

Costamare Inc.  
Form 424B5  
July 31, 2013

Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-179244

**PROSPECTUS SUPPLEMENT**  
**(To Prospectus dated February 14, 2012)**

**2,000,000 Shares**

**Costamare Inc.**  
**7.625% SERIES B CUMULATIVE REDEEMABLE PERPETUAL**  
**PREFERRED STOCK**  
**(LIQUIDATION PREFERENCE \$25 PER SHARE)**

We are offering 2,000,000 shares of our 7.625% Series B Cumulative Redeemable Perpetual Preferred Stock, par value \$0.0001 per share, liquidation preference \$25.00 per share (the Series B Preferred Stock).

Dividends on the Series B Preferred Stock are cumulative from the date of original issue and will be payable quarterly in arrears on the 15th day of January, April, July and October of each year, when, as and if declared by our board of directors. The initial dividend on the Series B Preferred Stock offered hereby will be payable on October 15, 2013. Dividends will be payable out of amounts legally available therefor at a rate equal to 7.625% per annum of the stated liquidation preference.

At any time on or after August 6, 2018, the Series B Preferred Stock may be redeemed, in whole or in part, out of amounts available therefor, at a redemption price of \$25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption whether or not declared.

We intend to apply to have the Series B Preferred Stock listed on the New York Stock Exchange. Currently, there is no public market for the Series B Preferred Stock.

**Investing in our Series B Preferred Stock involves a high degree of risk. Our Series B Preferred Stock has not been rated. See Risk Factors beginning on page S-18 of this prospectus supplement and page 3 of our Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 1, 2013.**

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$ 25.00	\$ 50,000,000
Underwriting discount	\$ 0.7875	\$ 1,575,000
Proceeds, before expenses, to Costamare Inc. <sup>(1)</sup>	\$ 24.2125	\$ 48,425,000

(1) See Underwriting .

We have granted the underwriters an option to purchase up to an additional 300,000 shares of Series B Preferred Stock solely to cover over-allotments, if any. If the underwriters exercise the option in full, the total underwriting

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discounts and commissions payable by us will be \$1,811,250, and total proceeds to us before expenses will be \$55,688,750.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of Series B Preferred Stock in book-entry form only through the facilities of The Depository Trust Company for the account of its participants, including Euroclear S.A./N.V., as operator of the Euroclear System, and Clearstream société anonyme against payment in New York, New York on or about August 6, 2013.

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**Morgan Stanley    BofA Merrill Lynch    Credit Suisse**

July 30, 2013

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**PROSPECTUS**

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This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and certain other matters. The second part, the prospectus, gives more general information about securities we may offer from time to time. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading "Where You Can Find Additional Information" and

Incorporation by Reference. To the extent the description of our securities in this prospectus supplement differs from the description of our securities in the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. The distribution of this prospectus and sale of these securities in certain jurisdictions may be restricted by law. Persons in possession of this prospectus supplement or the accompanying prospectus are required to inform themselves about and observe any such restrictions. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement is accurate as of the date on the front cover of this prospectus supplement only. Our business, financial condition, results of operations and prospects may have changed since that date.

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It is expected that delivery of the shares of Series B Preferred Stock will be made on or about the closing date specified on the cover page of this prospectus supplement, which will be the fifth business day following the date of pricing of the Series B Preferred Stock (this settlement cycle being referred to as T+5). Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Series B Preferred Stock on the initial pricing date of the Series B Preferred Stock or the next succeeding business day will be required, by virtue of the fact that the Series B Preferred Stock initially will settle in T+5, to specify alternative settlement arrangements at the time of any such trade to prevent a failed settlement and should consult their own advisor.

## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus and should be read together with the information contained in other parts of this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference, including the risk factors on page S-18 of this prospectus supplement and beginning on page 3 of our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC"), on March 1, 2013 ( "Annual Report on Form 20-F").*

*Unless we otherwise specify, when used in this prospectus supplement, the terms "Costamare," "the Company," "we," "our" and "us" refer to Costamare Inc. and its subsidiaries and/or any one of them, except that when such terms are used in this prospectus supplement in reference to the Series B Preferred Stock, they refer specifically to Costamare Inc.*

*We use the term "twenty foot equivalent unit," or "TEU," the international standard measure of containers, in describing the capacity of our containerships. Before making your investment decision, you should carefully read the prospectus and the documents referred to in "Where You Can Find Additional Information" and "Incorporation by Reference" for information about us, including our financial statements. Unless otherwise indicated, all references to currency amounts in this prospectus supplement and the accompanying prospectus are in U.S. dollars. Unless otherwise indicated, all data regarding our fleet and the terms of our charters is as of July 24, 2013 and references to our fleet at future dates assume there have been no acquisitions other than our six contracted newbuilds and the three secondhand vessels which have been acquired pursuant to the Framework Deed (the "Framework Agreement") between the Company and its wholly-owned subsidiary, Costamare Ventures Inc. ("Costamare Ventures"), and York Capital Management Global Advisors LLC and an affiliated fund (collectively, together with the funds it manages or advises, "York"), and no dispositions.*

### Our Company

We are an international owner of containerships, chartering our vessels to many of the world's largest liner companies. As of July 24, 2013, we operated a fleet of 59 containerships aggregating approximately 336,400 TEU, making us one of the largest public containership companies in the world, based on total TEU capacity. At that date, our fleet consisted of (i) 53 vessels in the water, aggregating approximately 281,700 TEU and (ii) six newbuild vessels aggregating approximately 54,700 TEU that are scheduled to be delivered to us through February 2014, based on the current shipyard schedule. Our fleet includes three vessels aggregating approximately 8,400 TEU, which the Company and York have acquired pursuant to the Framework Agreement through jointly-owned entities in which we have a 49% interest and York has a 51% interest (any such jointly-owned vessels, "Joint Venture vessels"). On July 26, 2013, contracts were signed for the acquisition of two additional newbuild vessels by jointly-owned entities under the Framework Agreement. See "Recent Developments."

Our strategy is to time-charter our containerships to a geographically diverse, financially strong and loyal group of leading liner companies. Our containerships operate primarily under multi-year time charters and therefore are not subject to the effect of seasonal variations in demand. Our containerships have a record of low unscheduled off-hire days, with fleet utilization levels of 99.9%, 99.7%, 99.3%, 99.9% and 99.8% in 2009, 2010, 2011, 2012 and the first six months of 2013, respectively. Over the last three years our largest customers by revenue were A.P. Moller-Maersk A/S ("A.P. Moller-Maersk"), Mediterranean Shipping Company, S.A. ("MSC") and Cosco Container Lines Co., Ltd. ("COSCO"). As of July 24, 2013, the average (weighted by TEU capacity) remaining time-charter duration for our fleet of 59 containerships was 4.8 years, based on the remaining fixed terms and assuming the exercise of any owner's options and the non-exercise of any charterer's options under our containerships' charters. As of June 30, 2013, our fixed-term charters represented an aggregate of \$2.6 billion of contracted revenue, assuming the earliest redelivery dates possible and 365 revenue days per annum per containership (which amount includes our ownership percentage of contracted revenue for the existing Joint Venture vessels). Five of these charters



include an option exercisable by either party to extend the term for two one-year periods at the same charter rate, which represents an additional \$152.2 million of potential contracted revenue.

Our company and its founders have a long history of operating and investing in the shipping industry. Members of the Konstantakopoulos family hold an aggregate of 64.8% of our common stock. Captain Vasileios Konstantakopoulos, the father of our chairman and chief executive officer, Konstantinos Konstantakopoulos, founded Costamare Shipping Company S.A. ( Costamare Shipping ) in 1975. We initially owned and operated drybulk carrier vessels, but in 1984 we became the first Greek owned company to enter the containership market and, since 1992, we have focused exclusively on containerships. After assuming management of our company in 1998, Konstantinos Konstantakopoulos has concentrated on building a large, modern and reliable containership fleet run and supported by highly-skilled, experienced and loyal personnel. He founded the management companies CIEL Shipmanagement S.A. ( CIEL ) and Shanghai Costamare Ship Management Co., Ltd. ( Shanghai Costamare ) in 2001 and 2005, respectively, and the manning agency C-Man Maritime, Inc. ( C-Man Maritime ) in 2006. Today, Konstantinos Konstantakopoulos remains focused on the provision of high quality and reliable service by our management companies and related manning agency. Under his leadership, we have continued to foster a company culture focusing on reliable customer service, industry leadership and innovation.

On January 7, 2013, Costamare Shipping entered into a Co-operation Agreement (the Co-operation Agreement ) with V.Ships Greece Ltd. ( V.Ships Greece ), a member of V.Group, pursuant to which the two companies established a ship management cell (the Cell ), within V.Ships Greece. The Cell has replaced CIEL and as of July 24, 2013, provides technical, crewing, provisioning, bunkering, sale and purchase and accounting services, as well as certain commercial services, to 18 of our containerships that fly the Liberian and Maltese flags, including all containerships previously managed by CIEL and two of the existing Joint Venture vessels. Costamare Shipping passes to the Company the net profit, if any, it receives pursuant to the Co-operation Agreement as a refund or reduction of the management fees payable by the Company to Costamare Shipping under the group management agreement between Costamare Shipping and the Company.

Consistent with our strategy, we have actively managed the size of our fleet through timely acquisitions and dispositions, and successfully navigated our company through strong and weak containership charter markets. Between 2006 and mid-2010, unlike other public competitors, we did not burden our balance sheet with secondhand acquisitions and newbuild commitments when vessel prices were relatively high, and our growth is not currently constrained by significant restrictions on debt incurrence.

In November 2010, we became a public company in order to increase our liquidity, improve our access to capital and position our company to capture attractive growth opportunities through fleet expansion. Since September 2010, we have expanded the fleet by over 50% in terms of TEU, to include (i) 10 newbuild containerships aggregating approximately 90,000 TEU, which will be delivered through February 2014, based on the current shipyard schedule, and (ii) 21 secondhand containerships, including the existing Joint Venture vessels, aggregating 65,597 TEU, all of which have been delivered. For these 31 containerships, we paid or committed to pay approximately \$1.3 billion in the aggregate.

On May 15, 2013, the Company entered into the Framework Agreement with York to invest jointly in the acquisition of container vessels mutually agreed between the Company and York. York has agreed to invest up to \$250 million in these mutually agreed transactions and the Company has agreed to invest a minimum of \$75 million with an option to invest up to \$240 million for which it will receive up to 49% of the equity in each vessel-owning entity (the percentage being proportionate to the Company's relative contribution). The joint venture is expected to be each party's exclusive joint venture for the acquisition of vessels in the container industry during a two-year investment period (or, if we and York so agree in the future, three-year investment period). The Company reserves the right to acquire any vessels that York decides not to pursue and





therefore is not acquired by jointly-owned entities under the Framework Agreement. See Recent Developments.

As an established owner of containerships with a focus on reliability, a flexible and strong balance sheet, and significant experience and relationships in the containership sector, we believe we will have access to additional vessel acquisition opportunities from shipyards, our liner company customers, other shipowners, financial institutions and shipbrokers. In addition, we believe we are well-positioned to continue to obtain attractive chartering opportunities with leading liner companies. We plan to use the net proceeds of this offering for general corporate purposes, including vessel acquisitions or investments under the Framework Agreement or otherwise.

### Our Fleet and Newbuilds

The tables below provide additional information, as of July 24, 2013, about our fleet of 59 containerships, including six newbuilds on order and three existing Joint Venture vessels acquired pursuant to the Framework Agreement. Each vessel is a cellular containership, meaning it is a dedicated container vessel.

	Vessel Name	Charterer	Year Built	Capacity (TEU)	Time Charter Term <sup>(1)</sup>	Current Daily Charter Hire (U.S. dollars)	Expiration of Charter <sup>(1)</sup>	Average Daily Charter Rate Until Earliest Expiry of Charter (U.S. dollars) <sup>(2)</sup>
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 ATHENS	MSC	2013	8,827	10 years	42,000	January 2023	42,000
7	MSC ATHOS	MSC	2013	8,827	10 years	42,000	February 2023	42,000
8	VALOR	Evergreen	2013	8,827	7 years <sup>(i)</sup>	41,700	April 2020 <sup>(i)</sup>	41,700
9	VALUE	Evergreen	2013	8,827	7 years <sup>(i)</sup>	41,700	April 2020 <sup>(i)</sup>	41,700
10	NAVARINO	Evergreen	2010	8,531	1.5 years	30,950	September 2013	30,950
11	MAERSK KAWASAKI <sup>(ii)</sup>	A.P. Moller-Maersk	1997	7,403	10 years	37,000	December 2017	37,000
12	MAERSK	A.P.	1996	7,403	10 years	37,000	December	37,000

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	KURE <sup>(ii)</sup>	Moller-Maersk					2017	
	MAERSK	A.P.					February	
13	KOKURA <sup>(ii)</sup>	Moller-Maersk	1997	7,403	10 years	37,000	2018	37,000
							September	
14	MSC METHONI	MSC	2003	6,724	10 years	29,000	2021	29,000
	SEALAND NEW YORK	A.P.						
15		Moller-Maersk	2000	6,648	11 years	30,375 <sup>(3)</sup>	March 2018	26,829
	MAERSK KOBE	A.P.						
16		Moller-Maersk	2000	6,648	11 years	38,179 <sup>(4)</sup>	May 2018	28,464
	SEALAND WASHINGTON	A.P.						
17		Moller-Maersk	2000	6,648	11 years	30,375 <sup>(5)</sup>	June 2018	27,042
	SEALAND MICHIGAN	A.P.						
18		Moller-Maersk	2000	6,648	11 years	25,375 <sup>(6)</sup>	August 2018	25,923
	SEALAND ILLINOIS	A.P.						
19		Moller-Maersk	2000	6,648	11 years	30,375 <sup>(7)</sup>	October 2018	27,221
	MAERSK KOLKATA	A.P.						
20		Moller-Maersk	2003	6,644	11 years	38,865 <sup>(8)</sup>	November 2019	31,103
	MAERSK KINGSTON	A.P.						
21		Moller-Maersk	2003	6,644	11 years	38,461 <sup>(9)</sup>	February 2020	31,275
	MAERSK KALAMATA	A.P.						
22		Moller-Maersk	2003	6,644	11 years	38,418 <sup>(10)</sup>	April 2020	31,386
23	VENETIKO <sup>(iii)</sup>	PIL	2003	5,928	1.0 year	14,500	March 2014	14,500
	ENSENADA EXPRESS <sup>(*)</sup>							
24		Hapag Lloyd	2001	5,576	2.0 years	19,000	May 2015	19,000
25	MSC ROMANOS	MSC	2003	5,050	5.3 years	28,000	November 2016	28,000
26	ZIM NEW YORK	ZIM	2002	4,992	13 years	23,150	July 2015 <sup>(11)</sup>	23,150
27	ZIM SHANGHAI	ZIM	2002	4,992	13 years	23,150	August 2015 <sup>(11)</sup>	23,150
28	ZIM PIRAEUS <sup>(iv)</sup>	ZIM	2004	4,992	10 years	22,150 <sup>(12)</sup>	March 2014	43,984
	OAKLAND EXPRESS							
29		Hapag Lloyd	2000	4,890	8 years	30,500	September 2016	30,500
	HALIFAX EXPRESS							
30		Hapag Lloyd	2000	4,890	8 years	30,500	October 2016	30,500
	SINGAPORE EXPRESS							
31		Hapag Lloyd	2000	4,890	8 years	30,500	July 2016	30,500
	MSC MANDRAKI							
32		MSC	1988	4,828	7.8 years	20,000	August 2017	20,000
33	MSC MYKONOS	MSC	1988	4,828	8.2 years	20,000	September 2017	20,000
34	MSC ULSAN	MSC	2002	4,132	5.3 years	16,500	March 2017	16,500
35	MSC ANTWERP	MSC	1993	3,883	4.3 years	17,500	August 2013	17,500

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36	MSC KYOTO	MSC	1981	3,876	9.5 years	13,500 <sup>(13)</sup>	September 2018	13,500
37	KORONI	Evergreen	1998	3,842	2 years	11,500	April 2014	11,500
38	KYPARISSIA	Evergreen	1998	3,842	2 years	11,500	May 2014	11,500
39	KARMEN	Sea Consortium	1991	3,351	1.7 years	6,750	August 2013	6,750
40	MARINA	Evergreen	1992	3,351	1.8 years	7,000	February 2014	7,000
41	KONSTANTINA	Evergreen	1992	3,351	1.0 year	7,550	September 2013	7,550
42	AKRITAS	Hapag Lloyd	1987	3,152	4 years	12,500	August 2014	12,500
43	CHALLENGER	MSC	1986	2,633	4.8 years	10,000	July 2015	10,000
44	MESSINI	Evergreen	1997	2,458	1.5 years	8,100	February 2014	8,100
45	REUNION <sup>(v)</sup>	MSC	1992	2,024	6 years	11,500	June 2014	11,500

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Vessel Name	Charterer	Year Built	Capacity (TEU)	Time Charter Term <sup>(1)</sup>	Current Daily Charter Hire (U.S. dollars)	Expiration of Charter <sup>(1)</sup>	Average Daily Charter Rate Until Earliest Expiry of Charter (U.S. dollars) <sup>(2)</sup>	
46	MSC NAMIBIA II <sup>(v)</sup>	MSC	1991	2,023	6.8 years	11,500	July 2014	11,500
47	MSC SIERRA II <sup>(v)</sup>	MSC	1991	2,023	5.7 years	11,500	June 2014	11,500
48	MSC PYLOS <sup>(v)</sup>	MSC	1991	2,020	3 years	11,500	January 2014	11,500
49	X-PRESS PADMA <sup>(*)</sup>	Sea Consortium	1998	1,645	2.0 years	7,650 <sup>(14)</sup>	June 2015	7,925
50	PROSPER	COSCO	1996	1,504	1.0 year	7,350	March 2014	7,350
51	ZAGORA	MSC	1995	1,162	3.7 years	5,700	April 2015	5,700
52	PETALIDI <sup>(*)</sup>	CMA CGM	1994	1,162	1.0 years	6,300	June 2014	6,300
53	STADT LUEBECK	CMA CGM	2001	1,078	1.7 years	6,200 <sup>(15)</sup>	July 2014	6,384

**Newbuilds<sup>(\*\*)</sup>**

Vessel Name	Shipyard	Charterer	Expected Delivery (based on latest shipyard schedule)	Approximate Capacity (TEU) <sup>(16)</sup>	
1	Hull S4022	Sungdong Shipbuilding	Evergreen	August 2013	8,827
2	Hull S4023	Sungdong Shipbuilding	Evergreen	August 2013	8,827
3	Hull S4024	Sungdong Shipbuilding	Evergreen	October 2013	8,827
4	H1068A	Jiangnan Changxing	MSC	December 2013	9,403
5	H1069A	Jiangnan Changxing	MSC	December 2013	9,403
6	H1070A	Jiangnan Changxing	MSC	February 2014	9,403

<sup>(1)</sup> Charter terms and expiration dates are based

on the earliest date charters could expire.

- (2) This average rate is calculated based on contracted charter rates for the days remaining between July 24, 2013 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 May 8, 2014 to \$26,100 per day until the earliest redelivery date.
- (4) This charter rate changes on June 30, 2014 to \$26,100 per day until the earliest redelivery date.
- (5) This charter rate changes on August 24, 2014 to \$26,100 per day until the earliest redelivery date.
- (6)

This charter rate changes on October 20, 2014 to \$26,100 per day until the earliest redelivery date.

(7) This charter rate changes on December 4, 2014 to \$26,100 per day until the earliest redelivery date.

(8) This charter rate changes on January 13, 2016 to \$26,100 per day until the earliest redelivery date.

(9) This charter rate changes on April 28, 2016 to \$26,100 per day until the earliest redelivery date.

(10) This charter rate changes on June 11, 2016 to \$26,100 per day until the earliest redelivery date.

(11) Charterers shall have the option to terminate the charter by giving six months notice, in which case they will have to make a one-time payment which

shall be the  
\$6.9 million  
reduced  
proportionately  
by the amount  
of time by  
which the  
original 3-year  
extension  
period is  
shortened.

- (12) The charterer is required to pay approximately \$5.0 million no later than July 2016, representing accrued charter hire, the payment of which was deferred.
- (13) 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.
- (14)



This charter  
rate changes on  
July 27, 2014 to  
\$8,225 per day  
until the earliest  
redelivery date.

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(15) This charter rate changes on August 23, 2013 to \$6,400 per day until the earliest redelivery date. The charterer has a unilateral option to extend the charter of the vessel for a period of six months at a rate of \$8,500 per day.

(16) Based on updated vessel specifications.

(i) Assumes exercise of the Company's unilateral options to extend the charter of these vessels for two one year periods.

(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.

(iii) The charterer has a unilateral

option to extend the charter of the vessel for a period of 12 months at a rate of \$28,000 per day.

(iv) The charterer has a unilateral option to extend the charter of the vessel for a period of 12 months +/-60 days at a rate of \$27,500 per day.

(v) The Company has a unilateral option to extend the charters of the vessels for an additional period of two years at market rate, to be defined annually, based on the closest category on the Hamburg ConTex index.

(\*) Denotes vessels acquired pursuant to the Framework Agreement. The Company holds a 49% equity percentage in each of the vessel-owning

entities and York holds the remaining 51%.

(\*\*) On July 26, 2013, contracts were signed for the acquisition of two additional newbuild vessels by jointly-owned entities under the Framework Agreement.

### **Our Competitive Strengths**

We believe that we possess a number of competitive strengths that will allow us to capitalize on growth opportunities in the containership sector, including:

#### ***Track Record of Navigating Through Strong and Weak Containership Markets.***

Consistent with our strategy of actively managing the size of our fleet through timely acquisitions and dispositions, we grew our fleet from 21 containerships with an aggregate capacity of 43,735 TEU in 2000 to a peak of 53 containerships of 227,778 TEU in 2008, followed by a proactive decrease in response to market conditions in 2009 and the first half of 2010 to a fleet of 42 containerships with a total capacity of 213,348 TEU as of June 30, 2010. Since the time of our initial public offering in November 2010, we have invested approximately \$1.3 billion in vessel acquisitions. As a result, through the date of this prospectus supplement we have grown our fleet to 59 containerships aggregating approximately 336,400 TEU, including six newbuilds on order and three secondhand Joint Venture vessels aggregating approximately 8,400 TEU, in line with the growth plans we outlined at that time. We believe that the financial flexibility resulting from our strategic growth policy, together with our experience, reputation, quality of services and long-standing relationships with container shipping industry participants and major financial institutions, position us to continue to renew and expand our fleet, including through our joint venture with York, with further acquisitions of newbuild and high-quality secondhand vessels at attractive prices.

#### ***Base of Contracted Cash Flows Through Multi-Year Charter Coverage and Staggered Charter Expiration Dates.***

We believe that the multi-year fixed-rate nature of most of our charters, many of which were arranged at attractive points in the shipping cycle, will continue to provide us with a stable base of contracted future revenue. As of July 24, 2013, the average (weighted by TEU capacity) remaining time- charter duration for our fleet of 59 containerships was 4.8 years, based on the remaining fixed terms and assuming the exercise of any owner's extension options and the non-exercise of any charterer's extension options under our containerships' charters. As of July 24, 2013, over 95% of the anticipated total available days for the remainder of 2013 are under fixed-rate time charters. The

staggered maturities of the charters for vessels that expire in the next several years will mean that we will likely conduct our re-chartering activity in varying rate environments and we will seek to tailor our charter terms accordingly. As of June 30, 2013, our fixed-term charters represented an aggregate of \$2.6 billion of contracted revenue, assuming the earliest redelivery dates possible and 365 revenue days per annum per containership (which amount includes our ownership percentage of contracted revenue for the Joint Venture vessels). Five of these charters include an option exercisable by either party to extend the term for two one-year periods at the same charter rate, which represents an additional \$152.2 million of potential contracted revenue.

***Large, Diversified High-Quality Fleet.***

Our fleet of 59 containerships, including six newbuilds on order and the three existing Joint Venture vessels, consists of containerships of various sizes and has been assembled to meet our customers' needs and is able to operate on East-West, North-South and Intra-regional trade routes, giving us increased flexibility in re-chartering our containerships. We believe our containerships are built to high standards by reputable shipyards and have been carefully maintained by our managers. We also believe that the reliability of our fleet has been a critical factor in retaining our active and long-standing relationships with the leading liner companies. We have also had success in chartering and operating our older vessels beyond their depreciable lives. We believe that owning a large, high-quality and diverse fleet provides us with a competitive advantage in securing future employment for our containerships.

***Experienced Management Team.***

Our company and founders have a long history of operating and investing in the container shipping industry beginning in 1984. Our managers' senior management teams have a combined average of approximately 36 years of experience in the shipping industry. We believe that we are able to secure attractive multi-year charters with leading liner companies because of, among other things, our operating track record and our high level of service and support.

***Long-Standing Relationships with Leading, Financially Sound Charterers.***

Though our business is affected by changes in global and regional economic activity, we believe that by chartering our containerships to leading liner companies, including those we perceive to be most financially and operationally sound, we have reduced our potential charter counterparty risk. We currently charter containerships to A.P. Moller-Maersk, MSC, COSCO, Evergreen Marine (Hong Kong) Ltd. ( Evergreen ), Hapag Lloyd Aktiengesellschaft ( Hapag Lloyd ), Zim Integrated Shipping Services ( ZIM ), CMA CGM, Sea Consortium Pte Ltd. ( Sea Consortium ), and Pacific International Lines (Pte) Ltd. ( PIL ).

***Access to Capital to Meet Existing Capital Requirements for our Newbuilds and to Pursue Our Growth Strategy.***

The debt portion of the capital expenditures for our newbuilds is fully committed (other than the newbuilds contracted for by joint venture entities on July 26, 2013 under the Framework Agreement). We arranged debt financing for our 2010 newbuilding program by executing between January and October 2011 loan agreements for a total of \$725.3 million in commitments. As of June 30, 2013, we had approximately \$274.5 million of undrawn capacity under the above committed credit facilities for the newbuilds on order under the 2010 newbuilding program. The joint venture entities intend to seek debt financing for their recent newbuild contracts.

In addition, as of June 30, 2013, we had (a) \$165.1 million of cash liquidity, consisting of cash, cash equivalents and restricted cash and (b) five unencumbered containerships, aggregating 22,701 TEU, with an average age (weighted by TEU capacity) of 12.2 years.

We believe that our available liquidity will allow us to make additional vessel acquisitions as they become available through our joint venture with York or otherwise. In addition, through the



Framework Agreement we have access to additional capital for investments. See Recent Developments.

### **Our Business Strategies**

Our primary objectives are to profitably grow our business, increase earnings and distributable cash flow per share and maximize value to our stockholders by pursuing the following strategies:

#### ***Invest in Vessels at an Attractive Point in the Container Shipping Cycle.***

Given our broad and established customer relationships and financial flexibility, we believe we are well-positioned to take advantage of the significant opportunities created by the recent economic downturn and developments in the container shipping industry to acquire newbuild and secondhand vessels at attractively low prices. As an established owner of containerships with significant experience and relationships in the containership sector, we believe we will have ready access to vessel acquisition opportunities from shipyards, our liner company customers, other shipowners, financial institutions and shipbrokers; chartering opportunities with leading liner companies; and available financing alternatives that will facilitate the further renewal and expansion of our fleet. We have arranged for long-term time charters with terms up to ten years for the four newbuilds that have been delivered since the beginning of the year and the remaining six newbuilds that we expect to be delivered through February 2014, aggregating approximately 90,000 TEU in total capacity. By securing long-term fixed rate charters at the time of purchase we believe we are well-positioned to realize attractive returns on these newbuild investments. We intend to continue expanding our fleet by acquiring additional containerships at favorable prices through our joint venture with York or on our own using our available resources, which include cash, the net proceeds of this offering and, as necessary and available, borrowings under new credit facilities.

#### ***Actively Manage Portfolio of Charters Through the Shipping Cycle.***

We believe that a focus on high-quality charterers and a carefully-managed charter expiry profile are critical to our business strategy. Our largest customers in 2012 were A.P. Moller-Maersk, MSC and COSCO, which, together with Evergreen, we perceive to be among the more creditworthy liner companies. As the global economy improves, we will continue to charter our containerships to high-quality charterers and further expand the number of leading liner companies chartering our vessels in order to diversify further our portfolio of time charters from customer, geographic and maturity perspectives. While we believe that diversifying our customer base is important in order to reduce our revenue concentration and moderate our exposure to any one customer, we will also continue to focus our chartering on high quality, financially strong counterparties. We expect that our strategy will also allow us to re-charter our containerships during various points in the charter market cycle.

#### ***Continue to Manage Our Balance Sheet and Access to Capital.***

We believe that management of our balance sheet, including management of cash and capital commitments, will continue to give us financial flexibility. Unlike many of our public competitors, we are not burdened with acquisition and newbuild commitments that were incurred when vessel prices were relatively high, and we believe that we have taken advantage of opportunities at attractive points of the container shipping cycle and that we are well-positioned to continue to do so. As of June 30, 2013, we had \$165.1 million of cash liquidity, consisting of cash, cash equivalents and restricted cash, and five unencumbered vessels. As of June 30, 2013, we also had approximately \$274.5 million of undrawn capacity under committed credit facilities for newbuilds on order with remaining installment payments totaling \$314.5 million. In addition, under our Framework Agreement with York, York has agreed to provide up to \$250 million for vessel acquisitions, out of which \$234 million remains to be invested.

***Provide High-Quality Customer Service.***

We seek to provide high-quality customer service that allows our customers to implement integrated logistics solutions in the marketplace. Our managers' ship management approach is to tailor their services by vessel type and age, which we believe has helped to differentiate us with our charterers and extend our charters and the useful lives of our containerships. We believe that having both affiliated and third-party management companies allows us to have a deep pool of operational management in multiple locations with market-specific experience and relationships, as well as the geographic flexibility needed to manage and crew our large and diverse fleet so as to provide a high level of service, while remaining cost-effective. We also believe that our focus on customer service and reliability enhances our relationships with our charterers. In the past decade, we have had successful chartering relationships with the majority of the top 20 liner companies by TEU capacity.

**Recent Developments**

***Vessel Acquisitions under the Framework Agreement***

On May 15, 2013, the Company, along with its wholly-owned subsidiary, Costamare Ventures, entered into the Framework Agreement with York to invest jointly in the acquisition of container vessels. The decisions regarding vessel acquisitions will be made jointly between the Company and York, and the Framework Agreement is expected to be each party's exclusive joint venture for the acquisition of vessels in the container industry during a two-year investment period (or, if we and York so agree in the future, three-year investment period). The Company reserves the right to acquire any vessels that York decides not to pursue and therefore is not acquired by the jointly-owned entities under the Framework Agreement.

Under the terms of the Framework Agreement, York has agreed to invest up to \$250 million in mutually agreed vessel acquisitions and the Company has agreed to invest a minimum of \$75 million with an option to invest up to \$240 million in these transactions. Depending on the amount the Company elects to invest in any acquisition, we expect to hold between 25% and 49% of the equity in the relevant vessel-owning entity formed under the Framework Agreement and York will hold the balance. Costamare Shipping will provide shipmanagement services to the Joint Venture vessels, with the right either to subcontract to V.Ships Greece and/or Shanghai Costamare or to direct a vessel-owning entity to contract directly for certain shipmanagement services with V.Ships Greece. The Framework Agreement will terminate on its sixth anniversary or upon the occurrence of certain extraordinary events. At that time, Costamare Ventures can elect to divide the vessels owned by all such vessel-owning entities between itself and York to reflect their cumulative participation in all such entities. The Company expects to account for these entities formed under the Framework Agreement as equity investments.

Three vessels, totaling approximately 8,400 TEU have been acquired under the Framework Agreement with York to date.

In addition, pursuant to the Framework Agreement, jointly-owned entities entered into two shipbuilding contracts on July 26, 2013 for the construction of two container vessels of about 9,000 TEU capacity to be delivered by September 2015 and October 2015, for a price of approximately \$81 million each. The jointly-owned entities have the option to upgrade the vessels with an appropriate adjustment to the purchase price. The Company agreed to participate in each of the newbuilding contracts by investing 49% of the share capital in the jointly-owned entities.

***Recent Vessel Acquisitions Chartering Developments***

On June 3  
and June 25,  
2013, the



Company  
took delivery  
of the 8,827  
TEU  
newbuild  
containership  
vessels *Valor*  
and *Value*,  
which were  
both built by  
Sungdong  
Shipbuilding  
and Marine  
Engineering  
Co., Ltd. in  
South Korea.  
Upon  
delivery, both  
vessels  
commenced  
their  
long-term  
charters with  
affiliates of  
Evergreen.

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Pursuant to the Framework Agreement, the Company and York jointly acquired three secondhand vessels which were subsequently chartered to third parties. The Company participated in each of the three vessel acquisitions by investing 49% of the share capital of the vessel-owning entities. The details of the vessels and their respective charters are the following:

- a. The 2001-built, 5,576 TEU containership *Ensenada Express* was purchased for a price of \$22.1 million and subsequently chartered to Hapag-Lloyd, for a period of approximately two years at a daily rate of \$19,000. The vessel was delivered to its

charterer on  
July 7, 2013.

- b. The  
1998-built,  
1,645 TEU  
containership  
*X-Press  
Padma* was  
purchased for  
a price of  
\$4.75 million  
and  
subsequently  
chartered to  
Sea  
Consortium,  
for a period of  
approximately  
two years at an  
average daily  
rate of  
approximately  
\$7,900. The  
vessel was  
delivered to its  
charterer on  
July 27, 2013.

- c. The  
1994-built,  
1,162 TEU  
containership  
*Petalidi* was  
purchased for  
a price of \$2.8  
million and  
subsequently  
chartered to  
CMA CGM,  
for a period of  
approximately  
one year at a  
daily rate of  
\$6,300. The  
vessel was  
delivered to its  
charterer on  
July 4, 2013.

We entered into an agreement to extend the charter of the 1991-built, 3,351 TEU containership *Karmen* to Sea Consortium, for a period of a minimum of two months and a maximum of five months at a daily rate of \$6,750. The extension period commenced on June 15, 2013.

We entered into an agreement to extend the charter of the 1992-built, 3,351 TEU containership *Marina* to Evergreen, for a period of a minimum of eight months and a maximum of 14 months at a daily rate of \$7,000. The extension period commenced on June 12, 2013.

We entered into an agreement to extend the charter of the

2001-built,  
1,078 TEU  
containership  
Stadt Luebeck  
to CMA CGM,  
for a period of  
approximately  
12 months at a  
daily rate of  
\$6,400. The  
extension  
period will  
commence on  
August 23,  
2013. The  
charterer also  
has the option  
to unilaterally  
extend the  
charter for a  
further period  
of six months  
at a daily rate  
of \$8,500.

***Dividends***

On July 10, 2013, we declared a dividend of \$0.27 per share of our common stock payable on August 7, 2013, to holders of record on July 24, 2013.

**Corporate Information**

Costamare Inc. was incorporated on April 21, 2008, under the laws of the Republic of the Marshall Islands and conducts its operations through various subsidiaries. Each of our containerships, other than the Joint Venture vessels, is owned by one of our subsidiaries. Our participation in the Joint Venture vessels is held through our wholly-owned Marshall Islands subsidiary, Costamare Ventures. We maintain our executive offices at 60 Zephyrou Street & Syngrou Avenue, 17564 Athens, Greece. Our telephone number at that address is +30-210-949-0050. We maintain a website at [www.costamare.com](http://www.costamare.com). The information contained on or linked to or from our website is not incorporated herein by reference.

**The Offering**

Issuer	Costamare Inc.
Securities Offered	2,000,000 shares of our 7.625% Series B Cumulative Redeemable Perpetual Preferred Stock, par value \$0.0001 per share, liquidation preference \$25.00 per share, plus up to an additional 300,000 shares if the underwriters exercise their option to purchase additional shares in full.  For a detailed description of the Series B Preferred Stock, see Description of Series B Preferred Stock.
Price per Share	\$25.00
Conversion; Exchange and Preemptive Rights	The Series B Preferred Stock will not have any conversion or exchange rights or be subject to preemptive rights.
Dividends	Dividends on Series B Preferred Stock will accrue and be cumulative from the date that the Series B Preferred Stock is originally issued and will be payable on each Dividend Payment Date (as defined below) when, as and if declared by our board of directors out of legally available funds for such purpose.
Dividend Payment Dates	January 15, April 15, July 15 and October 15, commencing October 15, 2013 (each, a Dividend Payment Date ). If any Dividend Payment Date would otherwise fall on a date that is not a Business Day, declared dividend will be payable on the immediately succeeding Business Day without the accumulation of additional dividends. Dividends will not bear interest.
Dividend Rate	The dividend rate for the Series B Preferred Stock will be 7.625% per annum per \$25.00 of liquidation preference per share (equal to \$1.90625 per annum per share). The dividend rate is not subject to adjustment.
Ranking	The Series B Preferred Stock will represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. The Series B Preferred Stock will rank:  senior to our common stock and, if issued, our Series A Participating Preferred Stock, and to each other class or series of capital stock established after the original issue date of the Series B Preferred Stock that is expressly made junior to the Series B Preferred Stock or any Parity Stock as to the payment of dividends and amounts payable upon liquidation, dissolution or winding up, whether voluntary or involuntary ( Junior Stock );

*pari passu* with any other class or series of capital stock established after the original issue date of the Series B Preferred Stock that is not expressly subordinated or senior to the Series B Preferred Stock as to the payment of dividends and amounts payable upon liquidation, dissolution or winding up, whether voluntary or involuntary ( Parity Stock ); and

junior to all of our indebtedness and other liabilities with respect to assets available to satisfy claims against us and each other class or series of capital stock expressly made senior to the Series B Preferred Stock as to the payment of dividends and amounts payable upon liquidation, dissolution or winding up, whether voluntary or involuntary ( Senior Stock ).

Payment of  
Dividends

No dividend may be declared or paid or set apart for payment on any Junior Stock (other than a dividend payable solely in shares of Junior Stock) unless full cumulative dividends have been or contemporaneously are being paid or provided for on all outstanding Series B Preferred Stock and any Parity Stock through the most recent respective dividend payment dates. Accumulated dividends in arrears for any past dividend period may be declared by our board of directors and paid on any date fixed by our board of directors, whether or not a Dividend Payment Date, to holders of the Series B Preferred Stock on the record date for such payment, which may not be more than 60 days, nor less than 5 days, before such payment date. Subject to the next succeeding sentence, if all accumulated dividends in arrears on all outstanding Series B Shares and any Parity Stock have not been declared and paid, or sufficient funds for the payment thereof have not been set apart, payment of accumulated dividends in arrears will be made in order of their respective dividend payment dates, commencing with the earliest. If less than all dividends payable with respect to all Series B Preferred Stock and any Parity Stock are paid, any partial payment will be made pro rata with respect to the Series B Preferred Stock and any Parity Stock entitled to a dividend payment at such time in proportion to the aggregate amounts remaining due in respect of such shares at such time. Holders of the Series B Preferred Stock will not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends. The holders of Series B Preferred Stock will not receive interest on unpaid dividends.

Optional Redemption      At any time on or after August 6, 2018, we may redeem, in whole or from time to time in part, the Series B Preferred Stock at a redemption price of \$25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. Any such redemption would be effected out of any funds available for such purpose. We must provide not less than 30 days and not more than 60 days written notice of any such redemption.

Voting Rights              Holders of the Series B Preferred Stock generally have no voting rights. However, if and whenever dividends payable on the Series B Preferred Stock are in arrears for six or more quarterly periods, whether or not



consecutive,  
holders of Series  
B Preferred  
Stock (voting  
together as a  
class with all  
other classes or  
series of Parity  
Stock upon  
which like  
voting rights  
have been  
conferred and  
are exercisable)  
will be entitled  
to elect one  
additional  
director to serve  
on our board of  
directors, and the  
size of our board  
of directors will  
be increased as  
needed to  
accommodate  
such change  
(unless the size  
of our board of  
directors already  
has been  
increased by  
reason of the  
election of a  
director by  
holders of Parity  
Stock upon  
which like  
voting rights  
have been  
conferred and  
with which the  
Series B  
Preferred Stock  
voted as a class  
for the election  
of such director).  
The right of such  
holders of Series  
B Preferred  
Stock to elect a

member of our board of directors will continue until such time as all accumulated and unpaid dividends on the Series B Preferred Stock have been paid in full.

Unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding Series B Preferred Stock, voting as a single class, we may not adopt any amendment to our Second Amended and Restated Articles of Incorporation ( Articles of Incorporation ), that adversely alters the preferences, powers or rights of the Series B Preferred Stock.

In addition, unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding Series B Preferred Stock, voting as a class together with

holders of any  
other Parity  
Stock upon  
which like  
voting rights  
have been  
conferred and  
are exercisable,  
we may not (i)  
issue any Parity  
Stock if the  
cumulative  
dividends  
payable on  
outstanding  
Series B  
Preferred Stock  
are in arrears or  
(ii) create or  
issue any Senior  
Stock.

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Except as noted above, no vote or consent of the holders of Series B Preferred Stock is required for (i) creation or incurrence of any indebtedness, (ii) authorization or issuance of any common stock or other Junior Stock or (iii) the authorization or issuance of any preferred stock of any series.

Fixed Liquidation Price

In the event of any liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, holders of the Series B Preferred Stock will have the right to receive the liquidation preference of \$25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon to the date of payment, whether or not declared, before any payments are made to holders of our common stock or any other Junior Stock.

Sinking Fund

The Series B Preferred Stock will not be

Use of Proceeds	<p>subject to any sinking fund requirements.</p> <p>We estimate that the net proceeds from this offering, after deducting underwriting discounts and estimated expenses payable by us, will be approximately \$47.995 million (assuming the underwriters option to purchase additional shares is not exercised). We plan to use the net proceeds of this offering for general corporate purposes, including vessel acquisitions or investments under the Framework Agreement or otherwise.</p>
Ratings	<p>The Series B Preferred Stock will not be rated by any Nationally Recognized Statistical Rating Organization.</p>
Listing	<p>We intend to file an application to list the Series B Preferred Stock on The New York Stock Exchange (the NYSE ). If the application is</p>

approved, trading of the Series B Preferred Stock on the NYSE is expected to begin within 30 days after the original issue date of the Series B Preferred Stock. The underwriters have advised us that they intend to make a market in the Series B Preferred Stock prior to commencement of any trading on the NYSE. However, the underwriters will have no obligation to do so, and no assurance can be given that a market for the Series B Preferred Stock will develop prior to commencement of trading on the NYSE or, if developed, that it will be maintained.

The Series B Preferred Stock will be issued and maintained only in book-entry form registered in the name of the nominee of The Depository Trust Company ( DTC ), except under limited

Form

Settlement

circumstances.  
Delivery of the  
Series B  
Preferred Stock  
offered hereby  
will be made  
against payment  
therefor on or  
about August 6,  
2013.

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Risk Factors            An investment in our Series B Preferred Stock involves risks. You should consider carefully the factors set forth in the section of this prospectus entitled Risk Factors beginning on page S-18 of this prospectus supplement and on page 3 of our Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 1, 2013 to determine whether an investment in our Series B Preferred Stock is appropriate for you.

Tax Considerations    We believe that under current U.S. Federal income tax law, all or a portion of the distributions you receive from us will constitute dividends and, if you are an individual citizen or resident of the United States or a U.S. estate or trust and meet certain holding period requirements,



such dividends are expected to be taxable as qualified dividend income subject to a maximum 20% U.S. Federal income tax rate. Any portion of your distribution that is not treated as a dividend will be treated first as a non-taxable return of capital to the extent of your tax basis in your Series B Preferred Stock and, thereafter, as capital gain. See Material U.S. Federal Income Tax Considerations.

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**Summary Combined and Consolidated Financial and Other Data**

The following table presents summary combined and consolidated financial and other data of Costamare Inc. for each of the five years in the five-year period ended December 31, 2012 and for the six months ended June 30, 2013 and June 30, 2012.

The summary combined and consolidated financial data for each of the five years in the five-year period ended December 31, 2012 is a summary of, is derived from, and is qualified by reference to, our audited consolidated financial statements and notes thereto, which have been prepared in accordance with U.S. generally accepted accounting principles ( U.S. GAAP or GAAP ). Our audited consolidated statements of income, stockholders' equity and cash flows for the years ended December 31, 2010, 2011 and 2012 and the consolidated balance sheets at December 31, 2011 and 2012, together with the notes thereto, are included in our Annual Report on Form 20-F, incorporated by reference herein, and should be read in their entirety.

The summary consolidated financial data for the six months ended June 30, 2013 and 2012 and as of June 30, 2013 and 2012, is derived from, and is qualified by reference to, our unaudited consolidated financial statements incorporated by reference in this prospectus. The results of operations for the six months ended June 30, 2013 may not be indicative of the results that may be expected for the entire year ending December 31, 2013.

	<b>Year Ended December 31,</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
(Expressed in thousands of U.S. dollars, except for share amounts)				
<b>STATEMENT OF INCOME</b>				
Revenues:				
Voyage revenue	\$ 426,348	\$ 399,939	\$ 353,151	\$ 382,155
Expenses:				
Voyage expenses	3,735	3,075	2,076	4,218
Voyage expenses related parties			410	2,877
Charter agreement early termination fee			9,500	
Vessels operating expenses	148,350	114,515	102,771	110,359
General and administrative expenses	2,608	1,716	1,224	4,958
Management fees related parties	13,541	12,231	11,256	15,349
Amortization of dry-docking and special survey costs	6,722	7,986	8,465	8,139

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Depreciation	72,256	71,148	70,887	78,803	
(Gain) loss on sale/disposal of vessels, net	(95 )	(2,854 )	(9,588 )	(13,077 )	
Foreign exchange (gains)/losses	(235 )	535	273	(133 )	
Other income/(expenses)	(37 )				
Operating income	\$ 179,503	\$ 191,587	\$ 155,877	\$ 170,662	\$
Other Income (Expenses):					
Interest income	\$ 5,575	\$ 2,672	\$ 1,449	\$ 477	\$
Interest and finance costs	(68,420 )	(86,817 )	(71,949 )	(75,441 )	
Other	109	3,892	306	603	
Gain (loss) on derivative instruments	(16,988 )	5,595	(4,459 )	(8,709 )	
Total other income (expenses)	\$ (79,724 )	\$ (74,658 )	\$ (74,653 )	\$ (83,070 )	\$
Net Income	\$ 99,779	\$ 116,929	\$ 81,224	\$ 87,592	\$
Earnings per common share, basic and diluted					
	\$ 2.12	\$ 2.49	\$ 1.65	\$ 1.45	\$
Weighted average number of shares, basic and diluted					
	47,000,000	47,000,000	49,113,425	60,300,000	6

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**Year Ended December 31,**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
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(Expressed in thousands of U.S. dollars)

**OTHER FINANCIAL DATA**

Net cash provided by operating activities	\$ 247,518	\$ 161,893	\$ 127,946	\$ 195,179	\$ 168,114
Net cash (used in) provided by investing activities	(138,301 )	12,811	(23,850 )	(283,758 )	(236,509 )
Net cash (used in) provided by financing activities	(22,529 )	(252,684 )	43,396	26,801	237,720
Net increase (decrease) in cash and cash equivalents	86,688	(77,980 )	147,492	(61,778 )	169,325
Dividends and distributions paid	(279,778 )	(161,230 )	(10,000 )	(61,506 )	(73,089 )
EBITDA <sup>(1)</sup>	241,602	280,208	231,076	249,498	242,880
Adjusted EBITDA <sup>(1)</sup>	\$ 259,617	\$ 244,386	\$ 223,609	\$ 274,669	\$ 253,097
Ratio of earnings to fixed charges and preferred stock dividends <sup>(2)</sup>	2.54	2.41	2.18	2.16	2.00

**BALANCE SHEET DATA  
(at period end)**

Total current assets	\$ 121,495	\$ 48,305	\$ 211,212	\$ 138,851	\$ 299,924
Total assets	1,815,500	1,710,300	1,828,782	1,982,545	2,311,334
Total current liabilities	287,534	183,271	184,788	226,589	249,411

Total long-term debt, including current portion	1,529,948	1,435,593	1,341,737	1,443,420	1,561,889
Total stockholders equity	(10,750 )	155,222	362,142	329,986	520,452

	Average for the Year Ended December 31,					Average, for the Six Months Ended June 30,	
	2008	2009	2010	2011	2012	2012	2013
<b>FLEET DATA</b>							
Number of vessels	52.8	47.3	42.4	47.8	46.8	46.4	47.9
TEU capacity	226,878	218,733	211,185	231,990	237,975	236,748	250,782

- (1) EBITDA and Adjusted EBITDA are 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 table below sets out supplemental financial data and corresponding reconciliations

to GAAP  
financial  
measures for  
the years ended  
December 31,  
2012, 2011,  
2010, 2009 and  
2008 and the  
six months  
ended June 30,  
2013 and June  
30, 2012.

Non-GAAP  
financial  
measures  
should be  
viewed in  
addition to,  
and not as an  
alternative for,  
the Company's  
reported results  
prepared in  
accordance  
with GAAP.

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## Year Ended December 31,

2008

2009

2010

2011

2012

(Expressed in thousands of U.S. dollars)

**Reconciliation  
of Net Cash  
from  
Operating  
Activities to  
EBITDA**

Net Cash provided by operating activities	\$ 247,518	\$ 161,893	\$ 127,946	\$ 195,179	\$ 168,114	\$
Net increase (decrease) in operating assets	(92,787 )	15,864	5,701	(27,623 )	(8,750 )	
Net (increase) decrease in operating liabilities	16,213	1,066	10,124	(4,159 )	(106 )	
Interest and finance cost net	62,845	84,145	70,500	74,964	73,239	
Amortization of financing costs	(964 )	(746 )	(1,827 )	(2,747 )	(1,157 )	
Gain (loss) on sale/disposal of vessels, net	95	2,854	9,588	13,077	(2,796 )	
Gain (loss) on derivative instruments	(16,657 )	5,595	(4,459 )	(8,709 )	(462 )	
Payments for dry-dockings and special survey costs	23,362	6,051	12,705	6,122	11,171	
Amortization and write-off of unearned revenue	1,636	3,378	650	650	431	
Net settlements on interest rate swaps qualifying for				2,752	3,196	



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hedge accounting						
Gain (loss) on sale of investments	341	108	148	(8 )		
EBITDA	\$ 241,602	\$ 280,208	\$ 231,076	\$ 249,498	\$ 242,880	\$
<b>Reconciliation of Net Income to EBITDA</b>						
Net Income	\$ 99,779	\$ 116,929	\$ 81,224	\$ 87,592	\$ 81,129	\$
Interest and finance costs	68,420	86,817	71,949	75,441	74,734	
Interest income	(5,575 )	(2,672 )	(1,449 )	(477 )	(1,495 )	
Depreciation	72,256	71,148	70,887	78,803	80,333	
Amortization of dry-docking and special survey costs	6,722	7,986	8,465	8,139	8,179	
EBITDA	\$ 241,602	\$ 280,208	\$ 231,076	\$ 249,498	\$ 242,880	\$
Accrued charter revenue	1,122	(22,374 )	(13,596 )	30,313	6,261	
(Gain) loss on sale/disposal of vessels, net	(95 )	(2,854 )	(9,588 )	(13,077 )	2,796	
Realized gain (loss) on Euro/USD forward contracts		(4,999 )	1,758	(1,971 )	698	
Charter agreement early termination fee			9,500			
(Gain) loss on derivative instruments	16,988	(5,595 )	4,459	8,709	462	
Initial purchases of consumable stores for newly acquired				1,197		

vessels

Adjusted EBITDA	\$ 259,617	\$ 244,386	\$ 223,609	\$ 274,669	\$ 253,097	\$
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EBITDA represents net income before interest and finance costs, interest income, depreciation and amortization of deferred dry-docking and special survey costs. Adjusted EBITDA represents net income before interest and finance costs, interest income, depreciation, amortization of deferred dry-docking and special survey costs, gain/(loss) on sale of vessels, non-cash changes in fair value of derivatives, charter agreement early termination fee, realized gain/(loss) on Euro/USD forward contracts, non-cash changes in Accrued charter revenue deriving from escalating charter rates under which certain of our vessels operate and the cash of initial purchases of consumable stores for newly acquired vessels. 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.

- (2) See Ratio of Earnings to Fixed Charges and Preferred Stock Dividends.

## RISK FACTORS

Any investment in our Series B Preferred Stock involves a high degree of risk. You should carefully consider the important factors set forth under the heading Risk Factors starting on page 3 of our Annual Report on Form 20-F, which was filed with the SEC on March 1, 2013 and incorporated herein by reference, before investing in our Series B Preferred Stock. For further details, see the sections entitled Where You Can Find Additional Information and Incorporation by Reference.

Any of the risk factors referred to above or provided below could significantly and negatively affect our business, results of operations, prospects or financial condition, which may reduce our ability to pay dividends and lower the trading price of our common stock as well as the trading price of our Series B Preferred Stock, which may be listed on the NYSE. The risks referred to above are not the only ones that may exist. Additional risks not currently known by us or that we deem immaterial may also impair our business operations. You may lose all or a part of your investment. In addition, potential investors should consider the following risks and uncertainties with respect to your investment in the Series B Preferred Stock.

***We may not have sufficient cash from our operations to enable us to pay dividends on or to redeem our Series B Preferred Stock following the payment of expenses.***

We will pay quarterly dividends on our Series B Preferred Stock from funds legally available for such purpose when, as and if declared by our board of directors. Although dividends on the Series B Preferred Stock are cumulative, our board of directors must declare the actual payment of those dividends. We may not have sufficient cash available each quarter to pay dividends, and our board of directors can elect at any time or from time to time, for an indefinite duration, not to pay any or all accumulated dividends. In addition, we may have insufficient cash available to redeem our Series B Preferred Stock. The amount of dividends we can pay or the amount we can use to redeem Series B Preferred Stock depends upon the amount of cash we generate from and use in our operations, which may fluctuate significantly based on, among other things:

the charter-hire payments we obtain from our charters as well as our ability to re-charter the vessels and the rates obtained upon the expiration of our existing charters;

the due performance by our charterers of their obligations;

our fleet expansion strategy and

associated uses  
of our cash and  
our financing  
requirements;

delays in the  
delivery of  
newbuild  
vessels and the  
beginning of  
payments under  
charters  
relating to  
those vessels;

the level of our  
operating costs,  
such as the  
costs of crews,  
lubricants and  
insurance;

the number of  
unscheduled  
off-hire days  
for our fleet  
and the timing  
of, and number  
of days  
required for,  
scheduled  
dry-docking of  
our  
containerships;

prevailing  
global and  
regional  
economic and  
political  
conditions;

changes in  
interest rates;

the effect of  
governmental  
regulations and  
maritime  
self-regulatory  
organization

standards on  
the conduct of  
our business;

changes in the  
basis of  
taxation of our  
activities in  
various  
jurisdictions;

modification or  
revocation of  
our dividend  
policy by our  
board of  
directors;

the dividend  
policy adopted  
by Costamare  
Ventures and  
the  
vessel-owning  
entities for the  
Joint Venture  
vessels; and

the amount of  
any cash  
reserves  
established by  
our board of  
directors.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which will be affected by non-cash items. We may incur other expenses or liabilities that could reduce or eliminate the cash available for distribution as dividends.

In addition, our credit facilities and other financing agreements prohibit the payment of dividends, if an event of default has occurred and is continuing or would occur as a result of the payment of such dividends.

***The Series B Preferred Stock represent perpetual equity interests.***

The Series B Preferred Stock represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of the Series B Preferred Stock may be required to bear the financial risks of an investment in the Series B Preferred Stock for an indefinite period of time.

***The Series B Preferred Stock is a new issuance and do not have an established trading market, which may negatively affect their market value and your ability to transfer or sell your shares. In addition, the lack of a fixed redemption date for the Series B Preferred Stock will increase your reliance on the secondary market for liquidity purposes.***

The Series B Preferred Stock is a new issue of securities with no established trading market. In addition, since the securities have no stated maturity date, investors seeking liquidity will be limited to selling their shares in the secondary market absent redemption by us. We intend to apply to list the Series B Preferred Stock on the NYSE, but there can be no assurance that the NYSE will accept the Series B Preferred Stock for listing. Even if the Series B Preferred Stock is approved for listing by the NYSE, an active trading market on the NYSE for the shares may not develop or, even if it develops, may not last, in which case the trading price of the shares of Series B Preferred Stock could be adversely affected and your ability to transfer your shares will be limited. Furthermore, trading in the securities may be negatively affected by the fact that only a small number of shares of Series B Preferred Stock will be issued. If an active trading market does develop on the NYSE, our Series B Preferred Stock may trade at prices lower than the offering price. The trading price of our Series B Preferred Stock will depend on many factors, including:

prevailing  
interest  
rates;

the market  
for similar  
securities;

general  
economic  
and  
financial  
market  
conditions;

our  
subsequent  
issuance of  
debt or  
preferred  
equity  
securities;  
and

our  
financial  
condition,  
results of  
operations  
and  
prospects.

We have been advised by the underwriters that they intend to make a market in the shares of our Series B Preferred Stock pending any listing of the shares on the NYSE, but they are not obligated to do so and may discontinue market-making at any time without notice.

***The Series B Preferred Stock has not been rated, and ratings of any other of our securities may affect the trading price of the Series B Preferred Stock.***

We have not sought to obtain a rating for the Series B Preferred Stock, and the shares may never be rated. It is possible, however, that one or more rating agencies might independently determine to assign a rating to the Series B Preferred Stock or that we may elect to obtain a rating of our Series B Preferred Stock in the future. In addition, we may elect to issue other securities for which we may seek to obtain a rating. If any ratings are assigned to the Series B Preferred Stock in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, or if ratings for such other securities would imply a lower relative value for the Series B Preferred Stock, could adversely affect the market for, or the market value of, the Series B Preferred Stock. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold any particular security, including the Series B Preferred Stock. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Series

B Preferred Stock may not reflect all risks related to us and our business, or the structure or market value of the Series B Preferred Stock.

***Our Series B Preferred Stock is subordinated to our debt obligations, and your interests could be diluted by the issuance of additional shares of preferred stock, including additional Series B Preferred Stock, and by other transactions.***

Our Series B Preferred Stock is subordinated to all of our existing and future indebtedness. As of June 30, 2013, we had outstanding indebtedness of approximately \$1.7 billion. Our existing indebtedness restricts, and our future indebtedness may include restrictions on, our ability to pay dividends to preferred stockholders. Our charter currently authorizes the issuance of up to 100 million shares of preferred stock in one or more classes or series. Of this preferred stock, 90 million shares remain available for issuance after giving effect to the designation of 10 million shares as Series A Participating Preferred Stock in connection with our adoption of a stockholder rights plan. The issuance of additional preferred stock on a parity with or senior to our Series B Preferred Stock would dilute the interests of the holders of our Series B Preferred Stock, and any issuance of preferred stock senior to or on a parity with our Series B Preferred Stock or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series B Preferred Stock. No provisions relating to our Series B Preferred Stock protect the holders of our Series B Preferred Stock in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, which might adversely affect the holders of our Series B Preferred Stock.

***Market interest rates may adversely affect the value of our Series B Preferred Stock.***

One of the factors that will influence the price of our Series B Preferred Stock will be the dividend yield on the Series B Preferred Stock (as a percentage of the price of our Series B Preferred Stock) relative to market interest rates. An increase in market interest rates may lead prospective purchasers of our Series B Preferred Stock to expect a higher dividend yield, and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Accordingly, higher market interest rates could cause the market price of our Series B Preferred Stock to decrease.

***As a holder of Series B Preferred Stock you have extremely limited voting rights.***

Your voting rights as a holder of Series B Preferred Stock will be extremely limited. Our common stock is the only class of our stock carrying full voting rights. Holders of the Series B Preferred Stock generally have no voting rights. However, in the event that six quarterly dividends, whether consecutive or not, payable on Series B Preferred Stock or any other parity stock are in arrears, the holders of Series B Preferred Stock will have the right, voting together as a class with all other classes or series of parity stock upon which like voting rights have been conferred and are exercisable, to elect one additional director to serve on our board of directors, and the size of our board of directors will be increased as needed to accommodate such change (unless the size of our board of directors has already been increased by reason of the election of a director by holders of parity stock upon which like voting rights have been conferred and with which the Series B Preferred Stock voted as a class for the election of such director). The right of such holders of Series B Preferred Stock to elect a member of our board of directors will continue until such time as all accumulated and unpaid dividends on the Series B Preferred Stock have been paid in full. Certain other limited protective voting rights are described in this prospectus under [Description of Series B Preferred Stock](#) [Voting Rights](#).

***Our ability to pay dividends on and to redeem our Series B Preferred Stock is limited by the requirements of Marshall Islands law.***

Marshall Islands law provides that we may pay dividends on and redeem the Series B Preferred Stock only to the extent that assets are legally available for such purposes. Legally available assets





generally are limited to our surplus, which essentially represents our retained earnings and the excess of consideration received by us for the sale of shares above the par value of the shares. In addition, under Marshall Islands law we may not pay dividends on or redeem Series B Preferred Stock if we are insolvent or would be rendered insolvent by the payment of such a dividend or the making of such redemption.

***Our operations and results may be adversely affected by the Framework Agreement.***

The Framework Agreement is expected to be the exclusive joint venture of the Company for the acquisition of new vessels during the two-year investment period (although we may acquire vessels outside the joint venture where York rejects a vessel acquisition opportunity). Where York decides to participate in a new vessel acquisition, the Company will hold a minority equity interest in such vessel. The operation of the Framework Agreement may increase certain administrative burdens, delay decision making and complicate the operation of the vessels acquired under the Framework Agreement. In addition, our managers may face conflicts of interest in the course of managing both the Company's wholly-owned vessels and the Joint Venture vessels, the outcome of which may favor the Joint Venture vessels.

***The amount of your liquidation preference is fixed and you will have no right to receive any greater payment regardless of the circumstances.***

The payment due upon a liquidation is fixed at the redemption preference of \$25.00 per share plus accumulated and unpaid dividends to the date of liquidation. If, in the case of our liquidation, there are remaining assets to be distributed after payment of this amount, you will have no right to receive or to participate in these amounts. Furthermore, if the market price for your Series B Preferred Stock is greater than the liquidation preference, you will have no right to receive the market price from us upon our liquidation.

***The Series B Preferred Stock is redeemable at our option.***

We may, at our option, redeem all or, from time to time, part of the Series B Preferred Stock on or after August 6, 2018. If we redeem your Series B Preferred Stock, you will be entitled to receive a redemption price equal to \$25.00 per share plus accumulated and unpaid dividends to the date of redemption. It is likely that we would choose to exercise our optional redemption right only when prevailing interest rates have declined, which would adversely affect your ability to reinvest your proceeds from the redemption in a comparable investment with an equal or greater yield to the yield on the Series B Preferred Stock had the shares of the Series B Preferred Stock not been redeemed. We may elect to exercise our partial redemption right on multiple occasions.

**Tax Risks**

In addition to the following risk factors, you should read [Material U.S. Federal Income Tax Considerations](#) and [Non-U.S. Tax Considerations](#) for a more complete discussion of the expected material U.S. Federal and non-U.S. income tax considerations relating to us and the ownership and disposition of our Series B Preferred Stock.

***We may have to pay tax on U.S.-source income, which would reduce our earnings.***

Under the U.S. Internal Revenue Code of 1986, as amended (the [Code](#)), the U.S.-source gross transportation income of a ship-owning or chartering corporation, such as ourselves, is subject to a 4% U.S. Federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the Treasury Regulations promulgated thereunder. U.S.-source gross transportation income consists of 50% of the gross shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States.



We believe that we have qualified for a statutory exemption from such tax and we currently intend to continue to qualify for a statutory exemption from such tax for the foreseeable future. However, no assurance can be given that this will be the case. If we or our subsidiaries are not entitled to this exemption under Section 883 for any taxable year, we or our subsidiaries would be subject for those years to a 4% U.S. Federal income tax on our U.S.-source gross transportation income. The imposition of this taxation could have a negative effect on our business and would result in decreased earnings available for distribution to our stockholders. Some of our time charters contain provisions pursuant to which charterers undertake to reimburse us for the 4% gross basis tax on our U.S.-source gross transportation income. For a more detailed discussion, see *Material U.S. Federal Income Tax Considerations Taxation of Our Shipping Income*.

***If we were treated as a passive foreign investment company, certain adverse U.S. Federal income tax consequences could result to U.S. stockholders.***

A foreign corporation will be treated as a passive foreign investment company, ( PFIC ) for U.S. Federal income tax purposes if at least 75% of its gross income for any taxable year consists of certain types of passive income, or at least 50% of the average value of the corporation's assets produce or are held for the production of those types of passive income. For purposes of these tests, passive income includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute passive income. U.S. stockholders of a PFIC are subject to a disadvantageous U.S. Federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC. If we are treated as a PFIC for any taxable year, we will provide information to U.S. stockholders who request such information to enable them to make certain elections to alleviate certain of the adverse U.S. Federal income tax consequences that would arise as a result of holding an interest in a PFIC.

Based on our proposed method of operation, we do not believe that we will be a PFIC with respect to any taxable year. In this regard, we intend to treat the gross income we derive or are deemed to derive from our time chartering activities as services income, rather than rental income. Accordingly, we believe that our income from our time chartering activities does not constitute passive income, and the assets that we own and operate in connection with the production of that income do not constitute passive assets. Our counsel, Cravath, Swaine & Moore LLP, is of the opinion that we should not be a PFIC based on certain assumptions made by them as well as certain representations we made to them regarding the composition of our assets, the source of our income, the composition of our shareholder base, and the nature of our operations.

There is, however, no legal authority under the PFIC rules addressing our proposed method of operation. Accordingly, no assurance can be given that the U.S. Internal Revenue Service (the IRS), or a court of law will accept our position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, no assurance can be given that we would not constitute a PFIC for any future taxable year if there were to be changes in the nature and extent of our operations.

If the IRS were to find that we are or have been a PFIC for any taxable year, U.S. stockholders would face adverse tax consequences. Under the PFIC rules, unless those stockholders make certain elections available under the Code, such stockholders would be liable to pay U.S. Federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common stock, as if the excess distribution or gain had been recognized ratably over the stockholder's holding period. See *Material U.S. Federal Income Tax Considerations Taxation of U.S. Holders PFIC Status* for a more detailed discussion of the U.S. Federal income tax consequences to U.S. stockholders if we are treated as a PFIC.

***The enactment of proposed legislation could affect whether dividends paid by us constitute qualified dividend income eligible for the preferential rates.***

Legislation has been proposed in the U.S. Senate that would deny the preferential rates of U.S. Federal income tax currently imposed on qualified dividend income with respect to dividends received from a non-U.S. corporation, unless the non-U.S. corporation either is eligible for benefits of a comprehensive income tax treaty with the United States or is created or organized under the laws of a foreign country which has a comprehensive income tax system. Because the Marshall Islands has not entered into a comprehensive income tax treaty with the United States and imposes only limited taxes on corporations organized under its laws, it is unlikely that we could satisfy either of these requirements. Consequently, if this legislation were enacted in its current form the preferential rates of U.S. Federal income tax discussed in Material U.S. Federal Income Tax Considerations Taxation of U.S. Holders Distributions on Our Series B Preferred Stock may no longer be applicable to dividends received from us. As of the date of this prospectus, it is not possible to predict with certainty whether or in what form the proposed legislation will be enacted.

**FORWARD-LOOKING STATEMENTS**

All statements in this prospectus (and in the documents and statements incorporated by referenced herein) that are not statements of historical fact are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. The disclosure and analysis set forth in this prospectus includes assumptions, expectations, projections, intentions and beliefs about future events in a number of places, particularly in relation to our operations, cash flows, financial position, plans, strategies, business prospects, changes and trends in our business and the markets in which we operate. These statements are intended as forward-looking statements. In some cases, predictive, future-tense or forward-looking words such as believe, intend, anticipate, estimate, project, forecast, potential, may, should, could and expect and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. In addition, we and our representatives may from time to time make other oral or written statements which are forward-looking statements, including in our periodic reports that we file with the SEC, other information sent to our security holders, and other written materials.

Forward-looking statements include, but are not limited to, such matters as:

general market  
conditions and  
shipping  
industry trends,  
including  
charter rates,  
vessel values  
and factors  
affecting  
supply and  
demand;

our continued  
ability to enter  
into time  
charters with  
our customers,  
including the  
re-chartering of  
vessels upon

the expiry of  
existing  
charters, or to  
secure  
profitable  
employment  
for our vessels  
in the spot  
market;

our contracted  
revenue;

future  
operating or  
financial  
results and  
future revenues  
and expenses;

our financial  
condition and  
liquidity,  
including our  
ability to make  
required  
payments  
under our  
credit facilities,  
comply with  
our loan  
covenants and  
obtain  
additional  
financing in  
the future to  
fund capital  
expenditures,  
acquisitions  
and other  
corporate  
activities, as  
well as our  
ability to  
refinance  
indebtedness;

the overall  
health and  
condition of  
the U.S. and

global financial  
markets,  
including the  
value of the  
U.S. dollar  
relative to  
other  
currencies;

the financial  
stability of our  
counterparties,  
both to our  
time charters  
and our credit  
facilities, and  
the ability of  
such  
counterparties  
to perform  
their  
obligations;

future, pending  
or recent  
acquisitions of  
vessels or other  
assets, business  
strategy, areas  
of possible  
expansion and  
expected  
capital  
spending or  
operating  
expenses;

our  
expectations  
relating to  
dividend  
payments and  
our ability to  
make such  
payments;

our expectations about availability of existing vessels to acquire or newbuilds to purchase, the time that it may take to construct and deliver new vessels, including our newbuild vessels currently on order, or the useful lives of our vessels;

availability of key employees and crew, length and number of off-hire days, drydocking requirements and fuel and insurance costs;

our anticipated general and administrative expenses;

our ability to leverage to our advantage our managers relationships and reputation within the container shipping industry;



expected compliance with financing agreements and the expected effect of restrictive covenants in such agreements;

environmental and regulatory conditions, including changes in laws and regulations or actions taken by regulatory authorities;

risks inherent in vessel operation, including terrorism, piracy and discharge of pollutants;

potential liability from future litigation; and

other factors discussed in Risk Factors in this prospectus (and in the Risk Factors described in our Annual Report on Form 20-F).

Many of these statements are based on our assumptions about factors that are beyond our ability to control or predict and are subject to risks and uncertainties that are described more fully in the Risk Factors section of this prospectus (and in the Risk Factors described in our Annual Report on Form 20-F). Any of these factors or a combination of these factors could materially affect future results of operations and the ultimate accuracy of the forward-looking

statements. Factors that might cause future results to differ include, but are not limited to, the following:

changes in law, governmental rules and regulations, or actions taken by regulatory authorities;

changes in economic and competitive conditions affecting our business;

potential liability from future litigation;

length and number of off-hire periods and dependence on affiliated managers; and

other factors discussed in Risk Factors in this prospectus (and in the Risk Factors described in our Annual Report on Form 20-F).

We caution that the forward-looking statements included in this prospectus (and in the documents and statements incorporated by reference herein) represent our estimates and assumptions only as of the date of this prospectus (and in the documents and statements incorporated by reference herein) and are not intended to give any assurance as to future results. Assumptions, expectations, projections, intentions and beliefs about future events may, and often do, vary from actual results and these differences can be material. The reasons for this include the risks, uncertainties and factors described under Risk Factors (and in the Risk Factors described in our Annual Report on Form 20-F). As a result, the forward-looking events discussed in this prospectus might not occur and our actual results may differ materially from those anticipated in the forward-looking statements. Accordingly, you should not unduly rely on any

forward-looking statements.

We undertake no obligation to update or revise any forward-looking statements contained in this prospectus, whether as a result of new information, future events, a change in our views or expectations or otherwise. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

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**USE OF PROCEEDS**

We estimate that the net proceeds from this offering, after deducting underwriting discounts and estimated expenses payable by us, will be approximately \$47.995 million (assuming the underwriters' option to purchase additional shares is not exercised). We plan to use the net proceeds of this offering for general corporate purposes, including vessel acquisitions or investments under the Framework Agreement or otherwise.

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**RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table sets forth our ratio of earnings to fixed charges and preferred stock dividends for the periods presented.

	Year Ended December 31,					Six Months
	2008	2009	2010	2011	2012	Ended June 30, 2013
Ratio of earnings to fixed charges and preferred stock dividends <sup>(1)</sup>	2.54	2.41	2.18	2.16	2.00	2.39

(1) For purposes of calculating the ratios of earnings to fixed charges and preferred stock dividends:

earnings consist of pre-tax income from continuing operations prepared under U.S. GAAP (which includes non-cash unrealized gains and losses on derivative financial instruments) plus fixed charges, net of capitalized

interest and  
capitalized  
amortization  
of deferred  
financing  
fees;

fixed charges  
represent  
interest  
incurred  
(whether  
expensed or  
capitalized)  
and  
amortization  
of deferred  
financing  
costs  
(whether  
expensed or  
capitalized)  
and accretion  
of discount;  
and

preferred  
stock  
dividends  
refers to the  
amount of  
pre-tax  
earnings that  
is required to  
pay the cash  
dividends on  
outstanding  
preferred  
stock and is  
computed as  
the amount  
of (a) the  
dividend  
divided by  
(b) the result  
of 1 minus  
the effective  
income tax  
rate  
applicable to  
continuing

operations.  
We did not  
have any  
preferred  
stock  
outstanding  
as of July 26,  
2013 or  
during any of  
the periods  
covered by  
the above  
table.

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**CAPITALIZATION**

The following table sets forth our (i) cash and cash equivalents, (ii) restricted cash and (iii) consolidated capitalization as of June 30, 2013 on an:

actual basis;

as adjusted  
basis, giving  
effect to (i)  
dividends  
totaling  
\$20.2 million  
payable on  
August 7,  
2013 to  
common  
stock holders  
of record on  
July 24,  
2013, (ii)  
scheduled  
debt  
repayments  
totaling  
\$6.78 million  
since June  
30, 2013,  
(iii) the  
scheduled  
draw-down  
of \$53.48  
million  
under one of  
our credit  
facilities to  
finance part  
of the  
delivery  
installment  
of one  
newbuild  
vessel which  
we expect to  
pay no later  
than August  
6, 2013 and  
(iv) our  
scheduled  
installment



payment for the delivery of one newbuild vessel of \$66.85 million which we expect to pay no later than August 6, 2013; and

as further adjusted basis, giving effect to the issuance and sale of the Series B Preferred Stock offered hereby (assuming the underwriters option to purchase additional shares is not exercised) at the public offering price of \$25.00 per share.

Other than these adjustments, there has been no material change in our capitalization from debt or equity issuances, re-capitalizations or special dividends between June 30, 2013 and the date of this prospectus.

This table should be read in conjunction with our consolidated financial statements and the notes thereto incorporated by reference in this prospectus.

	<b>As of June 30, 2013</b>		
	<b>Actual</b>	<b>As Adjusted</b>	<b>As Further Adjusted</b>
	<b>(in thousands of U.S. dollars)</b>		
<b>Cash and cash equivalents</b>	\$ 112,402	\$ 72,056	\$ 120,051

<b>Restricted cash</b>	\$ 52,671	\$ 52,671	\$ 52,671
<b>Debt:</b>			
Total long-term debt <sup>(1)(2)</sup>	\$ 1,739,619	\$ 1,786,319	\$ 1,786,319
<b>Stockholders equity:</b>			
Common stock, par value \$0.0001 per share; 1,000,000,000 shares authorized on an actual, as adjusted and as further adjusted basis; 74,800,000 shares issued and outstanding on an actual, as adjusted and as further adjusted basis	8	8	8
Series B Preferred Stock, par value \$0.0001 per share; no shares authorized, issued or outstanding on an actual and as adjusted basis; 2,300,000 shares authorized and 2,000,000 shares issued and outstanding on an as further adjusted basis			
Additional paid-in capital	714,100	714,100	762,095
Accumulated deficit	(25,915 )	(46,111 )	(46,111 )
Accumulated other comprehensive loss	(97,335 )	(97,335 )	(97,335 )
<b>Total stockholders equity</b>	<b>\$ 590,858</b>	<b>\$ 570,662</b>	<b>\$ 618,657</b>
<b>Total capitalization</b>	<b>\$ 2,330,477</b>	<b>\$ 2,356,981</b>	<b>\$ 2,404,976</b>

(1) As of June 30, 2013, we had approximately \$274.5 million of undrawn capacity under committed credit facilities for newbuilds on order.

(2) All of our existing indebtedness is secured.

## DESCRIPTION OF CAPITAL STOCK

The following is a description of certain material terms of our Articles of Incorporation and bylaws. For additional information, we refer you to our Articles of Incorporation, which are incorporated by reference into this prospectus.

Under our Articles of Incorporation, our authorized capital stock consists of 1,000,000,000 shares of common stock, par value \$0.0001 per share, of which, as of July 24, 2013, 74,800,000 shares were issued and outstanding, and 100,000,000 shares of preferred stock, par value \$0.0001 per share, issuable in series of which, as of July 24, 2013, no shares were issued and outstanding, but 10,000,000 shares have been designated Series A Participating Preferred Stock in connection with our adoption of a stockholder rights plan.

### Preferred Stock

Our Articles of Incorporation authorize our board of directors to establish one or more series of preferred stock and to determine, with respect to any series of preferred stock, the terms and rights of that series, including, among other things:

the designation  
of the series;

the number of  
shares in the  
series, which  
our board of  
directors may,  
except where  
otherwise  
provided in the  
preferred shares  
designation,  
increase or  
decrease, but  
not below the  
number of  
shares then  
outstanding;

whether  
dividends, if  
any, will be  
cumulative or  
non-cumulative  
and the  
dividend rate of  
the series;

the dates at  
which  
dividends, if  
any, will be

payable;

the redemption rights and price or prices, if any, for shares of the series;

the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;

the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of our company;

whether the shares of the series will be convertible into shares of any other class or series, or any other security, of our company or any other corporation, and, if so, the specification of the other class or series or other security, the conversion price or prices or rate or rates, any rate adjustments, the

date or dates as of which the shares will be convertible and all other terms and conditions upon which the conversion may be made;

restrictions on the issuance of shares of the same series or of any other class or series; and

the voting rights, if any, of the holders of the series.

***Series B Preferred Stock***

The Series B Preferred Stock offered hereby is a new series of shares. See Description of Series B Preferred Stock for a description of the terms of these shares.

**Common Stock**

A description of our common stock can be found in our registration statement on Form 8-A (File No. 001-34934), filed with the SEC on October 27, 2010 which incorporates by reference the description of our common stock contained in our Registration Statement on Form F-1 (File No. 333- 170033), as amended, filed with the SEC on October 20, 2010, and any amendments or reports filed updating that description.

## DESCRIPTION OF SERIES B PREFERRED STOCK

*The following description of the Series B Preferred Stock does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of our Articles of Incorporation, including the Statement of Designation designating the Series B Preferred Stock (the Statement of Designation), and setting forth the rights, preferences and limitations of the Series B Preferred Stock. We will file the Statement of Designation with the Registrar of Corporations of the Republic of The Marshall Islands. A copy of the Statement of Designation may be obtained from us as described under Where You Can Find Additional Information.*

### General

The Series B Preferred Stock offered hereby is a new series of preferred shares. Upon completion of this offering, there will be 2,300,000 shares of Series B Preferred Stock authorized, and 2,000,000 issued and outstanding (or 2,300,000 shares of Series B Preferred Stock issued and outstanding if the underwriters exercise their option to purchase additional shares in full). We may, without notice to or consent of the holders of the then-outstanding shares of Series B Preferred Stock, authorize and issue additional Series B Preferred Stock as well as Parity Stock and Junior Stock (each as defined under Summary The Offering Ranking) and, subject to the further limitations described under Voting Rights, Senior Stock (as defined under Summary The Offering Ranking).

The holders of our common stock are entitled to receive, to the extent permitted by law, such dividends as may from time to time be declared by our board of directors. Upon any liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, the holders of our common stock are entitled to receive distributions of our assets, after we have satisfied or made provision for our debts and other obligations and for payment to the holders of shares of any class or series of capital stock (including the Series B Preferred Stock) having preferential rights to receive distributions of our assets. See Description of Capital Stock.

The Series B Preferred Stock will entitle the holders thereof to receive cumulative cash dividends when, as and if declared by our board of directors out of legally available funds for such purpose. When issued and paid for in the manner described in this prospectus supplement, the Series B Preferred Stock offered hereby will be fully paid and nonassessable. Each share of Series B Preferred Stock will have a fixed liquidation preference of \$25.00 per share plus an amount equal to accumulated and unpaid dividends thereon to the date fixed for payment, whether or not declared. See Liquidation Rights.

The Series B Preferred Stock will represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As such, the Series B Preferred Stock will rank junior to all of our indebtedness and other liabilities with respect to assets available to satisfy claims against us.

All shares of Series B Preferred Stock offered hereby will be represented by a single certificate issued to the Securities Depository (as defined below) and registered in the name of its nominee and, so long as a Securities Depository has been appointed and is serving, no person acquiring Series B Preferred Stock will be entitled to receive a certificate representing such shares unless applicable law otherwise requires or the Securities Depository resigns or is no longer eligible to act as such and a successor is not appointed. See Book-Entry System.

The Series B Preferred Stock will not be convertible into common stock or other of our securities and will not have exchange rights or be entitled or subject to any preemptive or similar rights. The Series B Preferred Stock will not be subject to mandatory redemption or to any sinking fund requirements. The Series B Preferred Stock will be subject to redemption, in whole or from time to time in part, at our option commencing on August 6, 2018. See Redemption.

We have appointed American Stock Transfer & Trust Company, LLC as the paying agent (the Paying Agent), and the registrar and transfer agent (the Registrar and Transfer Agent), for the Series B Preferred Stock. The address of the Paying Agent is 6201 15th Avenue, Brooklyn, New York 11219.



## Ranking

The Series B Preferred Stock will, with respect to dividend distributions and distributions upon the liquidation, winding-up and dissolution of our affairs, rank:

senior  
to the  
Junior  
Stock;

on a  
parity  
with  
the  
Parity  
Stock;  
and

junior  
to the  
Senior  
Stock.

## Liquidation Rights

The holders of outstanding shares of Series B Preferred Stock will be entitled, in the event of any liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, to receive the liquidation preference of \$25.00 per share in cash plus an amount equal to accumulated and unpaid dividends thereon to the date fixed for payment of such amount (whether or not declared), and no more, before any distribution will be made to the holders of our common stock or any other Junior Stock. A consolidation or merger of us with or into any other entity, individually or in a series of transactions, will not be deemed a liquidation, dissolution or winding up of our affairs for this purpose. In the event that our assets available for distribution to holders of the outstanding Series B Preferred Stock and any Parity Stock are insufficient to permit payment of all required amounts, our assets then remaining will be distributed among the Series B Preferred Stock and any Parity Stock, as applicable, ratably on the basis of their relative aggregate liquidation preferences. After payment of all required amounts to the holders of the outstanding shares of Series B Preferred Stock and Parity Stock, our remaining assets and funds will be distributed among the holders of the common stock and any other Junior Stock then outstanding according to their respective rights.

## Voting Rights

The Series B Preferred Stock will have no voting rights except as set forth below or as otherwise provided by Marshall Islands law. In the event that six quarterly dividends, whether consecutive or not, payable on the Series B Preferred Stock are in arrears, the holders of the Series B Preferred Stock will have the right, voting as a class together with holders of any other Parity Stock upon which like voting rights have been conferred and are exercisable, at the next meeting of stockholders called for the election of directors, to elect one member of our board of directors, and the size of our board of directors will be increased as needed to accommodate such change (unless the size of our board of directors already has been increased by reason of the election of a director by holders of Parity Stock upon which like voting rights have been conferred and with which the Series B Preferred Stock voted as a class for the election of such director). The right of such holders of Series B Preferred Stock to elect a member of our board of directors will continue until such time as all dividends accumulated and in arrears on the Series B Preferred Stock have been paid in full, at which time such right will terminate, subject to re-vesting in the event of each and every subsequent failure to



pay six quarterly dividends as described above. Upon any termination of the right of the holders of the Series B Preferred Stock and any other Parity Stock to vote as a class for directors, the term of office of all directors then in office elected by such holders voting as a class will terminate immediately. Any director elected by the holders of the Series B Preferred Stock and any other Parity Stock shall each be entitled to one vote on any matter before our board of directors.

Unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding Series B Preferred Stock, voting as a single class, we may not adopt any amendment to our Articles of Incorporation that adversely alters the preferences, powers or rights of the Series B Preferred Stock.

Under the Statement of Designation, we may issue additional common stock and other Junior Stock from time to time in one or more series without the consent of the holders of the Series B Preferred Stock. Our board of directors has the authority to determine the preferences, powers, qualifications, limitations, restrictions and special or relative rights or privileges, if any, of any such

series before the issuance of any shares of that series. Our board of directors will also determine the number of shares constituting each series of securities. Our ability to issue additional Parity Stock or Senior Stock is limited as described under Voting Rights.

In addition, unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of Series B Preferred Stock, voting as a class together with holders of any other Parity Stock upon which like voting rights have been conferred and are exercisable, we may not:

issue any  
Parity Stock  
if the  
cumulative  
dividends  
payable on  
outstanding  
Series B  
Preferred  
Stock are in  
arrears; or

create or  
issue any  
Senior  
Stock.

On any matter described above in which the holders of the Series B Preferred Stock are entitled to vote as a class, such holders will be entitled to one vote per share. The Series B Preferred Stock held by us or any of our subsidiaries or affiliates will not be entitled to vote.

No vote or consent of holders of Series B Preferred Stock shall be required for (i) the creation or incurrence of any indebtedness, (ii) the authorization or issuance of any common stock or other Junior Stock or (iii) except as provided above, the authorization or issuance of any preferred stock of any series of the Company.

## **Dividends**

### ***General***

Holders of Series B Preferred Stock will be entitled to receive, when, as and if declared by our board of directors out of legally available funds for such purpose, cumulative cash dividends from August 6, 2013.

### ***Dividend Rate***

Dividends on Series B Preferred Stock will be cumulative, commencing on August 6, 2013, and payable on each Dividend Payment Date, commencing October 15, 2013, when, as and if declared by our board of directors or any authorized committee thereof out of legally available funds for such purpose. Dividends on the Series B Preferred Stock will accrue at a rate of 7.625% per annum per \$25.00 stated liquidation preference per share of Series B Preferred Stock. The dividend rate is not subject to adjustment.

### ***Dividend Payment Dates***

The Dividend Payment Dates for the Series B Preferred Stock will be each January 15, April 15, July 15 and October 15, commencing October 15, 2013. Dividends will accumulate in each dividend period from and including the preceding Dividend Payment Date or the initial issue date, as the case may be, to but excluding the applicable Dividend Payment Date for such dividend period. If any Dividend Payment Date otherwise would fall on a day that is not a Business Day, declared dividends will be paid on the immediately succeeding Business Day without the accumulation of additional dividends. Dividends on the Series B Preferred Stock will be payable based on a 360-day year consisting of twelve 30-day months.

Business Day means a day on which The New York Stock Exchange is open for trading and which is not a Saturday, a Sunday or other day on which banks in New York City are authorized or required by law to close.

***Payment of Dividends***

Not later than the close of business, New York City time, on each Dividend Payment Date, we will pay those dividends, if any, on the Series B Preferred Stock that have been declared by our board of directors to the holders of such shares as such holders' names appear on our stock transfer books maintained by the Registrar and Transfer Agent on the applicable Record Date. The

applicable record date (the Record Date), will be the Business Day immediately preceding the applicable Dividend Payment Date, except that in the case of payments of dividends in arrears, the Record Date with respect to a Dividend Payment Date will be such date as may be designated by our board of directors in accordance with our bylaws then in effect and the Statement of Designation.

So long as the Series B Preferred Stock is held of record by the Securities Depository or its nominee, declared dividends will be paid to the Securities Depository in same-day funds on each Dividend Payment Date. The Securities Depository will credit accounts of its participants in accordance with the Securities Depository's normal procedures. The participants will be responsible for holding or disbursing such payments to beneficial owners of the Series B Preferred Stock in accordance with the instructions of such beneficial owners.

No dividend may be declared or paid or set apart for payment on any Junior Stock (other than a dividend payable solely in shares of Junior Stock) unless full cumulative dividends have been or contemporaneously are being paid or provided for on all outstanding shares of Series B Preferred Stock and any Parity Stock through the most recent respective Dividend Payment Date. Accumulated dividends in arrears for any past dividend period may be declared by our board of directors and paid on any date fixed by our board of directors, whether or not a Dividend Payment Date, to holders of the Series B Preferred Stock on the record date for such payment, which may not be more than 60 days, nor less than 5 days, before such payment date. Subject to the next succeeding sentence, if all accumulated dividends in arrears on all outstanding Series B Shares and any Parity Stock have not been declared and paid, or sufficient funds for the payment thereof have not been set apart, payment of accumulated dividends in arrears will be made in order of their respective Dividend Payment Dates, commencing with the earliest. If less than all dividends payable with respect to all Series B Preferred Stock and any Parity Stock are paid, any partial payment will be made pro rata with respect to the Series B Preferred Stock and any Parity Stock entitled to a dividend payment at such time in proportion to the aggregate amounts remaining due in respect of such shares at such time. Holders of the Series B Preferred Stock will not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends. No interest or sum of money in lieu of interest will be payable in respect of any dividend payment which may be in arrears on the Series B Preferred Stock.

## **Redemption**

### ***Optional Redemption***

Commencing on August 6, 2018, we may redeem, at our option, in whole or from time to time in part, the Series B Preferred Stock at a redemption price in cash equal to \$25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. Any such optional redemption shall be effected out of any funds available for such purpose.

### ***Redemption Procedures***

We will give notice of any redemption by mail, postage prepaid, not less than 30 days and not more than 60 days before the scheduled date of redemption, to the holders of any shares to be redeemed as such holders' names appear on our stock transfer books maintained by the Registrar and Transfer Agent at the address of such holders shown therein. Such notice shall state: (1) the redemption date, (2) the number of Series B Preferred Stock to be redeemed and, if less than all outstanding shares of Series B Preferred Stock are to be redeemed, the number (and the identification) of shares to be redeemed from such holder, (3) the redemption price, (4) the place where the Series B Preferred Stock is to be redeemed and shall be presented and surrendered for payment of the redemption price therefor and (5) that dividends on the shares to be redeemed will cease to accumulate from and after such redemption date.

If fewer than all of the outstanding shares of Series B Preferred Stock are to be redeemed, the number of shares to be redeemed will be determined by us, and such shares will be redeemed pro



rata or by lot as the Securities Depository shall determine, with adjustments to avoid redemption of fractional shares. So long as all shares of Series B Preferred Stock are held of record by the Securities Depository or its nominee, we will give notice, or cause notice to be given, to the Securities Depository of the number of shares of Series B Preferred Stock to be redeemed, and the Securities Depository will determine the number of shares of Series B Preferred Stock to be redeemed from the account of each of its participants holding such shares in its participant account. Thereafter, each participant will select the number of shares to be redeemed from each beneficial owner for whom it acts (including the participant, to the extent it holds Series B Preferred Stock for its own account). A participant may determine to redeem Series B Preferred Stock from some beneficial owners (including the participant itself) without redeeming Series B Preferred Stock from the accounts of other beneficial owners.

So long as the Series B Preferred Stock is held of record by the Securities Depository or its nominee, the redemption price will be paid by the Paying Agent to the Securities Depository on the redemption date. The Securities Depository's normal procedures provide for it to distribute the amount of the redemption price in same-day funds to its participants who, in turn, are expected to distribute such funds to the persons for whom they are acting as agent.

If we give or cause to be given a notice of redemption, then we will deposit with the Paying Agent funds sufficient to redeem the Series B Preferred Stock as to which notice has been given by the close of business, New York City time, no later than the Business Day immediately preceding the date fixed for redemption, and will give the Paying Agent irrevocable instructions and authority to pay the redemption price to the holder or holders thereof upon surrender or deemed surrender (which will occur automatically if the certificate representing such shares is issued in the name of the Securities Depository or its nominee) of the certificates therefor. If notice of redemption shall have been given, then from and after the date fixed for redemption, unless we default in providing funds sufficient for such redemption at the time and place specified for payment pursuant to the notice, all dividends on such shares will cease to accumulate and all rights of holders of such shares as our stockholders will cease, except the right to receive the redemption price, including an amount equal to accumulated and unpaid dividends through the date fixed for redemption, whether or not declared. We will be entitled to receive from the Paying Agent the interest income, if any, earned on such funds deposited with the Paying Agent (to the extent that such interest income is not required to pay the redemption price of the shares to be redeemed), and the holders of any shares so redeemed will have no claim to any such interest income. Any funds deposited with the Paying Agent hereunder by us for any reason, including, but not limited to, redemption of Series B Preferred Stock, that remain unclaimed or unpaid after two years after the applicable redemption date or other payment date, shall be, to the extent permitted by law, repaid to us upon our written request, after which repayment the holders of the Series B Preferred Stock entitled to such redemption or other payment shall have recourse only to us.

If only a portion of the Series B Preferred Stock represented by a certificate has been called for redemption, upon surrender of the certificate to the Paying Agent (which will occur automatically if the certificate representing such shares is registered in the name of the Securities Depository or its nominee), the Paying Agent will issue to the holder of such shares a new certificate (or adjust the applicable book-entry account) representing the number of shares of Series B Preferred Stock represented by the surrendered certificate that have not been called for redemption.

Notwithstanding any notice of redemption, there will be no redemption of any Series B Preferred Stock called for redemption until funds sufficient to pay the full redemption price of such shares, including all accumulated and unpaid dividends to the date of redemption, whether or not declared, have been deposited by us with the Paying Agent.

We and our affiliates may from time to time purchase the Series B Preferred Stock, subject to compliance with all applicable securities and other laws. Neither we nor any of our affiliates has any obligation, or any present plan or intention, to purchase any Series B Preferred Stock. Any shares repurchased and cancelled by us will revert to the status of authorized but unissued preferred shares, undesignated as to series.

Notwithstanding the foregoing, in the event that full cumulative dividends on the Series B Preferred Stock and any Parity Stock have not been paid or declared and set apart for payment, we may not repurchase, redeem or otherwise acquire, in whole or in part, any Series B Preferred Stock or Parity Stock except pursuant to a purchase or exchange offer made on the same terms to all holders of Series B Preferred Stock and any Parity Stock. Common stock and any other Junior Stock may not be redeemed, repurchased or otherwise acquired unless full cumulative dividends on the Series B Preferred Stock and any Parity Stock for all prior and the then-ending dividend periods have been paid or declared and set apart for payment.

### **No Sinking Fund**

The Series B Preferred Stock will not have the benefit of any sinking fund.

### **Book-Entry System**

All Series B Preferred Stock offered hereby will be represented by a single certificate issued to The Depository Trust Company (and its successors or assigns or any other securities depository selected by us), or the Securities Depository, and registered in the name of its nominee (initially, Cede & Co.). The Series B Preferred Stock offered hereby will continue to be represented by a single certificate registered in the name of the Securities Depository or its nominee, and no holder of the Series B Preferred Stock offered hereby will be entitled to receive a certificate evidencing such shares unless otherwise required by law or the Securities Depository gives notice of its intention to resign or is no longer eligible to act as such and we have not selected a substitute Securities Depository within 60 calendar days thereafter. Payments and communications made by us to holders of the Series B Preferred Stock will be duly made by making payments to, and communicating with, the Securities Depository. Accordingly, unless certificates are available to holders of the Series B Preferred Stock, each purchaser of Series B Preferred Stock must rely on (1) the procedures of the Securities Depository and its participants to receive dividends, distributions, any redemption price, liquidation preference and notices, and to direct the exercise of any voting or nominating rights, with respect to such Series B Preferred Stock and (2) the records of the Securities Depository and its participants to evidence its ownership of such Series B Preferred Stock.

So long as the Securities Depository (or its nominee) is the sole holder of the Series B Preferred Stock, no beneficial holder of the Series B Preferred Stock will be deemed to be a stockholder of us. The Depository Trust Company, the initial Securities Depository, is a New York-chartered limited purpose trust company that performs services for its participants, some of whom (and/or their representatives) own The Depository Trust Company. The Securities Depository maintains lists of its participants and will maintain the positions (*i.e.*, ownership interests) held by its participants in the Series B Preferred Stock, whether as a holder of the Series B Preferred Stock for its own account or as a nominee for another holder of the Series B Preferred Stock.

Investors in the Series B Preferred Stock who are not direct participants in The Depository Trust Company may hold their interests therein indirectly through organizations (including Euroclear System ( Euroclear ) and Clearstream Banking, N.A. ( Clearstream )) which are direct participants. Euroclear and Clearstream will hold interests in the Series B Preferred Stock on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in the Series B Preferred Stock, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of The Depository Trust Company or any successor Securities Depository. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems.

Cross-market transfers between direct participants in The Depository Trust Company, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through The Depository Trust Company in accordance with The Depository Trust Company's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositories; however, such cross-market transactions will require delivery of instructions to Euroclear or

Clearstream, as the

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case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the Series B Preferred Stock in The Depository Trust Company, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to The Depository Trust Company. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in the single certificate representing the Series B Preferred Stock from a direct participant in The Depository Trust Company will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of The Depository Trust Company. The Depository Trust Company has advised the issuer that cash received in Euroclear or Clearstream as a result of sales of interests in the single certificate representing the Series B Preferred Stock by or through a Euroclear or Clearstream participant to a direct participant in The Depository Trust Company will be received with value on the settlement date of The Depository Trust Company but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following The Depository Trust Company's settlement date.

## MARSHALL ISLANDS COMPANY CONSIDERATIONS

Our corporate affairs are governed by our Articles of Incorporation and bylaws and by the Business Corporations Act (the BCA ). The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. While the BCA also provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as United States courts. Accordingly, you may have more difficulty in protecting your interests in the face of actions by our management, directors or controlling stockholders than would stockholders of a corporation incorporated in a United States jurisdiction that has developed a substantial body of case law. The following table provides a comparison between the statutory provisions of the BCA and the Delaware General Corporation Law relating to certain stockholders' rights.

### STOCKHOLDER MEETINGS

#### MARSHALL ISLANDS

Held at a time and place as designated in the bylaws

May be held within or outside the Marshall Islands

Notice:

Whenever stockholders are required to take action at a meeting, written notice shall state the place, date and hour of the meeting and indicate that it is being issued by or at the direction of the person calling the meeting

A copy of the notice of any meeting shall be given personally or sent by mail not less than 15 nor more than 60 days before the meeting

#### DELAWARE

May be held at such time or place as designated in the certificate of incorporation or the bylaws, or if not so designated, as determined by the board of directors

May be held within or outside Delaware

Notice:

Whenever stockholders are required to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any

Written notice shall be given not less than 10 nor more than 60 days before the meeting

### STOCKHOLDERS' VOTING RIGHTS

#### MARSHALL ISLANDS

Any action required to be taken by meeting of stockholders may be taken without meeting if consent is in writing and is signed by all the stockholders entitled to vote

Any person authorized to vote may authorize another person to act for him by proxy

Unless otherwise provided in the articles of incorporation, a majority of shares entitled to vote constitutes a quorum. In no event shall a quorum consist of fewer than one-third of the shares entitled to vote at a meeting

The articles of incorporation may provide for cumulative voting

#### DELAWARE

Stockholders may act by written consent signed by the holders of outstanding shares having the number of votes necessary to take action at a meeting

Any person authorized to vote may authorize another person or persons to act for him by proxy

For stock corporations, certificate of incorporation or bylaws may specify the number to constitute a quorum but in no event shall a quorum consist of less than one-third of shares entitled to vote at a meeting. In the absence of such specifications, a majority of shares entitled to vote shall constitute a quorum

The certificate of incorporation may provide for cumulative voting

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## DIRECTORS

### MARSHALL ISLANDS

Board must consist of at least one member

Number of members can be changed by an amendment to the bylaws, by the stockholders, or by action of the board

If the board is authorized to change the number of directors, it can only do so by an absolute majority (majority of the entire board)

Removal:

Any or all of the directors may be removed for cause by vote of the stockholders

If the articles of incorporation or the bylaws so provide, any or all of the directors may be removed without cause by vote of the stockholders

### DELAWARE

Board must consist of at least one member

Number of board members shall be fixed by the bylaws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number shall be made only by amendment of the certificate

Removal:

Any or all of the directors may be removed, with or without cause, by the

holders of a majority of the shares entitled to vote except: (1) unless the certificate of incorporation otherwise provides, in the case of a corporation whose board is classified, stockholders may effect such removal only for cause, or (2) if the corporation has cumulative voting, if less than the entire board is to be removed, no director may be removed without cause if the votes cast against such director's removal would be sufficient to elect such director if then cumulatively voted at an election of the entire board of directors, or, if there be classes of directors, at an election of the class of directors of which such director is a part.

## DISSENTERS RIGHTS OF APPRAISAL

### MARSHALL ISLANDS

Stockholders have a right to dissent from a merger or sale of all or substantially all assets not made in the usual course of business, and receive payment of the fair value of their share

A holder of any adversely affected shares who does not vote on or consent in writing to an amendment to the articles of incorporation has the right to dissent and to receive payment for such shares if the amendment:

### DELAWARE

Appraisal rights shall be available for the shares of any class or series of stock of a corporation in a merger or consolidation, subject to exceptions

The certificate of incorporation may provide

that appraisal rights are available for shares as a result of an amendment to the certificate of incorporation, any merger or consolidation or the sale of all or substantially all of the assets

Alters or abolishes any preferential right of any outstanding shares having preference;  
Creates, alters, or abolishes any provision or right in respect to the redemption of any outstanding shares;  
Alters or abolishes any preemptive right of such holder to acquire shares or other securities; or

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Excludes or limits the right of such holder to vote on any matter, except as such right may be limited by the voting rights given to new shares then being authorized of any existing or new class.

**STOCKHOLDERS DERIVATIVE ACTIONS**

**MARSHALL ISLANDS**

An action may be brought in the right of a corporation to procure a judgment in its favor, by a holder of shares or of voting trust certificates or of a beneficial interest in such shares or certificates. It shall be made to appear that the plaintiff is such a holder at the time of bringing the action and that he was such a holder at the time of the transaction of which he complains, or that his shares or his interest therein devolved upon him by operation of law

Complaint shall set forth with particularity the efforts of the plaintiff to secure the initiation of such action by the board or the reasons for not making such effort

Such action shall not be discontinued, compromised or settled, without the approval of the High Court of the Republic of the Marshall Islands

Attorney's fees may be awarded if the action is successful

Corporation may require a plaintiff bringing a derivative suit to give security for reasonable expenses if the plaintiff owns less than 5% of any class of stock and the shares have a value of less than \$50,000

**DELAWARE**

In any derivative suit instituted by a stockholder or a corporation, it shall be averred in the complaint that the plaintiff was a stockholder of the corporation at the time of the transaction of which he complains or that such stockholder's stock thereafter devolved upon such stockholder by operation of law

## MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion of U.S. Federal income tax matters is based on the Code, judicial decisions, administrative pronouncements, and existing and proposed regulations issued by the U.S. Department of the Treasury, all of which are subject to change, possibly with retroactive effect. This discussion does not address any U.S. state or local tax matters. You are encouraged to consult your own tax advisor regarding the particular U.S. federal, state and local and foreign income and other tax consequences of acquiring, owning and disposing of our Series B Preferred Stock that may be applicable to you.

### Taxation of Our Shipping Income

Subject to the discussion of effectively connected income below, unless exempt from U.S. Federal income tax under the rules contained in Section 883 of the Code and the Treasury Regulations promulgated thereunder, a non-U.S. corporation is, under the rules of Section 887 of the Code, subject to a 4% U.S. Federal income tax in respect of its U.S.-source gross transportation income (without the allowance for deductions).

For this purpose, U.S.-source gross transportation income includes 50% of the shipping income that is attributable to transportation that begins or ends (but that does not both begin and end) in the United States. Shipping income attributable to transportation exclusively between non-U.S. ports is generally not subject to any U.S. Federal income tax.

Shipping income means income that is derived from:

- (a) the use of vessels;
- (b) the hiring or leasing of vessels for use on a time, operating or bareboat charter basis;
- (c) the participation in a pool, partnership, strategic alliance, joint operating agreement or other joint venture it directly or indirectly owns or participates

in that  
generates  
such income;  
or

- (d) the  
performance  
of services  
directly  
related to  
those uses.

Under Section 883 of the Code and the Treasury Regulations promulgated thereunder, a non-U.S. corporation will be exempt from U.S. Federal income tax on its U.S.-source gross transportation income if:

- (a) it is organized  
in a foreign  
country (or  
the country of  
organization )  
that grants an  
equivalent  
exemption to  
U.S.  
corporations;  
and

- (b) either

- (i) more than  
50% of the  
value of its  
stock is  
owned,  
directly or  
indirectly, by  
individuals  
who are  
residents of  
our country  
of  
organization  
or of another  
foreign  
country that  
grants an  
equivalent  
exemption to  
U.S.  
corporations;  
or



- (ii) its stock is primarily and regularly traded on an established securities market in its country of organization, in another country that grants an equivalent exemption to U.S. corporations, or in the United States.

We believe that we have qualified and currently intend to continue to qualify for this statutory tax exemption for the foreseeable future. However, no assurance can be given that this will be the case in the future. If we or our subsidiaries are not entitled to this exemption under Section 883 for any taxable year, we or our subsidiaries would be subject for those years to a 4% U.S. Federal income tax on our U.S.-source gross transportation income, subject to the discussion of effectively connected income below. Since we expect that no more than 50% of our gross shipping income would be treated as U.S.-source gross transportation income, we expect that the effective rate of U.S. Federal income tax on our gross transportation income would not exceed 2%. Many of our time charters contain provisions pursuant to which charterers undertake to reimburse us for the 4% gross basis tax on our U.S.- source gross transportation income.

To the extent exemption under Section 883 is unavailable, our U.S.-source gross transportation income that is considered to be effectively connected with the conduct of a U.S. trade or business would be subject to the U.S. corporate income tax currently imposed at rates of up to 35% (net of

applicable deductions). In addition, we may be subject to the 30% U.S. branch profits tax on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of our U.S. trade or business.

Our U.S.-source gross transportation income would be considered effectively connected with the conduct of a U.S. trade or business only if:

- (a) we had, or were considered to have, a fixed place of business in the United States involved in the earning of U.S.-source gross transportation income; and
- (b) substantially all of our U.S.-source gross transportation income was attributable to regularly scheduled transportation, such as the operation of a vessel that followed a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

We believe that we will not meet these conditions because we will not have, or permit circumstances that would result in us having, such a fixed place of business in the United States or any vessel sailing to or from the United States on a regularly scheduled basis.

In addition, income attributable to transportation that both begins and ends in the United States is not subject to the tax rules described above. Such income is subject to either a 30% gross-basis tax or to U.S. corporate income tax on net income at rates of up to 35% (and the branch profits tax discussed above). Although there can be no assurance, we do not expect to engage in transportation that produces shipping income of this type.

### **Taxation of Gain on Our Sale of Assets**

Regardless of whether we qualify for the exemption under Section 883 of the Code, we will not be subject to U.S. Federal income taxation with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States (as determined under U.S. tax principles). In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel (and risk of loss with respect to the vessel) passes to the buyer outside of the United States. We expect that any sale of a vessel will be so structured that it will be considered to occur outside of the United States.

### **Taxation of U.S. Holders**

You are a U.S. holder if you are a beneficial owner of our Series B Preferred Stock and you are a U.S. citizen or resident, a U.S. corporation (or other U.S. entity taxable as a corporation), an estate the income of which is subject to U.S. Federal income taxation regardless of its source, or a trust if a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of that trust.

If a partnership holds our Series B Preferred Stock, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our Series B Preferred Stock, you should consult your tax advisor.

### *Distributions on Our Series B Preferred Stock*

Subject to the discussion of passive foreign investment companies below, any distributions with respect to our Series B Preferred Stock that you receive from us will generally constitute dividends, which may be taxable as ordinary income or qualified dividend income as described below, to the extent of our current or accumulated earnings and profits (as determined under U.S. tax principles). Distributions in excess of our earnings and profits will be treated first as a nontaxable return of capital to the extent of your tax basis in our Series B Preferred Stock (on a dollar-for-dollar basis) and thereafter as capital gain.

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Because we are not a U.S. corporation, if you are a U.S. corporation (or a U.S. entity taxable as a corporation), you will not be entitled to claim a dividends-received deduction with respect to any distributions you receive from us.

Dividends paid with respect to our Series B Preferred Stock will generally be treated as passive category income for purposes of computing allowable foreign tax credits for U.S. foreign tax credit purposes.

If you are an individual, trust or estate, dividends you receive from us should be treated as qualified dividend income, provided that:

- (a) the Series B Preferred Stock is readily tradable on an established securities market in the United States (such as the New York Stock Exchange);
- (b) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (see the discussion below under PFIC Status );
- (c) you own our Series B Preferred Stock for more than 60 days in the 121-day period beginning 60 days before the date on

which the  
Series B  
Preferred  
Stock  
becomes  
ex-dividend;

(d) you are not  
under an  
obligation to  
make related  
payments  
with respect  
to positions  
in  
substantially  
similar or  
related  
property; and

(e) certain other  
conditions  
are met.

Qualified dividend income is taxed at a preferential maximum rate of 15% or 20%, depending on the income level of the taxpayer.

Special rules may apply to any extraordinary dividend. Generally, an extraordinary dividend is a dividend with respect to a share of our Series B Preferred Stock in an amount that is equal to (or in excess of) 5% of your adjusted tax basis (or fair market value in certain circumstances) in such Series B Preferred Stock. If we pay an extraordinary dividend on our Series B Preferred Stock that is treated as qualified dividend income and if you are an individual, estate or trust, then any loss derived by you from a subsequent sale or exchange of such Series B Preferred Stock will be treated as long-term capital loss to the extent of such dividend.

There is no assurance that dividends you receive from us will be eligible for the preferential rates applicable to qualified dividend income. Dividends you receive from us that are not eligible for the preferential rates will be taxed at the ordinary income rates.

In addition, even if we are not a PFIC, under proposed legislation, dividends of a corporation incorporated in a country without a comprehensive income tax system paid to U.S. holders who are individuals, estates or trusts would not be eligible for the preferential tax rates. Although the term comprehensive income tax system is not defined in the proposed legislation, we believe this rule would apply to us because we are incorporated in the Marshall Islands. As of the date hereof, it is not possible to predict with certainty whether or in what form this proposed legislation will be enacted.

#### *Sale, Exchange or Other Disposition of Series B Preferred Stock*

Provided that we are not a PFIC for any taxable year, you generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our Series B Preferred Stock in an amount equal to the difference between the amount realized by you from such sale, exchange or other disposition and your tax basis in such stock. Such gain or loss will be treated as long-term capital gain or loss if your holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as U.S.-source income or loss,

as applicable, for U.S. foreign tax credit purposes. Your ability to deduct capital losses against ordinary income is subject to limitations.

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*Unearned Income Medicare Contribution Tax*

Each U.S. holder who is an individual, estate or trust will generally be subject to a 3.8% Medicare tax on the lesser of (i) such U.S. holder's net investment income for the relevant taxable year, and (ii) the excess of such U.S. holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). For this purpose, net investment income generally includes dividends on and capital gains from the sale, exchange or other disposition of our Series B Preferred Stock, subject to certain exceptions. You are encouraged to consult your own tax advisor regarding the applicability of the Medicare tax to your income and gains from your ownership of our Series B Preferred Stock.

*PFIC Status*

Special U.S. Federal income tax rules apply to you if you hold stock in a non-U.S. corporation that is classified as a passive foreign investment company for U.S. Federal income tax purposes. In general, we will be treated as a PFIC in any taxable year in which, after applying certain look-through rules, either:

- (a) at least 75% of our gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or
- (b) at least 50% of the average value of our assets during such taxable year consists of passive assets (i.e., assets that produce, or are held for the production of, passive income).

For purposes of determining whether we are a PFIC, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our subsidiary corporations in which we own at least 25% of the value of the subsidiary's stock. Income we earned, or are deemed to earn, in connection with the performance of services will not constitute passive income. By contrast, rental income will generally constitute passive income (unless we are treated under certain special rules as deriving our rental income in the active conduct of a trade or business).

There are legal uncertainties involved in determining whether the income derived from time chartering activities constitutes rental income or income derived from the performance of services. In *Tidewater Inc. v. United States*, 565 F.2d 299 (5th Cir. 2009), the Fifth Circuit held that income derived from certain time chartering activities should be treated as rental income rather than services income for purposes of a foreign sales corporation provision of the Code. In a recent published guidance, however, the IRS states that it disagrees with the holding in *Tidewater*, and specifies that time charters should be treated as service contracts. Since we have chartered all our vessels to unrelated charterers on the basis of time charters and since we expect to continue to do so, we believe that we are not now and have never been a PFIC. Our counsel, Cravath, Swaine & Moore LLP, has provided us with an opinion that we should not be a PFIC based on certain representations we made to them, including the representation that Costamare Shipping, which manages the Company's vessels, is not related to any charterer of the vessels, and of certain assumptions made by them, including the assumption that time charters of the Company will be arranged in a manner substantially similar to the terms of its existing time charters. However, we have not sought, and we do not expect to seek, an IRS ruling on this matter. As a result, the IRS or a court could disagree with our position. No assurance can be given that this result will not occur. In addition, although we intend to conduct our affairs in a manner to avoid, to the extent possible, being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future, or that we can avoid PFIC status in the future.

As discussed below, if we were to be treated as a PFIC for any taxable year, you generally would be subject to one of three different U.S. Federal income tax regimes, depending on whether or not you make certain elections. Additionally, as a result of new legislation, for each year during which you own our Series B Preferred Stock and we are a PFIC, you are required to file IRS Form 8621 with your U.S. Federal income tax return to report your ownership of our Series B Preferred Stock. Although a revised version of Form 8621 to provide for the reporting of such ownership is



not yet available, after the form is available it will be required to be filed for all preceding years during which the form was required to be filed but was not yet available.

*Taxation of U.S. Holders That Make a Timely QEF Election*

If we were a PFIC and if you make a timely election to treat us as a Qualifying Electing Fund for U.S. tax purposes (a QEF Election), you would be required to report each year your pro rata share of our ordinary earnings and our net capital gain for our taxable year that ends with or within your taxable year, regardless of whether we make any distributions to you. Such income inclusions would not be eligible for the preferential tax rates applicable to qualified dividend income. Your adjusted tax basis in our Series B Preferred Stock would be increased to reflect such taxed but undistributed earnings and profits. Distributions of earnings and profits that had previously been taxed would result in a corresponding reduction in your adjusted tax basis in our Series B Preferred Stock and would not be taxed again once distributed. You would generally recognize capital gain or loss on the sale, exchange or other disposition of our Series B Preferred Stock. Even if you make a QEF Election for one of our taxable years, if we were a PFIC for a prior taxable year during which you held our Series B Preferred Stock and for which you did not make a timely QEF Election, you would also be subject to the more adverse rules described below under Taxation of U.S. Holders That Make No Election. Additionally, to the extent any of our subsidiaries is a PFIC, your election to treat us as a Qualifying Electing Fund would not be effective with respect to your deemed ownership of the stock of such subsidiary and a separate QEF Election with respect to such subsidiary is required.

You would make a QEF Election by completing and filing IRS Form 8621 with your U.S. Federal income tax return for the year for which the election is made in accordance with the relevant instructions. If we were to become aware that we were to be treated as a PFIC for any taxable year, we would notify all U.S. holders of such treatment and would provide all necessary information to any U.S. holder who requests such information in order to make the QEF Election described above with respect to us and the relevant subsidiaries.

*Taxation of U.S. Holders That Make a Timely Mark-to-Market Election*

Alternatively, if we were to be treated as a PFIC for any taxable year and, as we believe, our Series B Preferred Stock is treated as marketable stock, you would be allowed to make a mark-to-market election with respect to our Series B Preferred Stock, provided you complete and file IRS Form 8621 with your U.S. Federal income tax return for the year for which the election is made in accordance with the relevant instructions. If that election is made, you generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of our Series B Preferred Stock at the end of the taxable year over your adjusted tax basis in our Series B Preferred Stock. You also would be permitted an ordinary loss in respect of the excess, if any, of your adjusted tax basis in our Series B Preferred Stock over the fair market value of such shares at the end of the taxable year (but only to the extent of the net amount previously included in income as a result of the mark-to-market election). Your tax basis in our Series B Preferred Stock would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of our Series B Preferred Stock would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the Series B Preferred Stock would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by you. However, to the extent any of our subsidiaries is a PFIC, your mark-to-market election with respect to our Series B Preferred Stock would not apply to your deemed ownership of the stock of such subsidiary.

*Taxation of U.S. Holders That Make No Election*

Finally, if we were treated as a PFIC for any taxable year and if you did not make either a QEF Election or a mark-to-market election for that year, you would be subject to special rules with respect to (a) any excess distribution (that is, the portion of any distributions received by you on our Series B Preferred Stock in a taxable year in excess of 125% of the average annual



distributions received by you in the three preceding taxable years, or, if shorter, your holding period for our Series B Preferred Stock) and (b) any gain realized on the sale, exchange or other disposition of our Series B Preferred Stock. Under these special rules:

- (i) the excess distribution or gain would be allocated ratably over your aggregate holding period for our Series B Preferred Stock;
- (ii) the amount allocated to the current taxable year would be taxed as ordinary income; and
- (iii) the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be

imposed  
with respect  
to the  
resulting  
tax  
attributable  
to each such  
other  
taxable  
year.

If you died while owning our Series B Preferred Stock, your successor generally would not receive a step-up in tax basis with respect to such shares for U.S. tax purposes.

### **Taxation of Non-U.S. Holders**

You are a non-U.S. holder if you are a beneficial owner of our Series B Preferred Stock (other than a partnership for U.S. tax purposes) and you are not a U.S. holder.

#### *Distributions on Our Series B Preferred Stock*

You generally will not be subject to U.S. Federal income or withholding taxes on a distribution received from us with respect to our Series B Preferred Stock, unless the income arising from such distribution is effectively connected with your conduct of a trade or business in the United States. If you are entitled to the benefits of an applicable income tax treaty with respect to that income, such income generally is taxable in the United States only if it is attributable to a permanent establishment maintained by you in the United States.

#### *Sale, Exchange or Other Disposition of Our Series B Preferred Stock*

You generally will not be subject to U.S. Federal income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of our Series B Preferred Stock, unless:

- (a) the gain is effectively connected with your conduct of a trade or business in the United States; if you are entitled to the benefits of an applicable income tax treaty with respect to that gain, that gain generally is taxable in the United States

only if it is  
attributable to  
a permanent  
establishment  
maintained by  
you in the  
United States;  
or

- (b) you are an  
individual  
who is present  
in the United  
States for 183  
days or more  
during the  
taxable year  
of disposition  
and certain  
other  
conditions are  
met.

Gain that is effectively connected with the conduct of a trade or business in the United States (or so treated) generally will be subject to U.S. Federal income tax, net of certain deductions, at regular U.S. Federal income tax rates. If you are a corporate non-U.S. holder, your earnings and profits that are attributable to the effectively connected income (subject to certain adjustments) may be subject to an additional U.S. branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable tax treaty).

***United States Backup Withholding and Information Reporting***

In general, if you are a non-corporate U.S. holder, dividend payments (or other taxable distributions) made within the United States will be subject to information reporting requirements and backup withholding tax if you:

- (1) fail to provide  
us with an  
accurate  
taxpayer  
identification  
number;
- (2) are notified by  
the IRS that  
you have failed  
to report all  
interest or  
dividends  
required to be  
shown on your  
Federal income  
tax returns; or

- (3) in certain circumstances, fail to comply with applicable certification requirements.

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If you are a non-U.S. holder, you may be required to establish your exemption from information reporting and backup withholding by certifying your status on IRS Form W-8BEN, W-8ECI or W-8IMY, as applicable.

If you sell our Series B Preferred Stock to or through a U.S. office or broker, the payment of the sales proceeds is subject to both U.S. backup withholding and information reporting unless you certify that you are a non-U.S. person, under penalties of perjury, or you otherwise establish an exemption. If you sell our Series B Preferred Stock through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to you outside the United States, then information reporting and backup withholding generally will not apply to that payment.

However, U.S. information reporting requirements (but not backup withholding) will apply to a payment of sales proceeds, even if that payment is made outside the United States, if you sell our Series B Preferred Stock through a non-U.S. office of a broker that is a U.S. person or has certain other connections with the United States.

Backup withholding tax is not an additional tax. Rather, you generally may obtain a refund of any amounts withheld under backup withholding rules that exceed your income tax liability by accurately completing and timely filing a refund claim with the IRS.

Under recently adopted legislation, U.S. individuals who hold certain specified foreign assets with values in excess of certain dollar thresholds are required to report such assets on IRS Form 8938 with their U.S. Federal income tax return, subject to certain exceptions (including an exception for foreign assets held in accounts maintained by U.S. financial institutions). Stock in a foreign corporation, including our Series B Preferred Stock, is a specified foreign asset for this purpose. Penalties apply for failure to properly complete and file Form 8938. You are encouraged to consult with your tax advisor regarding the filing of this form.

## NON-U.S. TAX CONSIDERATIONS

### Marshall Islands Tax Considerations

We are a non-resident domestic Marshall Islands corporation. Because we do not, and we do not expect that we will, conduct business or operations in the Marshall Islands, under current Marshall Islands law we are not subject to tax on income or capital gains and our stockholders (so long as they are not citizens or residents of the Marshall Islands) will not be subject to Marshall Islands taxation or withholding on dividends and other distributions (including upon a return of capital) we make to our stockholders. In addition, so long as our stockholders are not citizens or residents of the Marshall Islands, our stockholders will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, holding or disposition of our Series B Preferred Stock, and our stockholders will not be required by the Republic of the Marshall Islands to file a tax return relating to our Series B Preferred Stock.

Each stockholder is urged to consult their tax counselor or other advisor with regard to the legal and tax consequences, under the laws of pertinent jurisdictions, including the Marshall Islands, of their investment in our Series B Preferred Stock. Further, it is the responsibility of each stockholder to file all state, local and non-U.S., as well as U.S. Federal, tax returns that may be required of them.

### Liberian Tax Considerations

The Republic of Liberia enacted a new income tax act effective as of January 1, 2001 (the New Act ). In contrast to the income tax law previously in effect since 1977, the New Act does not distinguish between the taxation of non-resident Liberian corporations, such as our Liberian subsidiaries, which conduct no business in Liberia and were wholly exempt from taxation under the prior law, and resident Liberian corporations, which conduct business in Liberia and are (and were under the prior law) subject to taxation.

The New Act was amended by the Consolidated Tax Amendments Act of 2011, which was published and became effective on November 1, 2011 (the Amended Act ). The Amended Act specifically exempts from taxation non-resident Liberian corporations such as our Liberian subsidiaries that engage in international shipping (and are not engaged in shipping exclusively within Liberia) and that do not engage in other business or activities in Liberia other than those specifically enumerated in the Amended Act. In addition, the Amended Act made such exemption from taxation retroactive to the effective date of the New Act.

If, however, our Liberian subsidiaries were subject to Liberian income tax under the Amended Act, they would be subject to tax at a rate of 35% on their worldwide income. As a result, their, and subsequently our, net income and cash flow would be materially reduced. In addition, as the ultimate stockholder of the Liberian subsidiaries, we would be subject to Liberian withholding tax on dividends paid by our Liberian subsidiaries at rates ranging from 15% to 20%.



**OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION**

We estimate the expenses in connection with the issuance and distribution of our Series B Preferred Stock, other than underwriting discounts and commissions, as follows:

SEC Registration Fee	\$	5,730
Printing Expenses		50,000
Legal Fees and Expenses		301,600
Accountants Fees and Expenses		27,000
The New York Stock Exchange Listing Fee		31,400
Transfer Agent Fees and Expenses		5,000
Miscellaneous Costs		9,270
Total	\$	430,000

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**UNDERWRITING**

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus supplement, the underwriters named below have severally agreed to purchase, and we have agreed to sell to them, the number of shares of our Series B Preferred Stock indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	750,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.	750,000
Credit Suisse Securities (USA) LLC	500,000
 Total	 2,000,000

The underwriters are collectively referred to as the underwriters. The underwriters are offering the shares of Series B Preferred Stock subject to their acceptance of the shares from us. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of our Series B Preferred Stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of our Series B Preferred Stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' option to purchase additional shares described below.

The underwriters initially propose to offer part of the shares of our Series B Preferred Stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. After the initial offering of the shares of our Series B Preferred Stock, the offering price and other selling terms may from time to time be varied by the underwriters.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 300,000 additional shares of our Series B Preferred Stock solely to cover over-allotments, if any, at the public offering price listed on the cover page of this prospectus, less underwriting discounts. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of our Series B Preferred Stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of our Series B Preferred Stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional 300,000 shares of our Series B Preferred Stock.

	Per Share	Total	
		No Exercise	Full Exercise
Public offering price	\$ 25.00	\$ 50,000,000	\$ 57,500,000
Underwriting discounts paid by us	\$ 0.7875	\$ 1,575,000	\$ 1,811,250
Proceeds, before expenses, to us	\$ 24.2125	\$ 48,425,000	\$ 55,688,750

The estimated offering expenses payable by us, exclusive of the underwriting discounts, are approximately \$430,000. We have agreed to reimburse the underwriters for certain legal expenses relating solely to state Blue Sky qualifications and FINRA filings in connection with the offering in an amount not to exceed \$10,000, which reimbursement is deemed underwriting compensation by FINRA.

We have agreed not to sell or transfer any shares of our Series B Preferred Stock or any securities substantially similar to our Series B Preferred Stock or securities convertible into, exchangeable for, exercisable for or repayable with Series B Preferred Stock or issue any securities substantially similar to our Series B Preferred Stock, for 60 days after the date of this prospectus supplement without first obtaining the written consent of Morgan Stanley & Co. LLC, Merrill

Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC. Specifically, we have agreed, with certain limited exceptions, not to directly or indirectly:

offer, pledge,  
sell or  
contract to  
sell any shares  
of Series B  
Preferred  
Stock or  
substantially  
similar  
security;

sell any  
option or  
contract to  
purchase any  
shares of  
Series B  
Preferred  
Stock or  
substantially  
similar  
security;

purchase any  
option or  
contract to  
sell any shares  
of Series B  
Preferred  
Stock or  
substantially  
similar  
security;

grant any  
option, right  
or warrant for  
the sale of any  
shares of  
Series B  
Preferred  
Stock or  
substantially  
similar  
security;

lend or otherwise dispose of or transfer any shares of Series B Preferred Stock or substantially similar security;

file a registration statement related to the Series B Preferred Stock or substantially similar security; or

enter into any swap or other agreement that transfers, in whole or in part, the economic consequences of ownership of any shares of Series B Preferred Stock or substantially similar security whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

These lock-up provisions apply to shares of our Series B Preferred Stock or substantially similar security and to securities convertible into or exchangeable or exercisable for or repayable with our Series B Preferred Stock or

substantially similar security.

The 60-day restricted period described in the preceding paragraphs will be extended if:

during the  
last 17  
days of the  
60-day  
restricted  
period we  
issue an  
earnings  
release or  
announce  
material  
news or a  
material  
event;

prior to  
the  
expiration  
of the  
60-day  
restricted  
period, we  
announce  
that we  
will  
release  
earnings  
results  
during the  
16-day  
period  
beginning  
on the last  
day of the  
60-day  
restricted  
period,

in which case, the restrictions described in the preceding paragraphs will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or event.

Our Series B Preferred Stock is a new issue of securities with no established trading market. We intend to apply to list the shares of Series B Preferred Stock on the NYSE under the symbol CMRE PR B . If the application is approved, trading of the shares of Series B Preferred Stock on the NYSE is expected to begin within 30 days after the date of initial delivery of the Series B Preferred Stock. The underwriters have advised us that they intend to make a market in shares of Series B Preferred Stock before commencement of trading on the NYSE. They will have no obligation to make a market in shares of Series B Preferred Stock, however, and may cease market-making activities, if

commenced, at any time. Accordingly, an active trading market on the NYSE for shares of Series B Preferred Stock may not develop or, even if one develops, may not last, in which case the liquidity and market price of the shares of Series B Preferred Stock could be adversely affected, the difference between bid and asked prices could be substantial and your ability to transfer shares of Series B Preferred Stock at the time and price desired will be limited.

In order to facilitate the offering of the shares of our Series B Preferred Stock, the underwriters may engage in transactions that affect the price of our Series B Preferred Stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under their option to purchase additional shares. The underwriters can close out a covered short sale by exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open

market price of shares compared to the price available under their option to purchase additional shares. The underwriters may also sell shares in excess of their option to purchase additional shares, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our Series B Preferred Stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of our Series B Preferred Stock in the open market that have the effect of stabilizing the price of our Series B Preferred Stock. These activities may also raise or maintain the market price of our Series B Preferred Stock above independent market levels or prevent or retard a decline in the market price of our Series B Preferred Stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The underwriters may agree to allocate a number of shares of our Series B Preferred Stock for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters for Internet distributions on the same basis as other allocations.

We expect that delivery of shares of Series B Preferred Stock will be made to investors on August 6, 2013, which will be the fifth business day following the date of pricing of the shares of Series B Preferred Stock (such settlement being referred to as T+5). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade their shares of Series B Preferred Stock on the initial pricing date of the Series B Preferred Stock or the succeeding business day will be required, by virtue of the fact that the Series B Preferred Stock initially will settle in T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement and should consult their advisors.

The underwriters and their respective affiliates are full-service financial institutions and have, from time to time, performed, and may in the future perform, various financial advisory, commercial banking and investment banking services for us, for which they received or will receive customary fees and commissions. Charlotte Stratos, who is a member of our board of directors, is a consulting Senior Advisor to the Investment Banking Division of Morgan Stanley & Co. LLC, one of the underwriters of this offering. Bank of America, N.A. and Credit Suisse AG are each lenders under two of our loan facilities. Bank of America, N.A. is an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse AG is an affiliate of Credit Suisse Securities (USA) LLC, each one of the underwriters of this offering.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the shares of Series B Preferred Stock offered hereby. Any such short positions could adversely affect future trading prices of the shares of Series B Preferred Stock offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.





## **Selling Restrictions**

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State ) an offer to the public of any shares of our Series B Preferred Stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our Series B Preferred Stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the underwriters for any such offer; or

(c)

in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our Series B Preferred Stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any shares of our Series B Preferred Stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our Series B Preferred Stock to be offered so as to enable an investor to decide to purchase any shares of our Series B Preferred Stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

***United Kingdom***

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of the shares of our Series B Preferred Stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our Series B Preferred Stock in, from or otherwise involving the United Kingdom.

***Notice to Prospective Investors in Switzerland***

The Series B Preferred Stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ( SIX ), or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Series B Preferred Stock or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, Costamare Inc. or the Series B Preferred Stock have been or will be filed with or approved by any

Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Series B Preferred Stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ( FINMA ), and the offer of Series B Preferred Stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ( CISA ). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Series B Preferred Stock.

### ***Notice to Prospective Investors in the Dubai International Financial Centre***

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ( DFSA ). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The shares to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Series B Preferred Stock offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

### ***Hong Kong***

The Series B Preferred Stock may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Series B Preferred Stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Series B Preferred Stock which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

### ***Singapore***

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Series B Preferred Stock may not be circulated or distributed, nor may the Series B Preferred Stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA ), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the Series B Preferred Stock is subscribed or purchased under Section 275 by a relevant person which is: (i) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (a) to an institutional

investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (b) where no consideration is given for the transfer; or (c) by operation of law.

*Japan*

The Series B Preferred Stock has not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and no Series B Preferred Stock will be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

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## LEGAL MATTERS

The validity of the Series B Preferred Stock and certain other legal matters with respect to the laws of the Republic of the Marshall Islands will be passed upon for us by our counsel on matters of Marshall Islands law, Cozen O Connor. Certain other legal matters with respect to United States law will be passed upon for us by Cravath, Swaine & Moore LLP, New York, New York. Cravath, Swaine & Moore LLP may rely on the opinions of Cozen O Connor for all matters of Marshall Islands law. The underwriters have been represented in connection with this offering by Morgan, Lewis & Bockius LLP, New York, New York.

## EXPERTS

The consolidated financial statements of Costamare Inc. appearing in Costamare Inc.'s Annual Report on Form 20-F for the year ended December 31, 2012, and the effectiveness of Costamare Inc.'s internal control over financial reporting as of December 31, 2012, have been audited by Ernst & Young (Hellas) Certified Auditors Accountants S.A., independent registered public accounting firm, as set forth in their reports, included therein, and incorporated herein by reference. Such consolidated financial statements have been incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing. The address of Ernst & Young (Hellas) Certified Auditors Accountants S.A. is 11th km National Road Athens-Lamia, 14451, Metamorphosi Athens, Greece.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We filed with the SEC a registration statement on Form F-3 under the Securities Act of 1933, as amended, with respect to the offer and sale of securities pursuant to this prospectus. This prospectus supplement and the accompanying prospectus, filed as a part of the registration statement, do not contain all of the information set forth in the registration statement. The registration statement includes and incorporates by reference additional information and exhibits. Statements made in this prospectus supplement or the accompanying prospectus concerning the contents of any contract, agreement or other document filed as an exhibit to the registration statement are summaries of all of the material terms of such contracts, agreements or documents, but do not repeat all of their terms. Reference is made to each such exhibit for a more complete description of the matters involved and such statements shall be deemed qualified in their entirety by such reference. The registration statement and the exhibits and schedules thereto filed with the SEC may be inspected, without charge, and copies may be obtained at prescribed rates, at the public reference facility maintained by the SEC at its principal office at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the public reference facility by calling 1-800-SEC-0330. The SEC also maintains a website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. For further information pertaining to the Series B Preferred Stock offered by this prospectus supplement and the accompanying prospectus and Costamare Inc., reference is made to the registration statement.

We are subject to the information and periodic reporting requirements of the Securities Exchange Act of 1934, as amended, and we file periodic reports and other information with the SEC. These periodic reports and other information are available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. As a foreign private issuer, we are exempt from the rules under the Securities Exchange Act of 1934, as amended, prescribing the furnishing and content of proxy statements to stockholders, but we are required to furnish certain proxy statements to stockholders under New York Stock Exchange rules. Those proxy statements are not expected to conform to Schedule 14A of the proxy rules promulgated under the Securities Exchange Act of 1934, as amended. In addition, as a foreign private issuer, we are exempt from the rules under the Securities Exchange Act of 1934, as amended, relating to short swing profit reporting and liability.

**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we file with the SEC. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus. Any information that we file later with the SEC and that is deemed incorporated by reference will automatically update and supersede the information in this prospectus. In all such cases, you should rely on the later information over different information included in this prospectus.

This prospectus incorporates by reference the following documents:

our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 1, 2013;

our Reports on Form 6-K, filed with the SEC on April 24, 2013 and April 26, 2013, Exhibit 10.1 to our Report on Form 6-K, filed with the SEC on May 29, 2013, Exhibit 99.2 to our Report on Form 6-K, filed with the SEC on July 24, 2013 and our Report on Form 6-K, filed with the SEC on July 25, 2013; and

the description of our common



stock  
contained in  
our  
registration  
statement on  
Form 8-A  
(File No.  
001-34934),  
filed with the  
SEC on  
October 27,  
2010 which  
incorporates  
by reference  
the  
description of  
our common  
stock  
contained in  
our  
Registration  
Statement on  
Form F-1  
(File No.  
333-170033),  
as amended,  
filed with the  
SEC on  
October 20,  
2010, and any  
amendments  
or reports  
filed updating  
that  
description.

We are also incorporating by reference all subsequent annual reports on Form 20-F that we file with the SEC and certain reports on Form 6-K that we furnish to the SEC after the date of this prospectus (if they state that they are incorporated by reference into this prospectus) until we file a post-effective amendment indicating that the offering of the securities made by this prospectus has been terminated. In all cases, you should rely on the later information over different information included in this prospectus or any accompanying prospectus supplement.

In accordance with Rule 402 of Regulation S-T, the XBRL related information in Exhibit 101 to our Annual Report on Form 20-F and our Reports on Form 6-K will not be deemed to be incorporated by reference into any registration statement or other document filed under the Securities Act, except as will be expressly set forth by specific reference in such filing.

We will provide, free of charge upon written or oral request, to each person to whom this prospectus is delivered, including any beneficial owner of the securities, a copy of any or all of the information that has been incorporated by reference into this prospectus, but which has not been delivered with the prospectus. Copies of these documents also may be obtained on the Investors section of our website at [www.costamare.com](http://www.costamare.com). The information contained on or linked to or from our website is not incorporated by reference into this prospectus and should not be considered part of

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this prospectus. Requests for such information should be made to us at the following address:

Costamare Inc.  
60 Zephyrou Street &  
Syngrou Avenue  
17564 Athens, Greece  
+30-210-949-0050  
Attention: Anastassios Gabrielides

You should assume that the information appearing in this prospectus and any accompanying prospectus supplement, as well as the information we previously filed with the SEC and incorporated by reference, is accurate as of the dates on the front cover of those documents only. Our business, financial condition and results of operations and prospects may have changed since those dates.

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**PROSPECTUS**

**\$300,000,000**

**Costamare Inc.**

**Common Stock  
Preferred Stock  
Debt Securities  
Warrants  
Rights  
Units**

Through this prospectus, we may offer common stock, preferred stock, debt securities, warrants, rights and units from time to time. We may also offer securities of the types listed above that are convertible or exchangeable into one or more of the securities listed above. When we decide to sell a particular class or series of securities, we will provide specific terms of the offered securities in a prospectus supplement.

The securities covered by this prospectus may be offered and sold from time to time in one or more offerings, which may be through one or more underwriters, dealers and agents, or directly to the purchasers. The names of any underwriters, dealers or agents, if any, will be included in a supplement to this prospectus.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in one or more supplements to this prospectus. A prospectus supplement may also add, update or change information contained in this prospectus.

Our common stock is traded on the New York Stock Exchange under the symbol CMRE.

Our principal executive offices are located at 60 Zephyrou Street & Syngrou Avenue, 17564 Athens, Greece. Our telephone number at such address is +30-210-949-0050.

**Investing in our securities involves risks. Before buying any securities you should carefully read the section entitled Risk Factors on page 6 of this prospectus.**

**Neither the Securities and Exchange Commission nor any state or other securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is February 14, 2012.

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## FORWARD-LOOKING STATEMENTS

The disclosure and analysis set forth in this prospectus includes assumptions, expectations, projections, intentions and beliefs about future events in a number of places, particularly in relation to our operations, cash flows, financial position, plans, strategies, business prospects, changes and trends in our business and the markets in which we operate. These statements are intended as forward-looking statements. In some cases, predictive, future-tense or forward-looking words such as believe , intend , anticipate , estimate , project , forecast , plan , potential , could and expect and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. In addition, we and our representatives may from time to time make other oral or written statements which are forward-looking statements, including in our periodic reports that we file with the Securities Exchange Commission (the SEC ), other information sent to our security holders, and other written materials.

Forward-looking statements include, but are not limited to, such matters as:

general market  
conditions and  
shipping  
industry  
trends,  
including  
charter rates,  
vessel values  
and factors  
affecting  
supply and  
demand;

our continued  
ability to enter  
into time  
charters with  
our customers;

our contracted  
revenue;

future  
operating or  
financial  
results and  
future  
revenues and  
expenses;

our financial  
condition and  
liquidity,  
including our  
ability to make

required  
payments  
under our  
credit facilities  
and obtain  
additional  
financing in  
the future to  
fund capital  
expenditures,  
acquisitions  
and other  
corporate  
activities, as  
well as our  
ability to  
refinance  
indebtedness;

future,  
pending or  
recent  
acquisitions of  
vessels or  
other assets,  
business  
strategy, areas  
of possible  
expansion and  
expected  
capital  
spending or  
operating  
expenses;

our  
expectations  
relating to  
dividend  
payments and  
our ability to  
make such  
payments;

our  
expectations  
about  
availability of  
existing  
vessels to  
acquire or

newbuilds to purchase, the time that it may take to construct and deliver new vessels or the useful lives of our vessels;

availability of crew, number of off-hire days, drydocking requirements and insurance costs;

our anticipated general and administrative expenses;

our ability to leverage to our advantage our managers relationships and reputation within the container shipping industry;

expected compliance with financing agreements and the expected effect of restrictive covenants in such agreements;

environmental and regulatory conditions, including

changes in laws and regulations or actions taken by regulatory authorities;

risks inherent in vessel operation, including discharge of pollutants;

potential liability from future litigation; and

other factors discussed in the section entitled Risk Factors .

Many of these statements are based on our assumptions about factors that are beyond our ability to control or predict and are subject to risks and uncertainties that are described more fully in the Risk Factors section of this prospectus. Any of these factors or a combination of these factors could materially affect future results of operations and the ultimate accuracy of the forward-looking statements. Factors that might cause future results to differ include, but are not limited to, the following:

changes in law, governmental rules and regulations, or actions taken by regulatory authorities;

changes in economic and competitive conditions affecting our business;

potential liability from future litigation;

length and  
number of  
off-hire  
periods and  
dependence  
on affiliated  
managers; and

other factors  
discussed in  
the Risk  
Factors  
section of this  
prospectus.



We caution that the forward-looking statements included in this prospectus represent our estimates and assumptions only as of the date of this prospectus and are not intended to give any assurance as to future results. Assumptions, expectations, projections, intentions and beliefs about future events may, and often do, vary from actual results and these differences can be material. The reasons for this include the risks, uncertainties and factors described under the section of this prospectus entitled "Risk Factors". As a result, the forward-looking events discussed in this prospectus might not occur and our actual results may differ materially from those anticipated in the forward-looking statements. Accordingly, you should not unduly rely on any forward-looking statements.

We undertake no obligation to update or revise any forward-looking statements contained in this prospectus, whether as a result of new information, future events, a change in our views or expectations or otherwise. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement. We make no prediction or statement about the performance of our common stock.

**THE COMPANY**

Costamare Inc. is an international owner of containerships, chartering our vessels to many of the world's largest liner companies. As of December 31, 2011, we had a fleet of 57 containerships aggregating approximately 327,000 TEU, including 10 newbuilds on order and one secondhand vessel to be delivered, making us one of the largest containership charter owners in the world, based on total TEU capacity.

Our strategy is to time-charter our containerships to a geographically diverse, financially strong and loyal group of leading liner companies. As of December 31, 2011, the average (weighted by TEU capacity) remaining time charter duration for our fleet of 57 containerships, including 10 newbuilds on order and one secondhand vessel to be delivered, was 5.8 years, based on the remaining fixed terms and assuming the earliest redelivery dates possible under our containerships' time charters.

The tables below provide additional information, as of December 31, 2011, about our fleet of 57 containerships. Each vessel is a cellular containership, meaning it is a dedicated container vessel.

	<b>Vessel Name</b>	<b>Charterer</b>	<b>Year Built</b>	<b>Capacity (TEU)</b>	<b>Time Charter Term<sup>(1)</sup></b>	<b>Current Daily Charter Hire (U.S. dollars)</b>	<b>Expiration of Charter<sup>(1)</sup></b>	<b>Average Daily Charter Rate Until Earliest Expiry of Charter (U.S. dollars)<sup>(2)</sup></b>
<b>1</b>	COSCO GUANGZHOU	COSCO	2006	9,469	12 years	36,400	December 2017	36,400
<b>2</b>	COSCO NINGBO	COSCO	2006	9,469	12 years	36,400	January 2018	36,400
<b>3</b>	COSCO YANTIAN	COSCO	2006	9,469	12 years	36,400	February 2018	36,400
<b>4</b>	COSCO BEIJING	COSCO	2006	9,469	12 years	36,400	April 2018	36,400
<b>5</b>	COSCO HELLAS	COSCO	2006	9,469	12 years	37,519	May 2018	37,519
<b>6</b>	HYUNDAI NAVARINO	HMM	2010	8,531	1.2 years	44,000	March 2012	44,000
<b>7</b>	MAERSK KAWASAKI <sup>(i)</sup>	A.P. Moller-Maersk	1997	7,403	10 years	37,000	December 2017	37,000
<b>8</b>	MAERSK KURE <sup>(i)</sup>	A.P. Moller-Maersk	1996	7,403	10 years	37,000	December 2017	37,000
<b>9</b>	MAERSK KOKURA <sup>(i)</sup>	A.P. Moller-Maersk	1997	7,403	10 years	37,000	February 2018	37,000
<b>10</b>	MSC METHONI	MSC	2003	6,724	10 years	29,000	September 2021	29,000
<b>11</b>	SEALAND NEW YORK	A.P. Moller-Maersk	2000	6,648	11 years	30,375 <sup>(3)</sup>	March 2018	27,725

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12	MAERSK KOBE	A.P. Moller-Maersk	2000	6,648	11 years	38,179 <sup>(4)</sup>	May 2018	30,863
13	SEALAND WASHINGTON	A.P. Moller-Maersk	2000	6,648	11 years	30,375 <sup>(5)</sup>	June 2018	27,846
14	SEALAND MICHIGAN	A.P. Moller-Maersk	2000	6,648	11 years	25,375 <sup>(6)</sup>	August 2018	25,794
15	SEALAND ILLINOIS	A.P. Moller-Maersk	2000	6,648	11 years	30,375 <sup>(7)</sup>	October 2018	27,950
16	MAERSK KOLKATA	A.P. Moller-Maersk	2003	6,644	11 years	38,490 <sup>(8)</sup>	November 2019	32,452
17	MAERSK KINGSTON	A.P. Moller-Maersk	2003	6,644	11 years	38,461 <sup>(9)</sup>	February 2020	32,652
18	MAERSK KALAMATA	A.P. Moller-Maersk	2003	6,644	11 years	38,418 <sup>(10)</sup>	April 2020	32,713
19	MSC ROMANOS	MSC	2003	5,050	5.3 years	28,000	November 2016	28,000
20	ZIM NEW YORK	ZIM	2002	4,992	10 years	16,205 <sup>(11)</sup>	July 2012	52,352
21	ZIM SHANGHAI	ZIM	2002	4,992	10 years	16,205 <sup>(12)</sup>	August 2012	46,439
22	ZIM PIRAEUS <sup>(ii)</sup>	ZIM	2004	4,992	10 years	18,150 <sup>(13)</sup>	March 2014	26,607
23	OAKLAND EXPRESS	Hapag Lloyd	2000	4,890	8 years	30,500	September 2016	30,500
24	HALIFAX EXPRESS	Hapag Lloyd	2000	4,890	8 years	30,500	October 2016	30,500
25	SINGAPORE EXPRESS	Hapag Lloyd	2000	4,890	8 years	30,500	July 2016	30,500
26	MSC MANDRAKI	MSC	1988	4,828	7.8 years	20,000	August 2017	20,000
27	MSC MYKONOS	MSC	1988	4,828	8.2 years	20,000	September 2017	20,000
28	MSC ULSAN <sup>(iii)</sup>	MSC	2002	4,132	5.3 years	16,500	March 2017	16,500
29	MSC ANTWERP	MSC	1993	3,883	4.3 years	17,500	August 2013	17,500
30	MSC WASHINGTON	MSC	1984	3,876	3.2 years	17,250	February 2013	17,250
31	MSC KYOTO	MSC	1981	3,876	3.1 years	17,250	June 2013	17,250
32	MSC AUSTRIA	MSC	1984	3,584	9.5 years	17,250 <sup>(14)</sup>	September 2018	13,971
33	KARMEN	Sea Consortium	1991	3,351	1 year	19,400	April 2012	19,400
34	MARINA	PO Hainan	1992	3,351	1 year	18,000	March 2012	18,000
35	KONSTANTINA	Sea Consortium	1992	3,351	0.7 years	17,400	February 2012	17,400

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36	AKRITAS	Hapag Lloyd	1987	3,152	4 years	12,500	August 2014	12,500
37	GIFTED <sup>(iv)</sup>	Evergreen	1984	2,922	5 years	15,200	November 2012	15,200
38	GENIUS I <sup>(iv)</sup>	Evergreen	1984	2,922	3.3 years	15,200	November 2012	15,200
39	GATHER <sup>(iv)</sup>	Evergreen	1984	2,922	5 years	15,200	November 2012	15,200
40	MSC CHALLENGER	MSC	1986	2,633	4.8 years	10,000	July 2015	10,000
41	MSC REUNION	MSC	1992	2,024	6 years	12,000 <sup>(15)</sup>	June 2014	11,615
42	MSC NAMIBIA II	MSC	1991	2,023	6.8 years	11,500	July 2014	11,500
43	MSC SIERRA II	MSC	1991	2,023	5.7 years	11,250 <sup>(16)</sup>	June 2014	11,448
44	MSC PYLOS	MSC	1991	2,020	3 years	9,200 <sup>(17)</sup>	January 2014	11,321
45	PROSPER	TS Lines	1996	1,504	1 year	10,500	March 2012	10,500
46	ZAGORA	MSC	1995	1,162	0.7 years	7,000	March 2012	7,000
47	HORIZON	OACL	1991	1,068	7.1 years	10,050	April 2012	10,050

**Newbuilds**

	<b>Vessel Name</b>	<b>Shipyard</b>	<b>Charterer</b>	<b>Expected Delivery</b>	<b>Approximate Capacity (TEU)</b>
1	Hull S4010	Sungdong Shipbuilding	MSC	4th Quarter 2012	9,000
2	Hull S4011	Sungdong Shipbuilding	MSC	4th Quarter 2012	9,000
3	Hull S4020	Sungdong Shipbuilding	Evergreen	1st Quarter 2013	8,800
4	Hull S4021	Sungdong Shipbuilding	Evergreen	1st Quarter 2013	8,800
5	Hull S4022	Sungdong Shipbuilding	Evergreen	2nd Quarter 2013	8,800
6	Hull S4023	Sungdong Shipbuilding	Evergreen	2nd Quarter 2013	8,800
7	Hull S4024	Sungdong Shipbuilding	Evergreen	3rd Quarter 2013	8,800
8	H1068A	Jiangnan Changxing	MSC	November 2013	9,000
9	H1069A	Jiangnan Changxing	MSC	December 2013	9,000
10	H1070A	Jiangnan Changxing	MSC	January 2014	9,000

(1) Charter terms and expiration dates are based on the earliest date charters could expire.

(2) This average rate is calculated based on contracted charter rates for the days remaining between December 31, 2011 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 May 8, 2014 to \$26,100 per day until the earliest redelivery date.
- (4) This charter rate changes on June 30, 2014 to \$26,100 per day until the earliest redelivery date.
- (5) This charter rate changes on August 24, 2014 to \$26,100 per day until the earliest redelivery date.
- (6) This charter rate changes on October 20, 2014 to \$26,100 per day until the earliest redelivery date.
- (7) This charter rate changes on December 4, 2014 to \$26,100 per day until the earliest redelivery date.

date.

- (8) This charter rate changes on January 13, 2016 to \$26,100 per day until the earliest redelivery date.
- (9) This charter rate changes on April 28, 2016 to \$26,100 per day until the earliest redelivery date.
- (10) This charter rate changes on June 11, 2016 to \$26,100 per day until the earliest redelivery date.
- (11) This charter rate changes on July 1, 2012 to \$23,150 per day until the earliest redelivery date. In addition, if the charterer does not exercise its unilateral option to make a one-time payment at the earliest redelivery of the charter of

approximately \$6.9 million, the charter will be extended for a period of approximately 3 years at a minimum rate of \$23,150.

(12) This charter rate changes on July 1, 2012 to \$23,150 per day until the earliest redelivery date. In addition, if the charterer does not exercise its unilateral option to make a one-time payment at the earliest redelivery of the charter of approximately \$6.9 million, the charter will be extended for a period of approximately 3 years at a minimum rate of \$23,150.

(13) This charter rate changes on May 8, 2012 to \$18,274 per day and on January 1, 2013 to \$22,150 per day until the earliest redelivery



date. In addition, the charterer is required to pay approximately \$5.0 million no later than July 2016, representing accrued charter hire, the payment of which was deferred.

- (14) This charter rate changes on December 29, 2011 to \$17,250 per day until the earliest redelivery date. As from December 1, 2012 until redelivery, hire to be minimum \$13,500 per day plus 50% of the difference between the market rate and the hire rate of \$13,500. Market rate to be determined annually based on the Hamburg ConTex type 3500TEU index published on October 1 of each year until redelivery.

(15)

This charter rate changes on July 27, 2012 to \$11,500 per day until the earliest redelivery date.

(16) This charter rate changes on July 1, 2012 to \$11,500 per day until the earliest redelivery date.

(17) This charter rate changes on February 28, 2012 to \$11,500 per day until the earliest redelivery date.

- (i) 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.
- (ii) The charterer has a unilateral option to extend the charter of the vessel for a period of 12 months +/-60 days at a rate of \$27,500 per day.
- (iii) The company has agreed to purchase the vessel MSC Ulsan, subject to final documentation. The vessel is expected to be delivered within the first quarter of 2012.
- (iv) Each charterer has a unilateral option to extend the charter of the vessel for an additional period through 2014, at a rate of \$14,000 per day.

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In November 2010, we completed an initial public offering of shares of our common stock. Our common stock is listed on the New York Stock Exchange. If any securities are to be listed or quoted on any other securities exchange or

quotation system, the applicable prospectus supplement will so state.

We maintain our principal executive offices at 60 Zephyrou Street & Syngrou Avenue, 17564 Athens, Greece. Our telephone number at that address is +30-210-949-0050. We maintain a website at [www.costamare.com](http://www.costamare.com). Our registered address in the Marshall Islands is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960. The name of our registered agent at such address is The Trust Company of the Marshall Islands, Inc.

## **RISK FACTORS**

Investing in the securities to be offered pursuant to this prospectus may involve a high degree of risk. You should carefully consider the important factors set forth under the heading *Risk Factors* in our most recent Annual Report on Form 20-F filed with the SEC and incorporated herein by reference and in the accompanying prospectus supplement for such issuance before investing in any securities that may be offered. For further details, see the section entitled *Where You Can Find Additional Information*.

In addition to the matters described under the heading *Our vessels may call on ports located in countries that are subject to restrictions imposed by the United States government, which could negatively affect the trading price of our shares of common stock* in our most recent Annual Report on Form 20-F, the U.S. Congress is currently considering the enactment of the Iran, North Korea, and Syria Nonproliferation Reform and Modernization Act of 2011, which would, among other things, provide for the imposition of sanctions, including a prohibition on investments by U.S. persons and a 180-day prohibition on calling at any U.S. port, on companies or persons that provide certain shipping services to or from Iran, North Korea or Syria with respect to certain prohibited goods.

Any of the risk factors referred to above could significantly and negatively affect our business, results of operations or financial condition, which may reduce our ability to pay dividends and lower the trading price of our common stock. The risks referred to above are not the only ones that may exist. Additional risks not currently known by us or that we deem immaterial may also impair our business operations. You may lose all or a part of your investment.

## **SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES**

We are a Marshall Islands corporation and our principal executive offices are located outside of the United States in Athens, Greece. All of our directors and officers and some of the experts in this prospectus reside outside the United States. In addition, a substantial portion of our assets and the assets of our directors, officers and experts are located outside of the United States. As a result, you may have difficulty serving legal process within the United States upon us or any of these persons. You may also have difficulty enforcing, both in and outside of the United States, judgments you may obtain in U.S. courts against us or these persons in any action, including actions based upon the civil liability provisions of U.S. Federal or state securities laws.

Furthermore, there is substantial doubt that the courts of the Marshall Islands or Greece would enter judgments in original actions brought in those courts predicated on U.S. Federal or state securities laws.

## **ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the SEC using a shelf registration process. Under this shelf registration process, we may, from time to time, sell up to an aggregate public offering price of \$300,000,000 of any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide you with this prospectus, as well as a prospectus supplement that will contain specific information about the terms of that offering. That prospectus supplement may include additional risk factors or other special considerations applicable to those particular securities. Any prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information contained in this prospectus and any prospectus supplement, you should rely on the information contained in that particular prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under the heading *Where You Can Find Additional Information*.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form F-3 under the Securities Act with respect to the offer and sale of securities pursuant to this prospectus. This prospectus, filed as a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules thereto in accordance with the rules and regulations of the SEC and no reference is hereby made to such omitted information. Statements made in this prospectus concerning the contents of any contract, agreement or other document filed as an exhibit to the registration statement are summaries of all of the material terms of such contracts, agreements or documents, but do not repeat all of their terms. Reference is made to each such exhibit for a more complete description of the matters involved and such statements shall be deemed qualified in their entirety by such reference. The registration statement and the exhibits and schedules thereto filed with the SEC may be inspected, without charge, and copies may be obtained at prescribed rates, at the public reference facility maintained by the SEC at its principal office at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the public reference facility by calling 1-800-SEC-0330. The SEC also maintains a website at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. For further information pertaining to the securities offered by this prospectus and Costamare Inc., reference is made to the registration statement.

We are subject to the information and periodic reporting requirements of the Exchange Act and we file periodic reports and other information with the SEC. These periodic reports and other information are available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements to stockholders, but we are required to furnish certain proxy statements to stockholders under NYSE rules. Those proxy statements are not expected to conform to Schedule 14A of the proxy rules promulgated under the Exchange Act. In addition, as a foreign private issuer, we are exempt from the rules under the Exchange Act relating to short swing profit reporting and liability.

## INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference information that we file with it. This means that we can disclose important information to you by referring you to those filed documents. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC prior to the termination of this offering will also be considered to be part of this prospectus and will automatically update and supersede previously filed information, including information contained in this document.

This prospectus incorporates by reference the following documents:

our Annual  
Report on  
Form 20-F for  
the year  
ended  
December 31,  
2010, filed  
with the SEC  
on March 22,  
2011;

our Reports  
on Form 6-K

furnished to  
the SEC on  
April 12,  
2011, May  
11, 2011,  
May 24,  
2011, May  
24, 2011,  
June 30,  
2011, July 11,  
2011, July 19,  
2011, July 27,  
2011, July 28,  
2011,  
September  
15, 2011,  
September  
20, 2011,  
October 11,  
2011, October  
21, 2011,  
October 25,  
2011, October  
26, 2011,  
October 27,  
2011 and  
January 12,  
2012; and

the  
description of  
our common  
stock  
contained in  
our  
registration  
statement on  
Form 8-A  
(File No.  
001-34934),  
filed with the  
SEC on  
October 27,  
2010 which  
incorporates  
by reference  
the  
description of  
our common  
stock  
contained in

our  
Registration  
Statement on  
Form F-1  
(File No.  
333-170033),  
as amended,  
filed with the  
SEC on  
October 20,  
2010, and any  
amendments  
or reports  
filed updating  
that  
description.

We are also incorporating by reference all subsequent annual reports on Form 20-F that we file with the SEC and certain reports on Form 6-K that we furnish to the SEC after the date of this



prospectus (if they state that they are incorporated by reference into this prospectus) until we file a post-effective amendment indicating that the offering of the securities made by this prospectus has been terminated. In all cases, you should rely on the later information over different information included in this prospectus or any accompanying prospectus supplement.

We will provide, free of charge upon written or oral request, to each person to whom this prospectus is delivered, including any beneficial owner of the securities, a copy of any or all of the information that has been incorporated by reference into this prospectus, but which has not been delivered with the prospectus. Copies of these documents also may be obtained on the Investors section of our website at [www.costamare.com](http://www.costamare.com). Requests for such information should be made to us at the following address:

Costamare Inc.  
60 Zephyrou Street &  
Syngrou Avenue  
17564 Athens, Greece  
+30-210-949-0050  
Attention: Konstantinos Zacharatos

You should assume that the information appearing in this prospectus and any accompanying prospectus supplement, as well as the information we previously filed with the SEC and incorporated by reference, is accurate as of the dates on the front cover of those documents only. Our business, financial condition and results of operations and prospects may have changed since those dates.

#### RATIO OF EARNINGS TO FIXED CHARGES

The following table shows our ratios of earnings to fixed charges for the periods indicated, computed using amounts derived from our financial statements prepared in accordance with U.S. GAAP.

	Year Ended December 31,					9 Months Ended September 30,
	2006	2007	2008	2009	2010	2011
Ratio of Earnings to Fixed Charges	3.29	2.85	2.54	2.41	2.18	2.11

We have not issued any preferred stock as of the date of this prospectus. Accordingly, the ratio of earnings to combined fixed charges and preference dividends is equivalent to the ratio of earnings to fixed charges.

For the purpose of computing the consolidated ratio of earnings to fixed charges, earnings consist of net income plus fixed charges less interest capitalized. Fixed charges consist of interest expensed and capitalized, amortization and write-off of capitalized expenses relating to indebtedness.

#### USE OF PROCEEDS

Unless otherwise set forth in the applicable prospectus supplement, we intend to use the net proceeds received from the sale of the securities we offer by this prospectus for general corporate purposes, which may include, among other things:

potential  
future vessel  
acquisitions;

additions to  
working  
capital; and

the repayment  
of  
indebtedness.

We may raise additional funds from time to time through equity or debt financings not involving the issuance of securities described in this prospectus, including borrowings under credit facilities, to finance our business and operations and new vessel acquisitions.

## CAPITALIZATION AND INDEBTEDNESS

Our capitalization and indebtedness will be set forth in a prospectus supplement to this prospectus or in a report on Form 6-K subsequently furnished to the SEC and specifically incorporated herein by reference.

### DESCRIPTION OF CAPITAL STOCK

A description of our common stock can be found in our registration statement on Form 8-A (File No. 001-34934), filed with the SEC on October 27, 2010 which incorporates by reference the description of our common stock contained in our Registration Statement on Form F-1 (File No. 333- 170033), as amended, filed with the SEC on October 20, 2010, and any amendments or reports filed updating that description.

### DESCRIPTION OF PREFERRED STOCK

Our articles of incorporation authorize our board of directors to establish one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series. The issuance of shares of preferred stock may have the effect of discouraging, delaying or preventing a change of control of us or the removal of our management. The issuance of shares of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of shares of our common stock.

The applicable prospectus supplement will describe the following terms of any series of preferred shares in respect of which this prospectus is being delivered:

the designation  
of the series;

the number of  
shares in the  
series, which  
our board of  
directors may,  
except where  
otherwise  
provided in the  
preferred shares  
designation,  
increase or  
decrease, but  
not below the  
number of  
shares then  
outstanding;

whether  
dividends, if  
any, will be  
cumulative or  
non-cumulative  
and the  
dividend rate of

the series;

the dates at which dividends, if any, will be payable;

the redemption rights and price or prices, if any, for shares of the series;

the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;

the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of our company;

whether the shares of the series will be convertible into shares of any other class or series, or any other security, of our company or any other corporation, and, if so, the specification of the other class or series or

other security,  
the conversion  
price or prices  
or rate or rates,  
any rate  
adjustments, the  
date or dates as  
of which the  
shares will be  
convertible and  
all other terms  
and conditions  
upon which the  
conversion may  
be made;

restrictions on  
the issuance of  
shares of the  
same series or  
of any other  
class or series;  
and

the voting  
rights, if any, of  
the holders of  
the series.

The description in the applicable prospectus supplement of any preferred stock we offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable certificate of designations or specimen stock certificate, which will be filed with the SEC if we offer preferred stock. For more information on how you can obtain copies of any certificate of designations or specimen stock certificate if we offer preferred stock, see [Where You Can Find Additional Information](#) beginning on page 7 of this prospectus. We urge you to read the applicable certificate of designations, the applicable specimen stock certificate and any applicable prospectus supplement in their entirety.

## DESCRIPTION OF DEBT SECURITIES

We may elect to offer debt securities. The following description of debt securities sets forth the material terms and provisions of the debt securities to which any prospectus supplement may relate. Our debt securities would be issued under an indenture between us and a trustee. The debt securities we may offer may be convertible into common stock or other securities. The indenture, a form of which is included as an exhibit to the registration statement of which this prospectus is a part, will be executed at the time we issue any debt securities. Any supplemental indentures will be filed with the SEC on a Form 6-K or by a post-effective amendment to the registration statement of which this prospectus is a part.

The particular terms of the debt securities offered by any prospectus supplement, and the extent to which the general provisions described below may apply to the offered debt securities, will be described in the applicable prospectus supplement. The indenture will be qualified under the Trust Indenture Act of 1939, as amended. The terms of the debt securities will include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act.

Because the following summaries of the material terms and provisions of the indenture and the related debt securities are not complete, you should refer to the form of the indenture and the debt securities for complete information on some of the terms and provisions of the indenture, including definitions of some of the terms used below, and the debt securities.

### General

The provisions of the indenture do not limit the aggregate principal amount of debt securities which may be issued thereunder. Unless otherwise provided in a prospectus supplement, the debt securities will be our direct, unsecured and unsubordinated general obligations and will have the same rank in liquidation as all of our other unsecured and unsubordinated debt. The debt securities may be convertible into common stock or other securities if specified in the applicable prospectus supplement.

### Payments

We may issue debt securities from time to time in one or more series. The provisions of the indenture allow us to reopen a previous issue of a series of debt securities and issue additional debt securities of that series. The debt securities may be denominated and payable in U.S. dollars or other currencies. We may also issue debt securities from time to time with the principal amount or interest payable on any relevant payment date to be determined by reference to one or more currency exchange rates, securities or baskets of securities, commodity prices or indices. Holders of these types of debt securities will receive payments of principal or interest that depend upon the value of the applicable currency, security or basket of securities, commodity or index on the relevant payment dates.

Debt securities may bear interest at a fixed rate, which may be zero, a floating rate, or a rate which varies during the lifetime of the debt security. Debt securities bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate may be sold at a discount below their stated principal amount.

### Terms Specified in the Applicable Prospectus Supplement

The applicable prospectus supplement will contain, where applicable, the following terms of, and other information relating to, any offered debt securities:

the specific  
designation;

any limit on  
the aggregate  
principal  
amount of the  
debt securities,  
their purchase  
price and  
denomination;

the currency in  
which the debt  
securities are  
denominated  
and/or in  
which  
principal,  
premium, if  
any, and/or  
interest, if any,  
is payable;

the date of  
maturity;

the interest  
rate or rates or  
the method by  
which the  
calculation  
agent will  
determine the  
interest rate or  
rates, if any;

the interest  
payment dates,  
if any;

the place or  
places for  
payment of the  
principal of  
and any  
premium  
and/or interest  
on the debt  
securities;

any  
repayment,  
redemption,  
prepayment or  
sinking fund  
provisions,  
including any  
redemption  
notice  
provisions;

whether we  
will issue the  
debt securities  
in registered  
form or bearer  
form or both  
and, if we are  
offering debt  
securities in  
bearer form,  
any  
restrictions



applicable to  
the exchange  
of one form  
for another  
and to the  
offer, sale and  
delivery of  
those debt  
securities in  
bearer form;

whether we  
will issue the  
debt securities  
in definitive  
form and  
under what  
terms and  
conditions;

the terms on  
which holders  
of the debt  
securities may  
convert or  
exchange these  
securities into  
or for common  
stock or other  
securities, any  
specific terms  
relating to the  
adjustment of  
the conversion  
or exchange  
feature and the  
period during  
which the  
holders may  
make the  
conversion or  
exchange;

information as  
to the methods  
for  
determining  
the amount of  
principal or  
interest  
payable on any

date and/or the  
currencies,  
securities or  
baskets of  
securities,  
commodities  
or indices to  
which the  
amount  
payable on  
that date is  
linked;

any agents for  
the debt  
securities,  
including  
trustees,  
depositories,  
authenticating  
or paying  
agents,  
transfer agents  
or registrars;

whether and  
under what  
circumstances  
we will pay  
additional  
amounts on  
debt securities  
for any tax,  
assessment or  
governmental  
charge  
withheld or  
deducted and,  
if so, whether  
we will have  
the option to  
redeem those  
debt securities  
rather than pay  
the additional  
amounts;

any material  
United States  
federal income  
tax or other

income tax  
consequences,  
including, but  
not limited to:

tax  
considerations  
applicable to  
any discounted  
debt securities  
or to debt  
securities  
issued at par  
that are treated  
as having been  
issued at a  
discount for  
United States  
federal income  
tax purposes;  
and

tax  
considerations  
applicable to  
any debt  
securities  
denominated  
and payable in  
non-United  
States  
currencies;

whether  
certain  
payments on  
the debt  
securities will  
be guaranteed  
under a  
financial  
insurance  
guarantee  
policy and the  
terms of that  
guarantee;

whether the  
debt securities  
will be  
secured;

any applicable  
selling  
restrictions;  
and

any other  
specific terms  
of the debt  
securities,  
including any  
modifications  
to or  
additional  
events of  
default,  
covenants or  
modified or  
eliminated  
acceleration  
rights, and  
any terms  
required by or  
advisable  
under  
applicable  
laws or  
regulations.

Some of the debt securities may be issued as original issue discount securities. Original issue discount securities bear no interest or bear interest at below-market rates and may be sold at a discount below their stated principal amount. The applicable prospectus supplement will contain information relating to income tax, accounting, and other special considerations applicable to original issue discount securities.

### **Registration and Transfer of Debt Securities**

Holders may present debt securities for exchange, and holders of registered debt securities may present these securities for transfer, in the manner, at the places and subject to the restrictions

stated in the debt securities and described in the applicable prospectus supplement. We will provide these services without charge except for any tax or other governmental charge payable in connection with these services and subject to any limitations or requirements provided in the indenture or the supplemental indenture or issuer order under which that series of debt securities is issued. Holders may transfer debt securities in bearer form and/or the related coupons, if any, by delivery to the transferee. If any of the securities are held in global form, the procedures for transfer of interests in those securities will depend upon the procedures of the depositary for those global securities.

## Events of Default

The indenture provides holders of debt securities with remedies if we fail to perform specific obligations, such as making payments on the debt securities, or if we become bankrupt. Holders should review these provisions and understand which actions trigger an event of default and which actions do not. The indenture permits the issuance of debt securities in one or more series, and, in many cases, whether an event of default has occurred is determined on a series-by-series basis.

An event of default is defined under the indenture, with respect to any series of debt securities issued under the indenture, as any one or more of the following events, subject to modification in a supplemental indenture, each of which we refer to in this prospectus as an event of default, having occurred and be continuing:

default is made  
for more than  
30 days in the  
payment of  
interest,  
premium or  
principal in  
respect of the  
securities;

we fail to  
perform or  
observe any of  
our other  
obligations  
under the  
securities and  
this failure has  
continued for  
the period of  
60 days next  
following the  
service on us  
of notice  
requiring the  
same to be  
remedied;

our  
bankruptcy,  
insolvency or

reorganization  
under any  
applicable  
bankruptcy,  
insolvency or  
insolvency  
related  
reorganization  
law;

an order is  
made or an  
effective  
resolution is  
passed for the  
winding up or  
liquidation of  
us; or

any other  
event of  
default  
provided in the  
supplemental  
indenture or  
issuer order, if  
any, under  
which that  
series of debt  
securities is  
issued.

**Acceleration of Debt Securities Upon an Event of Default**

The indenture provides that, unless otherwise set forth in a supplemental indenture:

if an event of  
default occurs  
due to the  
default in  
payment of  
principal of, or  
any premium  
or interest on,  
any series of  
debt securities  
issued under  
the indenture,  
or due to the  
default in the  
performance or

breach of any other covenant or warranty of us applicable to that series of debt securities but not applicable to all outstanding debt securities issued under the indenture occurs and is continuing, either the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of each affected series, voting as one class, by notice in writing to us may declare the principal of and accrued interest on the debt securities of such affected series (but not any other debt securities issued under the indenture) to be due and payable immediately;

if an event of default occurs due to specified events of bankruptcy, insolvency or

reorganization  
of us, the  
principal of all  
debt securities  
and interest  
accrued on the  
debt securities  
to be due and  
payable  
immediately;  
and

if an event of  
default due to a  
default in the  
performance of  
any other of  
the covenants  
or agreements  
in the  
indenture  
applicable to  
all outstanding  
debt securities  
issued under  
the indenture  
occurs and is  
continuing,  
either the  
trustee or the  
holders of not  
less than 25%  
in aggregate  
principal  
amount of all  
outstanding  
debt securities  
issued under  
the indenture  
for which any  
applicable  
supplemental  
indenture does  
not prevent  
acceleration  
under the  
relevant  
circumstances,  
voting as one  
class, by notice  
in writing to us



may declare  
the principal of  
all debt  
securities and  
interest  
accrued on the  
debt securities  
to be due and  
payable  
immediately.

### **Annulment of Acceleration and Waiver of Defaults**

In some circumstances, if any and all events of default under the indenture, other than the non-payment of the principal of the securities that has become due as a result of an acceleration, have been cured, waived or otherwise remedied, then the holders of a majority in aggregate principal amount of all series of outstanding debt securities affected, voting as one class, may annul past declarations of acceleration or waive past defaults of the debt securities.

### **Indemnification of Trustee for Actions Taken on Your Behalf**

The indenture provides that the trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of debt securities issued under the indenture relating to the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred upon the trustee. In addition, the indenture contains a provision entitling the trustee, subject to the duty of the trustee to act with the required standard of care during a default, to be indemnified to its satisfaction by the holders of debt securities issued under the indenture before proceeding to exercise any right or power at the request of holders. Subject to these provisions and specified other limitations, the holders of a majority in aggregate principal amount of each series of outstanding debt securities of each affected series, voting as one class, may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee.

### **Limitation on Actions by You as an Individual Holder**

The indenture provides that no individual holder of debt securities may institute any action against us under the indenture, except actions for payment of overdue principal and interest, unless the following actions have occurred:

the holder  
must have  
previously  
given  
written  
notice to the  
trustee of  
the  
continuing  
default;

the holders  
of not less  
than 25% in  
aggregate  
principal  
amount of  
the  
outstanding  
debt  
securities of  
each  
affected  
series,  
treated as

one class,  
must have:

requested  
the trustee  
to institute  
that action;  
and

offered the  
trustee  
indemnity  
satisfactory  
to it;

the trustee  
must have  
failed to  
institute that  
action  
within 60  
days after  
receipt of  
the request  
referred to  
above; and

the holders  
of a  
majority in  
principal  
amount of  
the  
outstanding  
debt  
securities of  
each  
affected  
series,  
voting as  
one class,  
must not  
have given  
directions to  
the trustee  
inconsistent  
with those  
of the  
holders  
referred to  
above.

The indenture contains a covenant that we will file annually with the trustee a certificate of no default or a certificate specifying any default that exists.

### **Discharge, Defeasance and Covenant Defeasance**

We have the ability to eliminate most or all of our obligations on any series of debt securities prior to maturity if we comply with the following provisions:

***Discharge of Indenture.*** We may discharge all of our obligations, other than as to transfers and exchanges, under the indenture after we have:

paid or  
caused to be  
paid the  
principal of  
and interest  
on all of the  
outstanding  
debt  
securities in  
accordance  
with their  
terms;

delivered to  
the trustee  
for  
cancellation  
all of the  
outstanding  
debt  
securities; or

irrevocably  
deposited  
with the  
trustee cash  
or, in the  
case of a  
series of  
debt  
securities  
payable only  
in U.S.  
dollars, U.S.  
government  
obligations  
in trust for  
the benefit  
of the

holders of  
any series of  
debt  
securities  
issued under  
the  
indenture  
that have  
either  
become

due and payable, or are by their terms due and payable, or are scheduled for redemption, within one year, in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and interest on, and any mandatory sinking fund payments for, those debt securities. However, the deposit of cash or U.S. government obligations for the benefit of holders of a series of debt securities that are due and payable, or are scheduled for redemption, within one year will discharge obligations

under the  
indenture  
relating only  
to that series  
of debt  
securities.

***Defeasance of a Series of Securities at Any Time.*** We may also discharge all of our obligations, other than as to transfers and exchanges, under any series of debt securities at any time, which we refer to as defeasance in this prospectus. We may be released with respect to any outstanding series of debt securities from the obligations imposed by any covenants and elect not to comply with those covenants without creating an event of default. Discharge under those procedures is called covenant defeasance.

Defeasance or covenant defeasance may be effected only if, among other things:

we  
irrevocably  
deposit with  
the trustee  
cash or, in  
the case of  
debt  
securities  
payable  
only in U.S.  
dollars, U.S.  
government  
obligations,  
as trust  
funds in an  
amount  
certified to  
be sufficient  
to pay on  
each date  
that they  
become due  
and payable,  
the principal  
of and  
interest on,  
and any  
mandatory  
sinking fund  
payments  
for, all  
outstanding  
debt  
securities of  
the series  
being

defeased;  
and

we deliver  
to the  
trustee an  
opinion of  
counsel to  
the effect  
that:

the holders  
of the series  
of debt  
securities  
being  
defeased  
will not  
recognize  
income,  
gain or loss  
for United  
States  
federal  
income tax  
purposes as  
a result of  
the  
defeasance  
or covenant  
defeasance;

the  
defeasance  
or covenant  
defeasance  
will not  
otherwise  
alter those  
holders  
United  
States  
federal  
income tax  
treatment of  
principal  
and interest  
payments  
on the series  
of debt  
securities



being  
defeased;  
and

in the case  
of a  
defeasance,  
this opinion  
must be  
based on a  
ruling of the  
Internal  
Revenue  
Service or a  
change in  
United  
States  
federal  
income tax  
law  
occurring  
after the  
date of this  
prospectus,  
since that  
result would  
not occur  
under  
current tax  
law.

#### **Modification of the Indenture**

***Modification without Consent of Holders.*** We and the trustee may enter into supplemental indentures without the consent of the holders of debt securities issued under the indenture to:

secure any  
debt securities;

evidence the  
assumption by  
a successor  
corporation of  
our  
obligations;

add covenants  
for the  
protection of  
the holders of  
debt securities;

cure any  
ambiguity or  
correct any  
inconsistency;

establish the  
forms or terms  
of debt  
securities of  
any series; or

evidence the  
acceptance of  
appointment  
by a successor  
trustee.

***Modification with Consent of Holders.*** We and the trustee, with the consent of the holders of not less than a majority in aggregate principal amount of each affected series of outstanding debt securities, voting as one class, may add any provisions to, or change in any manner or eliminate any of the provisions of, the indenture or modify in any manner the rights of the holders of those debt securities. However, we and the trustee may not make any of the following changes to any outstanding debt security without the consent of each holder that would be affected by the change:

extend  
the final  
maturity  
of the  
security;

reduce  
the  
principal  
amount;

reduce  
the rate  
or extend  
the time  
of  
payment  
of  
interest;

reduce any amount payable on redemption;

change the currency in which the principal, including any amount of original issue discount, premium, or interest on the security is payable;

modify or amend the provisions for conversion of any currency into another currency;

reduce the amount of any original issue discount security payable upon acceleration or provable in bankruptcy;

alter the terms on which holders of the debt securities may convert or exchange debt

securities for  
common  
stock or  
other  
securities,  
other than in  
accordance  
with the  
antidilution  
provisions or  
other similar  
adjustment  
provisions  
included in  
the terms of  
the debt  
securities;

impair the  
right of any  
holder to  
institute suit  
for the  
enforcement  
of any  
payment on  
any debt  
security  
when due; or

reduce the  
percentage of  
debt  
securities the  
consent of  
whose  
holders is  
required for  
modification  
of the  
indenture.

### **Form of Debt Security**

Each debt security will be represented either by a certificate issued in definitive form to a particular investor or by one or more global securities representing the entire issuance of securities. Both certificated securities in definitive form and global securities may be issued either:

in  
registered  
form,

where our  
obligation  
runs to the  
holder of  
the  
security  
named on  
the face of  
the  
security;  
or

in bearer  
form,  
where our  
obligation  
runs to the  
bearer of  
the  
security.

Definitive securities name you or your nominee as the owner of the security, other than definitive bearer securities, which name the bearer as owner, and in order to transfer or exchange these securities or to receive payments other than interest or other interim payments, you or your nominee must physically deliver the securities to the trustee, registrar, paying agent or other agent, as applicable.

Global securities name a depository or its nominee as the owner of the debt securities represented by these global securities, other than global bearer securities, which name the bearer as owner. The depository maintains a computerized system that will reflect each investor's beneficial ownership of the securities through an account maintained by the investor with its broker/dealer, bank, trust company or other representative, as we explain more fully below.

### **Global Securities**

***Registered Global Securities.*** We may issue the debt securities in the form of one or more fully registered global securities that will be deposited with a depository or its nominee identified in the applicable prospectus supplement and registered in the name of that depository or nominee. In those cases, one or more registered global securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal or face amount of the securities to be represented by registered global securities. Unless and until it is exchanged in whole for securities in definitive registered form, a registered global security may not be transferred except as a whole by and among the depository for the registered global security, the nominees of the depository or any successors of the depository or those nominees. If not described below, any specific terms of the depository arrangement with respect to any securities to be represented by a registered global security will be described in the prospectus supplement relating to those securities. We anticipate that the following provisions will apply to all depository arrangements:

Ownership of beneficial interests in a registered global security will be limited to persons, called participants, that have accounts with the depository or persons that may hold interests through participants. Upon the issuance of a registered global security, the depository will credit, on its book-entry registration and transfer system, the participants accounts with the respective principal or face amounts of the securities beneficially owned by the participants. Any dealers, underwriters or selling



agents participating in the distribution of the securities will designate the accounts to be credited. Ownership of beneficial interests in a registered global security will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depository, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants. The laws of some jurisdictions may require that some purchasers of securities take physical delivery of these securities in definitive form. These laws may impair your ability to own, transfer or pledge beneficial interests in registered global securities. So long as the depository, or its nominee, is the registered owner of a registered global security, that depository or its nominee, as the case may be, will be considered the sole owner or holder of the securities represented by the registered global security for all purposes under the indenture.

Except as described below, owners of beneficial interests in a registered global security will not be entitled to have the securities represented by the registered global security registered in their names, will not receive or be entitled to receive physical delivery of the securities in definitive form and will not be considered the owners or holders of the securities under the indenture. Accordingly, each person owning a beneficial interest in a registered global security must rely on the procedures of the depository for that registered global security and, if that person is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the indenture. We understand that under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a registered global security desires to give or take any action that a holder is entitled to give or take under the indenture, the depository for the registered global security would authorize the participants holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners holding through them.

Principal, premium, if any, and interest payments on debt securities represented by a registered global security registered in the name of a depository or its nominee will be made to the depository or its nominee, as the case may be, as the registered owner of the registered global security. None of us, the trustee or any other agent of us or agent of the trustee will have any responsibility or liability for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered global security or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests. We expect that the depository for any of the securities represented by a registered global security, upon receipt of any payment of principal, premium, interest or other distribution of underlying securities or other property to holders on that registered global security, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered global security as shown on the records of the depository. We also expect that payments by participants to owners of beneficial interests in a registered global security held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of those participants.

If the depository for any of these securities represented by a registered global security is at any time unwilling or unable to continue as depository or ceases to be a clearing agency registered under the Exchange Act, and a successor depository registered as a clearing agency under the Exchange Act is not appointed by us within 90 days, we will issue securities in definitive form in exchange for the registered global security that had been held by the depository. In addition, we may, at any time and in our sole discretion, decide not to have any of the securities represented by one or more registered global securities. If we make that decision, we will issue securities in definitive form in exchange for all of the registered global security or securities representing those securities. Any securities issued in definitive form in exchange for a registered global security will be registered in the name or names that the depository gives to the relevant trustee or other relevant agent of ours or theirs. It is expected that the depository's instructions will be based upon directions received by the depository from participants with respect to ownership of beneficial interests in the registered global security that had been held by the depository.

**Bearer Global Securities.** The securities may also be issued in the form of one or more bearer global securities that will be deposited with a common depository for the Euroclear System and Clearstream Banking, societe anonyme or with a nominee for the depository identified in the prospectus supplement relating to those securities. The specific terms and procedures, including the specific terms of the depository arrangement, with respect to any securities to be represented by a bearer global security will be described in the prospectus supplement relating to those securities.

### **New York Law to Govern**

The indenture and the debt securities will be governed by the laws of the State of New York.

### **DESCRIPTION OF WARRANTS**

We may issue warrants to purchase our equity securities or securities of third parties or other rights, including rights to receive payment in cash or securities based on the value, rate or price of one or more specified commodities, currencies, securities or indices, or any combination of the foregoing. Warrants may be issued independently or together with any other securities and may be attached to, or separate from, such securities. A series of warrants may be issued under a separate warrant agreement to be entered into between us and a warrant agent. The terms of any warrants to be issued and a description of the material provisions of any applicable warrant agreement will be set forth in the applicable prospectus supplement.

The applicable prospectus supplement will describe the following terms of any warrants in respect of which this prospectus is being delivered:

the title of such warrants;

the aggregate number of such warrants;

the price or prices at which such warrants will be issued;

the currency or currencies, in which the price of such warrants will be payable;

the securities or other rights, including rights to receive payment in cash or securities based on the value,



rate or price of one or more specified commodities, currencies, securities or indices, or any combination of the foregoing, purchasable upon exercise of such warrants;

the price at which and the currency or currencies, in which the securities or other rights purchasable upon exercise of such warrants may be purchased;

the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;

the amount of warrants outstanding;

if applicable, the minimum or maximum amount of such warrants which may be exercised at any one time;

if applicable,  
the designation  
and terms of  
the securities  
with which  
such warrants  
are issued and  
the number of  
such warrants  
issued with  
each such  
security;

if applicable,  
the date on and  
after which  
such warrants  
and the related  
securities will  
be separately  
transferable;

information  
with respect to  
book-entry  
procedures, if  
any;

if applicable, a  
discussion of  
any material  
United States  
Federal income  
tax  
considerations;  
and

any other terms  
of such  
warrants,  
including  
terms,  
procedures and  
limitations  
relating to the  
exchange and  
exercise of  
such warrants.

The description in the applicable prospectus supplement of any warrants we offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable warrant certificate or warrant agreement, which will be filed with the SEC if we offer warrants. For more information on how you can obtain copies of any warrant certificate

or warrant agreement if we

offer warrants, see [Where You Can Find Additional Information](#) beginning on page 7 of this prospectus. We urge you to read the applicable warrant certificate, the applicable warrant agreement and any applicable prospectus supplement in their entirety.

### DESCRIPTION OF RIGHTS

We may issue rights to purchase our equity securities. These rights may be issued independently or together with any other security offered by this prospectus and may or may not be transferable by the stockholder receiving the rights in the rights offering. In connection with any rights offering, we may enter into a standby underwriting agreement with one or more underwriters pursuant to which the underwriter will purchase any securities that remain unsubscribed for upon completion of the rights offering.

The applicable prospectus supplement relating to any rights will describe the terms of the offered rights, including, where applicable, the following:

the exercise price  
for the rights;

the number of  
rights issued to  
each stockholder;

the extent to  
which the rights  
are transferable;

any other terms of  
the rights,  
including terms,  
procedures and  
limitations  
relating to the  
exchange and  
exercise of the  
rights;

the date on which  
the right to  
exercise the rights  
will commence  
and the date on  
which the right  
will expire;

the amount of  
rights  
outstanding;

the extent to  
which the rights

include an  
over-subscription  
privilege with  
respect to  
unsubscribed  
securities; and

the material terms  
of any standby  
underwriting  
arrangement  
entered into by us  
in connection  
with the rights  
offering.

The description in the applicable prospectus supplement of any rights we offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable rights certificate or rights agreement, which will be filed with the SEC if we offer rights. For more information on how you can obtain copies of any rights certificate or rights agreement if we offer rights, see [Where You Can Find Additional Information](#) beginning on page 7 of this prospectus. We urge you to read the applicable rights certificate, the applicable rights agreement and any applicable prospectus supplement in their entirety.

### **DESCRIPTION OF THE UNITS**

We may issue units consisting of common stock, preferred stock, warrants, rights and debt securities, or in combination thereof. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately, at any time, or at any time before a specified date.

The applicable prospectus supplement relating to any series of units will describe the terms of the units, including, where applicable, the following:

the  
designation  
and terms of  
the units and  
of the  
securities  
comprising the  
units,  
including  
whether and  
under what  
circumstances  
those  
securities may  
be held or  
transferred  
separately;

any provisions  
of the  
governing unit  
agreement;  
and

any provisions  
for the  
issuance,  
payment,  
settlement,  
transfer, or  
exchange of  
the units or of  
the securities  
comprising the  
units.

The description in the applicable prospectus supplement of any units we offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable unit

certificate or unit agreement, which will be filed with the SEC if we offer units. For more information on how you can obtain copies of any unit certificate or unit agreement if we offer units, see [Where You Can Find Additional Information](#) beginning on page 7 of this prospectus. We urge you to read the applicable unit certificate, the applicable unit agreement and any applicable prospectus supplement in their entirety.

### **PLAN OF DISTRIBUTION**

We may offer and sell, from time to time, some or all of the securities covered by this prospectus up to an aggregate public offering price of \$300,000,000. We have registered the securities covered by this prospectus for offer and sale so that those securities may be freely sold to the public. Registration of the securities covered by this prospectus does not mean, however, that those securities necessarily will be offered or sold.

Securities covered by this prospectus may be sold from time to time, in one or more transactions, at market prices prevailing at the time of sale, at prices related to market prices, at a fixed price or prices subject to change, at varying prices determined at the time of sale or at negotiated prices, by a variety of methods including the following:

on the New York  
Stock Exchange  
or any other  
national  
securities  
exchange or U.S.  
inter-dealer  
system of a  
registered  
national  
securities  
association on  
which our  
common stock  
may be listed or  
quoted at the  
time of sale;

in the  
over-the-counter  
market;

in privately  
negotiated  
transactions;

in an exchange  
distribution in  
accordance with  
the rules of the  
applicable  
exchange;

as settlement of short sales entered into after the date of the prospectus;

through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;

through broker-dealers, who may act as agents or principals;

through sales at the market to or through a market-maker;

in a block trade, in which a broker-dealer will attempt to sell a block as agent but may position and resell a portion of the block as principal to facilitate the transaction;

through one or more underwriters on a firm commitment or best-efforts basis;

directly to one or more purchasers;



through agents;

in options  
transactions;

over the Internet;

any other method  
permitted  
pursuant to  
applicable law;  
or

in any  
combination of  
the above.

In effecting sales, brokers or dealers engaged by us may arrange for other brokers or dealers to participate.

Broker-dealer transactions may include:

purchases of  
the securities  
by a  
broker-dealer  
as principal  
and resales of  
the securities  
by the  
broker-dealer  
for its account  
pursuant to  
this  
prospectus;

ordinary  
brokerage  
transactions;  
or

transactions  
in which the  
broker-dealer  
solicits  
purchasers.

In addition, we may sell any securities covered by this prospectus in private transactions or under Rule 144 of the Securities Act of 1933, as amended, rather than pursuant to this prospectus.

In connection with the sale of securities covered by this prospectus, broker-dealers may receive commissions or other compensation from us in the form of commissions, discounts or concessions. Broker-dealers may also receive compensation from purchasers of the securities for whom they act



as agents or to whom they sell as principals or both. Compensation as to a particular broker-dealer may be in excess of customary commissions or in amounts to be negotiated. In connection with any underwritten offering, underwriters may receive compensation in the form of discounts, concessions or commissions from us or from purchasers of the securities for whom they act as agents. Underwriters may sell the securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents. We and any underwriters, broker-dealers or agents that participate in the distribution of the securities may be deemed to be underwriters within the meaning of the Securities Act of 1933, as amended, and any profit on the sale of the securities by them and any discounts, commissions or concessions received by any of those underwriters, broker-dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act of 1933, as amended.

In connection with the distribution of the securities covered by this prospectus or otherwise, we may enter into hedging transactions with broker-dealers or other financial institutions. In connection with such transactions, broker-dealers or other financial institutions may engage in short sales of our securities in the course of hedging the positions they assume with us. We may also sell securities short and deliver the securities offered by this prospectus to close out our short positions. We may also enter into option or other transactions with broker-dealers or other financial institutions, which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus, as supplemented or amended to reflect such transaction. We may also from time to time pledge securities pursuant to the margin provisions of any customer agreements with brokers. Upon default, the broker may offer and sell such pledged securities from time to time pursuant to this prospectus, as supplemented or amended to reflect such transaction.

At any time a particular offer of the securities covered by this prospectus is made, a revised prospectus or prospectus supplement, if required, will be distributed which will set forth the aggregate amount of securities covered by this prospectus being offered and the terms of the offering, including the expected issue price or method of determining the price, the time period during which the offer will be open and whether the purchase period may be extended or shortened, the method and time limits for paying up and delivering securities, name or names of any underwriters, dealers, brokers or agents, any discounts, commissions, concessions and other items constituting compensation from us and any discounts, commissions or concessions allowed or reallocated or paid to dealers. Such prospectus supplement, and, if necessary, a post-effective amendment to the registration statement of which this prospectus is a part, will be filed with the SEC to reflect the disclosure of additional information with respect to the distribution of the securities covered by this prospectus. In order to comply with the securities laws of certain states, if applicable, the securities sold under this prospectus may only be sold through registered or licensed broker-dealers. In addition, in some states the securities may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from registration or qualification requirements is available and is complied with.

In connection with an underwritten offering, we would execute an underwriting agreement with an underwriter or underwriters. Unless otherwise indicated in the revised prospectus or applicable prospectus supplement, such underwriting agreement would provide that the obligations of the underwriter or underwriters are subject to certain conditions precedent and that the underwriter or underwriters with respect to a sale of the covered securities will be obligated to purchase all of the covered securities if any such securities are purchased. We may grant to the underwriter or underwriters an option to purchase additional securities at the public offering price, as may be set forth in the revised prospectus or applicable prospectus supplement. If we grant any such option, the terms of the option will be set forth in the revised prospectus or applicable prospectus supplement.

Pursuant to a requirement by the Financial Industry Regulatory Authority, or FINRA, the maximum commission or discount to be received by any FINRA member or independent broker-dealer may not be greater than 8% of the gross proceeds received by us for the sale of any securities being registered pursuant to SEC Rule 415 under the Securities Act.



Underwriters, agents, brokers or dealers may be entitled, pursuant to relevant agreements entered into with us, to indemnification by us against certain civil liabilities, including liabilities under the Securities Act of 1933, as amended, that may arise from any untrue statement or alleged untrue statement of a material fact, or any omission or alleged omission to state a material fact in this prospectus, any supplement or amendment hereto, or in the registration statement of which this prospectus forms a part, or to contribution with respect to payments which the underwriters, agents, brokers or dealers may be required to make.

We will bear all costs relating to all of the securities being registered under the registration statement of which this prospectus is a part.

### EXPENSES

The following are the expenses estimated to be incurred by us in connection with a possible offering of \$300,000,000 of the securities registered under this registration statement.

SEC Registration Fee	\$	34,380
Printing		*
Legal Fees and Expenses		*
Accountants Fees and Expenses		*
NYSE Fees		*
FINRA Fee		30,500
Miscellaneous Costs		*
Total	\$	*

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\* To be provided by a prospectus supplement or as an exhibit to a Report on Form 6-K that is incorporated by reference into this prospectus.

### LEGAL MATTERS

The validity of the securities that may be offered by this prospectus and certain other matters relating to Marshall Islands law will be passed upon for us by Cozen O Connor, New York, New York. Certain other legal matters relating to United States law will be passed upon for us by Cravath, Swaine & Moore LLP, New York, New York.

**EXPERTS**

The consolidated financial statements of Costamare Inc. as of December 31, 2010 and 2009 and for each of the three years in the period ended December 31, 2010, incorporated in this prospectus by reference from the Company's Annual Report on Form 20-F for the year ended December 31, 2010 have been audited by Ernst & Young (Hellas) Certified Auditors Accountants S.A., an independent registered public accounting firm, as set forth in their report thereon incorporated by reference herein, and are so incorporated in reliance upon such report, given on the authority of such firm, as experts in accounting and auditing.

2,000,000 Shares

7.625% Series B Cumulative Redeemable Perpetual  
Preferred Stock

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**PROSPECTUS SUPPLEMENT**

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**Morgan Stanley**

**BofA Merrill Lynch**

**Credit Suisse**

**July 30, 2013**

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