



First Quarter 2012 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

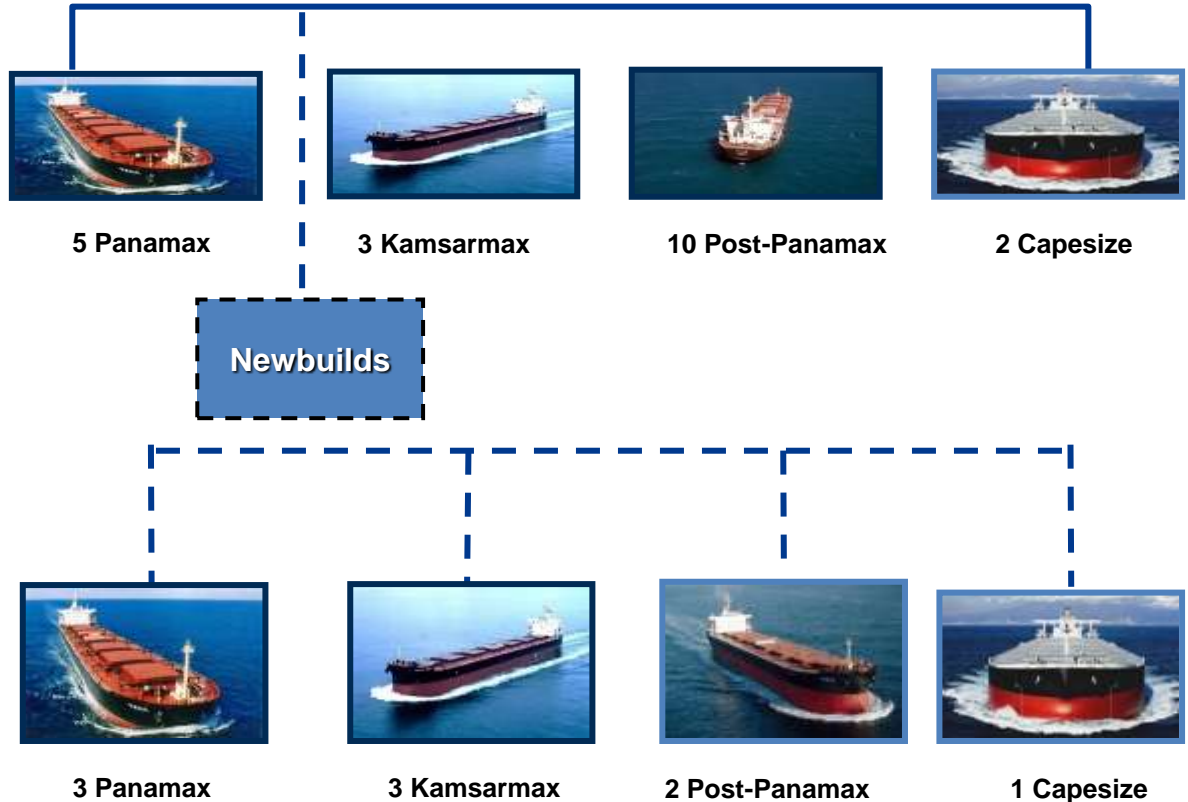
Dr. Loukas Barmparis
President

Konstantinos Adamopoulos
Chief Financial Officer

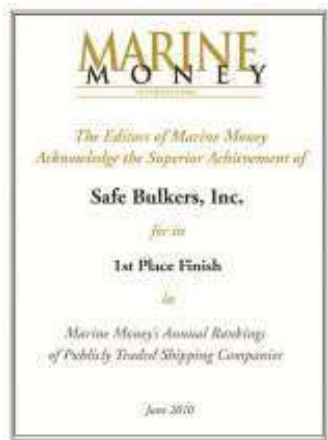
Ioannis Foteinos
Chief Operating Officer

Highlights as of May 4, 2012:

- Current fleet: 20 vessels
- Classes:
Panamax to Capes
- 75,000 dwt to 178,000 dwt
- Transport coal, grain, iron ore and other dry-bulk commodities
- Fleet age: 4.2 years
- Fleet age upon all scheduled deliveries by 2014 : 4.9 years
- Contracted fleet expansion: 9 newbuilds
- Very high spec ships from quality yards



COMPANY OVERVIEW - MARKET CONDITIONS - COMPANY STRATEGY

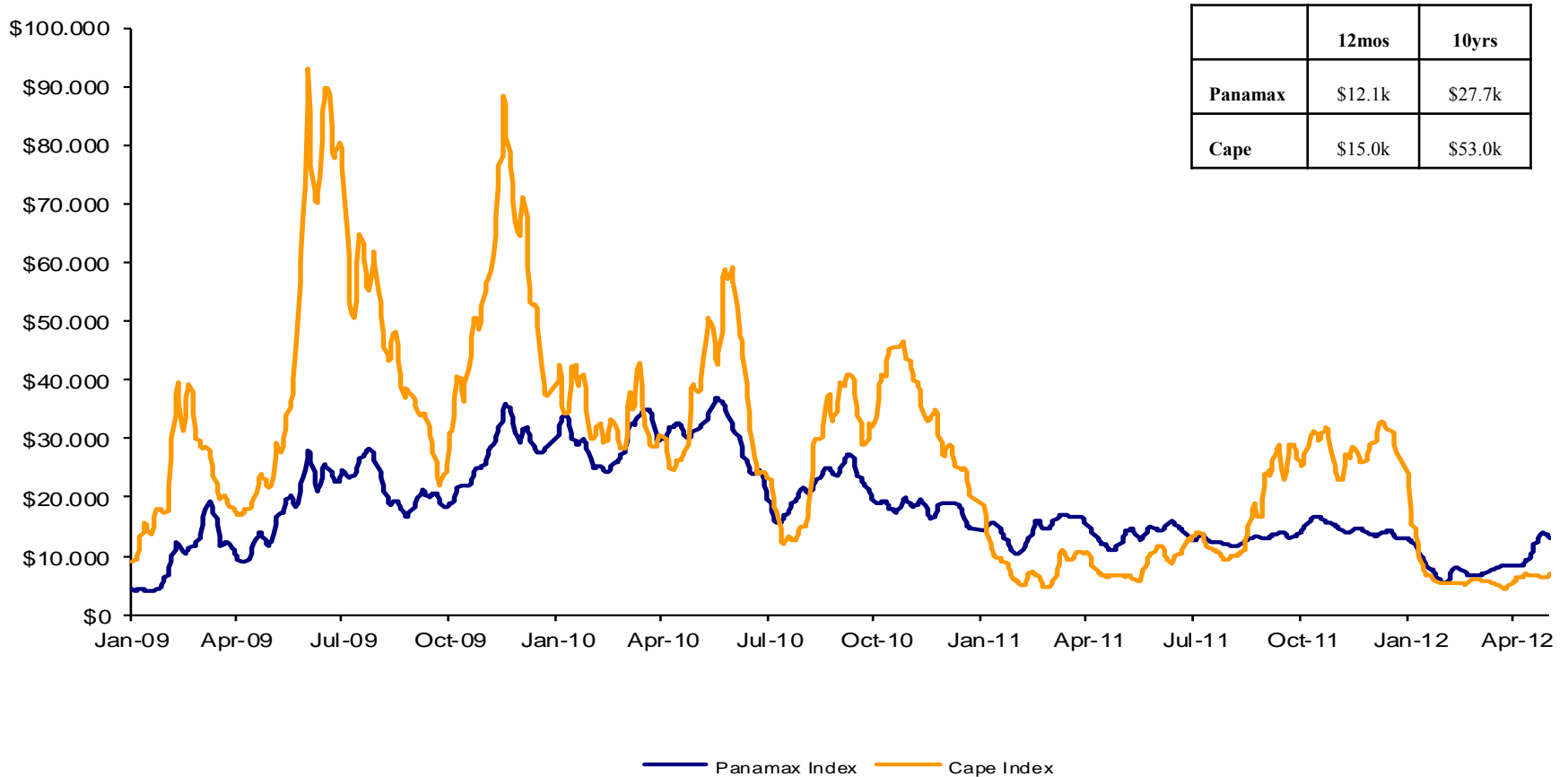


- Long history in shipping industry over many shipping cycles
- Operational excellence
- Hands - on business approach
- Interests of Management fully aligned with shareholders
- Recognized consistent management policies over the years

Highlights:

- Alassia Steamship 1958
- Safety Management Overseas 1993 (our Manager)
- Safe Bulkers 2007
- SB 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
- Polys Hajioannou invests in shipping only through Safe Bulkers Inc.
- SB ranked “Best Performing Shipping Company for the Year 2009” by Marine Money International
- SB awarded “Best Dry Cargo Company for 2010” at 7th Annual Lloyds List Greek Shipping Awards
- SB ranked “Second Best Performing Shipping Company for the Year 2010” by Marine Money International

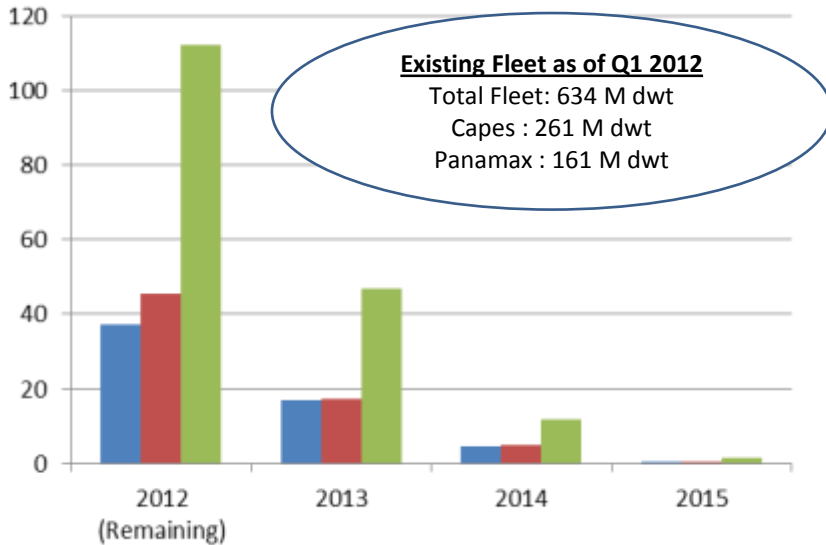
Daily Closing of Average 4TC



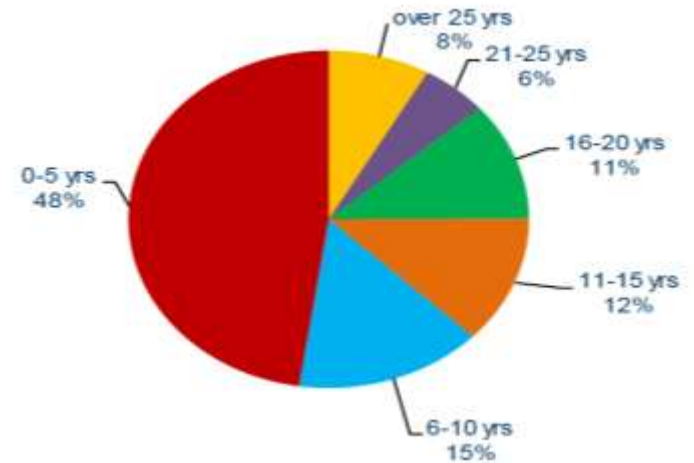
Source: Baltic Exchange

COMPANY OVERVIEW - MARKET CONDITIONS - COMPANY STRATEGY

Orderbook (million tons)



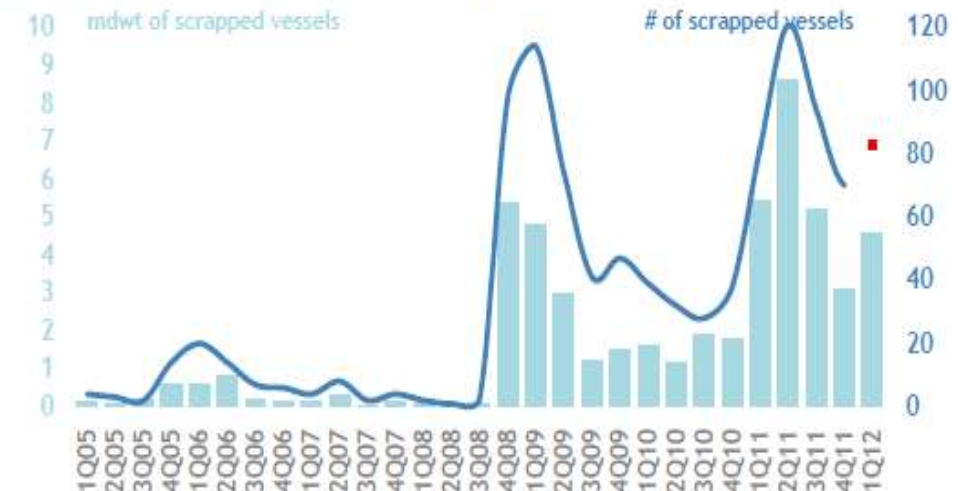
Ageing of Dry Bulk Fleet



Highlights:

- Slippage or cancellations expected to account for approximately 20% of the order-book
- Scrapping during 2011 amounted 23,8 mil dwt tones
- Scrapping in Q1 2012 amounts 6,8 mil dwt tones

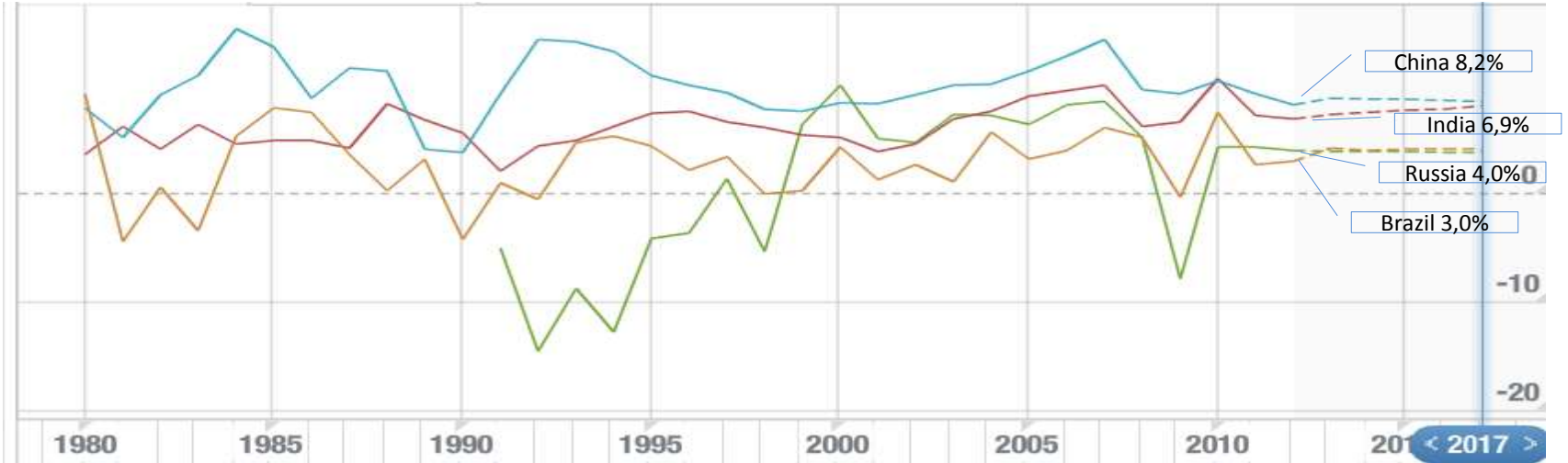
Dry Bulk Scrapping Activity



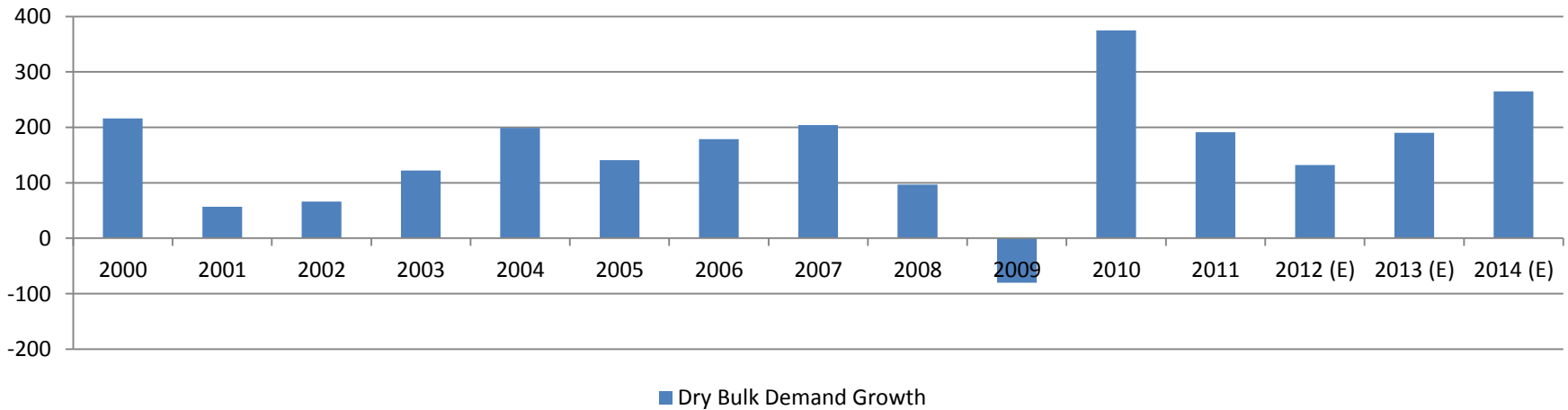
Source: Clarksons, Morgan Stanley Research

COMPANY OVERVIEW - MARKET CONDITIONS - COMPANY STRATEGY

BRIC countries GDP growth (% change previous period)



Dry Bulk Demand Growth (million tons)



Source: Deutsche Bank, IMF

COMPANY OVERVIEW - MARKET CONDITIONS - **COMPANY STRATEGY**

- **Asset Management:** We invest in newbuilds with modern, fuel-efficient, shallow-drafted design, in the low part of the cycle.
- **Chartering Policy:** We employ our vessels in period and spot charter market with established reputable customers to maximize profits and maintain future cash flow visibility.
- **Operations Policy:** Young, modern, flexible and fuel efficient fleet with low operating expenses and high utilization ratio.
- **Financing Policy:** Strong Balance Sheet and Liquidity ensuring financial flexibility and possibility to invest, comfortable low-cost debt in compliance with financial covenants.
- **Dividend Policy:** Prudent meaningful dividend policy ensuring company's expansion and rewarding investors.

SAFE BULKERS ASSET MANAGEMENT POLICY

POLICY

- Invest in the lower part of the cycle
- Invest mainly in newbuild vessels
- Cooperate with quality shipyards

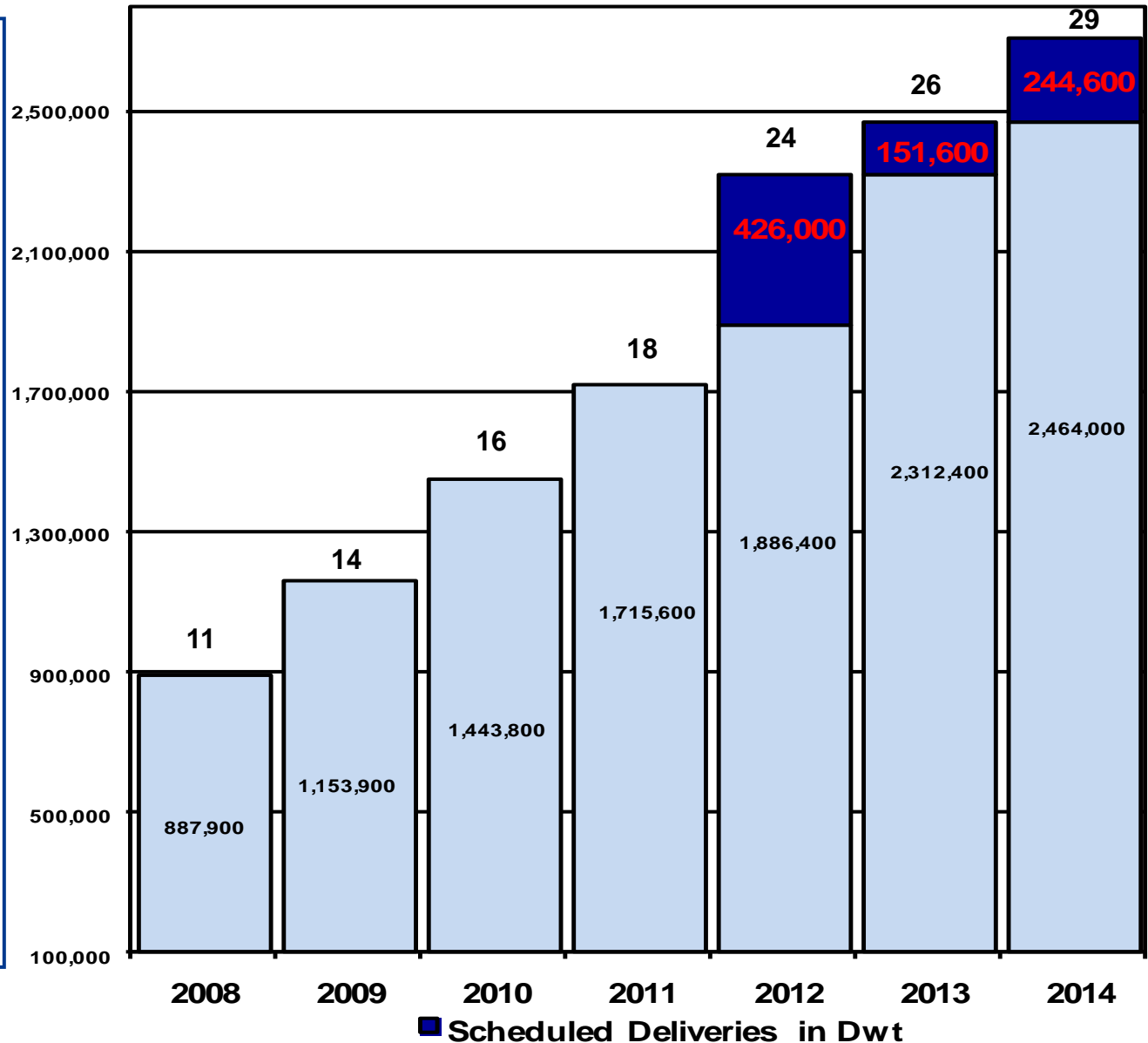
FLEET EXPANSION

- Contracted expansion by 44% to 29 vessels by 2014.

VESSEL SPECIFICATIONS

Focusing on:

- Fuel efficient designs to compete
- Shallow-drafted designs to carry more cargo in the same draft
- Incorporation of latest environmental regulations



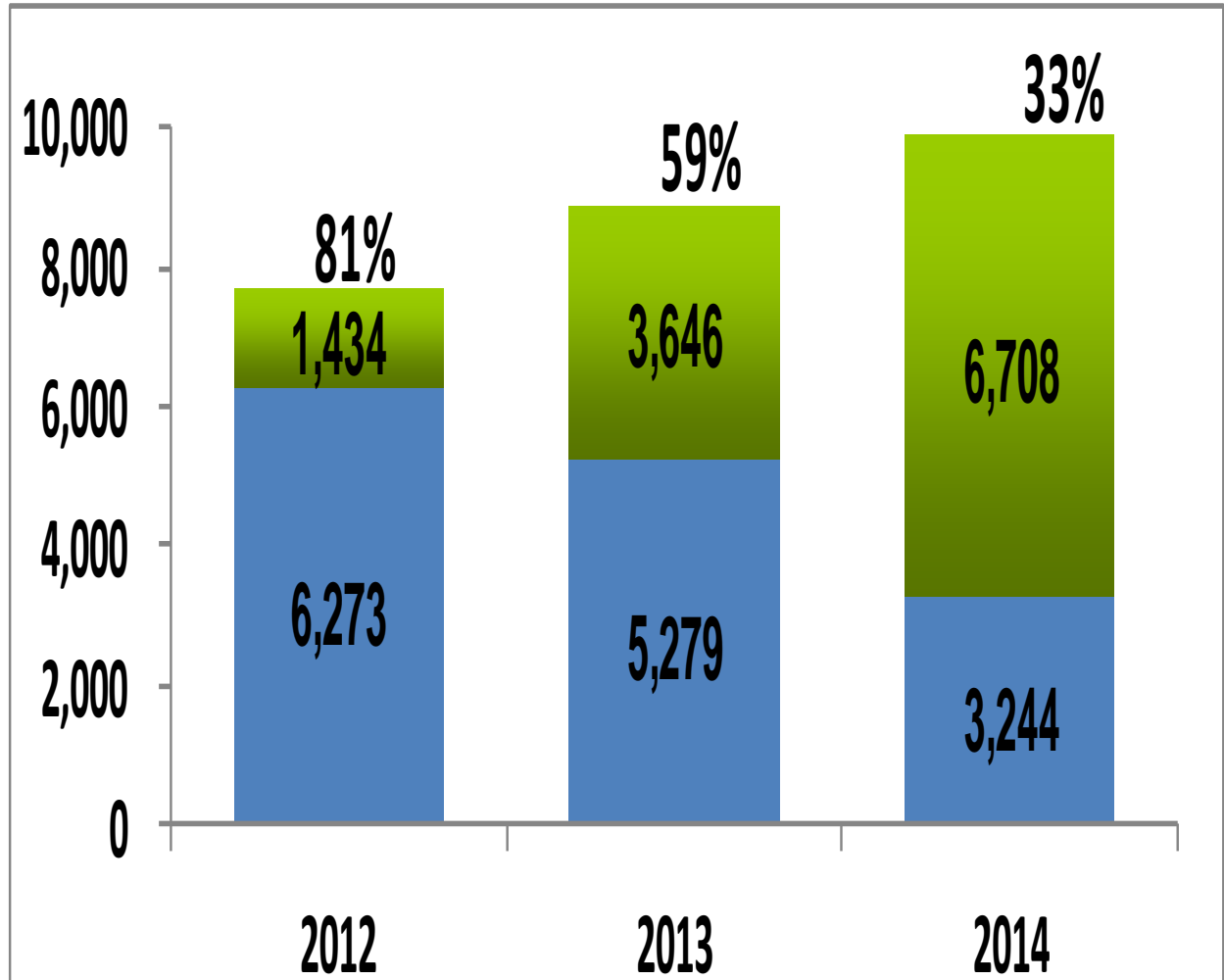
■ Scheduled Deliveries in Dwt

□ Existing Fleet in Dwt

SAFE BULKERS CHARTERING POLICY

POLICY

- Balance of long-term period and spot charter employment.
- Employment in long-term period time charters to provide visibility in future cash flows.
- Selection of counterparties to ensure future cash flows.
- Employment in spot charters to maintain flexibility in low charter market conditions, and provide better profitability in high charter markets
- Substantial charter coverage of anticipated ownership days for 2012, 2013 and 2014



% Open Days/Total Ownership Days

■ Open days ■ Charter Days

Data as of May 4, 2012. Including vessels to be delivered that have already been chartered-out.

SAFE BULKERS CHARTERING POLICY

Well
established
reputable
charters

 BUNGE

Cargill

 Daiichi Chuo Kisen Kaisha

 "K" LINE
KAWASAKI KISEN KAISHA, LTD.

NYK LINE
NIPPON YUSEN KAISHA

 Louis Dreyfus
ARMATEURS

 NS United Kaiun Kaisha, Ltd.

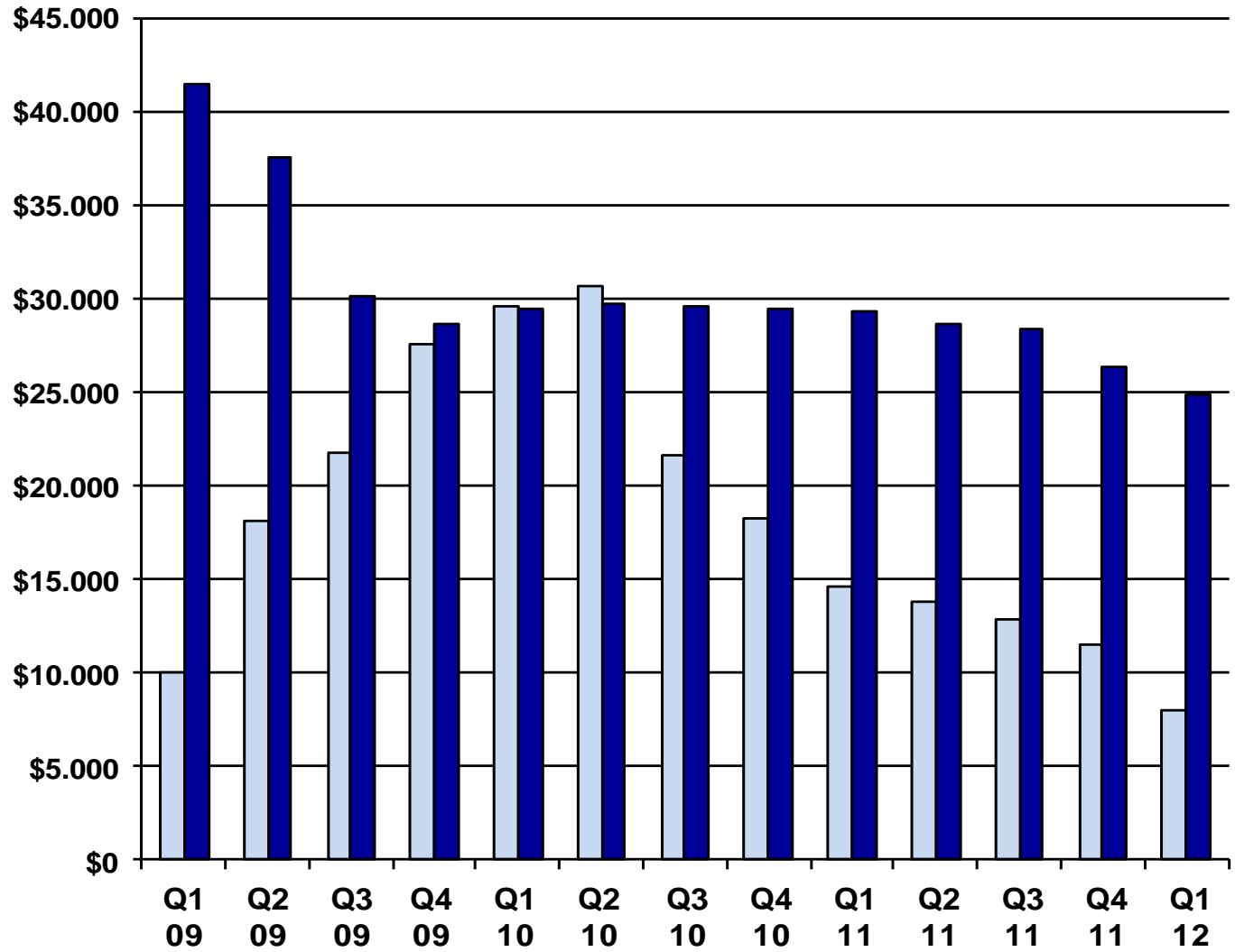
 ArcelorMittal

 TATA

 TOEPFER
INTERNATIONAL

SAFE BULKERS CHARTERING POLICY

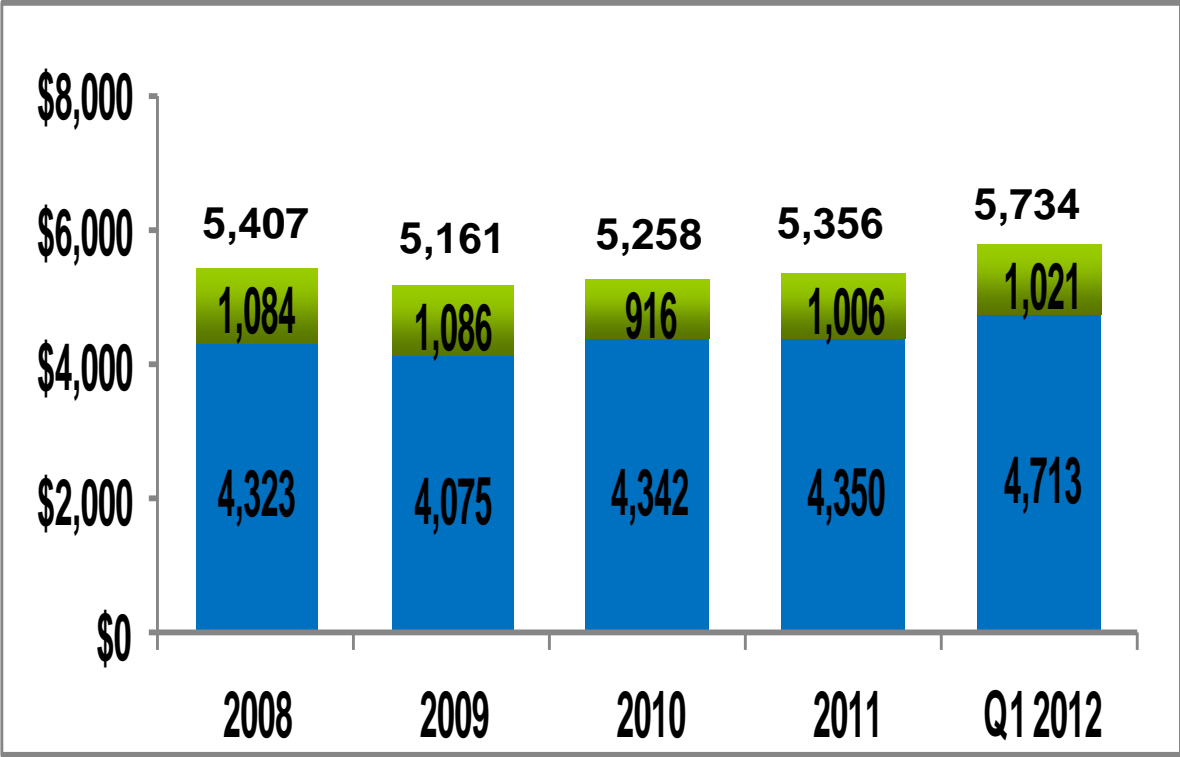
Outperform
BPI in most
cases



□ BPI* 4tc Average
■ SB TCE** rate

SAFE BULKERS OPERATION POLICY

- Vessels managed by Safety Management Overseas
- Exclusive 10 year management agreement
- Competitive operations compared to industry
- High fleet utilization rate
- Experienced team in operations, technical support and newbuild supervision
- Low average fleet age
- High quality vessels
- Sister-ship factor



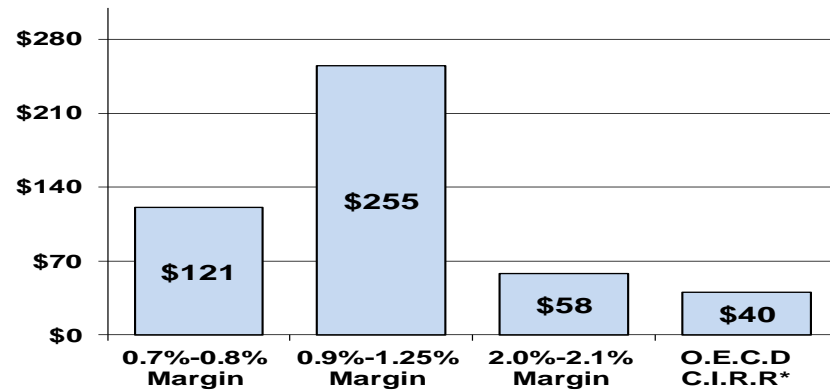
■ Daily Operating expenses in US\$

■ Daily Management Fees in US\$

SAFE BULKERS FINANCIAL POLICY

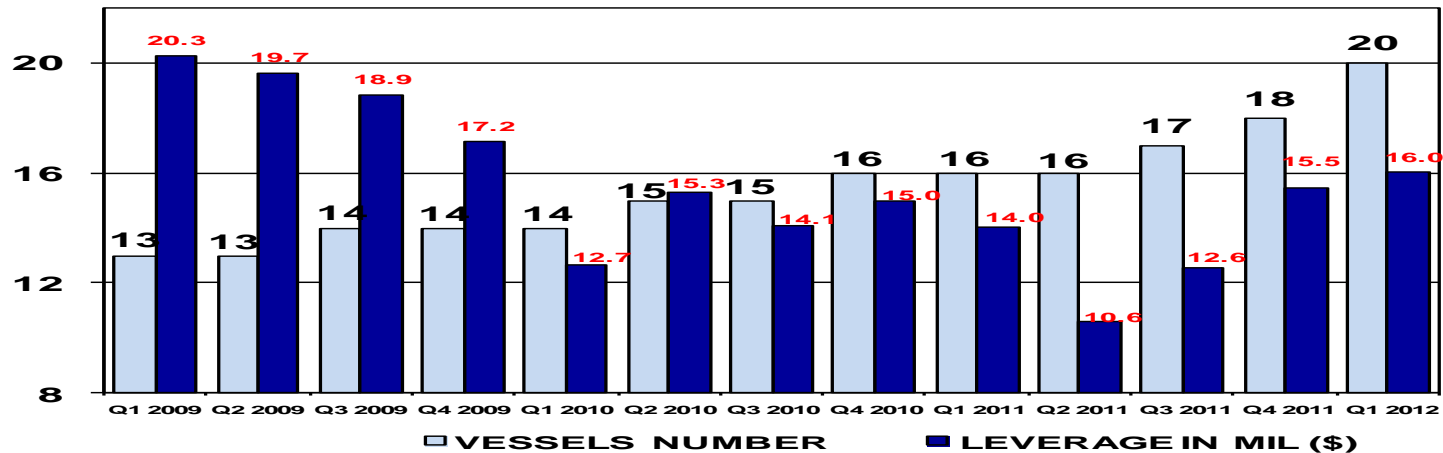
- Financing with equity and debt
- Maintain comfortable leverage in line with financial covenants
- Low financing costs

Allocation of Debt per Margin Level**



* Debt in O.E.C.D Commercial Interest Reference Rate
** As of March 31, 2012

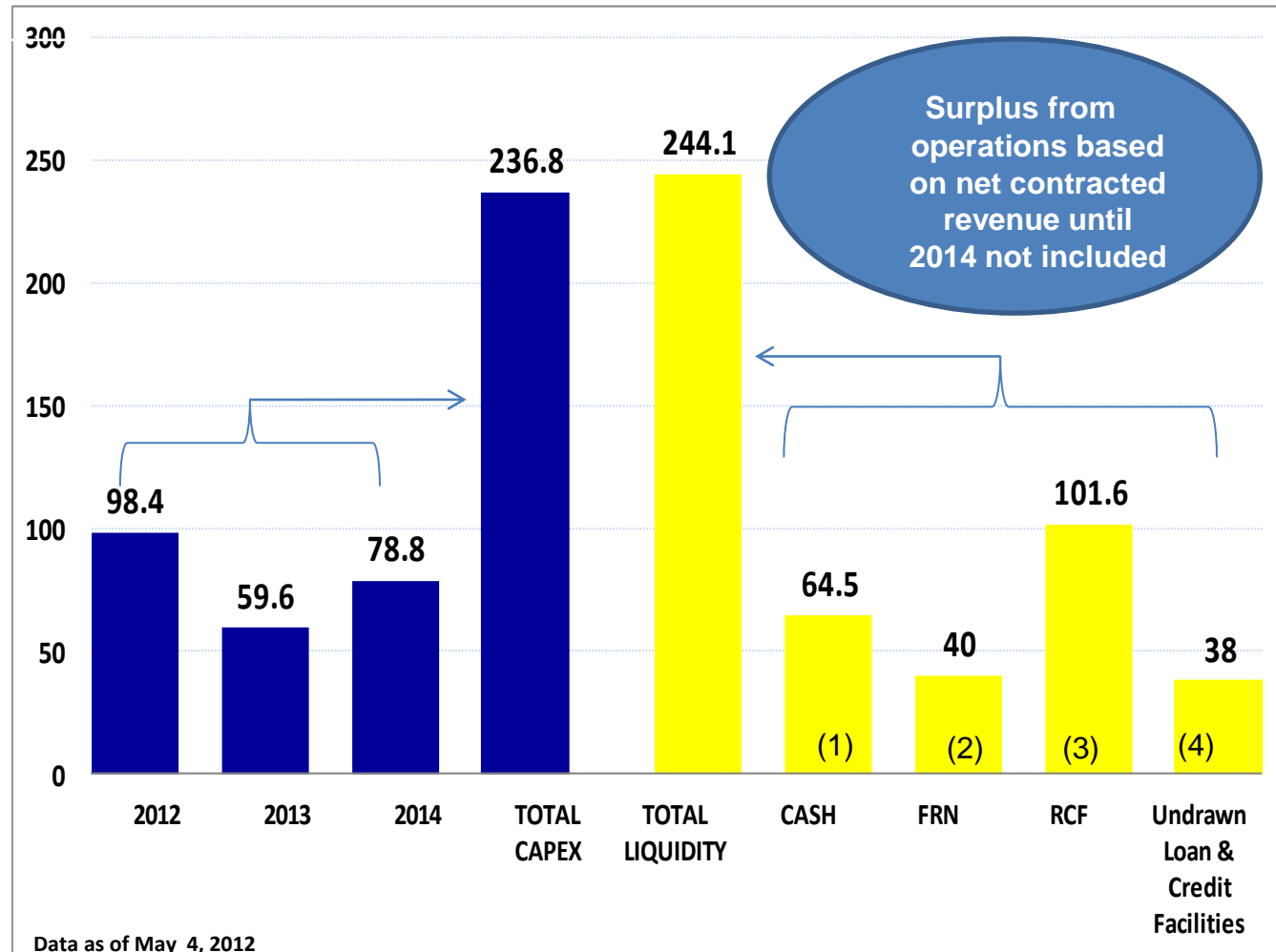
Net Debt per Vessel



As of March 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.

SAFE BULKERS FINANCIAL POLICY

- Strong Balance Sheet
- Liquidity to ensure current capex requirements
- 7 debt-free newbuilds upon delivery
- Flexibility to invest in low point of the cycle



- (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)
- (4) Undrawn loan and credit facilities

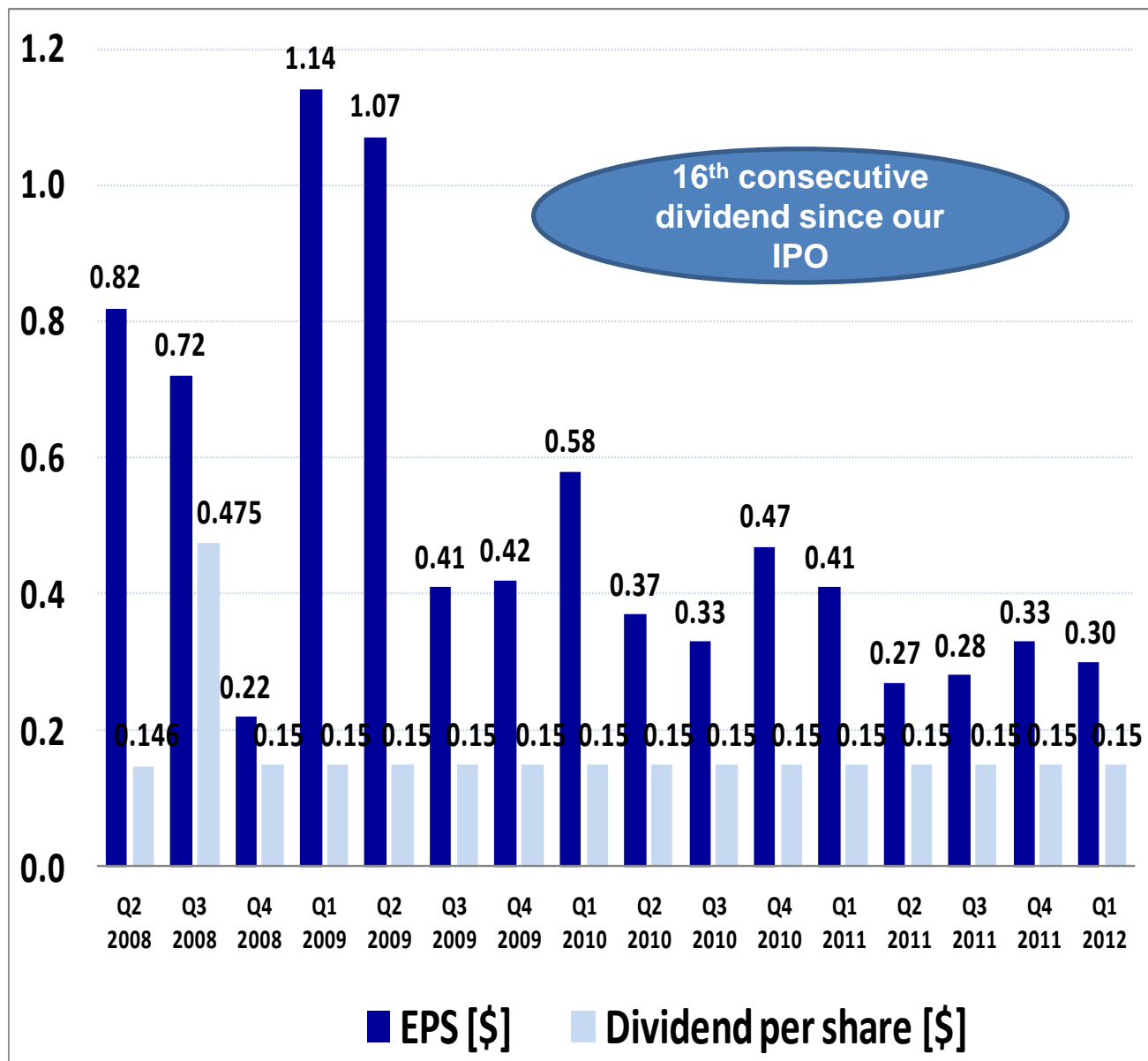
SAFE BULKERS DIVIDEND POLICY

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 our board of directors and will depend on, among other things:

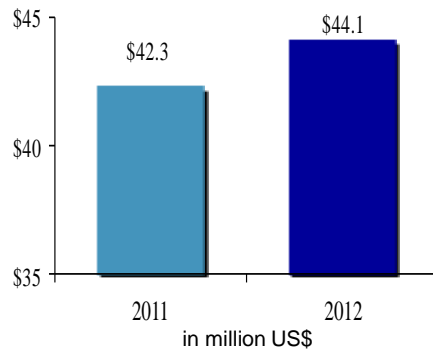
- (i) our earnings, financial condition and cash requirements and available sources of liquidity,
- (ii) decisions in relation to our growth strategies,
- (iii) provisions of Marshall Islands and Liberian law governing the payment of dividends,
- (iv) restrictive covenants in our existing and future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

Dividends might not be paid in the future.

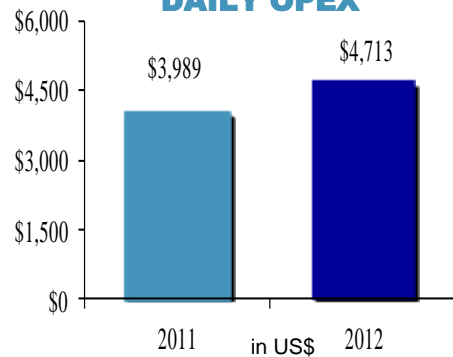


Comparison of Selected 3 Month Financial Results

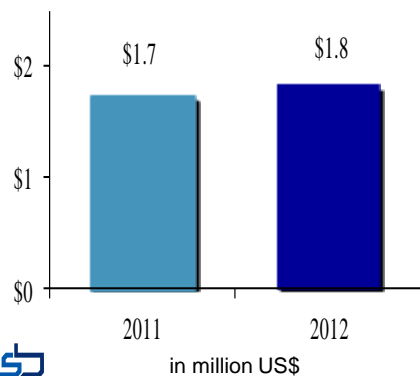
NET REVENUE



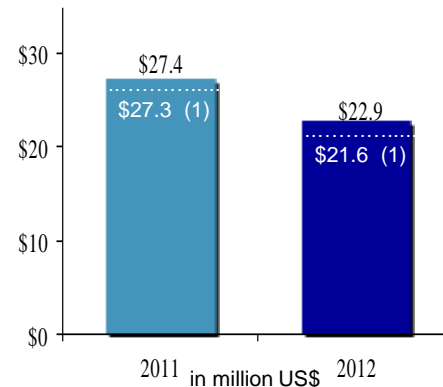
DAILY OPEX



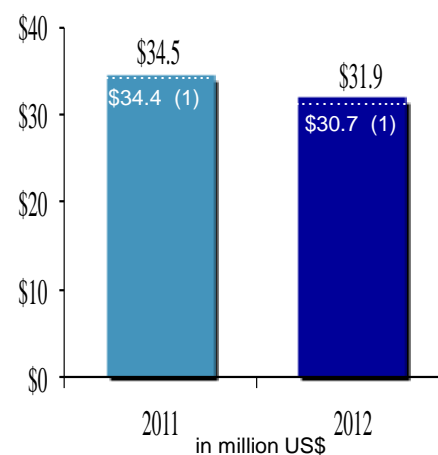
INTEREST EXPENSE



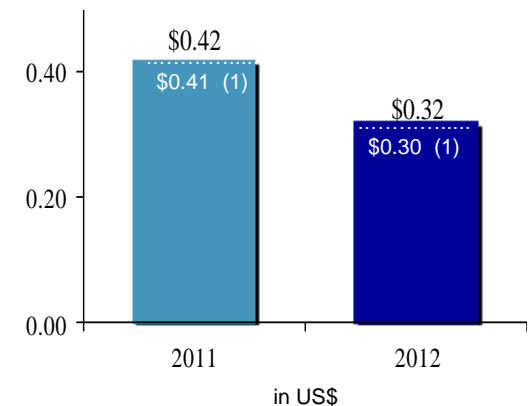
ADJUSTED NET INCOME (2)



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 gain/(loss) on sale of assets, 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 21.

First Quarter 2011 and 2012 Summary of Financial Results

(In million US\$, except for per share data)	Q1 2011	Q1 2012	%Δ
Net Revenues	42.3	44.1	4%
Net Income	27.3	21.6	(21)%
Adjusted Net Income	27.4	22.9	(16)%
EBITDA (*)	34.4	30.7	(11)%
ADJUSTED EBITDA	34.5	31.9	(7)%
Earnings per Share EPS(*)	0.41	0.30	
ADJUSTED EPS	0.42	0.32	

* For definition and reconciliation of EBITDA, Adjusted EBITDA, Net Income, Adjusted Net Income, EPS and Adjusted EPS please refer to slide 21.

(In million US\$)	Dec 31, 2011	Mar 31, 2012	%Δ
Total Debt	484.3	474.0	(2)%
Shareholder's Equity	331.8	378.1	14%

Fleet Data

Three-Months Period Ended March 31,

	<u>2011</u>	<u>2012</u>
Number of vessels at period's end	16.00	20.00
Average age of fleet (in years)	4.05	4.10
Ownership days (1)	1,440	1,718
Available days (2)	1,440	1,718
Operating days (3)	1,440	1,715
Fleet utilization (4)	100.0%	99.8%
Average number of vessels in the period (5)	16.00	18.88

AVERAGE DAILY RESULTS

Time charter equivalent rate (6)	\$29,322	\$ 24,890
Daily vessel operating expenses (7)	\$3,989	\$ 4,713

- 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.

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

Three-Months Period Ended March 31,

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

	2011	2012
<u>Net Income - Adjusted Net Income</u>		
Net Income	27,308	21,614
Less Early Redelivery Income	(101)	-
Plus Loss on Derivatives	6	1,241
Plus Foreign Currency Loss	169	10
Adjusted Net Income	27,382	22,865
<u>EBITDA - Adjusted EBITDA</u>		
Net Income	27,308	21,614
Plus Net Interest Expense	1,430	1,543
Plus Depreciation	5,583	7,322
Plus Amortization	89	211
EBITDA	34,410	30,690
Less Early Redelivery Income	(101)	-
Plus Loss on Derivatives	6	1,241
Plus Foreign Currency Loss	169	10
ADJUSTED EBITDA	34,484	31,941
<u>EPS – Adjusted EPS</u>		
Net Income	27,308	21,614
Adjusted Net Income	27,382	22,865
Weighted average number of shares	65,881,600	71,868,950
EPS	0.41	0.30
Adjusted EPS	0.42	0.32

EBITDA represents net income before interest, income tax expense, depreciation and amortization. Adjusted EBITDA represents EBITDA before gain/(loss) on sale of assets, 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 and adjusted EBITDA 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 declared a cash dividend on its common stock of \$0.15 per share payable on or about May 31, 2012 to shareholders of record at the close of trading of the Company's common stock on the New York Stock Exchange (the "NYSE") on May 23, 2012.

The Company had 76,651,416 shares of common stock outstanding as of May 8, 2012.

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) our earnings, financial condition and cash requirements and available sources of liquidity, (ii) decisions in relation to our growth strategies, (iii) provisions of Marshall Islands and Liberian law governing the payment of dividends, (iv) restrictive covenants in our existing and future debt instruments and (v) global financial conditions. Dividends may not be paid in the future.

SAFE BULKERS **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 as reflected in utilization rates.**
- **Young, modern, shallow drafted fleet of 20 drybulk vessels, all built after 2003.**
- **Significant contracted growth with 9 additional newbuild vessels .**
- **Extensive charter coverage with well established reputable customers and upside potential subject to market conditions.**
- **Strong balance sheet and liquidity provide financial flexibility.**
- **Prudent dividend policy.**
- **Proactive management team, aligned with public shareholders, implements strategic planning and policies adapted to market conditions.**

Company Contact

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