



**7<sup>th</sup> Annual  
Invest in International  
Shipping Forum**  
Capital Link Forum  
Thursday, March 21, 2013  
The Metropolitan Club, One East 60th St. , New York City



# Forward Looking Statements

**This presentation contains forward-looking statements (as defined in Section 27A of the Securities Exchange Act of 1933, as amended, and in the Section 21E of the Securities Act of 1934, as amended) concerning future events, the Company's growth strategy and measures to implement such strategy, including expected vessel acquisitions and entering into further time charters. Words such as "expects," "intends," "plans," "believes," "anticipates," "hopes," "estimates" and variations of such words and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Company. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in the demand for drybulk vessels, competitive factors in the market in which the Company operates, risks associated with operations outside the United States and other factors listed from time to time in the Company's filings with the Securities and Exchange Commission. The Company expressly disclaims any obligations or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.**

# Management Team

**Polys Hajioannou**  
*Chairman and CEO*

**Dr. Loukas Barmparis**  
*President*

**Konstantinos Adamopoulos**  
*Chief Financial Officer*

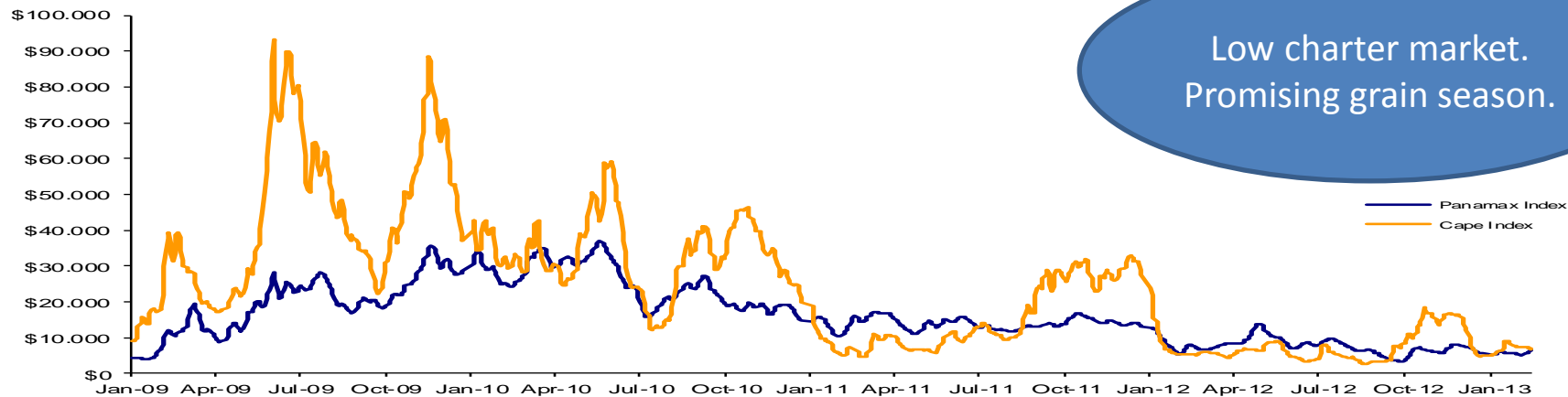
**Ioannis Foteinos**  
*Chief Operating Officer*



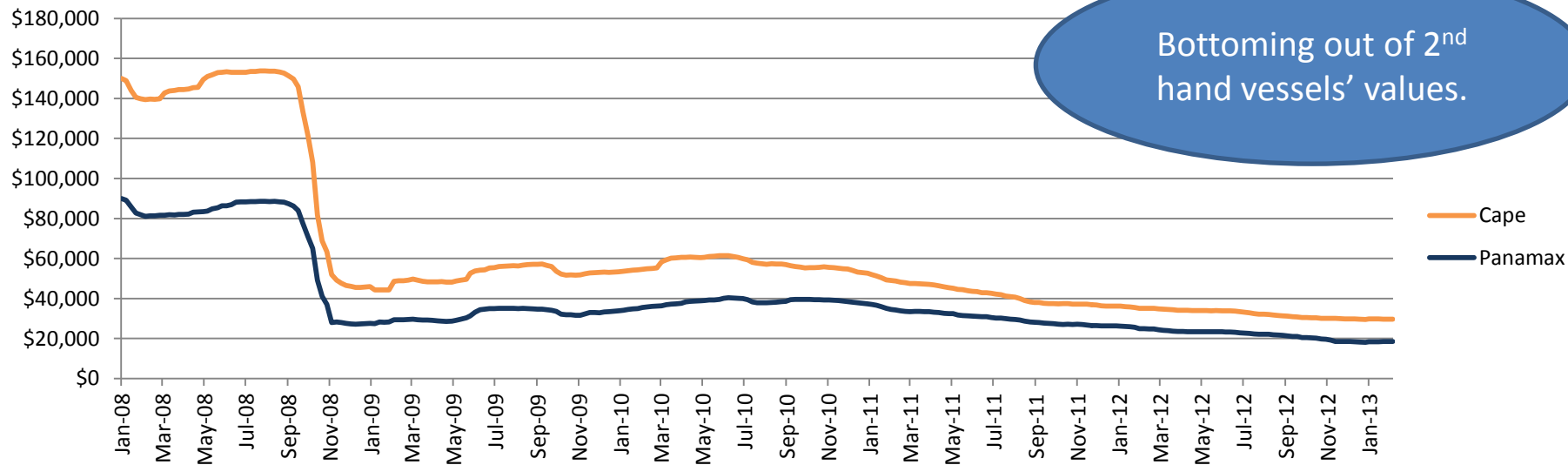
**INDUSTRY SECTION**

# MARKET CONDITIONS

Daily Closing of Average 4TC



5years old second hand prices (in million USD)

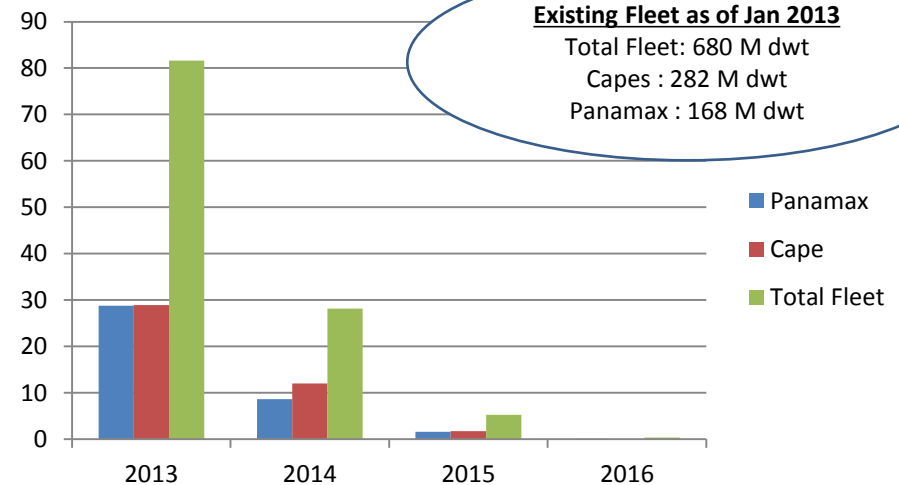


## MARKET CONDITIONS – SUPPLY SIDE

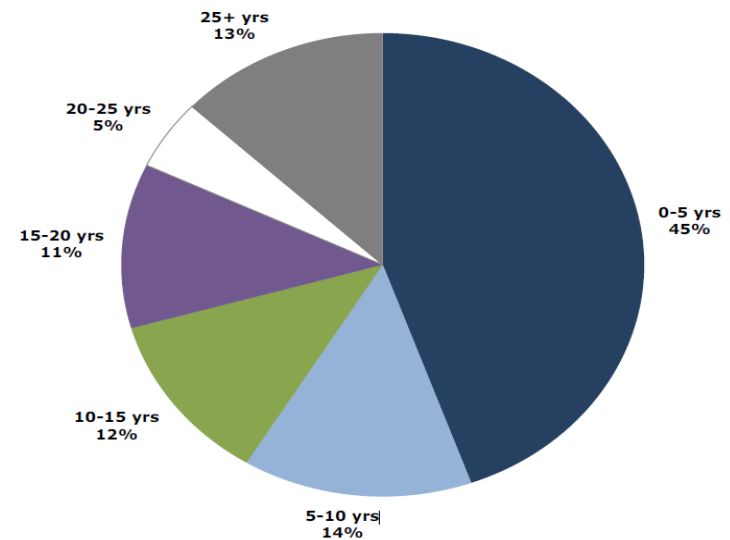
### Highlights

- Substantial orderbook through out 2013.
- Declining orderbook the following years
- Average age of total fleet is 10 years.
- About 18% of fleet above 20 years old.
- Average age of vessels going for demolition is lowering in low charter market conditions.

### Orderbook (in million tons)



### Ageing of Dry Bulk Fleet



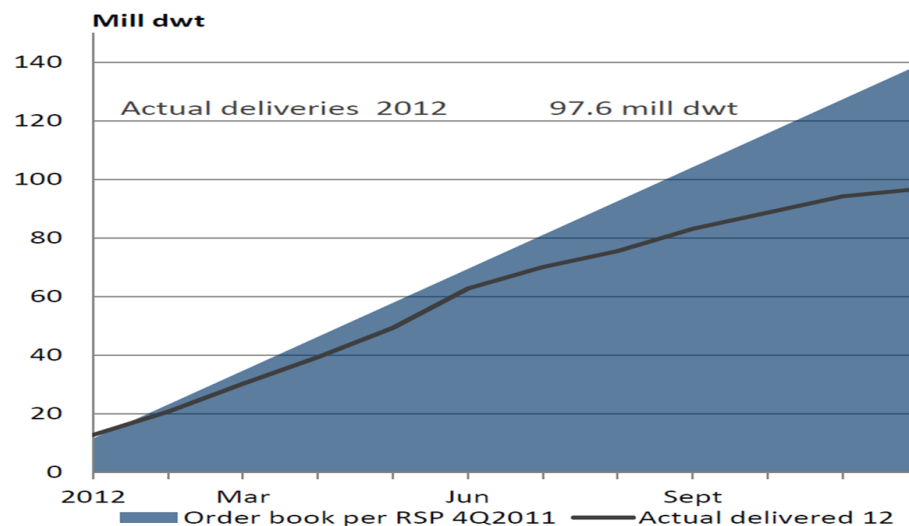
Data as of January 2013.

## MARKET CONDITIONS – SUPPLY SIDE

### Highlights:

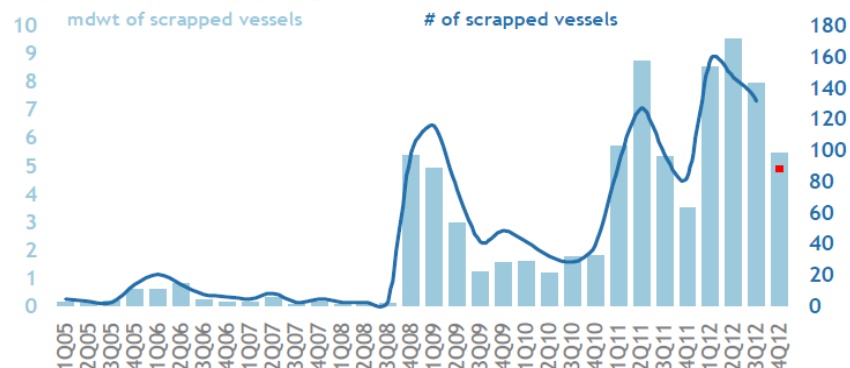
- Slippage or cancellations amounted to about 30% of the order-book for 2012:
  - Lack of finance;
  - Excessive delays from shipyards.
- 2012 Scrapping at **34.0** mil. dwt versus **23.8** mil. during 2011.
- Net fleet in 2012 increased by 64.1 mil. dwt or 10%, versus increase by 76.7 mil dwt or 14% during 2011.
- Scrapping rate in January 2013 continues amounting to 2.2 mill dwt.

### Accumulated order book vs. deliveries



Data as of October 31, 2012.

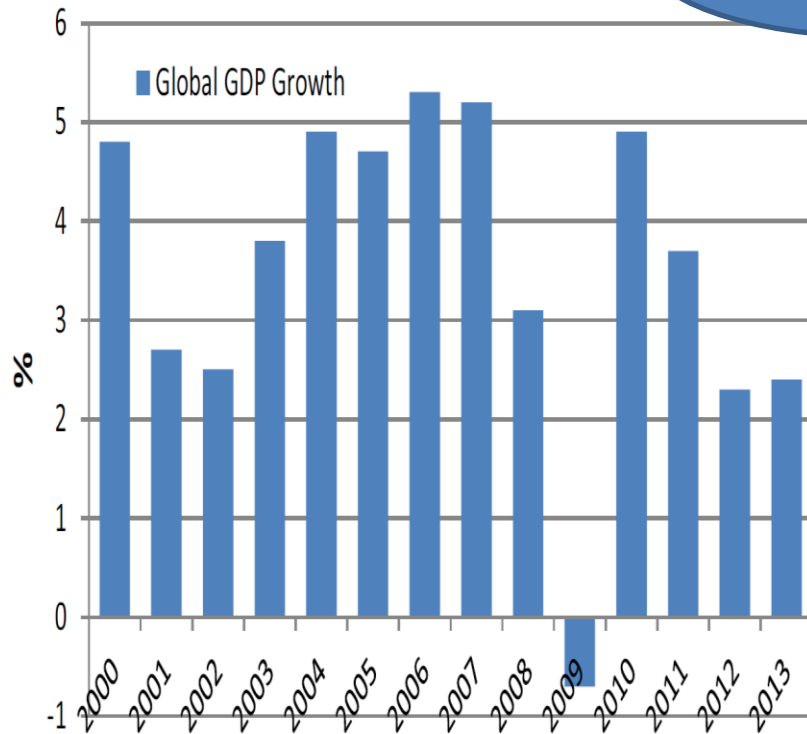
### Dry Bulk Scrapping Activity



Data as of January, 2013.

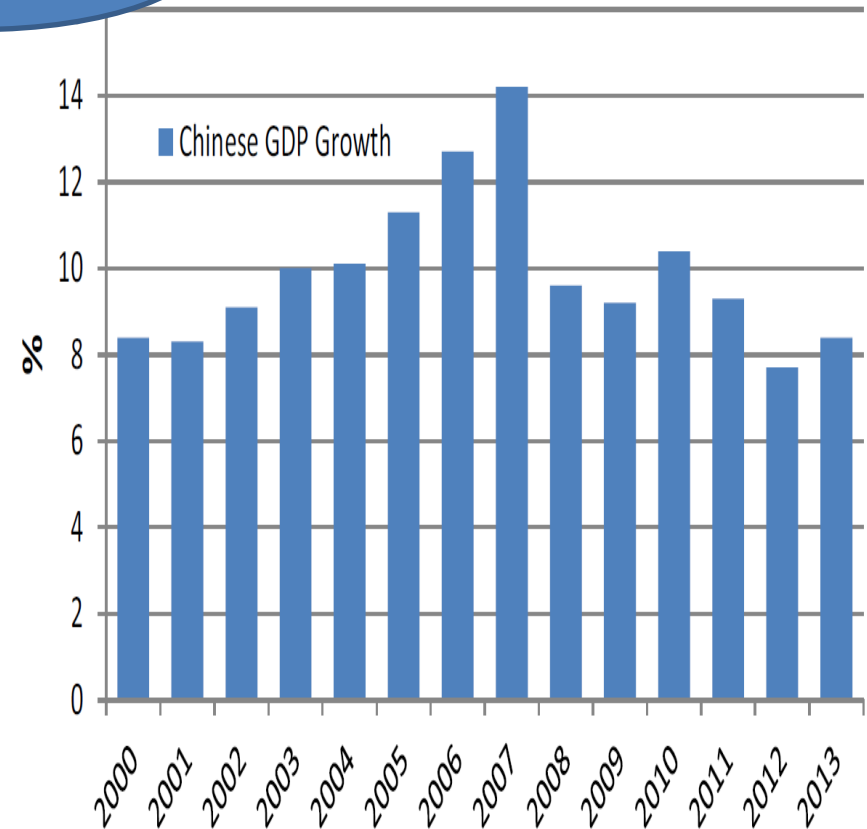
## MARKET CONDITIONS – DEMAND SIDE

### World GDP Growth



Expected Recovery

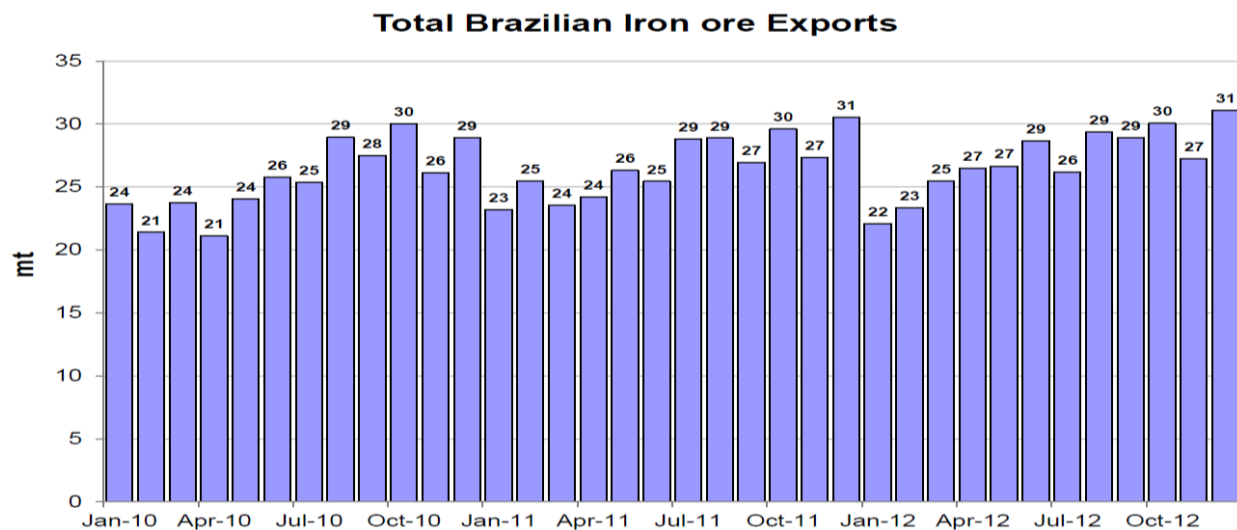
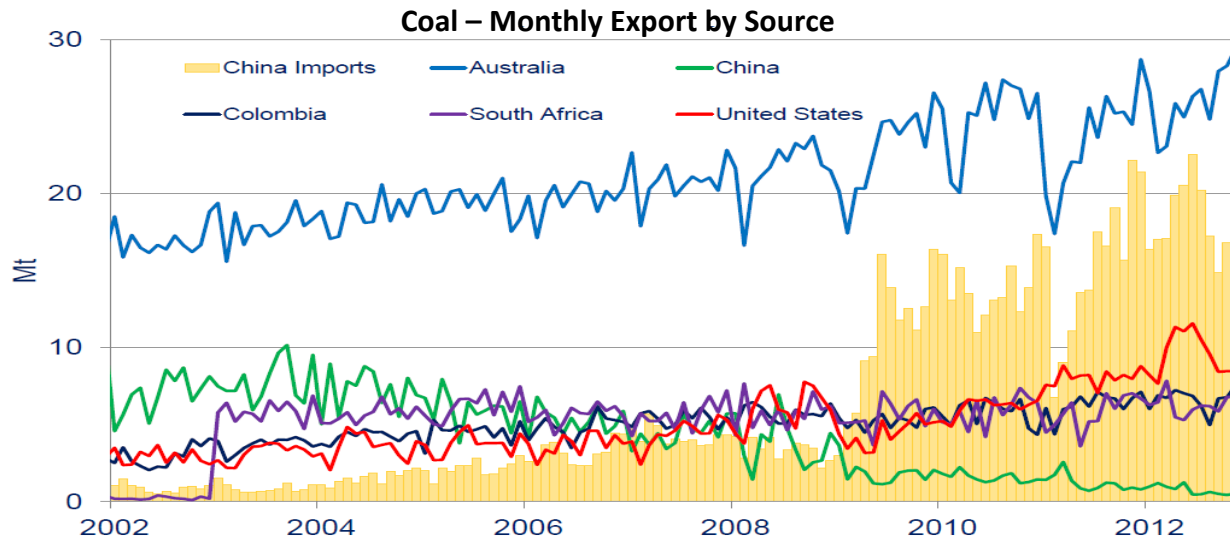
### Chinese GDP Growth





## MARKET CONDITIONS – DEMAND SIDE

### Bulk Cargo Demand Outlook

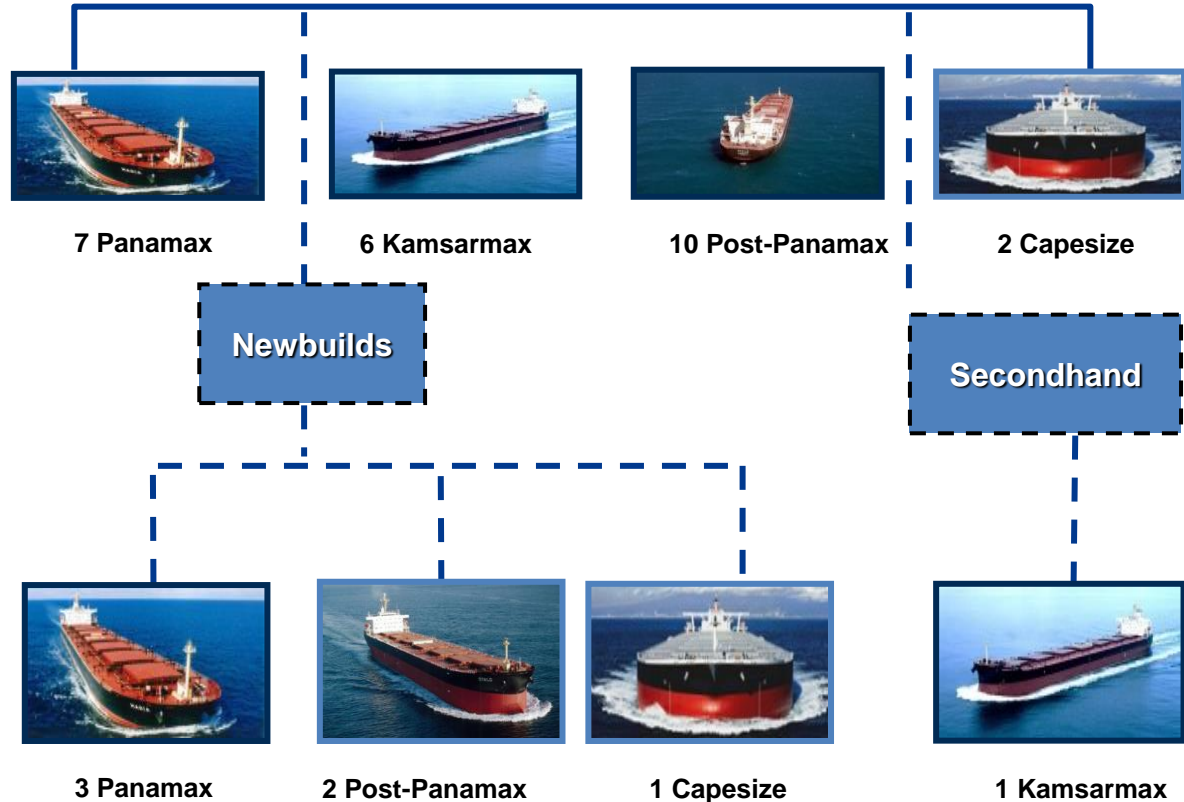




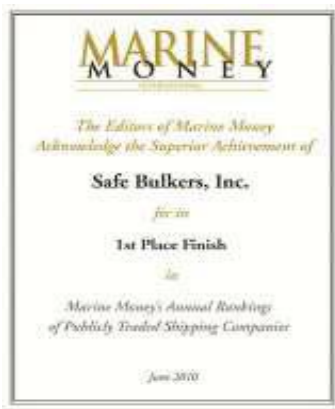
## COMPANY SECTION

## Highlights as of February 15, 2013:

- Current fleet: 25 vessels
- Classes:  
Panamax to Capes  
75,000 dwt to 178,000 dwt
- Transport coal, grain, iron ore and other dry-bulk commodities
- Fleet age: 4.8 years
- Fleet age upon all scheduled deliveries by 2015 : 6.1 years
- Contracted fleet expansion:  
6 newbuilds & 1 secondhand
- High spec ships from quality yards



# COMPANY OVERVIEW



## Highlights:

- Our founders invested in shipping since 1958
- Our Manager Safety Management Overseas was founded in 1993
- Safe Bulkers was founded in 2007
- Safe Bulkers IPO 2008 NYSE
- Follow-on Offering: March 2010 \$75.0 M Net
- Follow-on Offering: April 2011 \$39.6 M Net
- Follow-on Offering: March 2012 \$35.3 M Net
- Industry recognition

## COMPANY OVERVIEW

- Long history in shipping.
- Management invest in ship owning activities only through Safe Bulkers.
- Hands - on business approach.
- Significant contracted growth and acquisitions in second hand market.
- Recognized consistent management policies over the years.
- Prudent financing.
- Dividend policy.



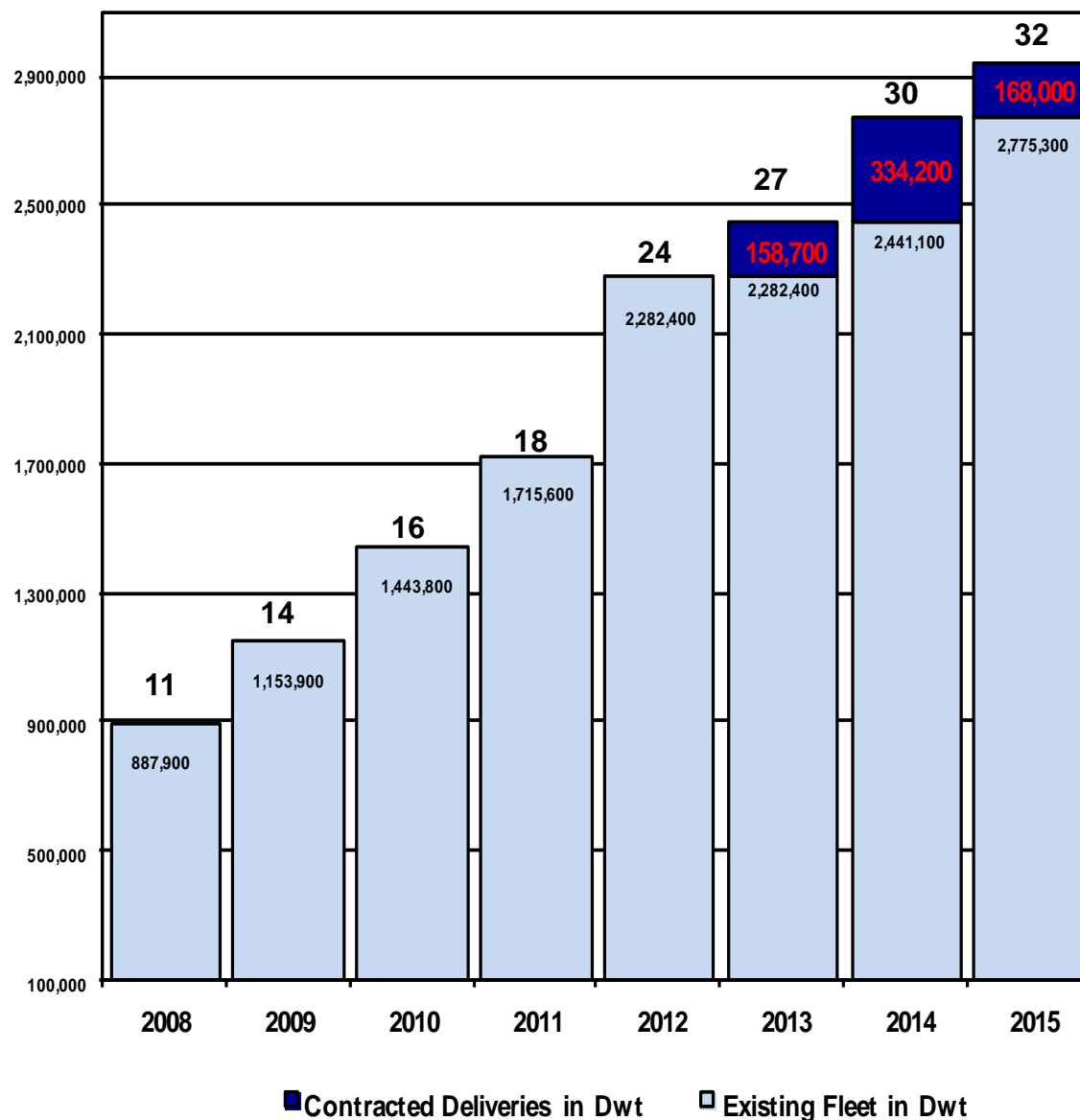
- Experience, market knowledge and proven track record over many shipping cycles.
- Management fully aligned with shareholders' interests.
- Low OPEX and reputation of operating excellence reflected in utilization rates.
- Create value for our shareholders.
- Business expansion and investor credibility.
- Financing from equity and debt maintaining comfortable leverage.
- Paying out a portion of free cash flows while retain remaining cash to finance expansion and deleveraging.

## POLICY

- Invest in the lower part of the cycle in newbuilds or second hand vessels.
- Acquire shallow-drafted, energy efficient newbuilds to be ahead of the competition.
- Opportunistically acquire second hand vessels at attractive prices.

## ACTIVE MANAGEMENT OF ORDERBOOK

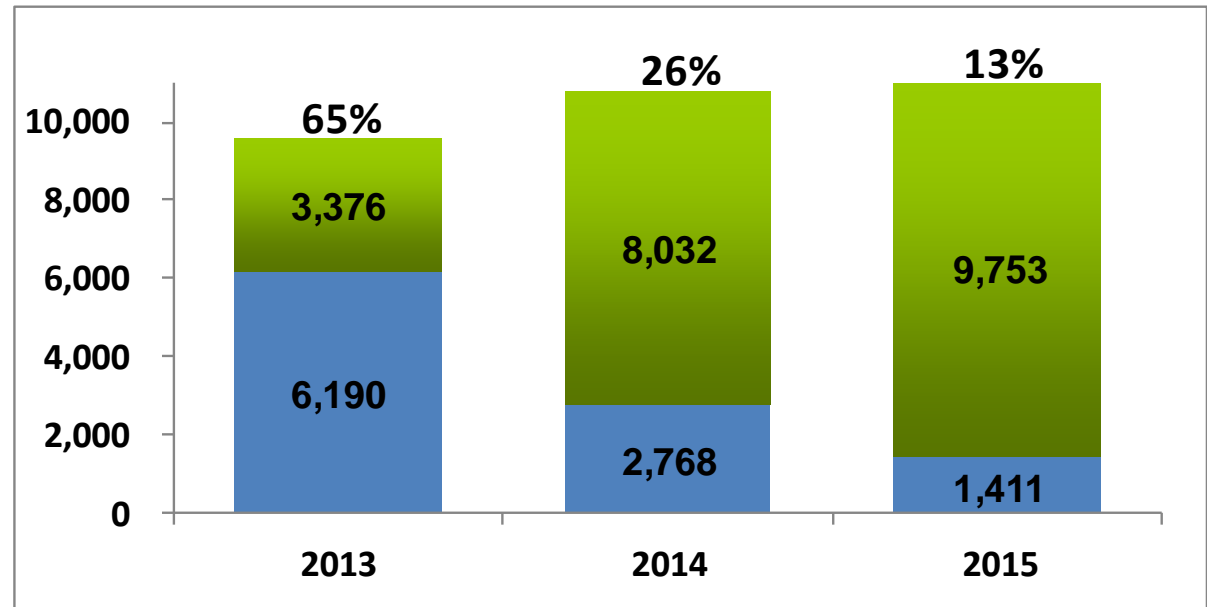
- Newbuild cape cancelled after contractual cancellation date, for excessive construction delays. Ongoing arbitration.
- Selective acquisitions and deliveries of two 2<sup>nd</sup> - hand Panamaxs, both of 2003, at \$14.2 million & \$13.8 million and acquisition of one 2<sup>nd</sup> - hand Kamsarmax at \$19.4 million with scheduled delivery in March 2013.
- Rescheduled deliveries of three existing newbuilds one for 2014 two for 2015.



Data as of February 15, 2013.

## POLICY

- Balance of long-term period and spot charter employment.
- Employment in long-term period time charters to provide visibility in future cash flows.
- Employment in spot charters to maintain flexibility in low charter market conditions, and provide better profitability in high charter markets.
- Early redeliveries of three vessels receiving cash compensation of \$25.1 million in total. Reemployed all redelivered vessels in spot and period time charter market.
- Substantial charter coverage of anticipated ownership days for 2013, 2014 and 2015.



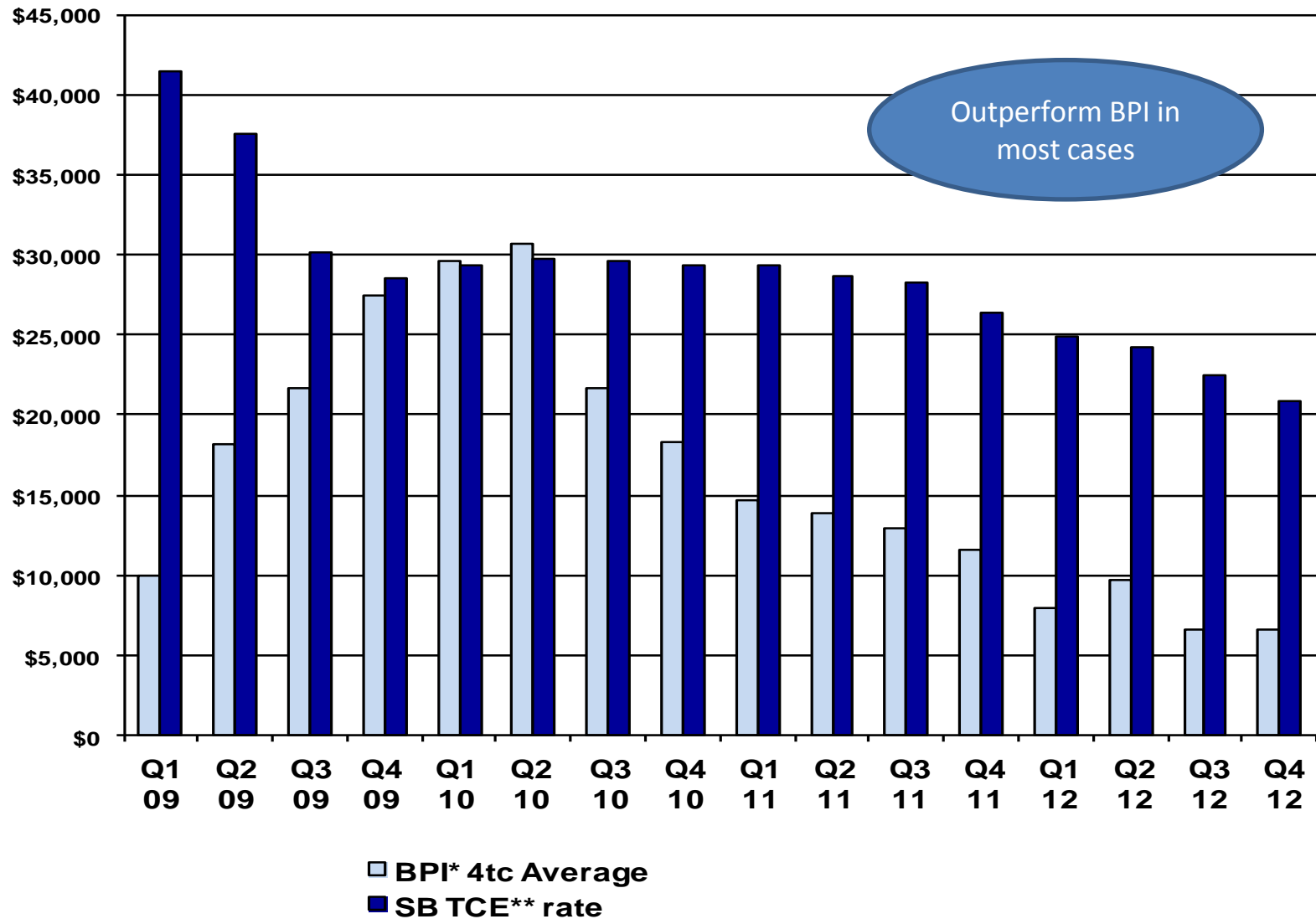
% Open Days/Total Ownership Days

■ Open days ■ Charter Days

Data as of February 15, 2013. Including vessels to be delivered that have already been chartered-out.

# CHARTERING POLICY - PERFORMANCE

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# CHARTERING POLICY : ESTABLISHED CHARTERERS

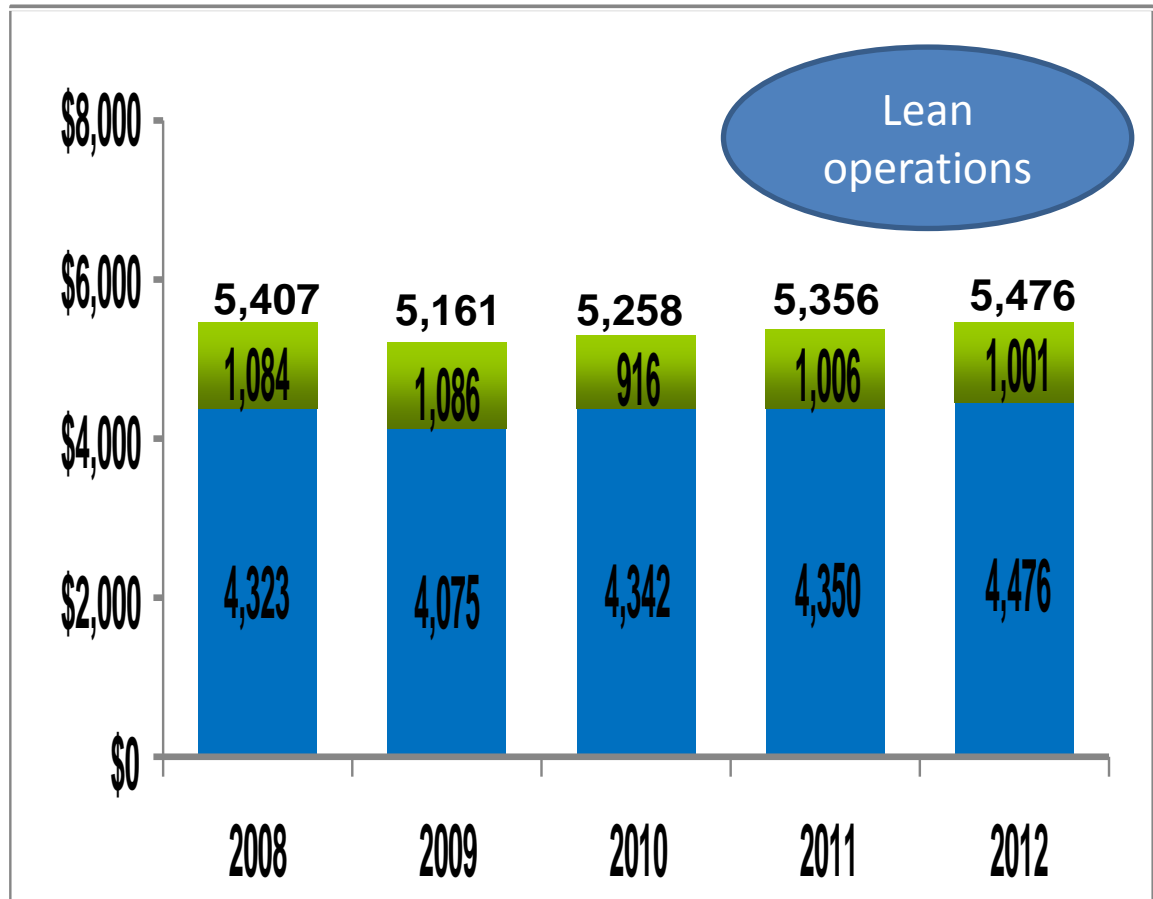
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- ✓ Cooperation with established performing charterers
- ✓ Cautious monitoring of current market conditions



## POLICY

- Hands-on approach.
- Vessels managed by Safety Management Overseas.
- Exclusive management agreement.
- Competitive operations compared to industry as displayed by our daily operating expenses.
- High fleet utilization rate.
- Experienced team in operations, technical support and newbuild supervision.
- Low average fleet age.
- High quality vessels.
- Sister-ship factor.

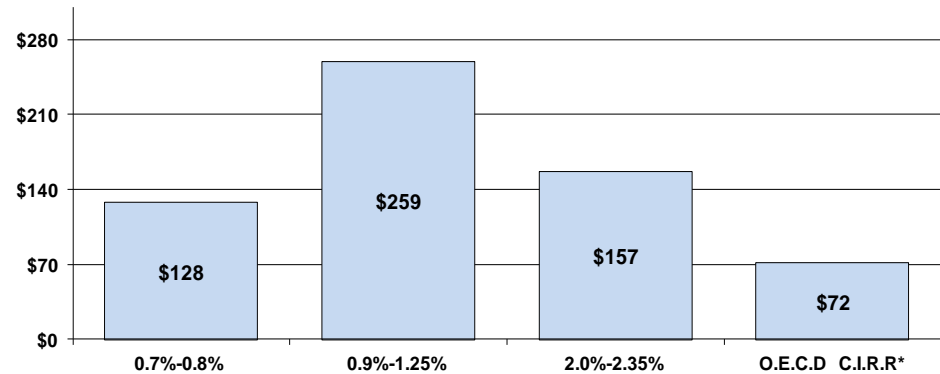


■ **Daily Operating expenses in US\$.** Daily vessel operating expenses include the costs for crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance, statutory and classification expense, drydocking, intermediate and special surveys, tonnage taxes and other miscellaneous items. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

■ **Daily Management Fees in US\$ .** Daily management fees include the fixed and the variable fees payable to our Manager. Daily management fees are calculated by dividing management fees by ownership days for the relevant period.

- Financing with equity and debt.
- Increased earnings are retained after dividend reduction.
- Deleveraging.
- Comply with financial covenants.
- Maintain low financing costs.

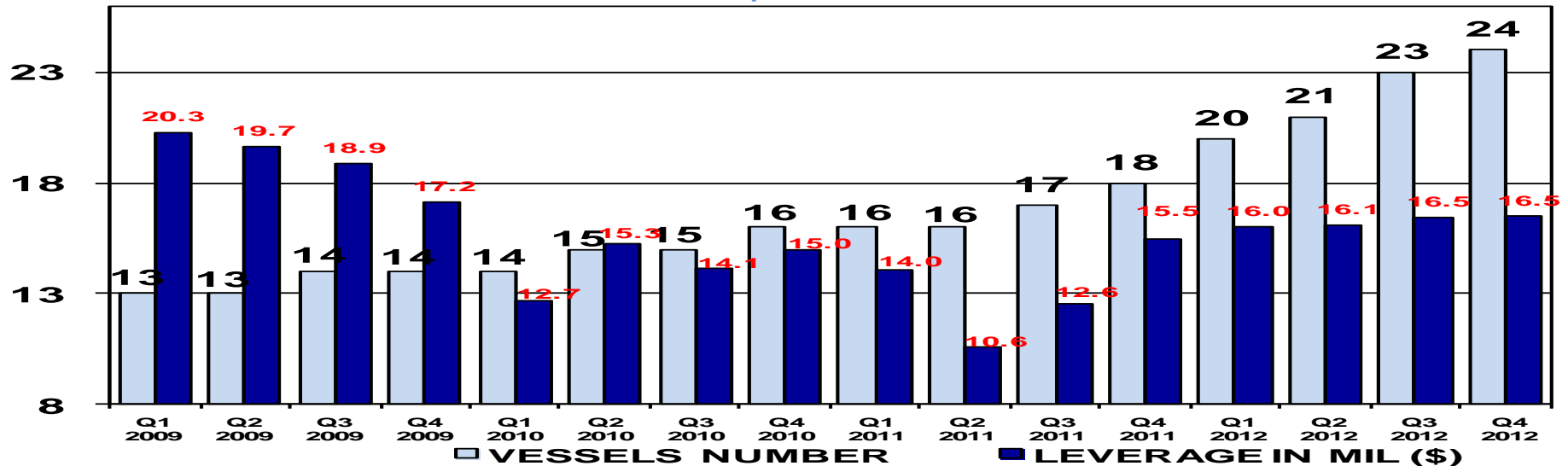
Allocation of Debt per Margin Level\*\*



\* Debt in O.E.C.D Commercial Interest Reference Rate

\*\* As of December 31, 2012

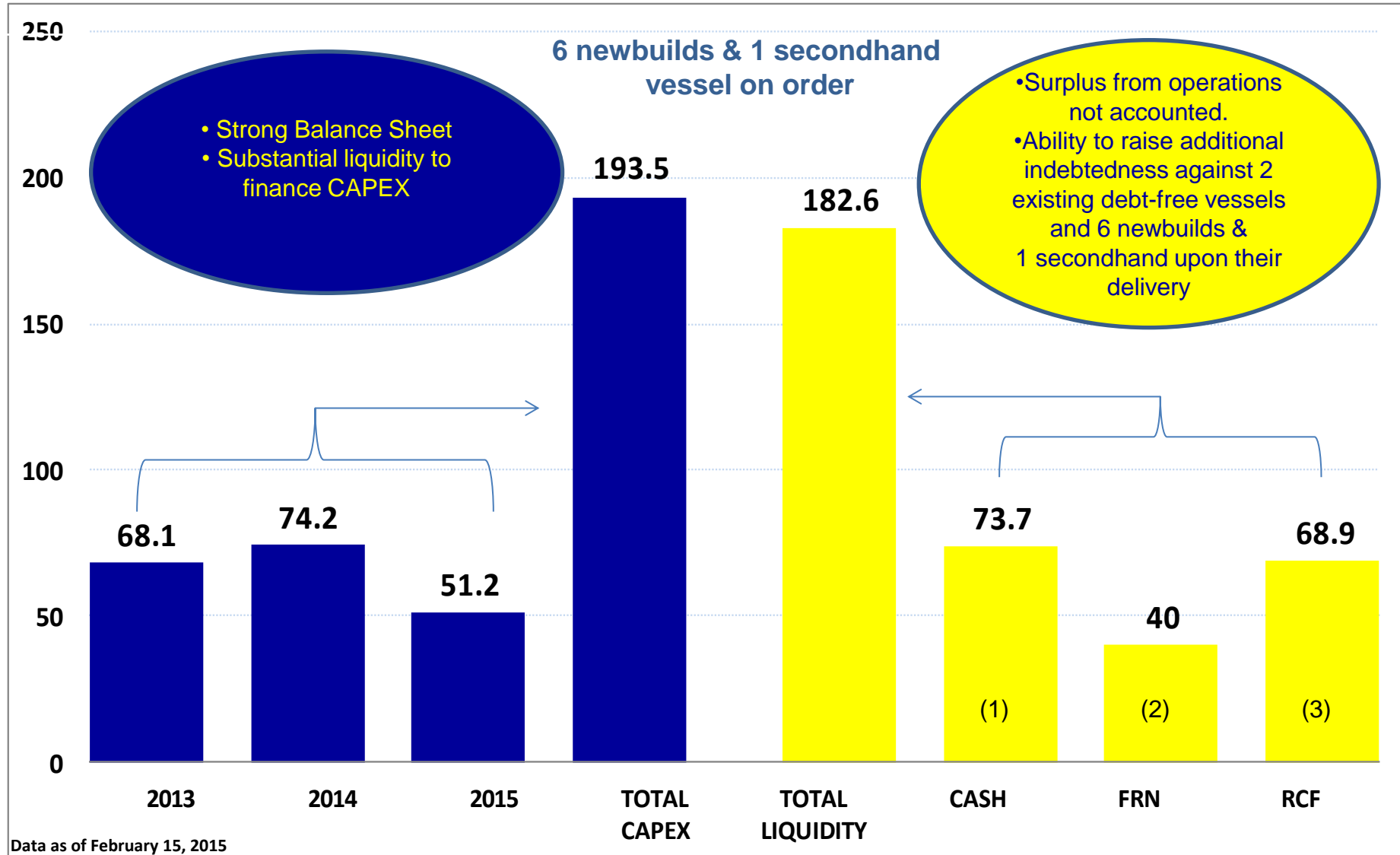
Net Debt per Vessel



As of December 31, 2012. Net debt per vessel consists of total debt less cash, time deposits, restricted cash, long-term floating rate note and advances for newbuilds divided by number of vessels "in the water" as of quarter end. Assumption: Contracted value of newbuilds equals market value.

# FINANCIAL POLICY: CAPEX LIQUIDITY

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(1) Cash, short-term time deposits and long-term restricted cash

(2) Remaining undrawn availability against our Long-term floating rate note (FRN) of \$50 Million from which we may borrow up to 80% under certain conditions

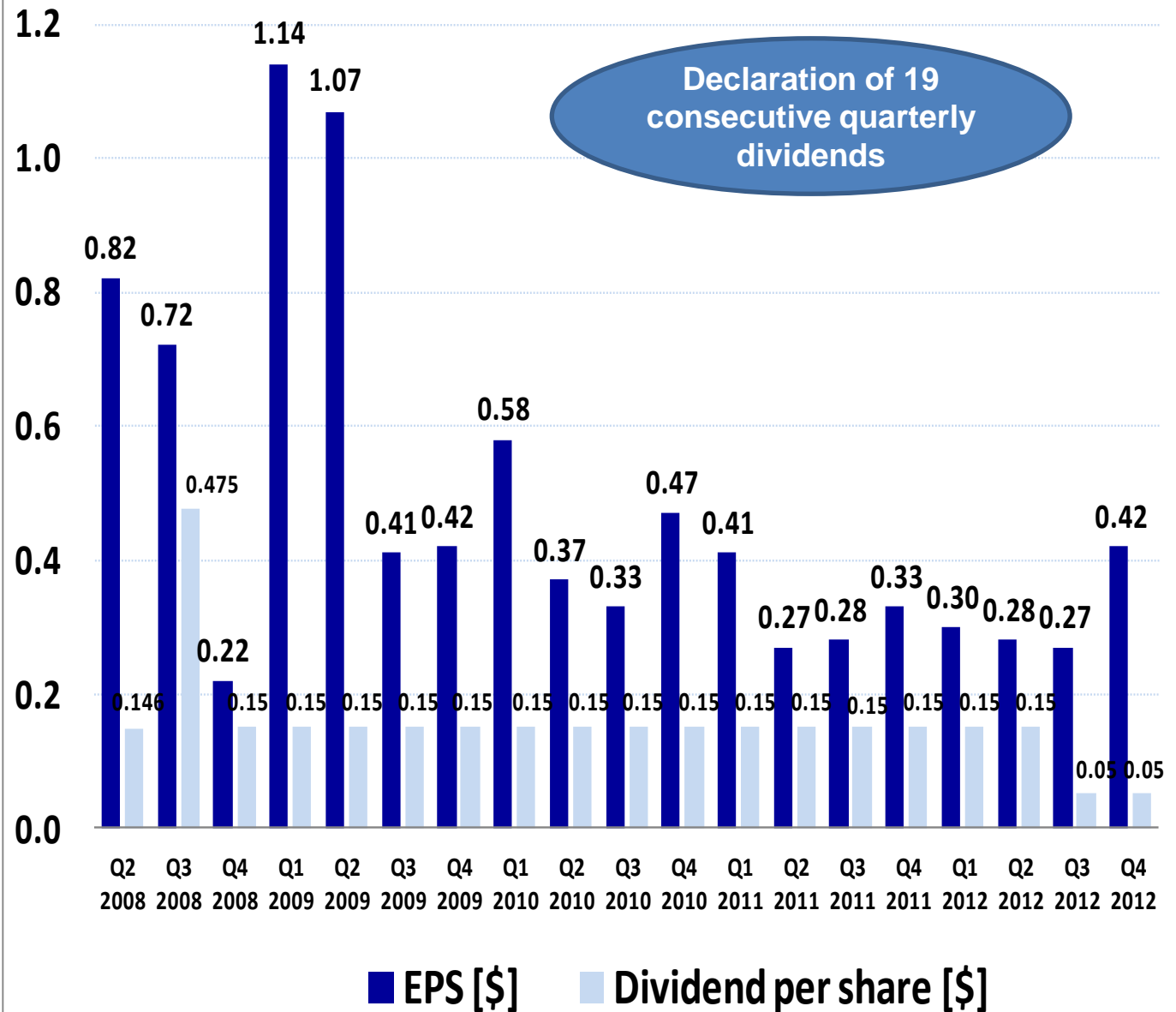
(3) Available under existing revolving reducing credit facilities (RCF)

The Board of Directors of the Company is continuing a policy of paying out a portion of the Company's free cash flow at a level it considers prudent in light of the current economic and financial environment.

The declaration and payment of dividends, if any, will always be subject to the discretion of the Board of Directors of the Company. The timing and amount of any dividends declared will depend on, among other things:

- (i) the Company's earnings, financial condition and cash requirements and available sources of liquidity,
- (ii) decisions in relation to the Company's growth strategies,
- (iii) provisions of Marshall Islands and Liberian law governing the payment of dividends,
- (iv) restrictive covenants in the Company's existing and future debt instruments and
- (v) global financial conditions.

Accordingly, dividends might be reduced or not be paid in the future.





## FLEET DATA

	Three-Month Period Ended December 31,		Twelve-Month Period Ended December 31,	
	2011	2012	2011	2012
Number of vessels at period end	18	24	18	24
Average age of fleet (in years)	4.29	4.50	4.29	4.50
Ownership days (1)	1,602	2,171	5,992	7,716
Available days (2)	1,594	2,158	5,976	7,703
Operating days (3)	1,588	2,154	5,962	7,654
Fleet utilization (4)	99.1%	99.2%	99.5%	99.2%
Average number of vessels in the period (5)	17.41	23.60	16.42	21.08

## AVERAGE DAILY RESULTS

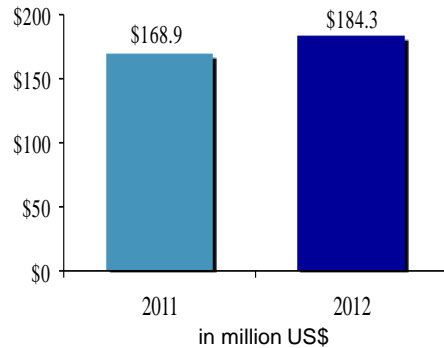
Time charter equivalent rate (6)	\$26,330	\$20,845	\$27,932	\$22,979
Daily vessel operating expenses (7)	\$4,487	\$4,511	\$4,350	\$4,476

- 1) Ownership days represent the aggregate number of days in a period during which each vessel in the Company's fleet has been owned by the Company.
- 2) Available days represent the total number of days in a period during which each vessel in the Company's fleet was in the Company's possession net of off-hire days associated with scheduled maintenance, which includes major repairs, drydockings, vessel upgrades or special or intermediate surveys.
- 3) Operating days represent the number of the Company's available days in a period less the aggregate number of days that the Company's vessels are off-hire due to any reason, excluding scheduled maintenance.
- 4) Fleet utilization is calculated by dividing the number of the Company's operating days during a period by the number of the Company's ownership days during that period.
- 5) Average number of vessels in the period is calculated by dividing ownership days in the period by the number of days in that period.
- 6) Time charter equivalent rates, or TCE rates, represent the Company's charter revenues less commissions and voyage expenses during a period divided by the number of the Company's available days during the period.
- 7) Daily vessel operating expenses include the costs for crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance, statutory and classification expense, drydocking, intermediate and special surveys and other miscellaneous items. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

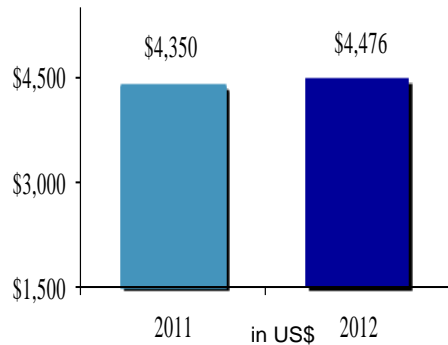
# Comparison of Selected 12 Month Financial Results

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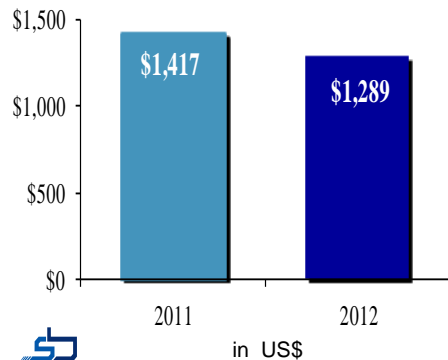
## NET REVENUE



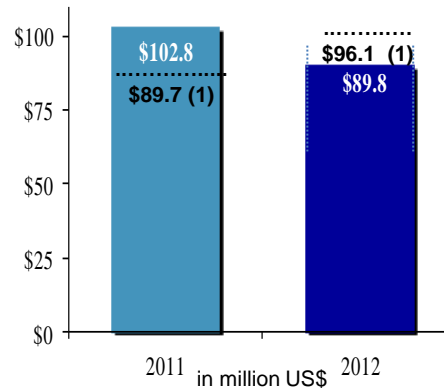
## DAILY OPEX



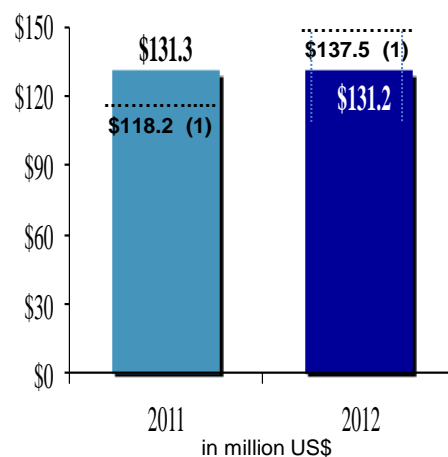
## DAILY G&A (3)



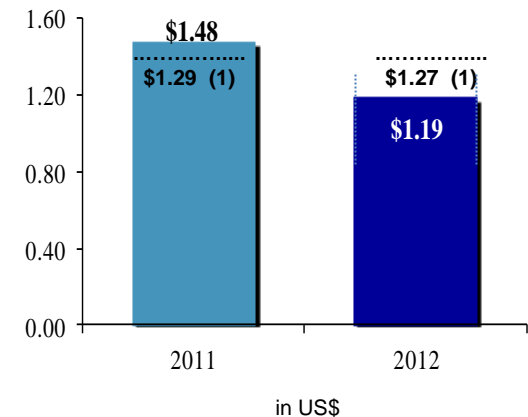
## ADJUSTED NET INCOME (2)



## ADJUSTED EBITDA (2)



## ADJUSTED EPS (2)



(1) Non-Adjusted figures.

(2) EBITDA represents net income before interest, income tax expense, depreciation and amortization. The Company excluded early redelivery income/(cost) and gain/(loss) on derivatives and foreign currency to derive adjusted net income, adjusted EPS and the adjusted EBITDA. Adjusted net income, Adjusted earnings per share, EBITDA and Adjusted EBITDA are not items recognized by GAAP and should not be considered as alternatives to Net income, earnings per share, operating income, or any other indicator of a Company's operating performance required by GAAP. For reconciliation of Adjusted Net Income, EPS and EBITDA please refer to Slide 26.

(3) Daily general and administrative expenses. We define daily general and administrative expenses to include daily management fees, defined below, and the costs payable to third parties in relation to our operation as public company. Daily vessel general and administrative expenses are calculated by dividing general and administrative expenses by ownership days for the relevant period.



## Fourth Quarter 2011 and 2012 Summary of Financial Results

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(In million US\$, except for per share data)	Q4 2011	Q4 2012	%Δ
<b>Net Revenues</b>	<b>42.9</b>	<b>46.4</b>	<b>8%</b>
<b>Net Income</b>	<b>23.6</b>	<b>32.2</b>	<b>36%</b>
<b>Adjusted Net Income</b>	<b>24.0</b>	<b>20.5</b>	<b>(15)%</b>
<b>EBITDA (*)</b>	<b>31.7</b>	<b>43.9</b>	<b>39%</b>
<b>ADJUSTED EBITDA</b>	<b>32.1</b>	<b>32.2</b>	<b>0.3%</b>
<b>Earnings per Share EPS(*)</b>	<b>0.33</b>	<b>0.42</b>	
<b>ADJUSTED EPS</b>	<b>0.34</b>	<b>0.27</b>	

\* For definition and reconciliation of EBITDA, Adjusted EBITDA, Net Income, Adjusted Net Income, EPS and Adjusted EPS please refer to slide 26.

(In million US\$)	Dec 31, 2011	Dec 31, 2012	%Δ
<b>Total Debt</b>	<b>484.3</b>	<b>615.7</b>	<b>27%</b>
<b>Shareholder's Equity</b>	<b>331.8</b>	<b>425.9</b>	<b>28%</b>

# RECONCILIATION OF ADJUSTED NET INCOME, EBITDA, ADJUSTED EBITDA AND ADJUSTED EPS

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(In thousands of U.S. Dollars except for share and per share data)

	Three-Month Period Ended December 31,		Twelve-Month Period Ended December 31,	
	2011	2012	2011	2012
<b><u>Net Income - Adjusted Net Income</u></b>				
<b>Net Income</b>	<b>23,553</b>	<b>32,223</b>	<b>89,734</b>	<b>96,120</b>
Less Early redelivery income	(106)	(11,677)	(207)	(11,677)
Plus Loss/(gain) on derivatives	175	(65)	12,491	5,384
Plus Foreign currency loss	390	15	799	3
<b>Adjusted Net Income</b>	<b>24,012</b>	<b>20,496</b>	<b>102,817</b>	<b>89,830</b>
<b><u>EBITDA - Adjusted EBITDA</u></b>				
<b>Net Income</b>	<b>23,553</b>	<b>32,223</b>	<b>89,734</b>	<b>96,120</b>
Plus Net interest expense	1,251	2,597	4,204	7,950
Plus Depreciation	6,571	8,755	23,637	32,250
Plus Amortization	290	359	653	1,226
<b>EBITDA</b>	<b>31,665</b>	<b>43,934</b>	<b>118,228</b>	<b>137,546</b>
Less Early Redelivery Income	(106)	(11,677)	(207)	(11,677)
Plus Loss/(gain) on derivatives	175	(65)	12,491	5,384
Plus Foreign currency loss	390	15	799	3
<b>ADJUSTED EBITDA</b>	<b>32,124</b>	<b>32,207</b>	<b>131,311</b>	<b>131,256</b>
<b><u>EPS – Adjusted EPS</u></b>				
<b>Net Income</b>	<b>23,553</b>	<b>32,223</b>	<b>89,734</b>	<b>96,120</b>
<b>Adjusted net income</b>	<b>24,012</b>	<b>20,496</b>	<b>102,817</b>	<b>89,830</b>
<b>Weighted average number of shares</b>	<b>70,894,420</b>	<b>76,665,956</b>	<b>69,463,093</b>	<b>75,468,465</b>
<b>EPS</b>	<b>0.33</b>	<b>0.42</b>	<b>1.29</b>	<b>1.27</b>
<b>Adjusted EPS</b>	<b>0.34</b>	<b>0.27</b>	<b>1.48</b>	<b>1.19</b>

EBITDA represents net income before interest, income tax expense, depreciation and amortization. Adjusted EBITDA represents EBITDA before early redelivery income/(cost) and gain/(loss) on derivatives and foreign currency. EBITDA and adjusted EBITDA are not recognized measurements under US GAAP. EBITDA and adjusted EBITDA assist the Company's management and investors by increasing the comparability of the Company's fundamental performance from period to period and against the fundamental performance of other companies in the Company's industry that provide EBITDA and adjusted EBITDA information. The Company believes that EBITDA and adjusted EBITDA are useful in evaluating the Company's operating performance compared to that of other companies in the Company's industry because the calculation of EBITDA generally eliminates the effects of financings, income taxes and the accounting effects of capital expenditures and acquisitions and the calculation of adjusted EBITDA generally further eliminates the effects from gain/(loss) on sale of assets, early redelivery income/(cost) and gain/(loss) on derivatives and foreign currency, items which may vary for different companies for reasons unrelated to overall operating performance.

EBITDA, adjusted EBITDA, Adjusted Net Income and Adjusted EPS have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under US GAAP. EBITDA and adjusted EBITDA should not be considered as substitutes for net income and other operations data prepared in accordance with US GAAP or as a measure of profitability. While EBITDA and adjusted EBITDA are frequently used as measures of operating results and performance, are not necessarily comparable to other similarly titled captions of other companies due to differences in methods of calculation.

## Dividends

### Dividend Declaration

The Company's Board of Directors declared a cash dividend on the Company's common stock of \$0.05 per share payable on or about March 8, 2013, to shareholders of record at the close of trading of the Company's common stock on the New York Stock Exchange (the "NYSE") on March 4, 2013.

The Company has 76,670,460 shares of common stock issued and outstanding as of February 15, 2013.

The Board of Directors of the Company is continuing a policy of paying out a portion of the Company's free cash flow at a level it considers prudent in light of the current economic and financial environment. The declaration and payment of dividends, if any, will always be subject to the discretion of the Board of Directors of the Company. The timing and amount of any dividends declared will depend on, among other things: (i) the Company's earnings, financial condition and cash requirements and available sources of liquidity, (ii) decisions in relation to the Company's growth strategies, (iii) provisions of Marshall Islands and Liberian law governing the payment of dividends, (iv) restrictive covenants in the Company's existing and future debt instruments and (v) global financial conditions. Accordingly, dividends might be reduced or not be paid in the future.

## CONCLUSION

- **Long-term relationships with leading yards, banks and charterers resulting in insight to the underlying demand for commodities and repeat business.**
- **History and reputation of operating excellence, reflected in utilization rates and operating expenses.**
- **Low financial costs due to prudent leverage and low spreads.**
- **Young, shallow drafted fleet of 25 drybulk vessels, all built 2003 onwards.**
- **Significant contracted growth.**
- **Extensive charter coverage with established performing customers.**
- **Strong balance sheet and liquidity provide financial flexibility.**
- **Leverage in compliance with our financial covenants.**
- **Prudent dividend policy to reward shareholders through payment of dividend and ensure future expansion and deleveraging.**

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