



Q1 2014 Financial Results

Management Team

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Hajioannou**
*Chairman and
CEO*

**Dr. Loukas
Barmparis**
President

**Konstantinos
Adamopoulos**
*Chief Financial
Officer*

Ioannis Foteinos
*Chief Operating
Officer*

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.

Industry Fundamentals

SUPPLY

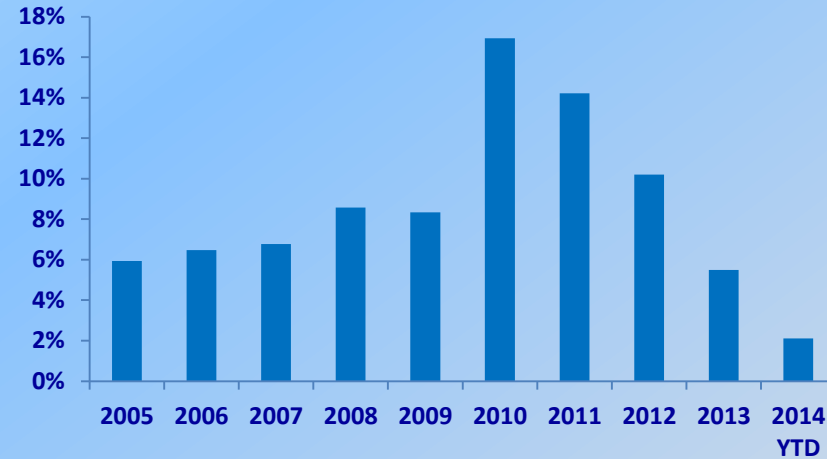
Order book declining 2014 onwards

- ✓ Double digit increase in 2010-2012.
- ✓ 5.5% supply increase in 2013
- ✓ 2.1% increase in Jan-April'14 vs. 2.5% increase in Jan-April'13.
- ✓ Orderbook without excess yard capacity until 2015.

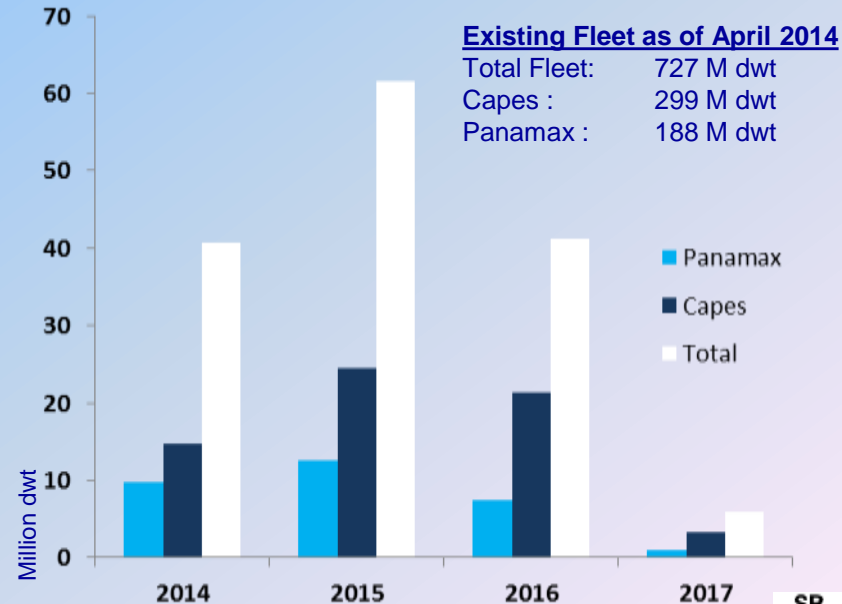
Scrapping activity

- ✓ 21,7m dwt scrapped in 2013
- ✓ 4,9m dwt scrapped until April 2014

Dry Bulk Fleet net %Δ



ORDERBOOK



Existing Fleet as of April 2014

Total Fleet: 727 M dwt
 Capes : 299 M dwt
 Panamax : 188 M dwt

Industry Fundamentals

DEMAND

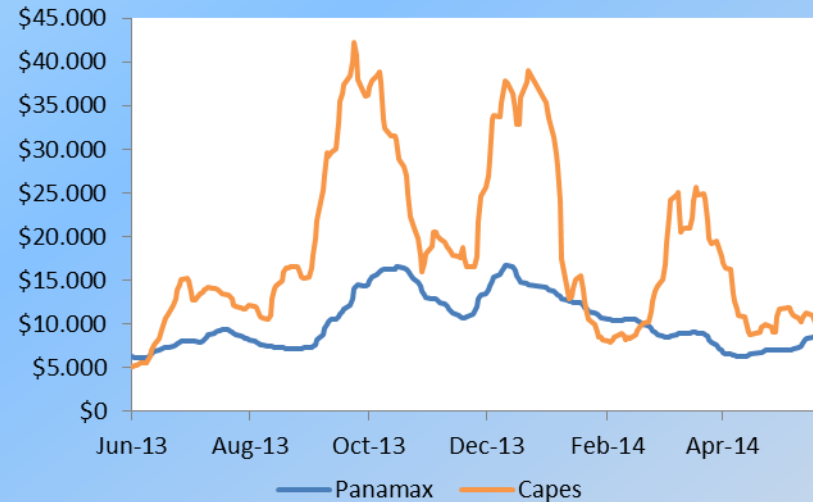
Market slowdown Q1 2014

- ✓ Significant market slow down since Jan 2014 especially for Capes.
- ✓ Currently low \$10,000 for Capes and \$8,000 for Panamax.
- ✓ Q1 slowdown due to one-off items as lunar year & spring festivals, bird flu etc.

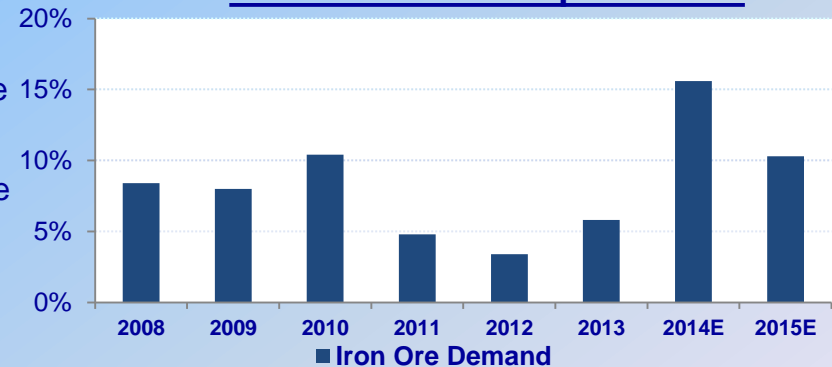
Market improving prospects

- ✓ Record Iron Ore Imports 24% increase YOY.
- ✓ Dropping Iron Ore prices will stimulate imports
- ✓ China Government stimulates urbanization – 6,600km of new railway lines planned for 2014
- ✓ Stable growth for China in Q1 '14 at 7,4%.
- ✓ Market analysts estimate Capes averaging at mid – high \$20,000 per day through the 2nd half of 2014. Panamax expected at the range of mid \$15,000.

Panamax & Capes AVG4TC



Positive Market Expectations



Investing alongside Management

- ✓ **Hajioannou family invests in drybulk shipping since 1958 gaining experience through many shipping cycles.**
- ✓ **CEO Polys Hajioannou invests in shipping only through Safe Bulkers and currently controls ~57% of the company.**
- ✓ **Aligned interests of shareholders with Management.**

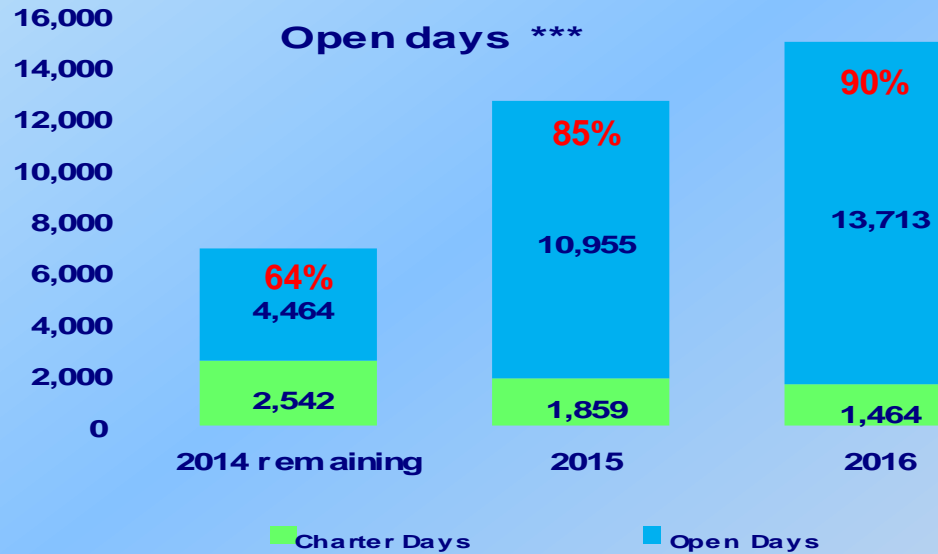
Facts

- ✓ **Growth:** 13 new eco-design newbuild dry bulk vessels on order through 2017 with average price \$31.1 million.
- ✓ **Exposure to spot market:** 64% of open days for the remainder of 2014.
- ✓ **Low leverage:** \$12.5 million net debt per vessel as of March 31, 2014, for an average fleet age of 5.4 years; a 5 year old Panamax stands currently at \$27.3 million.
- ✓ **Lean operations:** \$5,825 per day per vessel in total for OPEX and G&A (including management fees) for the first quarter of 2014.
- ✓ **Low financing costs:** 1.695% p.a., average interest rate, including the margin, for all bank loan and credit facilities during the first quarter of 2014.
- ✓ **Dividend payer:** \$0.06 dividend on common shares declared for the first quarter of 2014.

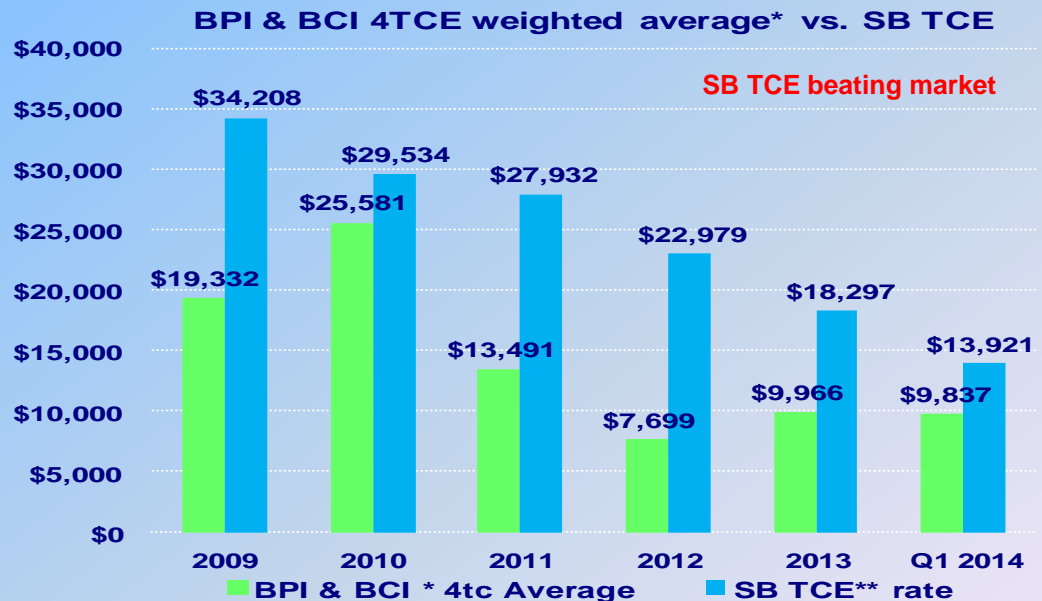
Recent Activity

- ✓ 6 additional new eco-design newbuild vessels on order.
- ✓ 3 Japanese newbuild vessels delivered; 1 Cape (10-year time charter contract upon delivery); 2 new eco-design Panamax vessels employed in the spot charter market.
- ✓ \$36.3 million arbitration award proceeds collected in relation to a cancelled Capesize class vessel (*Hull No. J0131*).
- ✓ \$55.4 million net offering proceeds from Public Offering of 2.3 million Series C cumulative redeemable perpetual preferred shares of 8% coupon.

Spot market exposure



Chartering performance

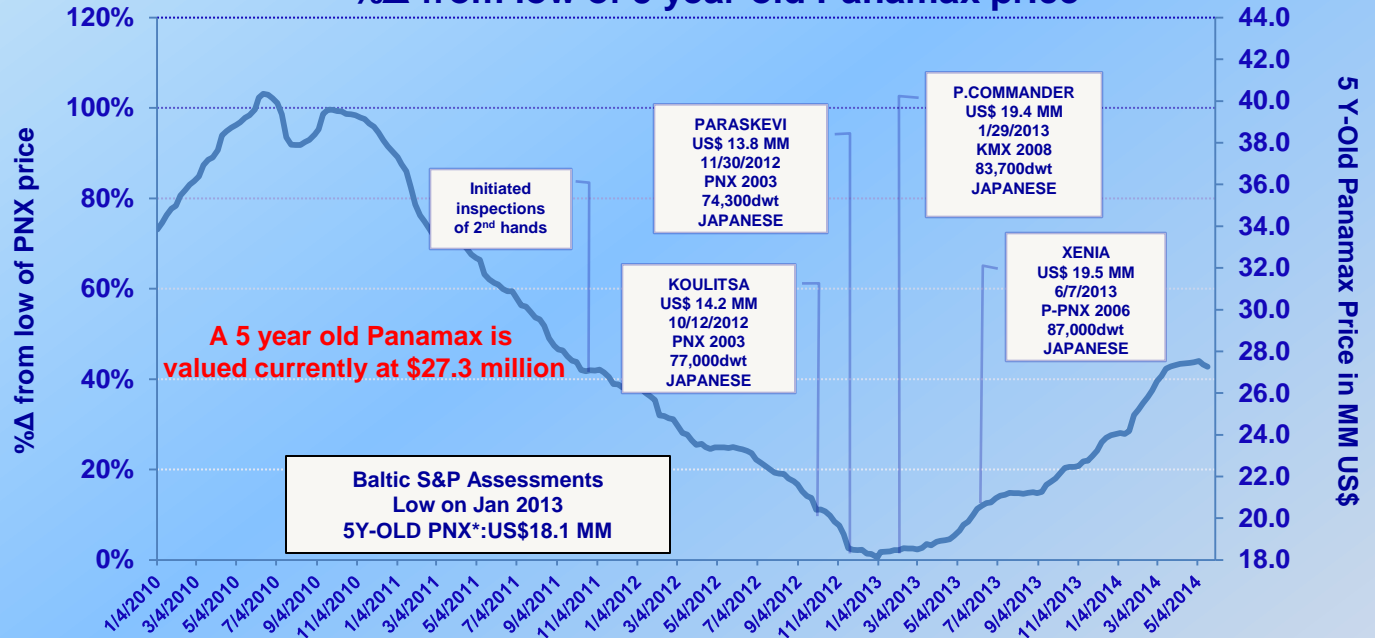


* Source Baltic Exchange

** Safe Bulkers data

*** Data as of May 22, 2014. Charter coverage includes vessels to be delivered.

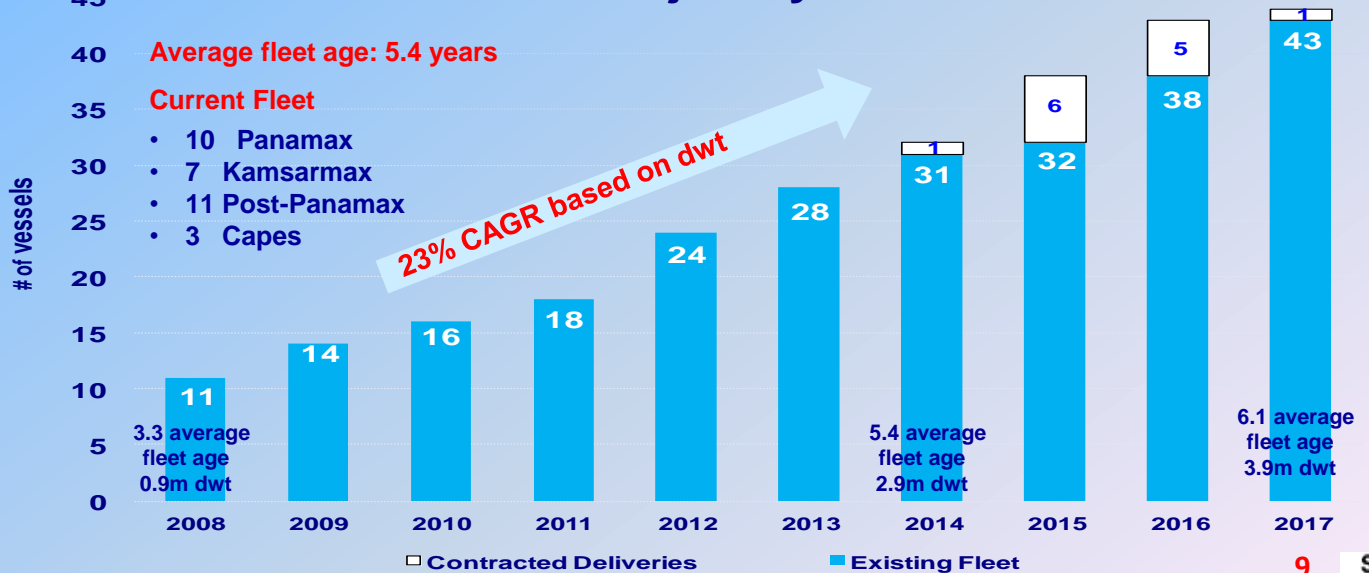
Baltic Exchange Sale & Purchase Assessment Index %Δ from low of 5 year old Panamax price



Track record of countercyclical investments

Expand and renew fleet with eco-design vessels

Continuous Growth Trajectory Since IPO

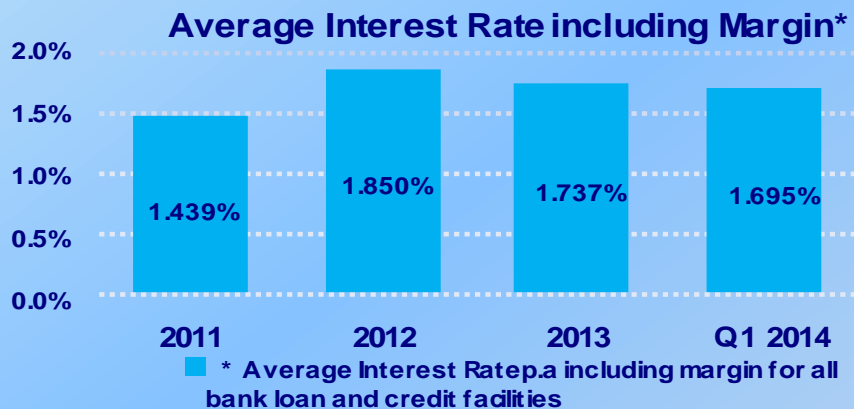


Data as of May 22, 2014

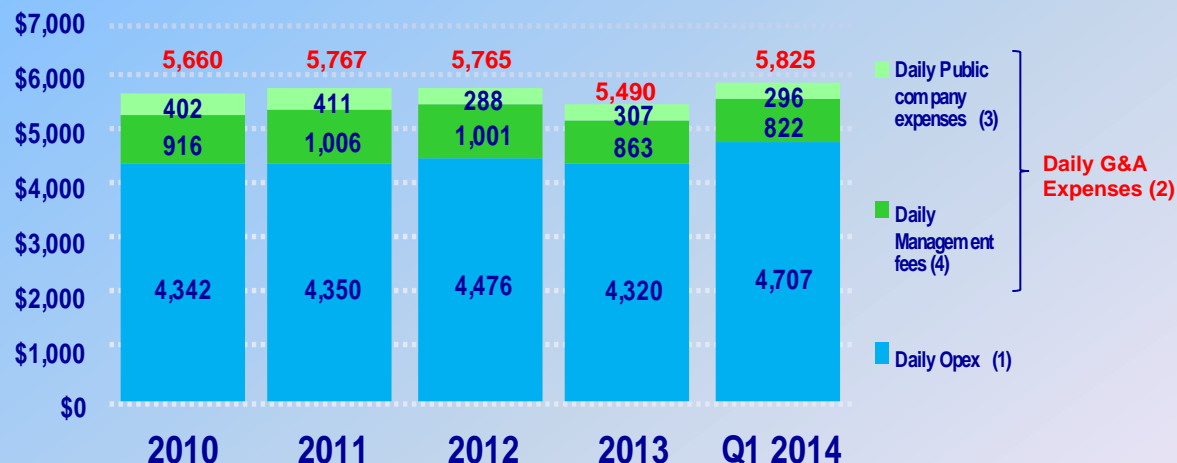
ASSET MANAGEMENT



Low financing cost



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



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

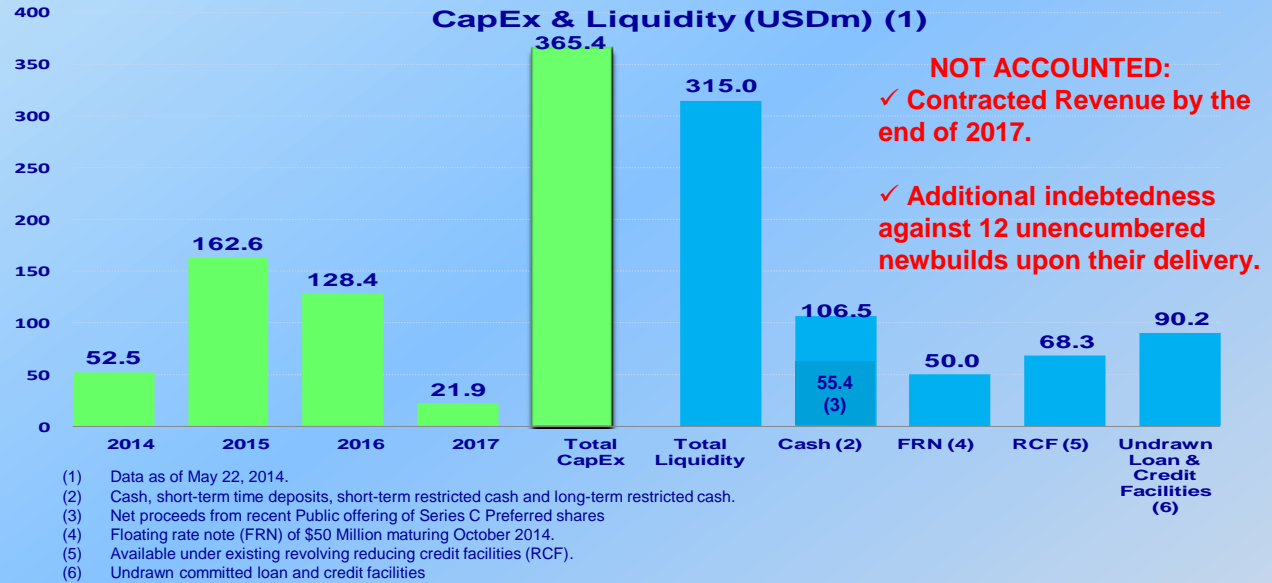
(2) Daily general and administrative expenses in US\$ include daily management fees and the costs in relation to our operation as public company defined below. Daily vessel general and administrative expenses are calculated by dividing general and administrative expenses by ownership days for the relevant 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.

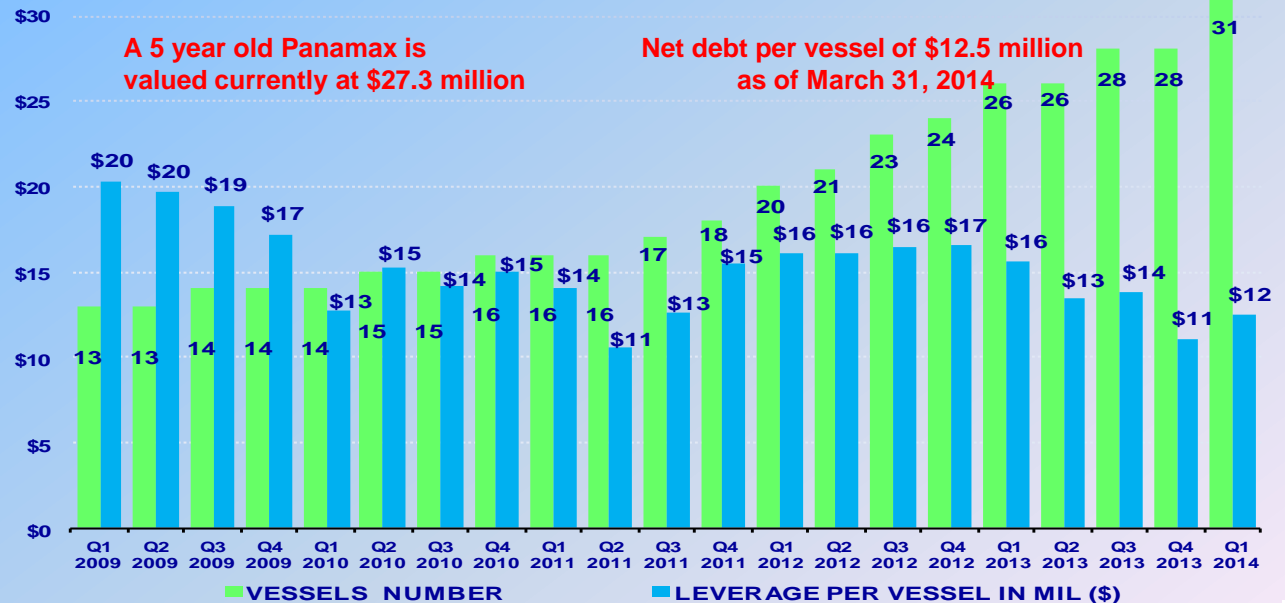
OPERATING

Expansion
fully
financed



FINANCING

Net debt per vessel in USD million(*)



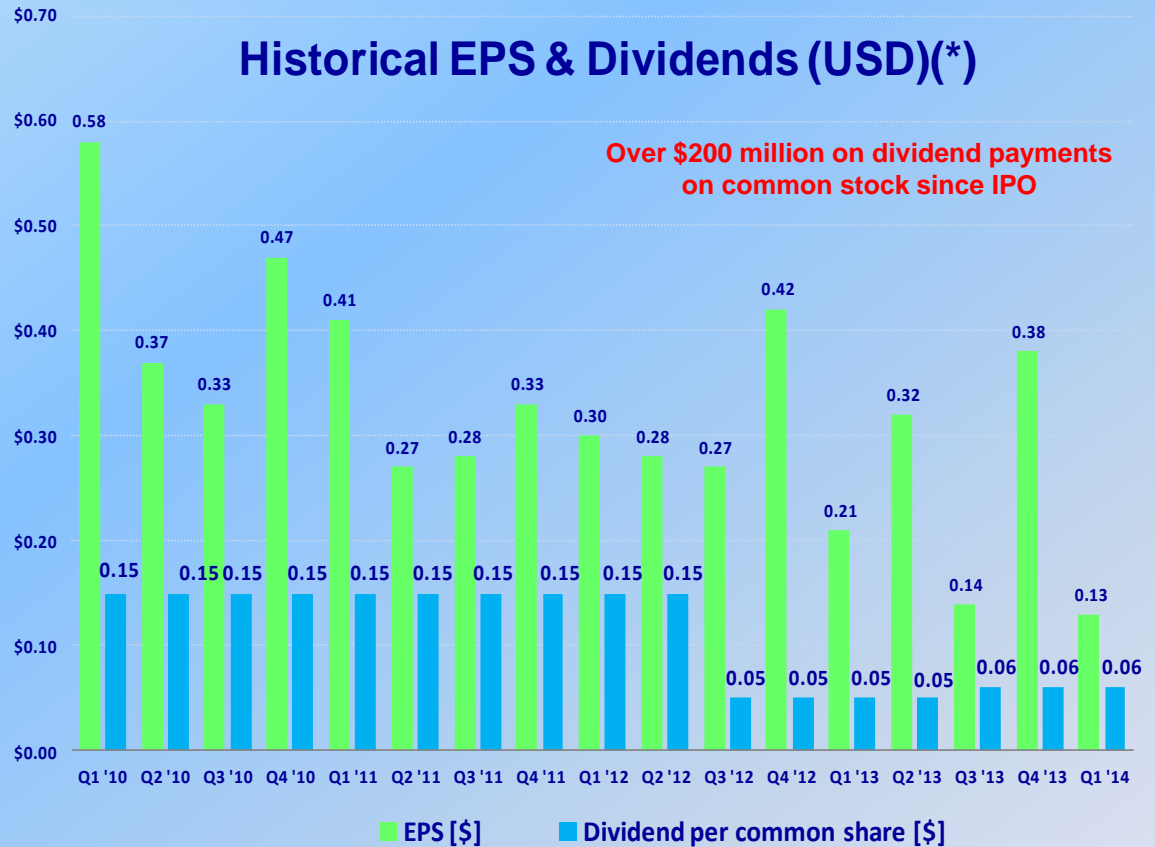
Comfortable
leverage



(*) Data as of March 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

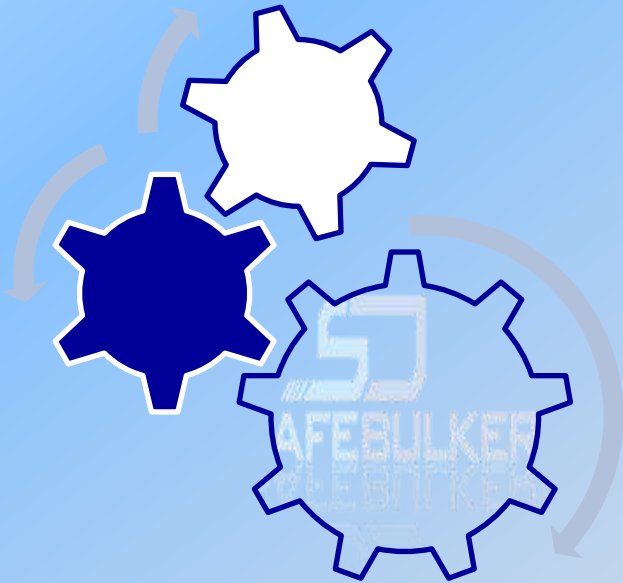
Historical EPS & Dividends (USD)(*)



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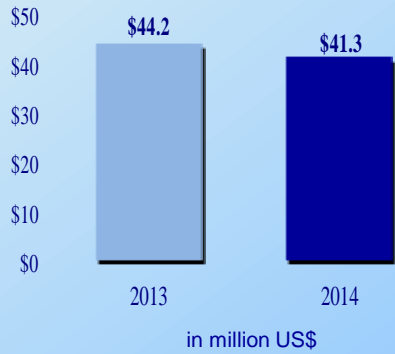
The declaration and payment of dividends, if any, will always be subject to the discretion of our board of directors. The timing and amount of any dividends declared will depend on, among other things: (a) our earnings, financial condition and cash requirements and available sources of liquidity, (b) 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 and on our 2,300,000 outstanding shares of Series C Preferred Shares issued in May 2014.

Financial Section

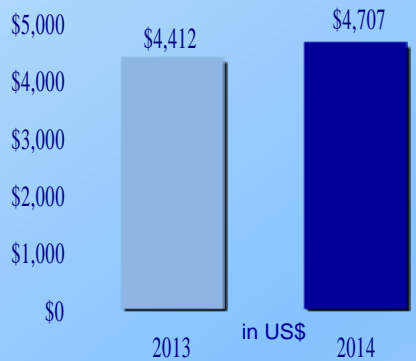


SELECTED QUARTERLY FINANCIAL HIGHLIGHTS

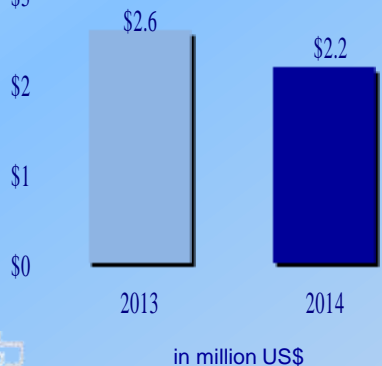
NET REVENUE



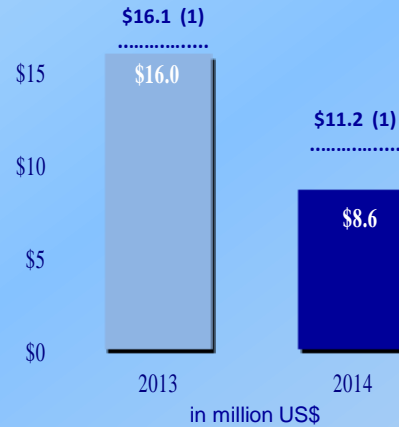
DAILY OPEX



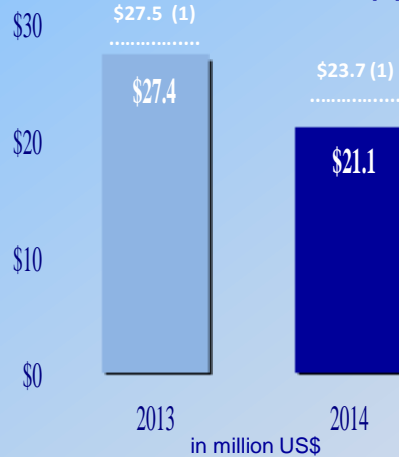
INTEREST EXPENSE



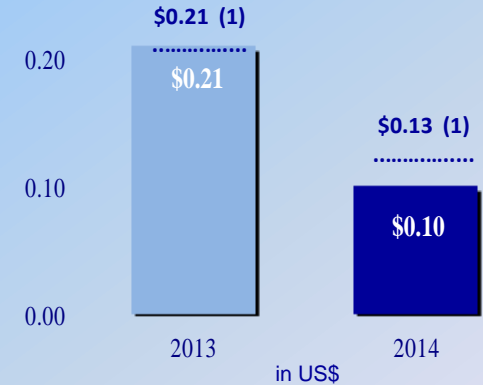
ADJUSTED NET INCOME (2)



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 15.

FINANCIAL FUNDAMENTALS

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)

	2013	2014
<u>Net Income - Adjusted Net Income</u>		
Net Income	16,069	11,232
Less Gain on asset purchase cancellation	-	(3,633)
Plus Early redelivery cost	-	532
Plus (Gain)/loss on Derivatives	(63)	447
Plus Foreign currency (gain)/loss	(36)	38
Adjusted Net Income	15,970	8,616
<u>EBITDA - Adjusted EBITDA</u>		
Net Income	16,069	11,232
Plus Net interest expense	2,304	1,934
Plus Depreciation	8,836	10,267
Plus Amortization	310	301
EBITDA	27,519	23,734
Less Gain on asset purchase cancellation	-	(3,633)
Plus Early redelivery cost	-	532
Plus (Gain)/loss on derivatives	(63)	447
Plus Foreign currency (gain)/loss	(36)	38
ADJUSTED EBITDA	27,420	21,118
<u>EPS - Adjusted EPS</u>		
Net Income	16,069	11,232
Adjusted Net Income	15,970	8,616
Weighted average number of shares	76,673,484	83,441,135
EPS	0.21	0.13
Adjusted EPS	0.21	0.10

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

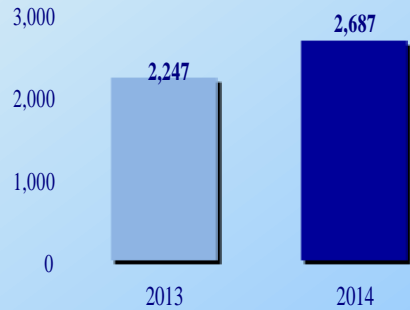
Adjusted Net Income available to common shareholders represents Adjusted Net Income less Preferred dividend.

EBITDA represents net income before interest, income tax expense, depreciation and amortization. Adjusted EBITDA represents EBITDA before gain on asset purchase cancellation, early redelivery cost, gain/(loss) 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/(loss) on asset purchase cancellation, 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.

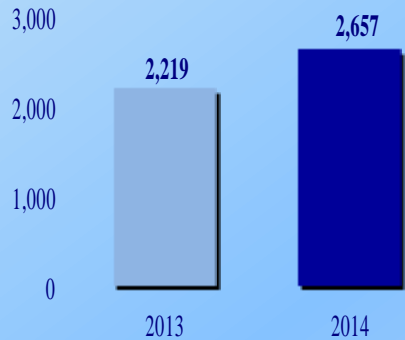
EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS have limitations as analytical tools, and should not be considered in isolation, or as a substitute for analysis of the Company's results as reported under US GAAP. EBITDA and Adjusted EBITDA should not be considered as substitutes for net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

SELECTED QUARTERLY OPERATIONAL HIGHLIGHTS

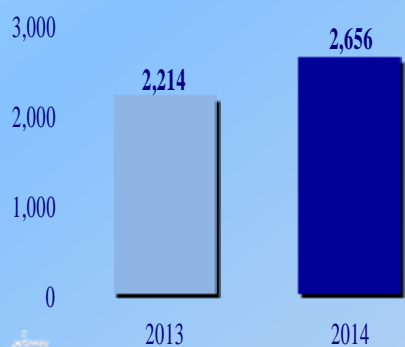
OWNERSHIP DAYS*



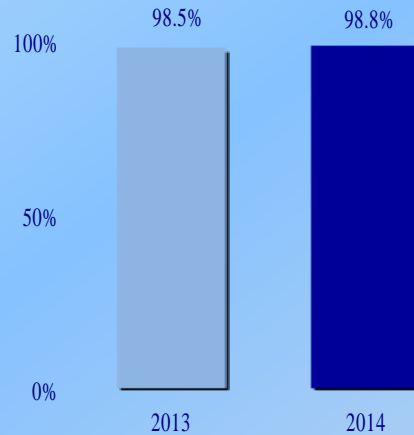
AVAILABLE DAYS*



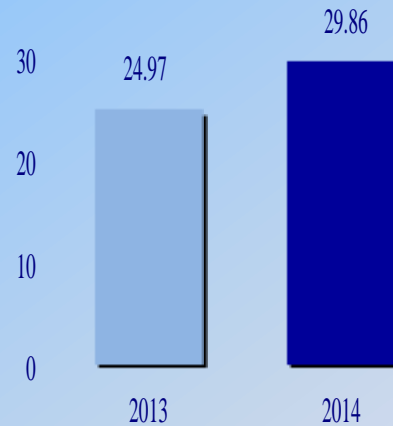
OPERATING DAYS*



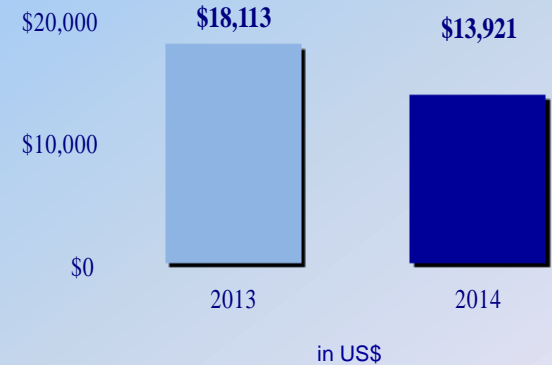
FLEET UTILIZATION*



AVERAGE NUMBER OF VESSELS IN PERIOD*



TIME CHARTER EQUIVALENT RATE*



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

OPERATIONAL FUNDAMENTALS

Three-Months Period Ended
March 31,

FLEET DATA AND AVERAGE DAILY INDICATORS	2013	2014
Number of vessels at period end	26	31
Average age of fleet (in years)	4.96	5.28
Ownership days (1)	2,247	2,687
Available days (2)	2,219	2,657
Operating days (3)	2,214	2,656
Fleet utilization (4)	98.5%	98.8%
Average number of vessels in the period (5)	24.97	29.86
AVERAGE DAILY RESULTS		
Time charter equivalent rate (6)	\$18,113	\$13,921
Daily vessel operating expenses (7)	\$4,412	\$4,707
Daily general and administrative expenses (8)	\$1,176	\$1,118

- 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 B Operational and Financial data

COMPANY STOCK

PREFERRED SERIES C STOCK

On April 30, 2014 we offered 2,000,000 shares of its 8% Series C Cumulative Redeemable Perpetual Preferred Shares, par value \$0.01 per share, liquidation preference \$25.00 per share and granted the underwriters for an overallotment option for additional 300,000 shares (the “Series C Preferred Shares”) to the public (the “Public Offering”).

The net proceeds from the public offering, including the overallotment option, after deducting estimated underwriting discounts and estimated expenses payable by us were approximately \$55.4 million.

The Company plans to use the net proceeds of the Public Offering for vessel acquisitions, capital expenditures and for other general corporate purposes, which may include repayment of indebtedness.

The Company has 2,300,000 Series C Preferred Shares outstanding as of May 28, 2014.

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 June 17, 2014, to shareholders of record at the close of trading of the Company's common stock on the New York Stock Exchange (the “NYSE”) on June 10, 2014.

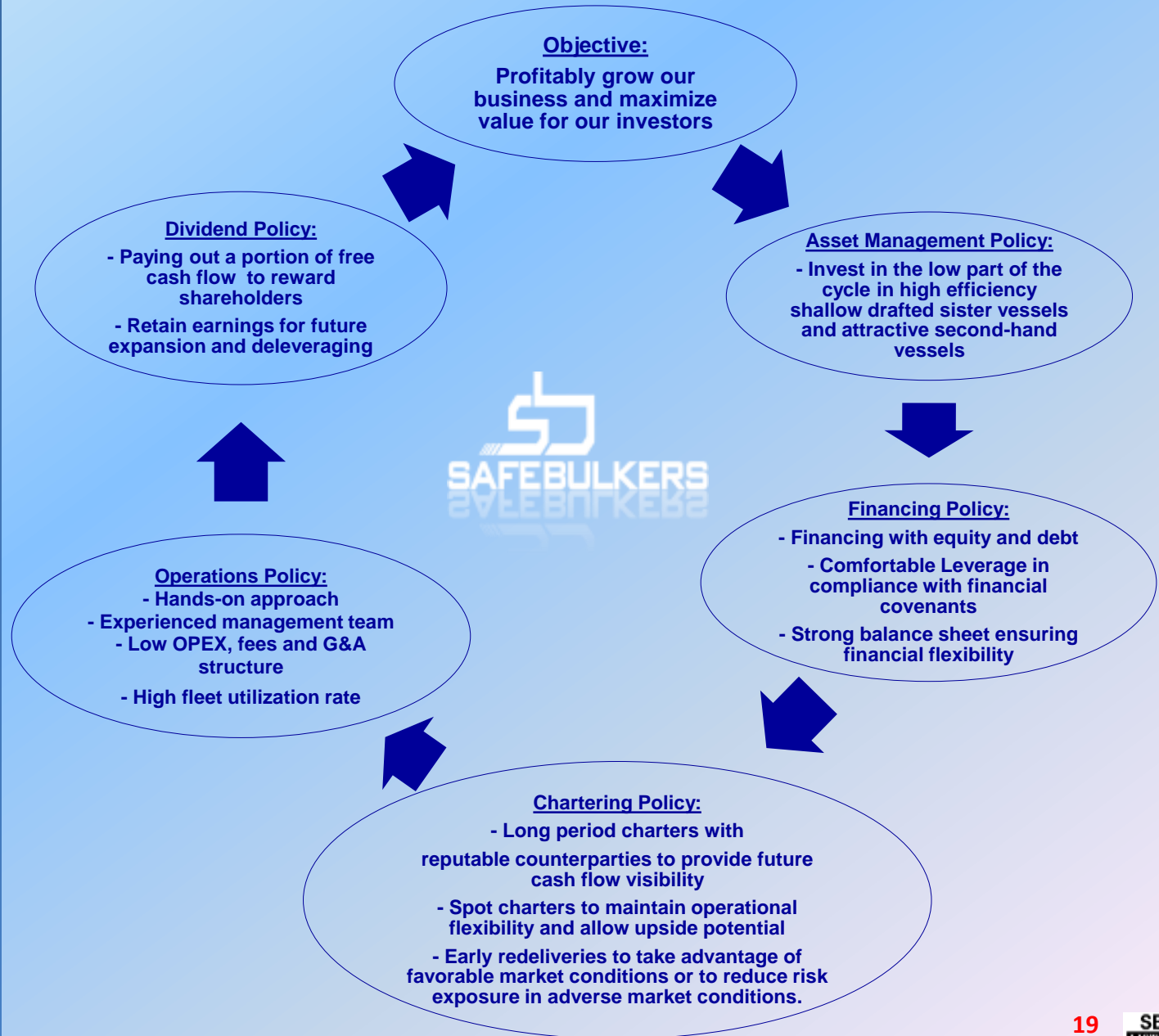
The Company had 83,442,755 shares of common stock issued and outstanding as of May 28, 2014.

PREFERRED SERIES B STOCK

The Company's Board of Directors has declared a cash dividend of \$0.50 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 January 30, 2013 to April 29, 2014. The dividend was paid on April 30, 2014 to all Series B preferred shareholders of record as of April 24, 2014.

The Company has 1,600,000 Series B Preferred Shares outstanding as of May 28, 2014.

Consistent policies





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THANK YOU