



# Fourth Quarter 2016 Earnings Presentation

January 31, 2017

## Capital Product Partners L.P.

**CAPITAL**

PRODUCT PARTNERS L.P.

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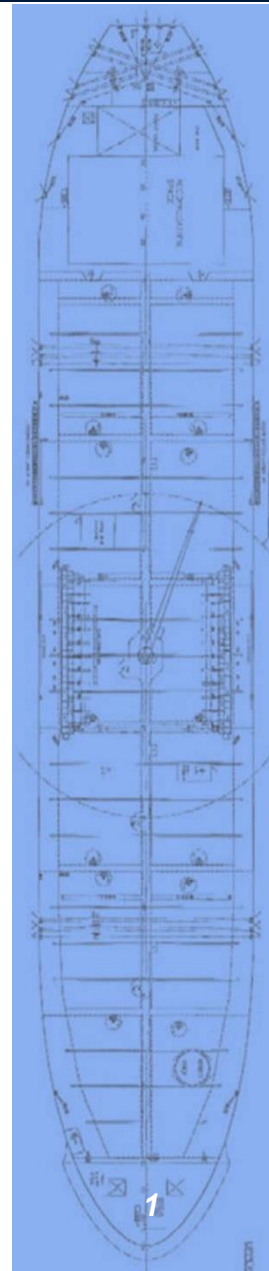
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# Forward Looking Statements

**This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect CPLP 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, among other things, cash generation, our ability to repay or refinance external debt, future earnings, our expectations regarding employment of our vessels, redelivery dates and charter rates, fleet growth, as well as market and charter rate expectations, charterer’s performance, and our expectations or objectives regarding future distribution amounts, our 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.**

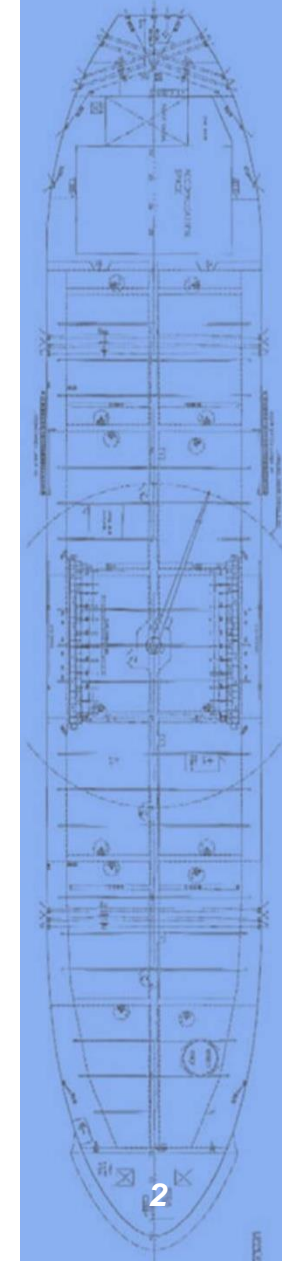
**Factors that could cause actual results to be materially different include those set forth in the “Risk Factors” section of our annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. Unless required by law, we expressly disclaim any obligation to update or revise any of 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:  
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# Fourth Quarter 2016 Highlights

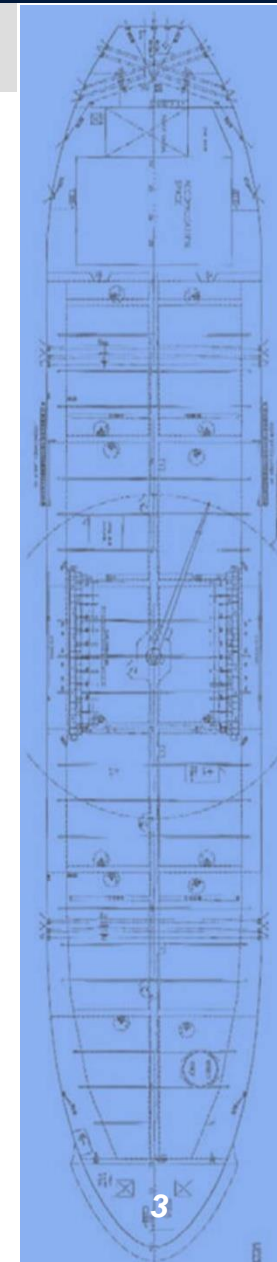
- Cash distribution for 4Q2016 of \$0.08 per common unit, representing an increase of 0.5 cents compared to the previous quarter.
- Net income for 4Q2016: \$13.7 million.
- 1.7x common unit distribution coverage after the capital reserve and the Class B distribution.
- Completed acquisition of M/T 'Amor' with a time charter attached at \$17,500pd until October 2017.
- Agreement to increase the gross daily bareboat hire rate for three of our tankers under charter with International Seaways ("INSW") from \$6,250 to \$6,600.
- Secured one-year time charter employment for the M/T 'Aristotelis' and M/T 'Arionas' with our sponsor Capital Maritime & Trading Corp. ("Capital Maritime").
- Average remaining charter duration 5.6 years with 82% charter coverage for 2017.
- Agreed with our Manager, Capital Ship Management ("CSM") to waive certain legacy fees under one of our management agreements.



# Statements Of Comprehensive Income

(\$ In Thousands)

	For the Three-Month Period Ended <u>December 31, 2016</u>	For the Three-Month Period Ended <u>December 31, 2015</u>
Revenues	\$52,456	\$44,816
Revenues – related party	9,945	14,541
<b>Total Revenues</b>	<b>62,401</b>	<b>59,357</b>
<b>Expenses:</b>		
Voyage expenses	2,582	2,246
Voyage expenses – related party	92	104
Vessel operating expenses	17,542	15,745
Vessel operating expenses – related party	2,832	2,533
General and administrative expenses	1,750	1,268
Depreciation & amortization	18,418	17,045
<b>Operating income</b>	<b>19,185</b>	<b>20,416</b>
Other income / (expense), net:		
Interest expense and finance cost	(6,223)	(5,456)
Other income	782	396
<b>Total other expense, net</b>	<b>(5,441)</b>	<b>(5,060)</b>
<b>Partnership's net income</b>	<b>\$13,744</b>	<b>\$15,356</b>

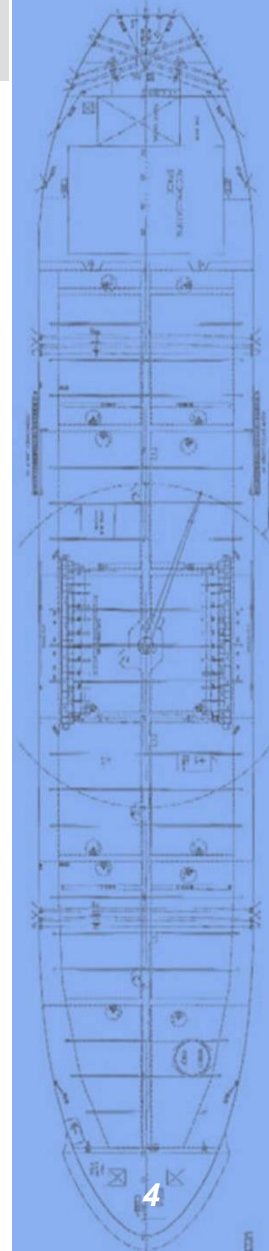


# Operating Surplus For Calculation Of Unit Distribution

(\$ In Thousands)

	For the Three-Month Period Ended December 31, 2016		For the Three-Month Period Ended September 30, 2016	
Net income		\$13,744		\$11,770
<b>Adjustments to net income</b>				
Depreciation and amortization	18,928		18,604	
Deferred revenue	1,355		1,332	
Proceeds from the sale of HMM shares	-		29,706	
<b>OPERATING SURPLUS PRIOR TO CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION</b>		<b>\$34,027</b>		<b>\$61,412</b>
Capital reserve		(14,644)		(14,644)
Class B preferred units distribution		(2,775)		(2,776)
<b>OPERATING SURPLUS AFTER CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION</b>		<b>\$16,608</b>		<b>\$43,992</b>
Increase in recommended reserves		(6,625)		(34,705)
<b>AVAILABLE CASH</b>		<b>\$9,983</b>		<b>\$9,287</b>

**Common Unit Coverage: 1.7x**



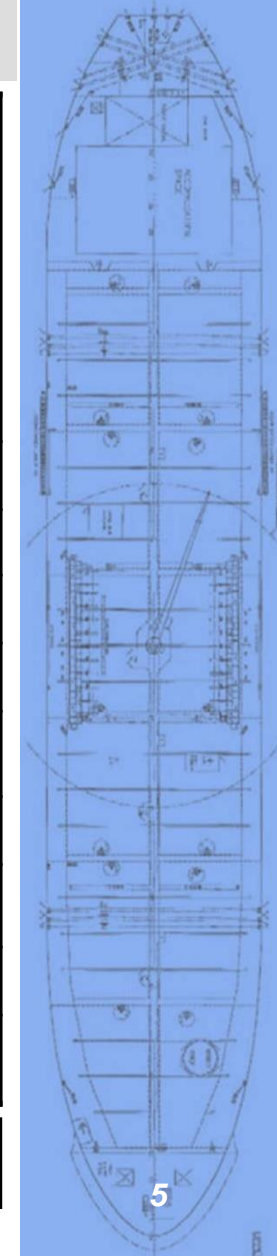
# Strong Balance Sheet

(\$ In Thousands)

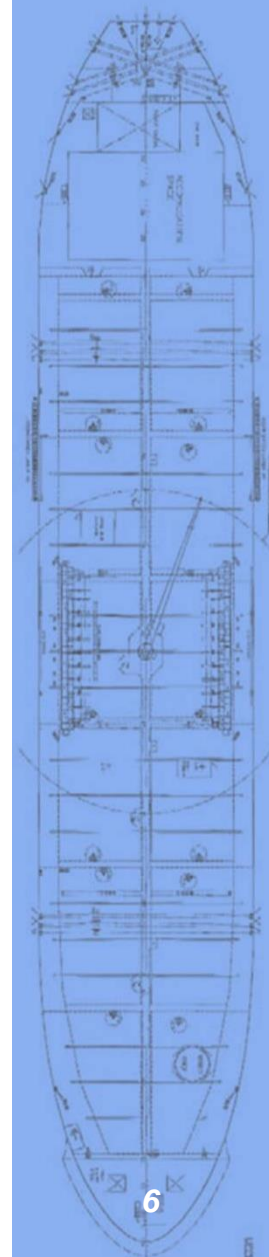
	<u>As Of December 31, 2016</u>	<u>As Of December 31, 2015</u>
<b>Assets</b>		
<b>Total Current Assets</b>	117,879	99,824
<b>Total Fixed Assets</b>	1,367,731	1,333,657
<b>Other Non-Current Assets</b>	112,995	122,394
<b>Total Assets</b>	<b>\$1,598,605</b>	<b>\$1,555,875</b>
<b>Liabilities and Partners' Capital</b>		
<b>Total Current Liabilities</b>	\$92,196	\$61,246
<b>Total Long-Term Liabilities</b>	578,652	556,809
<b>Total Partners' Capital</b>	927,757	937,820
<b>Total Liabilities and Partners' Capital</b>	<b>\$1,598,605</b>	<b>\$1,555,875</b>

**Low Leverage: Net Debt<sup>(1)</sup>/Capitalization: 31.3%**

<sup>(1)</sup> Debt gross of unamortized debt discount



# Fleet Developments Update



Name	DWT	Built	Gross Rate (Per Day)	Charterer	Charter Expiry
M/T Aristotelis II	51,226	2008	\$6,600*	 International Seaways, Inc.	July 2018
M/T Alexandros II	51,258	2008	\$6,600*	 International Seaways, Inc.	July 2018
M/T Aris II	51,218	2008	\$6,600*	 International Seaways, Inc.	July 2018
M/T Aristotelis	51,604	2013	\$13,750	 CAPITAL MARITIME & TRADING CORP.	January 2018
M/T Arionas	36,725	2006	\$11,000	 CAPITAL MARITIME & TRADING CORP.	January 2018

- Agreed with International Seaways (INSW) in connection with the spin-off of INSW from its parent Overseas Shipholding Group (“OSG”) to increase the gross daily bareboat hire rate of the M/T ‘Aristotelis II’, M/T ‘Alexandros II’ and M/T ‘Aris II’ from \$6,250 to \$6,600.
- Fixed the M/T ‘Aristotelis’ and M/T ‘Arionas’ to Capital Maritime for 12 months (+/- 30 days) at \$13,750 and \$11,000 gross per day, respectively.
- Capital Maritime has the option to extend the time charter of the M/T ‘Aristotelis’ and M/T ‘Arionas’ for 12 months (+/- 30 days) at \$15,000 and \$13,750 gross per day, respectively.

\* Bareboat Charter

# Strong Charter Coverage At Attractive Rates

## Charter Profile

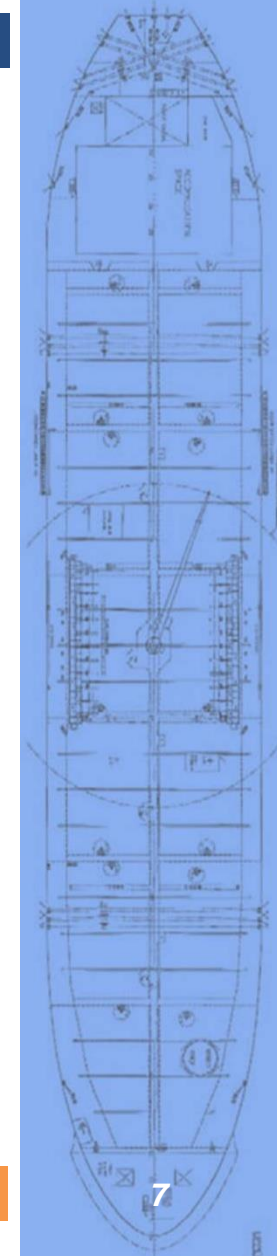
### Expiry Of Current Charters

### Rates

Vessel Type	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Gross Rate
Product tanker	Aktoras					\$7,250 <sup>1</sup>
Product tanker	Aiolos					\$7,000 <sup>1</sup>
Crude tanker	Amoureux					\$29,000
Containership	Archimidis					\$8,950
Containership	Agamemnon					\$8,950
Product tanker	Active					\$17,700
Product tanker	Amadeus					\$17,000
Crude tanker	Miltiadis M II					\$25,000
Crude tanker	Amore Mio II					\$21,000
Product tanker	Alkiviadis					\$13,300
Product tanker	Atlantas II					\$13,000
Product tanker	Amor					\$17,500
Product tanker	Aristotelis					\$13,750
Product tanker	Arionas					\$11,000
Product tanker	Ayrton II					\$18,000
Crude tanker	Aias					\$26,500
Product tanker	Assos					\$15,400
Product tanker	Avax					\$15,400
Product tanker	Axios					\$15,400
Product tanker	Alexandros II					\$6,600 <sup>1</sup>
Product tanker	Aristotelis II					\$6,600 <sup>1</sup>
Product tanker	Aris II					\$6,600 <sup>1</sup>
Product tanker	Atrotos					\$17,750
Product tanker	Agisilaos					\$19,000
Product tanker	Apostolos					\$17,750
Product tanker	Anemos I					\$17,750
Product tanker	Akeraios					\$17,750
Containership	CMA CGM Amazon					\$39,250
Dry Bulk	Cape Agamemnon					\$42,200
Containership	CMA CGM Uruguay					\$39,250
Containership	CMA CGM Magdalena					\$39,250
Containership	Hyundai Prestige					\$29,350 <sup>2</sup>
Containership	Hyundai Premium					\$29,350 <sup>2</sup>
Containership	Hyundai Paramount					\$29,350 <sup>2</sup>
Containership	Hyundai Privilege					\$29,350 <sup>2</sup>
Containership	Hyundai Platinum					\$29,350 <sup>2</sup>

Revenue Weighted Average Remaining Charter Duration: 5.6 Years

<sup>1</sup> Bareboat. <sup>2</sup> \$23,480pd between July 18, 2016 to December 31, 2019.

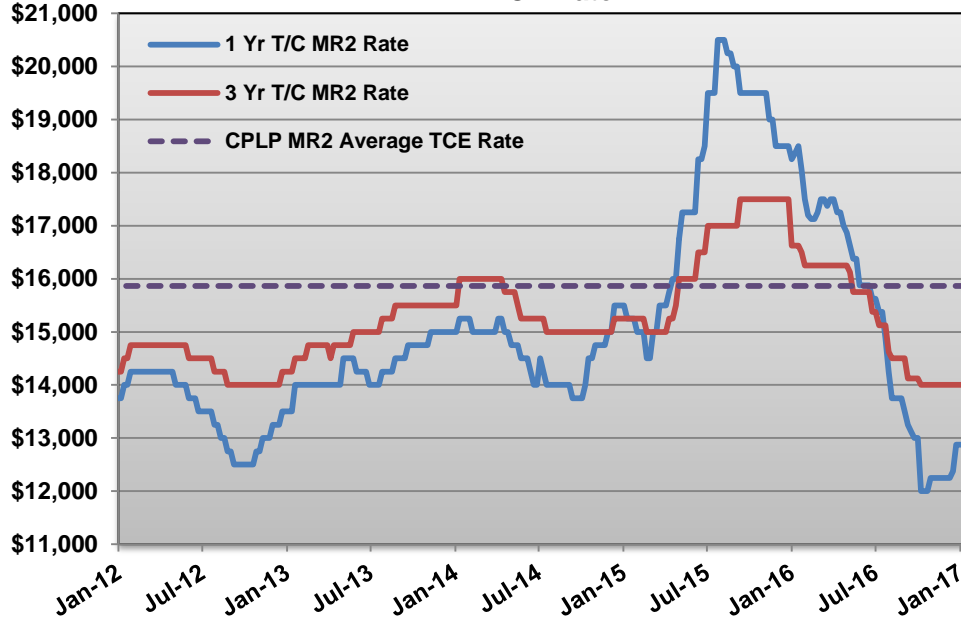




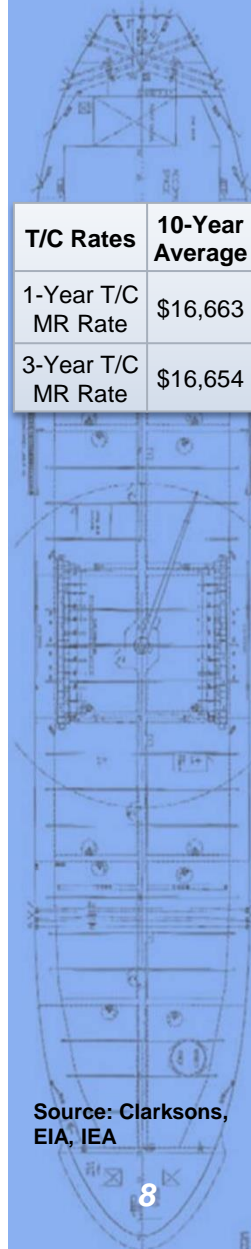
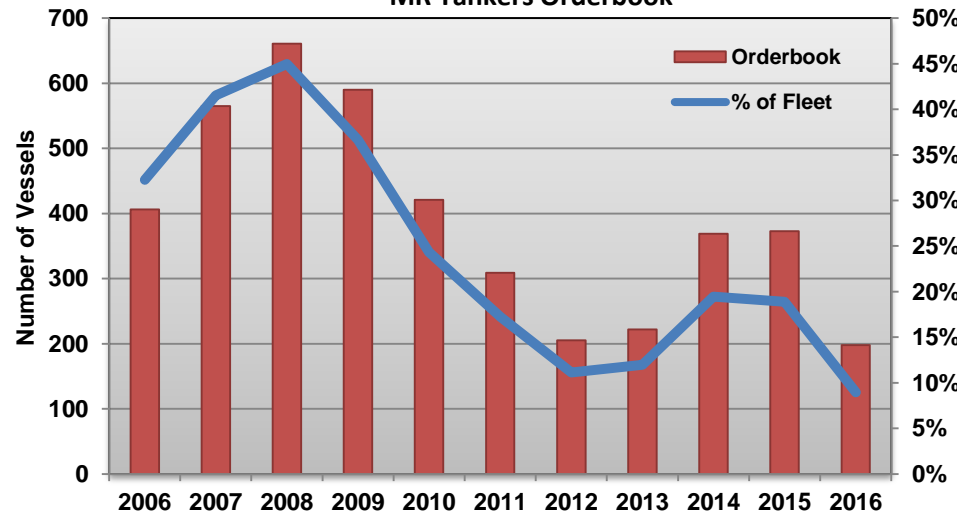
# Product Tanker Market Overview

- MR spot charter market remained depressed for most of 4Q2016 due to high product inventories and lack of arbitrage opportunities.
- Spot market saw a recovery from November onwards on the back of:
  - Seasonally stronger demand and increased West Africa imports.
  - Refinery outages in L. America resulting in higher imports to the region.
  - Gasoline arbitrage window opening in the Atlantic towards the end of 4Q2016.
- Overall subdued period activity and rates as a result of the depressed spot market.
- Improving supply fundamentals to support the market going forward:
  - Record low ordering: 16 MRs in FY2016.
  - Orderbook for MR tankers at 9.0% of total fleet, lowest since 2000.
  - High slippage of 27% in FY2016.
  - Reduction of product tanker newbuilding capacity.
- Overall, product tanker fleet projected to grow by 3.6% in 2017 vs. 6.1% in FY2016.

1 & 3 Year MR2 Time Charter Rates vs. CPLP MR2 Average TCE Rate



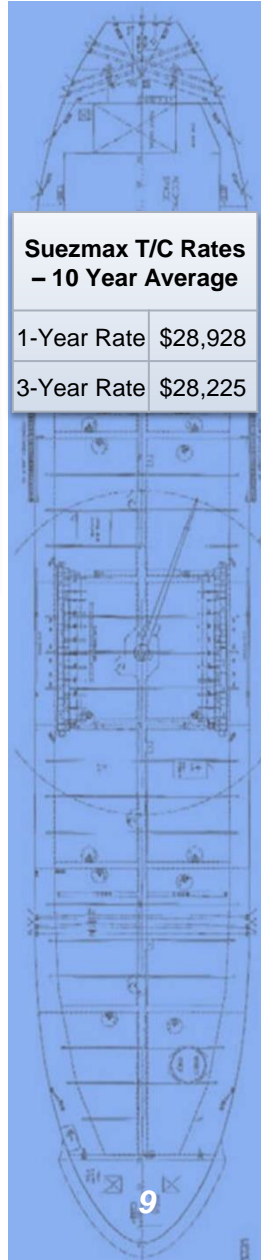
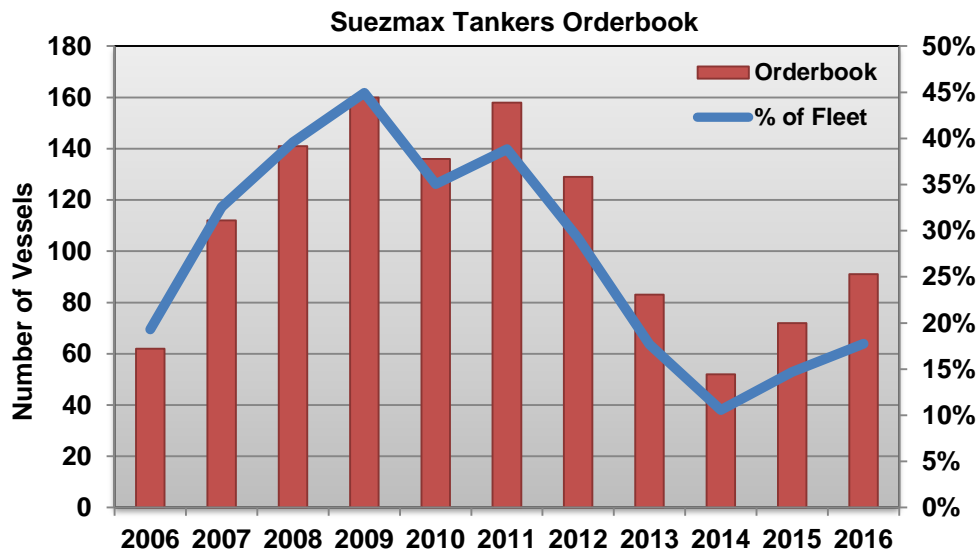
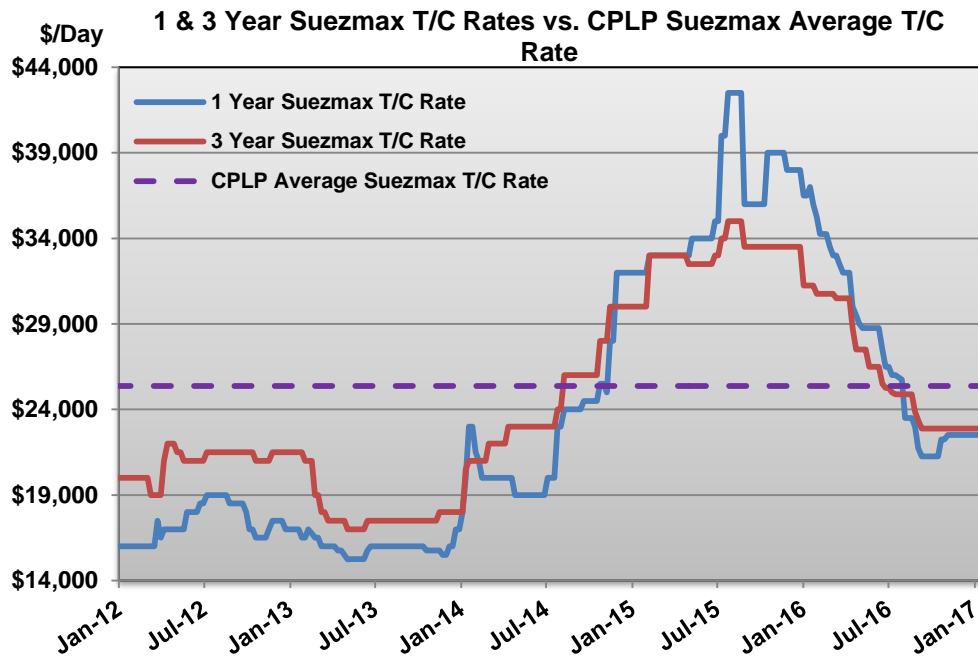
MR Tankers Orderbook



Source: Clarksons, EIA, IEA

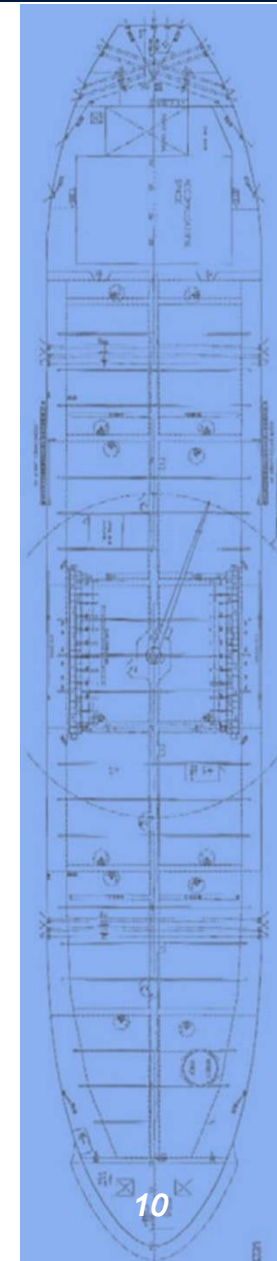
# Suezmax Tanker Market Overview

- Suezmax spot market improved in 4Q2016 as a result of:
  - Seasonally firm demand.
  - Solid Chinese crude imports: reached a new record of 8.57 mb/d in December.
  - Nigerian oil production and crude exports partially recovered.
- Higher demand for period business due to the firmer spot rates.
- World oil demand growth estimated at 1.5 mb/d for 2016 and 1.3 mb/d for 2017, according to the IEA.
- Seaborne crude imports to China projected to increase by 8% in 2017.
- Suezmax tanker orderbook through 2019 corresponding to 17.7% of current fleet.
- Limited new ordering: 14 Suezmax new orders placed in FY2016 vs. 59 in FY2015.
- High slippage of 31% in FY2016.

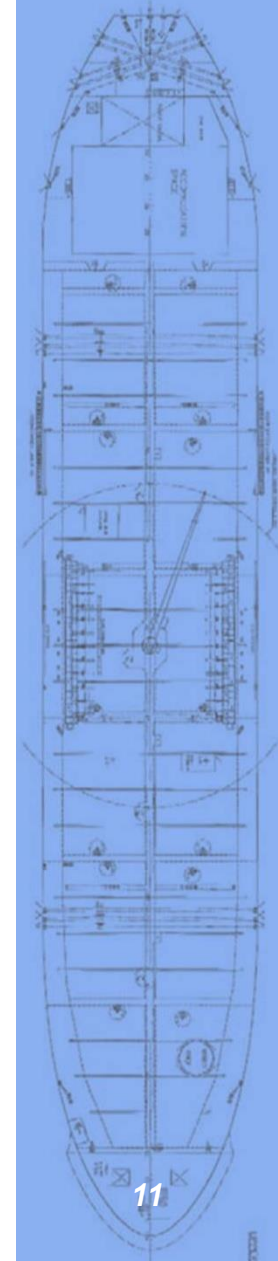


# Management Agreement Amendments

- The Partnership has entered into an agreement with CSM to amend certain terms under one of its management agreements.
- The amendment applies to three of our crude tanker vessels, the M/T 'Aias', the M/T 'Miltiadis M II' and the M/T 'Amoureux', which were acquired as part of the merger with Crude Carriers Corp. in September 2011.
- Under the terms of the amendments, CSM has agreed to waive going forward:
  - The sale and purchase fee equal to 1% of the gross sale price upon the consummation of a sale of the three vessels.
  - The commercial services fee equal to 1.25% of all gross charter revenues generated by each of the three vessels for commercial services rendered.
- There is no consideration payable by the Partnership for these amendments.
- The effective date of these amendments is January 1, 2017.
- There are no other such fees payable to CSM for any of our vessels.



# Common Unit Distribution Outlook



- Increased our quarterly distribution by 0.5 cents to \$0.08 per common unit following the acquisition of the M/T 'Amor'.
- Common unit distribution well underpinned by:
  - Strong balance sheet with capital reserve in place for all debt amortization payments until end of 2018.
  - Solid Common Unit Coverage of 1.7x FY2016 after the capital reserve and Class B distributions and excluding HMM shares sale proceeds.
  - 82% charter coverage of available days for 2017.
  - Long term positive tanker fundamentals.
  - Modern, high specification fleet with cost efficient manager with excellent track record and vetted for period business.
  - Additional dropdown and acquisition opportunities.
- Distribution growth potential:
  - Pursue additional accretive transactions, thus further increasing the long term distributable cash flow of the Partnership.
  - Refinance our debt under favorable terms.

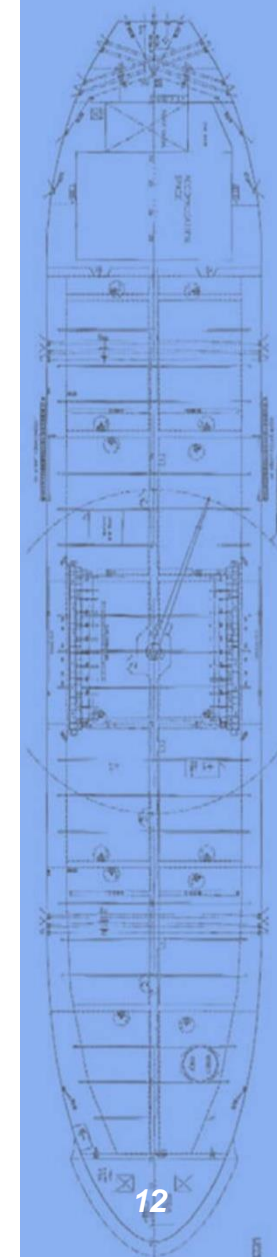
# Additional Dropdown Opportunities

## OPTIONAL VESSELS (CPLP HOLDS RIGHT OF FIRST REFUSAL)

VESSEL NAME	TYPE	CAPACITY	BUILT	YARD	NOTE
ATHLOS	ECO IMO II/III CHEMICAL/PRODUCT TANKER	50,000 DWT	JAN-2016	SAMSUNG	FACILITY WITH DROPDOWN OPTION INTO CPLP AT 50% LTV AND 2 YEARS NON AMORTIZING PERIOD
ALKAIOS		50,000 DWT	MAR-2016	SAMSUNG	
ANIKITOS		50,000 DWT	JUN-2016	SAMSUNG	
ARCHON		50,000 DWT	SEP-2016	SAMSUNG	
AMFITRION		50,000 DWT	JAN-2017	SAMSUNG	

## OTHER CMTC CONTROLLED DROPDOWN CANDIDATES

VESSEL NAME	TYPE	CAPACITY	BUILT	YARD	NOTE
MILTIDIS JUNIOR	ECO CRUDE TANKER	320,000 DWT	JUN-2014	SWS	
APOLLONAS		300,000 DWT	JAN-2016	DAEWOO	
ATROMITOS		300,000 DWT	APR-2016	DAEWOO	
ARISTAIOS		112,800 DWT	JAN-2017	DAEHAN	5 YEAR CHARTER & CREDIT FACILITY WITH DROPDOWN OPTION INTO CPLP
ARISTOKLIS		112,800 DWT	JAN-2017	DAEHAN	5 YEAR CHARTER & CREDIT FACILITY WITH DROPDOWN OPTION INTO CPLP
AISOPOS II	ECO CONTAINER	2,000 TEU	APR-2016	STX	



# Capital Product Partners L.P.

