



Q4 2014 Financial Results

Management Team

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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.

Cape & Panamax AVG 4TC 2013 vs. 2014



Industry Fundamentals

DEMAND

Capes YTD performance

- ✓ Five year average at \$16.7k; market low was at \$2.6k in q3 2012; market high at \$59.3k in q2 2010.
- ✓ Presently market trades at the region of low \$4's
- ✓ Market failed to perform after the second half of Q4 2014 and remains subdued ever since.
- ✓ Low activity due to Chinese new year is keeping rates low.

Panamax YTD performance

- ✓ Five year average at \$12.5k; market low was at \$3.3k in q3 2012; market high at \$37.1k in q2 2010.
- ✓ Presently market trades at the region of low \$4's
- ✓ Disruption in trade mainly in coal (import limitations from China) are keeping rates low.
- ✓ Seasonal grain trading ex East Coast South America is expected to provide some more activity and support on charter rates in the near term.

Industry Fundamentals

SUPPLY

Order book remains a problem

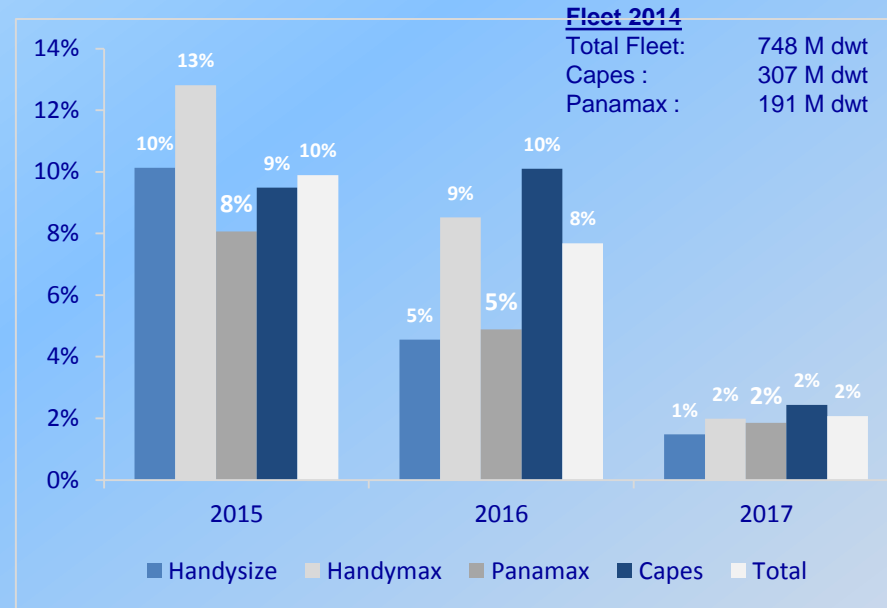
- ✓ Contracted orderbook accounts for 10%, 8% and 2% for the years 2015, 2016 and 2017.
- ✓ Safe Bulkers delays orderbook.

Scrapping activity

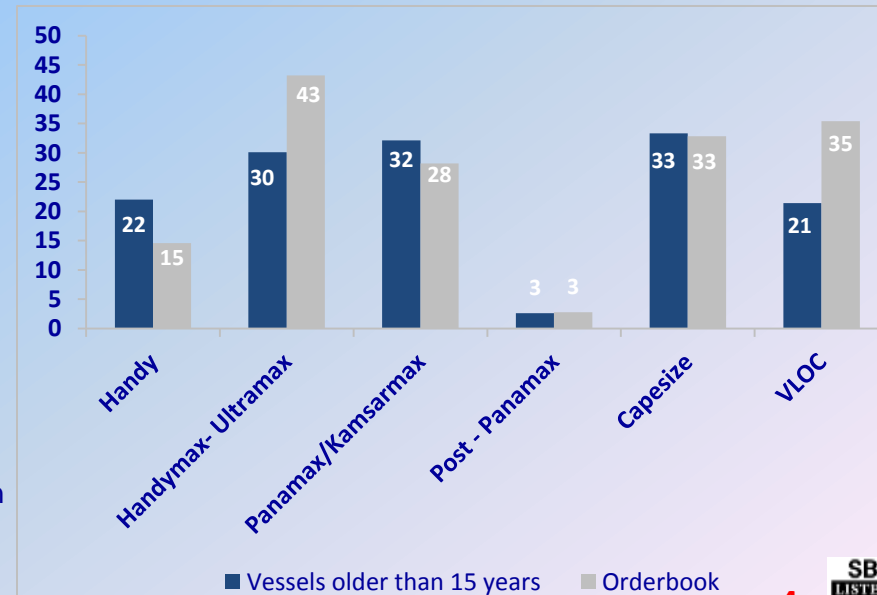
- ✓ 47.7m dwt delivered in 2014.
- ✓ 15.4m dwt were scrapped, accounting for 32% of the newbuildings.
- ✓ Vessels older than 15 years account for more dwt than the orderbook in Panamax and Handy sizes.
- ✓ New regulations are costly to comply with and are expected to push average age of scrapped vessels lower.
- ✓ Scrapping may partially counterbalance heavy orderbook.
- ✓ Recently reported the youngest cape ever sold for scrap, Cape Flora built in 2000.

Source: RS Platou, Maersk Broker and Baltic Exchange, SSY

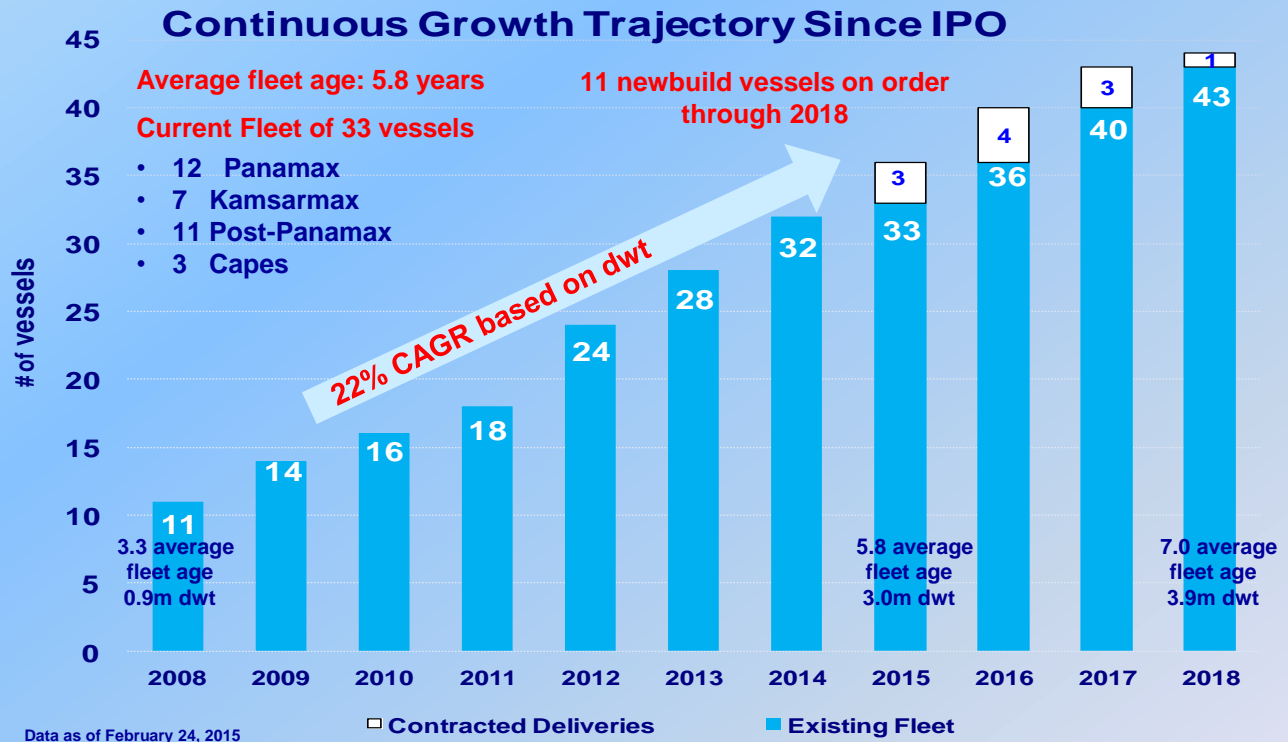
Orderbook % Growth per Size



Orderbook vs Overaged fleet (in m dwt)

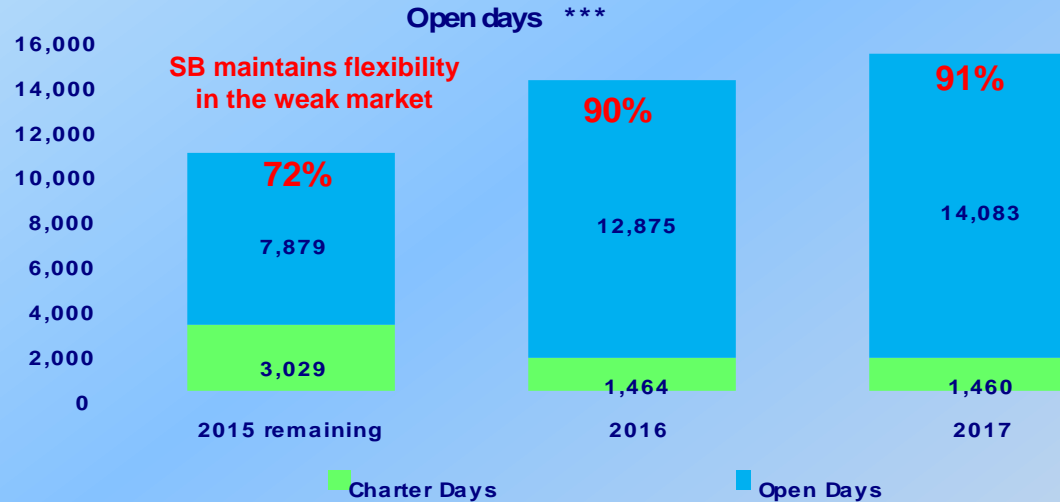


Expand and renew fleet with eco-design vessels

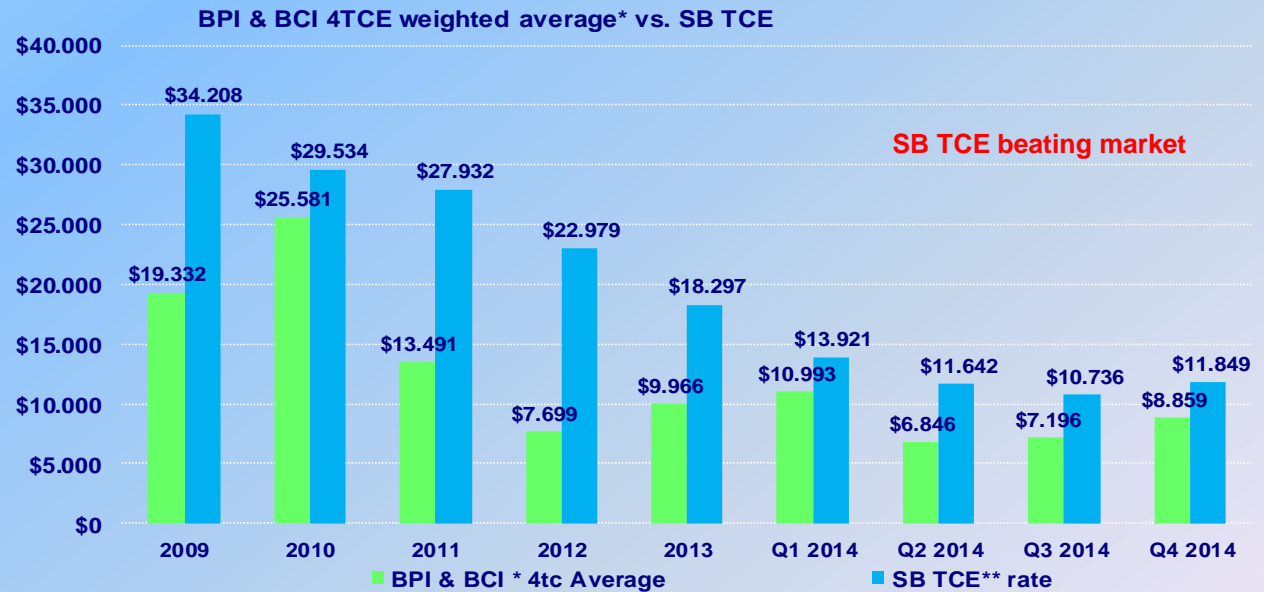


Safe Bulkers has delayed 6 out of 11 newbuilds

Spot market exposure



Chartering performance

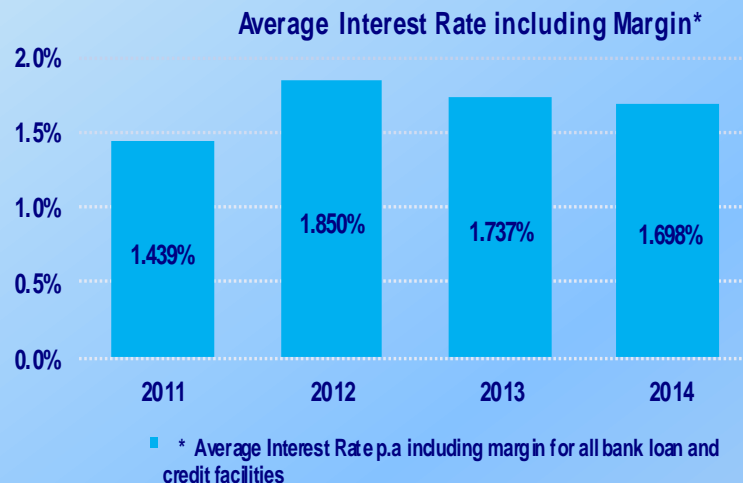


* Source Baltic Exchange

** Safe Bulkers data

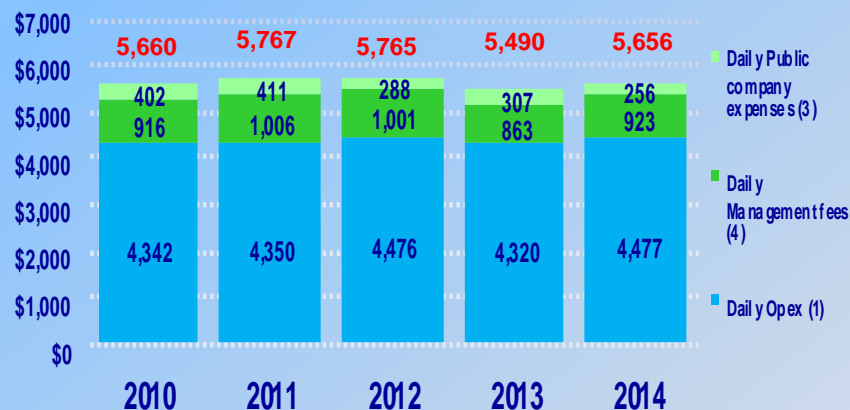
*** Data as of February 24, 2015. Charter coverage includes vessels to be delivered.

Low financing cost



1.7% p.a., average interest rate, including the margin, for all bank loan and credit facilities during the year ended 2014.

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



\$5,656 per day per vessel in total for OPEX and G&A (including management fees) for the year end 2014.

Daily G&A Expenses (2)

Low OPEX & G&A cost

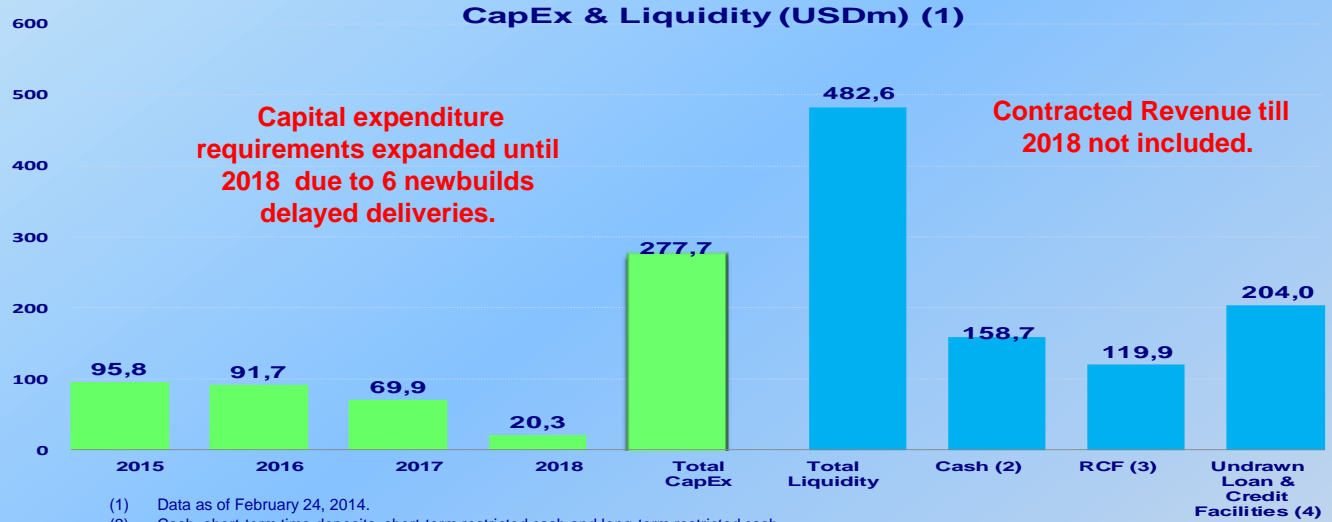
(1) Daily vessel operating expenses include the costs for crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance, statutory and classification expense, dry-docking, intermediate and special surveys, tonnage taxes and other miscellaneous items. Daily vessel operating expenses 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.

Expansion fully financed

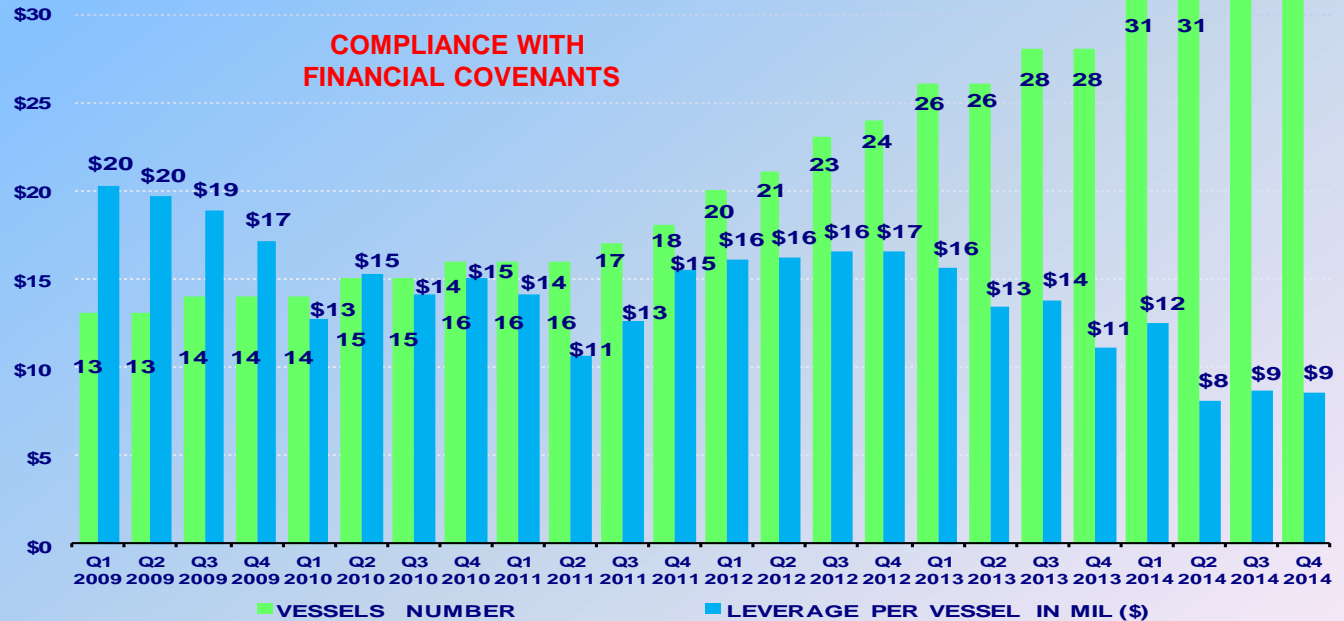


- (1) Data as of February 24, 2014.
- (2) Cash, short-term time deposits, short-term restricted cash and long-term restricted cash.
- (3) Available under existing revolving reducing credit facilities (RCF).
- (4) Undrawn committed loan and credit facilities

Capital expenditure requirements expanded until 2018 due to 6 newbuilds delayed deliveries.

Contracted Revenue till 2018 not included.

Net debt per vessel in USD million(*)



COMPLIANCE WITH FINANCIAL COVENANTS

Comfortable leverage

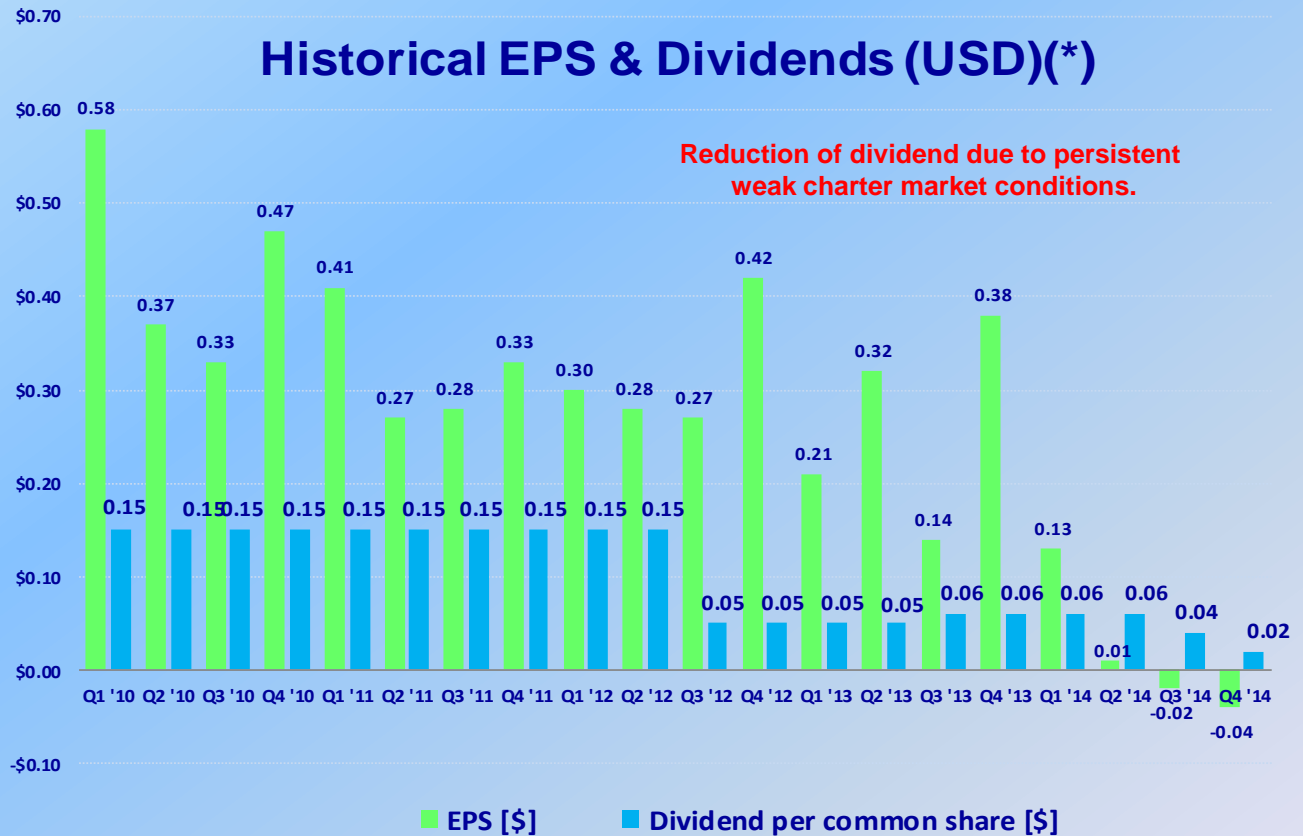
FINANCING



(*) Data as of December 31, 2014. 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.

Dividend Payer

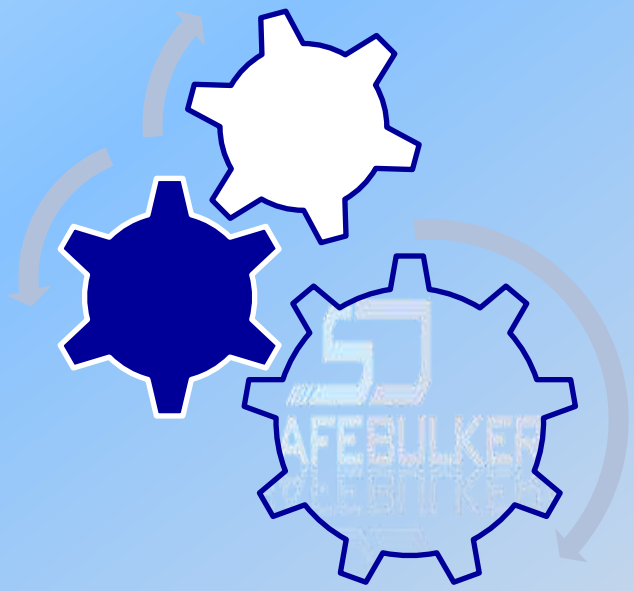
Historical EPS & Dividends (USD)(*)



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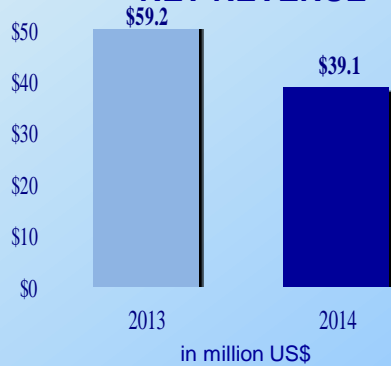
The declaration and payment of dividends, if any, will always be subject to the discretion of our board of directors. The timing and amount of any dividends declared will depend on, among other things: (a) our earnings, financial condition and cash requirements and available sources of liquidity, (b) decisions in relation to our growth strategies, (c) provisions of Marshall Islands and Liberian law governing the payment of dividends, (d) restrictive covenants in our existing and future debt instruments and (e) global financial conditions. Dividends might be reduced or not be paid by us. Our ability to pay dividends may be limited by the amount of cash we can generate from operations following the payment of fees and expenses and the establishment of any reserves, as well as additional factors unrelated to our profitability. In addition, cash dividends on our common stock are subject to the priority of dividends on our 1,600,000 outstanding shares of Series B Preferred Shares issued in June 2013, on our 2,300,000 outstanding shares of Series C Preferred Shares issued in May 2014 and on our 3,200,000 outstanding shares of Series D Preferred Shares issued in June 2014.

Financial Section

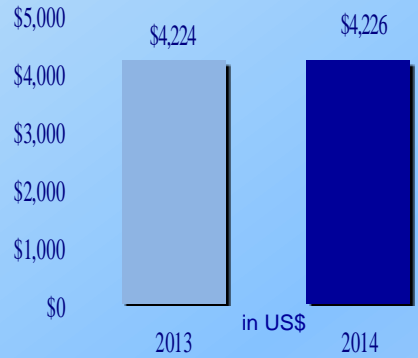


SELECTED QUARTERLY FINANCIAL HIGHLIGHTS

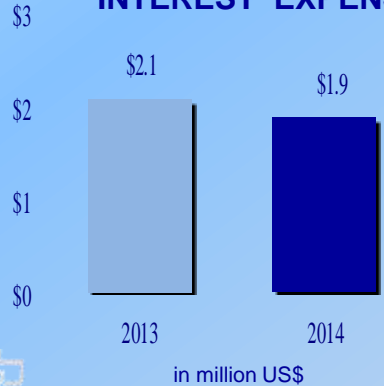
NET REVENUE



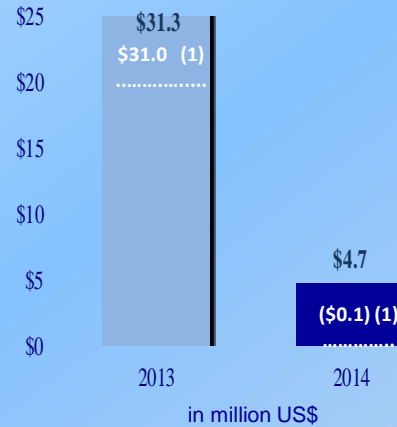
DAILY OPEX



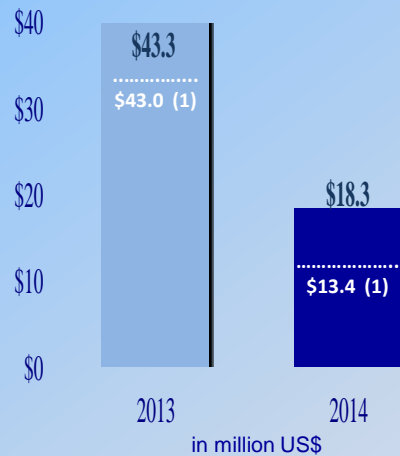
INTEREST EXPENSE



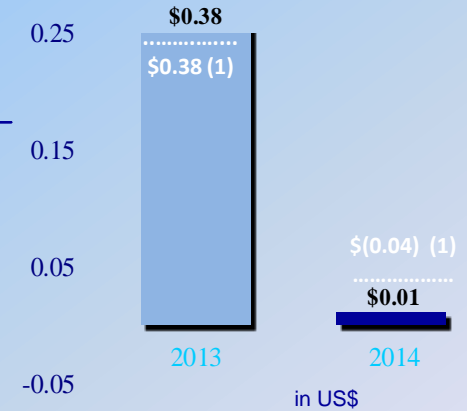
ADJUSTED NET INCOME (2)



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 12

RECONCILIATION OF ADJUSTED NET INCOME, EBITDA, ADJUSTED EBITDA AND ADJUSTED EARNINGS/(LOSS) PER SHARE

	Three-Month Period Ended December 31,		Twelve-Month Period Ended December 31,	
	2013	2014	2013	2014
<i>(In thousands of U.S. Dollars except for share and per share data)</i>				
<u>Net Income/(loss) - Adjusted Net Income</u>				
Net Income/(loss)	31,019	-148	83,257	14,634
Less Gain on asset purchase cancellation	-	-	-	-3,633
Less Early redelivery (income)/cost	-	-	-7,050	532
Plus Loss from inventory valuation	-	4,001	-	4,001
Plus Loss/(gain) on derivatives	269	932	-813	1,977
Plus Foreign currency loss/(gain)	38	-86	40	-13
Adjusted Net Income	31,326	4,699	75,434	17,498
<u>EBITDA - Adjusted EBITDA</u>				
Net Income/(loss)	31,019	-148	83,257	14,634
Plus Net Interest Expense	1,864	1,862	8,078	7,514
Plus Depreciation	9,780	11,152	37,394	43,084
Plus Amortization	334	550	1252	1472
EBITDA	42,997	13,416	129,981	66,704
Less Gain on asset purchase cancellation	-	0	-	-3,633
Less Early redelivery (income)/cost	-	0	-7,050	532
Plus Loss from inventory valuation	-	4,001	-	4,001
Plus Loss/(gain) on derivatives	269	932	-813	1977
Plus Foreign Currency loss/(gain)	38	-86	40	-13
ADJUSTED EBITDA	43,304	18,263	122,158	69,568
<u>Earnings/(loss) per share</u>				
Net Income/(loss)	31,019	-148	83,257	14,634
Less preferred dividend	818	3,550	1787	9,390
Net income/(loss) available for common shareholders	30,201	-3,698	81,470	5,244
Weighted average number of shares	79,916,260	83,454,102	77,495,029	83,446,970
Earnings/(loss) per share	0.38	-0.04	1.05	0.06
<u>Adjusted EPS</u>				
Adjusted Net Income	31,326	4699	75,434	17,498
Less preferred dividend	818	3,550	1787	9,390
Adjusted Net income available for common shareholders	30,508	1,149	73,647	8,108
Weighted average number of shares	79,916,260	83,454,102	77,495,029	83,446,970
Adjusted EPS	0.38	0.01	0.95	0.10

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/(loss) before gain on asset purchase cancellation, early redelivery (income)/cost, loss from inventory valuation, (loss)/gain on derivatives and foreign currency, respectively.

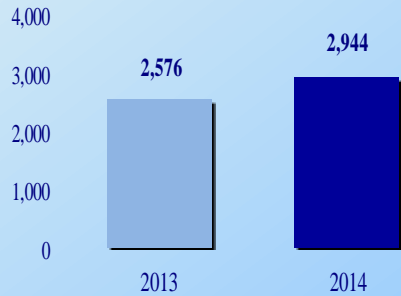
Adjusted Net Income available to common shareholders represents Adjusted Net Income less Preferred dividend.

EBITDA represents Net income/(loss) before interest, income tax expense, depreciation and amortization. Adjusted EBITDA represents EBITDA before gain on asset purchase cancellation, early redelivery income/(cost), loss from inventory valuation, (loss)/gain on derivatives and foreign currency, respectively. 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 on asset purchase cancellation, early redelivery income/(cost), loss from inventory valuation and (loss)/gain on derivatives and foreign currency, items which may vary for different companies for reasons unrelated to overall operating performance.

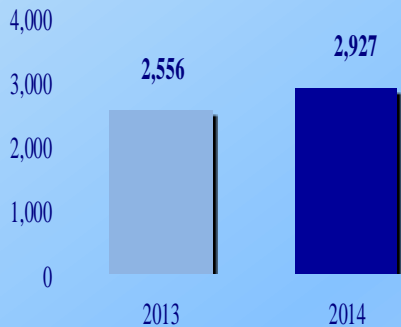
EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income available to common shareholders and Adjusted Earnings per share have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under US GAAP. EBITDA 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, they are not necessarily comparable to other similarly titled captions of other companies due to differences in methods of calculation.

SELECTED QUARTERLY OPERATIONAL HIGHLIGHTS

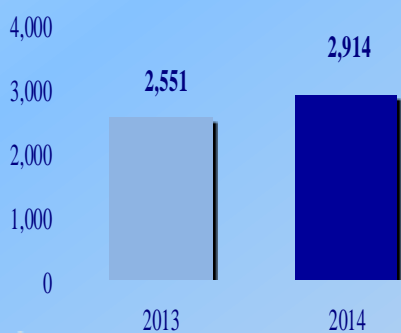
OWNERSHIP DAYS*



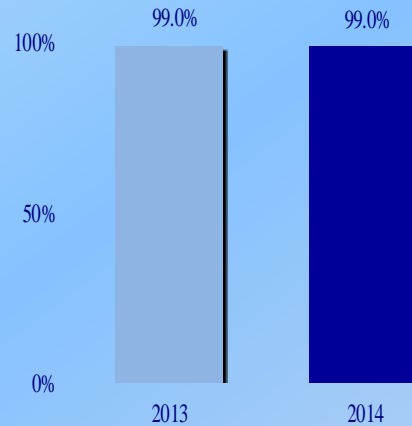
AVAILABLE DAYS*



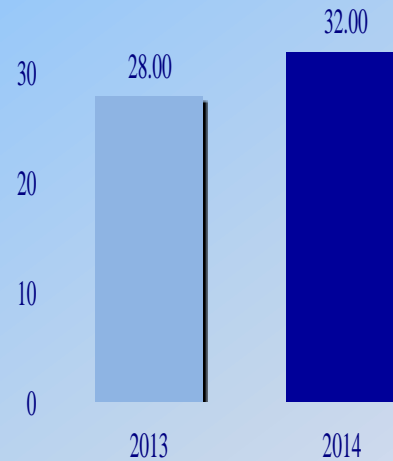
OPERATING DAYS*



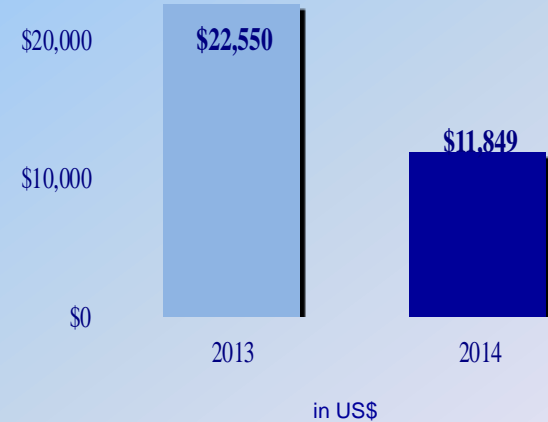
FLEET UTILIZATION*



AVERAGE NUMBER OF VESSELS IN PERIOD*



TIME CHARTER EQUIVALENT RATE*



(*) For definition and reconciliation of operational highlights please refer to Slide 14

OPERATIONAL FUNDAMENTALS

FLEET DATA AND AVERAGE DAILY INDICATORS	Three-Month Period Ended December 31,		Twelve-Month Period Ended December 31,	
	2013	2014	2013	2014
FLEET DATA				
Number of vessels at period's end	28	32	28	32
Average age of fleet (in years)	5.58	5.85	5.58	5.85
Ownership days (1)	2,576	2,944	9,713	11,309
Available days (2)	2,556	2,927	9,647	11,216
Operating days (3)	2,551	2,914	9,615	11,174
Fleet utilization (4)	99.00%	99.00%	99.00%	98.80%
Average number of vessels in the period (5)	28.00	32.00	26.61	30.98
AVERAGE DAILY RESULTS				
Time charter equivalent rate (6)	\$22,550	\$11,849	\$18,297	\$12,007
Daily vessel operating expenses (7)	\$4,224	\$4,226	\$4,320	\$4,477
Daily general and administrative expenses (8)	\$1,202	\$1,179	\$1,170	\$1,179

- 1) Ownership days represent the aggregate number of days in a period during which each vessel in our fleet has been owned by us.
- 2) 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.
- 3) 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.
- 4) 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.
- 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 our charter revenues less commissions and voyage expenses during a period divided by the number of our 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.
- 8) 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.

Annex A Operational and Financial data

COMPANY STOCK

Dividend Declaration on Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares

The Series B, Series C and Series D Preferred Shares are traded on the New York Stock Exchange under the ticker symbol SB.PR.B, SB.PR.C and SB.PR.D, respectively.

In January 2015, the Company's Board of Directors declared :

- a cash dividend of \$0.50 per share on its 8.00% Series B Preferred Shares for the period from October 30, 2014 to January 29, 2015;
- a cash dividend of \$0.50 per share on its 8.00% Series C Preferred Shares for the period from October 30, 2014 to January 29, 2015; and
- a cash dividend of \$0.50 per share on its 8.00% Series D Preferred Shares for the period from October 30, 2014 to January 29, 2015;

Each dividend was paid on January 30, 2015 to all shareholders of record as of January 23, 2015 of the Series B Preferred Shares of the Series C Preferred Shares and of the Series D Preferred Shares, respectively. The Company has 1,600,000 Series B Preferred Shares, 2,300,000 Series C Preferred Shares and 3,200,000 Series D Preferred Shares outstanding as of today. This was the sixth consecutive cash dividend declared on the Company's Series B Preferred Shares, the third cash dividend declared on its Series C Preferred Shares and the second cash dividend declared on its Series D Preferred Shares, since their commencement of trading on the New York Stock Exchange.

Dividend Declaration on Common Shares

The Board of Directors of the Company declared a cash dividend on the Company's common stock of \$0.02 per share payable on or about March 17, 2015 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 10, 2015. The Company has 83,457,938 shares of common stock issued and outstanding as of today's date.



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THANK YOU