



# Fourth Quarter 2014 Earnings Presentation

January 30, 2015

## Capital Product Partners L.P.

**CAPITAL**  
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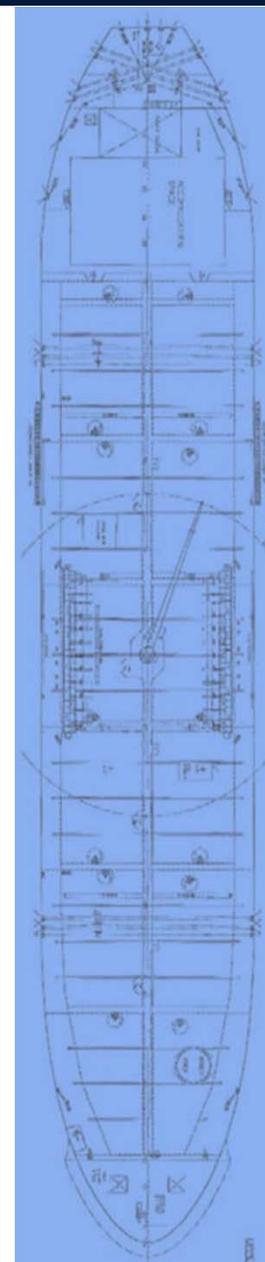
**CPLP**  
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# Disclosures

**This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect CPLP's management's current assumptions and expectations with respect to expected future events and performance. The statements in this presentation that are not historical facts, including our expectations regarding employment of our vessels, redelivery dates and charter rates, fleet growth (including the proposed drop down transaction with our sponsor), demand, newbuilding deliveries and slippage as well as market and charter rate expectations and expectations regarding our quarterly distributions, amortization payments, ability to pursue growth opportunities and grow our distributions and annual distribution guidance may be forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These forward-looking statements involve risks and uncertainties that could cause actual results to be materially different from those expressed or implied in the forward-looking statements.**

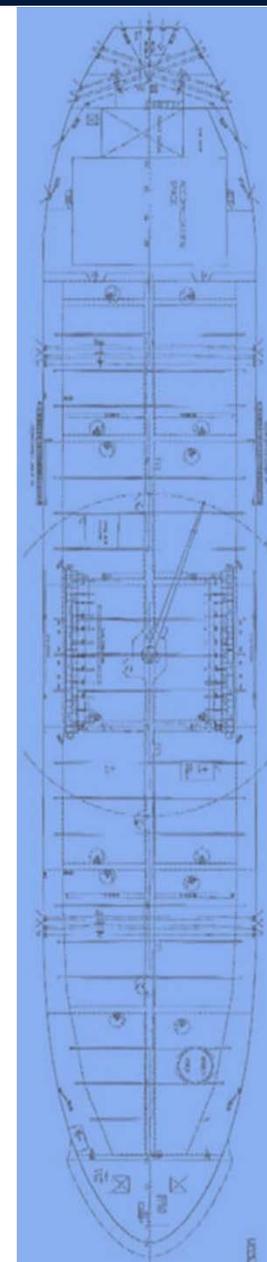
**Factors that could cause actual results to be materially different include those set forth in the "Risk Factors" section of our annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. Unless required by law, we expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, to conform them to actual results or otherwise. We assume no responsibility for the accuracy and completeness of the forward-looking statements. We make no prediction or statement about the performance of our units.**

**For more information about the Partnership, please visit our website: [www.capitalpplp.com](http://www.capitalpplp.com)**



# 4<sup>th</sup> Quarter 2014 Results Powering Ahead

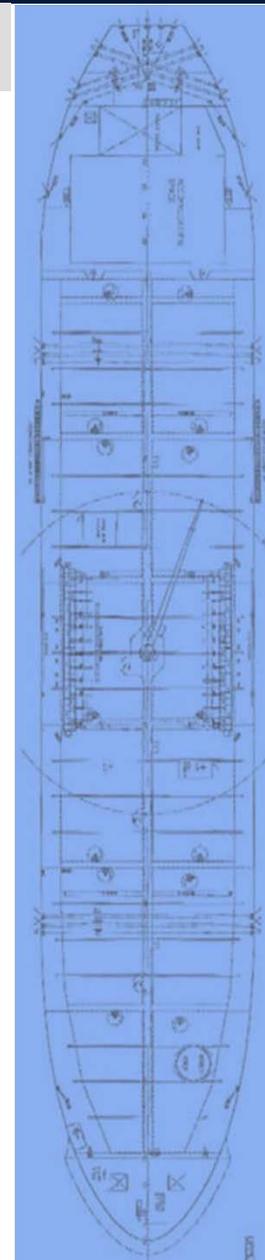
- Cash distribution for 4Q2014: \$0.2325 per common unit and \$0.21375 per class B unit.
- Partnership's operating surplus: \$32.1 mil or \$29.0 mil adjusted for class B unit distribution.
- Strong common unit coverage of 1.2x
- M/T Aias generated \$0.6mil in profit share.
- Secured long term employment during the 4Q2014 for:
  - M/T Aias at \$26,500 pd with Repsol for 3 years
  - M/T Arionas at \$15,000 pd with CMTC for 14 months
- And in January 2015 for:
  - M/T Assos & M/T Axios at \$15,400 pd with Petrobras for 3 years
  - M/T Akeraios & M/T Apostolos at \$15,600 pd with CMTC for 2 years
- Average remaining charter duration 7.9 years with ca. 83% charter coverage for 2015 (up from 60% in December 2014), and 64% charter coverage for 2016.



# Statements of Comprehensive Income / (Loss)

(\$ In Thousands)

	For the Three- Month Period Ended <u>December 31, 2014</u>	For the Three- Month Period Ended <u>December 31, 2013</u>
Revenues	\$29,492	\$33,710
Revenues – related party	20,223	13,308
<b>Total Revenues</b>	<b>49,715</b>	<b>47,018</b>
<b>Expenses:</b>		
Voyage expenses	1,045	1,523
Voyage expenses – related party	95	86
Vessel operating expenses	12,473	11,295
Vessel operating expenses – related party	2,752	4,101
General and administrative expenses	1,550	1,373
Loss / (gain) on sale of vessel to third parties		7,073
Depreciation & amortization	14,359	14,307
<b>Operating income</b>	<b>17,441</b>	<b>7,260</b>
Non operating income		
(Loss) / gain on sale of claim	-	(644)
<b>Total non operating income</b>	<b>-</b>	<b>(644)</b>
Other income (expense), net		
Interest expense and finance cost	(4,865)	(4,661)
Other income	1,109	2
<b>Total other expense, net</b>	<b>(3,756)</b>	<b>(4,659)</b>
<b>Partnership's net income</b>	<b>\$13,685</b>	<b>\$1,957</b>

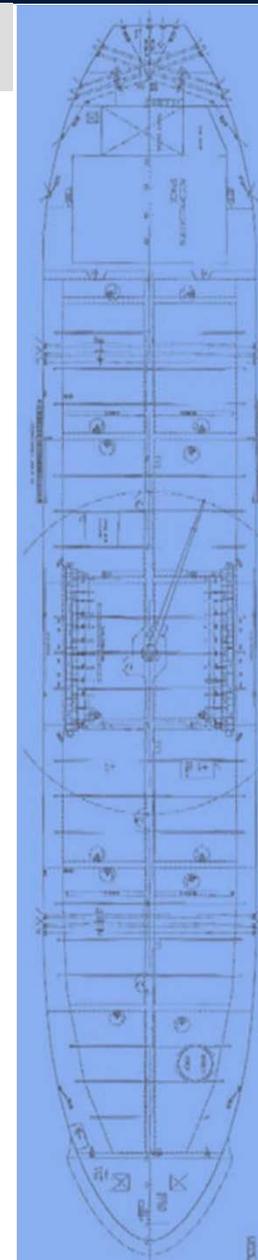


# Operating Surplus For Calculation Of Unit Distribution

(\$ In Thousands)

	For the Three-Month Period Ended December 31, 2014		For the Three-Month Period Ended September 30, 2014	
Net income		\$13,685		\$11,269
<b>Adjustments to net income</b>				
Depreciation and amortization	14,655		14,703	
Deferred revenue	3,738		3,818	
<b>OPERATING SURPLUS PRIOR TO CLASS B PREFERRED UNITS DISTRIBUTION</b>		<b>\$32,078</b>		<b>\$29,790</b>
Class B preferred units distribution		(3,040)		(3,040)
<b>ADJUSTED OPERATING SURPLUS</b>		<b>29,038</b>		<b>26,750</b>
(Increase) on recommended reserves		(4,346)		(2,058)
<b>AVAILABLE CASH</b>		<b>\$24,692</b>		<b>\$24,692</b>

**Common Unit Coverage: 1.2 x**

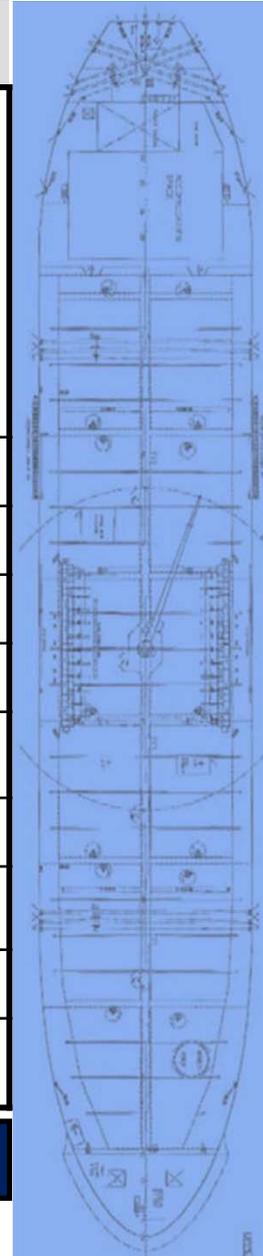


# Balance Sheet

(\$ In Thousands)

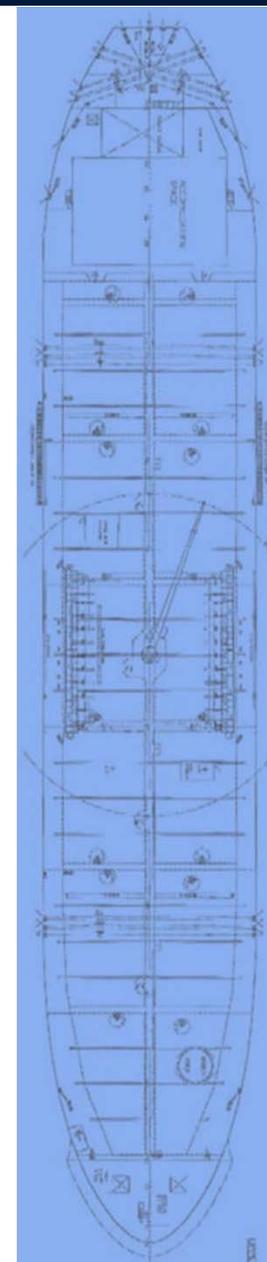
	<u>As Of December 31, 2014</u>	<u>As Of December 31, 2013</u>
<b>Assets</b>		
<b>Total Current Assets</b>	172,115	73,732
<b>Total Fixed Assets</b>	1,186,711	1,176,819
<b>Other Non-Current Assets</b>	134,269	151,221
<b>Total Assets</b>	<b>\$1,493,095</b>	<b>\$1,401,772</b>
<b>Liabilities and Partners' Capital</b>		
<b>Total Current Liabilities</b>	\$45,568	\$38,928
<b>Total Long-Term Liabilities</b>	574,966	581,418
<b>Total Partners' Capital</b>	872,561	781,426
<b>Total Liabilities and Partners' Capital</b>	<b>\$1,493,095</b>	<b>\$1,401,772</b>

**Low Leverage: Net Debt/Capitalization: 26.7%**



# Period Employment Update

Name	DWT	Built	Gross Rate (Per Day)	Charterer	Earliest Charter Expiry
<b>JANUARY 2015 T/C FIXTURES</b>					
M/T Assos*	47,872	2006	\$15,400		March 2018
M/T Axios*	47,872	2007	\$15,400		March 2018
M/T Akeraios	47,781	2007	\$15,600		January 2017
M/T Apostolos	47,782	2007	\$15,600		April 2017
<b>FOURTH QUARTER 2014 T/C FIXTURES</b>					
M/T Aias	150,393	2008	\$26,500		January 2018
M/T Miltiadis M II	162,397	2006	\$28,000		April 2015
M/T Arionas	36,725	2006	\$15,000		January 2016



- The Partnership continues to take advantage of the stronger product and crude tankers to secure long term employment for a number of its vessels.
- Since the end of 3Q2014, we have fixed 7 vessels, all at increased rates compared to their previous employment.
- For 5 of these vessels, we have secured employment for 2 years or longer.

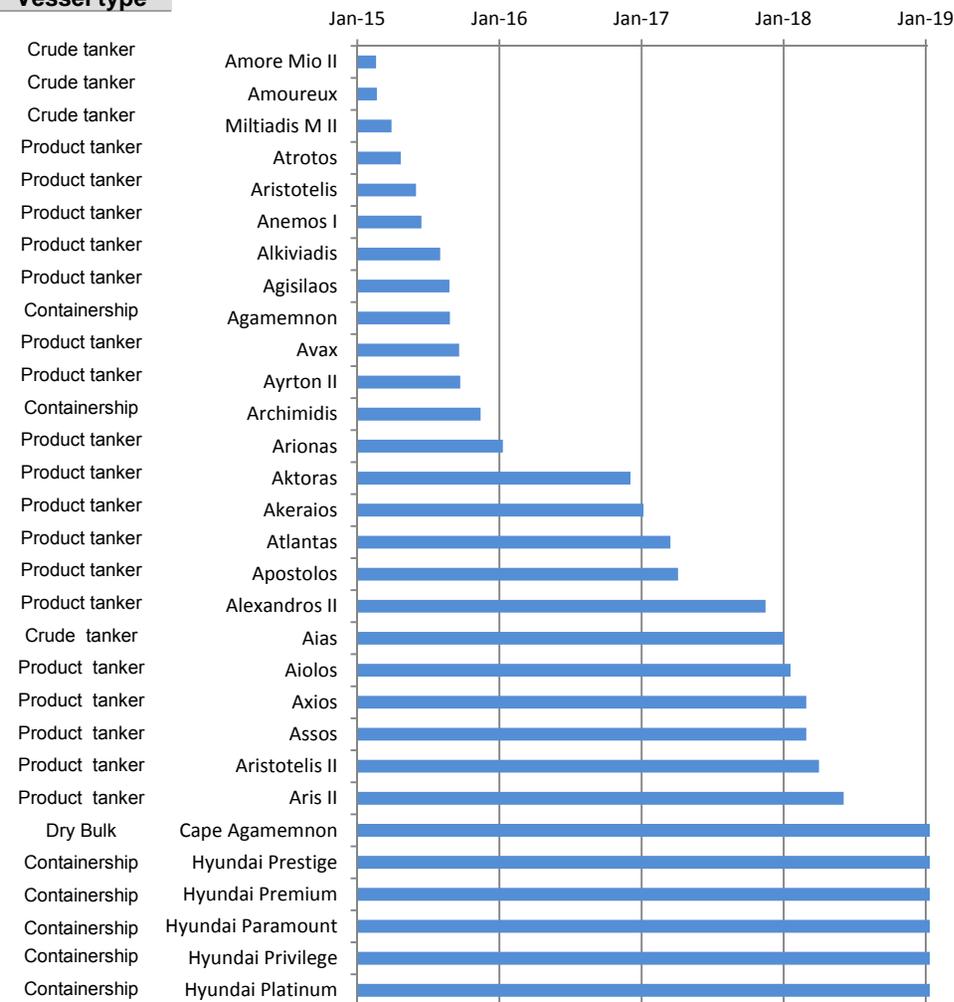
\* Subject to charterer's vessel vetting approval. Under the agreed charter parties, we retain the right to substitute these vessels with any other sister vessel in our fleet.

# Strong Charter Coverage At Attractive Rates

## Charter Profile

### Expiry Of Current Charters

#### Vessel type

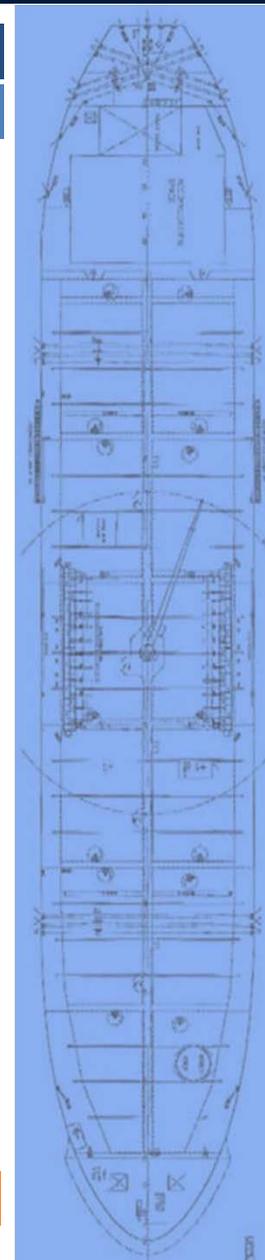


### Rates

Gross Rate	Profit Share
\$17,000	
\$24,000	✓
\$28,000	
\$14,750	
\$17,000	✓
\$14,850	✓
\$14,125	
\$14,250	
\$34,000	
\$14,750	
\$15,350	
\$34,000	
\$15,000	
\$7,000 <sup>1</sup>	
\$15,600	
\$6,750 <sup>1</sup>	
\$15,600	
\$6,250 <sup>1</sup>	
\$26,500	
\$13,500 <sup>1</sup>	
\$15,400	
\$15,400	
\$6,250 <sup>1</sup>	
\$6,250 <sup>1</sup>	
\$42,200	
\$29,350	
\$29,350	
\$29,350	
\$29,350	
\$29,350	
\$29,350	

### Commentary

- Solid Product Tanker Period Market:**  
 One- and three-year MR time charter (TC) period rates currently estimated at ca. \$15,250 per day
- CPLP Positioned To Capitalize On Improving Product Tanker Rates:**  
 CPLP has staggered the charters of many of its product and crude tankers on 1-Year time contracts, in order to take advantage of the improving fundamentals of the product and crude tanker industries



**Weighted Average Remaining Charter Duration: 7.9 Years**

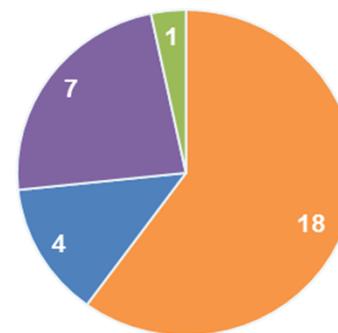
<sup>1</sup> Bareboat

# Fleet List

## Current Fleet List & Charterers

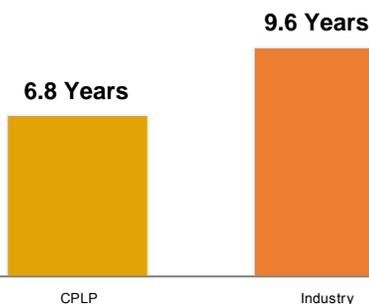
Vessel Name	Dwt / Teu	Charterer	Year Built	Type Of Vessel
ATLANTAS	36,760	bp	2006, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
AKTORAS	36,759		2006, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
AIOS	36,725		2007, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
AMOUREUX	149,993		2008, Japan	Crude Oil Suezmax
AMORE MIO II	159,982		2001, S. Korea	Crude Oil Suezmax
ARISTOTELIS	51,604		2013, S. Korea	ECO IMO II/III Chem./Prod.
ATROTOS	47,786		2007, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
AVAX	47,834		2007, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
APOSTOLOS	47,782	CAPITAL MARITIME & TRADING CORP	2007, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
ANEMOS I	47,782		2007, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
AKERAIOS	47,781		2007, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
AGISILAOS	36,760		2006, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
ARIONAS	36,725		2006, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
AXIOS	47,872	BR PETROBRAS	2007, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
ASSOS	47,872		2006, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
AIAS	150,393	REPJOL	2008, Japan	Crude Oil Suezmax
ALEXANDROS II	51,258		2008, S. Korea	IMO II/III Chem./Prod.
ARISTOTELIS II	51,226	OSG Overseas Shipholding Group, Inc.	2008, S. Korea	IMO II/III Chem./Prod.
ARIS II	51,218		2008, S. Korea	IMO II/III Chem./Prod.
ALKIVIADIS	36,721	TOTAL	2006, S. Korea	Ice Class 1A IMO II/III Chemical/ Product
MILTIDIS M II	162,397	PEMEX	2006, S. Korea	Crude Oil Suezmax
AYRTON II	51,260	ENGEN	2009, S. Korea	IMO II/III Chem./Prod.
CAPE AGAMEMNON	179,221		2010, S. Korea	Capesize Dry Cargo
AGAMEMNON	7,943	MAERSK LINE	2007, S. Korea	Container Carrier
ARCHIMIDIS	7,943		2006, S. Korea	Container Carrier
HYUNDAI PREMIUM	5,023		2013, S. Korea	Container Carrier
HYUNDAI PARAMOUNT	5,023		2013, S. Korea	Container Carrier
HYUNDAI PRIVILEGE	5,023	HMM HYUNDAI MERCHANT MARINE CO., LTD.	2013, S. Korea	Container Carrier
HYUNDAI PRESTIGE	5,023		2013, S. Korea	Container Carrier
HYUNDAI PLATINUM	5,023		2013, S. Korea	Container Carrier

## Fleet Profile By Vessel Type



**2.1mm DWT / 41,001 TEUs**

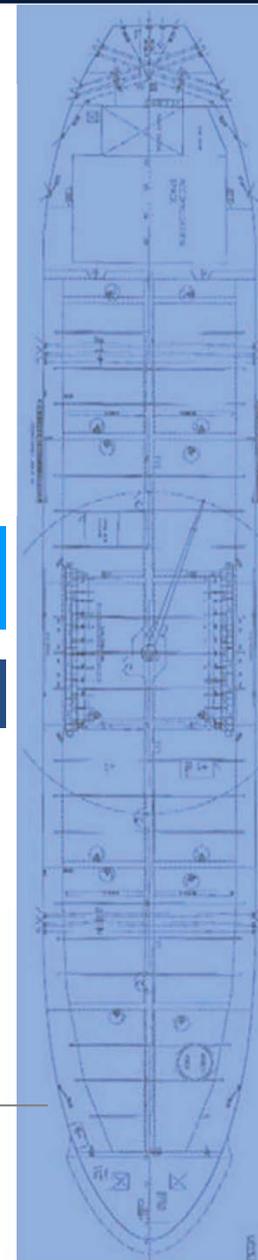
**Fleet Age<sup>1</sup>**



**30 Vessels - 2.1mm DWT (~41k TEUs)**

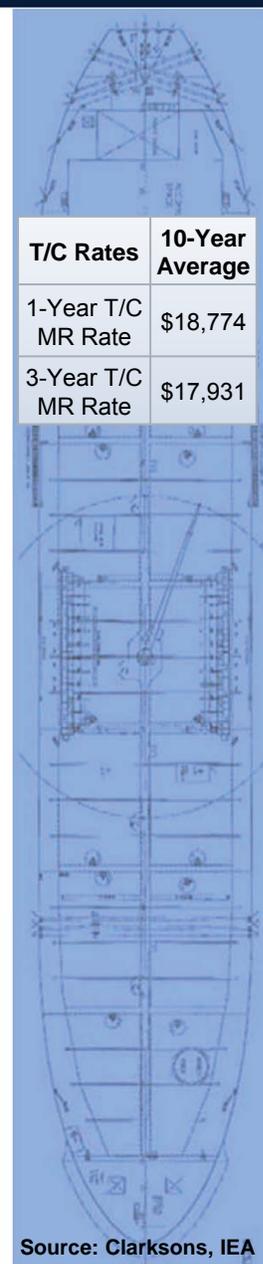
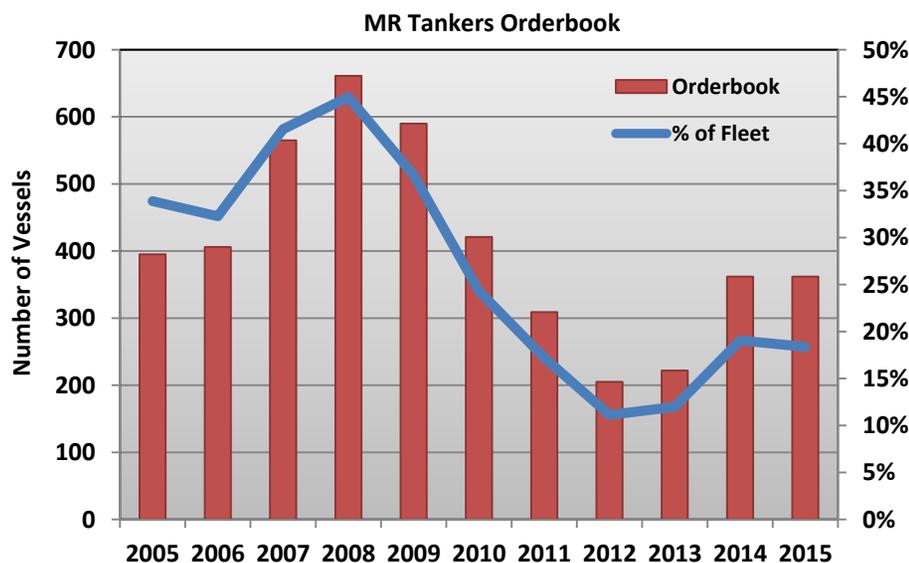
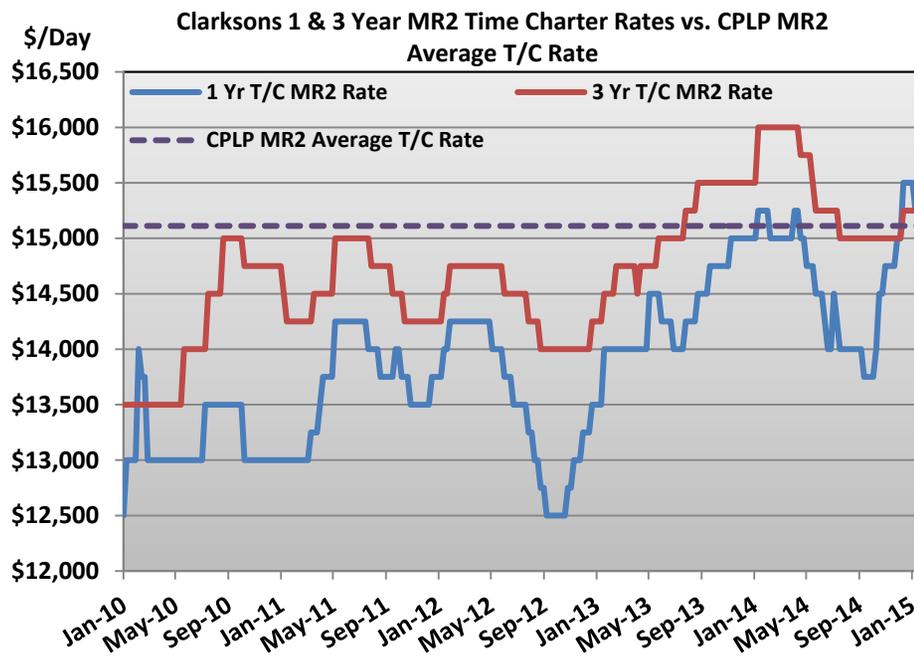
**6.8 Years Weighted Average Fleet Age<sup>1</sup>**

<sup>1</sup> Industry average age data from Clarksons as of December 2014 weighted for the composition of the CPLP fleet.



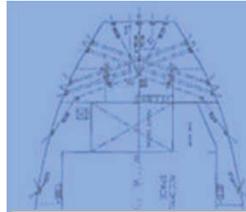
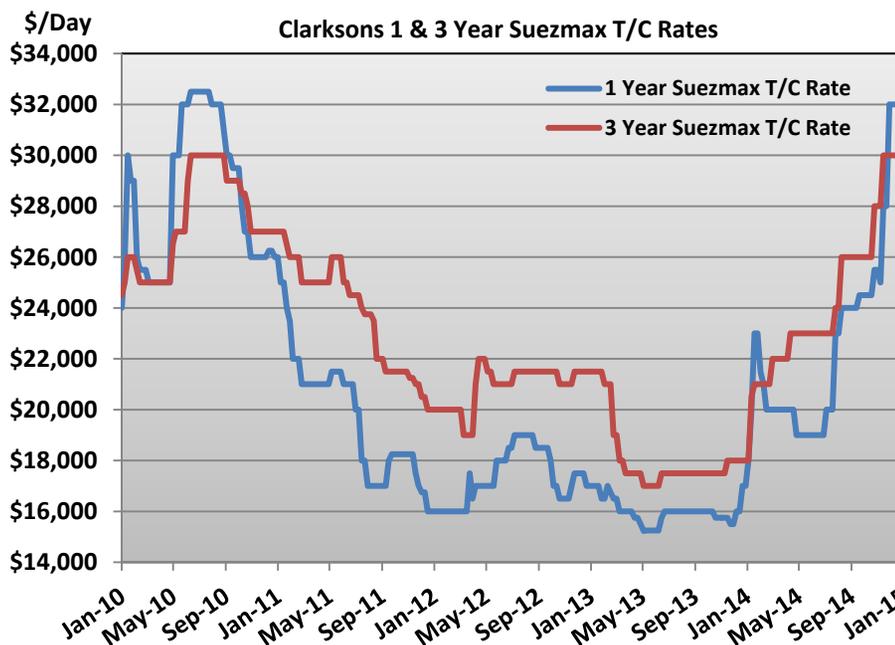
# Product Tanker Market Overview

- MR spot product tanker rates registered strong gains in 4Q2014, increasing to the highest level since 3Q2008.
- Improvement driven by increased demand for product tankers, as the steep declines in oil and oil products prices resulted in:
  - High global refinery crude throughputs - reaching a record high in December
  - Increased arbitrage opportunities
  - Inventory building
- Period market remained active with rates on the increase.
- Sustained recovery in the MR spot market is expected to support period rates and activity going forward.
- Orderbook (2014-2018) for MR tankers at 18.4% of total fleet.
- New building contracts have declined sharply, as most shipyards have exhausted their capacity through 2016.
- 66 orders placed in 2014 compared to 261 in 2013.
- Slippage amounting to 29% (FY2014).



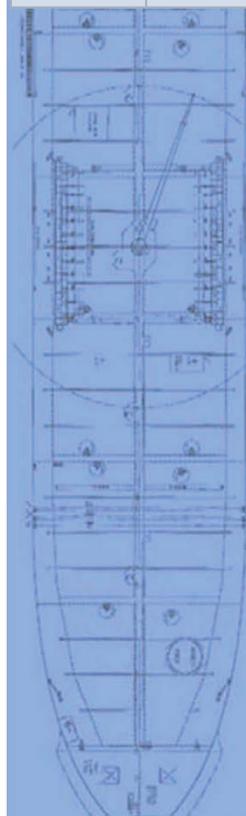
# Suezmax Tanker Market Overview

- The Suezmax spot market continued improving in 4Q2014, as average spot earnings rose to the highest since 4Q2008.
- Favorable supply and demand dynamics drove rates higher:
  - Negative fleet growth in FY2014 of -0.5%
  - Delays in the Turkish Straights further tightened supply during the quarter
  - Inventory building sparked by tumbling oil prices
  - Longer trading distances – more crude sourced from the Atlantic basin.
- Period market rates increased significantly in response to the firming spot rate environment.
- World oil demand set to grow by 0.9 mb/d in 2015, according to the IEA.
- Suezmax dwt demand projected to expand by 4.6% in 2015 on the back of increased growth in long-haul trades to India and China from the Atlantic.
- For FY2015, fleet is expected to grow by 1.0%.
- Suezmax tanker orderbook through 2018 corresponding to 14.0% of current fleet.
- Slippage Increased To 73% (FY2014).

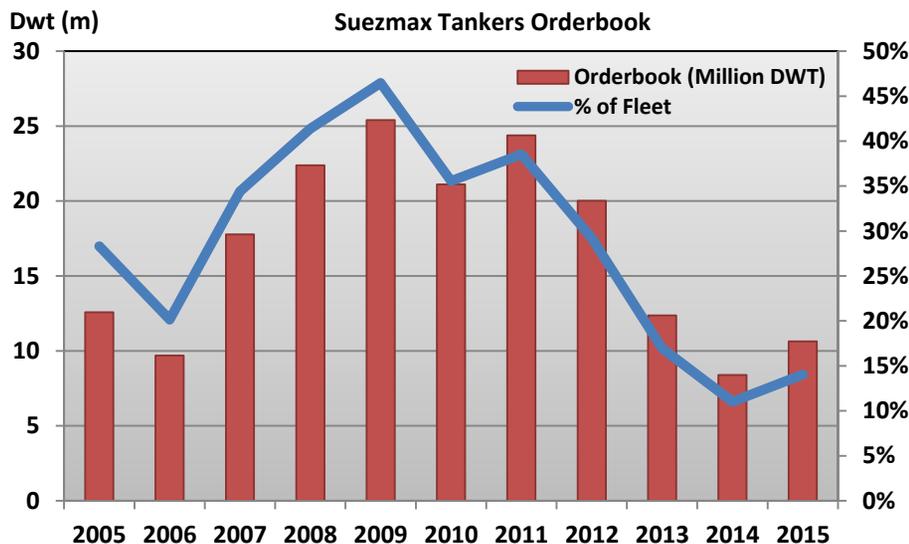


**Suezmax T/C Rates – 10 Year Average**

1-Year Rate	\$31,494
3-Year Rate	\$29,784



Source: Clarksons, IEA





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