Costamare Inc.
Form 424B1
November 04, 2010

Filed Pursuant to Rule 424(b)(1)
Registration No. 333-170033

PROSPECTUS

13,300,000 Shares

Costamare Inc.
COMMON STOCK

Costamare Inc. is offering shares of its common stock. Prior to this offering no public market existed for our shares.

Our common stock has been approved for listing on the New York Stock Exchange under the symbol CMRE .

Investing in our common stock involves risks. See Risk Factors beginning on page 12.

PRICE $12.00 PER SHARE

	Price to Public		Underwriting Discounts and Commissions		Proceeds to Company	
Per Share	$	12.00	$	0.81	$	11.19
Total	$	159,600,000	$	10,773,000	$	148,827,000

Costamare Inc. has granted the underwriters the right to purchase up to an additional 1,995,000 shares to cover over-allotments.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on November 9, 2010.

Morgan Stanley **BofA Merrill Lynch**

Dahlman Rose & Company **RBS** **Wells Fargo Securities**
November 3, 2010

Pursuant to our charter parties, the charterer has the right to place its name and logo on our containerships.

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different information, you should not rely on it. We are not, and the underwriters 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 is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. Information contained on our website does not constitute part of this prospectus.

PROSPECTUS SUMMARY

This section summarizes material information that appears later in this prospectus and is qualified in its entirety by the more detailed information and financial statements included elsewhere in this prospectus. This summary may not contain all of the information that may be important to you. As an investor or prospective investor, you should carefully review the entire prospectus, including the risk factors and the more detailed information that appears later.

Unless otherwise indicated, references in this prospectus to Costamare , the Company , we , our , us or similar terms when used in a historical context refer to Costamare Inc., or any one or more of its subsidiaries or their predecessors, or to such entities collectively.

We use the term twenty foot equivalent unit , or TEU , the international standard measure of containers, in describing the capacity of our containerships. For the definition of certain shipping terms used in this prospectus, see the Glossary of Shipping Terms at the end of the prospectus. Unless otherwise indicated, all references to currency amounts in this prospectus are in U.S. dollars and all share numbers give effect to the sale of 24,000,000 (pre-stock split) shares of Common Stock issued in a rights offering to stockholders of record on July 14, 2010, and a 1.88-for-1 stock split effected as a share dividend on October 19, 2010.

Business Overview

We are an international owner of containerships, chartering our vessels to many of the world s largest liner companies. We currently have a fleet of 41 containerships aggregating 211,882 TEUs, making us one of the largest privately owned containership companies in the world, based on total TEU capacity. We also have contracted to acquire four 3,351 TEU secondhand containerships and have entered into agreements, subject to certain conditions, to acquire three 9,000 TEU newbuilds. Our strategy is to time charter our containerships to a geographically diverse, financially strong and loyal group of leading liner companies. Over the last three years our largest customers by revenue were A.P. Moller-Maersk A/S (A.P. Moller-Maersk), MSC-Mediterranean Shipping Company S.A. (MSC) and Cosco Container Lines Co., Ltd. (COSCO). As of October 15, 2010, the average (weighted by TEU capacity) remaining time charter duration for our fleet of 41 containerships was 5.6 years, based on the remaining fixed terms and assuming the earliest redelivery dates possible under our containerships charters. As of June 30, 2010, our fixed-term charters represented an aggregate of $1.7 billion of contracted revenue, assuming the earliest redelivery dates possible under our containerships charters and 365 revenue days per annum per containership.

Our company and its founders have a long history of operating and investing in the shipping industry. We are wholly-owned by Captain Vasileios Konstantakopoulos and his three sons Konstantinos Konstantakopoulos, Achillefs Konstantakopoulos and Christos Konstantakopoulos (collectively, the Konstantakopoulos family). 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 he founded the manning agency C-Man Maritime, Inc. (C-Man Maritime) in 2006. Under Konstantinos Konstantakopoulos s leadership, we have continued to foster a company culture focusing on excellent customer service, industry leadership and innovation.

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 TEUs in 2000 to a peak of 53 containerships of 227,778 TEUs in 2008, followed by a proactive decrease in response to market conditions to our current fleet of 41 containerships with a total capacity of 211,882 TEUs. We plan to use the proceeds of the offering to further expand and renew our fleet. We believe

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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 renew and expand our fleet with further acquisitions of newbuild and high-quality secondhand vessels at prices that are currently below historical averages.

We believe that this is a favorable time to acquire newbuilds, as well as high-quality secondhand vessels. We also believe that vessel prices today remain at levels that are below their 10-year historical averages and that the charter market for containerships has shown improvement during 2010. As an established owner of containerships with a focus on reliability and balance sheet management, and with significant experience and relationships in the containership sector, we believe we will have ready access to additional vessel acquisition opportunities from shipyards, our liner company customers, shipowners, financial institutions and brokers, chartering opportunities with leading liner companies, and available financing alternatives that will facilitate the renewal and further expansion of our fleet at an opportune time.

Recent Developments

Consistent with our strategy of pursuing attractive growth opportunities, we recently entered into agreements to acquire a total of seven newbuild and secondhand containerships.

On September 21, 2010, we contracted with China Shipbuilding Trading Company Limited and Shanghai Jiangnan Changxing Heavy Industry Co., Ltd. for the construction and purchase of three newbuild containerships, each of 9,000 TEU capacity, for a price of approximately $95.1 million per newbuild, to be paid in five equal installments. Each newbuild contract is subject to our completion of certain financing arrangements prior to November 30, 2010. These three newbuilds are scheduled to be delivered between November 2013 and January 2014, and we currently have agreements for the time charter of each newbuild to MSC for a period of 10 years from delivery by the shipyard at a daily rate of $43,000. We have also obtained options to acquire three additional newbuild containerships, each of 9,000 TEU capacity, for a price of approximately $96.1 million per newbuild. These options must be exercised by December 24, 2010, and the associated newbuild containerships would be delivered between March and June 2014.

On September 23, 2010, we contracted for four 3,351 TEU secondhand containerships at a purchase price of $11.25 million per containership, two to be delivered by December 20, 2010 and two by February 28, 2011. These secondhand containerships were built between 1990 and 1992. We intend to finance the acquisition of these secondhand containerships with available cash or new debt financing. While we do not currently have time charters for these secondhand containerships, we are reviewing the charter market and intend to take advantage of available opportunities in line with our market outlook.

On September 16, 2010, we obtained a commitment letter from The Royal Bank of Scotland plc for a $120.0 million term loan facility, which will be available for drawing for up to 18 months. We intend to use this term loan facility to finance the acquisition of additional newbuild or secondhand containerships, but we are also permitted to use it to refinance existing containerships in our fleet. Availability of the term loan facility is subject to execution of definitive documentation and is conditioned upon the closing of this offering.

We recently rechartered the *MSC Navarino*, and we also have extended by four years the current time charters to A.P. Moller-Maersk of eight of our containerships, such extensions resulting in an increase of approximately $306 million in our contracted revenues. The details of the recharter and eight extensions, as well as certain other charter modifications, are shown in our fleet table, which appears in Business Fleet Characteristics.

Market Opportunity

We believe that it is currently an attractive time in the container shipping cycle to invest, and that we are well-positioned to benefit from an industry recovery, for several key reasons, including:

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Initial Signs of Container Shipping Market Recovery. As reported by Clarkson Research Services Limited (Clarkson Research), based on an index containing a range of containership sizes, time charter daily rates improved 99% during the first nine months of 2010 and there has been a reduction in the number of vessels in layup and an increase in transported container volumes over the low levels of 2009. Although current charter rates remain low compared to the high levels reached in 2005, we believe that the increases in charter rates and transported volumes in the first nine months of 2010 are a positive indicator of fundamental improvement in the economics of our industry.

Our Ability to Exploit Acquisition Opportunities. As a well-established containership owner with a reputation for reliability and financial soundness and with significant contracted revenues, we believe we will have access to financing and chartering opportunities that will enable us to acquire additional high- quality vessels at prices that are below their 10-year historical averages. Unlike many of our public company competitors, we are not burdened with acquisition and newbuild commitments that were incurred when vessel prices were relatively high or with significant restrictions on debt incurrence imposed by lenders that would impede growth.

Our Fleet

We currently have a fleet of 41 containerships aggregating 211,882 TEUs, making us one of the largest privately owned containership companies in the world, based on total TEU capacity. Our containerships have a record of low unscheduled off-hire days, with fleet utilization levels of 99.7%, 99.3% and 99.9% in 2007, 2008 and 2009, respectively, and 99.8% for the first half of 2010. We believe our customers seek to charter our ships based upon, among other factors, our reputation for safety and reliability.

We deploy our containership fleet principally under multi-year time charters with leading liner companies that operate regularly scheduled routes between large commercial ports. As of October 15, 2010, the average (weighted by TEU capacity) remaining time charter duration for our fleet of 41 containerships was 5.6 years, based on the remaining fixed terms and assuming the earliest redelivery dates possible under our containerships charters.

The tables below provide additional information, as of October 15, 2010, about our fleet of 41 containerships and the three newbuilds we have contracted to purchase from China Shipbuilding Trading Company Limited and Shanghai Jiangnan Changxing Heavy Industry Co., Ltd., at a purchase price of approximately $95.1 million per newbuild. The table below does not include the four secondhand containerships that we have agreed to purchase. For information about these secondhand containerships, see Business Overview Recent Developments . Each vessel is a cellular containership, meaning it is a dedicated container vessel. Please see additional vessel information in Business Fleet .

	Vessel Name	Charterer[1]	Year Built	Capacity (TEU)	Time Charter Term[2]	Current Daily Charter Hire (U.S. dollars)	Expiration of Charter[2]	Average Daily Charter Rate Until Earliest Expiry of Charter (U.S. dollars)[3]
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	32,400 (3)	May 2018	36,996
6	MSC NAVARINO[4]	MSC	2010	8,531	0.7 years	22,000	January 2011	22,000
7	MAERSK KAWASAKI	A.P. Moller-Maersk	1997	7,403	10 years	37,000	December 2017	37,000
8	MAERSK KURE	A.P. Moller-Maersk	1996	7,403	10 years	37,000	December 2017	37,000
9	MAERSK KOKURA	A.P. Moller-Maersk	1997	7,403	10 years	37,000	February 2018	37,000
10	SEALAND NEW YORK	A.P. Moller-Maersk	2000	6,648	11 years	30,375	March 2018	28,766
11	MAERSK KOBE	A.P. Moller-Maersk	2000	6,648	11 years	30,375	May 2018	31,855

12	SEALAND WASHINGTON	A.P. Moller-Maersk	2000	6,648	11 years	30,375	June 2018	28,828
13	SEALAND MICHIGAN	A.P. Moller-Maersk	2000	6,648	11 years	25,375	August 2018	26,302
14	SEALAND ILLINOIS	A.P. Moller-Maersk	2000	6,648	11 years	30,375	October 2018	28,882
15	MAERSK KOLKATA	A.P. Moller-Maersk	2003	6,644	11 years	30,000	November 2019	33,168
16	MAERSK KINGSTON	A.P. Moller-Maersk	2003	6,644	11 years	30,375	February 2020	33,343
17	MAERSK KALAMATA	A.P. Moller-Maersk	2003	6,644	11 years	30,375	April 2020	33,385
18	ZIM NEW YORK	ZIM	2002	4,992	10 years	16,205	July 2012	28,332
19	ZIM SHANGHAI	ZIM	2002	4,992	10 years	16,100	August 2012	27,801
20	ZIM PIRAEUS	ZIM	2004	4,992	10 years	18,150	March 2014	24,145
21	OAKLAND EXPRESS	Hapag Lloyd	2000	4,890	8 years	31,297	September 2016	31,291
22	NEW YORK EXPRESS	Hapag Lloyd	2000	4,890	8 years	31,282	October 2016	31,274
23	SINGAPORE EXPRESS	Hapag Lloyd	2000	4,890	8 years	31,317	July 2016	31,312
24	MSC MANDRAKI[(5)]	MSC	1988	4,828	2.8 years	13,500	August 2012	20,201
25	MSC MYKONOS[(6)]	MSC	1988	4,828	3.2 years	13,500	September 2012	19,577
26		MSC	1993	3,883		17,250	April 2012	18,949

	MSC ANTWERP(7)				3 years			
27	MSC WASHINGTON	MSC	1984	3,876	3.2 years	17,250	February 2013	18,344
28	MSC KYOTO	MSC	1981	3,876	3.1 years	17,250	June 2013	18,238
29	MSC AUSTRIA	MSC	1984	3,584	3.7 years	17,250	November 2012	19,103
30	AKRITAS	Hapag Lloyd	1987	3,152	1 year	11,000	August 2011	11,000
31	GARDEN	Evergreen Marine	1984	2,922	5 years	15,200	November 2012	15,200
32	GENIUS I	Evergreen Marine	1984	2,922	3.3 years	15,200	November 2012	15,200
33	GATHER	Evergreen Marine	1984	2,922	5 years	15,200	November 2012	15,200
34	GIFTED	Evergreen Marine	1984	2,922	2.4 years	15,700	December 2011	15,700
35	MSC CHALLENGER	MSC	1986	2,633	2 years	10,000	September 2012	10,000
36	MSC NAMIBIA	MSC	1977	1,654	4.8 years	11,500	July 2012	12,876
37	MSC SUDAN	MSC	1976	1,630	3 years	11,250	June 2011	13,019
38	MSC SIERRA	MSC	1977	1,630	3.7 years	11,250	May 2012	12,847
39	MSC TUSCANY	MSC	1978	1,468	1.9 years	12,000	August 2012	7,985
40	MSC FADO	MSC	1978	1,181	2 years	7,400	May 2012	7,400

41	HORIZON	OACL	1991	1,068	7.1 years	7,625	April 2012	7,625

Set out below is certain information regarding the newbuilds that we have contracted to purchase, subject to our completion of certain financing arrangements prior to November 30, 2010.

	Vessel Name	Charterer[(1)]	Year Built	Capacity (TEU)	Expected Delivery Date	Time Charter Term[(2)]	Current Daily Charter Hire (U.S. dollars)	Expiration of Charter[(2)]	Average Daily Charter Rate Until Earliest Expiry of Charter (U.S. dollars)
Newbuilds[(8)]									
1	H 1068A	MSC	2013	9,000	November 2013	10 years	43,000	November 2023	43,000
2	H 1069A	MSC	2013	9,000	December 2013	10 years	43,000	December 2023	43,000
3	H 1070A	MSC	2014	9,000	January 2014	10 years	43,000	January 2024	43,000

(1) Charterer trade names or acronyms not previously defined are defined in   Our Competitive Strengths .

(2) Charter terms and expiration dates are based on the earliest date each charter could expire.

(3) This average rate is calculated based on contracted charter rates for the days remaining between October 15, 2010 and the earliest expiration of each charter. Certain of our charter

rates change until their earliest expiration dates. See the footnotes to the fleet table in Business Fleet Characteristics .

(4) The vessel will be re-delivered from current charterer MSC between January 24, 2011 and January 30, 2011, at which time it will be delivered to charterer HMM for a time charter until March 25, 2012 at the earliest at a rate of $44,000 per day.

(5) This charter includes a fixed rate until November 2, 2011, and the market rate for the remainder of the term. In order to calculate the average charter rate, we assumed that the charter expires on November 2, 2011.

(6) This charter includes a fixed rate until July 14, 2011, and the market rate for the remainder of the term. In order to calculate the average charter rate, we assumed that the charter expires on July 14, 2011.

(7) This charter includes a fixed rate until May 15, 2011, and the market rate for the remainder of the term. In order to calculate the average charter rate, we assumed that the charter expires on May 15, 2011.

(8) Each newbuild contract is subject to our completion of certain financing arrangements prior to November 30, 2010.

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:

History of Managing Growth Through Shipping Cycles. We grew our fleet from 21 containerships with an aggregate capacity of 43,735 TEUs in 2000 to a peak of 53 containerships of 227,778 TEUs in 2008, reflecting a compound annual growth rate of approximately 10.8% based on number of vessels or 20.1% based on TEUs. Thereafter, we decided, based on our market outlook, to reduce our fleet size to our current fleet of 41 containerships with a total capacity of 211,882 TEUs. Our senior management team has a history of strategically timing vessel acquisitions and dispositions in the containership sector and delivering positive financial returns through the shipping cycle, generating net income of $45.6 million in the first of half 2010, $116.9 million in 2009 and $99.8 million in 2008.

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 October 15, 2010, the average (weighted by TEU capacity) remaining time charter duration for our fleet of 41 containerships was 5.6 years, based on the remaining fixed terms and assuming the earliest redelivery dates possible under our containerships charters. Of the 41 containerships in our existing fleet, over 99% of the anticipated total available days for the fourth quarter of 2010 and the full year 2011 are under fixed-rate time charters. The staggered maturities of the charters for vessels that expire in the next few years will mean that we will likely conduct our rechartering activity in varying rate environments and we will seek to tailor our charter terms accordingly. As of June 30, 2010, our fixed-term charters represented an aggregate of $1.7 billion of contracted revenue, assuming the earliest redelivery dates possible under our containerships charters and 365 revenue days per annum per containership.

Experienced Management Team and Reputation for Operational Excellence Support Long-Standing Relationships with Leading Charterers. Our company and founders have a long history of operating and investing in the container shipping industry. Our managers senior management teams have a combined average of approximately 34 years of experience in the shipping industry. We believe that we are able to secure multi-year charters with leading liner companies because of, among other things, our operating track record and our high level of service and support. We currently charter containerships to A.P. Moller- Maersk, COSCO, Evergreen Marine (Hong Kong) Ltd. (Evergreen Marine), Hapag Lloyd Aktiengesellschaft (Hapag Lloyd), Hyundai Merchant Marine Co., Ltd. (HMM), MSC, Ocean Africa Container Lines (Pty) Ltd. (OACL) and Zim Integrated Shipping Services (ZIM).

Access to Capital to Pursue Our Growth Strategy. As of June 30, 2010, we had approximately $59.9 million of available cash (including restricted cash), cash equivalents and investments, along with $74.2 million of undrawn borrowing capacity. As of that date, we also had 10 containerships, aggregating 38,197 TEUs with an average age (weighted by TEU capacity) of 12.5 years, which were unencumbered. On September 16, 2010, we obtained a commitment letter for a $120.0 million term loan facility, subject to execution of definitive documentation and conditioned upon the closing of this offering. We believe that our available liquidity and committed financing capacity will allow us to make additional near-term accretive acquisitions during a period when both newbuild and high-quality secondhand vessel values remain below their 10-year historical averages.

Large, Diversified High-Quality Fleet. We have a fleet of 41 vessels as of October 15, 2010. Our fleet includes 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 rechartering our containerships. We believe our containerships were built to high standards by reputable shipyards and have been carefully maintained. We have had success in chartering and operating our older vessels beyond their depreciable lives.

Our Business Strategies

Our primary objectives are to profitably grow our business, increase 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. 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 vessels at attractively low prices. We have recently contracted to acquire four 3,351 TEU secondhand containerships. We have also entered into agreements, subject to certain conditions, to acquire three 9,000 TEU newbuilds, and have agreed 10-year time charters for each newbuild. We intend to expand our fleet by acquiring additional containerships at relatively low prices using our cash from operations, the proceeds of this offering and undrawn borrowing capacity under our committed revolving credit facility and committed term loan, along with borrowings under new credit facilities for which we do not yet have commitments, but which we intend to obtain.

Actively Manage Portfolio of Charters Through the Shipping Cycle. Our largest customers in 2009 were A.P. Moller-Maersk, MSC and COSCO, which we perceive to be among the more creditworthy liner companies. As the global economy improves, we will continue to charter our containerships to such high-quality charterers and expand the number of leading liner companies chartering our vessels in order to further diversify our portfolio of time charters from customer, geographic and maturity perspectives.

Continue to Manage Our Balance Sheet. We believe that management of our balance sheet, including management of cash and capital commitments, will continue to give us financial flexibility. Consistent with that policy, we met all of our scheduled debt repayment obligations during the significant 2008-2009 economic downturn. We believe that our committed revolving credit facility, which gives us $74.2 million of undrawn borrowing capacity as of June 30, 2010, and our committed term loan that provides $120.0 million of undrawn borrowing capacity, along with cash from operations, and the proceeds of this offering will provide us with financial flexibility.

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Provide High-Quality Customer Service. 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 three 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.

Dividend Policy

We intend to pay our stockholders quarterly dividends of $0.25 per share, or $1.00 per share per year. We expect to pay an initial dividend following completion of this offering of $0.25 per share in February 2011.

Our board of directors may review and amend our dividend policy from time to time in light of our plans for future growth and other factors. We cannot assure you that we will be able to pay regular quarterly dividends in the amounts stated above or elsewhere in this prospectus, and our ability to pay dividends will be subject to the restrictions in our credit facilities and the provisions of the laws of the Republic of the Marshall Islands (the Marshall Islands) as well as the other limitations set forth in the sections of this prospectus entitled Dividend Policy and Risk Factors .

Corporate Information

Costamare Inc. was incorporated on April 21, 2008, under the laws of the Marshall Islands and conducts its operations through various subsidiaries. Each of our containerships is owned by one of our subsidiaries. We maintain our principal executive offices at 60 Zephyrou Street & Syngrou Avenue, 17564 Athens, Greece. Our telephone number at that address is +30-210-949-0000. After completion of this offering, we will maintain a website at *www.costamare.com.*

The Offering

Common stock offered	13,300,000 shares.
	15,295,000 shares, if the underwriters exercise their over allotment option in full.
Common stock outstanding immediately after offering	60,300,000 shares.
	62,295,000 shares, if the underwriters exercise their overallotment option in full.
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $146.1 million after deducting underwriting discounts and commissions and estimated offering expenses payable by us, based on the initial public offering price of $12.00 per share. We intend to use the net proceeds of this offering for general corporate purposes and potential future vessel acquisitions. We believe that it is currently an attractive time in the container shipping cycle to invest. We have no current specific plan for the net proceeds, although we may decide to use a portion of the net proceeds, together with debt financing, to fund our contracted containership acquisitions. Pending any definitive use, the proceeds may be applied to temporarily reduce outstanding indebtedness. See Use of Proceeds .
Dividends	We intend to pay quarterly dividends of $0.25 per share, or $1.00 per share per year, following the closing of this offering. We expect to pay the first dividend in February 2011. Declaration and payment of any dividend is subject to the discretion of our board of directors and the requirements of Marshall Islands law.
NYSE listing	Our common stock has been approved for listing on the New York Stock Exchange under the symbol CMRE .
Risk factors	Investment in our common stock involves a high degree of risk. You should carefully read and consider the information set forth under the heading Risk Factors and all other information set forth in this prospectus before investing in our common stock.

Each share of our common stock includes one right that, under certain circumstances, will entitle the holder to purchase from us a unit consisting of one-thousandth of a preferred share at a purchase price of $25 per unit, subject to specified adjustments.

Unless we indicate otherwise or the context otherwise requires, all information in this prospectus assumes that the underwriters do not exercise their over allotment option.

SUMMARY CONSOLIDATED FINANCIAL DATA

The summary consolidated financial data set forth below as of December 31, 2007, 2008 and 2009 for each of the three years in the period ended December 31, 2009 have been derived from our audited consolidated financial statements. The summary consolidated financial data set forth below as of December 31, 2005 and 2006 and for the years then ended have been derived from our unaudited consolidated financial statements. The summary consolidated financial data as of June 30, 2010 and for the six months ended June 30, 2009 and 2010 are derived from our unaudited interim condensed consolidated financial statements. We refer you to the notes to our consolidated financial statements for a discussion of the basis on which our consolidated financial statements are presented. Results for the six months ended June 30, 2010 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2010 or any future period.

This information should be read together with, and is qualified in its entirety by, our consolidated financial statements and the notes thereto included elsewhere in this prospectus. You should also read Management s Discussion and Analysis of Financial Condition and Results of Operations .

	Year Ended December 31,				
	2005	2006	2007	2008	200
	(unaudited)				
			(Expressed in thousands of U.S. dollars, except for shar		
STATEMENT OF INCOME					
Revenues:					
Voyage revenue	$ 294,160	$ 349,997	$ 370,121	$ 426,348	$ 39
Expenses:					
Voyage expenses	1,682	1,825	2,780	3,735	
Vessels operating expenses	84,810	100,701	124,666	148,350	11
General and administrative expenses	125	212	466	2,608	
Management fees	7,120	10,198	11,812	13,541	1
Amortization of dry-docking and special survey costs	2,718	2,767	3,095	6,722	
Depreciation	57,494	67,134	50,710	72,256	7
Gain on sale of vessels				(95)	(
Foreign exchange gains / (losses)	(28)	143	579	(235)	

Other income / (expenses)		910	301	(37)	
Operating income	$ 140,239	$ 166,107	$ 175,712	$ 179,503	$ 19
Other Income (Expenses):					
Interest income	$ 7,180	$ 5,627	$ 3,589	$ 5,575	$
Interest and finance costs	(31,800)	(54,211)	(62,568)	(68,420)	(8
Other	1,192	63	188	109	
Gain (loss) on derivative instruments	1,524	5,820	(1,498)	(16,988)	
Total other income (expenses)	$ (21,904)	$ (42,701)	$ (60,289)	$ (79,724)	$ (7
Net Income	$ 118,335	$ 123,406	$ 115,423	$ 99,779	$ 11
Earnings per common share, basic and diluted	$ 2.52	$ 2.63	$ 2.46	$ 2.12	$
Weighted average number of shares, basic and diluted	47,000,000	47,000,000	47,000,000	47,000,000	47,00

	Year Ended December 31,				
	2005 (unaudited)	2006	2007	2008	2009
	(Expressed in thousands of U.S. dollars)				
OTHER FINANCIAL DATA					
Net cash provided by operating activities	N/A[1]	$ 7,864	$ 166,619	$ 247,518	$ 161,893
Net cash (used in) provided by investing activities	N/A[1]	(350,456)	(257,550)	(138,301)	12,811
Net cash (used in) provided by financing activities	N/A[1]	342,026	93,099	(22,529)	(252,684)
Net increase (decrease) in cash and cash equivalents	N/A[1]	(566)	2,168	86,688	(77,980)
Dividends and distributions paid	N/A[1]	(13,564)	(88,572)	(279,778)	(161,230)
EBITDA (unaudited)[2]	N/A[1]	$ 241,891	$ 228,207	$ 241,602	$ 280,208
BALANCE SHEET DATA (at period end)					
Total current assets	$ 11,888	$ 117,540	$ 120,274	$ 121,495	$ 48,305
Total assets	1,065,854	1,453,988	1,674,665	1,815,500	1,710,300
Total current liabilities	183,638	153,651	177,575	287,534	183,271
Total long term debt, including current portion	619,150	968,822	1,102,926	1,529,948	1,435,593
Total stockholders equity	330,010	446,452	521,453	(10,750)	155,222

	Average for the Year Ended December 31,					Average for the Six Months Ended June 30,	
	2005	2006	2007	2008	2009	2009	2010
FLEET DATA							
Number of vessels	39.8	43.6	46.2	52.8	47.3	49.7	42.9
TEU capacity	144,608	177,274	194,865	226,878	218,733	222,511	212,580

(1) N/A indicates that the data is not available for the specified period.

(2) EBITDA represents net income before interest, income tax expense, depreciation and amortization. However, EBITDA is not a recognized measurement under U.S. generally accepted accounting principles (GAAP). We believe that the presentation of EBITDA is useful to investors

because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that EBITDA is useful in evaluating our ability to service additional debt and make capital expenditures. In addition, we believe that EBITDA is useful in evaluating our operating performance and liquidity position compared to that of other companies in our industry because the calculation of 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.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our debt;

EBITDA does not reflect changes in or cash requirements for our working capital needs; and

other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA only supplementally.

The following table sets forth a reconciliation of net cash from operating activities and net income to EBITDA (unaudited) for the periods presented:

	Year Ended December 31,					Six Month
	2005[(1)]	2006	2007	2008	2009	2009
		(unaudited)				(un
			(Expressed in thousands of U.S. dollars)			
Reconciliation of Net Cash from Operating Activities to EBITDA						
Net cash provided by operating activities		$ 7,864	$ 166,619	$ 247,518	$ 161,893	$ 82,946
Net increase (decrease) in operating assets		104,226	(500)	(92,787)	15,864	338
Net (increase) decrease in operating liabilities		70,067	(11,590)	16,213	1,066	4,833
Interest and finance costs net		48,584	58,979	62,845	84,145	47,230
Amortization of financing costs		(141)	(190)	(964)	(746)	(351)
Gain on sale of vessels				95	2,854	3,864
Gain (loss) on derivative instruments		865	(1,501)	(16,657)	5,595	12,407
Payments for Drydockings and Special Surveys		401	10,095	23,362	6,051	5,392
Amortization and write-off of unearned revenue		6,871	6,295	1,636	3,378	732
Imputed interest		2,953				

Gain on sale of investments						341		108		108
Amortization of free lubricants		201								
EBITDA	$	241,891	$	228,207	$	241,602	$	280,208	$	157,499
Reconciliation of Net income to EBITDA										
Net income	$	123,406	$	115,423	$	99,779	$	116,929	$	70,269
Depreciation		67,134		50,710		72,256		71,148		36,109
Amortization of drydocking and special survey costs		2,767		3,095		6,722		7,986		3,891
Interest income		(5,627)		(3,589)		(5,575)		(2,672)		(1,578)
Interest and finance costs		54,211		62,568		68,420		86,817		48,808
EBITDA	$	241,891	$	228,207	$	241,602	$	280,208	$	157,499

(1) EBITDA is not available for 2005.

RISK FACTORS

Any investment in our common stock involves a high degree of risk. You should consider carefully the following risk factors, as well as the other information contained in this prospectus, before making an investment in our common stock. Any of the risk factors described below could significantly and negatively affect our business, financial condition or operating results, which may reduce our ability to pay dividends and lower the trading price of our common stock. You may lose part or all of your investment.

Risks Inherent in Our Business

Our growth depends upon continued increases in world and regional demand for chartering containerships, and the recent global economic slowdown may impede our ability to continue to grow our business.

The ocean-going container shipping industry is both cyclical and volatile in terms of charter rates and profitability. Containership charter rates peaked in 2005 and generally stayed strong until the middle of 2008, when the effects of the recent economic crisis began to affect global container trade, driving rates to their 10-year lows. According to Clarkson Research, in the first nine months of 2010 containership charter rates began to register an upward trend, but rates remain well below long term averages, and that improvement may not be sustainable and rates could decline again.

Demand for containerships also declined significantly during 2008 and 2009. In late 2009 and up to October 1, 2010, however, there has been some improvement on Far East-to-Europe and trans-Pacific container trade lanes, alongside improvements also witnessed on other, non-mainlane, trade routes including certain intra-Asia and North-South trade routes. The decline in freight rates has affected the liner companies to which we seek to charter our containerships, some of which have announced efforts to obtain third party aid in restructuring their obligations. The economics of our business have also been affected negatively by the large number of containership newbuilds ordered prior to the onset of the downturn. Accordingly, weak conditions in the containership sector may affect our ability to generate cash flows and maintain liquidity, as well as adversely affect our ability to obtain financing.

The factors affecting the supply and demand for containerships are outside of our control, and the nature, timing and degree of changes in industry conditions are unpredictable. The factors that influence demand for containership capacity include:

- supply and demand for products shipped in containers;
- changes in global production of products transported by containerships;
- global and regional economic and political

- conditions;
- developments in international trade;
- environmental and other regulatory developments;
- the distance container cargo products are to be moved by sea;
- changes in seaborne and other transportation patterns;
- port and canal congestion; and
- currency exchange rates.

The factors that influence the supply of containership capacity include:

- the availability of financing;
- the price of steel and other raw materials;
- the number of newbuild deliveries;
- the availability of shipyard capacity;
- the scrapping rate of older containerships;

the number of containerships that are out of service;

changes in environmental and other regulations that may limit the useful lives of containerships;

the price of fuel; and

the economics of slow steaming.

Consumer confidence and consumer spending deteriorated significantly in 2008 and 2009, and have recovered only modestly thus far in 2010. Our ability to recharter our containerships upon the expiration or termination of their current charters and the charter rates payable under any renewal options or replacement charters will depend upon, among other things, the prevailing state of the containership charter market, which can be affected by consumer demand for products shipped in containers. If the charter market is depressed when our containerships charters expire, we may be forced to recharter our containerships at reduced or even unprofitable rates, or we may not be able to recharter them at all, which may reduce or eliminate our earnings or make our earnings volatile. The same issues will exist if we acquire additional vessels and attempt to obtain multi-year time charter arrangements as part of our acquisition and financing plan.

Our liner company customers have been placed under significant financial pressure, thereby increasing our charter counterparty risk.

The sharp decline in global economic activity in 2008 and 2009 resulted in a substantial decline in the demand for the seaborne transportation of products in containers, reaching significantly low levels, and has recovered only marginally in the year-to-date. Consequently, the cargo volumes and freight rates achieved by liner companies, with which we expect to charter most of the containerships in our fleet, have declined sharply, reducing liner company profitability and, at times, failing to cover the costs of liner companies operating vessels on their shipping lines. In response to such reduced cargo volume and freight rates, some liner companies may choose to redeploy their larger vessels to minor routes, attempting to fill capacity, reducing the number of smaller vessels used and causing a cascade down to minor trades. As a result, the number of vessels being chartered in by liner companies may decrease.

The reduced demand and resulting financial challenges faced by our liner company customers have significantly reduced demand for containership charters and may increase the likelihood of one or more of our customers being unable or unwilling to pay us contracted charter rates. We expect to generate most of our revenues from these charters and if our charterers fail to meet their obligations to us, we will sustain significant losses which could have a material adverse effect on our financial condition and results of operations.

An oversupply of containership capacity may prolong or further depress the current low charter rates and adversely affect our ability to charter our contracted secondhand containerships or recharter our containerships at profitable rates or at all.

The current size of the containership orderbook is large relative to historical levels and we believe that, despite a decline in orders recorded from 2008 to early 2010, the fulfillment of the containership orderbook will result in an increase in the size of the world containership fleet over the next few years. According to Clarkson Research, as of October 1, 2010, the aggregate capacity of containership newbuilds contracted for construction was 3.84 million TEU, representing approximately 28% of the total fleet by capacity.

On September 23, 2010, we contracted for four 3,351 TEU secondhand containerships, two to be delivered by December 20, 2010 and two by February 28, 2011, each of which currently does not have a time charter. An oversupply of newbuild and/or rechartered containership capacity, combined with a decline in the demand for containerships, may result in a further reduction of charter rates, which could impact the rate at which we are able to charter our contracted secondhand containerships. Moreover, a number of leading liner companies have announced an intention to reduce the number of vessels they charter-in as part of an effort to reduce the size of their fleets to better align fleet capacity with the reduced demand for the marine transportation of containerized cargo. If the current low charter rate environment persists and global fleet capacity increases due to newbuild deliveries or further redeployment of previously idle containerships, we may be unable to recharter our containerships other than for reduced rates or unprofitable rates or we may not be able to recharter our containerships at all.

Weak economic conditions throughout the world, particularly the Asia Pacific region and recent EU sovereign debt default fears, could have a material adverse effect on our business, financial condition and results of operations.

Negative trends in the global economy emerged in 2008 and continued into 2009, and economic conditions remain relatively weak. The current global recovery is proceeding at varying speeds across regions and is still subject to downside risks stemming from factors like fiscal fragility in advanced economies, highly accommodative macroeconomic policies and persistent difficulties in access to credit. In particular, recent concerns regarding the possibility of sovereign debt defaults by European Union member countries, including Greece, have significantly weakened the Euro, disrupted financial markets throughout the world, and may lead to weaker consumer demand in the European Union, the United States, and other parts of the world. The deterioration in the global economy has caused, and may continue to cause, a decrease in worldwide demand for certain goods shipped in containerized form.

We anticipate that a significant number of port calls made by our containerships will continue to involve the loading or unloading of container cargoes in ports in the Asia Pacific region. In recent years, China has been one of the world s fastest growing economies in terms of gross domestic product, which has had a significant impact on shipping demand. In 2009, growth in China s gross domestic product was 8.7%. However, if China s growth in gross domestic product declines and other countries in the Asia Pacific region experience slowed or negative economic growth in the future, then this may exacerbate the effect of the significant downturns in the economies of the United States and the European Union, and thus, may negatively impact container shipping demand. For example, the possibility of sovereign debt defaults by European Union member countries, including Greece, and the possibility of market reforms to float the Chinese renminbi, either of which development could weaken the Euro against the Chinese renminbi, could adversely affect consumer demand in the European Union. Moreover, the revaluation of the renminbi may negatively impact the United States demand for imported goods, many of which are shipped from China in containerized form. Such weak economic conditions could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our stockholders.

Disruptions in world financial markets and the resulting governmental action in the United States and in other parts of the world could have a material adverse impact on our results of operations, financial condition and cash flows.

The United States and other parts of the world exhibited weak economic trends and were in a recession in 2008 and 2009. For example, the credit markets in the United States have experienced significant contraction, deleveraging and reduced liquidity, and the United States federal government and state governments have implemented and are also considering a broad variety of governmental action and/or new regulation of the financial markets. Securities and futures markets and the credit markets are subject to comprehensive statutes, regulations and other requirements. The U.S. Securities and Exchange Commission (SEC), other regulators, self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies, and may effect changes in law or interpretations of existing laws.

Global financial markets and economic conditions were severely disrupted and volatile in 2008 and 2009 and, while generally stabilizing in 2010, remain subject to significant vulnerabilities, such as the deterioration of fiscal balances and the rapid accumulation of public debt, continued deleveraging in the banking sector and limited supply of credit. Credit markets and the debt and equity capital markets were exceedingly distressed in 2008 and 2009 and have only marginally rebounded in 2010. The credit crisis in Greece, for example, and concerns over debt levels of certain other European Union member states, has increased volatility in global credit and equity markets. These issues, along with the re-pricing of credit risk and the difficulties currently experienced by financial institutions have made, and will likely continue to make, it difficult to obtain financing. As a result of the disruptions in the credit markets, many lenders have increased interest rates, enacted tighter lending standards, required more restrictive terms (including higher collateral ratios for advances, shorter maturities and smaller loan amounts), or refused to refinance existing debt at all or on terms similar to our current debt. Furthermore, certain banks that have historically been significant lenders to the shipping industry have announced an intention to reduce or cease lending activities in the shipping industry. New banking regulations, including larger capital requirements and the resulting policies adopted by lenders, could reduce lending activities. We may experience difficulties obtaining financing commitments or be unable to fully draw on the capacity under our committed revolving credit facility or our committed term loan in the future if our lenders are unwilling to extend financing to us or unable to meet their funding obligations due to their own liquidity, capital or solvency issues. We cannot be certain that financing will be available on acceptable terms or at all. If financing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our future obligations as they come due. Our failure to obtain the funds for these capital expenditures could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows. In the absence of available financing, we also may be unable to take advantage of business opportunities or respond to competitive pressures.

We are dependent on our charterers fulfilling their obligations under agreements with us, and their inability or unwillingness to honor these obligations could significantly reduce our revenues and cash flow.

We expect that our containerships will continue to be chartered to customers mainly under multi-year fixed rate time charters. Payments to us under those charters are and will be our sole source of operating cash flow. Many of our charterers finance their activities through cash from operations, the incurrence of debt or the issuance of equity. Since 2008, there has been a significant decline in the credit markets and the availability of credit. Additionally, the equity value of many of our charterers has substantially declined. The combination of a reduction of cash flow resulting from declines in world trade, a reduction in borrowing bases under reserve-based credit facilities and the lack of availability of debt or equity financing may result in a significant reduction in the ability of our charterers to make charter payments to us. Additionally, we could lose a time charter if the charterer exercises certain specified limited rights to terminate the charter.

If we lose a time charter because the charterer is unable to pay us or for any other reason, we may be unable to re-deploy the related vessel on similarly favorable terms or at all. Also, we will not receive any revenues from such a vessel while it is unchartered, but we will be required to pay expenses necessary to maintain and insure the vessel and service any indebtedness on it. The combination of the current surplus of containership capacity and the expected increase in the size of the world containership fleet over the next few years may make it difficult to secure substitute employment for any of our containerships if our counterparties fail to perform their obligations under the currently arranged time charters, and any new charter arrangements we are able to secure may be at lower rates given currently depressed charter rates. Furthermore, the surplus of containerships available at lower charter rates and lack of demand for our customers liner services could negatively affect our charterers willingness to perform their obligations under our time charters, which in many cases provide for charter rates significantly above current market rates. Over the past two years the Company has been proactive in working with its charterers to make adjustments to charter agreements that address the needs of both parties. As a result, while we have agreed in certain cases to charter rate re-arrangements entailing reductions for specified periods, we have been compensated for these adjustments by, among other things, subsequent rate increases, so that the aggregate payments under the charters are not materially reduced, and in some cases we also have arranged for term extensions. However, there is no assurance that any future charter re-arrangements will be on similarly favorable terms.

The loss of any of our charterers, time charters or vessels, or a decline in payments under our charters, could have a material adverse effect on our business, results of operations and financial condition, revenues and cash flow and our ability to pay dividends to our stockholders.

A limited number of customers operating in a consolidating industry comprise a large part of our revenues. The loss of these customers could adversely affect our results of operations, cash flows and competitive position.

Our customers in the containership sector consist of a limited number of liner companies. A.P. Moller-Maersk, MSC and COSCO together represented 77.3%, 71.1% and 73.7% of our revenue in 2007, 2008 and 2009, respectively, and 73.9% in the first half of 2010. We expect that a limited number of leading liner companies will continue to generate a substantial portion of our revenues. Some of our liner company customers have publicly acknowledged the financial difficulties facing them, reported substantial losses in 2009 and announced efforts to obtain third-party aid and restructure their obligations, including under charter contracts. In addition, in recent years there have been significant examples of consolidation in the container shipping industry; at present, there are over 200 liner companies, but according to Clarkson Research, the top 10 and top 20 companies accounted for approximately 56% and 76% of global liner capacity, respectively, as of October 1, 2010. Also according to Clarkson Research, as of October 1, 2010, A.P. Moller-Maersk s deployed fleet accounted for approximately 13% of the global fleet liner capacity. Financial difficulties in the industry may accelerate the trend toward consolidation. The cessation of business with these liner companies or their failure to fulfill their obligations under the charters for our containerships could have a material adverse effect on our financial condition and results of operations, as well as our cash flows.

A decrease in the level of China s export of goods or an increase in trade protectionism could have a material adverse impact on our charterers business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.

China exports considerably more goods than it imports. Our containerships are deployed on routes involving containerized trade in and out of emerging markets, and our charterers container shipping and business revenue may be derived from the shipment of goods from the Asia Pacific region to various overseas export markets including the United States and Europe. Any reduction in or hindrance to the output of China-based exporters could have a material adverse effect on the growth rate of China s exports and on our charterers business. For instance, the government of China has recently implemented economic policies aimed at increasing domestic consumption of Chinese-made goods. This may have the effect of reducing the supply of goods available for export and may, in turn, result in a decrease of demand for container shipping. Additionally, though in China there is an increasing level of autonomy and a gradual shift in emphasis to a market economy and enterprise reform, many of the reforms, particularly some limited price reforms that result in the prices for certain commodities being principally determined by market forces, are unprecedented or experimental and may be subject to revision, change or abolition. The level of imports to and exports from China could be adversely affected by changes to these economic reforms by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government.

Our operations expose us to the risk that increased trade protectionism will adversely affect our business. If the incipient global recovery is undermined by downside risks and the recent economic downturn is prolonged, governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing the demand for shipping. Specifically, increasing trade protectionism in the markets that our charterers serve has caused and may continue to cause an increase in: (i) the cost of goods exported from China, (ii) the length of time required to deliver goods from China and (iii) the risks associated with exporting goods from China, as well as a decrease in the quantity of goods to be shipped.

Any increased trade barriers or restrictions on trade, especially trade with China, would have an adverse impact on our charterers business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us. This could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our stockholders.

We conduct a substantial amount of business in China, including through one of our local managers, Shanghai Costamare, a Chinese corporation, and our charter agreements with COSCO. The legal system in China is not fully developed and has inherent uncertainties that could limit the legal protections available to us.

The Chinese legal system is based on written statutes and their legal interpretation by the Standing Committee of the National People s Congress. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, the Chinese government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade. However, because these laws and regulations are relatively new, and because of the limited volume of published cases and their non-binding nature, interpretation and enforcement of these laws and regulations involve uncertainties. We do a substantial amount of business in China, including through one of our managers, Shanghai Costamare, a Chinese corporation which operates vessels exclusively manned by Chinese crews under the Hong Kong flag, which exposes us to potential litigation in China. Additionally, we have charters with COSCO, a Chinese corporation, and though these charters are governed by English law, we may have difficulties enforcing a judgment rendered by an English court (or other non-Chinese court) in China.

Our contracts for three newbuild containerships that we entered into in September 2010 are conditioned on our obtaining certain financing prior to November 30, 2010.

Our contracts for the acquisition of three new newbuild containerships will terminate, without further liability for us or the seller, if we do not complete certain debt financing arrangements by November 30, 2010. See Business Fleet Characteristics and Business Overview Recent Developments . While we are actively working to comp the required financing arrangements prior to that deadline, there is no assurance that this will occur, or that we would be able to obtain satisfactory substitute financing.

Our ability to obtain additional debt financing for future acquisitions of vessels may be dependent on the performance of our then existing charters and the creditworthiness of our charterers.

We intend to borrow against unencumbered containerships in our existing fleet and vessels we may acquire in the future as part of our growth plan. The actual or perceived credit quality of our charterers, and any defaults by them, may materially affect our ability to obtain the additional capital resources that we will require to purchase additional vessels or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing or committing to financing on unattractive terms could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our stockholders.

Our ability to pay dividends may be limited by the amount of cash we generate from operations following the payment of fees and expenses, by the establishment of any reserves, by restrictions in our debt instruments and by additional factors unrelated to our profitability.

We intend to pay regular quarterly dividends. The declaration and payment of dividends, if any, is subject to the discretion of our board of directors and the requirements of Marshall Islands law. The timing and amount of any dividends declared will depend on, among other things: (a) our earnings, financial condition, cash flow and cash requirements, (b) our liquidity, including our ability to obtain debt and equity financing on acceptable terms as contemplated by our vessel acquisition strategy, (c) restrictive covenants in our existing and future debt instruments and (d) provisions of Marshall Islands law governing the payment of dividends.

The international containership industry is highly volatile, and we cannot predict with certainty the amount of cash, if any, that will be available for distribution as dividends in any period. Also, there may be a high degree of variability from period to period in the amount of cash, if any, that is available for the payment of dividends. The amount of cash we generate from operations and the actual amount of cash we will have available for dividends will vary based upon, among other things:

- the charter hire payments we obtain from our charters as well as the rates obtained upon the expiration of our existing charters;

our fleet expansion strategy and associated uses of our cash and our financing requirements;

delays in the delivery of new 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 drydocking 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; 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.

For more information regarding our financing arrangements, please read Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources and Description of Indebtedness .

In addition, Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares), or while a company is insolvent or if it would be rendered insolvent by the payment of such a dividend. We may not have sufficient surplus or net profits in the future to pay dividends, and our subsidiaries may not have sufficient funds, surplus or net profits to make distributions to us. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income. We can give no assurance that dividends will be paid in the future.

We may have difficulty properly managing our growth through acquisitions of new or secondhand vessels and we may not realize expected benefits from these acquisitions, which may negatively impact our cash flows, liquidity and our ability to pay dividends to our stockholders.

We intend to grow our business by ordering newbuilds and through selective acquisitions of high-quality secondhand vessels. Our future growth will primarily depend on:

- the operations of the shipyards that build any newbuilds we may order;
- locating and identifying suitable high-quality secondhand vessels;
- obtaining required financing on acceptable terms;
- consummating vessel acquisitions;

- enlarging our customer base;
- hiring additional shore-based employees and seafarers; and
- managing joint ventures or significant acquisitions.

In addition, any vessel acquisition may not be profitable at or after the time of acquisition and may not generate cash flows sufficient to justify the investment. Other risks associated with vessel acquisitions that may harm our business, financial condition and operating results include the risks that we may:

- fail to realize anticipated benefits, such as new customer relationships, cost-savings or cash flow enhancements;
- be unable to hire, train or retain qualified shore and seafaring personnel to manage and operate our growing business and fleet;
- decrease our liquidity by using a significant portion of available cash or borrowing capacity to finance

acquisitions;

- significantly increase our interest expense or financial leverage if we incur additional debt to finance acquisitions;
- incur or assume unanticipated liabilities, losses or costs associated with any vessels or businesses acquired; or
- incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

Unlike newbuilds, secondhand vessels typically do not carry warranties as to their condition. While we generally inspect existing vessels prior to purchase, such an inspection would normally not provide us with as much knowledge of a vessel s condition as we would possess if it had been built for us and operated by us during its life. Repairs and maintenance costs for secondhand vessels are difficult to predict and may be substantially higher than for vessels we have operated since they were built. These costs could decrease our cash flows, liquidity and our ability to pay dividends to our stockholders.

Rising crew and other vessel operating costs may adversely affect our profits.

Acquiring and renewing long-term time charters with leading liner companies depends on a number of factors, including our ability to man our containerships with suitably experienced, high-quality masters, officers and crews. In recent years, the limited supply of and increased demand for well-qualified crew, due to the increase in the size of the global shipping fleet, has created upward pressure on crewing costs, which we generally bear under our time charters. Increases in crew costs and other vessel operating costs such as insurance, repairs and maintenance, and lubricants may adversely affect our profitability. In addition, if we cannot retain sufficient numbers of quality on-board seafaring personnel, our fleet utilization will decrease, which could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our stockholders.

Rising fuel prices may adversely affect our profits.

The cost of fuel is a significant factor in negotiating charter rates and will be borne by us when our containerships are employed on voyage charters or contracts of affreightment. We currently have no voyage charters or contracts of affreightment, but we may enter into such arrangements in the future, and to the extent we do so, an increase in the price of fuel beyond our expectations may adversely affect our profitability. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geo-political developments, supply and demand for oil, actions by members of the OPEC and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns and regulations.

We must make substantial capital expenditures to maintain the operating capacity of our fleet and acquire vessels, which may reduce or eliminate the amount of cash for dividends to our stockholders.

We must make substantial capital expenditures to maintain the operating capacity of our fleet and we generally expect to finance these maintenance capital expenditures with cash balances or credit facilities. In addition, we will need to make substantial capital expenditures to acquire vessels in accordance with our growth strategy. Expenditures could increase as a result of, among other things, the cost of labor and materials, customer requirements and governmental regulations and maritime self-regulatory organization standards relating to safety, security or the environment. Significant capital expenditures, including to maintain the operating capacity of our fleet, may reduce or eliminate the amount of cash available for distribution to our stockholders.

The aging of our fleet may result in increased operating costs in the future, which could adversely affect our earnings.

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As our fleet ages, we will incur increased costs. Older vessels may require longer drydockings, resulting in more off-hire days and reduced revenue. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates may also increase with the age of a vessel, making older vessels less desirable to charterers. Governmental regulations and safety or other equipment standards related to the age of a vessel may also require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which our containerships may engage. Our current fleet of 41 containerships as of October 15, 2010 had an average age (weighted by TEU capacity) of 12.5 years, five of which are over 30 years old. We cannot assure you that, as our vessels age, market conditions will justify such expenditures or will enable us to profitably operate our older vessels.

Unless we set aside reserves or are able to borrow funds for vessel replacement, at the end of the useful lives of our vessels our revenue will decline, which would adversely affect our business, results of operations and financial condition.

Our current fleet of 41 containerships as of October 15, 2010 had an average age (weighted by TEU capacity) of 12.5 years, five of which are over 30 years old. Unless we maintain reserves or are able to borrow or raise funds for vessel replacement we will be unable to replace the older vessels in our fleet. Our cash flows and income are dependent on the revenues earned by the chartering of our containerships. The inability to replace the vessels in our fleet upon the expiration of their useful lives could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our stockholders. Any reserves set aside for vessel replacement will not be available for dividends.

Containership values have recently decreased significantly, and may remain at these depressed levels, or decrease further, and over time may fluctuate substantially. If these values are low at a time when we are attempting to dispose of a vessel, we could incur a loss.

Containership values, which have recently decreased significantly, can fluctuate substantially over time due to a number of different factors, including:

- prevailing economic conditions in the markets in which containerships operate;

- a substantial or extended decline in world trade;

- increases in the supply of containership capacity;

- prevailing charter rates; and

- the cost of retrofitting or modifying existing ships to respond to technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

If the market values of our vessels further deteriorate, we may be required to record an impairment charge in our financial statements, which could adversely affect our results of operations. In addition, any such deterioration in the market values of our vessels could trigger a breach under our credit facilities, which could adversely affect our operations. If a charter expires or is terminated, we may be unable to recharter the vessel at an acceptable rate and, rather than continue to incur costs to maintain the vessel, may seek to dispose of it. Our inability to dispose of the containership at a reasonable price could result in a loss on its sale and adversely affect our results of operations and financial condition.

Our growth depends on our ability to expand relationships with existing charterers and to obtain new time charters, for which we will face substantial competition from new entrants and established companies with significant resources.

One of our principal objectives is to acquire additional containerships in conjunction with entering into additional multi-year time charters for these vessels. The process of obtaining new multi-year time charters is highly competitive and generally involves an intensive screening process and competitive bids, and often extends for several months. Generally, we compete for charters based upon charter rate, customer relationships, operating expertise, professional reputation and containership specifications, including size, age and condition.

In addition, as vessels age, it can be more difficult to employ them on profitable time charters, particularly during periods of decreased demand in the charter market. Accordingly, we may find it difficult to continue to find profitable employment for our older vessels, including the five vessels in our fleet over 30 years of age as of October 15, 2010.

We face substantial competition from a number of experienced companies, including state-sponsored entities. Some of these competitors have significantly greater financial resources than we do, and can therefore operate larger fleets and may be able to offer better charter rates. We also anticipate that an increasing number of marine transportation companies will enter the containership sector, including many with strong reputations and extensive resources and experience. This increased competition may cause greater price competition for time charters, as well as for the acquisition of high-quality secondhand vessels and newbuilds. Further, since the charter rate is generally considered to be one of the principal factors in a charterer s decision to charter a vessel, the rates offered by these sizeable competitors can place downward pressure on rates throughout the charter market. As a result of these factors, we may be unable to expand our relationships with existing customers or to obtain new customers on a profitable basis, if at all, which could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our stockholders.

Due to our lack of diversification, adverse developments in the containership transportation business could reduce our ability to service our debt obligations and pay dividends to our stockholders.

We rely exclusively on the cash flow generated from charters for our containerships. Due to our lack of diversification, an adverse development in the container shipping industry, which has been experiencing weakness since the middle of 2008, would have a significantly greater impact on our financial condition and results of operations than if we maintained more diverse assets or lines of business. An adverse development could also impair our ability to service debt or pay dividends to our stockholders.

We may have more difficulty entering into multi-year, fixed-rate time charters if a more active short-term or spot container shipping market develops.

One of our principal strategies is to enter into multi-year, fixed-rate time charters in both strong and weak charter rate environments, although in weaker charter rate environments we would generally expect to target somewhat shorter charter terms. If more containerships become available for the spot or short-term charter market, we may have difficulty entering into additional multi-year, fixed-rate time charters for our containerships due to the increased supply of containerships and the possibility of lower rates in the spot market. As a result, we will then have to charter more of our containerships for shorter periods and our revenues, cash flows and profitability could then reflect, to some degree, fluctuations in the short-term charter market.

We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make dividend payments.

We are a holding company and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to pay our obligations and to make dividend payments depends entirely on our subsidiaries and their ability to distribute funds to us. The ability of a subsidiary to make these distributions could be affected by a claim or other action by a third party, including a creditor, or by the law of their respective jurisdictions of incorporation which regulates the payment of dividends. If we are unable to obtain funds from our subsidiaries, our board of directors may exercise its discretion not to declare or pay dividends.

We may be unable to draw down the full amount of our committed credit facilities if the market value of our vessels declines.

As of June 30, 2010, we had $74.2 million of undrawn borrowing capacity under our committed revolving credit facility. On September 16, 2010, we obtained a commitment letter for a $120.0 million term facility, subject to execution of definitive documentation and conditioned upon the closing of this offering. If the market value of our fleet declines, we may default under our credit facilities, in which case we may not be able to draw down the full amount available to us, obtain additional financing, refinance our debt, or incur debt on terms that are acceptable to us.

Our credit facilities or other financing arrangements contain payment obligations and restrictive covenants that may limit our liquidity and our ability to expand our fleet. A failure by us to meet our obligations under our credit facilities could result in an event of default under such credit facilities and foreclosure on our vessels.

Our credit facilities impose certain operating and financial restrictions on us. These restrictions in our existing credit facilities generally limit Costamare Inc., and our subsidiaries ability to, among other things:

pay
dividends if
an event of

default has occurred and is continuing or would occur as a result of the payment of such dividends;

purchase or otherwise acquire for value any shares of the subsidiaries capital;

make or repay loans or advances, other than repayment of the credit facilities;

make investments in other persons;

sell or transfer significant assets, including any vessel or vessels mortgaged under the credit facilities, to any person, including Costamare Inc. and our subsidiaries;

create liens on their assets; or

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allow the Konstantakopoulos family s direct or indirect holding in Costamare Inc. to fall below 40% of the total issued share capital.

Our existing credit facilities also require Costamare Inc. and certain of our subsidiaries to maintain specified loan to value ratios as summarized below:

under our $1 billion credit facility, as amended by a supplemental agreement dated June 22, 2010, Costamare Inc. may not allow the aggregate of (a) the aggregate market value, primarily on a charter inclusive basis, of the mortgaged vessels under this facility, (b) the market value of any additional security provided to the lender, and (c) (during the waiver period only, as described below) the aggregate minimum cash amount equal to 3%

of the loan outstanding to fall below 80% during a waiver period extending through December 31, 2011, and thereafter, 125% of the aggregate of the term loan, the revolving advances and the swap exposure; or

under certain of our subsidiaries credit facilities, each with Costamare Inc. as guarantor, we may not allow the aggregate of (a) the aggregate market value, primarily on an inclusive charter basis, of the mortgaged vessel or vessels, and (b) the market value of any additional security provided to the lender to fall below a percentage ranging between 110% to

125% of the then outstanding amount of the credit facility and any related swap exposure.

Costamare Inc. is required to maintain compliance with the following financial covenants:

- the ratio of our total liabilities (after deducting all cash and cash equivalents) to market value adjusted total assets (after deducting all cash and cash equivalents) may not exceed 0.75:1;
- the ratio of EBITDA over net interest expense must be equal to or higher than 2.5:1;
- the aggregate amount of all cash and cash equivalents may not be less than the greater of (i)

$30 million or (ii) 3% of the total debt, *provided*, *however*, that a minimum cash amount equal to 3% of the loan outstanding must be maintained in the accounts of the borrower; and

the market value adjusted net worth must at all times exceed $500 million.

See both Description of Indebtedness and Management s Discussion and Analysis of Financial Condition and Results of Operations Credit Facilities for more information about our credit facilities. A failure to meet our payment and other obligations could lead to defaults under our credit facilities. Our lenders could then accelerate our indebtedness and foreclose on the vessels in our fleet securing those credit facilities, which could result in the acceleration of other indebtedness that we may have at such time and the commencement of similar foreclosure proceedings by other lenders. The loss of these vessels would have a material adverse effect on our operating results and financial condition.

Substantial debt levels could limit our flexibility to obtain additional financing and pursue other business opportunities.

As of June 30, 2010, we had outstanding indebtedness of $1.4 billion and we expect to incur additional indebtedness as we grow our fleet. This level of debt could have important consequences to us, including the following:

our ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favorable terms;

we may need to use a substantial portion of our cash from operations to make principal and interest payments on our debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to our stockholders;

our debt level could make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally; and

- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating income is not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt or seeking additional equity capital. We may not be able to effect any of these remedies on satisfactory terms, or at all.

The derivative contracts we have entered into to hedge our exposure to fluctuations in interest rates could result in higher than market interest rates and reductions in our stockholders equity, as well as charges against our income.

We have entered into interest rate swaps, in an aggregate notional amount of approximately $1.4 billion as of June 30, 2010, generally for purposes of managing our exposure to fluctuations in interest rates applicable to indebtedness under our credit facilities which were advanced at floating rates based on LIBOR. We have also entered into certain currency hedges. There is no assurance that our derivative contracts will provide adequate protection against adverse changes in interest rates or currency exchange ratios or that our bank counterparties will be able to perform their obligations.

To the extent our existing interest rate swaps do not, and future derivative contracts may not, qualify for treatment as hedges for accounting purposes we would recognize fluctuations in the fair value of such contracts in our income statement. In addition, changes in the fair value of our derivative contracts are recognized in Accumulated Other Comprehensive Loss on our balance sheet, and can affect compliance with the net worth covenant requirements in our credit facilities. Changes in the fair value of our derivative contracts that do not qualify for treatment as hedges for accounting and financial reporting purposes affect, among other things, our net income, earnings per share and EBITDA coverage ratio. See Management s Discussion and Analysis of Financial Condition and Results of Operations Quantitative and Qualitative Disclosures About Market Risk Interest Rate Risk .

Because we generate all of our revenues in United States dollars but incur a significant portion of our expenses in other currencies, exchange rate fluctuations could hurt our results of operations.

We generate all of our revenues in United States dollars and for the year ended December 31, 2009, we incurred a substantial portion of our vessels operating expenses in currencies other than United States dollars. This difference could lead to fluctuations in net income due to changes in the value of the United States dollar relative to other currencies, in particular the Euro. Expenses incurred in foreign currencies against which the United States dollar falls in value could increase, thereby decreasing our net income. While we have hedged some of this exposure, our U.S. dollar denominated results of operations and financial condition and ability to pay dividends could suffer from adverse currency exchange rate movements. In October 2010, the United States dollar fell toward an eight-month low against the Euro. While we believe that we are adequately hedged against this exposure through 2011, future declines in the U.S. dollar versus the Euro could have a material effect on our operating expenses and net income.

Increased competition in technology and innovation could reduce our charter hire income and the value of our vessels.

The charter rates and the value and operational life of a vessel are determined by a number of factors, including the vessel s efficiency, operational flexibility and physical life. Efficiency includes speed and fuel economy. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. Physical life is related to the original design and construction, maintenance and the impact of the stress of operations. If new containerships are built that are more efficient or flexible or have longer physical lives than our vessels, competition from these more technologically advanced containerships could adversely affect the amount of charter hire payments that we receive for our containerships once their current charters expire and the resale value of our containerships. This could adversely affect our ability to service our debt or pay dividends to our stockholders.

We are subject to regulation and liability under environmental and operational safety laws that could require significant expenditures and affect our cash flows and net income.

Our business and the operation of our vessels are materially affected by environmental regulation in the form of international, national, state and local laws, regulations, conventions, treaties and standards in force in international waters and the jurisdictions in which our containerships operate, as well as in the country or countries of their registration, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions, water discharges and ballast water management. Because such conventions, laws and regulations are often revised, it is difficult to predict the ultimate cost of compliance with such requirements or their impact on the resale value or useful lives of our containerships.

Environmental requirements can also affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, vessel modifications or operational changes or restrictions, lead to decreased availability of, or more costly insurance coverage for, environmental matters or result in the denial of access to certain jurisdictional waters or ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including cleanup obligations and claims for natural resource damages, personal injury and/or property damages in the event that there is a release of petroleum or other hazardous materials from our vessels or otherwise in connection with our operations. Violations of, or liabilities under, environmental requirements can result in substantial penalties, fines and other sanctions, including criminal sanctions, and, in certain instances, seizure or detention of our containerships. Events of this nature or additional environmental conventions, laws and regulations could have a material adverse effect on our financial condition, results of operations and ability to pay dividends to our stockholders.

The operation of vessels is also affected by the requirements set forth in the International Safety Management Code (the ISM Code). The ISM Code requires vessel owners and managers to develop and maintain an extensive Safety Management System that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe vessel operation and describing procedures for dealing with emergencies. Failure to comply with the ISM Code may subject us to increased liability, may decrease or suspend available insurance coverage for the affected vessels, and may result in a denial of access to, or detention in, certain ports. Each of the containerships in our fleet and each of our three managers are ISM Code-certified. However, there can be no assurance that such certifications can be maintained indefinitely.

Governmental regulation of the shipping industry, particularly in the areas of safety and environmental requirements, can be expected to become stricter in the future. In addition, we believe that the heightened environmental, quality and security concerns of insurance underwriters, regulators and charterers will lead to additional requirements, including enhanced risk assessment and security requirements and greater inspection and safety requirements for vessels. In complying with new environmental laws and regulations and other requirements that may be adopted, we may have to incur significant capital and operational expenditures to keep our containerships in compliance, or even to scrap or sell certain containerships altogether.

For additional information on these and other environmental requirements, you should carefully review the information contained in Business Environmental and Other Regulations .

Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and cause disruption of our containership business.

International container shipping is subject to security and customs inspection and related procedures in countries of origin, destination, and certain trans-shipment points. These inspection procedures can result in cargo seizure, delays in the loading, offloading, trans-shipment, or delivery of containers, and the levying of customs duties, fines and other penalties against us.

Since the events of September 11, 2001, United States authorities have more than doubled container inspection rates to over 5% of all imported containers. Government investment in non-intrusive container scanning technology has grown and there is interest in electronic monitoring technology, including so- called e-seals and smart containers, that would enable remote, centralized monitoring of containers during shipment to identify tampering with or opening of the containers, along with potentially measuring other characteristics such as temperature, air pressure, motion, chemicals, biological agents and radiation. Also, as a response to the events of September 11, 2001, additional vessel security requirements have been imposed, including the installation of security alert and automatic identification systems on board vessels.

It is unclear what additional changes, if any, to the existing inspection and security procedures may ultimately be proposed or implemented in the future, or how any such changes will affect the industry.

It is possible that such changes could impose additional financial and legal obligations on us. Furthermore, changes to inspection and security procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of goods in containers uneconomical or impractical. Any such changes or developments could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our stockholders.

Governments could requisition our vessels during a period of war or emergency, resulting in loss of earnings.

A government of the jurisdiction where one or more of our containerships are registered could requisition for title or seize our containerships. Requisition for title occurs when a government takes control of a vessel and becomes its owner. Also, a government could requisition our containerships for hire. Requisition for hire occurs when a government takes control of a ship and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would expect to be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment, if any, would be uncertain. Government requisition of one or more of our containerships may cause us to breach covenants in certain of our credit facilities, and could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our stockholders.

Terrorist attacks, international hostilities and piracy could adversely affect our results of operations and financial condition.

Terrorist attacks such as the attacks on the United States on September 11, 2001 and more recent attacks in other parts of the world, and the continuing response of the United States and other countries to these attacks, as well as the threat of future terrorist attacks, continue to cause uncertainty in the world financial markets and may affect our business, results of operations and financial condition. The current conflict in Afghanistan, and continuing hostilities in the Middle East, may lead to additional acts of terrorism, regional conflict and other armed conflicts around the world, which may contribute to further economic instability in the global financial markets. In addition, political tensions or conflicts in the Asia Pacific Region may reduce the demand for our services. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us, or at all.

In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea and the Gulf of Aden. Terrorist attacks targeted at vessels, such as the October 2002 attack in Yemen on the *VLCC Limburg*, a ship not related to us, may in the future also negatively affect our operations and financial condition and directly impact our containerships or our customers. Future terrorist attacks could result in increased volatility of the financial markets in the United States or globally, and could result in an economic recession affecting the United States or the entire world. Since 2008, the frequency of piracy incidents against commercial shipping vessels has increased significantly, particularly in the Gulf of Aden off the coast of Somalia. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on our results of operations, financial condition and ability to pay dividends. In addition, crew costs, including those due to employing onboard security guards, could increase in such circumstances. Any of these occurrences could have a material adverse effect on our financial condition, results of operations and ability to pay dividends to our stockholders.

Changing economic, political and governmental conditions in the countries where our containerships call or where our containerships are registered could also affect us. In addition, future hostilities or other political instability in regions where our vessels trade could also affect trade patterns and adversely affect our operations and performance.

Risks inherent in the operation of ocean-going vessels could affect our business and reputation, which could adversely affect our expenses, net income and stock price.

The operation of ocean-going vessels carries inherent risks. These risks include the possibility of:

- marine disaster;

- environmental accidents;

- grounding, fire, explosions and collisions;

- cargo and property loss or damage;

- business interruptions caused by mechanical failure, human error, war, terrorism, political action in various countries, or adverse weather conditions; and

- work stoppages or other labor problems with crew members serving on our containerships, some of whom are unionized and covered by collective bargaining agreements.

Such occurrences could result in death or injury to persons, loss of property or environmental damage, delays in the delivery of cargo, loss of revenues from or termination of charter contracts, governmental fines, penalties or restrictions on conducting business, higher insurance rates, and damage to our reputation and customer relationships generally. Although we maintain hull and machinery and war risks insurance, as well as protection and indemnity insurance, which may cover certain risks of loss resulting from such occurrences, our insurance coverage may be subject to caps or not cover such losses, and any of these circumstances or events could increase our costs or lower our revenues. The involvement of our vessels in an environmental disaster may harm our reputation as a safe and reliable vessel owner and operator.

Our insurance may be insufficient to cover losses that may occur to our property or result from our operations.

The operation of any vessel includes risks such as mechanical failure, collision, fire, contact with floating objects, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. In addition, there is always an inherent possibility of a marine disaster, including oil spills and other environmental mishaps. There are also liabilities arising from owning and operating vessels in international trade. We procure insurance for our fleet of containerships in relation to risks commonly insured against by vessel owners and operators. Our current insurance includes (i) hull and machinery insurance covering damage to our and third-party vessels hulls and machinery from, among other things, collisions and contact with fixed and floating objects, (ii) war risks insurance covering losses associated with the outbreak or escalation of hostilities and (iii) protection and indemnity insurance (which includes environmental damage) covering, among other things, third-party and crew liabilities such as expenses resulting from the injury or death of crew members, passengers and other third parties, the loss or damage to cargo, third-party claims arising from collisions with other vessels, damage to other third-party property and pollution arising from oil or other substances.

We can give no assurance that we are adequately insured against all risks or that our insurers will pay a particular claim. Even if our insurance coverage is adequate to cover our losses, we may not be able to obtain a timely replacement containership in the event of a loss of a containership. Under the terms of our credit facilities, we are subject to restrictions on the use of any proceeds we may receive from claims under our insurance policies. Furthermore, in the future, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. For example, more stringent environmental regulations have led to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. We may also be subject to calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage. Our insurance policies also contain deductibles, limitations and exclusions which, although we believe are standard in the shipping industry, may nevertheless increase our costs. A catastrophic oil spill or marine disaster could exceed our insurance coverage, which could harm our business, financial condition and operating results and our ability to pay dividends to our stockholders. Any uninsured or underinsured loss could harm our business and financial condition. In addition, the insurance may be voidable by the insurers as a result of certain actions, such as vessels failing to maintain required certification.

In addition, we do not carry loss of hire insurance. Loss of hire insurance covers the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents. Accordingly, any loss of a vessel or any extended period of vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends to our stockholders.

Maritime claimants could arrest our vessels, which could interrupt our cash flows.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by arresting a vessel. The arrest or attachment of one or more of our vessels, if such arrest or attachment is not timely discharged, could cause us to default on a charter, breach covenants in certain of our credit facilities, interrupt our cash flows and could require us to pay large sums of money to have the arrest or attachment lifted.

In addition, in some jurisdictions, such as South Africa, under the sister ship theory of liability, a claimant may arrest both the vessel that is subject to the claimant s maritime lien and any associated vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert sister ship liability against one containership in our fleet for claims relating to another of our containerships.

Compliance with safety and other requirements imposed by classification societies may be very costly and may adversely affect our business.

The hull and machinery of every commercial vessel must be classed by a classification society. The classification society certifies that the vessel has been built and maintained in accordance with the applicable rules and regulation of the classification society. Moreover, every vessel must comply with any applicable international conventions and the regulations of the vessel s flag state as verified by a classification society. Finally, each vessel must successfully undergo periodic surveys, including annual, intermediate and special surveys.

If any vessel does not maintain its class, it will lose its insurance coverage and be unable to trade, and the vessel s owner will be in breach of relevant covenants under its financing arrangements. Failure to maintain the class of one or more of our containerships could have a material adverse effect on our financial condition and results of operations, as well as our cash flows.

Our business depends upon certain members of our senior management who may not necessarily continue to work for us.

Our future success depends to a significant extent upon our chairman and chief executive officer, Konstantinos Konstantakopoulos, certain members of our senior management and our managers. Mr. Konstantakopoulos has substantial experience in the container shipping industry and has worked with us and our managers for many years. He, our managers and certain of our senior management team are crucial to the execution of our business strategies and to the growth and development of our business. If these individuals were no longer to be affiliated with us or our managers, or if we were to otherwise cease to receive services from them, we may be unable to recruit other employees with equivalent talent and experience, which could have a material adverse effect on our financial condition and results of operations.

Our arrangements with our chief executive officer restricting his ability to compete with us, like restrictive covenants generally, may be unenforceable.

Konstantinos Konstantakopoulos, our chairman and chief executive officer, has entered into a restrictive covenant agreement with us, which is governed by English law, and under which, except for in certain limited circumstances, he is precluded during the term of his service and for six months thereafter from owning containerships and from acquiring or investing in a business that owns such vessels. English law generally does not favor the enforcement of such restrictions which are considered contrary to public policy and facially are void for being in restraint of trade.

Our ability to enforce these restrictions, should it ever become necessary, will depend upon us establishing that we have a legitimate proprietary interest that is appropriate to protect, and that the protection sought is no more than is reasonable, having regard to the interests of the parties and the public interest. We cannot give any assurance that a court would enforce the restrictions as written by way of an injunction or that we could necessarily establish a case for damages as a result of a violation of the restrictive covenants agreement.

We depend on our managers to operate our business, and if our managers fail to satisfactorily perform their management services, our results of operations, financial condition and ability to pay dividends may be harmed.

Pursuant to the group management agreement and the individual ship management agreements, our managers and their affiliates may provide us with certain of our officers and will provide us with, among other things, certain commercial, technical and administrative services. See Business Management of the Company and Our Fleet . Our operational success will depend significantly upon our managers satisfactory performance of these services. Costamare Shipping, one of our managers, also owns the Costamare trademarks, which consist of the name COSTAMARE and the Costamare logo, and has agreed to license each trademark to us on a royalty free basis for the life of the group management agreement. If the management agreement were to be terminated or if its terms were to be altered, our business could be adversely affected, as we may not be able to immediately replace such services, and even if replacement services were immediately available, the terms offered could be less favorable than the ones currently offered by our managers.

Our ability to compete for and enter into new time charters and to expand our relationships with our existing charterers will depend largely on our relationship with our managers and their reputation and relationships in the shipping industry. If our managers suffer material damage to their reputation or relationships, it may harm our ability to:

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards during periods of shipyard construction constraints;
- obtain financing and other contractual arrangements with third parties on commercially acceptable terms (therefore potentially increasing operating

expenditure for the fleet);

maintain satisfactory relationships with our charterers and suppliers; or

successfully execute our business strategies.

If our ability to do any of the things described above is impaired, it could have a material adverse effect on our financial condition and results of operations, as well as our cash flows.

Our managers are privately held companies and there is little or no publicly available information about them.

The ability of our managers to continue providing services for our benefit will depend in part on their own financial strength. Circumstances beyond our control could impair our managers financial strength, and because they are privately held companies, information about their financial strength is not available. As a result, an investor in our stock might have little advance warning of problems affecting any of our managers, even though these problems could have a material adverse effect on us. As part of our reporting obligations as a public company, we will disclose information regarding our managers that has a material impact on us to the extent that we become aware of such information.

Our chairman and chief executive officer has affiliations with our managers which could create conflicts of interest between us and our managers.

The management agreement is between us and Costamare Shipping, which is controlled by our chairman and chief executive officer, Konstantinos Konstantakopoulos. While we believe that the terms of the management agreement are consistent with normal commercial practice of the industry, the agreement was not negotiated at arms-length by non-related parties. Accordingly, the terms may be less favorable to the Company than if such terms were obtained from a non-related third party. Additionally, Konstantinos Konstantakopoulos will continue to directly or indirectly control our managers after the offering and will continue to be our chairman and chief executive officer and the owner of approximately 25.7% of our common stock (assuming the underwriters over-allotment option is not exercised), and this relationship could create conflicts of interest between us, on the one hand, and our managers, on the other hand. These conflicts, which are addressed in the management agreement, may arise in connection with the chartering, purchase, sale and operation of the vessels in our fleet versus vessels owned or chartered-in by other companies affiliated with our managers or our chairman and chief executive officer. These conflicts of interest may have an adverse effect on our results of operations. See Our Managers and Management - Related Agreement and Related Party Transactions .

CIEL and Shanghai Costamare, two of our managers, are not prohibited from providing management services to vessels owned by third parties.

CIEL and Shanghai Costamare, two of our managers, will not be prohibited from providing management services to vessels owned by third parties, including related parties. CIEL and Shanghai Costamare have only provided services to third parties in a limited number of cases in the past and currently only CIEL provides services to two third party vessels (one vessel owned 51% by Konstantinos Konstantakopoulos and 49% by the family of the co-owner and chief executive officer of CIEL, and the second vessel wholly owned by the family of the co-owner and chief executive officer of CIEL). If either CIEL or Shanghai Costamare engages in this activity in the future, it could give rise to conflicts of interest or adversely affect the ability of these companies to provide the level of service that we require. Conflicts of interest with respect to certain services, including sale and purchase and chartering activities, among others, may have an adverse effect on our results of operations.

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.

From time to time on charterers instructions, our vessels have called and may again call on ports located in countries subject to sanctions and embargoes imposed by the United States government and countries identified by the United States government as state sponsors of terrorism. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. In 2010, the U.S. enacted the Comprehensive Iran Sanctions Accountability and Divestment Act (CISADA), which expanded the scope of the former Iran Sanctions Act. Among other things, CISADA expands the application of the prohibitions to non-U.S. companies, such as the Company, and introduces limits on the ability of companies and persons to do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products.

From January 2006 through June 2010, vessels in our fleet made a total of 109 calls to ports in Iran, Syria, Sudan and Cuba, representing approximately 0.6% of our 18,000 calls on worldwide ports. Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines or other penalties and could result in some investors deciding, or being required, to divest their interest, or not to invest, in the Company. Additionally, some investors may decide to divest their interest, or not to invest, in the Company simply because we do business with companies that do business in sanctioned countries. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. Investor perception of the value of our common stock may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

We are a Marshall Islands corporation, and the Marshall Islands does not have a well developed body of corporate law or a bankruptcy act, and, as a result, stockholders may have fewer rights and protections under Marshall Islands law than under the laws of a jurisdiction in the United States.

Our corporate affairs are governed by our articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act (the BCA). The provisions of the BCA are similar to provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in certain U.S. jurisdictions. Stockholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, our public stockholders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling stockholders than would stockholders of a corporation incorporated in a U.S. jurisdiction. For more information with respect to how stockholder rights under Marshall Islands law compare with stockholder rights under Delaware law, please read Marshall Islands Company Considerations .

The Marshall Islands has no established bankruptcy act, and as a result, any bankruptcy action involving our company would have to be initiated outside the Marshall Islands, and our public stockholders may find it difficult or impossible to pursue their claims in such other jurisdictions.

It may be difficult or impossible to enforce service of process and enforcement of judgments against us and our officers and directors.

We are a Marshall Islands corporation and all our subsidiaries are, and will likely be, incorporated in jurisdictions outside the United States. In addition, our executive offices are located outside of the United States in Athens, Greece. All of our directors and officers reside outside of the United States, and all or a substantial portion of our assets and the assets of most of our officers and directors are, and will likely be, located outside of the United States. As a result, it may be difficult or impossible for U.S. investors to serve legal process within the United States upon us or any of these persons or to enforce a judgment against us for civil liabilities in U.S. courts. In addition, you should not assume that courts in the countries in which we or our subsidiaries are incorporated or where our or our subsidiaries assets are located (1) would enforce judgments of U.S. courts obtained in actions against us or our subsidiaries based upon the civil liability provisions of applicable U.S. Federal and state securities laws or (2) would enforce, in original actions, liabilities against us or our subsidiaries based on those laws. Please read Enforceability of Civil Liabilities .

There is also 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.

Risks Relating to the Offering

There is no guarantee that an active and liquid public market will develop for you to resell our common stock.

Prior to this offering, there was no public market for our common stock. A liquid trading market for our common stock may not develop. If an active, liquid trading market does not develop, you may have difficulty selling any of our common stock you buy. The initial public offering price has been determined in negotiations between the representatives of the underwriters and us and may not be indicative of prices that will prevail in the trading market.

The price of our common stock after this offering may be volatile.

The price of our common stock after this offering may be volatile and may fluctuate due to factors including:

- actual or anticipated fluctuations in quarterly and annual results;

- fluctuations in the seaborne transportation industry, including fluctuations in the containership market;

mergers and strategic alliances in the shipping industry;

market conditions in the shipping industry;

changes in government regulations;

shortfalls in our operating results from levels forecasted by securities analysts;

our payment of dividends;

announcements concerning us or our competitors;

the failure of securities analysts to publish research about us after this offering, or analysts making changes in their financial estimates;

general economic

conditions;

terrorist acts;

- future sales of our stock or other securities;
- investors perception of us and the containership transportation industry;
- the general state of the securities market; and
- other developments affecting us, our industry or our competitors.

The containership sector of the shipping industry has been highly unpredictable and volatile. Securities markets worldwide are experiencing significant price and volume fluctuations. The market price for our common stock may also be volatile. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our common stock in spite of our operating performance. Consequently, you may not be able to sell our common stock at prices equal to or greater than those that you pay in this offering.

Our costs will increase significantly as a result of operating as a public company, and our management will be required to devote substantial time to complying with public company regulations.

We have never operated as a public company. As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley) as well as rules subsequently adopted by the SEC and the New York Stock Exchange (NYSE), have imposed various requirements on public companies, including changes in corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to comply with these requirements. Moreover, these rules and regulations relating to public companies will increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

Sarbanes-Oxley requires, among other things, that we maintain and periodically evaluate our internal control over financial reporting and disclosure controls and procedures. In particular, we and our managers will have to perform system and process evaluation and testing of our and their internal control over financial reporting to allow management and our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of Sarbanes-Oxley. Compliance with Section 404 will require a substantial accounting expense and significant management efforts. Neither we nor our managers currently has an internal audit group, and additional accounting and financial staff with appropriate public company experience and technical accounting knowledge will need to be hired to satisfy the ongoing requirements of Section 404. We may have significant difficulties in making such hires given the shortage of available experienced personnel.

We will be a foreign private issuer and controlled company under the NYSE rules, and as such we are entitled to exemption from certain NYSE corporate governance standards, and you may not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

After the consummation of this offering, we will be a foreign private issuer under the securities laws of the United States and the rules of the NYSE. Under the securities laws of the United States, foreign private issuers are subject to different disclosure requirements than U.S. domiciled registrants, as well as different financial reporting requirements. Under the NYSE rules, a foreign private issuer is subject to less stringent corporate governance requirements. Subject to certain exceptions, the rules of the NYSE permit a foreign private issuer to follow its home country practice in lieu of the listing requirements of the NYSE. In addition, after the consummation of this offering, our current stockholders will continue to control a majority of our outstanding common stock. As a result, we will be a controlled company within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power is held by another company or group is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including (1) the requirement that a majority of the board of directors consist of independent directors, (2) the requirement that the nominating committee be composed entirely of independent directors and have a written charter addressing the committee s purpose and responsibilities, (3) the requirement that the compensation committee be composed entirely of independent directors and have a written charter addressing the committee s purpose and responsibilities and (4) the requirement of an annual performance evaluation of the nominating and corporate governance and compensation committees. As permitted by these exemptions, as well as by our bylaws and the laws of the Marshall Islands, we currently intend to have a board of directors with a majority of non-independent directors, intend to have an audit committee comprised solely of two independent directors and intend to have a combined corporate governance, nominating and compensation committee with one or more non-independent directors serving as committee members. As a result, non-independent directors, including members of our management who also serve on our board of directors, may, among other things, fix the compensation of our management, make stock and option awards and resolve governance issues regarding our company. Accordingly, in the future you may not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements.

If we do not implement all required accounting practices and policies, we may be unable to provide the required financial information in a timely and reliable manner.

Prior to this offering, as a privately held company, we did not adopt the financial reporting practices and policies required of a publicly traded company. Implementation of these practices and policies could disrupt our business, distract our management and employees and increase our costs. If we fail to develop and maintain effective controls and procedures, we may be unable to provide the financial information that a publicly traded company is required to provide in a timely and reliable fashion. Any such delays or deficiencies could limit our ability to obtain financing, either in the public capital markets or from private sources, and could thereby impede our ability to implement our growth strategies. In addition, any such delays or deficiencies could result in failure to meet the requirements for continued listing of our common stock on the NYSE, which would adversely affect the liquidity of our common stock.

Under Section 404 of the Sarbanes-Oxley Act of 2002, we will be required to include in each of our future annual reports on Form 20-F a report containing our management s assessment of the effectiveness of our internal control over financial reporting and a related attestation of our independent auditors. This requirement for an attestation of our independent auditors will first apply to us with respect to our annual report on Form 20-F for the fiscal year ending December 31, 2011. After the completion of this offering, we will undertake a comprehensive effort in preparation for compliance with Section 404. This effort will include the documentation, testing and review of our internal controls under the direction of our management. We cannot be certain at this time that all our controls will be considered effective. Therefore, we can give no assurances that our internal control over financial reporting will satisfy the regulatory requirements when they become applicable to us.

You will incur immediate and substantial dilution.

The initial public offering price per share of our common stock is substantially higher than the pro forma net tangible book value per share of our outstanding common stock. As a result, you will incur immediate and substantial dilution of $6.74 per share, representing the difference between the initial public offering price of $12.00 per share and our pro forma as adjusted net tangible book value per share on June 30, 2010. In addition, purchasers of our common stock in this offering will have contributed approximately 29.9% of the aggregate price paid by all purchasers of our common stock, but will own only approximately 22.1% of the shares outstanding after this offering. Please read Dilution for a more detailed description of how dilution may affect you.

Future sales of our common stock could cause the market price of our common stock to decline.

Sales of a substantial number of shares of our common stock in the public market following this offering, or the perception that these sales could occur, may depress the market price for our common stock. These sales could also impair our ability to raise additional capital through the sale of our equity securities in the future.

Although we do not currently have any plans to sell additional shares of our common stock, subject to the rules of the NYSE, in the future, we may issue additional shares of common stock, and other equity securities of equal or senior rank, without stockholder approval, in a number of circumstances.

The issuance by us of additional shares of common stock or other equity securities of equal or senior rank would have the following effects:

- our existing stockholders proportionate ownership interest in us will decrease;

- the dividend amount payable per share on our common stock may be lower;
- the relative voting strength of each previously outstanding share may be diminished; and
- the market price of our common stock may decline.

Our stockholders also may elect to sell large numbers of shares held by them from time to time. The number of shares of common stock available for sale in the public market will be limited by restrictions applicable under securities laws and agreements that we and our executive officers, directors and existing stockholders have entered into with the underwriters of this offering. Subject to certain exceptions, these agreements generally restrict us and our executive officers, directors and existing stockholders from directly or indirectly offering, selling, pledging, hedging or otherwise disposing of our equity securities or any security that is convertible into or exercisable or exchangeable for our equity securities and from engaging in certain other transactions relating to such securities for a period of 180 days after the date of this prospectus without the prior written consent of Morgan Stanley & Co. Incorporated and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Members of the Konstantakopoulos family are our principal existing stockholders and will control the outcome of matters on which our stockholders are entitled to vote following this offering; their interests may be different from yours.

Members of the Konstantakopoulos family will own, directly or indirectly, approximately 77.9% of our outstanding common stock after this offering, assuming the underwriters do not exercise their overallotment option. These stockholders will be able to control the outcome of matters on which our stockholders are entitled to vote, including the election of our entire board of directors and other significant corporate actions. The interests of these stockholders may be different from yours.

Anti-takeover provisions in our organizational documents could make it difficult for our stockholders to replace or remove our current board of directors or could have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of the shares of our common stock.

Several provisions of our articles of incorporation and bylaws could make it difficult for our stockholders to change the composition of our board of directors in any one year, preventing them from changing the composition of our management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable.

These provisions:

- authorize our board of directors to issue blank check preferred stock without stockholder approval;
- provide for a classified board of directors with staggered, three-year terms;
- prohibit cumulative voting in the election of directors;
- authorize the removal of directors only for cause and only upon the affirmative vote of the holders of a majority of the outstanding stock entitled to vote for those directors;
- prohibit stockholder action by written consent

- unless the written consent is signed by all stockholders entitled to vote on the action; and

- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

We have adopted a stockholder rights plan pursuant to which our board of directors may cause the substantial dilution of the holdings of any person that attempts to acquire us without the approval of our board of directors.

These anti-takeover provisions, including the provisions of our stockholder rights plan, could substantially impede the ability of public stockholders to benefit from a change in control and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

Tax Risks

In addition to the following risk factors, you should read Tax Considerations Marshall Islands Tax Considerations , Tax Considerations Liberian Tax Considerations and Tax Considerations United States Federal Income Tax Considerations for a more complete discussion of expected material Marshall Islands, Liberian and U.S. Federal income tax consequences of owning and disposing of our common stock.

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

Under the United States Internal Revenue Code of 1986, as amended, 50% of the gross shipping income of a shipowning or chartering corporation, such as ourselves, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States is characterized as U.S.- source gross shipping income and as such 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.

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 shipping 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. Many of our charterparty agreements contain provisions pursuant to which charterers undertake to reimburse us for the 4% gross basis tax on our U.S.-source 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 , or 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 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, and the nature of our operations following this offering.

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 will face adverse tax consequences. Under the PFIC rules, unless those stockholders make certain elections available under the U.S. Internal Revenue 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. Please read Tax Considerations United States Federal Income Tax Considerations Taxation of United States 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 rate.

Legislation was recently proposed in the United States Senate that would deny the preferential rate of 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 rate of Federal income tax discussed at Tax Considerations United States Federal Income Tax Considerations Taxation of United States Holders Distributions on Our Common 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.

If the regulations regarding the exemption from Liberian taxation for non-resident corporations issued by the Liberian Ministry of Finance were found to be invalid, the net income and cash flows of our Liberian subsidiaries and therefore our net income and cash flows would be materially reduced.

A number of our subsidiaries are incorporated under the laws of the Republic of Liberia. The Republic of Liberia enacted a new income tax act effective as of January 1, 2001 (the New Act) which 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 income tax law previously in effect since 1977, and resident Liberian corporations which conduct business in Liberia and are, and were under the prior law, subject to taxation.

In 2004, the Liberian Ministry of Finance issued regulations exempting non-resident corporations engaged in international shipping, such as our Liberian subsidiaries, from Liberian taxation under the New Act retroactive to January 1, 2001. It is unclear whether these regulations, which ostensibly conflict with the express terms of the New Act adopted by the Liberian legislature, are valid. However, the Liberian Ministry of Justice issued an opinion that the new regulations are a valid exercise of the regulatory authority of the Ministry of Finance. The Liberian Ministry of Finance has not at any time since January 1, 2001 sought to collect taxes from any of our Liberian subsidiaries.

In June 2009, the Legislature, as well as the President, of the Republic of Liberia approved the Economic Stimulus Taxation Act of 2009 (the ESTA) which will amend the New Act to specifically exempt non-resident corporations engaged in international shipping, such as our Liberian subsidiaries, from taxation in Liberia. The ESTA, however, is not effective and will not become effective until it is officially published. To the best of our knowledge, such publication has yet to occur.

If our Liberian subsidiaries were subject to Liberian income tax under the New 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 flows 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%, which would limit our access to funds generated by the operations of our subsidiaries and further reduce our income and cash flows.

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 , ı 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 will 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;
- 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.

DIVIDEND POLICY

We intend to pay our stockholders quarterly dividends of $0.25 per share, or $1.00 per share per year. We expect to pay an initial dividend following completion of this offering of $0.25 per share in February 2011. There can be no assurance, however, that we will pay regular quarterly dividends in the future.

We currently intend to pay dividends in amounts that will allow us to retain a portion of our cash flows to fund vessel, fleet or company acquisitions that we expect to be accretive to earnings and cash flows and for debt repayment and drydocking costs, as determined by management and our board of directors. Declaration and payment of any dividend is subject to the discretion of our board of directors and the requirements of Marshall Islands law. The timing and amount of dividend payments will be dependent upon our earnings, financial condition, cash requirements and availability, fleet renewal and expansion, restrictions in our credit facilities, the provisions of Marshall Islands law affecting the payment of distributions to stockholders and other factors. We cannot assure you that we will be able to pay regular quarterly dividends in the amounts stated above or elsewhere in this prospectus, and dividends may be discontinued at any time at the discretion of our board of directors. Our ability to pay dividends may be limited by the amount of cash we can generate from operations following the payment of fees and expenses and the establishment of any reserves, as well as additional factors unrelated to our profitability. We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make dividend payments. See Risk Factors Risks Inherent in Our Business for a discussion of the risks related to our ability to pay dividends.

Set out below is a table showing the dividends and distributions paid in 2007, 2008, 2009, and the first half of 2010. Investors in this offering are not entitled to receive any portion of these dividends or distributions.

	Year ended December 31,			Six Months ended June 30,	
(Expressed in millions of U.S. dollars)	**2007**	**2008**	**2009**	**2010**	***Total***
Dividends paid	$ 88.6	$ 10.8	$ 30.2	$ 10.0	$ 139.6
Distributions paid	0.0	269.0	131.0	0.0	400.0
Total	$ 88.6	$ 279.8	$ 161.2	$ 10.0	$ 539.6

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately $146.1 million after deducting underwriting discounts and commissions and estimated offering expenses payable by us, based on the initial public offering price of $12.00 per share. We intend to use the net proceeds of this offering for general corporate purposes and potential future vessel acquisitions. We believe that it is currently an attractive time in the container shipping cycle to invest. We have no current specific plan for the net proceeds, although we may decide to use a portion of the net proceeds, together with debt financing, to fund our contracted containership acquisitions. Pending any definitive use, the proceeds may be applied to temporarily reduce outstanding indebtedness.

CAPITALIZATION

The following table sets forth our (i) cash and cash equivalents, (ii) restricted cash, and (iii) consolidated capitalization at June 30, 2010, on an:

- actual basis, giving effect to (a) the sale of 24,000,000 (pre-stock split) shares of common stock (or 45,120,000 post-split) pursuant to a rights offering where the Company offered all shareholders of record as of the close of business on July 14, 2010, the right to subscribe for and purchase up to 32 shares of common stock, par value $0.0001 per share, for each share held, at a subscription price of $0.10 per share, and (b) the 1.88-for-1 stock split effected October 19, 2010; and adjusted basis, giving effect to (a) our scheduled debt repayments totaling $19.4 million until the the date of this prospectus and (b) the issuance and sale of the shares of common stock offered hereby at the initial public offering price of $12.00 per share.

There has been no material change in our capitalization between June 30, 2010 and the date of this prospectus as adjusted as described above.

This information should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations , and our consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

(Expressed in thousands of U.S. dollars)	As of June 30, 2010 Actual	As Adjusted
Cash and cash equivalents	$ 2,454	$ 129,181
Restricted cash	$ 43,369	$ 43,369
Debt:		
Total long-term debt[2]	$ 1,391,533	$ 1,372,133
Stockholders equity:		
Common stock, par value $0.0001 per share; 1,000,000,000 shares authorized on an actual basis and 1,000,000,000 shares authorized on an as adjusted basis; 47,000,000 shares issued and outstanding on an actual basis, 60,300,000 shares issued and outstanding on an as adjusted basis[3]	$ 5	$ 6

Additional paid-in capital	$	374,429	$	520,555
Other comprehensive loss		(92,605)		(92,605)
Retained earnings (accumulated deficit)		(110,528)		(110,528)
Total stockholders equity		171,301		317,428
Total capitalization	$	1,562,834	$	1,689,561

(1) We had $74.2 million of undrawn borrowing capacity under our committed revolving credit facility as of June 30, 2010. On September 16, 2010, we obtained a commitment letter for a $120.0 million term loan facility, subject to execution of definitive documentation and conditioned upon the closing of this offering. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources and Management s Discussion and Analysis of Financial Condition and Results of Operations Credit Facilities .

(2) All of our existing indebtedness is secured.

(3) At inception, the Company had 2,000,000 shares authorized, which was increased to 1,000,000,000 shares on July 12, 2010 and is herein given retroactive effect.

DILUTION

As of June 30, 2010, we had net adjusted tangible book value of $170.5 million, or $3.63 per share, after giving effect to the sale of 24,000,000 (pre-stock split) shares of Common Stock issued in a rights offering to stockholders of record on July 14, 2010, and a 1.88-for-1 stock split effected on October 19, 2010. After giving effect to the sale of 13,300,000 shares of common stock at a price of $12.00 per share, deducting the estimated underwriting discounts and commissions and estimated offering expenses, and assuming that the underwriters overallotment option is not exercised, the pro forma net adjusted tangible book value as of June 30, 2010 would have been $317.4 million or $5.26 per share. This represents an immediate appreciation in net tangible book value of $1.63 per share to existing stockholders and an immediate dilution of net adjusted tangible book value of $6.74 per share to new investors. The following table illustrates the pro forma per share dilution and appreciation as of:

Initial public offering price per share	$	12.00
Net adjusted tangible book value per share as of June 30, 2010	$	3.63
Increase in net adjusted tangible book value per share attributable to new investors in this offering	$	1.63
Pro forma net adjusted tangible book value per share after giving effect to this offering	$	5.26
Dilution per share to new investors	$	6.74

Net tangible book value per share of our common stock is determined by dividing our tangible net worth, which consists of tangible assets less liabilities, by the number of shares of our common stock outstanding. Dilution is determined by subtracting the net tangible book value per share of common stock after this offering from the public offering price per share. Dilution per share to new investors would be $6.55 if the underwriters exercised their overallotment option in full.

The following table summarizes, on a pro forma basis as of June 30, 2010, the differences between the number of shares of common stock acquired from us, the total amount paid and the average price per share paid by the existing holders of shares of common stock and by you in this offering, based upon the initial public offering price of $12.00 per share.

	Pro Forma Shares Outstanding		**Total Consideration**		**Average Price Per Share**
	Number	**Percentage**	**Amount**	**Percentage**	
	(Expressed in thousands of U.S. dollars, except percentages and per share data)				
Existing stockholders	47,000,000	77.9 %	$ 374,434	70.1 %	$ 7.97
New investors	13,300,000	22.1 %	$ 159,600	29.9 %	$ 12.00
Total	60,300,000	100.0 %	$ 534,034	100.0 %	$ 8.86

SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data set forth below as of December 31, 2007, 2008 and 2009 for each of the three years in the period ended December 31, 2009 have been derived from our audited consolidated financial statements. The selected consolidated financial data set forth below as of December 31, 2005 and 2006 and for the years then ended have been derived from our unaudited consolidated financial statements. The selected consolidated financial data as of June 30, 2010 and for the six months ended June 30, 2009 and 2010 are derived from our unaudited interim condensed consolidated financial statements. We refer you to the notes to our consolidated financial statements for a discussion of the basis on which our consolidated financial statements are presented. Results for the six months ended June 30, 2010 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2010 or any future period.

This information should be read together with, and is qualified in its entirety by, our consolidated financial statements and the notes thereto included elsewhere in this prospectus. You should also read Management s Discussion and Analysis of Financial Condition and Results of Operations .

	Year Ended December 31,				
	2005	2006	2007	2008	200
	(unaudited)				
			(Expressed in thousands of U.S. dollars, except for shar		
STATEMENT OF INCOME					
Revenues:					
Voyage revenue	$ 294,160	$ 349,997	$ 370,121	$ 426,348	$ 39
Expenses:					
Voyage expenses	1,682	1,825	2,780	3,735	
Vessels operating expenses	84,810	100,701	124,666	148,350	11
General and administrative expenses	125	212	466	2,608	
Management fees	7,120	10,198	11,812	13,541	1
Amortization of drydocking and special survey costs	2,718	2,767	3,095	6,722	
Depreciation	57,494	67,134	50,710	72,256	7
Gain on sale of vessels				(95)	(
Foreign exchange gains / (losses)	(28)	143	579	(235)	

Other income / (expenses)		910	301	(37)	
Operating income	$ 140,239	$ 166,107	$ 175,712	$ 179,503	$ 19
Other Income (Expenses):					
Interest income	$ 7,180	$ 5,627	$ 3,589	$ 5,575	$
Interest and finance costs	(31,800)	(54,211)	(62,568)	(68,420)	(8
Other	1,192	63	188	109	
Gain (loss) on derivative instruments	1,524	5,820	(1,498)	(16,988)	
Total other income (expenses)	$ (21,904)	$ (42,701)	$ (60,289)	$ (79,724)	$ (7
Net Income	$ 118,335	$ 123,406	$ 115,423	$ 99,779	$ 11
Earnings per common share, basic and diluted	$ 2.52	$ 2.63	$ 2.46	$ 2.12	$
Weighted average number of shares, basic and diluted	47,000,000	47,000,000	47,000,000	47,000,000	47,00

	Year Ended December 31,				
	2005	2006	2007	2008	2009
	(unaudited)				
	(Expressed in thousands of U.S. dollars, except for share dat				
OTHER FINANCIAL DATA					
Net cash provided by operating activities	N/A(1)	$ 7,864	$ 166,619	$ 247,518	$ 161,893
Net cash (used in) provided by investing activities	N/A(1)	(350,456)	(257,550)	(138,301)	12,811
Net cash (used in) provided by financing activities	N/A(1)	342,026	93,099	(22,529)	(252,684)
Net increase (decrease) in cash and cash equivalents	N/A(1)	(566)	2,168	86,688	(77,980)
Dividends and distributions paid	N/A(1)	(13,564)	(88,572)	(279,778)	(161,230)
BALANCE SHEET DATA (at period end)					
Total current assets	$ 11,888	$ 117,540	$ 120,274	$ 121,495	$ 48,305
Total assets	1,065,854	1,453,988	1,674,665	1,815,500	1,710,300
Total current liabilities	183,638	153,651	177,575	287,534	183,271
Total long term debt, including current portion	619,150	968,822	1,102,926	1,529,948	1,435,593
Total stockholders equity	330,010	446,452	521,453	(10,750)	155,222

	Average for the Year Ended December 31,	Six Months Ended June 30,

	2005	2006	2007	2008	2009	2009	2010
FLEET DATA							
Number of vessels	39.8	43.6	46.2	52.8	47.3	49.7	42.9
TEU capacity	144,608	177,274	194,865	226,878	218,733	222,511	212,580

(1) N/A indicates that the data is not available for the specified period.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes and the financial and other information included elsewhere in this prospectus. Among other things, those financial statements include more detailed information regarding the basis of presentation for the following information. The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP), and are presented in U.S. dollars.

This discussion contains forward-looking statements based on assumptions about our future business. Our actual results may differ from those contained in the forward-looking statements and such differences may be material. Please read Forward-Looking Statements .

Overview

We are an international owner of containerships, chartering our vessels to many of the world s largest liner companies. We currently have a fleet of 41 containerships aggregating 211,882 TEUs, making us one of the largest privately owned containership companies in the world, based on total TEU capacity.

We principally deploy our containerships on multi-year, fixed-rate time charters to take advantage of the stable cash flows and high utilization rates typically associated with multi-year time charters. Time-chartered containerships are generally employed on multi-year charters to liner companies that charter-in vessels on a multi-year basis as part of their business strategies.

As of October 15, 2010, the average (weighted by TEU capacity) remaining time charter duration for our fleet of 41 containerships was 5.6 years, based on the remaining fixed terms and assuming the earliest redelivery dates possible under our containerships charters. As of June 30, 2010, our fixed-term charters represented an aggregate of $1.7 billion of contracted revenue, assuming the earliest redelivery dates possible under our containerships charters and 365 revenue days per annum per containership. See the table entitled Contracted Revenue and Days From Time Charters as of June 30, 2010 in Factors Affecting Our Results of Operations Voyage Revenue .

The table below provides additional information about the charter coverage for our fleet of 42 containerships as of June 30, 2010. Except as indicated in the footnotes, it does not reflect events occurring after that date. In particular it does not reflect, (i) our contracts to acquire three newbuilds and four secondhand containerships and (ii) the recent agreements we have obtained for the re-chartering of *MSC Navarino* and the extension of the duration of the charters of eight other containerships, such extensions resulting in an increase in our future contracted days and contracted revenues. See Business Overview Recent Developments . The table assumes the earliest redelivery dates possible under our containerships charters. See Business Fleet Characteristics .

	2010[1]	**2011**	**2012**	**2013**	**2014**	**2015**
No. of Vessels whose Charters Expire	1	3	16	2	6	1
TEUs of Expiring	1,466	7,704	54,000	7,752	38,232	6,644

Charters

Contracted Days	7,604	14,636	11,512	7,511	6,204	5,078
Available Days	32	142	2,380	5,416	4,381	5,507
Contracted/Total Days[2]	99.6 %	99.0 %	82.9 %	58.1 %	58.6 %	47.9 %

(1) Fleet information for 2010 is as of June 30, 2010 and describes our fleet from July 1, 2010 to December 31, 2010, adjusted only to reflect redelivery of *MSC Sicily* from its charterer on September 18, 2010 and delivery to its buyer on September 23, 2010.

(2) Total days are calculated on the assumption that the vessels will continue

trading until the age of 30 years old, unless the vessel will exceed 30 years of age at the expiry of its current charter party, in which case we assume that the vessel continues trading until that expiry date.

Our containership fleet is currently under time charters with eight different charterers. For the three years ended December 31, 2009, our three largest customers by revenue were A.P. Moller-Maersk, MSC and COSCO; together these three customers represented 77.3%, 71.1% and 73.7% of our revenue in 2007, 2008 and 2009, respectively, and these same three companies represented 73.9% of our revenue in the first half of 2010.

We drydock our vessels when the next survey (drydock survey or special survey) is scheduled to become due, ranging from 30 to 60 months. Our current fleet averages 18 days of drydock time per containership, at which time we perform class renewal surveys and make any necessary repairs or retrofittings. We have drydocked 31 vessels over the past 3 years, and we plan to drydock 10 vessels in 2010 and 4 vessels in 2011. Information about our fleet drydocking schedule through 2014 is set forth in a table in Business Inspection by Classification Societies Drydocking .

Our Manager

The operations of our fleet of containerships are managed by Costamare Shipping, CIEL and Shanghai Costamare, our managers, under the supervision of our chairman and chief executive officer and our chief financial officer, in conjunction with our board of directors. With effect from the consummation of this offering, Costamare Shipping will receive a fee of $850 per day ($425 per day in the case of a containership subject to a bareboat charter) for each containership, pro rated for the calendar days we own each containership, for providing us with general administrative services, certain commercial services, director and officer related insurance services and the services of our officers (but not for payment of such officer s compensation) and for providing the relevant containership owning subsidiaries with technical, commercial, insurance, accounting, provisions, sale and purchase, crewing and bunkering services. In the event that Costamare Shipping decides to delegate certain or all of the services it has agreed to perform, either through subcontracting to CIEL or Shanghai Costamare or by directing CIEL or Shanghai Costamare to enter into a direct shipmanagement agreement with the relevant containership owning subsidiary, then, in the case of subcontracting, Costamare Shipping will be responsible for paying the management fee charged by the relevant submanager for providing such services and, in the case of a direct shipmanagement agreement, the fee received by Costamare Shipping will be reduced by the fee payable to CIEL or, as the case may be, Shanghai Costamare under the relevant direct shipmanagement agreement. In addition to such fees, we pay for any capital expenditures, financial costs, operating expenses and any general and administrative expenses, including the salaries of our officers and employees and payments to third parties in accordance with the group management agreement and the relevant separate shipmanagement agreements or supervision agreements. We also pay to Costamare Shipping a flat fee of $700,000 per newbuild vessel for the supervision of the construction of any newbuild vessel for which we may contract. Costamare Shipping also receives a commission of 0.75% on all gross freight, demurrage, charter hire, ballast bonus or other income earned with respect to each containership in our fleet.

The initial term of the group management agreement with Costamare Shipping expires on December 31, 2015. The group management agreement automatically renews for a one-year period and will be extended in one-year increments until December 31, 2020, at which point the group management agreement will expire. The management fee of $850 per day for each containership is fixed until December 31, 2012 and will thereafter be annually adjusted upwards by 4%, with further annual increases permitted to reflect the strengthening of the Euro against the U.S. dollar and/or material unforeseen cost increases. After the initial term expires on December 31, 2015, we will be able to terminate the group management agreement, subject to a termination fee, by providing written notice to Costamare Shipping at least 12 months before the end of the subsequent one-year term. The termination fee is equal to (a) the lesser of (i) five and (ii) the number of full years remaining prior to December 31, 2020, times (b) the aggregate fees due and payable to Costamare Shipping during the 12-month period ending on the date of termination (without taking into account any reduction in fees to reflect that certain obligations have been delegated to a submanager), *provided* that the termination fee will always be at least two times the aggregate fees over the 12-month period described above. Information about other termination events under the group management agreement is set forth in Our Managers and Management-Related Agreements Term and Termination Rights .

Pursuant to the terms of our group management agreement and separate shipmanagement agreements and supervision agreements, liability of our managers to us is limited to instances of gross negligence or willful misconduct on the part of the managers. Further, we are required to indemnify the

managers for liabilities incurred by the managers in performance of the group management agreement and separate shipmanagement agreements and supervision agreements, except in instances of gross negligence or willful misconduct on the part of the managers.

2008 Reorganization

Costamare Inc. was incorporated on April 21, 2008 for the purpose of completing a reorganization of 53 ship-owning companies then owned by our chief executive officer and other members of the Konstantakopoulos family under a single corporate holding company. Under the Master Sales Agreement (the MSA) relating to the reorganization, the Konstantakopoulos family agreed to sell shares or vessels of each of the predecessor companies to the Company or to newly formed subsidiaries of the Company. As a result, subsidiaries of the Company acquired 28 vessels and part of their related assets from 28 of the predecessor companies and assumed or repaid related bank debt and other liabilities, and the Company acquired the shares of each of 25 predecessor companies. In return, the Company made distributions to the shareholders of the predecessor companies totaling $400.0 million ($269.0 million of which was paid as of December 31, 2008 and $131.0 million during the period from January 1, 2009 to April 23, 2009). In addition the Company agreed to assume certain guarantees of Costamare Shipping. For more detail please refer to Note 1 of our consolidated financial statements included in this prospectus.

As members of the Konstantakopoulos family are the sole shareholders of Costamare Inc., and previously owned 100% of the predecessor companies, there was no change in ownership or control of the business, and therefore the transaction constituted a reorganization of companies under common control, and was accounted for in a manner similar to a pooling of interests. For more details please refer to Note 1 of our consolidated financial statements included in this prospectus.

Factors Affecting Our Results of Operations

Our financial results are largely driven by the following factors:

Number of Vessels in Our Fleet. The number of vessels in our fleet is a key factor in determining the level of our revenues. Aggregate expenses also increase as the size of our fleet increases. Vessel acquisitions and dispositions give rise to gains and losses and other one-time items. During 2007 and 2008, we increased the number of vessels in our fleet so that on October 31, 2008 our fleet consisted of 53 containerships. Thereafter, in response to the global economic recession, we reduced our fleet through dispositions. At December 31, 2009, our fleet consisted of 44 containerships.

Charter Rates. The charter rates we obtain for our vessels also drive our revenues. Charter rates are based primarily on demand and supply of containership capacity at the time we enter into the charters for our vessels. Demand and supply can fluctuate significantly over time as a result of changing economic conditions affecting trade flow between ports served by liner companies and the industries which use liner shipping services. Although our multi-year charters make us less susceptible to cyclical containership charter rates than vessels operated on shorter-term charters, such as spot charters, we are exposed to varying charter rate environments when our chartering arrangements expire and we seek to deploy our containerships under new charters. As illustrated in the table above under Overview , the staggered maturities of our containership charters reduce our exposure to any one particular rate environment and point in the shipping cycle. Over the past two years the Company has been proactive in working with its charterers to make adjustments to charter agreements that address the needs of both parties. See Voyage Revenue .

Utilization of Our Fleet. Due to the multi-year time charters under which they generally operate, our containerships have consistently been deployed at high utilization. Nevertheless, the amount of time our vessels spend in drydock undergoing repairs, maintenance or upgrade work affects our results of operations. Historically, our fleet has had a limited number of unscheduled off-hire days. In 2007, 2008 and 2009 our fleet utilization

based on
unscheduled
off-hire days as
a percentage of
total operating
days for each
year was
99.7%, 99.3%
and 99.9%,
respectively,
and

99.8% for the first half of 2010. However, an increase in annual off-hire days could reduce our utilization. The efficiency with which suitable employment is secured, the ability to minimize off-hire days and the amount of time spent positioning vessels also affects our results of operations. If the utilization pattern of our containership fleet changes, our financial results would be affected.

Expenses and Other Costs. Our ability to control our fixed and variable expenses is critical to our ability to maintain acceptable profit margins. These expenses include commission expenses, crew wages and related costs, the cost of insurance, expenses for repairs and maintenance, the cost of spares and consumable stores, lubricating oil costs, tonnage taxes and other miscellaneous expenses. In addition, factors beyond our control, such as developments relating to market premiums for insurance and the value of the U.S. dollar compared to currencies in which certain of our expenses, primarily crew wages, are paid, can cause our vessel operating expenses to increase. We proactively manage our foreign currency exposure by entering into Euro/dollar forward contracts covering our Euro-denominated operating expenses.

Voyage Revenue

Our operating revenues are driven primarily by the number of vessels in our fleet, the amount of daily charter hire that our vessels earn under time charters and the number of operating days during which our vessels generate revenues. These factors are, in turn, affected by our decisions relating to vessel acquisitions and dispositions, the amount of time that we spend positioning our vessels, the amount of time that our vessels spend in drydock undergoing repairs, maintenance and upgrade work, the age, condition and specifications of our vessels and the levels of supply and demand in the containership charter market.

Charter revenues are generated from fixed-rate time charters and are recorded on a straight-line basis over the term of each charter agreement (excluding the effect of any options to extend the term). Revenues derived from time charters with escalating rates are accounted for as operating leases and thus are recognized on a straight-line basis as the average revenue over the rental periods of such agreements, as service is performed, by dividing (i) the aggregate contracted revenues until the earliest expiration date of the time charter by (ii) the total contracted days until the earliest expiration date of the time charter. Some of our charters provide that the charter rate will be adjusted to a market rate for the final months of their respective terms. For purposes of determining the straight line revenue amount, we exclude these periods and treat the charter as expiring at the end of the last fixed rate period. Our revenues will be affected by the acquisition of any additional vessels in the future subject to time charters, as well as by the disposition of any existing vessel in our fleet. Our revenues will also be affected if any of our charterers cancel a time charter or if we agree to renegotiate charter terms during the term of a charter resulting in aggregate revenue reduction. Our time charter arrangements have been contracted in varying rate environments and expire at different times. Generally, we do not employ our vessels under voyage charters under which a shipowner, in return for a fixed sum, agrees to transport cargo from one or more loading ports to one or more destinations and assumes all vessel operating costs and voyage expenses.

After rising during