



Earnings Presentation
Three- And Six-Month Period Ended June 30, 2013
Earnings Presentation
August 13, 2013

Forward-Looking Statements

Statements in this presentation may be "forward-looking statements" within the meaning of federal securities laws. The matters discussed herein that are forward-looking statements are based on current management expectations that involve risks and uncertainties that may result in such expectations not being realized. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous potential risks and uncertainties including, but not limited to, the need to manage our growth and integrate additional capital, acquire additional vessels, volatility in the dry-bulk shipping business and vessel charter rates, our ability to obtain sufficient capital, the volatility of our stock price, and other risks and factors. Forward-looking statements made during this presentation speak only as of the date on which they are made, and Euroseas does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation.

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This presentation also contains historical data about the dry bulk and containerized trade, dry bulk and containership fleet and dry bulk and containership rates. These figures have been compiled by the Company based on available data from a variety of sources like broker reports and various industry publications or represent Company's own estimates. The Company exercised reasonable care and judgment in preparing these estimates, however, the estimates provided herein may not match information from other sources.

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2013 Second Quarter & First Half Overview

- Financial Highlights - 2013:

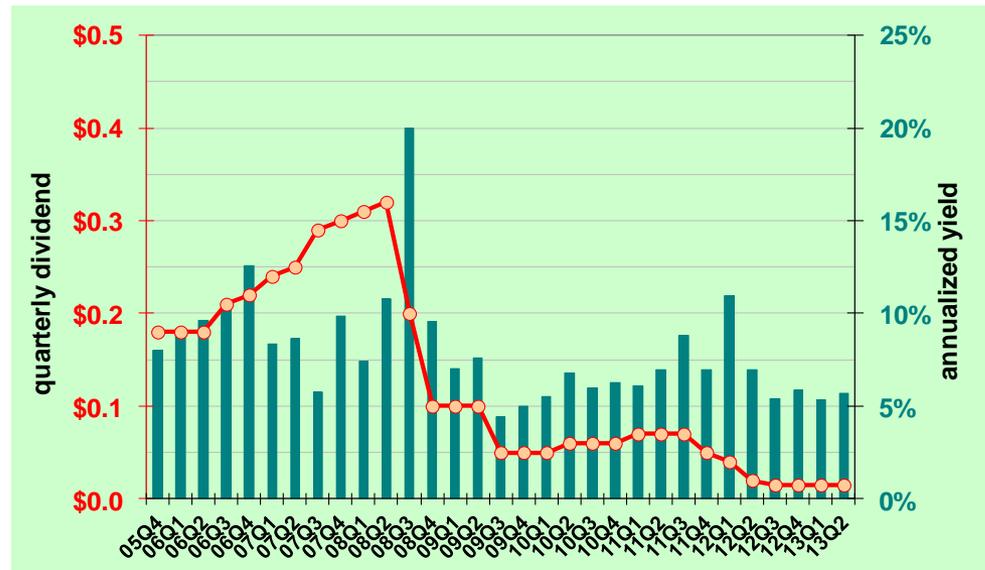
	Second Quarter		First Half	
Net Revenues	\$9.6 m		\$20.5 m	
Net Income / (Loss)	(\$8.9) m	(\$0.20)/ share ⁽²⁾	(\$13.5) m	(\$0.30) / share ⁽²⁾
Adj. Net Income ⁽¹⁾	(\$5.7) m	(\$0.12)/ share ⁽²⁾	(\$10.5) m	(\$0.23) / share ⁽²⁾
Adj. EBITDA ⁽¹⁾	(\$1.0) m		(\$1.1) m	
Dividend declared	\$0.015 /share		\$0.030 /share	

(1) See press release of 12/08/2013 for reconciliation of Adj., Net Income to Net Income and Adjusted EBITDA to Net Income and Cash Flow from Operations

(2) Basic and diluted

Dividend Declaration

- Declared the 32nd consecutive dividend of \$0.015 per share for the second quarter of 2013
- Annualized yield of about 5.8% based on the closing share price of \$1.03 on Aug 9, 2013



Fleet Developments & Operational Highlights

➤ Fleet Renewal Program

- Sold *Anking* (1990blt) for scrap for a net amount of \$3.57m,...
- ...and, replaced it with *Joanna P* a 1,732 teu(1999blt) for an incremental investment of \$2.3m (\$5.9m purchase price), was delivered and chartered for 9-10 months at \$7,500/day
- Sold *Irini* (1988blt) for scrap for a net amount of about \$3.8m and intent to replace her with a younger vessel

➤ Operational Highlights

➤ Containerships:

- *Evriliki G (ex-Maersk Noumea)*: Chartered for 10-12 months at \$8,000/day
- *Manolis P*: Passed intermediate survey; charter extended for 5-6 months at \$6,750/day
- *Ninos*: Chartered for 6 months at \$7,690/day

➤ Bulkers:

- *Monica P*: Drydocked during March-April. Vessel extended its charter for 12-15 months at \$7,500/day

Current Fleet *(not including Euromar vessels)*

	Name	Type	Size		Year
			DWT	TEU	Built
Drybulk Carriers	Pantelis	Panamax	74,020	-	2000
	Eleni P	Panamax	72,119	-	1997
	Aristides NP	Panamax	69,268	-	1993
	Monica P	Handymax	46,667	-	1998
Containerships	Evridiki G ⁽¹⁾	Intermediate	34,677	2,556	2001
	Angeliki P	Intermediate	30,360	2,008	1998
	Tiger Bridge ⁽¹⁾	Intermediate	31,627	2,228	1990
	Despina P.	Handysize	33,667	1,932	1990
	Captain Costas	Handysize	30,007	1,742	1992
	Marinos	Handysize	23,596	1,599	1993
	Manolis P.	Handysize	20,346	1,452	1995
	Ninos	Feeder	18,253	1,169	1990
	Kuo Hsiung	Feeder	18,154	1,169	1993
	Joanna	Feeder	22,301	1732	1999
Total	14 vessels	525,053	17,587	17.3	

NOTES: (1) Acquired with above market charter

Euromar Joint Venture

Name	Type	Size		Year
		DWT	TEU	Built
CAP EGMONT ⁽¹⁾	Intermediate	41,850	3,091	2007
EM ASTORIA	Intermediate	35,600	2,788	2004
CMA-CGM TELOPEA	Intermediate	37,180	2,785	2007
MAERSK NAIROBI	Intermediate	34,654	2,556	2001
EM ATHENS	Intermediate	32,350	2,506	2000
EM CHIOS	Intermediate	32,350	2,506	2000
EM ANDROS	Intermediate	33,216	2,450	2003
EM ITHAKI	Intermediate	28,917	2,135	1999
EM HYDRA	Handy	23,400	1,736	2005
EM SPETSES	Handy	23,400	1,736	2007
Total	10 vessels	322,917	24,289	9.3

➤ **Original capital commitment has been contributed:**

- Total capital invested \$175m ..
- ..of which \$25m are from Euroseas.
- Current cash position of about \$46m.

➤ **Has bought 10 containerships**

- Between 1700 and 3100 teu.
- Has funds for 2-4 additional vessel acquisitions.

NOTES: (1) Acquired with above market charter



Market Overview

World Economic Growth

- **Some positive developments in the U.S. Seem to mitigate the political & economic uncertainties**
 - Positives: The US is the only country for which analysts have revised their estimates upwards as the 'fiscal cliff' worries subside, the energy boom continues and as the Fed has begun talking about scaling back QE.
 - Negatives: European exports decline and hopes for a revival in European growth is postponed for after the German elections in September.
- **The Eurozone could remain in recession for a second year, emerging markets growth shaky**
 - BRIC countries' outlook revised downwards due to weak global demand.

World GDP & Shipping Demand Growth

Real GDP (% p.a. - IMF)	2009	2010	2011	2012	2013F (*)	2014F (*)	2015F (*)
USA	-2.6 (-1.6)	2.8 (2.7)	1.8 (3.0)	2.2(1.8)	1.2(1.3)	2.1(2.3)	3.6 (3.4)
Eurozone	-4.1 (-2.0)	1.8 (1.0)	1.5 (1.5)	-0.6 (-0.5)	-.06(-0.4)	0.9(1.0)	1.4 (1.5)
Japan	-6.3 (-2.6)	4.3 (1.7)	-0.6 (1.7)	1.9(1.7)	2.0(1.5)	1.2(1.5)	1.1 (1.2)
China	9.2 (6.7)	10.3 (10.0)	9.3 (10.3)	7.8 (8.2)	7.8(8.1)	7.7(8.3)	8.5 (8.5)
India	5.7 (5.1)	9.7(7.7)	6.3 (8.4)	3.2 (7.0)	5.6(5.8)	6.3(6.4)	6.6 (6.7)
Russia	-7.9 (-0.7)	3.7 (3.6)	4.3 (4.5)	3.4 (3.0)	2.5(3.4)	3.3(3.8)	3.7 (3.9)
Brazil	-0.6 (-1.8)	7.5 (4.7)	2.7 (4.5)	0.9 (3.0)	2.5(3.0)	3.2(4.0)	4.1 (4.2)
ASEAN-5	1.7 (2.7)	6.7 (4.7)	4.5 (5.5)	6.1 (4.8)	5.6(5.9)	5.7(5.5)	5.5 (5.8)
World	-0.5(3.4)	5.0 (3.9)	3.9 (4.4)	3.1 (3.3)	3.1(3.3)	3.8(4.0)	4.4 (4.4)

Figures in parantheses:

(Begin of respective year IMF forecasts, '09-12)

(2013/14: Previous forecast by IMF Apr-13)

(2015: IMF as of Apr-13 (previous as of Oct-12))

Dry Bulk Trade (% p.a.)

Tons	-3.0 (-3.0)	13.0 (5.0)	6.0 (6.0)	7.0 (4.0)	5.0(5.0)	6.0 (6.0)	6.0
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Containerized Trade (% p.a.)

TEU	-9.4 (5.5)	13.1 (8.0)	7.5(8.7)	3.2 (7.0)	5.0 (6.0)	6.3 (7.0)	7.5
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Figures in parantheses:

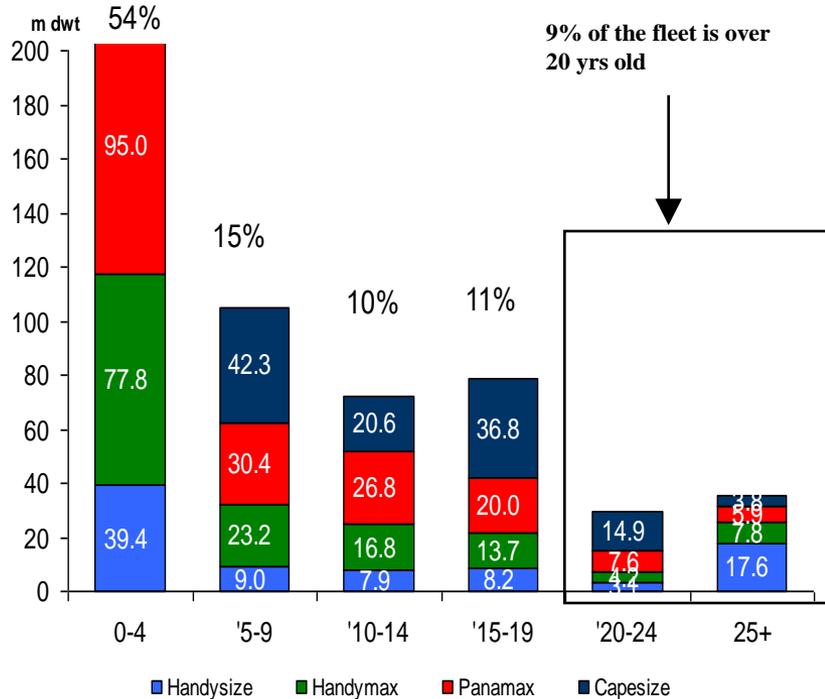
(Begin of respective year forecasts, '09-12)

(2013/14: Last forecast Jan-13)

(*) Sources: GDP - International Monetary Fund: 2009-2012 and past estimates (in parentheses), 2013/14 IMF Forecasts (Jul13), 2015 IMF (Apr-13)
Trade – Clarksons estimates 2013-2014 (Jun-13), Company estimates 2015; trade outlook takes into account revised economic views

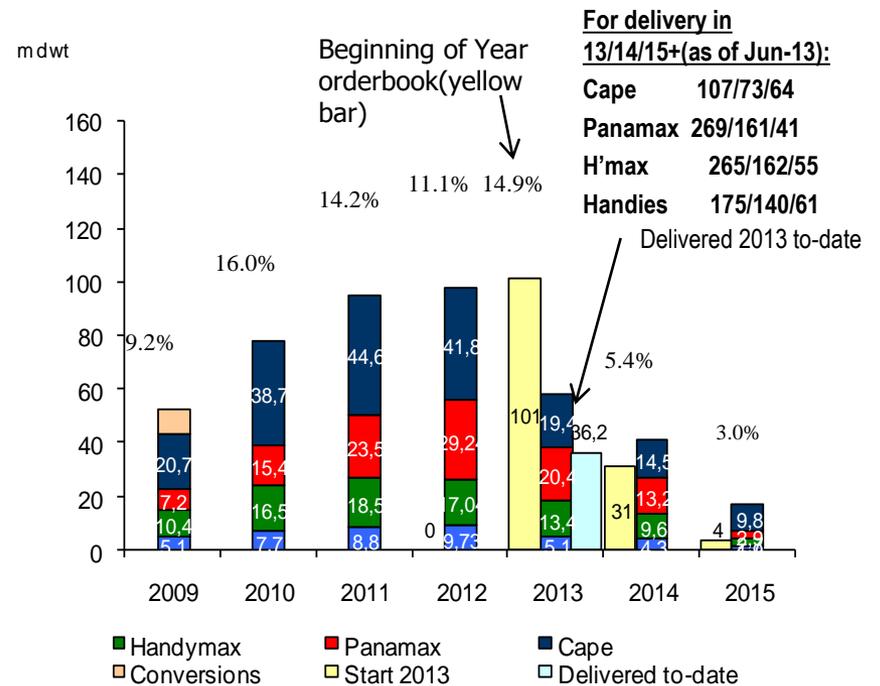
Drybulk Age Profile & Orderbook Delivery Schedule

Dry Bulk Age Profile



Large bulkers are still young

Dry Bulk Orderbook



Large Vessels Dominate Orderbook

Source: Clarksons, as of July 2013.. 2009-2012 fleet percent change includes scrapping and other additions and removals.

In 2009, scrapping accounted for 10 m dwt (3%), conversions for 10.9 m dwt and other removals for 1.7 m dwt, and slippage & cancellations (28.5 m dwt) for 40% of the scheduled deliveries.

In 2010, scrapping accounted for 5.7 m dwt (1.2%), slippage and cancellations (47 m dwt) accounted for 37% of the scheduled deliveries.

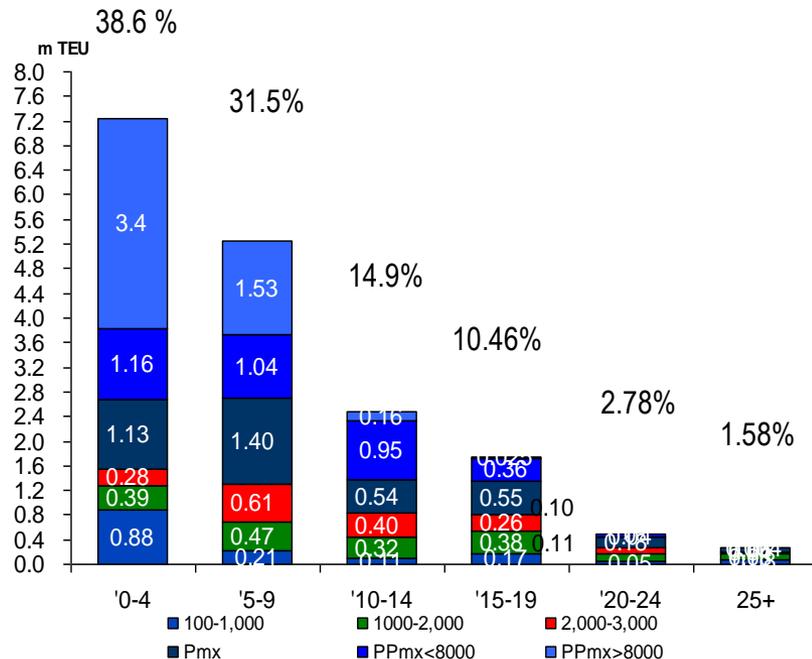
In 2011, scrapping accounted for 22.2 m dwt (4.2%), slippage and cancellations (43 m dwt) accounted for 29% of the scheduled deliveries.

In 2012, scrapping accounted for 32.9 m dwt (5.3%), slippage and cancellations (40 m dwt) accounted for 29% of the scheduled deliveries.

In 2013/14/15 deliveries are given as percent of fleet of previous year calculated without accounting for scrapping, other removals or conversions (July 2013).

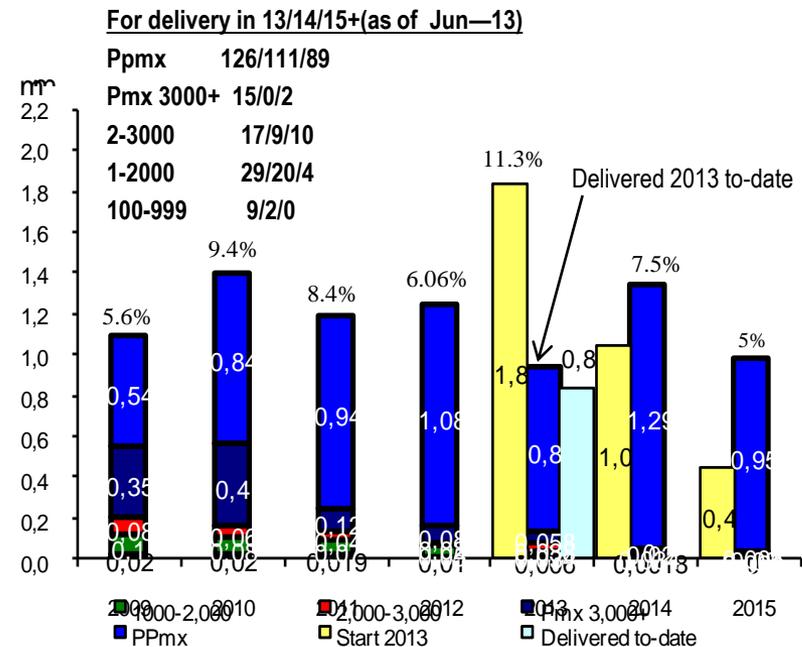
Containership Age Profile & Orderbook Delivery Schedule

Containership Age Profile



Overall A Young Fleet

Container Orderbook



Large Vessels Dominate Orderbook

Source: Clarksons as of July 2013.

2009-2012 fleet percent change includes scrapping and other additions and removals. From 2013 onwards, percent fleet change is calculated based on the fleet of the previous year calculated without accounting for scrapping, other removals or conversions.

In 2009, scrapping accounted for 0.35 m teu, or 2.9% of the fleet. Slippage and cancellations of about 1.0 m teu accounted for about 50% of the scheduled deliveries.

In 2010, scrapping accounted for 0.26 m teu, or 1.9% of the fleet. Slippage and cancellations of about 0.5m teu accounted for about 25% of the scheduled deliveries.

In 2011, scrapping accounted for 0.08 m teu, or 0.5% of the fleet. Slippage and cancellations of about 0.5m teu accounted for about 27% of the scheduled deliveries.

In 2012, scrapping accounted for 0.32 m teu, or 2.1% of the fleet. Slippage and cancellations of about 0.1m teu accounted for about 10% of the scheduled deliveries.

Outlook Summary

Drybulk Market

- The BDI (Charter Index) went up around 25% during Q2 due to the surge in Capesize rates which moved from around \$5,000/day to above \$10,000/day. Panamaxes despite their volatility ended up on the same levels. Supramaxes moved sideways between \$9,000 to \$10,000/day. All-in-all H2 of 2013 is expected to be better than H1.
- Second Hand asset prices moved up during Q2 around 20-25% (for 10-15 years old vessels) and around 10% (for younger vessels).
- N/B prices seem to have bottomed out and the recent trend indicates increases in the region of 10%.
- The orderbook during Q2 has risen considerably adding about 14mdwt (abt 2% of fleet) during the quarter and there is still significant appetite for “eco” vessels. Deliveries by yards are now offered for Q4 2015 onwards.

Containership Market

- Rates have shown encouraging improvements especially on the smaller geared sizes in the range of 15-20%, however, supply demand balance seems finally balanced and further push requires an improving global economy.
- Buyers taking advantage of all time low prices have helped asset prices move in the region of 25-30% mostly for older vessels. Younger vessels have similar increases but limited transactions.
- N/B prices seem to have bottomed out and the recent trend indicate increases in the region of 10%.
- Appetite for new orders was very strong during Q2 with owners placing around 500k teu of new orders (abt 2.5% of fleet), however the majority of them were in the big sizes with the 8,000 to 9,000 teu tonnage dominating the orderbook.

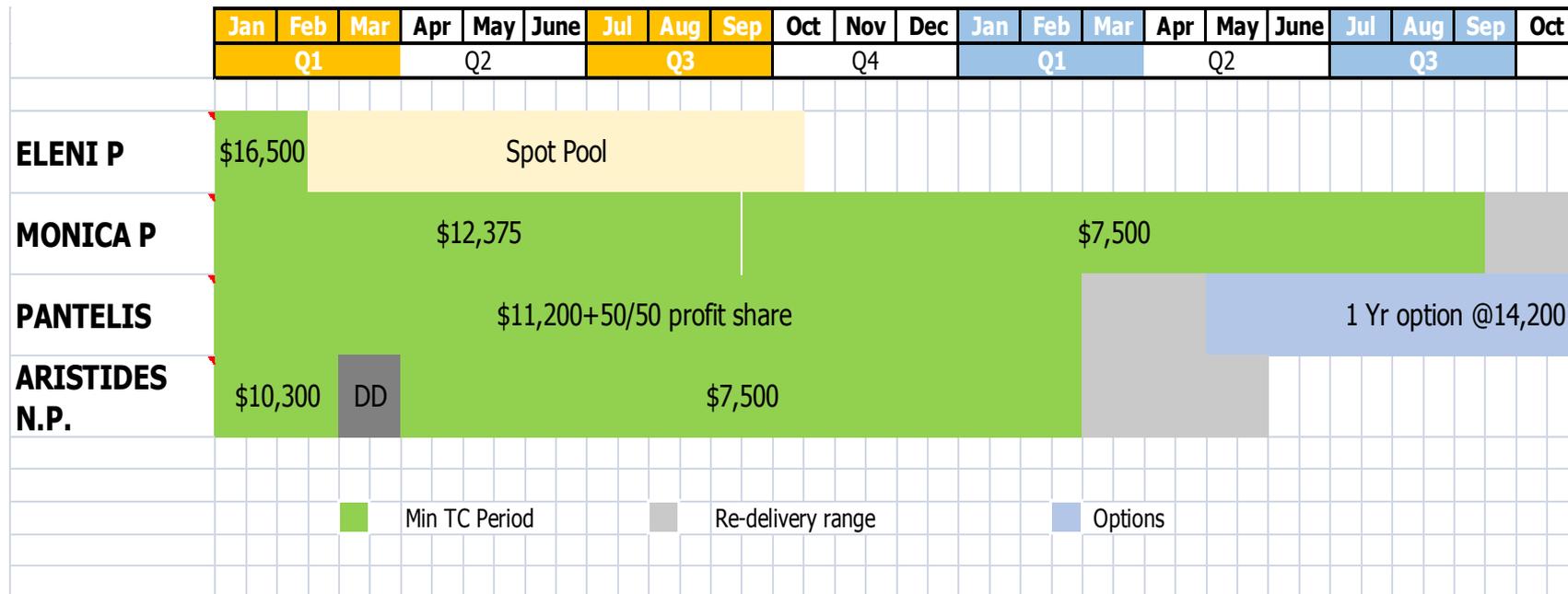


Chartering, Operations & Investment Strategy



Vessels Employment Chart – Bulkers

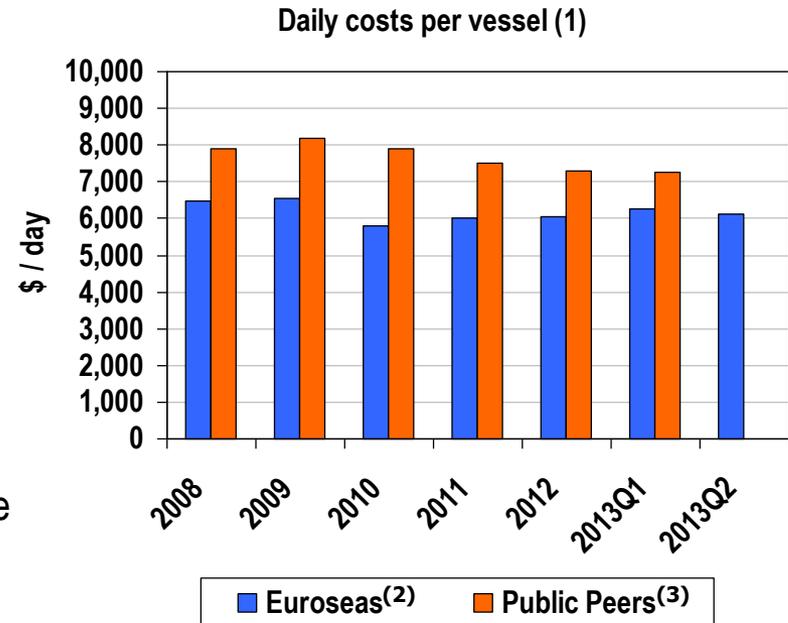
Coverage: 75% in 2013 and 25% 2014 (Eleni P days not counted)



Fleet Management & Operational Performance

- Operational fleet utilization rate in excess of 98.5% over last 5 years
 - Outstanding safety and environmental record
 - For 2013Q2, operational fleet utilization 99.8% and commercial 90.6%
 - For 2012, operational fleet utilization 99.4% and commercial 96.2%

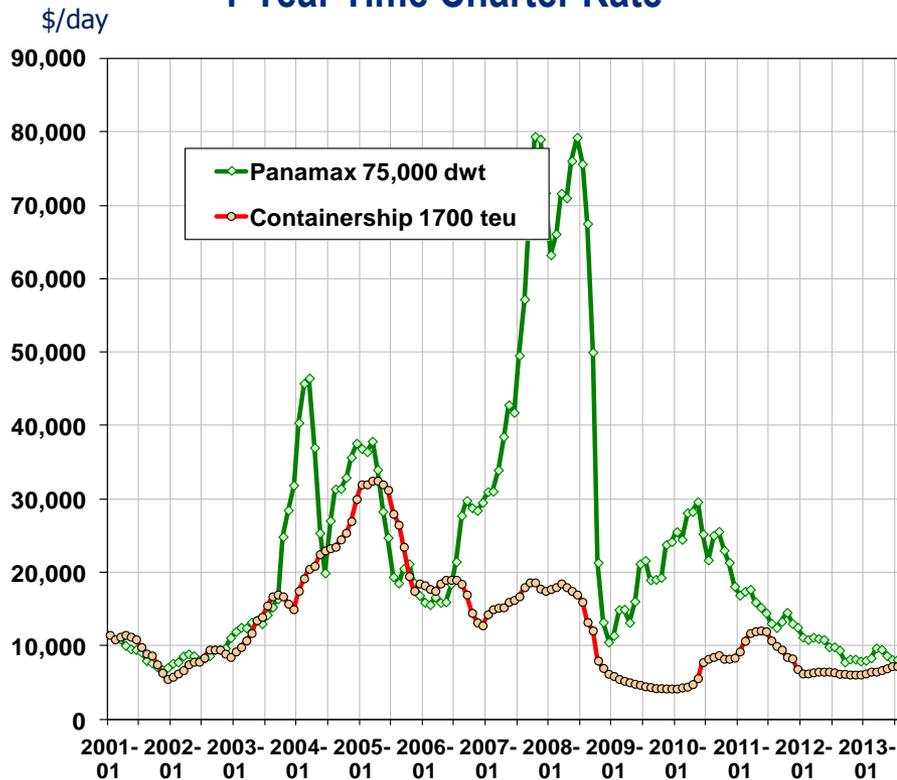
- Overall costs achieved are amongst the lowest of the public shipping companies



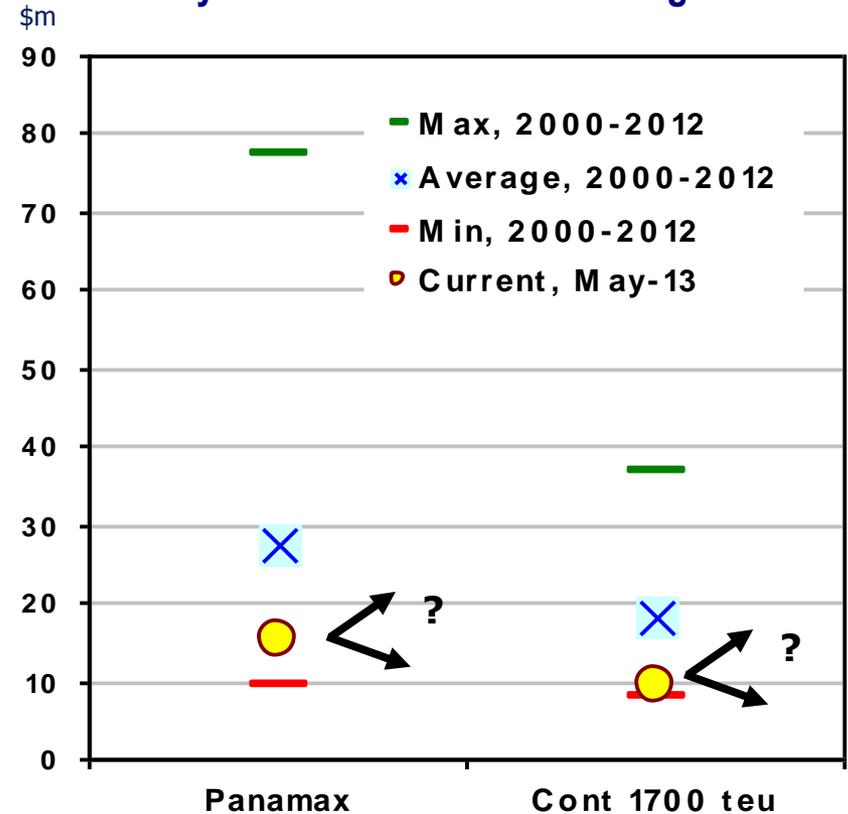
- (1) Includes running cost, management fees and G&A expenses (not drydocking expenses)
- (2) 2009 figure was increased by abt \$600/day to account for the lower cost of the 3 laid-up vessels; 2010 figure was increased by abt \$300/day to account for the lower cost of the laid-up vessels (2 in 2010H1 and 1 in 2010Q3);
- (3) Peer group includes DRYS (up to 2009), DSX, EGLE, EXM, GNK, OCNF and FREE (drybulk), and SSW, DAC (containership) up to 2010; DSX, EGLE, EXM, GNK, SBLK, and SB (drybulk), and SSW, DAC, DCIX in 2011 and 2012.

Market Snapshot – Investment Opportunities

1-Year Time Charter Rate



10-yr old Price Historical Range





Financial Overview

Financial Highlights: 2nd Quarter and 1st Half of 2011 and 2012

(in million USD except per share amounts)	Second Quarter			First Half		
	2012	2013	change % ⁽⁴⁾	2012	2013	change % ⁽⁴⁾
Net Revenues	\$12.8	\$9.6	-25.1%	\$26.7	\$20.5	-23.3%
Net Income	(\$1.4)	(\$8.9)		(\$10.4)	(\$13.5)	
(Gain) / Loss on Sale of Vessel	-	\$3.2		\$8.6	\$3.2	
(Gain) / loss on derivatives & unrealized (gain)/ loss on trading securities	\$0.1	\$0.0		\$0.4	\$0.0	
Amort. FV of charters, net	-	-		-	-	
Adj. Net Income	(\$1.3)	(\$5.7)		(\$1.4)	(\$10.3)	
Adjusted EBITDA⁽¹⁾	\$3.4	(\$1.0)		\$8.3	(\$1.1)	
"GAAP" EPS, Diluted⁽²⁾	(\$0.04)	(\$0.20)		(\$0.04)	(\$0.30)	
"Operating"⁽³⁾ Adj. EPS, Diluted	(\$0.04)	(\$0.12)		(\$0.04)	(\$0.23)	
Dividends per share, declared	\$0.02	\$0.015	-25.0%	\$0.06	\$0.03	-50.0%

(1) See press release of 12/08/2013 for Adjusted EBITDA reconciliation to Net Income and Cash Flow from Operations.

(2) Calculated on 33,206,325 and 32,558,052 shares for 2012 and 45,319,605 shares for 2013.

(3) "Operating" EPS excludes from Net Income the capital gains, unrealized and realized derivative gains and losses, unrealized investment gains or losses and amortization of fair value of charters acquired. See press release of 12/08/2013 for reconciliation to Net Income.

(4) Calculated based on figures in press release of 8/12/2013.

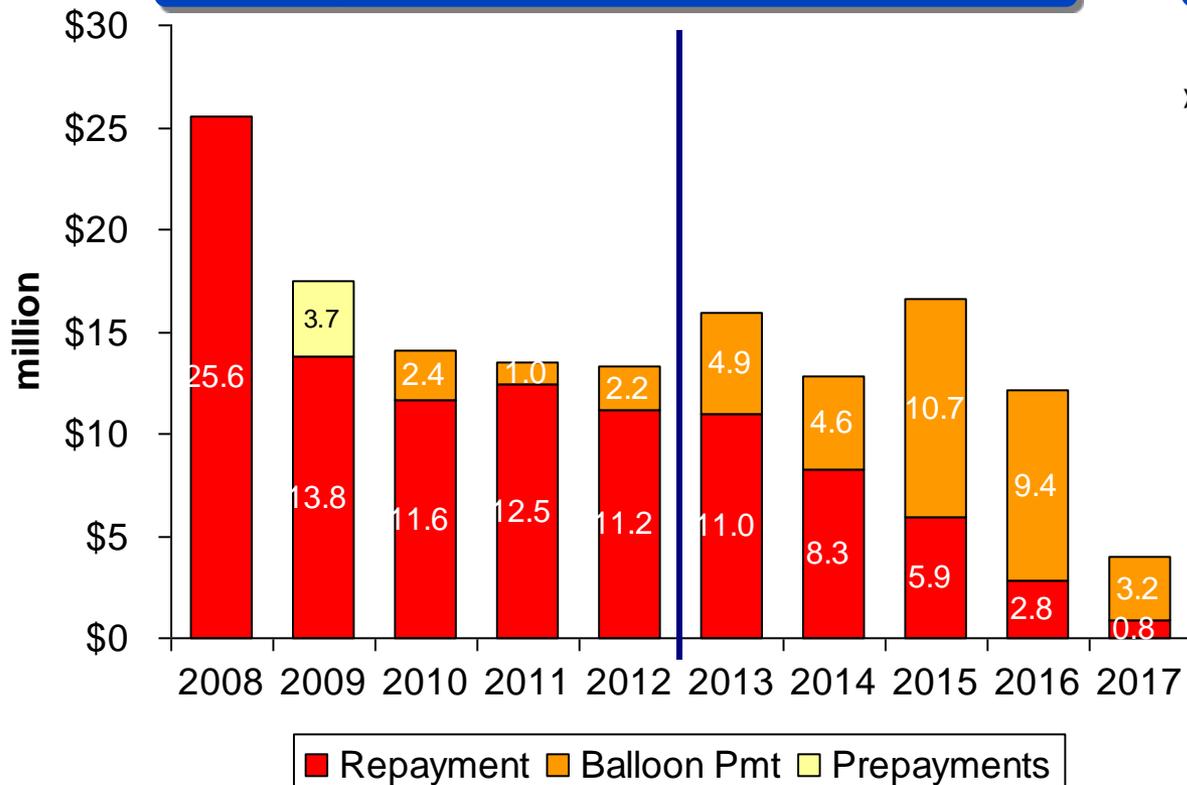
Fleet Data for 2nd Quarter and 1st Half of 2012 and 2013

<u>Fleet Statistics</u>	Second Quarter		First Half	
	2012	2013	2012	2013
	<u>(unaudited)</u>		<u>(unaudited)</u>	
Number of vessels	15.00	14.96	15.42	14.98
Utilization Rate (%)				
Overall⁽¹⁾	98.5%	90.4%	92.8%	94.2%
Commercial⁽¹⁾	99.0%	90.6%	93.3%	95.0%
Operational⁽¹⁾	99.5%	99.8%	99.5%	99.3%
Averages in usd/day/vessel				
Time Charter Equivalent (TCE)⁽²⁾	\$ 9,757	\$ 7,708	\$ 10,431	\$ 8,256
Operating Expenses				
Vessel Oper. Exp. excl. laid-up	5,442	5,534	5,367	5,545
G&A Expenses	631	581	662	647
Total Operating Expenses	6,072	6,115	6,028	6,192
Interest Expense	363	359	366	357
Drydocking Expense	301	783	158	1,063
Loan Repayments	2,372	3,992	2,761	2,746
Total Cash Flow Breakeven	9,108	11,249	9,313	10,358

- (1) Utilization Rate is calculated excluding scheduled offhire (drydockings and special surveys) and vessels in lay-up. Scheduled offhire amounted to 34.3 and 100.4 days for the second quarter and first half of 2013.
- (2) TCE calculation shows the gross rate the vessels earn while employed; it excludes periods during which the vessels are laid-up or offhire for commercial or operational reasons.

Debt Repayment Profile

Debt Repayment Schedule – As of 06/30/2013



Cash Flow Breakeven

» Cash Flow Breakeven - rough estimate for next 12 months:

	<u>\$/day</u>
OPEX	\$ 5,800
G&A	\$ 800
Interest	\$ 500
Drydock	\$ 700
<u>Loan Rpmt(*)</u>	<u>\$ 3,500</u>
TOTAL	\$11,300

(*) Corresponds to \$7.6m for balloon payments and \$10m for loan repayments scheduled in the next 12 months.

Without accounting for the balloon payments the cash breakeven is about \$9,800/day.

Balance Sheet & Other Data

- **Cash @ June 30, 2013: \$ 34.1m**
 - \$23.1m unrestricted – and about \$10.9m of restricted funds and retention accounts
 - Cash per share amounts to about \$0.79

- **Debt: \$54.1m as of June 30, 2013**
 - Debt to Capitalization ratio about 21.8%
 - Debt to Market Value of Fleet ratio in the range of 60-65%
 - Net debt to Market Value of Fleet ratio in the range of 20-25%
 - Loan covenants satisfied

- **About \$15-20m cash equity to fund further growth**
 - *Joanna P* purchase was completed for an incremental \$1.5m cash outlay due to the sale of *Irini*
 - \$15m of additional equity to buy vessels
 - Targeting fleet renewal & attractive acquisitions

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