	November 2019	28,611
27	MAERSK KINGSTON	A.P. Moller-Maersk	2003	6,644	11 years	38,461 ⁽⁴⁾	February 2020	29,100
28	MAERSK KALAMATA	A.P. Moller-Maersk	2003	6,644	11 years	38,418 ⁽⁵⁾	April 2020	29,306
29	VENETIKO	PIL	2003	5,928	2.0 years	12,250	May 2015	12,250
30	ENSENADA EXPRESS ^(e)	Hapag Lloyd	2001	5,576	2.0 years	19,000	May 2015	19,000
31	MSC ROMANOS	MSC	2003	5,050	5.3 years	28,000	November 2016	28,000
32	ZIM NEW YORK	ZIM	2002	4,992	13 years	13,744	September 2015 ⁽⁶⁾	13,744
33	ZIM SHANGHAI	ZIM	2002	4,992	13 years	13,744	September 2015 ⁽⁶⁾	13,744
34	ZIM PIRAEUS	ZIM	2004	4,992	10 years	13,344	September 2015 ⁽⁶⁾	13,344
35	OAKLAND EXPRESS	Hapag Lloyd	2000	4,890	8.0 years	30,500	September 2016	30,500
36	HALIFAX EXPRESS	Hapag Lloyd	2000	4,890	8.0 years	30,500	October 2016	30,500

Vessel Name	Charterer	Year Built	Capacity (TEU)	Time Charter Term ⁽¹⁾	Current Daily Charter Rate (U.S. dollars)	Expiration of Charter ⁽¹⁾	Average Daily Charter Rate Until Earliest Expiry of Charter (U.S. dollars) ⁽²⁾	
37	SINGAPORE EXPRESS	Hapag Lloyd	2000	4,890	8.0 years	30,500	July 2016	30,500
38	MSC MANDRAKI	MSC	1988	4,828	7.8 years	20,000	August 2017	20,000
39	MSC MYKONOS	MSC	1988	4,828	8.2 years	20,000	September 2017	20,000
40	MSC ULSAN	MSC	2002	4,132	5.3 years	16,500	March 2017	16,500
41	MSC KORONI	MSC	1998	3,842	9.5 years	13,500 ⁽⁷⁾	September 2018	13,500
42	MSC ITEA	MSC	1998	3,842	1.0 years	7,300	June 2015	7,300
43	KARMEN	Evergreen	1991	3,351	0.8 years	7,500	May 2015	7,500
44	MARINA	Evergreen	1992	3,351	2.5 years	7,000	May 2015	7,000
45	MSC CHALLENGER	MSC	1986	2,633	4.8 years	10,000	July 2015	10,000
46	LAKONIA	Evergreen	2004	2,586	2.0 years	8,600	February 2017	8,600
47	ELAFONISOS ⁽⁸⁾	A.P. Moller-Maersk	1999	2,526	0.9 years	6,250 ⁽⁸⁾	November 2015	6988
48	AREOPOLIS	Evergreen	2000	2,474	0.6 years	7,200	July 2015	7,200
49	MESSINI	Evergreen	1997	2,458	3.3 years	7,500 ⁽⁹⁾	February 2016	7,896
50	MSC REUNION	MSC	1992	2,024	8.0 years	7,600	July 2016	7,600
51	MSC NAMIBIA II	MSC	1991	2,023	8.8 years	7,600	July 2016	7,600
52	MSC SIERRA II	MSC	1991	2,023	7.7 years	7,600	June 2016	7,600
53	MSC PYLOS	MSC	1991	2,020	5.0 years	7,250	January 2016	7,250
54	X-PRESS PADMA ⁽⁹⁾	Sea Consortium	1998	1,645	2.0 years	8,225	June 2015	8,225
55	NEAPOLIS	Yang Ming	2000	1,645	0.9 years	8,000	October 2015	8,000
56	PROSPER	Sea Consortium	1996	1,504	0.7 years	7,350 ⁽¹⁰⁾	August 2015	9,012
57	ZAGORA	MSC	1995	1,162	3.7 years	6,200	May 2015	6,200
58	PETALIDI ⁽⁹⁾	CMA CGM	1994	1,162	2.0 years	6,800	August 2015	6,800
59	STADT LUEBECK	CMA CGM	2001	1,078	2.7 years	6,400	June 2015	6,400

Newbuilds

	Vessel Name	Shipyard	Charterer	Expected Delivery (based on latest shipyard schedule)
1	NCP0113 ⁽⁹⁾	Hanjin Subic Bay		4 th Quarter 2015
2	NCP0114 ⁽⁹⁾	Hanjin Subic Bay		1 st Quarter 2016
3	NCP0115 ⁽⁹⁾	Hanjin Subic Bay		2 nd Quarter 2016
4	NCP0116 ⁽⁹⁾	Hanjin Subic Bay		2 nd Quarter 2016
5	NCP0152 ⁽⁹⁾	Hanjin Subic Bay		4 th Quarter 2016
6	S2121 ⁽⁹⁾	Samsung Heavy	Evergreen	2 nd Quarter 2016
7	S2122 ⁽⁹⁾	Samsung Heavy	Evergreen	2 nd Quarter 2016
8	S2123 ⁽⁹⁾	Samsung Heavy	Evergreen	3 rd Quarter 2016
9	S2124 ⁽⁹⁾	Samsung Heavy	Evergreen	3 rd Quarter 2016
10	S2125 ⁽⁹⁾	Samsung Heavy	Evergreen	3 rd Quarter 2016

Our newbuilds on order have an aggregate capacity in excess of 125,000 TEU.

- (1) Charter terms and expiration dates are based on the earliest date charters could expire. Amounts set out for current daily charter rate are the amounts contained in the charter contracts.
- (2) This average rate is calculated based on contracted charter rates for the days remaining between April 28, 2015 and the earliest expiration of each charter. Certain of our charter rates change until their earliest expiration dates, as indicated in the footnotes below.
- (3) This charter rate changes on January 13, 2016 to \$26,100 per day until the earliest redelivery date.

- (4) This charter rate changes on April 28, 2016 to \$26,100 per day until the earliest redelivery date.
 - (5) This charter rate changes on June 11, 2016 to \$26,100 per day until the earliest redelivery date.
 - (6) Zim finalized the terms of its comprehensive financial restructuring plan with its shareholders and its creditors, including vessel and container lenders, shipowners, shipyards, unsecured lenders and bond holders. The amounts in the table reflect the current charter terms, giving effect to our agreement with Zim under the restructuring plan. Based on this agreement, we have been granted charter extensions and have been issued equity securities representing 1.2% of Zim's equity and approximately \$8.2 million in interest bearing notes maturing in 2023. The Company will have the option to extend the charters for two of the three vessels chartered to Zim for successive one year periods at market rate plus \$1,100 per day per vessel while the notes remain outstanding.
 - (7) As from December 1, 2012 until redelivery, the charter rate is to be a minimum of \$13,500 per day plus 50% of the difference between the market rate and the charter rate of \$13,500. The market rate is to be determined annually based on the Hamburg ConTex type 3500 TEU index published on October 1 of each year until redelivery.
 - (8) This charter rate changes on May 1, 2015 to \$7,000 per day until the earliest redelivery date.
 - (9) This charter rate changes on May 1, 2015 to \$7,900 per day until the earliest redelivery date.
 - (10) This charter rate changes on May 25, 2015 to \$9,500 per day until the earliest redelivery date.
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- (i) Assumes exercise of owner's unilateral options to extend the charter of these vessels for two one year periods at the same charter rate. The charterer also has corresponding options to unilaterally extend the charter for the same periods at the same charter rate.
 - (ii) The charterer has a unilateral option to extend the charter of the vessel for two periods of 30 months each +/-90 days on the final period performed, at a rate of \$41,700 per day.
 - (*) Denotes vessels acquired pursuant to the Framework Agreement with York. The Company holds an equity interest ranging between 25% and 49% in each of the vessel-owning entities.

COSTAMARE INC.
Consolidated Statements of Income

(Expressed in thousands of U.S. dollars, except share and per share amounts)	Three-months ended March 31,	
	2014	2015
	(Unaudited)	
REVENUES:		
Voyage revenue	\$ 114,898	\$ 120,850
EXPENSES:		
Voyage expenses	(685)	(636)
Voyage expenses – related parties	(862)	(905)
Vessels' operating expenses	(29,384)	(29,551)
General and administrative expenses	(1,097)	(1,315)
Management fees - related parties	(4,471)	(4,818)
General and administrative expenses – non-cash component	-	(2,634)
Amortization of dry-docking and special survey costs	(1,898)	(1,825)
Depreciation	(25,208)	(25,066)
Amortization of prepaid lease rentals	(410)	(1,228)
Foreign exchange gains/ (losses)	(63)	290
Operating income	\$ 50,820	\$ 53,162
OTHER INCOME (EXPENSES):		
Interest income	\$ 150	\$ 438
Interest and finance costs	(25,796)	(27,943)
Swaps breakage cost	(6,712)	-
Equity loss on investments	(2,278)	(195)
Other	875	278
Gain on derivative instruments	2,774	544
Total other income (expenses)	\$ (30,987)	\$ (26,878)
Net Income	\$ 19,833	\$ 26,284
Earnings allocated to Preferred Stock	(2,606)	(3,010)
Net Income available to common stockholders	\$ 17,227	\$ 23,274
Earnings per common share, basic and diluted	\$ 0.23	\$ 0.31
Weighted average number of shares, basic and diluted	74,800,000	74,801,662

COSTAMARE INC.
Consolidated Balance Sheets

(Expressed in thousands of U.S. dollars)

	<u>As of</u> <u>December 31,</u>	<u>As of March 31,</u>
	<u>2014</u>	<u>2015</u>
	<u>(Audited)</u>	<u>(Unaudited)</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 113,089	\$ 84,248
Restricted cash	14,264	8,902
Accounts receivable	2,365	1,552
Inventories	11,565	10,435
Due from related parties	4,447	4,801
Insurance claims receivable	1,759	2,019
Prepaid lease rentals	4,982	4,992
Accrued charter revenue	511	522
Prepayments and other	4,993	7,038
Total current assets	\$ 157,975	\$ 124,509
FIXED ASSETS, NET:		
Finance lease – Asset	\$ 250,547	248,678
Vessels, net	2,098,820	2,076,094
Total fixed assets, net	\$ 2,349,367	\$ 2,324,772
NON-CURRENT ASSETS:		
Investment in affiliates	\$ 73,579	\$ 86,347
Prepaid lease rentals, non-current	40,811	39,573
Deferred charges, net	28,675	28,180
Accounts receivable, non-current	1,425	1,425
Restricted cash	49,818	48,277
Accrued charter revenue	1,025	923
Other non-current assets	12,065	12,338
Total assets	\$ 2,714,740	\$ 2,666,344
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 192,951	\$ 190,853
Accounts payable	6,296	6,114
Finance lease – obligation	13,508	13,772
Accrued liabilities	19,119	17,202
Unearned revenue	12,929	13,535
Fair value of derivatives	43,287	39,911
Other current liabilities	2,286	2,059
Total current liabilities	\$ 290,376	\$ 283,446
NON-CURRENT LIABILITIES		
Long-term debt, net of current portion	\$ 1,326,990	\$ 1,279,134
Finance lease – obligation, net of current portion	233,625	230,093
Fair value of derivatives, net of current portion	31,653	35,816
Unearned revenue, net of current portion	29,454	29,500
Total non-current liabilities	\$ 1,621,722	\$ 1,574,543
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock	\$ -	\$ -
Common stock	8	8
Additional paid-in capital	858,665	861,299
Retained earnings	103	2,433
Accumulated other comprehensive loss	(56,134)	(55,385)
Total stockholders' equity	\$ 802,642	\$ 808,355
Total liabilities and stockholders' equity	\$ 2,714,740	\$ 2,666,344