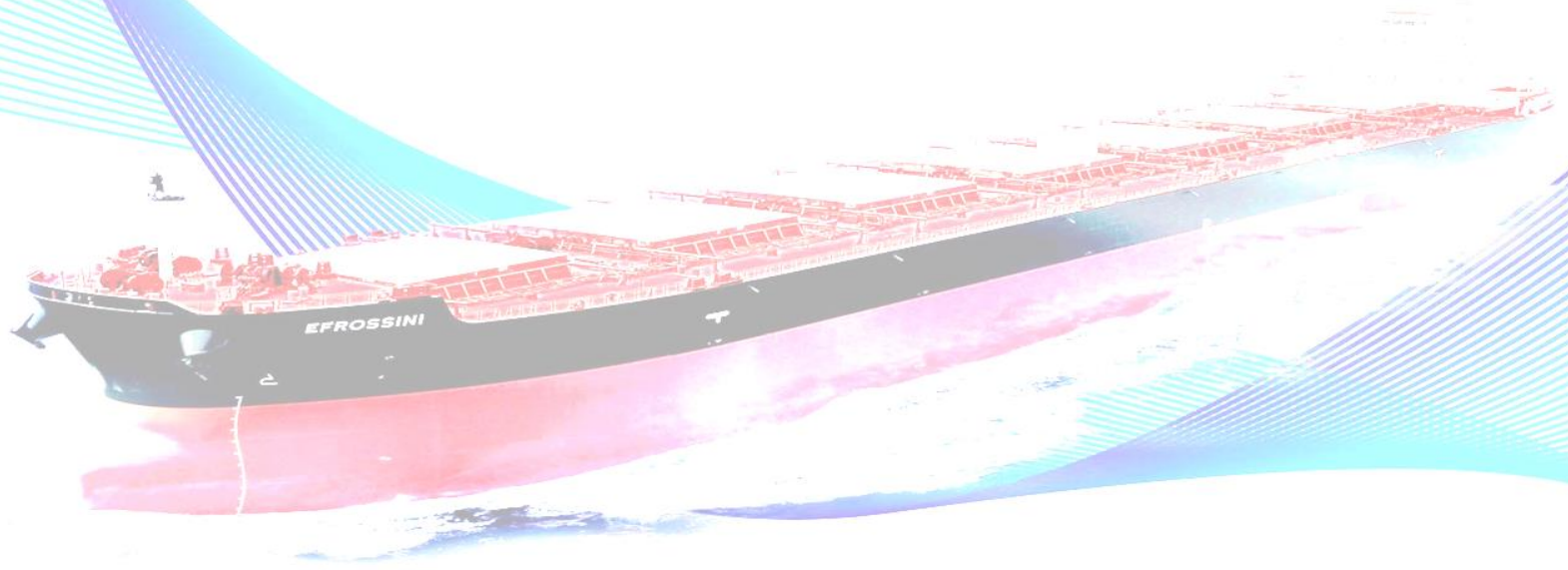




## Third Quarter 2013 Financial Results



# 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*

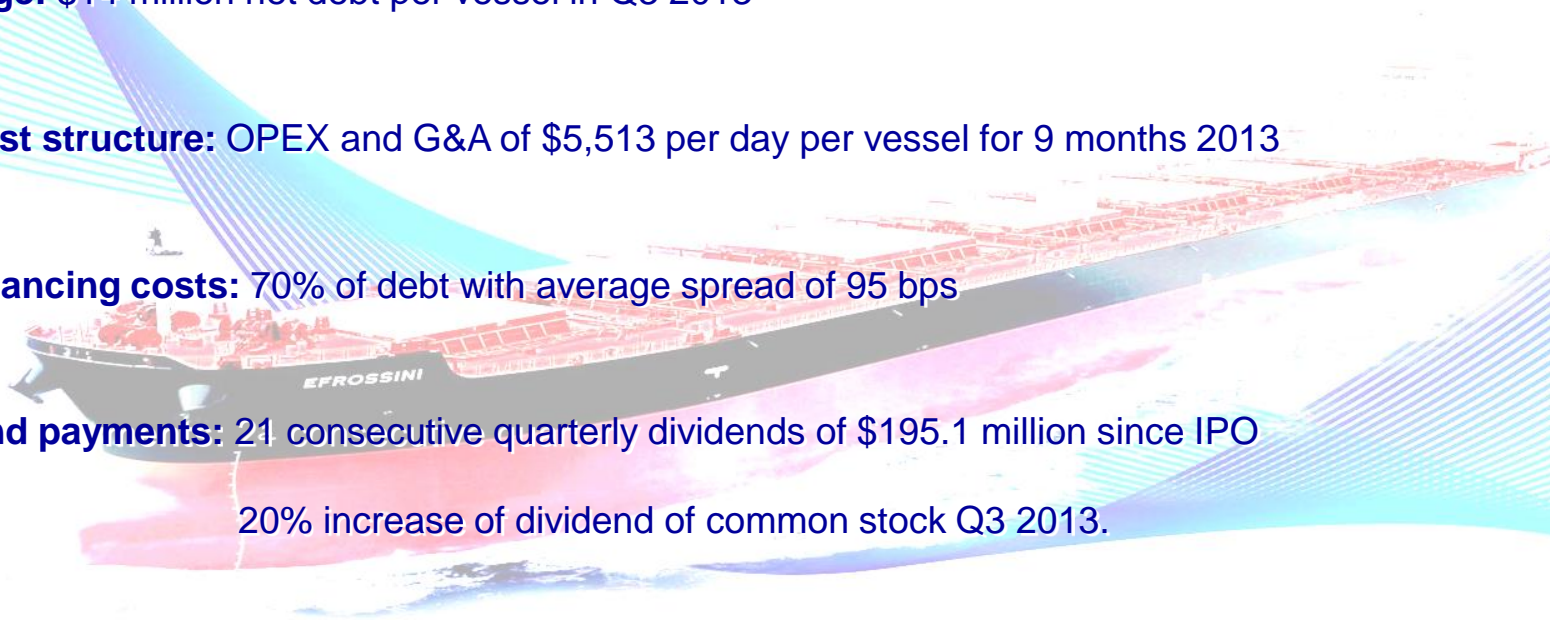
**Ioannis Foteinos**  
*Chief Operating Officer*



- ✓ Hajioannou family has been investing in drybulk shipping since 1958 and has gained considerable experience over many shipping cycles
- ✓ Our CEO Polys Hajioannou invests in ship owning activities only through Safe Bulkers and currently controls about 60% of the company
- ✓ Management interests fully aligned with public shareholders interests
- ✓ Our CEO co-invested in recent preferred stock issuance with a concurrent private placement equal to the additional public offering
- ✓ Operating excellence, hands on approach, lean cost structure
- ✓ Chartering policy, historically beating BDI index, charter mix spot/period adapted to market conditions
- ✓ Safe Bulkers invests in the low part of the cycle in modern and efficient sister newbuilds, maintaining one of the youngest fleets in the industry and sells its oldest vessels during strong market conditions realizing gains, renewing and expanding its fleet.
- ✓ Strong balance sheet, comfortable leverage in compliance with our covenants
- ✓ Create value for our investors and rewarding through a meaningful dividend policy

## FACTS

- ✓ **Fleet expansion:** Fleet growth from 11 vessels since IPO in 2008 to 28 vessels today  
10 newbuild dry bulk vessels on order through 2016
- ✓ **Exposure to spot market:** 63% of open days in 2014
- ✓ **Leverage:** \$14 million net debt per vessel in Q3 2013
- ✓ **Low cost structure:** OPEX and G&A of \$5,513 per day per vessel for 9 months 2013
- ✓ **Low financing costs:** 70% of debt with average spread of 95 bps
- ✓ **Dividend payments:** 21 consecutive quarterly dividends of \$195.1 million since IPO  
20% increase of dividend of common stock Q3 2013.



# INDUSTRY FUNDAMENTALS

## Supply

### ✓ Order book declining 2014 onwards

Net fleet increased by 10% in 2012 and 4,4% in the first nine months of 2013

### ✓ Scrapping activity reduces net fleet change

34m dwt scrapped in 2012 and 17,8m dwt scrapped in the first nine months of 2013

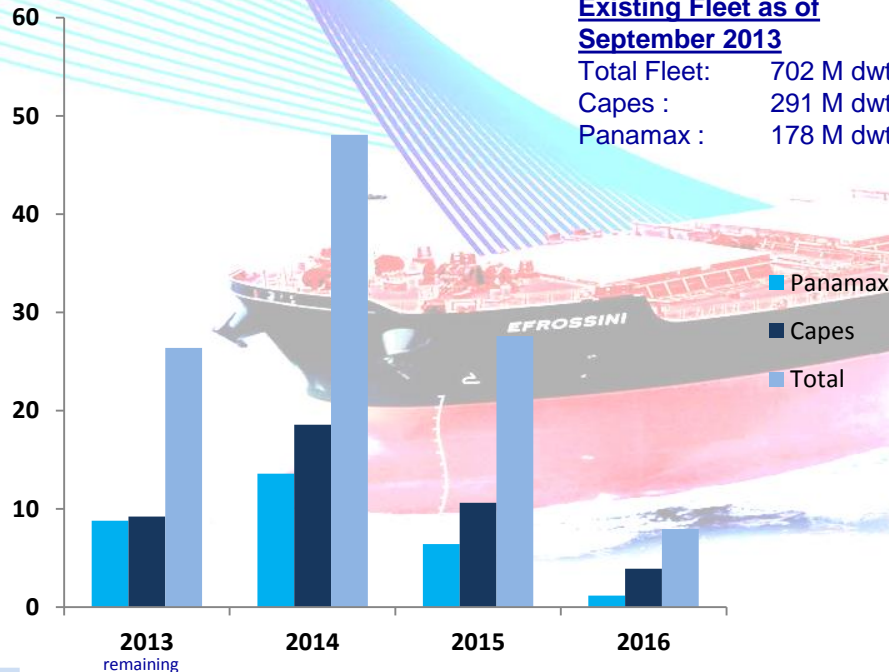
### ✓ Second hand vessels' values picking up

Baltic Exchange assessment for 5 years old ships indicate a sharp increase of about 24pct since the beginning of 2013

## Orderbook

### Existing Fleet as of September 2013

Total Fleet: 702 M dwt  
Capes : 291 M dwt  
Panamax : 178 M dwt



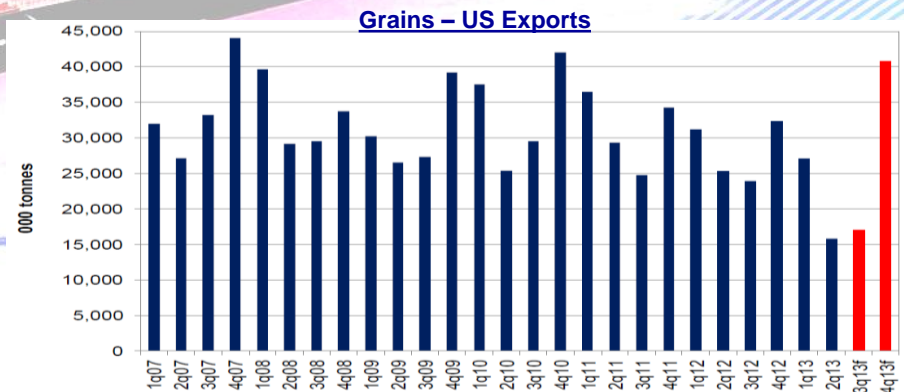
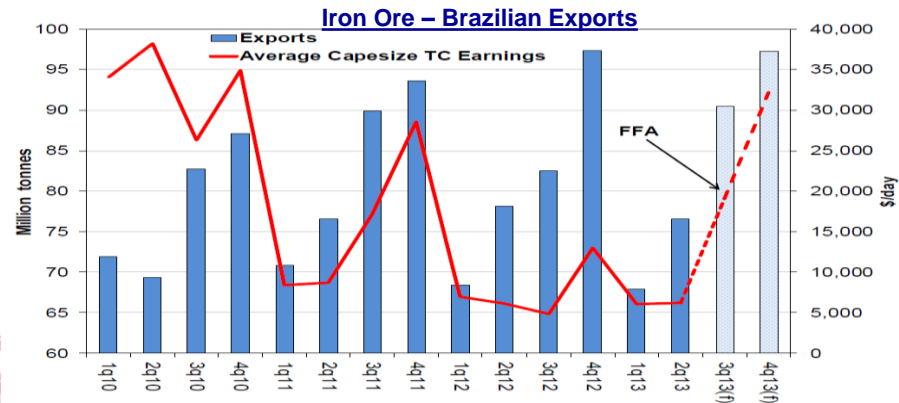
## Demand

✓ Substantial recovery on Capes due to seasonal patterns in Brazilian and Australian iron ore exports backed by the positive signals on China's domestic economy and steel industry

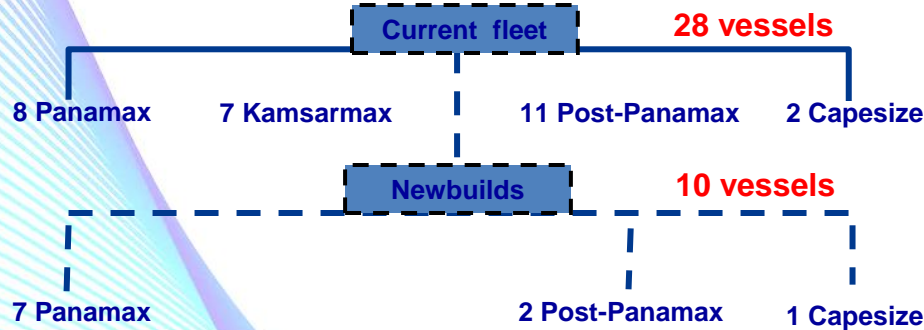
✓ Capes market, presently trading at about \$20,000, reached a high of about \$40,000 during the past few months outperforming the year to date average of \$12,600

✓ Expectations for increasing exports of grains ex US and strong coal demand are justifying the present rally on Panamaxes

✓ Presently Panamaxes are trading in the region of \$13,000, substantially higher than the year to date average of \$8,700



# OUR FLEET – OUR ORDERBOOK



## Investing in drybulk sector

- ✓ Panamaxes dwt 74,300 to 76,900
- ✓ Kamsarmaxes dwt 81,600 to 83,700
- ✓ Post-Panamaxes dwt 87,000 to 95,800
- ✓ Capesizes dwt 176,000 to 178,100

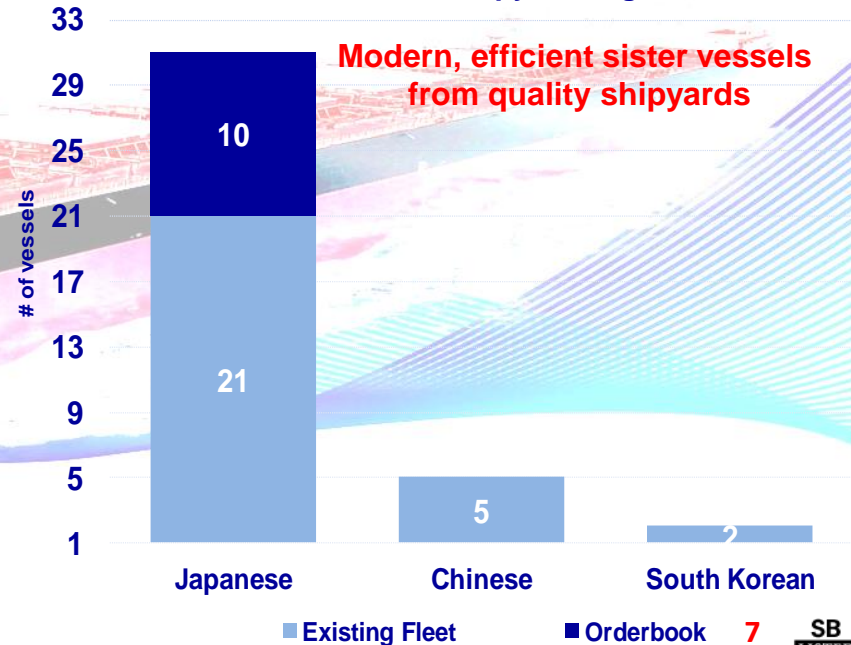
## Transporting

- ✓ Coal
- ✓ Grain
- ✓ Iron ore

## Continuous Growth Trajectory Since IPO

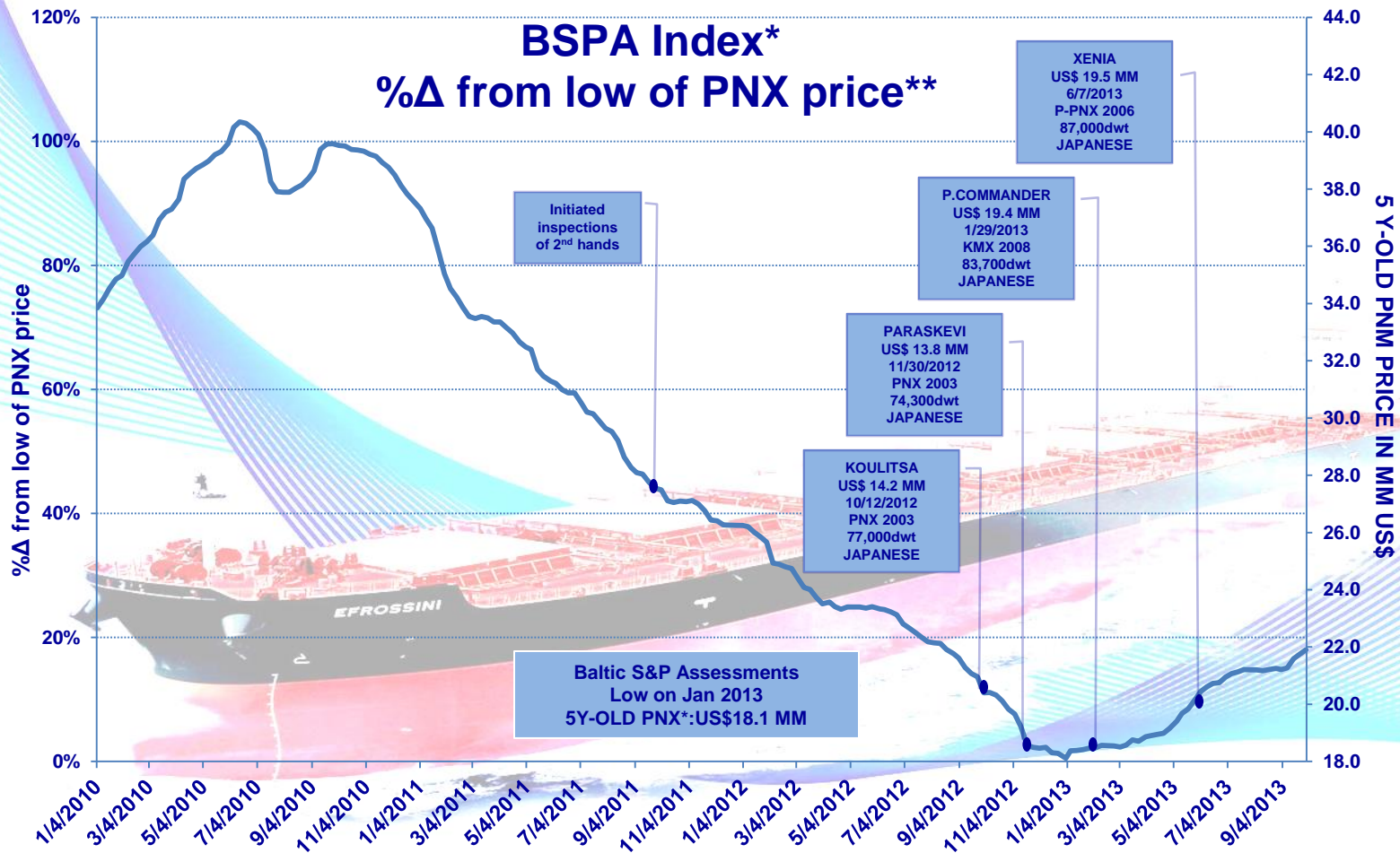


## Our fleet vs Shipyard origin



# INVESTMENT TIMING

- ✓ We are investing during the lower part of the shipping cycle in newbuilds
- ✓ We are Investing in high specifications, shallow drafted, eco-design vessels from quality shipyards
- ✓ We have acquired 4 secondhand vessels in the low market

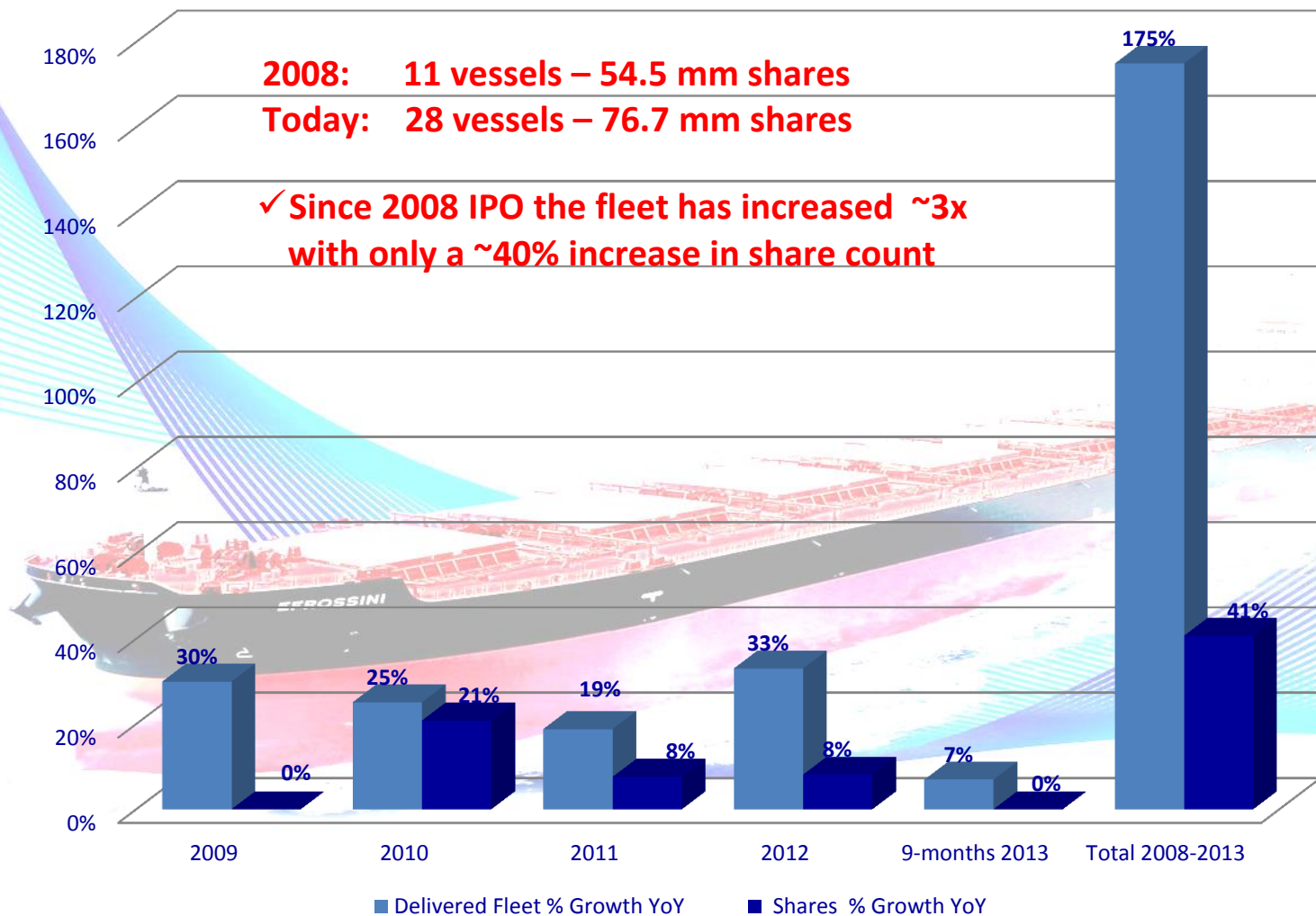


\* Baltic Exchange Sale & Purchase Assessments Index as of 30 September 2013

\*\* 5 years old -Panamax price low on Jan 2013 was US\$18.1 MM

# FLEET INCREASE VS. SHARE COUNT INCREASE

Fleet growth % (dwt) vs. Shares growth %

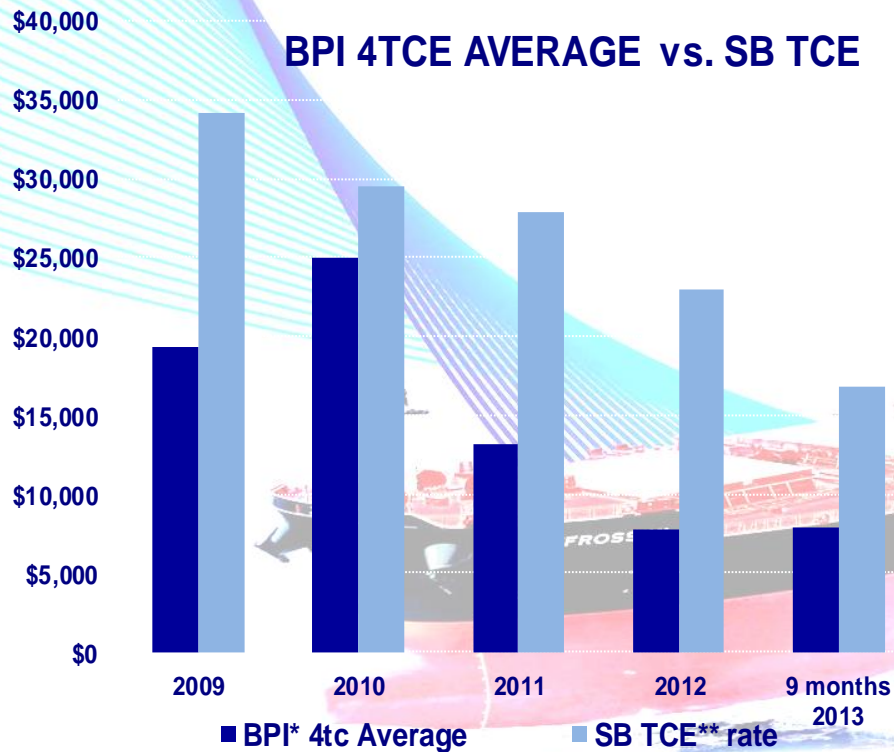


# CHARTERING PERFORMANCE

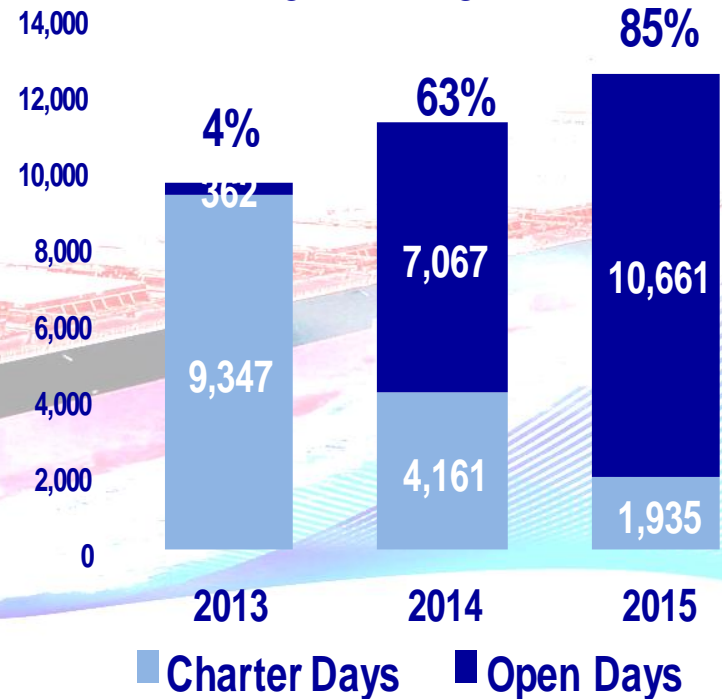
- ✓ Outperforming BPI
- ✓ Cooperation with established performing charterers
- ✓ Selective early redeliveries receiving significant cash compensation reducing third party risk
- ✓ No defaults from our counterparties

- ✓ Balance of long-term vs. spot charters
- ✓ Long-term period time charters provide visibility in future cash flows
- ✓ Low charter coverage in 2014 and 2015 provides substantial upside potential for the coming years

## BPI 4TCE AVERAGE vs. SB TCE



## OPEN DAYS\*\*\*



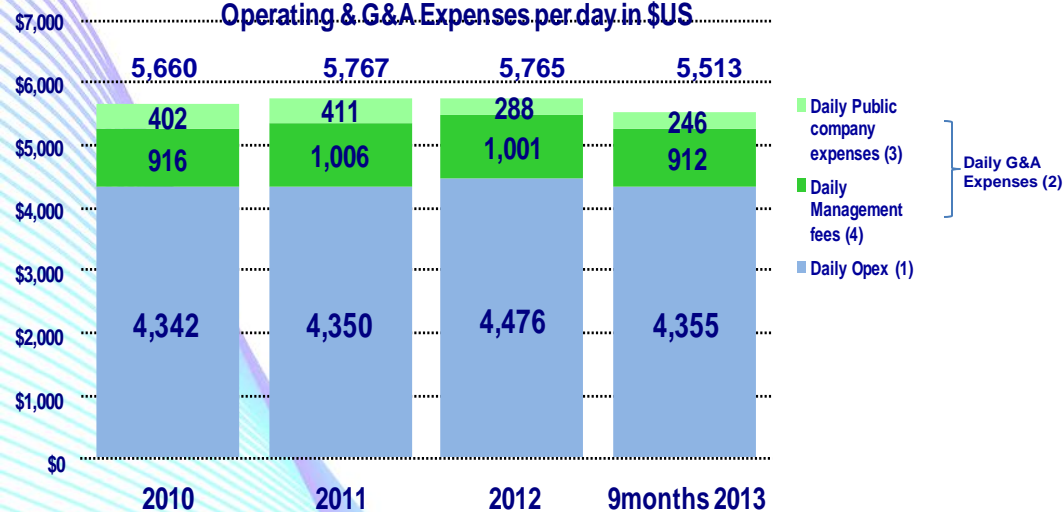
\* Source Baltic Exchange

\*\* Safe Bulkers data

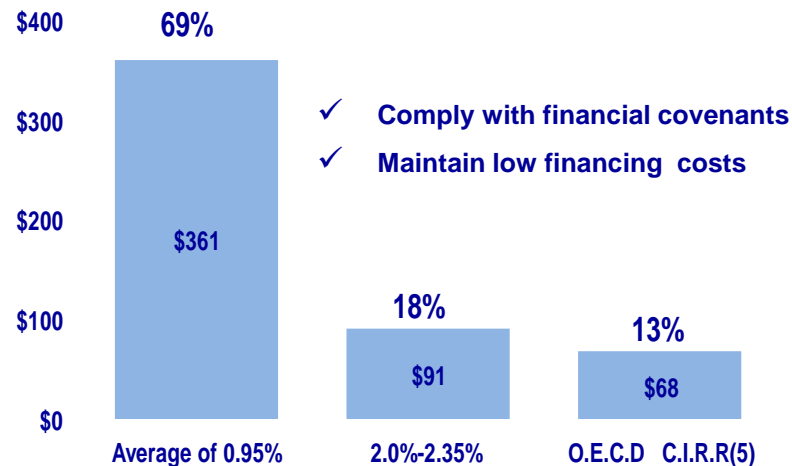
\*\*\* Data as of November 1, 2013. Charter coverage includes vessels to be delivered

# LOW COST STRUCTURE

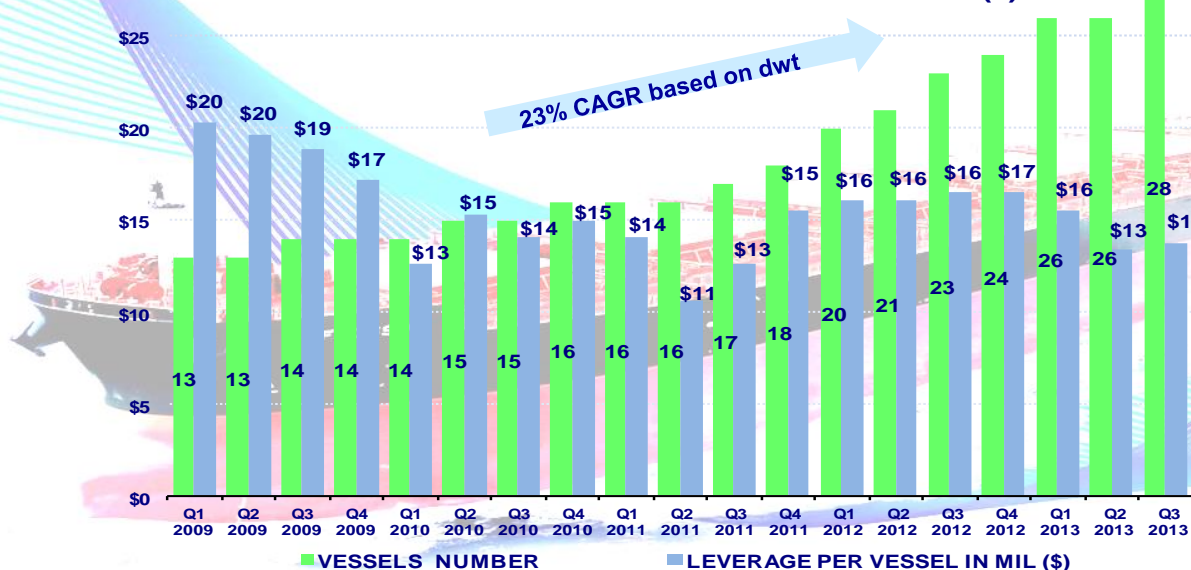
Operating & G&A Expenses per day in \$US



DEBT PER MARGIN LEVEL



NET DEBT PER VESSEL IN USD MILLION(6)



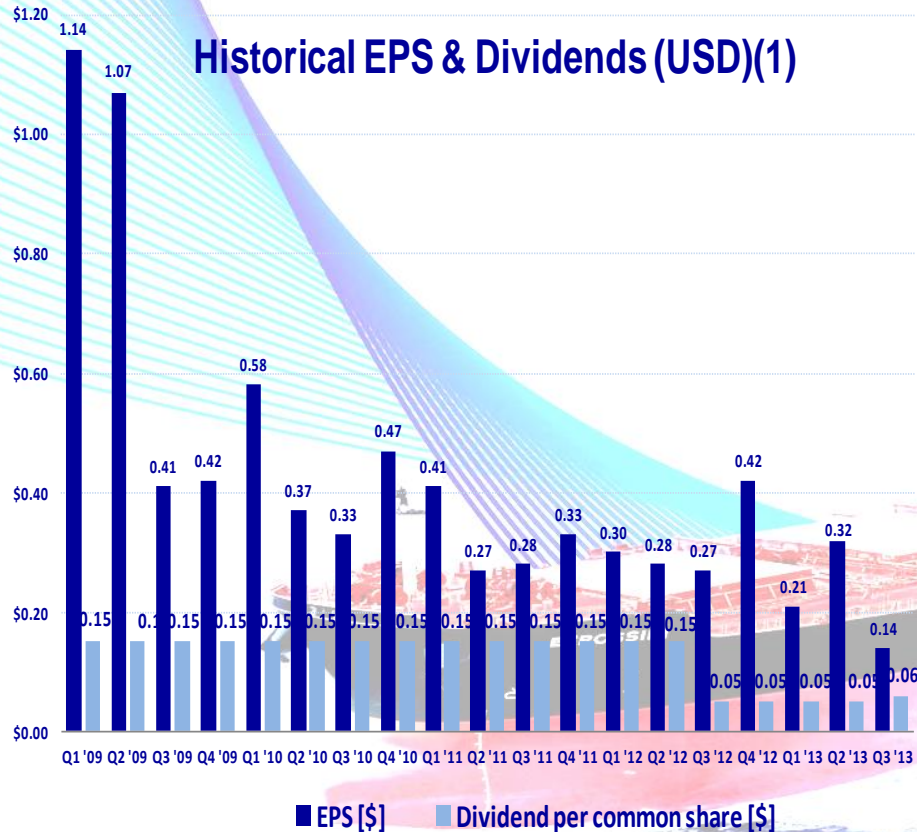
(1) Daily vessel operating expenses include the costs for crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance, statutory and classification expense, drydocking, intermediate and special surveys, tonnage taxes and other miscellaneous items. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period  
(2) Daily general and administrative expenses in US\$ include daily management fees and the costs in relation to our operation as public company defined below. Daily vessel general and administrative expenses are calculated by dividing general and administrative expenses by ownership days for the relevant period.  
(3) Daily public company expenses include the costs in relation to our operation as public company divided by ownership days for the relevant period.  
(4) Daily management fees include the fixed and the variable fees payable to our Manager divided by ownership days for the relevant period.  
(5) Data as of September 30, 2013 in million US\$. Debt in OECD Commercial Interest Reference Rate; all-in weighted average interest rate of 3.4%.  
(6) Data as of September 30, 2013. 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.

# DIVIDENDS - CAPEX - LIQUIDITY

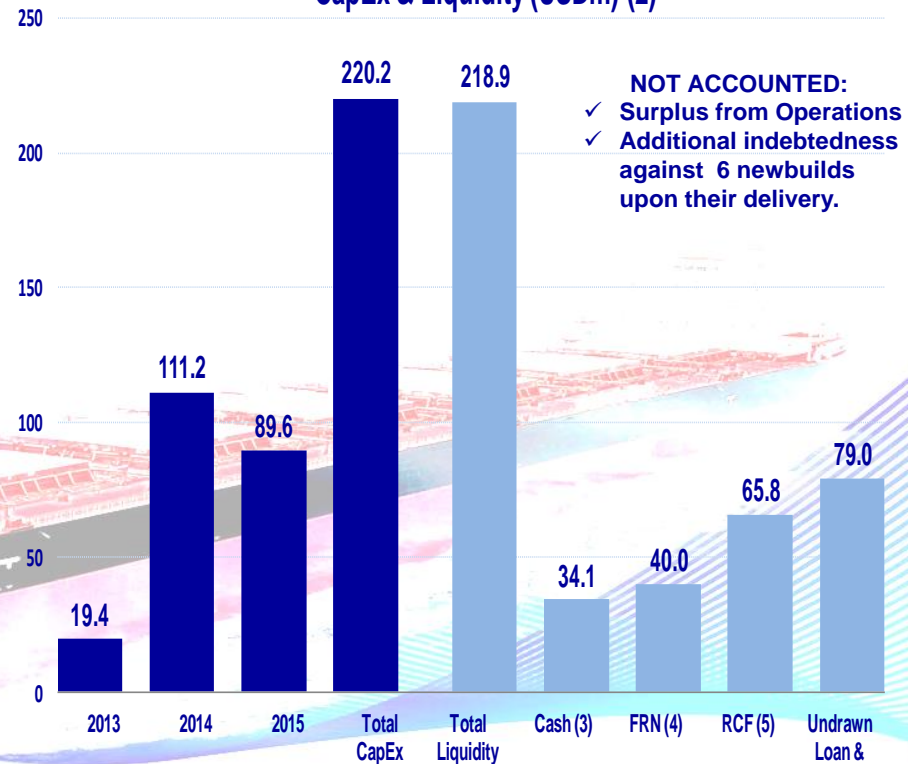
- ✓ \$195.1 million declared and paid in 21 Consecutive Quarterly Dividends since Company's IPO in 2008

- ✓ Invest during the lower part of the shipping cycle
- ✓ Invest in high specifications, shallow drafted, eco-design newbuilds
- ✓ Opportunistically invest in secondhand vessels
- ✓ Comfortable leverage and young fleet

## Historical EPS & Dividends (USD)(1)



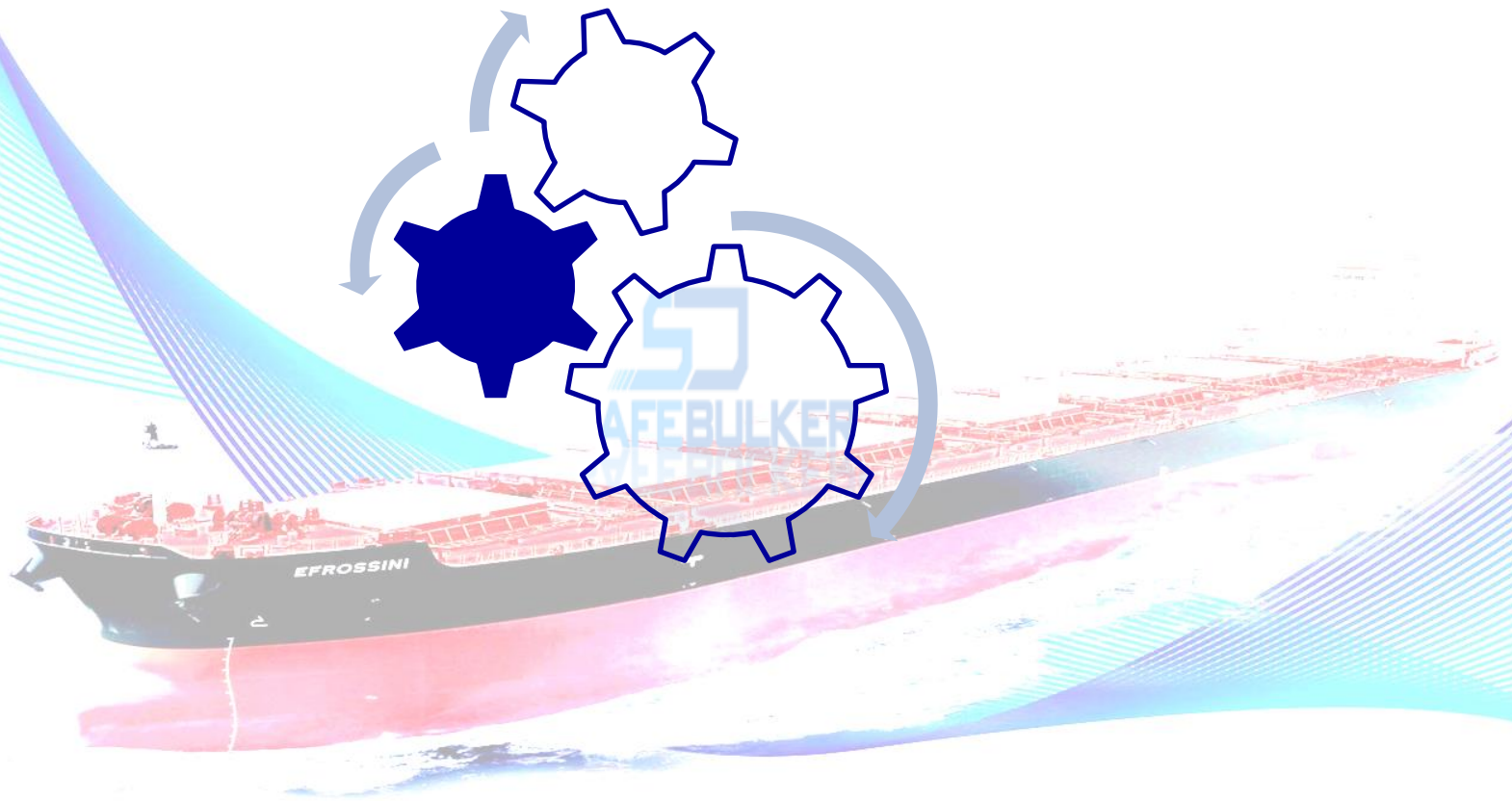
## CapEx & Liquidity (USDm) (2)



- NOT ACCOUNTED:**
- ✓ Surplus from Operations
  - ✓ Additional indebtedness against 6 newbuilds upon their delivery.

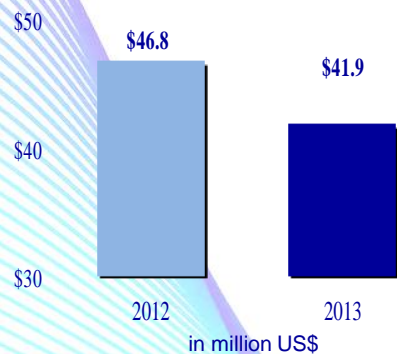
- (1) The declaration and payment of dividends, if any, will always be subject to the discretion of the Board of Directors of the Company. The timing and amount of any dividends declared will depend on, among other things: (i) the Company's earnings, financial condition and cash requirements and available 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.
- (2) Data as of September 30, 2013.
- (3) Cash, short-term time deposits and long-term restricted cash.
- (4) 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.
- (5) Available under existing revolving reducing credit facilities (RCF).
- (6) Undrawn committed loan and credit facilities

# FINANCIAL SECTION

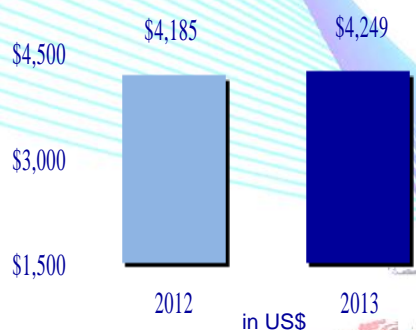


# SELECTED QUARTERLY FINANCIAL HIGHLIGHTS

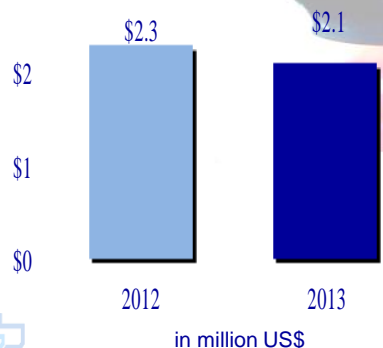
## NET REVENUE



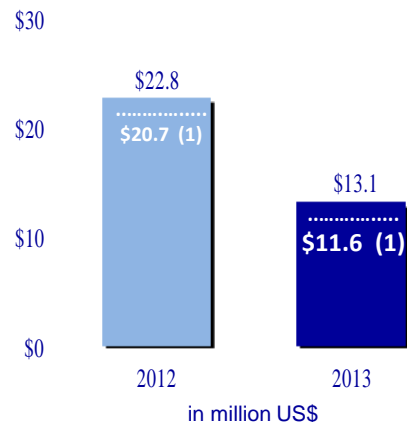
## DAILY OPEX



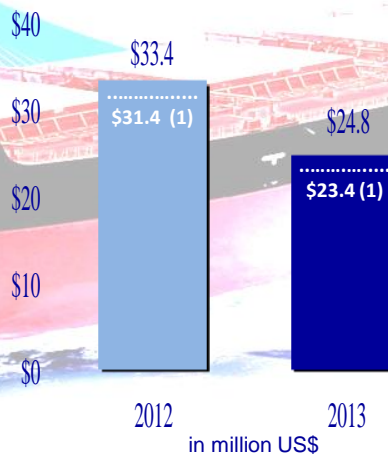
## INTEREST EXPENSE



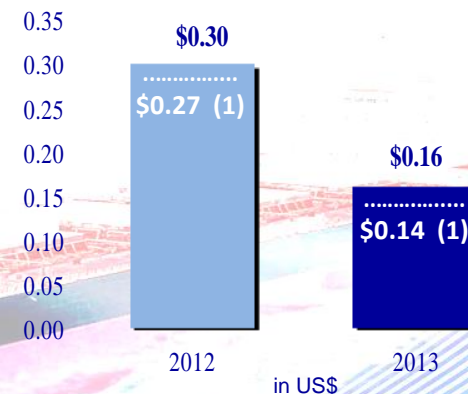
## ADJUSTED NET INCOME (2)



## ADJUSTED EBITDA (2)



## ADJUSTED EPS (2)



(1) Non-Adjusted figures.

(2) For definition and reconciliation of Adjusted Net Income, EPS and EBITDA please refer to Slide 15.

# FINANCIAL FUNDAMENTALS

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

|  | Three-Months<br>Period Ended September 30, |               | Nine-Months<br>Period Ended September 30, |               |
|--|--|---------------|---|---------------|
|  | 2012                                       | 2013          | 2012                                      | 2013          |
| <b><u>Net Income - Adjusted Net Income</u></b>       |  |               |   |               |
| <b>Net Income</b>                                    | <b>20,743</b>                              | <b>11,595</b> | <b>63,897</b>                             | <b>52,239</b> |
| Less Early redelivery income                         | -  | -             | -   | (7,050)       |
| Plus Loss/(gain) on derivatives                      | 2,081                                      | 1,454         | 5,449                                     | (1,082)       |
| Plus Foreign Currency (gain)/loss                    | (12)                                       | 29            | (12)                                      | 2             |
| <b>Adjusted Net Income</b>                           | <b>22,812</b>                              | <b>13,078</b> | <b>69,334</b>                             | <b>44,109</b> |
| <b><u>EBITDA - Adjusted EBITDA</u></b>               |  |               |   |               |
| Net Income   | 20,743                                     | 11,595        | 63,897                                    | 52,239        |
| Plus Net interest expense                            | 2,010                                      | 1,855         | 5,410                                     | 6,213         |
| Plus Depreciation                                    | 8,275                                      | 9,625         | 23,495                                    | 27,614        |
| Plus Amortization                                    | 323  | 283           | 867                                       | 918           |
| <b>EBITDA</b>  | <b>31,351</b>                              | <b>23,358</b> | <b>93,669</b>                             | <b>86,984</b> |
| Less Early redelivery Income                         | -  | -             | -   | (7,050)       |
| Plus Loss/(gain) on derivatives                      | 2,081                                      | 1,454         | 5,449                                     | (1,082)       |
| Plus Foreign currency (gain)/loss                    | (12)                                       | 29            | (12)                                      | 2             |
| <b>ADJUSTED EBITDA</b>                               | <b>33,420</b>                              | <b>24,841</b> | <b>99,106</b>                             | <b>78,854</b> |
| <b><u>EPS – Adjusted EPS</u></b>                     |  |               |   |               |
| Net Income   | 20,743                                     | 11,595        | 63,897                                    | 52,239        |
| Less Preferred dividend                              | -  | 818           | -   | 969           |
| Net Income available to common shareholders          | 20,743                                     | 10,777        | 63,897                                    | 51,270        |
| Weighted average number of shares                    | 76,658,865                                 | 76,684,316    | 75,066,388                                | 76,679,082    |
| <b>EPS</b>   | <b>0.27</b>                                | <b>0.14</b>   | <b>0.85</b>                               | <b>0.67</b>   |
| <b>Adjusted Net Income</b>                           | <b>22,812</b>                              | <b>13,078</b> | <b>69,334</b>                             | <b>44,109</b> |
| Less Preferred dividend                              | -  | 818           | -   | 969           |
| Adjusted Net Income available to common shareholders | 22,812                                     | 12,260        | 69,334                                    | 43,140        |
| <b>Adjusted EPS</b>                                  | <b>0.30</b>                                | <b>0.16</b>   | <b>0.92</b>                               | <b>0.56</b>   |

EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income available to common shareholders and Adjusted EPS are not recognized measurements under US GAAP.

Adjusted Net Income represents net income before early redelivery income, gain/(loss) on derivatives and foreign currency.

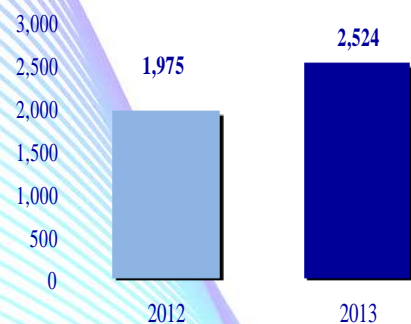
Adjusted Net Income available to common shareholders represents Adjusted Net Income less Preferred dividend.

EBITDA represents net income before interest expense, income tax expense, depreciation and amortization. Adjusted EBITDA represents EBITDA before early redelivery income, gain/(loss) on derivatives and foreign currency. 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 of 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.

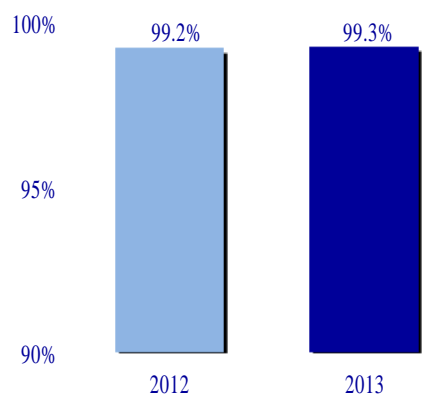
EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income available to common shareholders and Adjusted EPS have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under US GAAP and should not be considered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

# SELECTED QUARTERLY OPERATIONAL HIGHLIGHTS

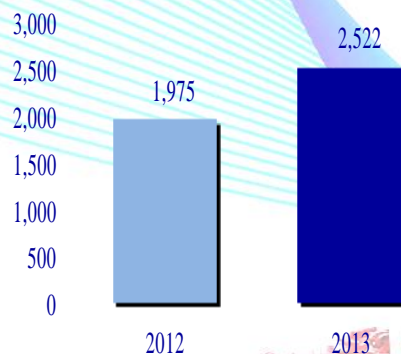
## OWNERSHIP DAYS\*



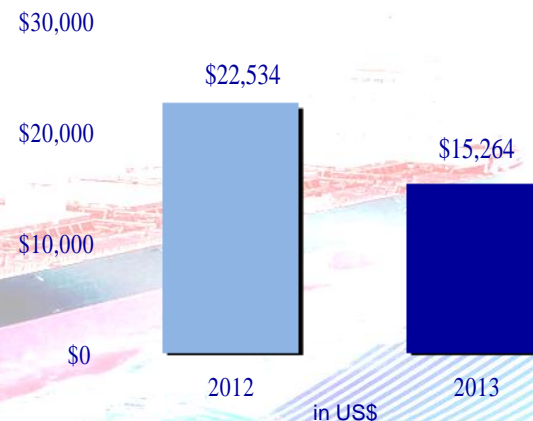
## FLEET UTILIZATION\*



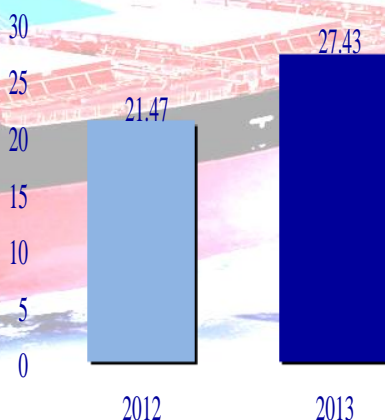
## AVAILABLE DAYS\*



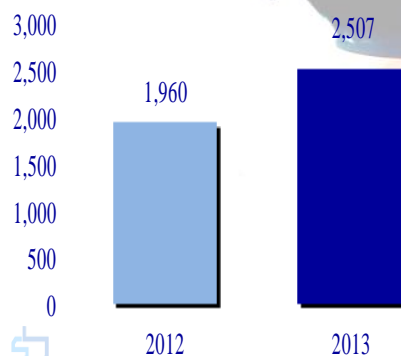
## TIME CHARTER EQUIVALENT RATE\*



## AVERAGE NUMBER OF VESSELS IN PERIOD\*



## OPERATING DAYS\*



(\*) For definition and reconciliation of operational highlights please refer to Slide 17.

# OPERATIONAL FUNDAMENTALS

| FLEET DATA                                    | Three-Months<br>Period Ended<br>September 30, |           | Nine-Months<br>Period Ended<br>September 30, |           |
|---|---|-----------|--|-----------|
|   | 2012  | 2013      | 2012   | 2013      |
| Number of vessels at period's end             | 23  | 28        | 23   | 28        |
| Average age of fleet (in years)               | 4.02  | 5.33      | 4.02   | 5.33      |
| Ownership days (1)                            | 1,975   | 2,524     | 5,545  | 7,137     |
| Available days (2)                            | 1,975   | 2,522     | 5,545  | 7,089     |
| Operating days (3)                            | 1,960   | 2,507     | 5,501  | 7,065     |
| Fleet utilization (4)                         | 99.2%   | 99.3%     | 99.2%  | 99.0%     |
| Average number of vessels in the period (5)   | 21.47   | 27.43     | 20.24  | 26.14     |
| <b>AVERAGE DAILY RESULTS</b>                  |   |           |  |           |
| Time charter equivalent rate (6)              | \$22,534                                      | \$ 15,264 | \$23,820                                     | \$ 16,769 |
| Daily vessel operating expenses (7)           | \$4,185                                       | \$ 4,249  | \$4,463                                      | \$ 4,355  |
| Daily general and administrative expenses (8) | \$1,217                                       | \$ 1,071  | \$1,299                                      | \$1,158   |

•Ownership days represent the aggregate number of days in a period during which each vessel in our fleet has been owned by us.

•Available days represent the total number of days in a period during which each vessel in our fleet was in our possession net of off-hire days associated with scheduled maintenance, which includes major repairs, drydockings, vessel upgrades or special or intermediate surveys.

•Operating days represent the number of our available days in a period less the aggregate number of days that our vessels are off-hire due to any reason, excluding scheduled maintenance.

•Fleet utilization is calculated by dividing the number of our operating days during a period by the number of our ownership days during that period.

•Average number of vessels in the period is calculated by dividing ownership days in the period by the number of days in that period.

•Time charter equivalent rates, or TCE rates, represent our charter revenues less commissions and voyage expenses during a period divided by the number of our available days during the period.

•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.

•Daily general and administrative expenses include daily fixed and variable management fees payable to our Manager and daily costs in relation to our operation as a public company. Daily general and administrative expenses are calculated by dividing general and administrative expenses by ownership days for the relevant period.

# DIVIDEND

## COMMON STOCK

The Company's Board of Directors declared a cash dividend on the Company's common stock of \$0.06 per share payable on or about December 6, 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 November 22, 2013.

The Company has 76,686,484 shares of common stock issued and outstanding as of November 1, 2013.

## PREFERRED SERIES B STOCK

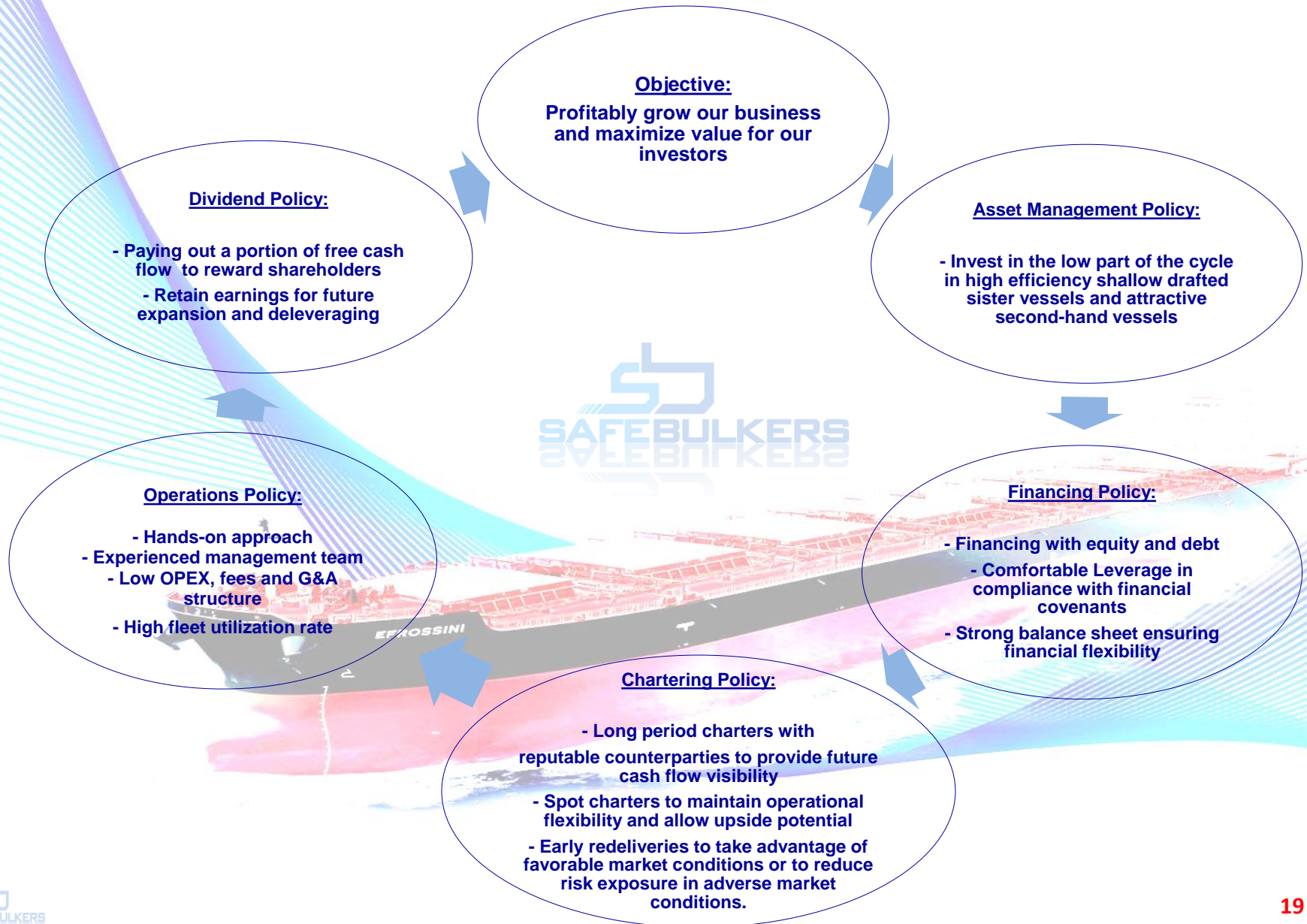
The Company's Board of Directors has declared a cash dividend of \$0.51111 per share on its 8.00% Series B Cumulative Redeemable Perpetual Preferred Shares (the "Series B Preferred Shares") (NYSE: SB.PR.B) for the period from July 30, 2013 to October 29, 2013. The dividend was paid on October 30, 2013 to all Series B preferred shareholders of record as of October 25, 2013.

The Company has 1,600,000 Series B Preferred Shares outstanding as of November 1, 2013.

## DIVIDEND POLICY

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.

# CONSISTENT POLICIES



### **Company Contact**

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President

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Fax: +30 2 111 878 500

E-mail: [directors@safebulkers.com](mailto:directors@safebulkers.com)

### **Investor Relations/Media Contact**

Matthew Abenante

Investor Relations Advisor

Capital Link Inc.

New York, USA

Tel: +1 (212) 661-7566

Fax: +1 (212) 661-7526

E-mail: [safebulkers@capitallink.com](mailto:safebulkers@capitallink.com)



**THANK YOU**