



# Second Quarter 2012 Earnings Presentation

July 31, 2012

## Capital Product Partners L.P.

**CAPITAL**

PRODUCT PARTNERS L.P.

[www.capitalpplp.com](http://www.capitalpplp.com)

**CPLP**  
**NASDAQ**  
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# Disclosures

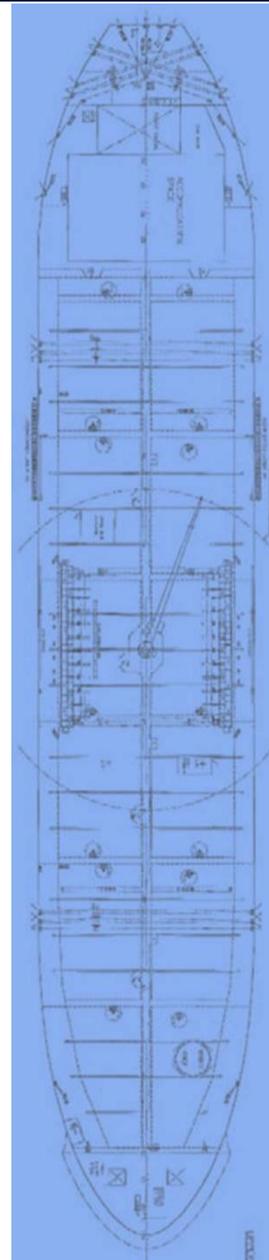
This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect management's current assumptions and expectations with respect to expected future events and performance. All statements, other than statements of historical facts, including our cash flow outlook, expected employment terms for our vessels and anticipated expiration of our charters, expectations regarding our quarterly distribution and annual distribution guidance, total fleet day coverage for 2012 and 2013, expected orderbook supply and slippage, fleet growth and demand, changes in expected global oil and oil product demand and changes to refining capacity, global GDP growth as well as market expectations, are forward-looking statements.

Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, and undue reliance should not be placed upon them. Many factors could cause forecasted and actual results to differ materially from those anticipated or implied in these forward-looking statements.

For a more comprehensive discussion of the risk factors affecting our business please see our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission, a copy of which can also be found on our website [www.capitalpplp.com](http://www.capitalpplp.com).

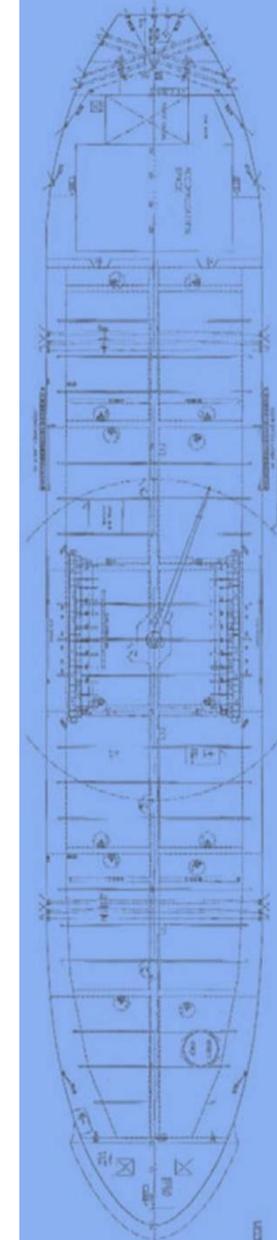
Stated competitive positions, when used, are based on management estimates supported by information provided by specialized external agencies and industry sources. Unless required by law, we expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, to conform them to actual results or otherwise. Neither we nor any other person assumes 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)



# Second Quarter 2012 Results Highlights

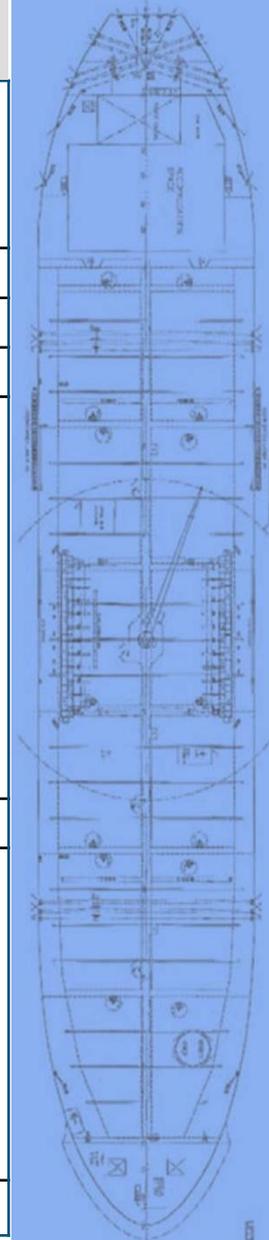
- **Cash Distribution For 2Q2012: \$0.2325 Per Common Unit And \$0.2674 Per Class B Unit.**
- **Partnership's Operating Surplus Of \$16.9 Mil Or \$12.7 Mil Adjusted For Class B Units Distribution (15,555,554 Class B Convertible Preferred Units).**
- **\$1.1 Mil In Profit Share Primarily Due To Improved Crude Tanker Spot Market In 1Q & 2Q.**
- **Issued \$140 Mil In Class B Convertible Preferred Units With Annualized Yield Of 9.5% Which Was Used To Prepay Debt, Strengthen Our Capital Structure, and Ensure \$0.93 Annual Distribution Guidance Is Sustainable And A Base To Build Upon.**
- **All Remaining Amortization Payments Under The Partnership's Credit Facilities Deferred Until March 2016.**
- **M/T Avax And M/T Axios Secured Employment For 12 Months Up To 2Q2013.**
- **Average Remaining Charter Duration 4.7 Years With 87% Of The 2H2012 Total Fleet Days With Secured Charter Coverage.**



# Income Statement

(\$ In Thousands)

	For the Three- Month Period Ended <u>June 30, 2012</u>	For the Three- Month Period Ended <u>June 30, 2011</u>
Revenues	\$20,124	\$22,484
Revenues – related party	17,724	5,368
<b>Total Revenues</b>	<b>37,848</b>	<b>27,852</b>
<b>Expenses:</b>		
Voyage expenses	437	1,041
Voyage expenses – related party	143	-
Vessel operating expenses – related party	6,133	7,854
Vessel operating expenses	5,038	79
General and administrative expenses	2,259	3,903
Gain on sale of vessel to third parties	(341)	-
Depreciation	12,025	8,233
<b>Operating income</b>	<b>12,154</b>	<b>6,742</b>
Non operating income (expense), net		
Gain from bargain purchase	-	16,256
Other expense, net		
Interest expense and finance cost	(10,101)	(8,244)
Gain on interest rate swap agreement	808	-
Interest and other income	509	123
<b>Total other expense, net</b>	<b>(8,784)</b>	<b>(8,121)</b>
<b>Partnership's net income</b>	<b>\$3,370</b>	<b>\$15,147</b>

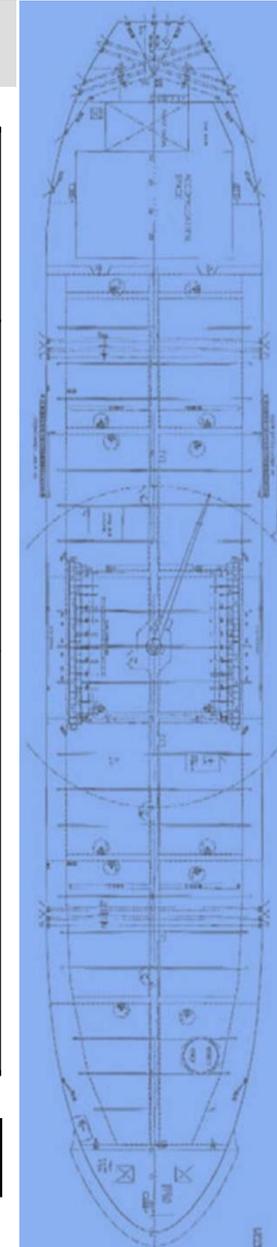


# Operating Surplus For Calculation Of Unit Distribution

(\$ In Thousands)

	For the Three-Month Period Ended June 30, 2012		For the Three-Month Period Ended March 31, 2012	
Net Income		\$3,370		\$3,225
<b>Adjustments to net income</b>				
Depreciation and amortization	12,328		12,740	
Deferred revenue	1,531		2,460	
Gain on sale of vessel	(341)		(956)	
<b>OPERATING SURPLUS PRIOR TO CLASS B PREFERRED UNITS DISTRIBUTION</b>		<b>\$16,888</b>		<b>\$17,469</b>
Class B preferred units distribution		(4,159)		-
<b>ADJUSTED OPERATING SURPLUS</b>		<b>\$12,729</b>		<b>\$17,469</b>
(Increase)/Reduction on recommended reserves		3,729		(1,011)
<b>AVAILABLE CASH</b>		<b>\$16,458</b>		<b>\$16,458</b>

**Common Unit Coverage: 0.8 x**

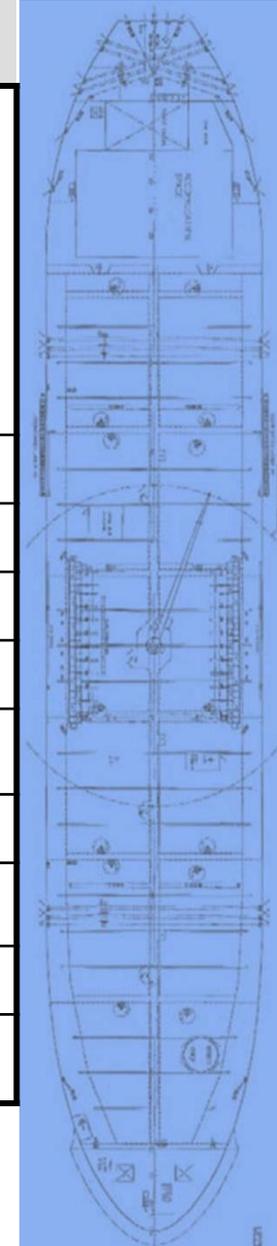


# Balance Sheet

(\$ In Thousands)

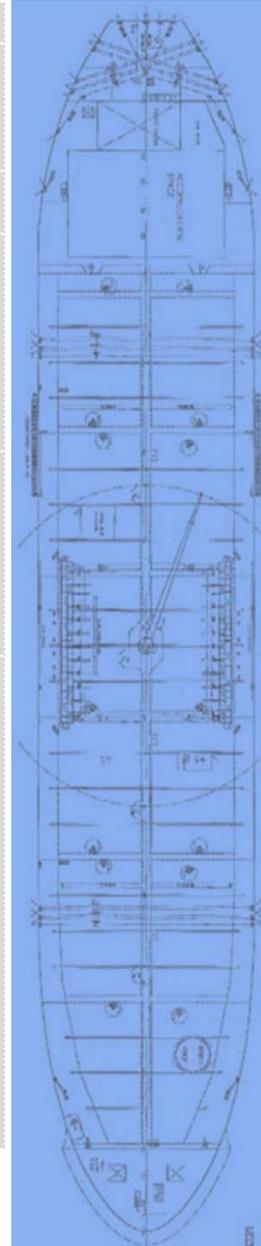
	<u>As Of June 30, 2012</u>	<u>As Of December 31, 2011</u>
<b>Assets</b>		
<b>Total Current Assets</b>	\$45,170	\$62,291
<b>Total Fixed Assets</b>	1,031,445	1,073,986
<b>Other Non-Current Assets</b>	59,232	60,012
<b>Total Assets</b>	\$1,135,847	\$1,196,289
<b>Liabilities and Partners' Capital</b>		
<b>Total Current Liabilities</b>	\$30,258	\$55,637
<b>Total Long-Term Liabilities</b>	466,328	623,326
<b>Total Partners' Capital</b>	639,261	517,326
<b>Total Liabilities and Partners' Capital</b>	\$1,135,847	\$1,196,289

**Net Debt/Capitalization 37.5%**



# Modern High Specification Fleet With Strong Counterparties

<u>Vessel Name</u>	<u>DWT</u>	<u>Charterer</u>	<u>Year/Place Built</u>	<u>Type of Vessel</u>		
ALEXANDER THE GREAT	297,958		2010, Japan	VLCC		
ACHILLEAS	297,863		2010, Japan			
CAPE AGAMEMNON	179,221		2010, S. Korea	Capesize Dry Cargo		
AMORE MIO II	159,982		2001, S. Korea	Crude Oil Suezmax		
MILTADIS M II	162,397		2006, S. Korea			
AIAS	150,393		2008, Japan			
AMOUREUX	149,993		2008, Japan			
AYRTON II	51,260		2009, S. Korea		IMO II/III Chem./Prod.	
AGAMEMNON II	51,238		2008, S. Korea			
ALEXANDROS II	51,258		2008, S. Korea			
ARISTOTELIS II	51,226		2008, S. Korea			
ARIS II	51,218		2007, S. Korea			Ice Class 1A IMO II/III Chemical/ Product
ANEMOS I	47,782		2006, S. Korea			
ASSOS	47,872		2007, S. Korea			
ATROTOS	47,786		2007, S. Korea			
APOSTOLOS	47,782		2007, S. Korea			
ATLANTAS	36,760		2006, S. Korea			
AKTORAS	36,759		2006, S. Korea			
AIOLOS	36,725		2007, S. Korea			
AVAX	47,834		2007, S. Korea			
AKERAIOS	47,781		2007, S. Korea			
AXIOS	47,872		2007, S. Korea			
AGISILAOS	36,760		2006, S. Korea			
ARIONAS	36,725		2006, S. Korea			
ALKIVIADIS	36,721		2006, S. Korea			

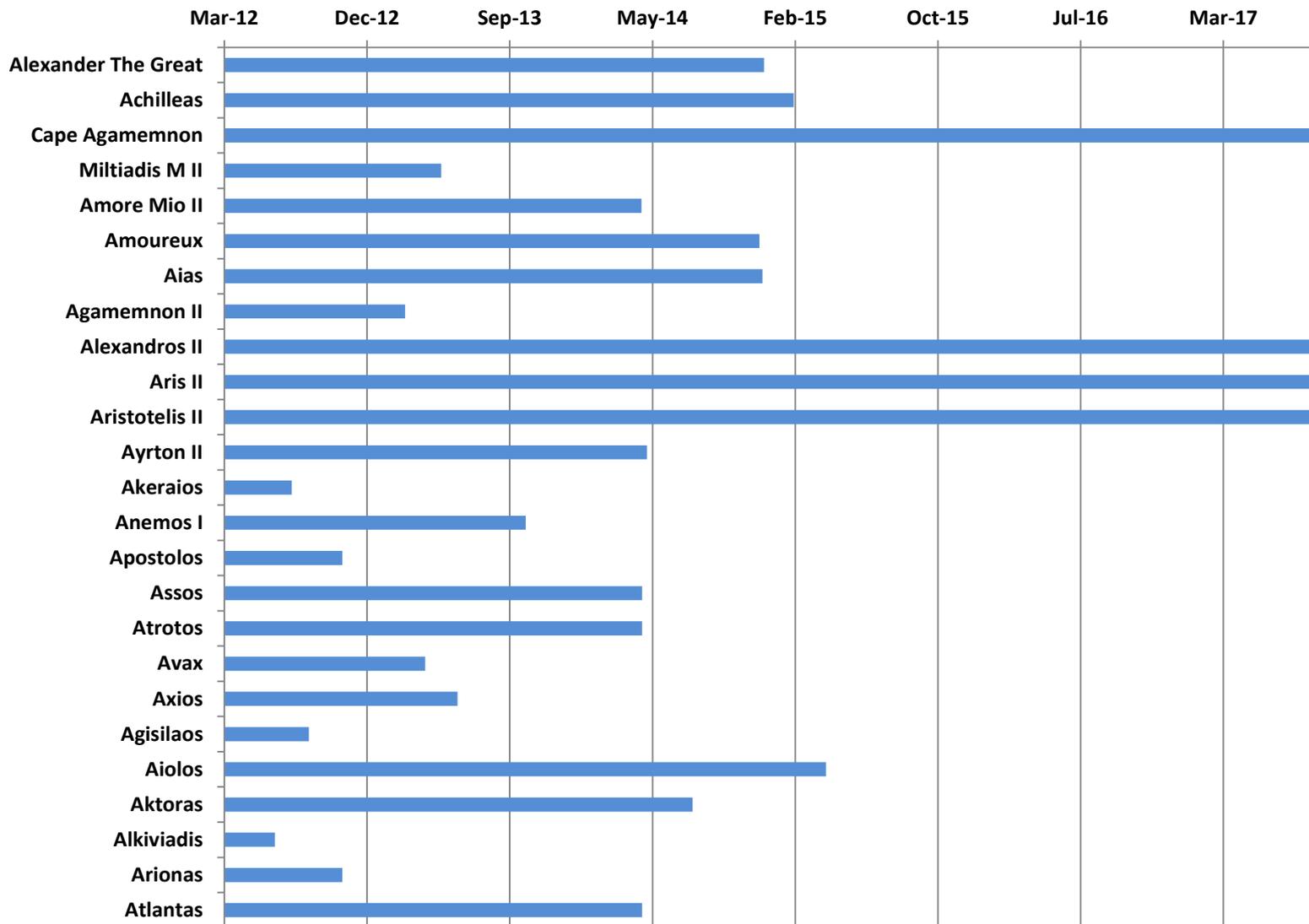


□ 25 Vessels - 2.2 Million DWT

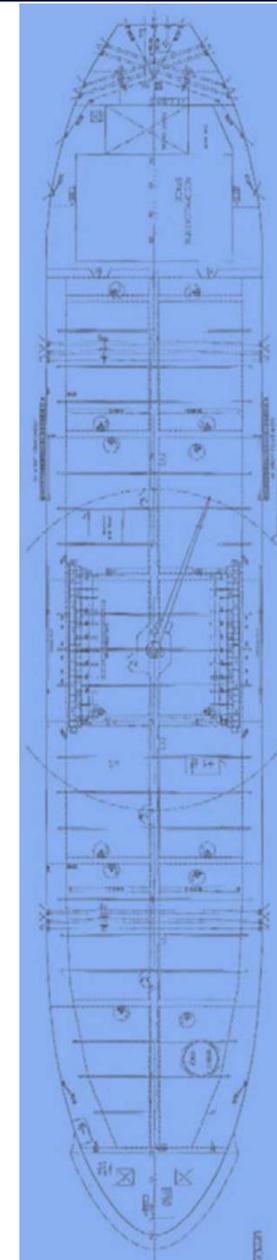
□ 4.4 Years Weighted Average Fleet Age <sup>(1)</sup>

(1) As of June 30, 2012

# High Charter Coverage For The Medium Term

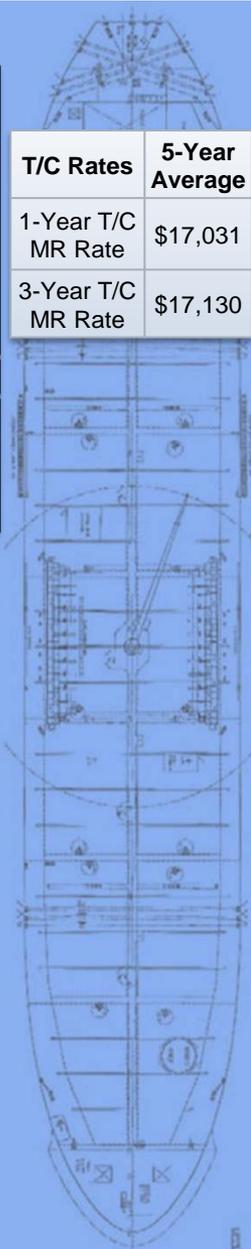
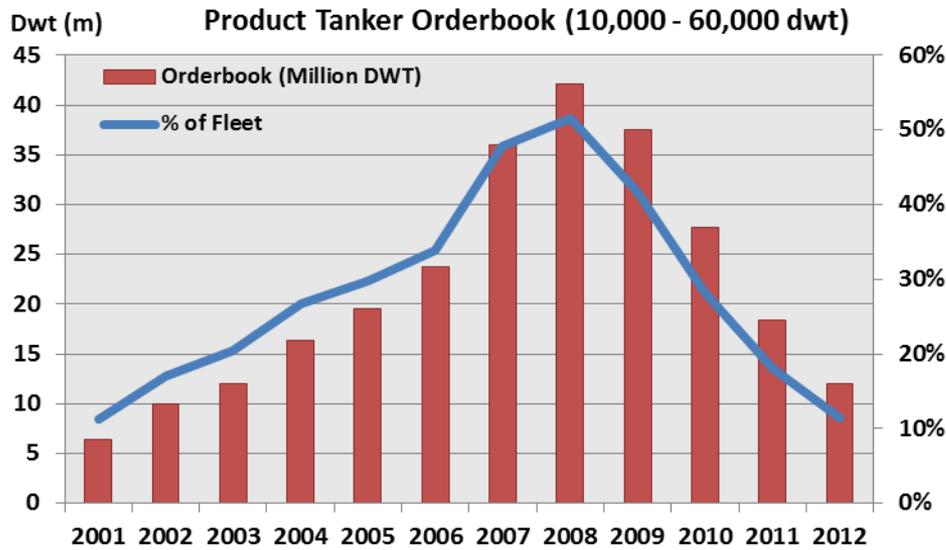
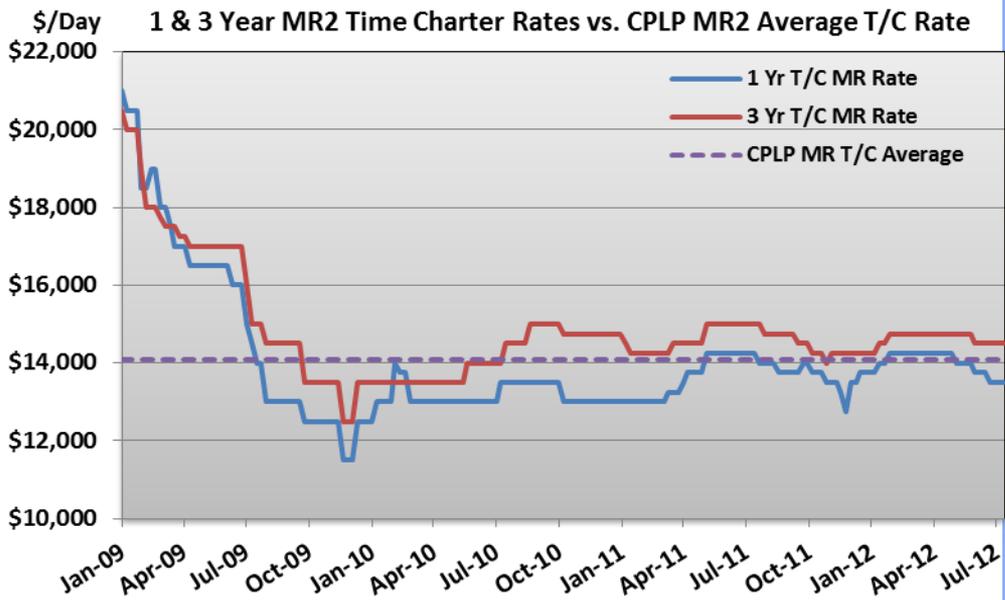


**Total Fleet Days With Secured Charter Coverage In 2H2012: 87%; 2013 63%**  
**Average Remaining Charter Duration 4.7 Years**



# Product Tanker Market Overview

- **Product Tanker Spot Market Softened In 2Q2012 Due To Weak Demand In US & Europe And Lack Of Arbitrage Opportunities.**
- **Increased Activity For Product Tankers In The East But Transatlantic Trade Remains Soft.**
- **Period Market Fixtures Slowed Down But Rates Largely Unchanged.**
- **Demand For Product Tankers Expected To Increase By 5.7% y-o-y With Expected Fleet Growth For MRs At 3.2%.**
- **Slippage Of Newbuilding Orders Remains High At 62% YTD.**



Sources: IEA, Clarksons

# Crude Tanker Market Overview

## Crude Tanker Spot Market Remained Robust Until June 2012 Due To:

- Increased Stock Building In US And China.
- Tighter Sanctions On Iran.
- Softer Bunker Prices.

From June Onwards, Seasonally Softer Demand, High Crude Oil Inventories And Increased Tonnage Supply Led Spot Rates Lower.

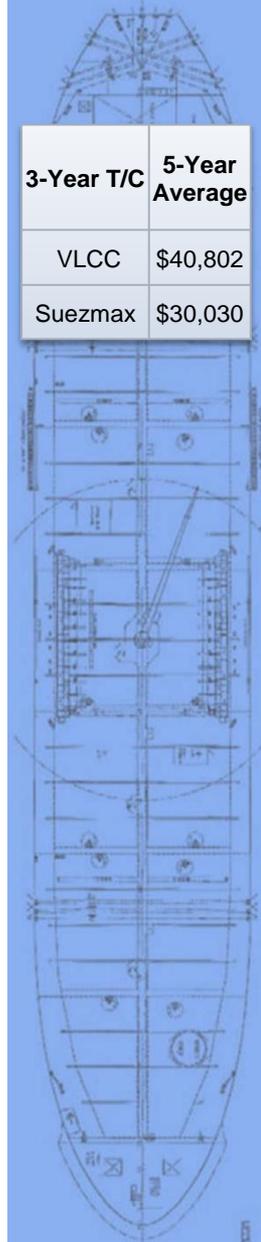
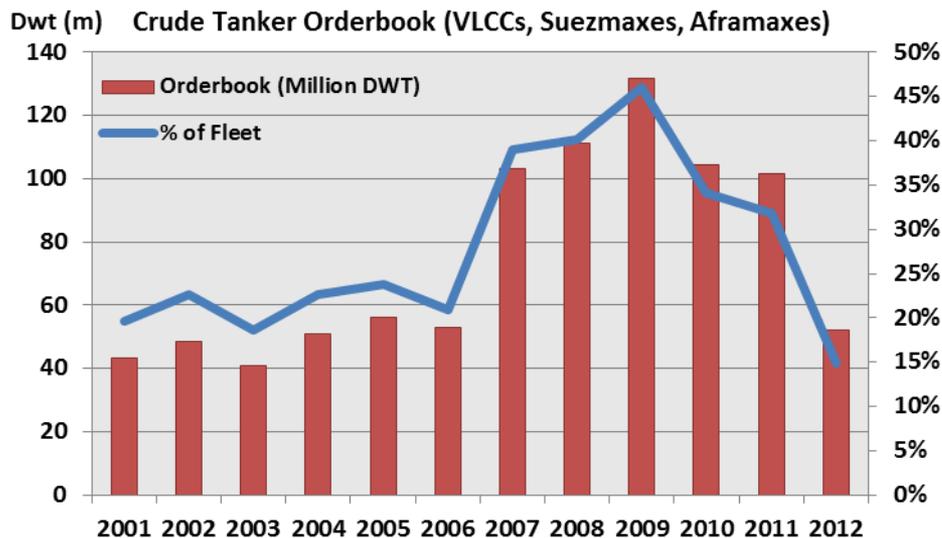
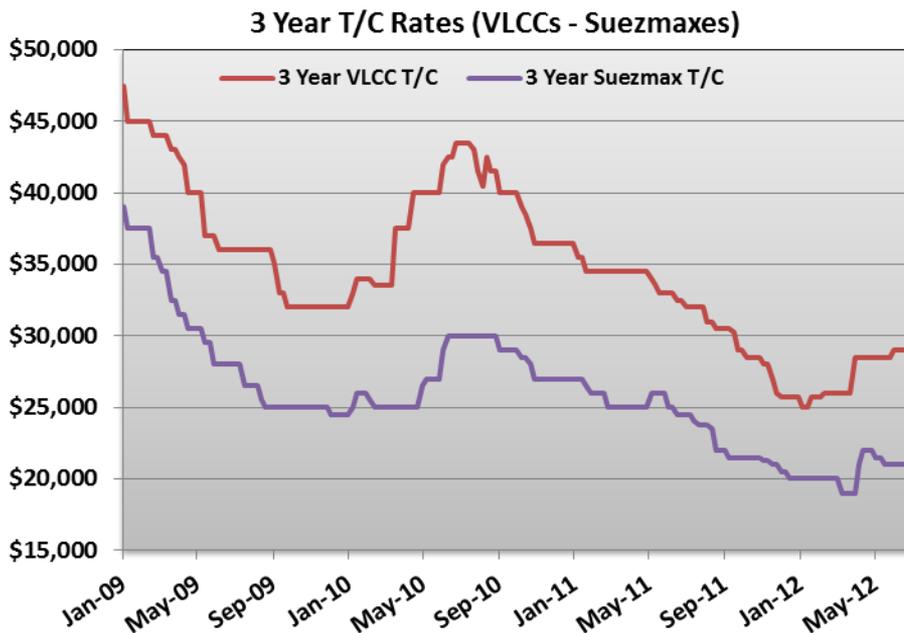
Global Oil Demand For 2012 Is Projected At 89.9 mbd, Up 0.9%. Muted Economic Recovery In 2013 Leads To A 1.0 mbd Rise In Oil Demand To 90.9 mbd (IEA).

Crude Tanker Dwt Demand Projected To Increase By 2.1% y-o-y.

Supply Expected To Remain A Concern As Crude Tanker Fleet Growth Still At Increased Levels.

## Supply Rationalization Through:

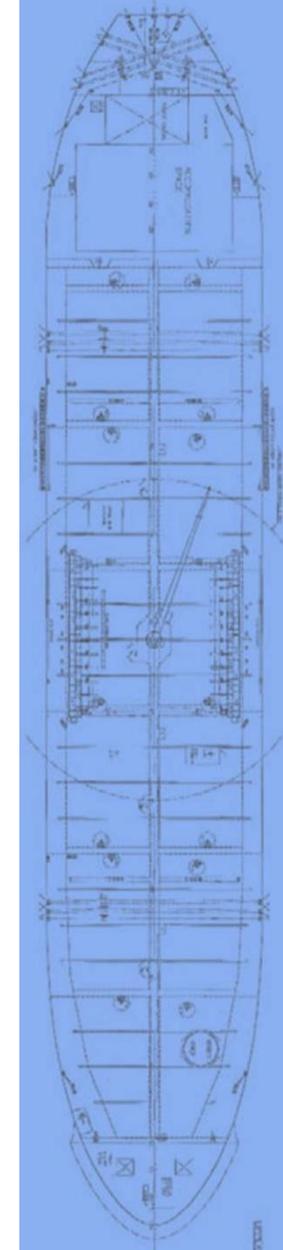
- Minimal Contracting And High Slippage Of Nearly 26% (2Q2012).
- Increasing Demolition Of Crude Tankers => 6 VLCCs And 16 Suezmaxes Scrapped y-t-d.
- Increased Consolidation Through Tanker Pools & Slow Steaming.



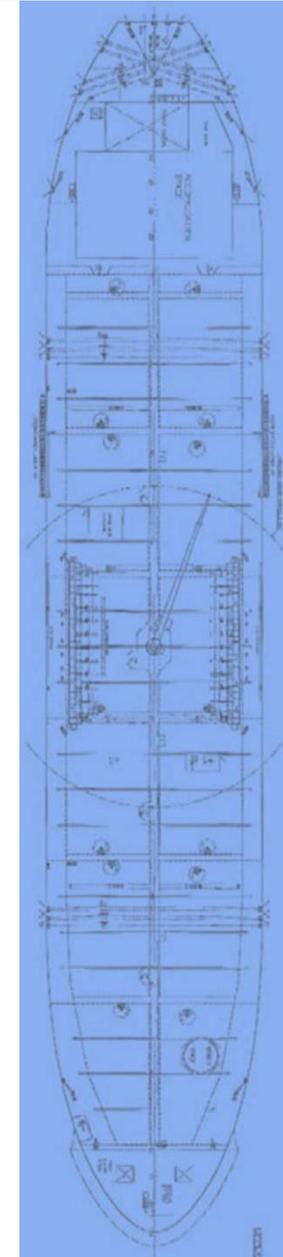
3-Year T/C	5-Year Average
VLCC	\$40,802
Suezmax	\$30,030

# Attractive Entry Point

- **Highly Attractive Entry Yield:**
  - **Cash Distribution: \$0.2325 Per Unit For 2Q2012 – Annualized Yield Of ca. 11.5%**
  - **Recent \$140.0 Million Class B Units Issuance Provides Long Term Visibility To The \$0.93 Distribution And Allows Increasing Cash Flow To Build Coverage And Increase Common Unit Distributions.**
  
- **Well Positioned To Build Coverage And Grow Distributions:**
  - **Demand For Product Tankers Expected To Outpace Supply As Global Refining Capacity Shift Drives Ton Mile Demand And Orderbook Remains Lowest Since 2002.**
  - **Attractive Step Up Fixed Rates For Crude Tankers Plus Potential Profit Share.**
  - **High Cost Interest Rate Swaps Expiring.**
  
- **Sustainable Capital Structure:**
  - **Strong Balance Sheet And Liquidity.**
  - **Net Debt/Capitalization at 37.5%.**

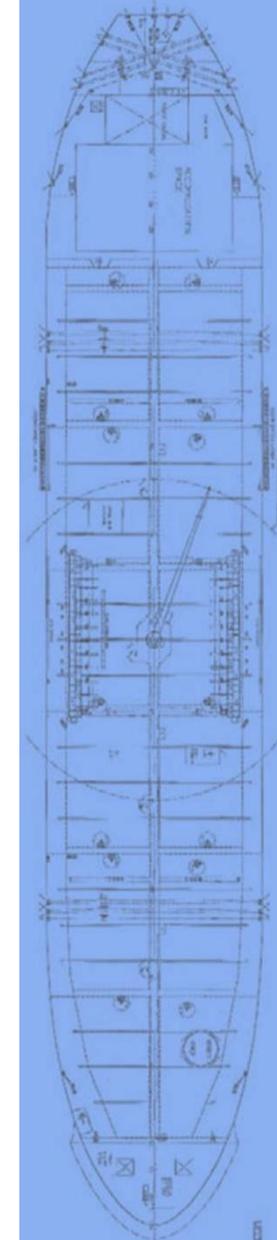


# APPENDIX



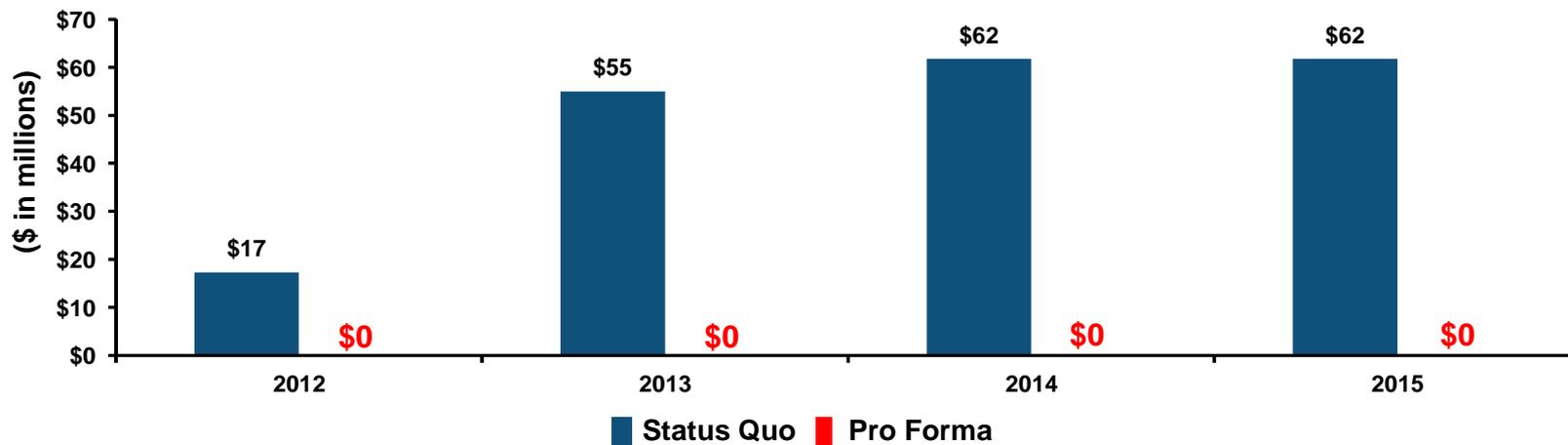
# Summary of Class B Convertible Preferred Offering Terms

<b>Issuer</b>	Capital Product Partners L.P.
<b>Securities</b>	Class B Convertible Preferred Units
<b>Size</b>	\$140.0 million of gross proceeds
<b>Sponsor Purchase</b>	Capital Maritime contributes \$30.9 million
<b>Investor Purchase</b>	A group of investors including Kayne Anderson Capital Advisors L.P., Swank Capital LLC and Salient Partners, among others
<b>Use of Proceeds</b>	Prepayment by the Partnership of vessel credit facilities resulting in the deferral of currently scheduled amortization of indebtedness until March 31, 2016
<b>Class B Unit Price</b>	\$9.00 per Class B Unit
<b>Distribution Rate</b>	\$0.21375 per quarter per Class B Unit (equal to a 9.5% annual distribution rate)
<b>Conversion Price</b>	\$9.00 per Common Unit
<b>If Converted Units</b>	1.0 Common Unit per Class B Unit
<b>Term</b>	Perpetual
<b>Placement Agent</b>	Evercore Partners

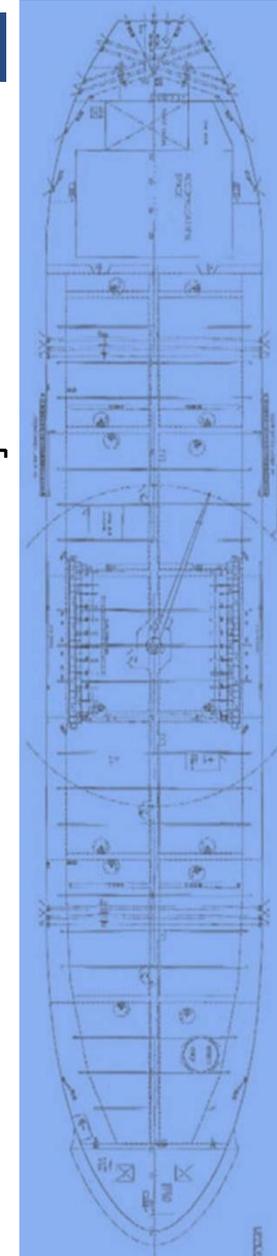


# Amortization Reduction Enhances Common Unit Distribution Coverage

**Pro Forma Amortization Schedule (2012 – 2015)**



	Revolving \$370.0 Million Credit Facility	Revolving \$350.0 Million Credit Facility	Term Loan Facility
<b>Paydown Amount (\$)</b>	\$95,150,000	\$48,416,000	\$6,000,000
<b>Next Amortization Payment Date</b>	March 2016	March 2016	March 2016
<b>Facility Availability (Immediately After Paydown)</b>	Converts to a Term Loan	Tranche B is cancelled; Tranche C remains available	No change
<b>Change in Interest Rate</b>	Increased to: LIBOR plus 200 basis points	Increased to: LIBOR plus 300 basis points	No change



# Capital Product Partners L.P.

