



Costamare Inc.



Third Quarter 2015 Financial Results Conference Call

October 22, 2015

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

Second Hand Vessel Acquisitions

- In August 2015, together with York Capital, we agreed to acquire *the 2001-built, 1,550 TEU containership Arkadia* for a price of \$6.0 million. The Company holds a 49% equity percentage in the vessel owning entity. The vessel was delivered on September 9, 2015. The Company agreed to charter the vessel to Evergreen, for a period of two years at a daily rate of \$10,600.
- In October 2015, together with York Capital, we agreed to acquire *the 1998-built, 2,472 TEU containership Helgoland Trader* for a price of \$6.5 million. The Company holds a 49% equity percentage in the vessel owning entity. The vessel is expected to be delivered not later than April 30, 2016. The vessel is currently on charter to Maersk at a daily rate of \$8,750.

Dividend Declarations

- On October 1, 2015, 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 paid on October 15, 2015 to holders of record on October 14, 2015.
- On October 1, 2015, we declared a dividend for the third quarter ended September 30, 2015, of \$0.29 per share on our common stock, payable on November 4, 2015, to stockholders of record on October 21, 2015. This will be the Company's twentieth consecutive quarterly dividend since it commenced trading on the New York Stock Exchange.

Recent Transactions – Chartering

Charter Agreements

The Company entered into the following chartering arrangements:

- Exercised the options to extend for one year the charters of the 2002-built 4,992 TEU containerships *Zim New York* and *Zim Shanghai* with Zim. The daily rate has been determined at \$14,534 starting from October 1, 2015.
- Agreed to extend the charter of the 2004-built, 4,992 TEU containership *Zim Piraeus* with Zim for a period of minimum 9 and maximum 13 months starting from October 31, 2015 at a daily rate of \$12,500.
- Agreed to extend the charter of the 2001-built, 1,078 TEU containership *Stadt Luebeck* with CMA CGM for a period of minimum 5.5 and maximum 12 months starting from September 22, 2015 at a daily rate of \$7,400 or \$8,000 per day depending on the vessel's trading pattern. Currently the vessel is earning \$8,000 per day.
- Agreed to extend the charter of the 1994-built, 1,162 TEU containership *Petalidi* with CMA CGM for a period of minimum 8 and maximum 12 months starting from October 3, 2015 at a daily rate of \$7,600.
- Agreed to extend the charter of the 1998-built, 3,842 TEU containership *MSC Itea* with MSC for a period of minimum 6 and maximum 8 months starting from August 7, 2015 at a daily rate of \$10,000.
- Agreed to extend the charter of the 1991-built, 3,351 TEU containership *Karmen* with Evergreen for a period of minimum 6 and maximum 9 months starting from September 21, 2015 at a daily rate of \$11,000.
- Agreed to extend the charter of the 2003-built, 5,928 TEU containership *Venetiko* with OOCL for a period of minimum 40 and maximum 150 days starting from October 15, 2015 at a daily rate of \$10,000.
- Agreed to extend the charter of the 1996-built, 1,504 TEU containership *Prosper* with Sea Consortium for a period of minimum 3 and maximum 6 months starting from November 15, 2015 at a daily rate of \$8,400.
- Fixed the 1992-built, 3,351 TEU containership *Marina* on a trip charter for a voyage from the Mediterranean to the Far East. Subsequently agreed to charter the vessel with Evergreen for a period of minimum 6 and maximum 9 months starting from November 7, 2015 at a daily rate of \$8,800.

Income Statement

Q3 2015 RESULTS

	3Q 2014	3Q 2015	% Change
Ownership Days	5,058	5,060	0.0%
Average Number of Vessels	55.0	55.0	–
Voyage Revenues	\$124,726	\$124,033	(0.6%)
EBITDA ^(*)	94,136	84,876	(9.8%)
Depreciation & Amortization	30,063	28,730	(4.4%)
Net Interest and Finance Costs	26,999	21,323	(21.0%)
Net Income Available to Common Stockholders	33,962	29,499	(13.1%)
Weighted Average Number of Shares	74,800,000	75,100,826	
EPS	\$0.45	\$0.39	

Q3 2015 RESULTS – Non Cash and One-Time Adjustments

	3Q 2014	3Q 2015
Net Income Available to Common Stockholders	\$33,962	\$29,499
Accrued charter revenue	1,120	643
(Gain) Loss on sale of vessels	(5,446)	–
(Gain) Loss on derivative instruments	(3,042)	415
Amortization of Prepaid lease rentals	1,256	1,256
Add back Stock based compensation - related parties	–	1,836
Add back Swaption portion	190	145
Realized (gain) loss on Euro/USD FX contracts	63	775
Adjusted Net Income Available to Common Stockholders ^(*)	28,103	34,569
Adjusted EBITDA ^(*)	87,021	88,690
Adjusted EPS ^(*)	\$0.38	\$0.46

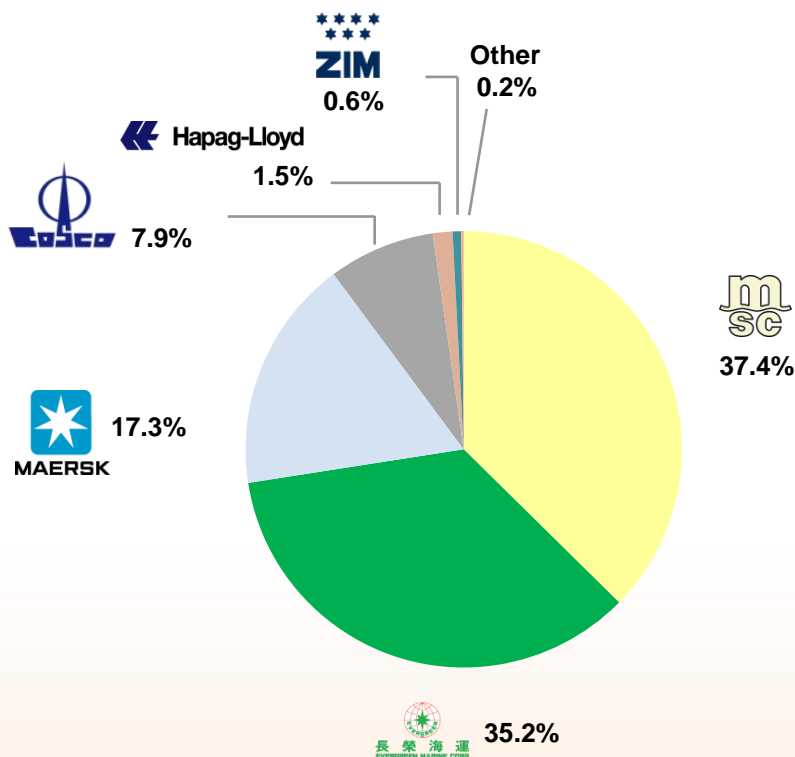
Notes

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 October 21, 2015, contracted revenues of approximately \$2Bn⁽¹⁾⁽²⁾
- TEU-weighted average remaining time charter duration for the fleet is about 4 years⁽¹⁾⁽²⁾
- Significant built-in growth from cash flow generated by contracted newbuilds

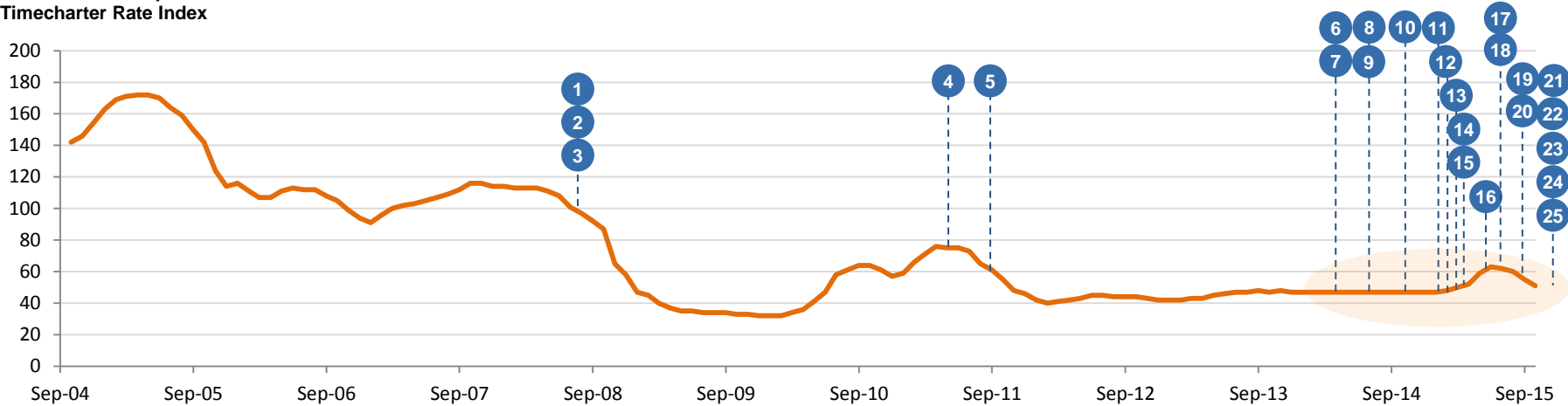
Notes

1. Based on contracted revenues as of October 21, 2015. Revenues include our ownership percentage of contracted revenues for five secondhand vessels purchased and ten 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

Timing of Last Chartering of Ships Opening in 2015 and 2016

Timing of Last Chartering of Ships Opening in 2015 and 2016 vs Historical Charter Rate Index ⁽¹⁾

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	10	MSC PYLOS	Jan-15	Jan-16	19	PETALIDI	Sep-15	Jun-16
2	OAKLAND EXPRESS	Aug-08	Sep-16	11	AREOPOLIS	Feb-15	Nov-15	20	STADT LUEBECK	Sep-15	Mar-16
3	HALIFAX EXPRESS	Aug-08	Oct-16	12	MESSINI	Mar-15	Feb-16	21	ZIM PIRAEUS	Oct-15	Jul-16
4	MSC ROMANOS	Jul-11	Nov-16	13	ZAGORA	May-15	May-16	22	MARINA	Oct-15	May-16
5	MSC CHALLENGER	Sep-11	Nov-15	14	MSC NAMIBIA II	Jun-15	Jul-16	23	PROSPER	Oct-15	Feb-16
6	ZIM NEW YORK	Jul-14	Sep-16	15	MSC SIERRA II	Jun-15	Jun-16	24	VENETIKO	Oct-15	Dec-15
7	ZIM SHANGHAI	Jul-14	Sep-16	16	MSC REUNION	Jul-15	Jul-16	25	HELGOLAND TRADER	Oct-15	Mar-16
8	ELAFONISOS	Oct-14	Nov-15	17	KARMEN	Aug-15	Mar-16				
9	PADMA	Oct-14	Jan-16	18	MSC ITEA	Aug-15	Feb-16				

- Charter coverage for the remaining of 2015 and 2016 is approximately 90% and 75% in terms of TEU capacity respectively
- We have chartered the vessels opening in 2015 and 2016 in a low charter rate environment minimizing our downside risk and providing us with upside in a normalized market

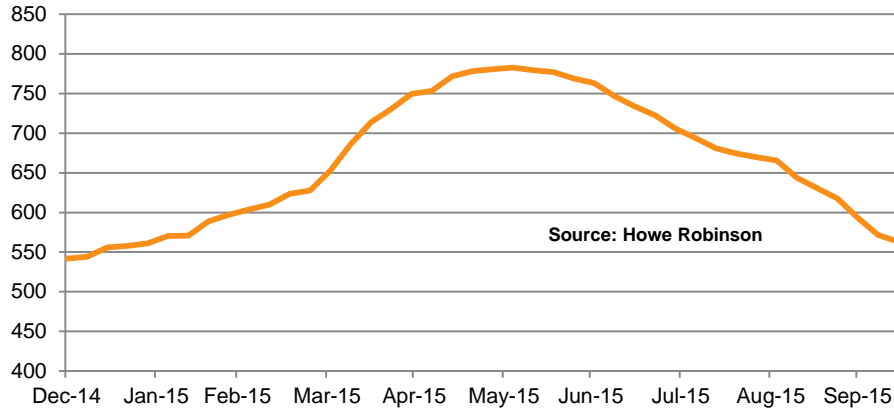
Source: Clarkson Shipping Intelligence Network Timeseries
Notes: (1) Includes vessels under charter contract

Container Shipping Industry



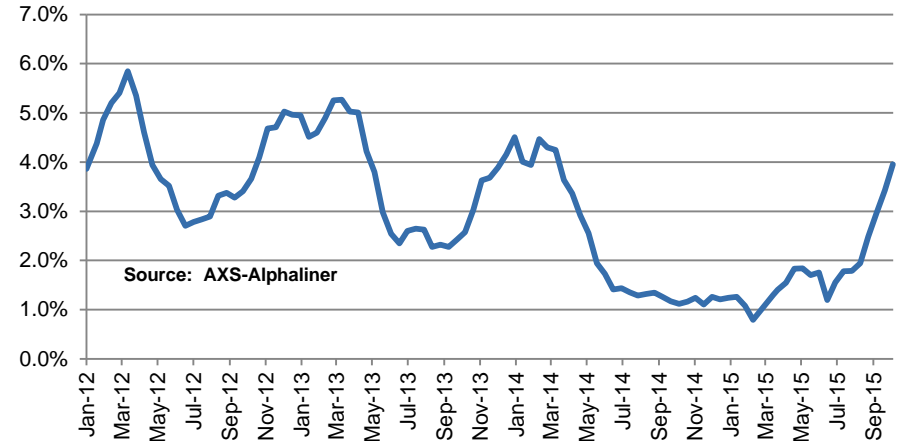
Charter Rates

Charter Index (HRCI)⁽¹⁾



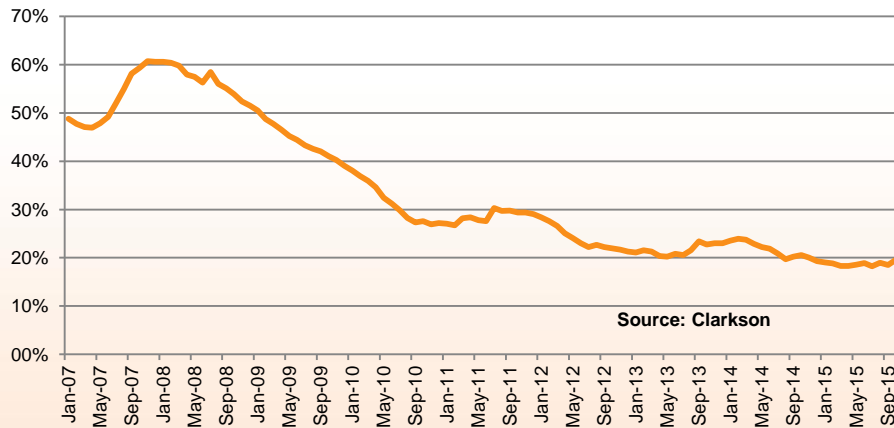
Idle Fleet

%of fleet



Orderbook

Orderbook/ Total Fleet



- Charter market has been under pressure
- Idle fleet has recently increased and now stands at 4%
- Orderbook is at historically low levels

Note:

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

Q & A

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

	Three-month period ended September 30,	
	2014	2015
(Expressed in thousands of U.S. dollars, except share and per share data)		
Net Income	\$ 37,074	\$ 34,823
Earnings allocated to Preferred Stock	(3,112)	(5,324)
Net Income available to common stockholders	<u>33,962</u>	<u>29,499</u>
Accrued charter revenue	1,120	643
(Gain)/Loss on sale / disposal of vessels	(5,446)	-
Swaps breakage cost	-	-
Unrealized loss from swap option agreement held by a jointly owned company with York included in equity loss on investments	190	145
General and administrative expenses – non-cash component	-	1,836
Amortization of prepaid lease rentals	1,256	1,256
Realized Loss on Euro/USD forward contracts (1)	63	775
(Gain) / Loss on derivative instruments (1)	(3,042)	415
Adjusted Net income available to common stockholders	<u>\$ 28,103</u>	<u>\$ 34,569</u>
Adjusted Earnings per Share	<u>\$ 0.38</u>	<u>\$ 0.46</u>
Weighted average number of shares	<u>74,800,000</u>	<u>75,100,826</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, loss on sale/disposal of vessels, 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.


Net Income to EBITDA and Adjusted EBITDA Reconciliation

(Expressed in thousands of U.S. dollars)	Three-month period ended	
	September 30,	
	2014	2015
Net Income	\$ 37,074	\$ 34,823
Interest and finance costs	27,239	21,644
Interest income	(240)	(321)
Depreciation	27,027	25,623
Amortization of prepaid lease rentals	1,256	1,256
Amortization of dry-docking and special survey costs	1,780	1,851
EBITDA	94,136	84,876
Accrued charter revenue	1,120	643
(Gain)/Loss on sale / disposal of vessels	(5,446)	-
Swaps breakage cost	-	-
Unrealized loss from swap option agreement held by a jointly owned company with York included in equity loss on investments	190	145
General and administrative expenses – non-cash component	-	1,836
Realized Loss on Euro/USD forward contracts	63	775
(Gain) / Loss on derivative instruments	(3,042)	415
Adjusted EBITDA	\$ 87,021	\$ 88,690

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, loss on sale / disposal of vessels, 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.

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