



Costamare Inc.



First Quarter 2016 Financial Results Conference Call

April 21, 2016

Forward-Looking Statements

This presentation contains certain “forward-looking statements” (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). All statements, other than statements of historical facts, that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, including, without limitation, future operating or financial results and future revenues and expenses, future, pending or recent acquisitions, general market conditions and shipping industry trends, the financial condition and liquidity of the Company, cash available for dividend payments, future capital expenditures and dry-docking costs and newbuild vessels and expected delivery dates, are forward-looking statements. Although the Company believes that its expectations stated in this presentation are based on reasonable assumptions, actual results may differ from those projected in the forward-looking statements. Important factors that, in our view, could cause actual results to differ materially from the future results discussed in the forward-looking statements include, without limitation, global supply and demand for containerships, the financial stability of the Company’s counterparties and charterers, global economic weakness, disruptions in the world financial markets, the loss of one or more customers, a decrease in the level of Chinese exports, the availability of debt financing, our ability to complete the formation of the proposed master limited partnership, our ability to expand through newbuildings and secondhand acquisitions, risks associated with the operation of the Framework Agreement with our joint venture partner, delay in the delivery of newbuildings, rising crew and fuel costs, increases in capital expenditure requirements or operating costs, a decrease in containership values, increased competition in the industry, re-chartering risk, fluctuations in interest rates, actions taken by governmental and regulatory authorities, potential liability for future litigation and environmental liabilities, the availability of adequate insurance coverage, potential disruption of shipping routes due to accidents or political conditions and the other factors discussed in the Company’s Annual Report on Form 20-F (File No. 001-34934) under the caption “Risk Factors”. All forward-looking statements reflect management’s current views with respect to certain future events, and the Company expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in the Company’s views or expectations, or otherwise.

Recent Transactions

Dividend Declarations

- On April 1, 2016, we declared a dividend for the first quarter ended March 31, 2016, of \$0.29 per share on our common stock, payable on May 4, 2016, to stockholders of record on April 19, 2016
- On April 1, 2016, we declared a dividend of \$0.476563 per share on our Series B Preferred Stock, a dividend of \$0.531250 per share on our Series C Preferred Stock and a dividend of \$0.546875 per share on our Series D Preferred Stock which were all paid on April 15, 2016 to holders of record on April 14, 2016
- To date, we have declared dividends in 22 consecutive quarters
- Over the past six years, we have increased the dividend 16%

Financing Developments

- In January 2016, we entered into an agreement to extend the repayment schedule of the Alpha credit facility from December 2017 to December 2020. The Alpha credit facility is secured by the 1997 and 1996 built, 7,403 TEU containerships Maersk Kawasaki and Maersk Kure and had an outstanding balance of \$66 million as of March 31, 2016.

Recent Transactions – Chartering

Charter Agreements

The Company entered into the following chartering arrangements:

- Agreed to extend the charters of the MSC Reunion, MSC Namibia II and MSC Sierra II, the 2,000 TEU containerships, built in 1992, 1992 and 1991, respectively, with MSC for a period of minimum 11 and maximum 13 months starting from August 27, 2016, August 2, 2016 and July 1, 2016, respectively, at a daily rate of \$6,800.
- Agreed to extend the charter of the 1995-built, 1,162 TEU containership Zagora with MSC for a period of minimum 12 and maximum 14 months starting from June 1, 2016 at a daily rate of \$6,200.
- Agreed to extend the charter of the 1991-built, 3,351 TEU containership Karmen with Evergreen for a period of minimum 4 and maximum 9 months starting from February 27, 2016 at a daily rate of \$6,500.
- Agreed to extend the charter of the 1998-built, 1,645 TEU containership Padma with Yang Ming for a period of minimum 4 and maximum 10 months starting from April 26, 2016 at a daily rate of \$7,250.
- Agreed to charter the 1998-built, 3,842 TEU containership Itea with Hapa-Lloyd for a period of minimum 4 weeks and maximum 6 months starting from April 20, 2016 at a daily rate of \$6,250.
- Agreed to charter the 2000-built, 2,474 TEU containership Areopolis with Evergreen for a period of minimum 3 and maximum 8 months starting from March 31, 2016 at a daily rate of \$5,950.

Income Statement

Q1 2016 RESULTS

	1Q 2015	1Q 2016	% Change
Ownership Days	4,950	4,914	(0.73%)
Average Number of Vessels	55	54	(1.82%)
Voyage Revenues	\$120,850	\$120,274	(0.48%)
EBITDA ^(*)	81,908	81,994	0.10%
Depreciation & Amortization	28,119	28,453	1.19%
Net Interest and Finance Costs	27,505	18,545	(32.58%)
Net Income Available to Common Stockholders	23,274	29,789	27.99%
Weighted Average Number of Shares	74,801,662	75,400,044	
EPS	\$0.31	\$0.40	28.86%

Q1 2016 RESULTS – Non Cash and One-Time Adjustments

	1Q 2015	1Q 2016
Net Income Available to Common Stockholders	\$23,274	\$29,789
Accrued charter revenue	627	(452)
Loss/ (Gain) on derivative instruments	(544)	2,627
Amortization of Prepaid lease rentals	1,228	1,238
Add back Stock based compensation - related parties	2,634	1,344
Add back Swaption portion	380	-
Realized (Gain)/ Loss on Euro/USD FX contracts	1,030	(239)
Adjusted Net Income Available to Common Stockholders ^(*)	28,629	34,307
Adjusted EBITDA ^(*)	86,035	85,274
Adjusted EPS ^(*)	\$0.38	\$0.45

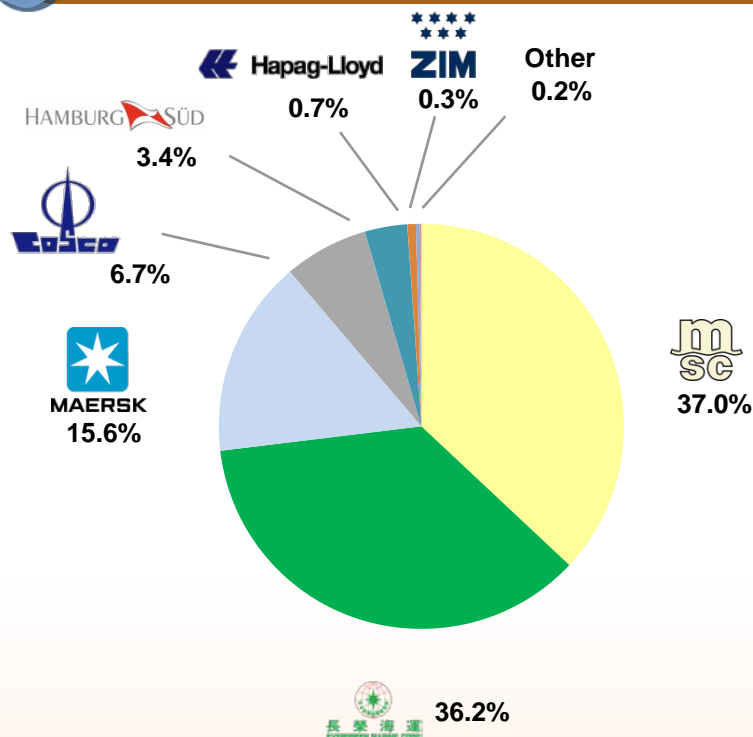
Notes

All numbers in thousands, except ownership days, number of vessels, share and per share data

(*) Non-GAAP Items, see Appendix for reconciliation

High Quality & Stable Cash Flows

Revenue Contribution (All Vessels)⁽¹⁾⁽²⁾



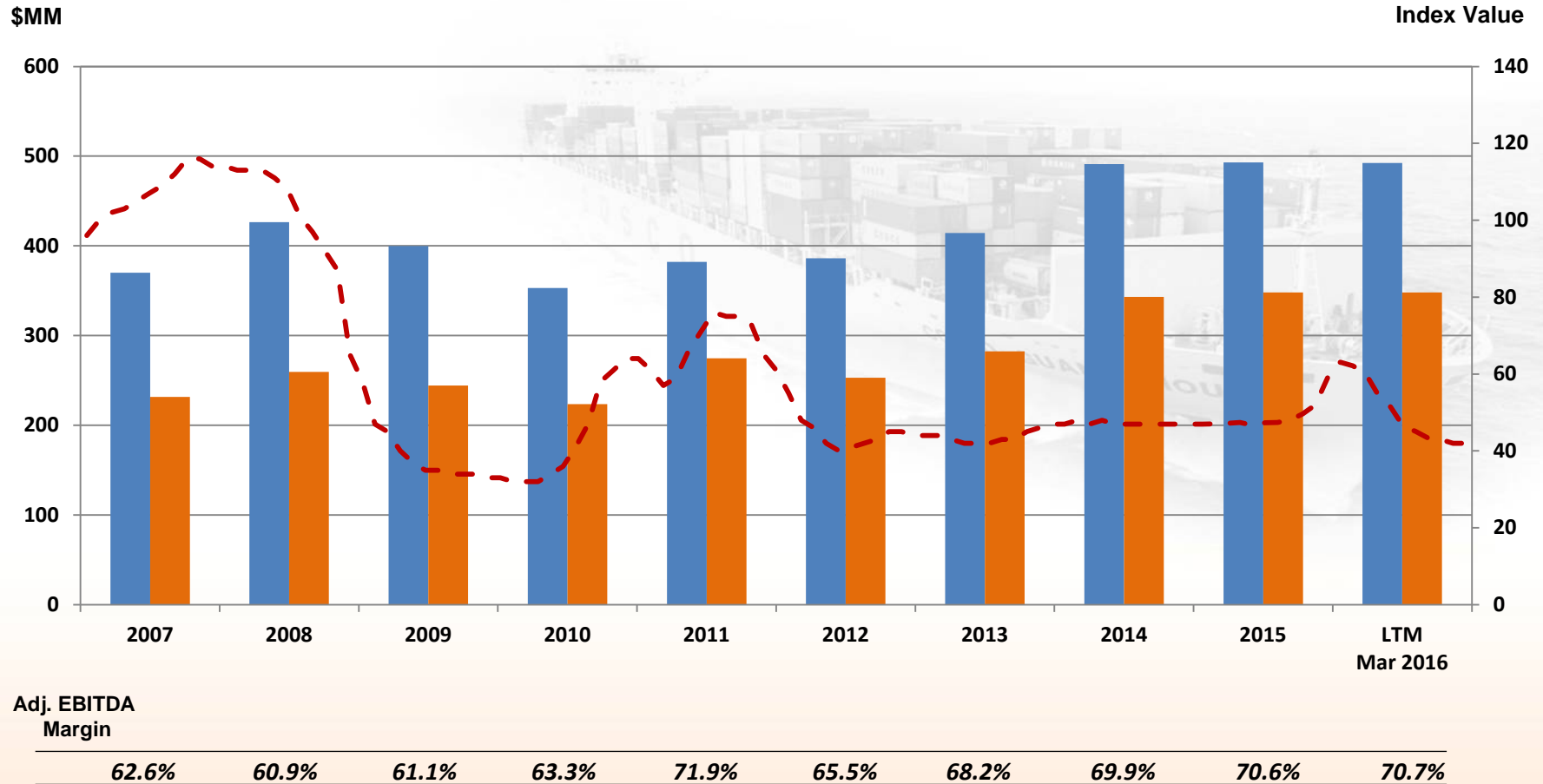
- As of April 20, 2016, contracted revenues of approximately \$1.9Bn⁽¹⁾⁽²⁾
- TEU-weighted average remaining time charter duration for the fleet is about 3.5 years⁽¹⁾⁽²⁾
- Significant built-in growth from cash flow generated by contracted newbuilds

Notes

1. Based on contracted revenues as of April 20, 2016. Revenues include our ownership percentage of contracted revenues for six secondhand vessels purchased and 12 newbuilds ordered pursuant to the Framework Agreement with York
2. Assumes earliest re-delivery dates after giving effect to the exercise of any owners' extension options

Consistently Strong Performance

Historical Financial Performance vs. Containership Time Charter Rate Index ⁽¹⁾

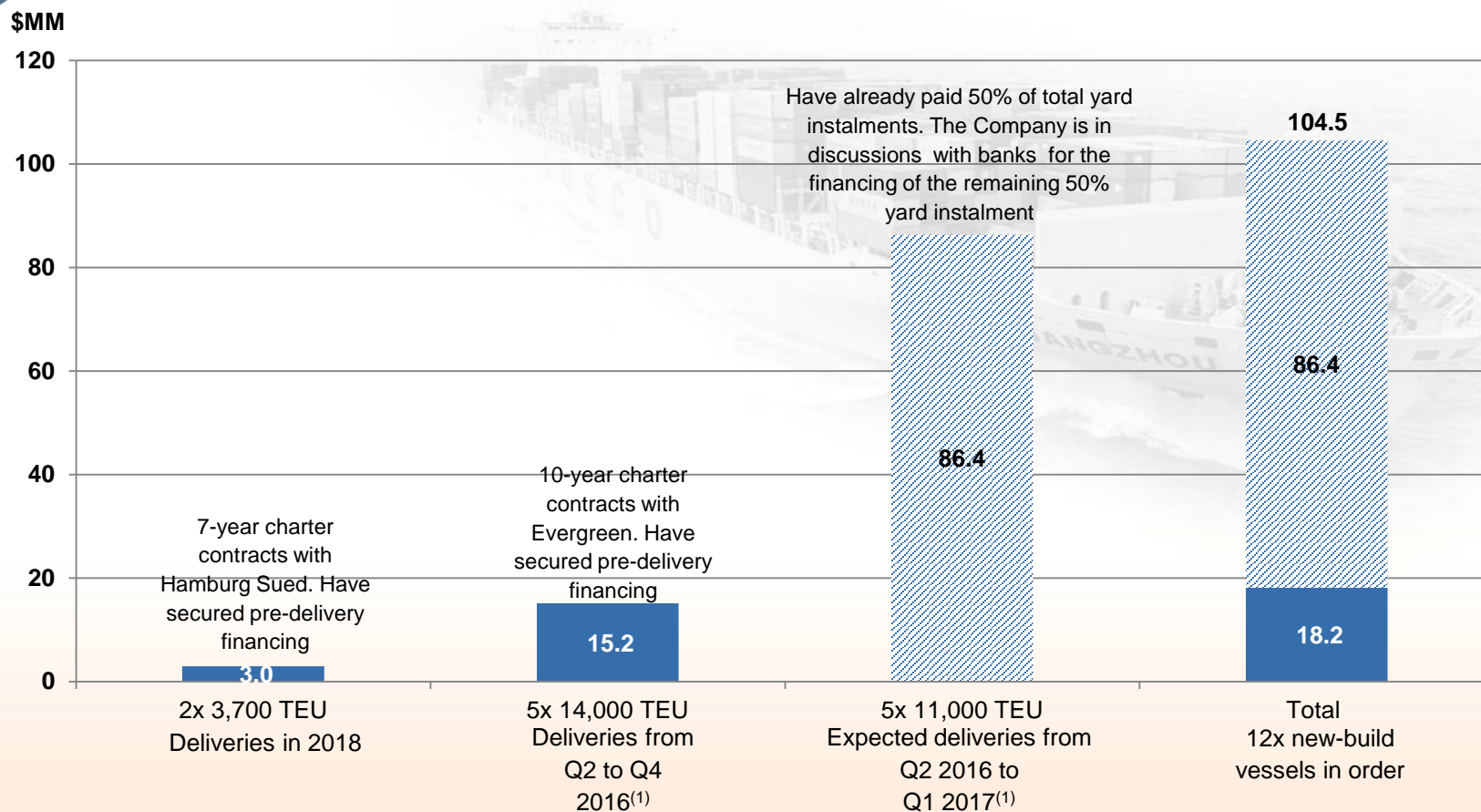


Note
1. Source: Clarkson, Company filings

■ Revenue
 ■ Adj. EBITDA
 - - - Containership Time Charter Rate Index

Costamare's Remaining Capex Commitments

Remaining Capex Commitments (CMRE portion)



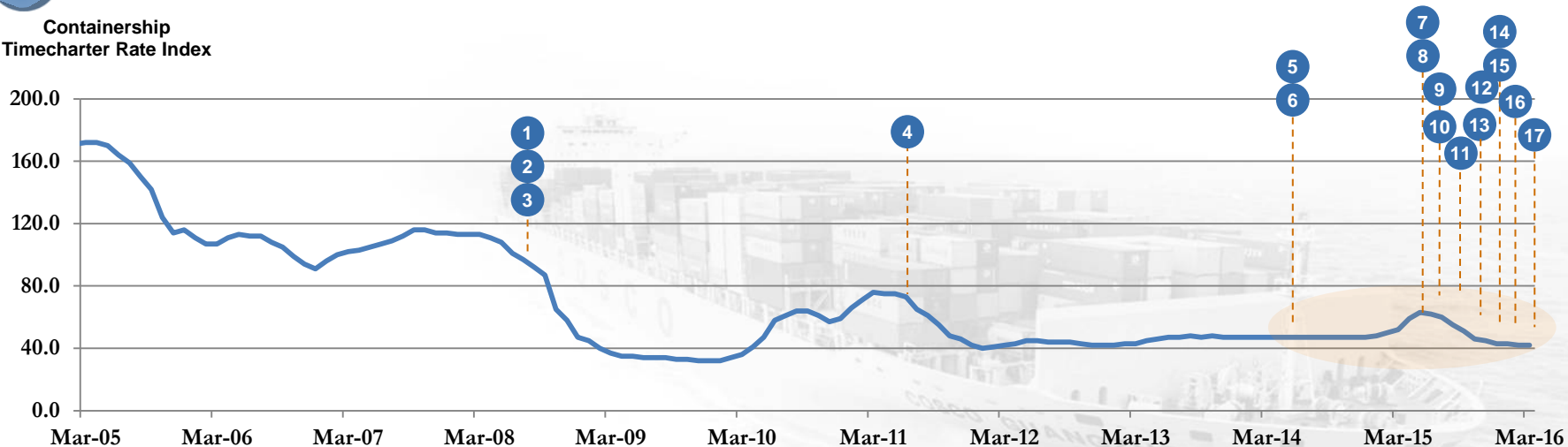
Note

1. Based on current shipyard production schedule

Timing of Last Chartering of Ships Opening in 2016 ⁽¹⁾

Timing of Last Chartering of Ships Opening in 2016 vs Historical Charter Rate Index ⁽²⁾

Containership
Timecharter Rate Index



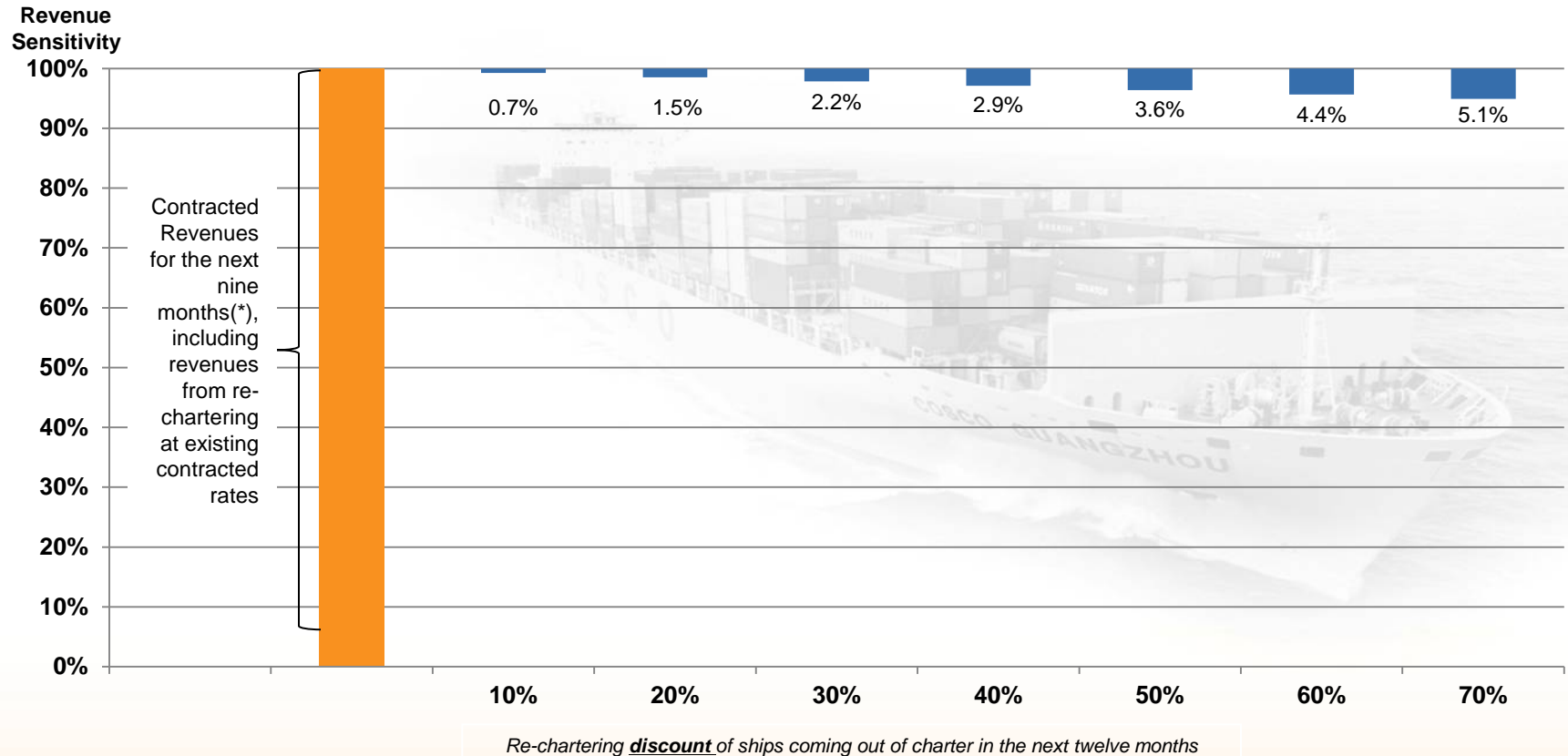
#	Vessel	Last Chart.	Op. Date	#	Vessel	Last Chart.	Op. Date	#	Vessel	Last Chart.	Op. Date
1	SINGAPORE EXPRESS	Aug-08	Jul-16	7	PETALIDI	Sep-15	Jun-16	13	AREOPOLIS	Dec-15	Jun-16
2	OAKLAND EXPRESS	Aug-08	Sep-16	8	STADT LUEBECK	Sep-15	May-16	14	MESSINI	Jan-16	Aug-16
3	HALIFAX EXPRESS	Aug-08	Oct-16	9	ZIM PIRAEUS	Oct-15	Jul-16	15	ELAFONISOS	Jan-16	May-16
4	MSC ROMANOS	Jul-11	Nov-16	10	MARINA	Oct-15	May-16	16	KARMEN	Feb-16	Jun-16
5	ZIM NEW YORK	Jul-14	Sep-16 ⁽²⁾	11	NAVARINO	Nov-15	Nov-16	17	ITEA	Mar-15	May-16
6	ZIM SHANGHAI	Jul-14	Sep-16 ⁽²⁾	12	PADMA	Dec-15	Aug-16				

- We have chartered most of the vessels opening in 2016 in a low charter rate environment minimizing our downside risk and providing us with upside in a normalized market

Source: Clarkson Shipping Intelligence Network Timeseries
 Notes: (1) Includes vessels opening from April 20, 2016 onwards
 (2) Includes vessels under charter contract
 (3) Excludes owners' options to extend charters

2016 Re-chartering Remaining Revenue Sensitivity

2016 Remaining Revenue Sensitivity Based on Re-Chartering Discount ⁽¹⁾



- Solid revenue base; even if re-chartering takes place at rates 40% or 50% lower than previous contracted rates for all ships coming out of charter during the year, effect of less than 4.0%.
- 75% charter coverage in terms of TEU.

Notes

1. Revenues for CMRE wholly owned vessels only, currently on a charter

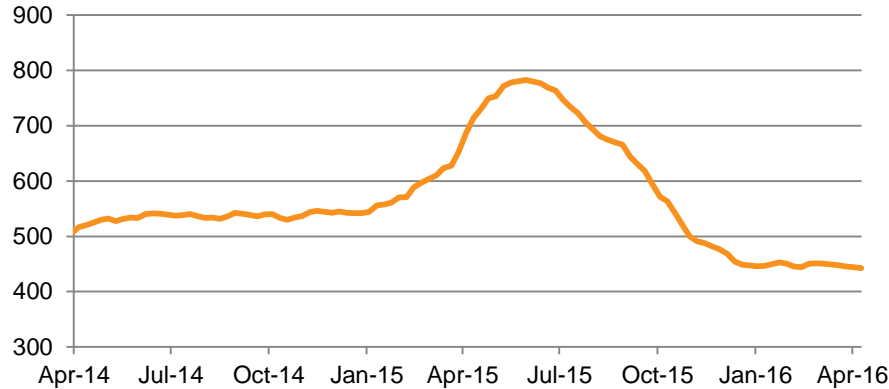
(*) Starting from March 31, 2016

Container Shipping Industry



Charter Rates

Charter Index (HRCI)⁽¹⁾



Source: Howe Robinson as of April 13, 2016



Orderbook

Orderbook/ Total Fleet



Source: Clarkson as of April 12, 2016

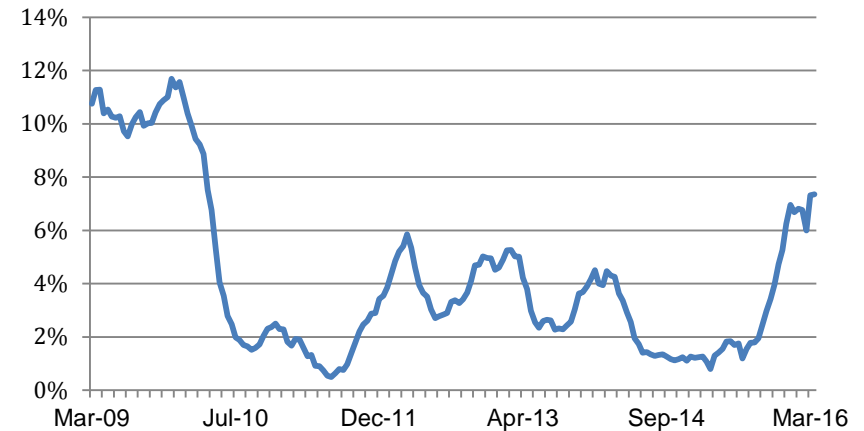
Note:

(1) Howe Robinson Containership Index (HRCI) includes vessels ranging from 650TEU to 5,500TEU



Idle Fleet

%of fleet



Source: AXS-Alphaliner as of April 12, 2016

- Charter market has been under pressure
- Idle fleet has recently increased and now stands at 7.4%
- Orderbook is at historically low levels

Q & A

Net Income to Adj. Net Income Available to Common Stockholders and Adj. EPS Reconciliation

	Three-month period ended March 31,	
	2015	2016
(Expressed in thousands of U.S. dollars, except share and per share data)		
Net Income	\$ 26,284	\$ 34,996
Earnings allocated to Preferred Stock	(3,010)	(5,207)
Net Income available to common stockholders	<u>23,274</u>	<u>29,789</u>
Accrued charter revenue	627	(452)
Unrealized loss from swap option agreement held by a jointly owned company with York included in equity loss on investments	380	-
General and administrative expenses – non-cash component	2,634	1,344
Amortization of prepaid lease rentals	1,228	1,238
Realized Loss / (Gain) on Euro/USD forward contracts (1)	1,030	(239)
Loss / (Gain) on derivative instruments (1)	(544)	2,627
Adjusted Net income available to common stockholders	<u>\$ 28,629</u>	<u>\$ 34,307</u>
Adjusted Earnings per Share	<u>\$ 0.38</u>	<u>\$ 0.45</u>
Weighted average number of shares	<u>74,801,662</u>	<u>75,400,044</u>

Note: Adjusted Net Income available to common stockholders and Adjusted Earnings per Share represent net income after earnings allocated to preferred stock, but before non-cash "Accrued charter revenue" recorded under charters with escalating charter rates, realized loss / (gain) on Euro/USD forward contracts, 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.



Net Income to EBITDA and Adjusted EBITDA Reconciliation

	Three-month period ended March 31,	
	2015	2016
(Expressed in thousands of U.S. dollars)		
Net Income	\$ 26,284	\$ 34,996
Interest and finance costs	27,943	18,906
Interest income	(438)	(361)
Depreciation	25,066	25,281
Amortization of prepaid lease rentals	1,228	1,238
Amortization of dry-docking and special survey costs	1,825	1,934
EBITDA	81,908	81,994
Accrued charter revenue	627	(452)
Unrealized loss from swap option agreement held by a jointly owned company with York included in equity loss on investments	380	-
General and administrative expenses – non-cash component	2,634	1,344
Realized Loss / (Gain) on Euro/USD forward contracts (1)	1,030	(239)
Loss / (Gain) on derivative instruments (1)	(544)	2,627
Adjusted EBITDA	\$ 86,035	\$ 85,274

Note: 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 loss / (gain) on Euro/USD forward contracts, 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.

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