



**Box Ships Inc.**  
*Aiming for Excellence*



**EARNINGS CONFERENCE CALL**  
Second Quarter Ended  
June 30, 2015

# Disclosures and Forward Looking Statements



This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of the Securities Act. All statements, other than statements of historical facts, that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, including, without limitation, the outlook for fleet utilization and shipping rates, general industry conditions including bidding activity, future operating results of the Company’s vessels, capital expenditures, asset sales, expansion and growth opportunities, bank borrowings, financing activities and other such matters, are forward-looking statements. Although the Company believes that its expectations stated in this presentation are based on reasonable assumptions, actual results may differ from those projected in the forward-looking statements. Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of the world economies and currencies, general market conditions, including changes in charter hire rates and vessel values, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-dockings, changes in our vessel operating expenses, including dry-docking, crewing and insurance costs, or actions taken by regulatory authorities, ability of our counterparties to perform these obligations under sales agreements and charter contracts on a timely basis, potential liability from future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists. Risks and uncertainties are further described in reports filed by Box Ships Inc. with the Securities and Exchange Commission.

# Agenda

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- ◆ 2Q 2015 Highlights & Recent Developments
- ◆ Company Update
- ◆ Industry Overview
- ◆ Investment Summary

# Quarterly Highlights & Recent Developments













- ◆ Adjusted T/C revenues of \$12.6m, decreased by \$1.8 million or 13%
- ◆ Adjusted EBITDA of \$5.1m, decreased by \$2.8 million or 35% due to the dry-docking expenses of two vessels amounted to \$1.3 million
- ◆ Continued focus on cost control recording lower Cash Total Vessel Operating Expenses by 9% in Q2-2015 vs. Q2-2014
- ◆ Agreement with ABN AMRO Bank N.V to extend the maturity of the loan secured by *Box China* and *Box Hong Kong* for a period of two years until 2017. Fixed these vessels for one year at rates above breakeven level
- ◆ Fixed *Box Trader* at \$12,400 on a short-term period and extended CMA CGM *Kingfish* at \$15,500 per day for a period of five to eight months, both at higher rates than the previous charters by 46% and 63% respectively



# Fleet Employment Profile

◆ 76% fixed days for remainder of 2015 in an improving market

## Charter Overview

Vessel	Year Built	Capacity (TEU)	Charterer	Charter Rate (\$/Day)	Remaining T/C Term <sup>1</sup>	2015	2016	Charter Expiration
CMA CGM Marlin	2007	5,095		9,500	1 month <sup>2</sup>			Sep-15
Box Trader	2010	3,426		12,400	1 month <sup>3</sup>			Sep-15
Box Queen	2006	4,546		13,300	1 month <sup>4</sup>			Oct-15
CMA CGM Kingfish	2007	5,095		15,500	5 months <sup>5</sup>			Jan-16
Box Emma	2004	5,060		13,500	6 months <sup>6</sup>			Feb-16
Box Voyager	2010	3,426		10,600	6 months <sup>7</sup>			Mar-16
Maule	2010	6,589		38,000	8 months <sup>8</sup>			Apr-16
Box Hong Kong	1995	5,344		13,000	10 months <sup>9</sup>			Jun-16
Box China	1996	5,344		13,000	11 months <sup>9</sup>			Jul-16

TEU Average Age / Capacity 10.6 Years 43,925

 Remaining T/C Term

### Notes:

- Based on the earliest redelivery dates
- The vessel is expected to be redelivered on or about September 21, 2015
- Employment is for a period of 50 to 115 days and commenced in August 2015
- Employment was extended until October 2015 and commenced in June 2015
- Employment was extended for a period of 5 to 8 months and commenced in August 2015. The daily charter rate shall be \$1 for the first five days and will be increased to \$15,500 for the remaining period
- Employment is for a period of 12 months and commenced in March 2015
- Employment was extended for a period of 12 months and commenced in March 2015
- Effective April 10, 2015, all rights and obligations under the charter were novated to Hapag Lloyd AG. All other terms remain unchanged. Charterer has option to purchase the vessel upon expiration of the charter for \$57mm (less 0.5% purchase commission)
- Employment is for a period of 12 to 16 months and commenced in June / July 2015

# Cash Flow Generation with Low Leverage

## Leverage Ratio <sup>1</sup> (USD Million)

Cash	<b>\$11</b>
<b>Book Equity (as of Jun. 30, 2015)</b>	<b>\$254</b>
Box Trader/Box Voyager/Maule Facility	\$67
CMA CGM Kingfish/Marlin/Box Emma Facility	\$32
Box Queen Facility	\$17
Box Hong Kong/Box China Facility	\$10
<b>Total Debt</b>	<b>\$125</b>
<b>Net Debt</b>	<b>\$114</b>
<b>Total Capitalization</b>	<b>\$368</b>
<b>Net Debt/Total Capitalization</b>	<b>31%</b>

## Key Financials And Fleet Information

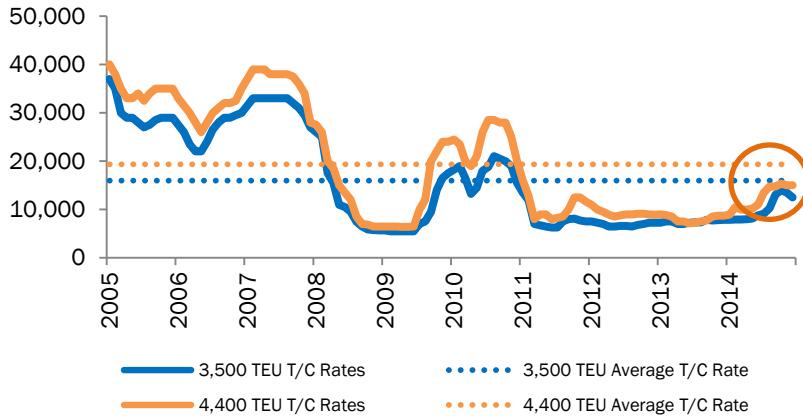
Summary Fleet Information	Q2_2014	Q2_2015
Number of Vessels	9.0	9.0
Operating Days	819	740
Calendar Days	819	819
Fleet Utilization	100%	90%
Expressed in thousands of U.S.Dollars	Q2_2014	Q2_2015
<b>Time Charter Revenues, Adjusted</b>	<b>13,795</b>	<b>11,842</b>
Cash Vessel Operating Expenses	(4,196)	(3,835)
Management Fees	(726)	(588)
Cash G&A Expenses	(984)	(937)
<b>Total Cash Vessel Operating Expenses</b>	<b>(5,906)</b>	<b>(5,360)</b>
Other (Expenses) / Income	(2)	(1,336)
<b>EBITDA, Adjusted</b>	<b>7,887</b>	<b>5,146</b>
Net Interest Expense	(1,779)	(1,372)
Loan Repayment	(5,675)	(3,175)
<b>Free Cash Flow For Distribution</b>	<b>\$433</b>	<b>\$599</b>

Notes:

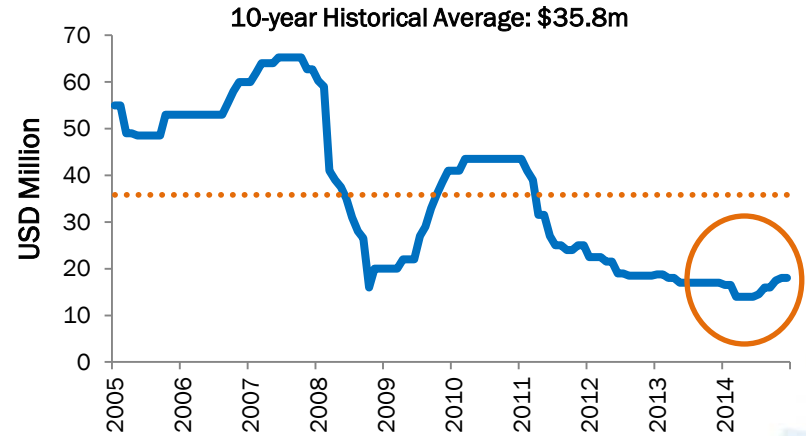
1 As of August 17, 2015

# Market Fundamentals

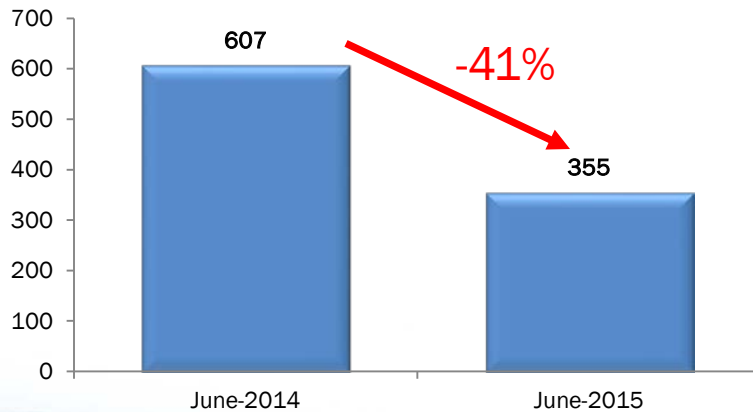
## 6-12 Months Timecharter Rates



## Secondhand Vessel Prices – 3,500 TEU (5 yr)



## Average Bunker Price in 6 Major Areas

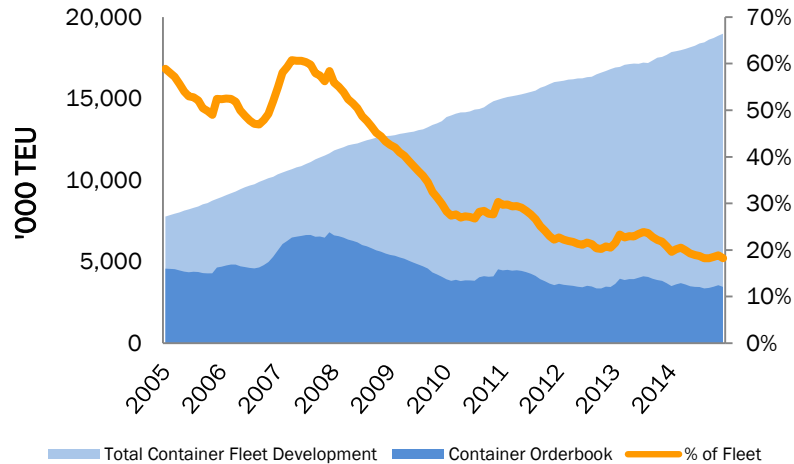


- ◆ Charter rates and vessel values have increased since last year, however still at historically low levels.
- ◆ The timecharter rate of 4,400 TEU is \$15,000 vs. \$8,750 a year ago (+71%), whereas second hand prices increased by 21%.
- ◆ Lower Bunker prices are a major enabler of containers' trade growth.

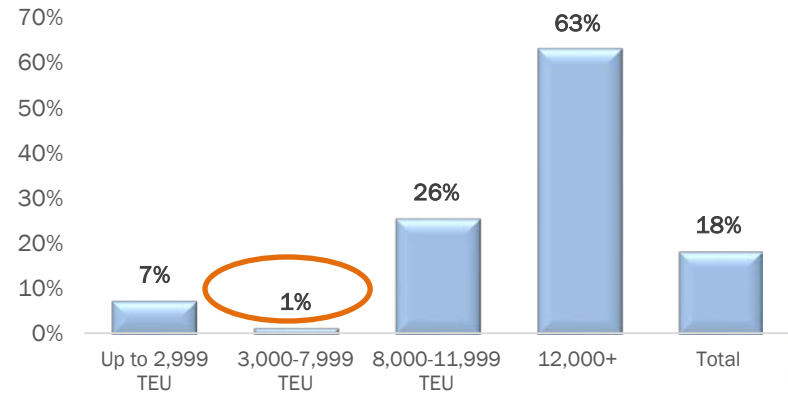
Source: Clarkson's Shipping Intelligence – August 2015, Bunker Prices from Rotterdam, Singapore, Fujairah, Japan, Los Angeles and Houston

# Market Fundamentals

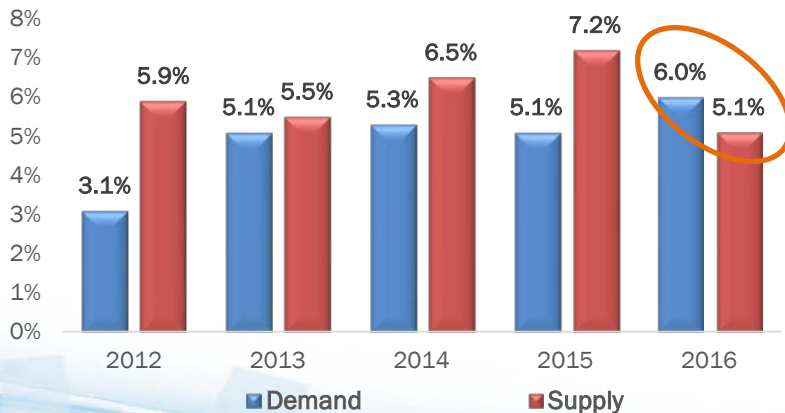
## Containerships - Current Fleet vs Orderbook



## Current Fleet vs Orderbook by Size



## Demand & Supply – Annual Growth



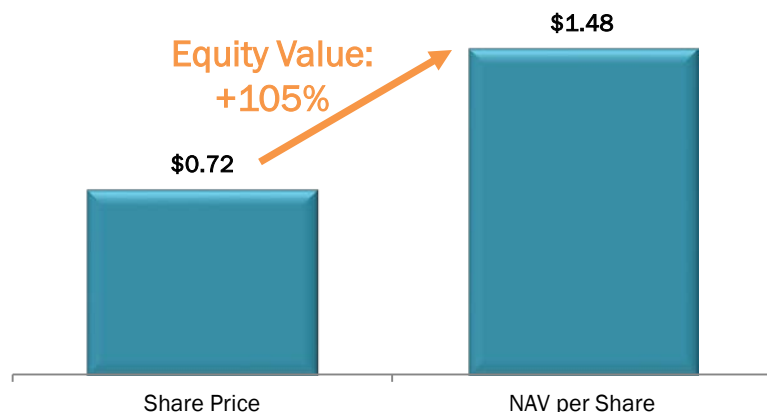
Source: Clarkson's Shipping Intelligence – August 2015

- ◆ Minimum orderbook in the size segment in which we operate.
- ◆ Orders of 12,000+TEU accounted for 80% of the capacity ordered in the first half of 2015.
- ◆ Deliveries of vessels in Q2-2015 were lower by 9% vs. the prior quarter.
- ◆ Demand is estimated to outpace supply growth in 2016 after a number of years.



# Investment Summary

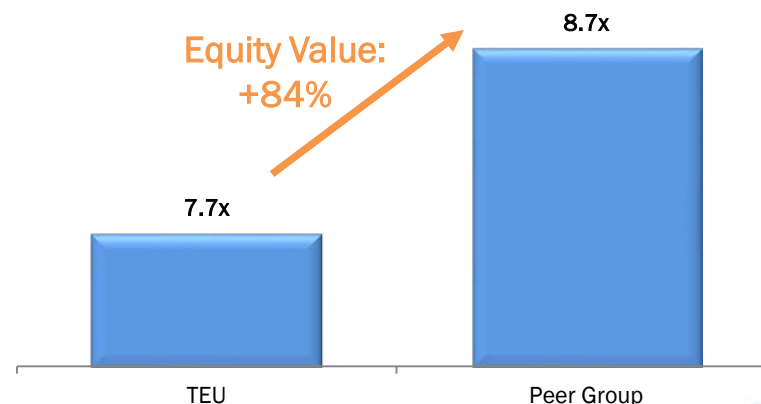
## Share Price vs. NAV per Share



Share price as of the closing on August 14, 2015.

Net Asset Value (NAV) is based on third-party Fleet Valuation as of June 30, 2015, on a charter-free basis.

## Attractive Valuation on EV/EBITDA basis



Company's EV/EBITDA based on annualized Q2-2015 figures (EV=Enterprise Value)

Peer Group includes SSW, DAC, CMRE, GSL and DCIX. Estimates based on Stifel.

- ◆ Attractive valuation both on NAV and EV/EBITDA basis.
- ◆ Well-positioned in the mid-size segment of the containership market, which appears to have positive demand/supply fundamentals.
- ◆ High-quality fleet with an average age of 10.6 years and solid operating performance.
- ◆ Financial flexibility and improved liquidity, no short-term debt maturities.

# Appendix





# Dry-dock and non-cash items schedule

## ◆ Dry-docking Schedule for 2015

	TEU	Next DD Quarter	Estimated Offhire Days
Box Queen	4,546	Q4 2015	18

## ◆ Non-cash items needed to derive Adjusted Net Income from US GAAP Net Income <sup>1</sup>:

in millions

	Q115	Q215	Q315	Q415	2016
Amortization of non-cash items related to vessels acquisitions	\$1.6	\$1.2	\$0.3	\$0.3	\$0.4
Share-based compensation	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
<b>Total</b>	<b>\$1.8</b>	<b>\$1.4</b>	<b>\$0.5</b>	<b>\$0.5</b>	<b>\$0.6</b>

### Notes:

1. As of June 30, 2015

# Income Statement

US\$ 000's (except for per share data)

	Three Months Ended June 30, 2015	Six Months Ended June 30, 2015
<b>Revenues</b>		
Time charter revenues	\$ 11,600	\$ 23,169
Commissions	(377)	(697)
<b>Net Revenues</b>	<b>11,223</b>	<b>22,472</b>
<b>Expenses</b>		
Voyage expenses	347	941
Vessels operating expenses	4,044	8,126
Dry-docking expenses	1,334	1,334
Management fees	588	1,191
Depreciation	3,774	7,506
General & administrative expenses	1,108	2,214
<b>Total Expenses</b>	<b>11,195</b>	<b>21,312</b>
<b>Operating Income</b>	<b>28</b>	<b>1,160</b>
<b>Other Income / (Expenses)</b>		
Interest and finance costs	(1,372)	(2,802)
Gain / (loss) on derivatives	18	(51)
Fair value change of warrants	(57)	(57)
Foreign currency (loss) / gain, net	(2)	81
<b>Total Other Expenses, net</b>	<b>(1,413)</b>	<b>(2,829)</b>
<b>Net Loss</b>	<b>\$ (1,385)</b>	<b>\$ (1,669)</b>
<b>Loss per Common Share, basic and diluted</b>	<b>\$ (0.06)</b>	<b>\$ (0.09)</b>



# Balance Sheet

US\$ 000's

	December 31, 2014	June 30, 2015
Cash and restricted cash (current and non-current)	\$ 14,566	\$ 14,486
Other current assets	7,455	9,240
Vessels and other fixed assets, net and other non-current assets	375,828	365,316
<b>TOTAL ASSETS</b>	<b>\$ 397,849</b>	<b>\$ 389,042</b>
Total debt	\$ 134,950	\$ 128,600
Total other liabilities	6,219	6,178
<b>TOTAL LIABILITIES</b>	<b>141,169</b>	<b>134,778</b>
Stockholders' equity	256,680	254,264
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>\$ 397,849</b>	<b>\$ 389,042</b>