



Costamare Inc.



Fourth Quarter 2015 Financial Results Conference Call

January 28, 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

- To date, we have declared dividends in 21 consecutive quarters without any reduction.
- Over the past five years, we have increased the dividend 16% .
- On January 4, 2016, we declared a dividend for the fourth quarter ended December 31, 2015, of \$0.29 per share on our common stock, payable on February 4, 2016, to stockholders of record on January 21, 2016.
- On January 4, 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 January 15, 2016 to holders of record on January 14, 2016.

Financing Developments

- In December 2015, we entered into a financing agreement with a leading Chinese financial institution regarding the two 3,800 TEU vessels ordered together with York Capital from Jiangsu New Yangzi Shipbuilding Co., Ltd and chartered to members of the Hamburg Süd group.

Vessel Disposal

- The Company sold the 1986-built, 2,633 TEU containership MSC Challenger for demolition, for a sale price of approximately \$5.0 million. The vessel was delivered to her buyers in November 2015. The company recorded an accounting gain of approximately \$1.7 million from the sale.

Recent Transactions – Chartering

Charter Agreements

The Company entered into the following chartering arrangements:

- Agreed to charter the 2010-built, 8,531 TEU containership Navarino with PIL for a period of minimum 11 and maximum 13 months at a daily rate of \$10,500. The vessel was delivered to PIL on December 13, 2015.
- Agreed to charter the 2000-built, 2,474 TEU containership Areopolis with Zim for a period of minimum 2 and maximum 6 months at a daily rate of \$6,000. The vessel was delivered to Zim on January 4, 2016.
- Agreed to extend the charter of the 1999-built, 2,526 TEU containership Elafonissos with Maersk for a period of minimum 2 and maximum 12 months starting from November 28, 2015 at a daily rate of \$6,500. Subsequently, the vessel was chartered with CMA CGM for a period of minimum 2 and maximum 10 months starting from February 6, 2016, at a daily rate of \$6,000.
- Agreed to extend the charter of the 1997-built, 2,458 TEU containership Messini with Evergreen for a period of minimum 6 and maximum 10 months starting from February 1, 2016 at a daily rate of \$6,000.
- Agreed to extend the charter of the 1991-built, 2,020 TEU containership MSC Pylos with MSC for a period of minimum 11 and maximum 13 months starting from February 1, 2016 at a daily rate of \$6,300.
- Agreed to extend the charter of the 1998-built, 1,645 TEU containership Padma with Yang Ming for a period of minimum 3 and maximum 7 months starting from January 26, 2016 at a daily rate of \$7,400.

Income Statement

Q4 2015 RESULTS

	4Q 2014	4Q 2015	% Change
Ownership Days	4,982	5,023	0.8%
Average Number of Vessels	54.2	54.6	0.7%
Voyage Revenues	\$120,866	\$122,276	1.2%
EBITDA ^(*)	80,913	87,755	8.5%
Depreciation & Amortization	30,436	28,858	(5.2%)
Net Interest and Finance Costs	19,677	20,569	4.5%
Net Income Available to Common Stockholders	27,722	33,062	19.3%
Weighted Average Number of Shares	74,800,000	75,250,426	
EPS	\$0.37	\$0.44	18.9%

Q4 2015 RESULTS – Non Cash and One-Time Adjustments

	4Q 2014	4Q 2015
Net Income Available to Common Stockholders	\$27,722	\$33,062
Accrued charter revenue	782	589
(Gain) Loss on sale of vessels	-	(1,688)
Gain on derivative instruments	(526)	(5,348)
Amortization of Prepaid lease rentals	1,256	1,256
Write-off of costs related to the withdrawal of Costamare Partners LP registration statement.	-	3,326
Add back Stock based compensation - related parties	-	1,404
Add back Swaption portion	1,177	2
Realized loss on Euro/USD FX contracts	388	169
Adjusted Net Income Available to Common Stockholders ^(*)	30,799	32,772
Adjusted EBITDA ^(*)	82,734	86,209
Adjusted EPS ^(*)	\$0.41	\$0.44

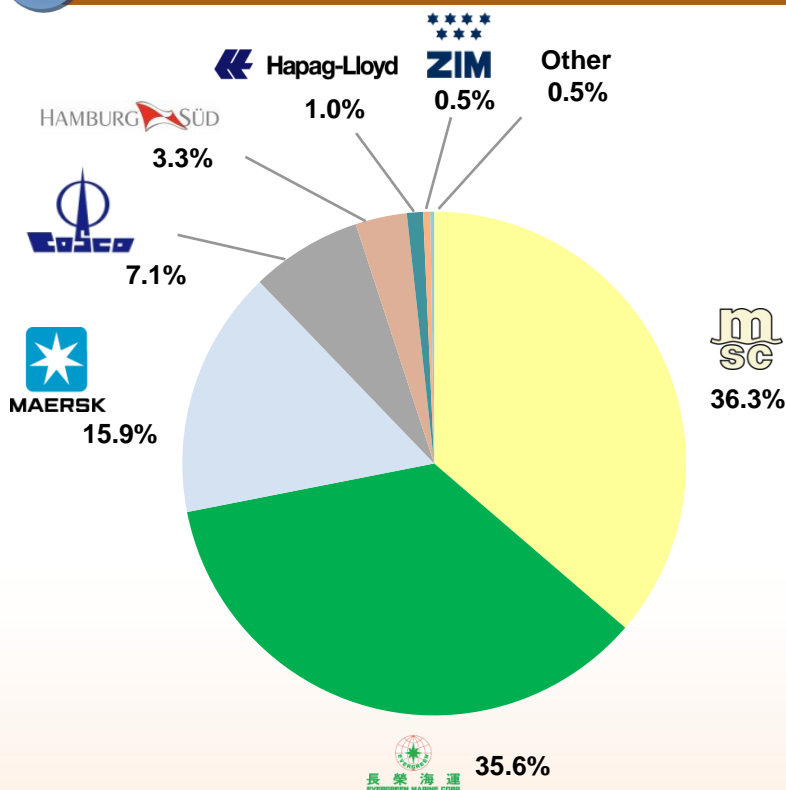
Notes

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⁾



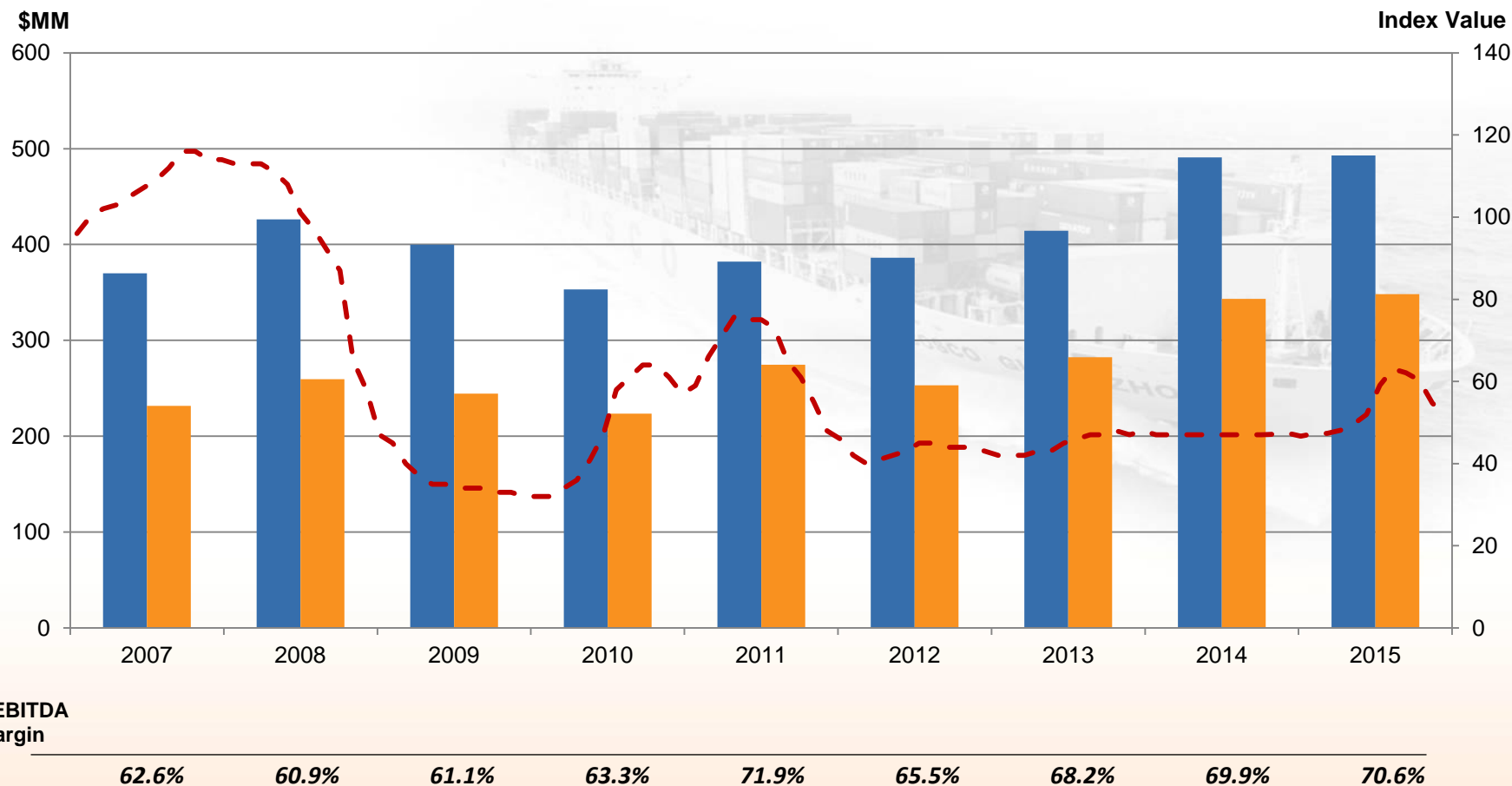
- As of January 27, 2016, contracted revenues of approximately \$2Bn⁽¹⁾⁽²⁾
- TEU-weighted average remaining time charter duration for the fleet is about 4 years⁽¹⁾⁽²⁾
- Significant built-in growth from cash flow generated by contracted newbuilds

Notes

1. Based on contracted revenues as of January 27, 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

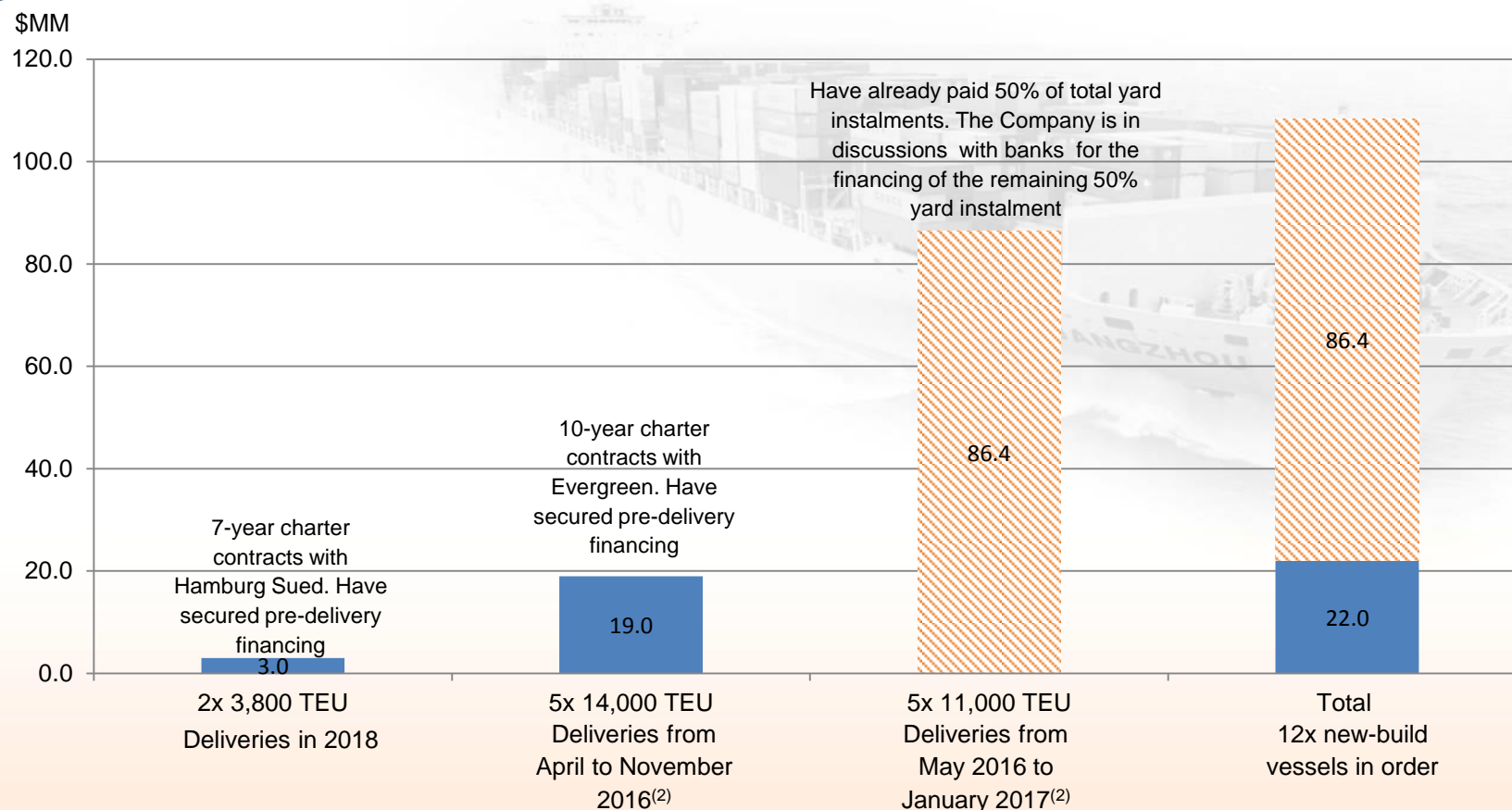
Historical Financial Performance vs. Containership Time Charter Rate Index ⁽¹⁾



Note
1. Source: Clarkson, Company filings

Costamare's Remaining Capex Commitments

Remaining Capex Commitments (CMRE portion)



Note

1. Excludes \$2.5 million, representing the remaining portion for the purchase of the Helgoland Trader.

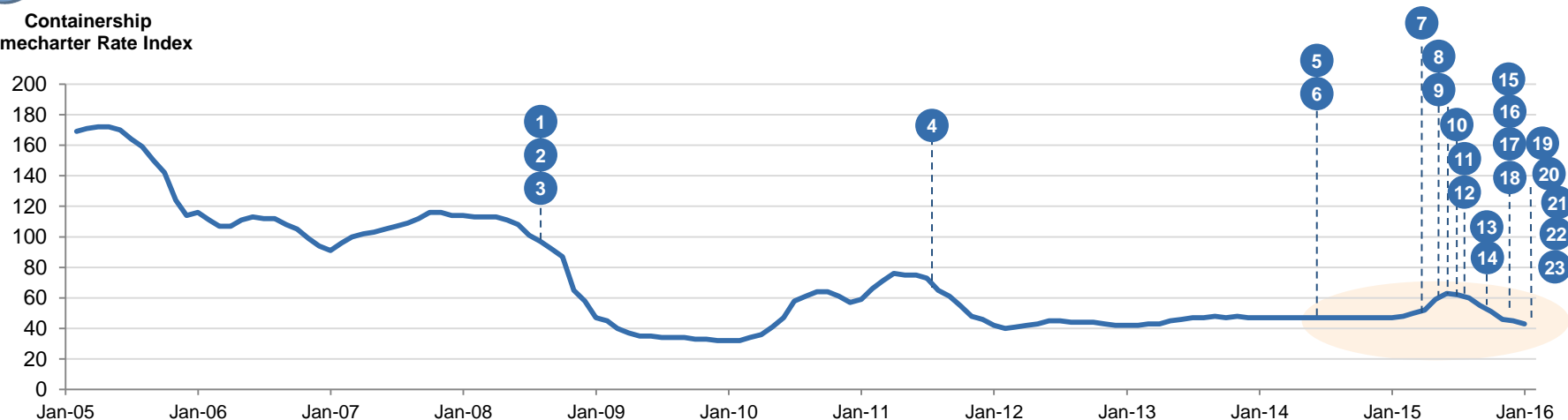
2. Based on current shipyard production schedule, subject to change

Timing of Last Chartering of Ships Opening in 2016



Timing of Last Chartering of Ships Opening in 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	9	MSC SIERRA II	Jun-15	Jun-16	17	PROSPER	Oct-15	Feb-16
2	OAKLAND EXPRESS	Aug-08	Sep-16	10	MSC REUNION	Jul-15	Jul-16	18	HELGOLAND TRADER	Oct-15	Mar-16
3	HALIFAX EXPRESS	Aug-08	Oct-16	11	KARMEN	Aug-15	Mar-16	19	NAVARINO	Nov-15	Nov-16
4	MSC ROMANOS	Jul-11	Nov-16	12	MSC ITEA	Aug-15	Feb-16	20	PADMA	Dec-15	Apr-16
5	ZIM NEW YORK	Jul-14	Sep-16 ⁽²⁾	13	PETALIDI	Sep-15	Jun-16	21	AREOPOLIS	Dec-15	Apr-16
6	ZIM SHANGHAI	Jul-14	Sep-16 ⁽²⁾	14	STADT LUEBECK	Sep-15	Mar-16	22	MESSINI	Jan-16	Aug-16
7	ZAGORA	May-15	May-16	15	ZIM PIRAEUS	Oct-15	Jul-16	23	ELAFONISOS	Jan-16	Apr-16
8	MSC NAMIBIA II	Jun-15	Jul-16	16	MARINA	Oct-15	May-16				

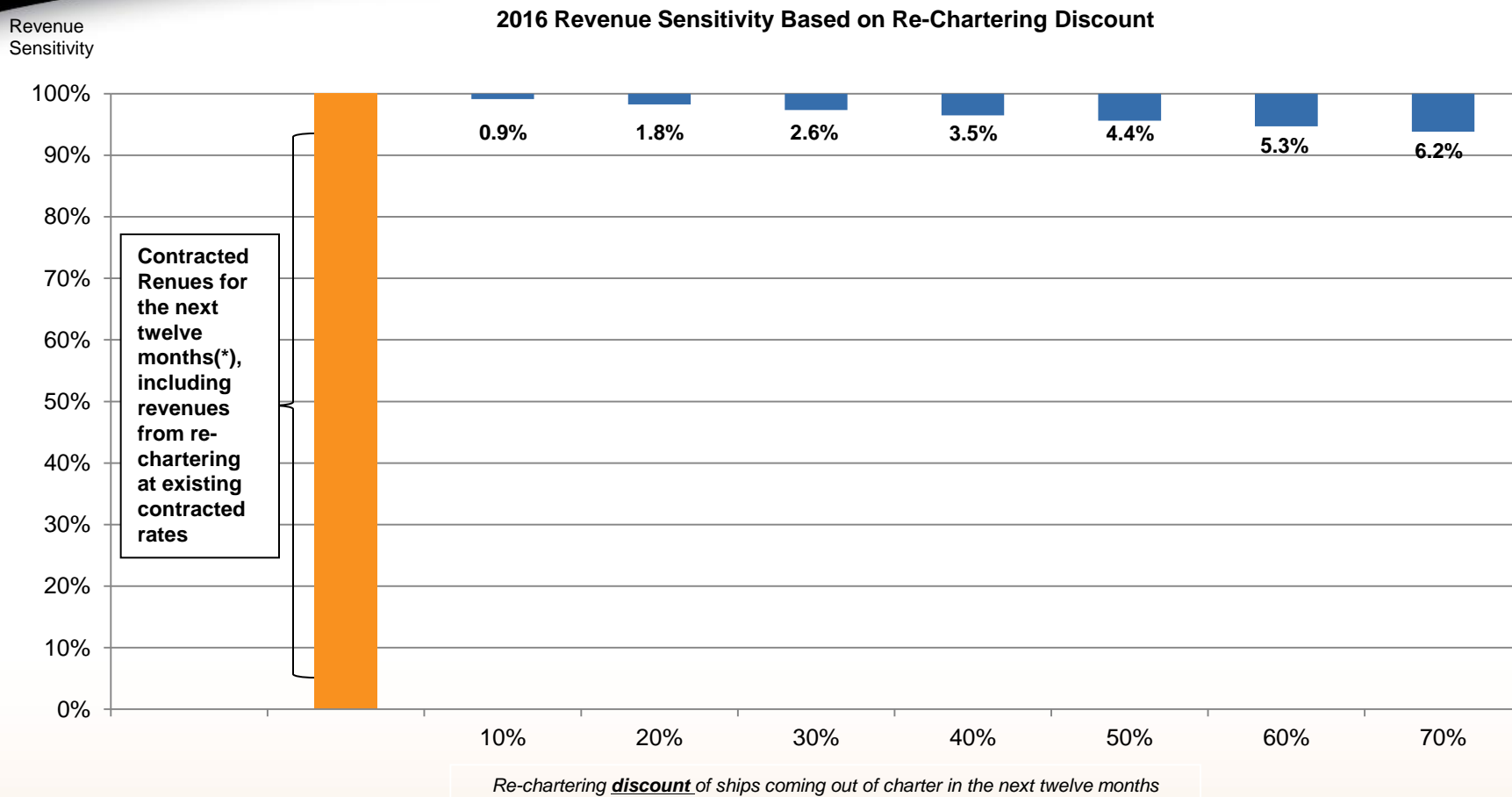
- We have chartered most of the vessels opening in 2016 in a low charter rate environment minimizing our downside risk and providing us with upside in a normalized market

Source: Clarkson Shipping Intelligence Network Timeseries

Notes: (1) Includes vessels under charter contract

(2) Excludes owners' options to extend charters

2016 Re-chartering Revenue Sensitivity



- 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 5.0%.
- 75% charter coverage in terms of TEU, with only 6% of total fleet TEUs being panamax vessels opening in 2016.

Notes

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

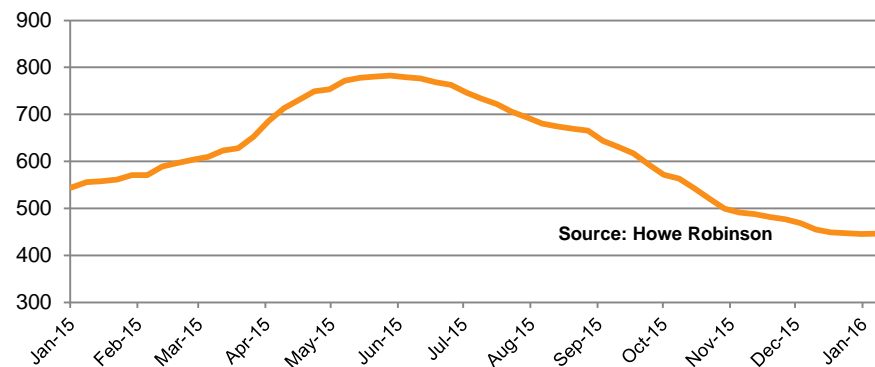
(*) Starting from December 31, 2015.

Container Shipping Industry



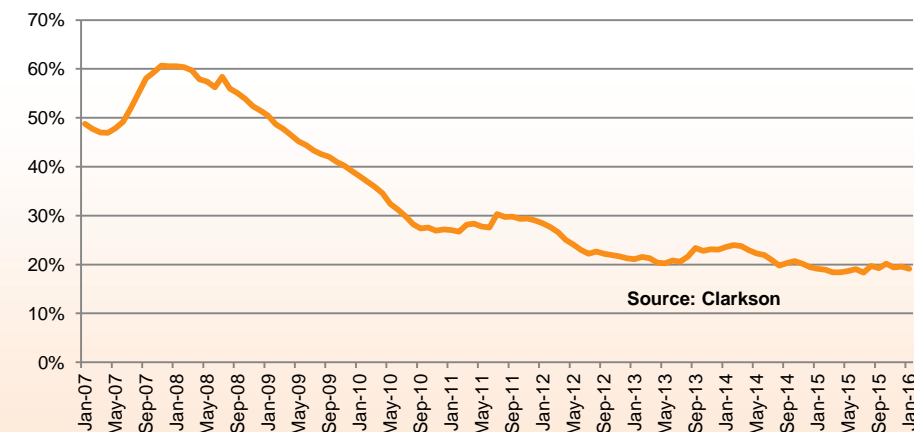
Charter Rates

Charter Index (HRCI)⁽¹⁾



Orderbook

Orderbook/ Total Fleet



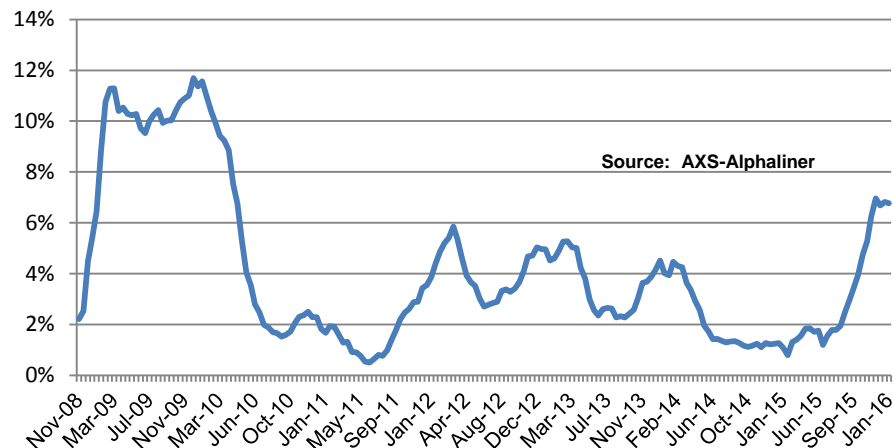
Note:

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



Idle Fleet

%of fleet



- Charter market has been under pressure
- Idle fleet has recently increased and now stands at 6.8%
- Orderbook is at historically low levels

Q & A

Appendix - Income Statement FY2015



FY 2015 RESULTS

	FY2014	FY2015	% Change
Ownership Days	19,885	20,038	0.8%
Average Number of Vessels	54.5	54.9	0.7%
Voyage Revenues	\$483,995	\$490,378	1.3%
EBITDA ^(*)	327,459	348,719	6.5%
Depreciation & Amortization	117,625	114,052	(3.0%)
Net Interest and Finance Costs	94,747	90,903	(4.1%)
Net Income Available to Common Stockholders	103,178	125,861	22.0%
Weighted Average Number of Shares	74,800,000	75,027,474	
EPS	1.38	1.68	21.7%



FY 2015 RESULTS – Non Cash and One-Time Adjustments

	FY 2014	FY 2015
Net Income Available to Common Stockholders	103,178	125,861
Accrued charter revenue	7,023	2,618
Gain on sale of vessels	(2,543)	(1,688)
Gain on derivative instruments	(5,469)	(16,856)
Amortization of Prepaid lease rentals	4,024	4,982
Write-off of costs related to the withdrawal of Costamare Partners L.P. registration statement.	-	3,326
SWAP Breakage Costs	10,192	-
Add back Stock based compensation - related parties	-	8,623
Add back Swaption portion	6,082	587
Realized loss on Euro/USD FX contracts	451	2,898
Adjusted Net Income Available to Common Stockholders ^(*)	122,938	130,351
Adjusted EBITDA ^(*)	343,195	348,227
Adjusted EPS ^(*)	1.64	1.74

Notes

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

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



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

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

	Year ended December 31,		Three-month period ended December 31,	
	2014	2015	2014	2015
Net Income	\$ 115,087	\$ 143,764	\$ 30,800	\$ 38,328
Earnings allocated to Preferred Stock	(11,909)	(17,903)	(3,078)	(5,266)
Net Income available to common stockholders	<u>103,178</u>	<u>125,861</u>	<u>27,722</u>	<u>33,062</u>
Accrued charter revenue	7,023	2,618	782	589
Gain on sale / disposal of vessels	(2,543)	(1,688)	-	(1,688)
Swaps breakage cost	10,192	-	-	-
Unrealized loss from swap option agreement held by a jointly owned company with York included in equity loss on investments	6,082	587	1,177	2
General and administrative expenses – non-cash component	-	8,623	-	1,404
Write-off of costs related to the withdrawal of Costamare Partners LP registration statement.	-	3,326	-	3,326
Amortization of prepaid lease rentals	4,024	4,982	1,256	1,256
Realized Loss on Euro/USD forward contracts (1)	451	2,898	388	169
Gain on derivative instruments (1)	(5,469)	(16,856)	(526)	(5,348)
Adjusted Net income available to common stockholders	<u>\$ 122,938</u>	<u>\$ 130,351</u>	<u>\$ 30,799</u>	<u>\$ 32,772</u>
Adjusted Earnings per Share	<u>\$ 1.64</u>	<u>\$ 1.74</u>	<u>\$ 0.41</u>	<u>\$ 0.44</u>
Weighted average number of shares	<u>74,800,000</u>	<u>75,027,474</u>	<u>74,800,000</u>	<u>75,250,426</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, gain on sale/disposal of vessels, realized 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, write-off of costs related to the withdrawal of registration statement of Costamare Partners LP, 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

	Year ended December 31,		Three-month period ended December 31,	
	2014	2015	2014	2015
(Expressed in thousands of U.S. dollars)				
Net Income	\$ 115,087	\$ 143,764	\$ 30,800	\$ 38,328
Interest and finance costs	95,562	92,276	19,961	20,889
Interest income	(815)	(1,373)	(284)	(320)
Depreciation	105,787	101,645	26,942	25,611
Amortization of prepaid lease rentals	4,024	4,982	1,256	1,256
Amortization of dry-docking and special survey costs	7,814	7,425	2,238	1,991
EBITDA	327,459	348,719	80,913	87,755
Accrued charter revenue	7,023	2,618	782	589
Gain on sale / disposal of vessels	(2,543)	(1,688)	-	(1,688)
Swaps breakage cost	10,192	-	-	-
Unrealized loss from swap option agreement held by a jointly owned company with York included in equity loss on investments	6,082	587	1,177	2
General and administrative expenses – non-cash component	-	8,623	-	1,404
Write-off of costs related to the withdrawal of Costamare Partners LP registration statement.	-	3,326	-	3,326
Realized Loss on Euro/USD forward contracts (1)	451	2,898	388	169
Gain on derivative instruments (1)	(5,469)	(16,856)	(526)	(5,348)
Adjusted EBITDA	\$ 343,195	\$ 348,227	\$ 82,734	\$ 86,209

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, gain on sale / disposal of vessels, realized 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, write-off of costs related to the withdrawal of registration statement of Costamare Partners LP 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.