



SB  
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NYSE

Aviation, Transportation & Defense  
Conference 2011



# 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 publicly 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.

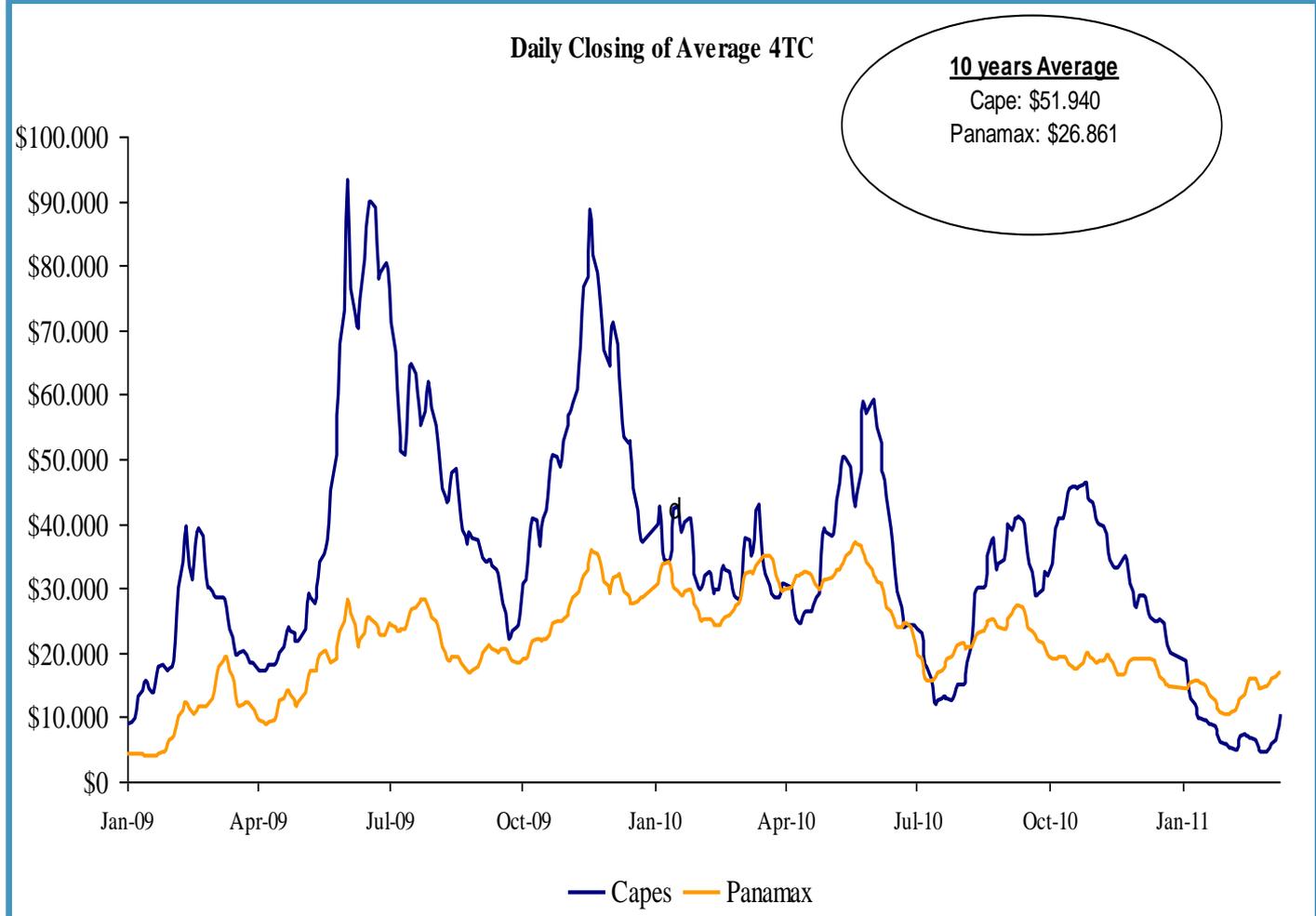
# Management Team

**Polys Hajioannou**  
*Chairman and CEO*

# Macro Trends

# Charter Market Conditions

## Cape & Panamax Average 4TC



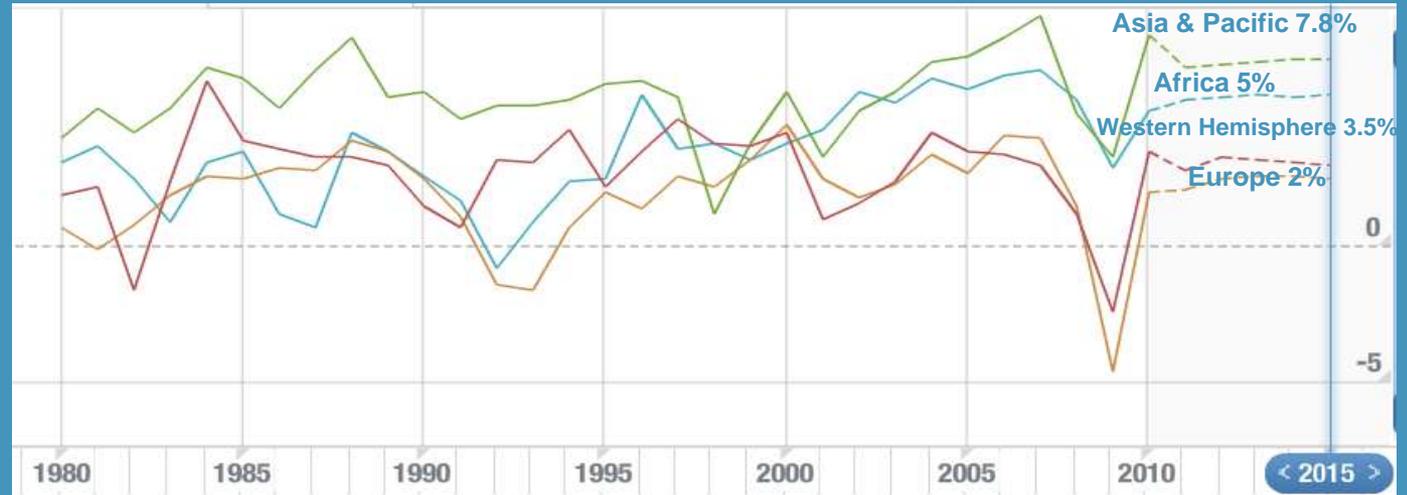
Source: Baltic Exchange



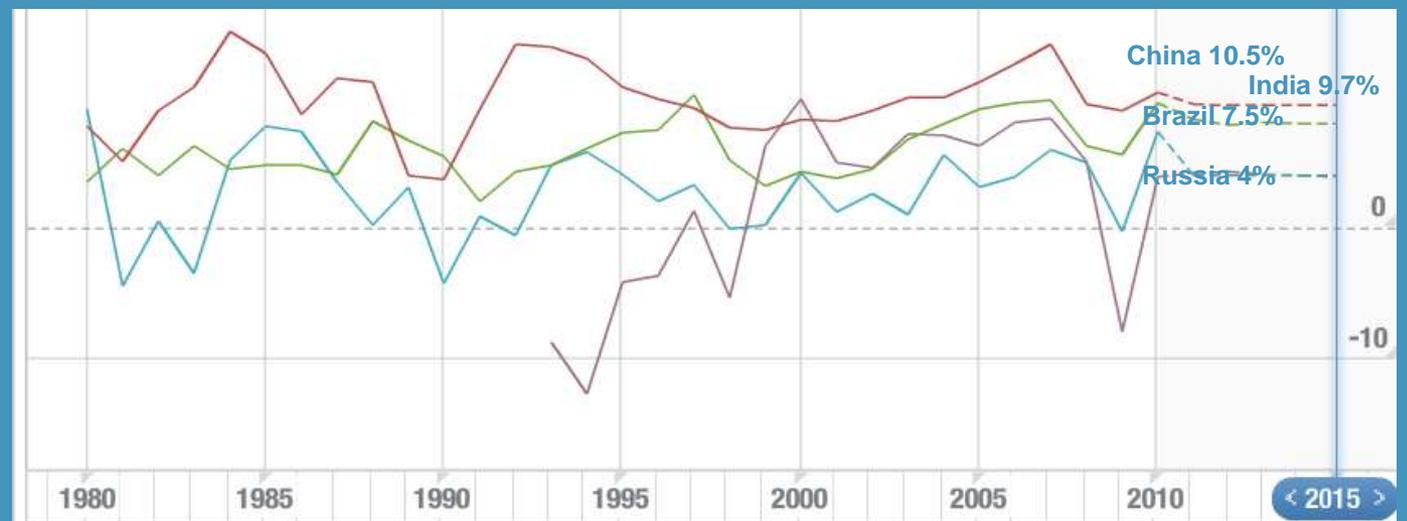
# Macro Trends

# Demand Side

GDP %Δ  
Regional



GDP %Δ  
BRIC  
countries



Source: IMF

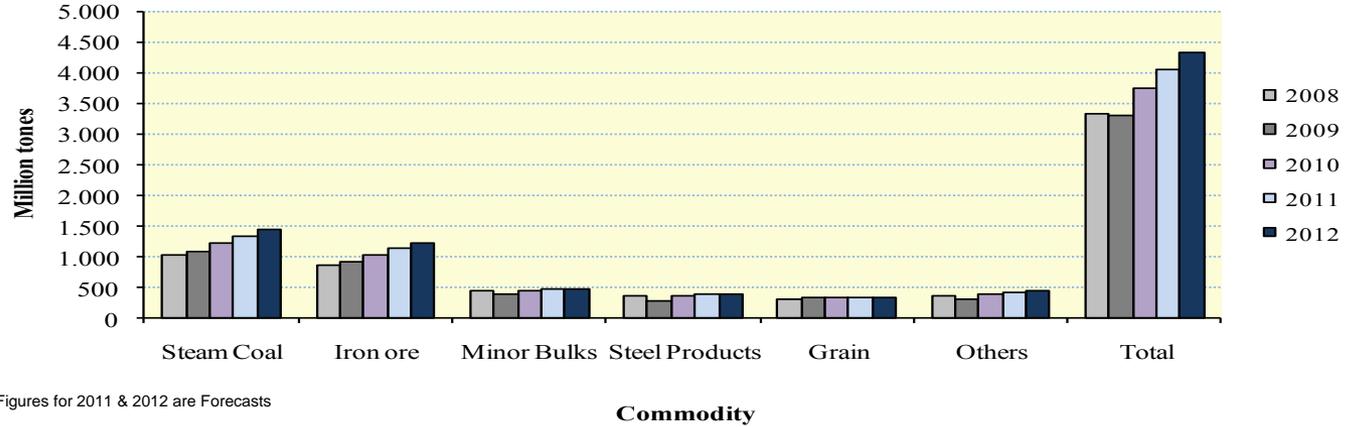
Macro Trends

# Demand Side

Drybulk commodities

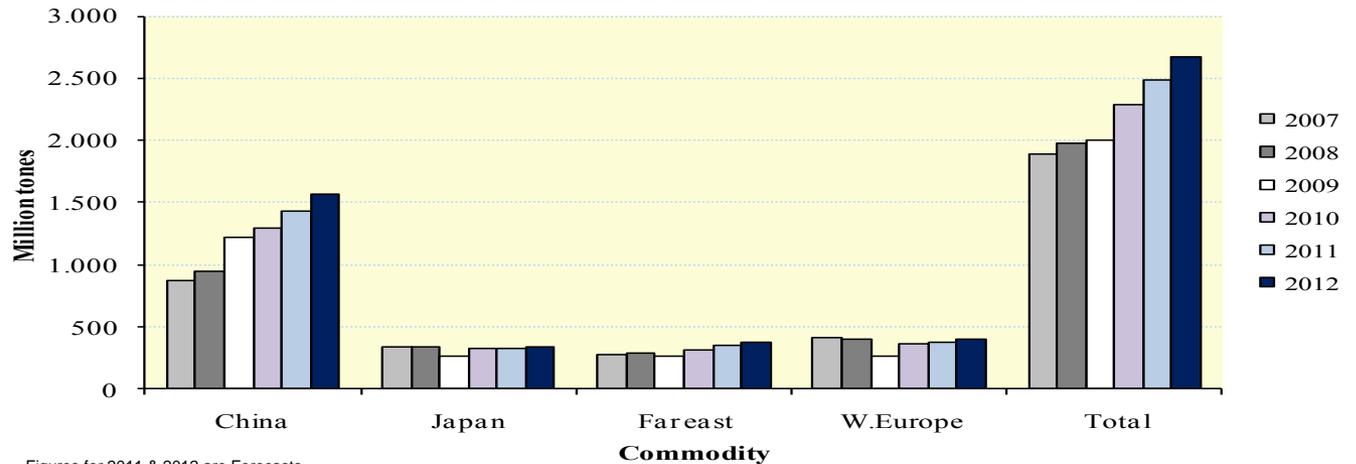
Steel and Steel Related Commodities

Commodities demand overview



Figures for 2011 & 2012 are Forecasts

Steel production and major steel related import indicators per Geographical Location



Figures for 2011 & 2012 are Forecasts

Source: Pareto Securities S.A.

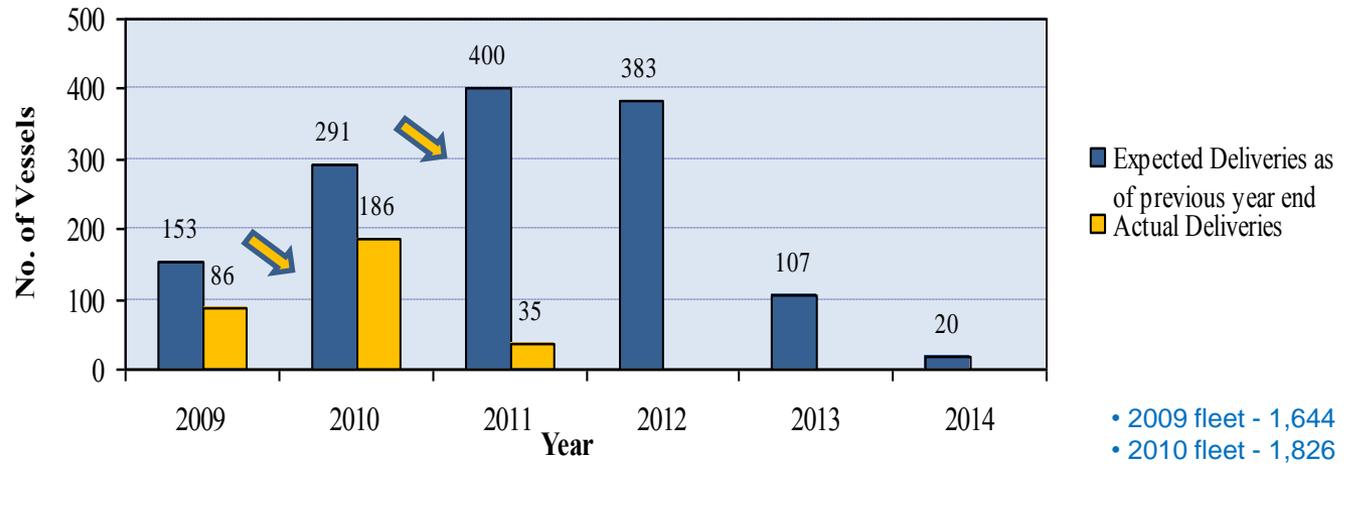
Macro Trends

# Supply Side: Panamax – Post Panamax

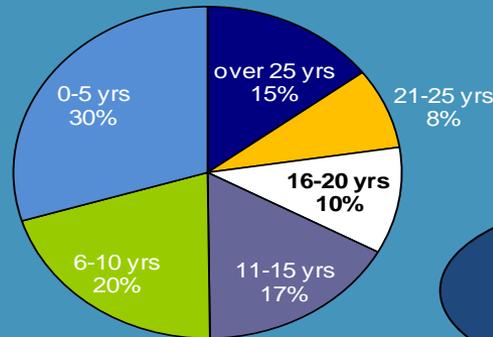
Orderbook

Vs

Actual Deliveries



Age Profile



Non deliveries of about 44% and 36% in 2009 and 2010, respectively

23% of fleet is aged more than 20 years

Source: SSY

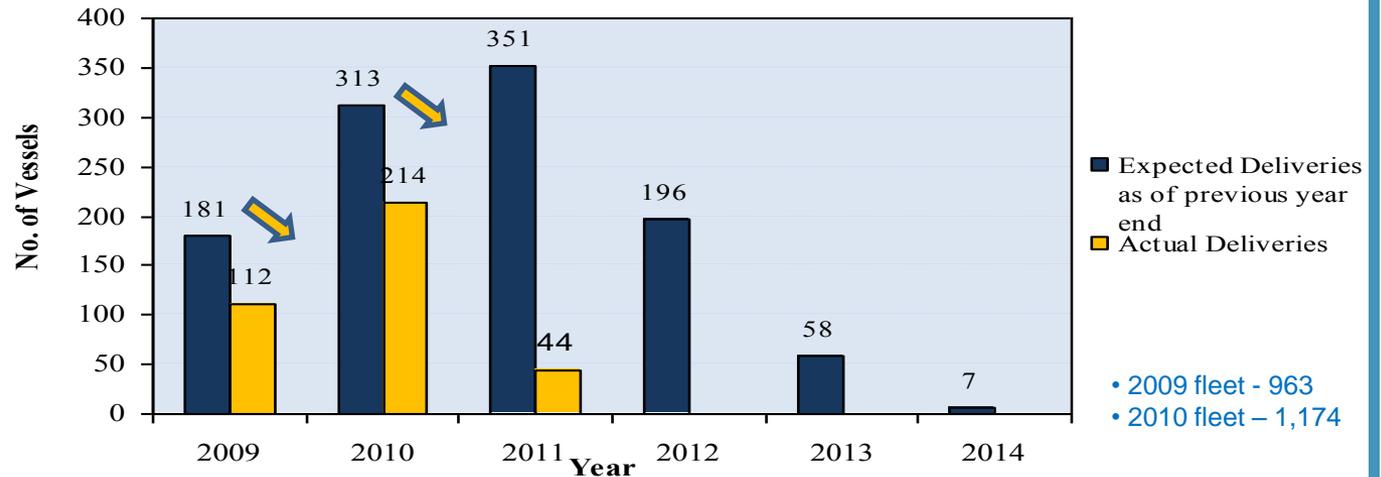
Macro Trends

# Supply Side: Cape Size

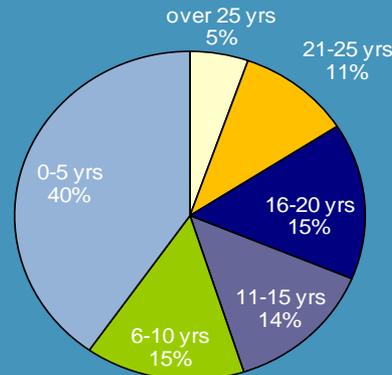
Orderbook

Vs

Actual Deliveries



Age Profile



Non deliveries of about 38% and 32% in 2009 and 2010, respectively

All 3 of our Capes are long-term chartered

Source: SSY

# Track Record

Management

Track Record

Building  
Investor  
Credibility

Risk  
Management

- **Over 50 Years of History in the Shipping industry.**
- **Long-term Relationships with key players in the market** (charterers, shipyards, banks, insurers).
- **Built-in operational and technical experience** through our Fleet Manager.
- **Traded on U.S exchange (NYSE)**
  - I. Initial Public Offering: June 2008**
  - II. Follow-on Offering: March 2010**
- **Payment of dividends in every quarter since our IPO.**

# Building Investor Credibility

Management

Track Record

**Building  
Investor  
Credibility**

Risk  
Management

- Management invests in ship-owning activities **only through Safe Bulkers.**
- Management owns a large percentage of **Safe Bulkers stock**, ensuring full alignment with public shareholders' interests.
- **Exclusive 10 year management agreement.**
- **Payment of 11 consecutive dividends since our IPO total of \$114 million.** Our 11<sup>th</sup> consecutive dividend was paid on February 25, 2011.
- **Sustainable chartering, asset management and financing policies.**

# Risk Management

Management

Track Record

Building  
Investor  
Credibility

**Risk  
Management**

- **Young fleet plus efficient technical supervision** reduces operational risks.
- Employment of vessels with **major, well established commodity transporters** minimizes third party risk. All our charterers performed during the last crisis.
- **Efficient asset management through the market cycle maximizes return on investment.**  
Example: Recent acquisition of a Capesize newbuild at \$53.0 million with net contracted revenue of \$62.6 million in the first 7 years of a 10 year time charter, after which a purchase option at \$39.0 million gross can be exercised by the charterer.
- **Strong Balance Sheet and Cash Position** provides financial flexibility.

Differentiated Strategies

**Chartering**

Fleet Employment

Fleet Profile

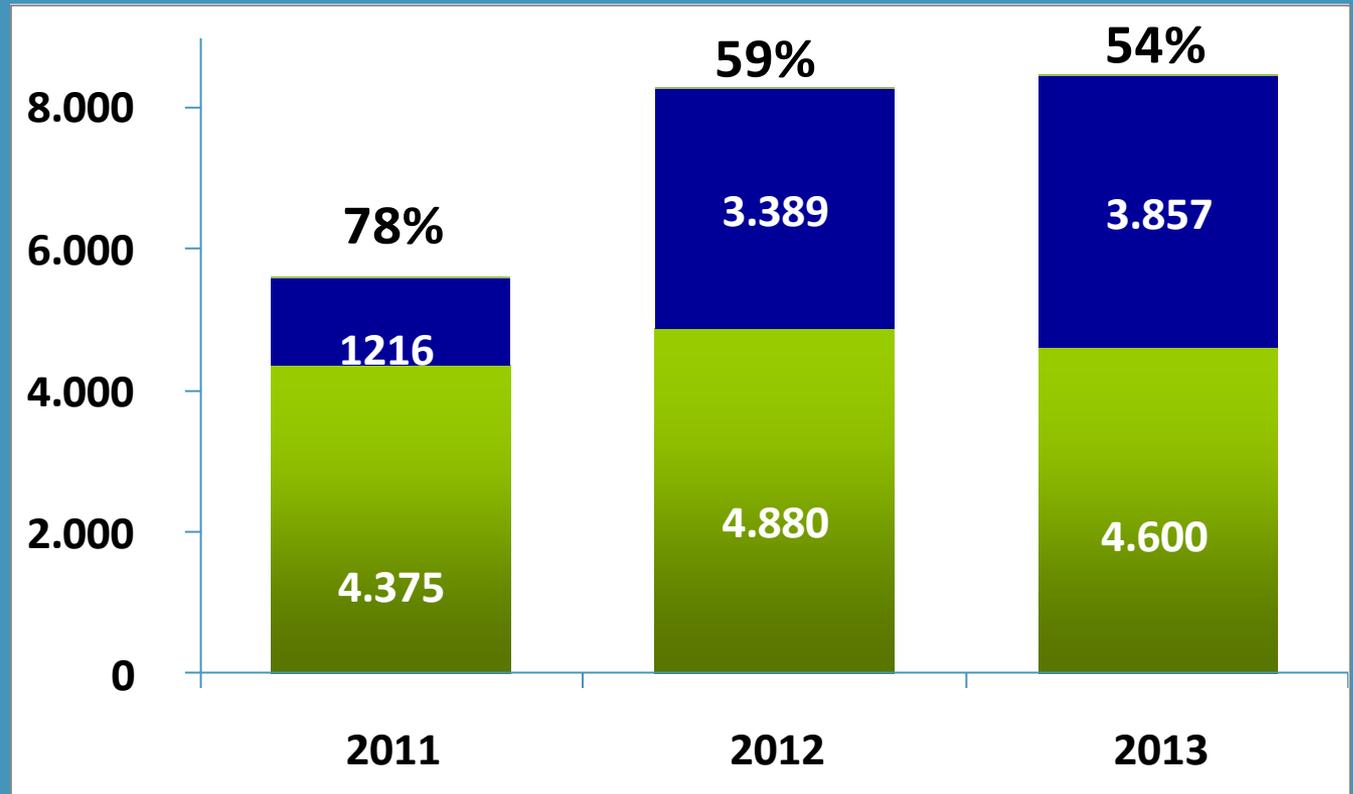
Leverage

Liquidity

Dividend

# Chartering with Premier Counterparties

Charter Coverage as of January 31, 2011 including newbuilds



78% for the remainder of 2011

■ Contracted Days  
■ Open days

# Chartering with Premier Counterparties\*

Differentiated  
Strategies

**Chartering**

**Fleet Profile**

**Fleet  
Employment**

**Leverage**

**Liquidity**

**Dividend**

*Cargill*<sup>™</sup>

BUNGE



Daiichi Chuo Kisen Kaisha

**K** **K** **L** **I** **N** **E**  
KAWASAKI KISEN KAISHA, LTD.



SHINWA KAIUN KAISHA, LTD.

TATA

ArcelorMittal

**Our charterers performed  
during the last crisis**

\* Note: Safe Bulkiers may do business with affiliates or subsidiaries of these companies

## Differentiated Strategies

### Chartering

### Fleet Profile

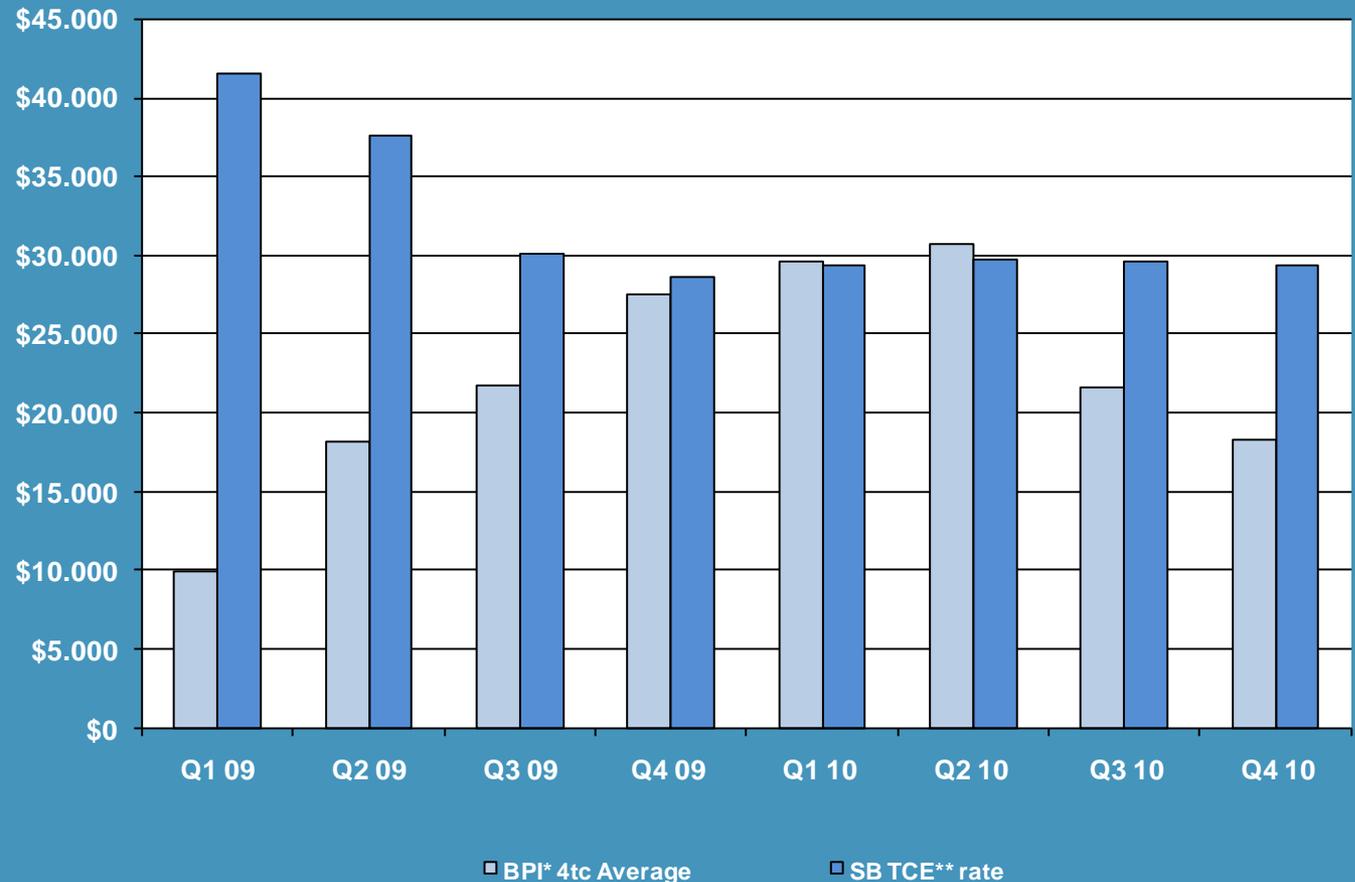
### Fleet Employment

### Leverage

### Liquidity

### Dividend

# Performance of chartering policy



\* BPI - Baltic Panamax Index

\*\* SB TCE – Safe Bulkera Time charter Equivalent

Differentiated  
Strategies

Chartering

Fleet Profile

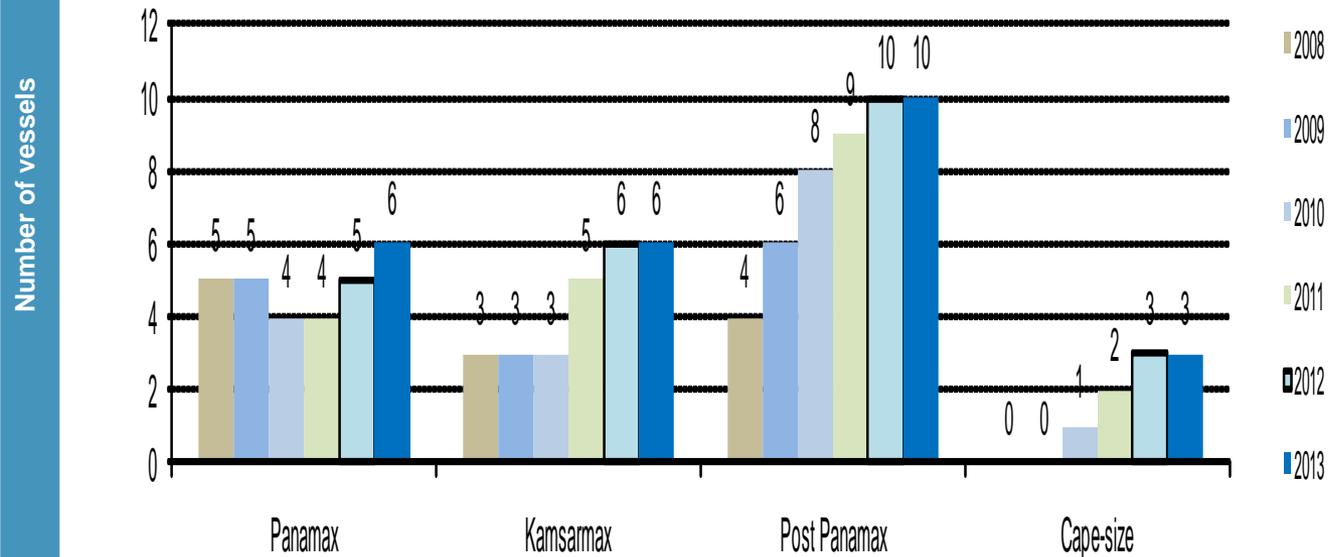
Fleet  
Employment

Leverage

Liquidity

Dividend

## Contracted Fleet expansion\*



- 25 vessels in 2013
- Capacity expansion of 65% to ~2.4 mm DWT

\* As of January 31, 2011

Differentiated Strategies

Chartering

Fleet Profile

Fleet Employment

Leverage

Liquidity

Dividend

# Fleet Employment Profile\*

\* As of February 20, 2011

	2011												2012												2013												2014												2015											
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
<b>A</b> Maria	\$17,750												\$20,250																																															
<b>A</b> Vassos													\$29,000																																															
<b>A</b> Katerina													\$20,000																																															
<b>A</b> Maritsa	\$32,000												\$28,000																								\$24,000																							
<b>B</b> P.Merchant	\$27,250																																																											
<b>B</b> P.Trader	\$42,000												\$20,000																																															
<b>B</b> P.Leader	\$18,750												\$18,350																																															
<b>C</b> Stalo																									\$34,160																																			
<b>C</b> Marina	\$42,500												\$32,500												\$31,500												\$21,500																							
<b>C</b> Sophia													\$34,720																																															
<b>C</b> Eleni																									\$34,160																																			
<b>C</b> Martine													\$40,500																																															
<b>D</b> Andreas K	\$20,500												\$22,000																																															
<b>D</b> Panayota K	\$22,750																																																											
<b>E</b> V. Heritage	\$22,000																																																											
Kanaris	\$31,000																								\$25,928												TILL MAY 2031																							
<b>E</b> H.1579													DD																																															
<b>E</b> H.1594																									DD																																			
H.1074													DD																								\$38,000												TILL DEC 2021											
<b>F</b> H. 616																									DD																																			
<b>F</b> H. 617																									DD																																			
H. 1154																																					DD																							
<b>F</b> H. 631													DD																																															
H. J0131																									DI												\$24,810												TILL AUG 2022											
H. S804													DD																																															

- (1) (DD): For newbuilds, the dates shown reflect the expected delivery dates. Each vessel with the same letter is a "sister ship" of each other vessel that has the same letter, and under certain of our charter contracts, may be substituted with its "sister ships."
- (2) Quoted charter rates are gross charter rates. Gross charter rates are inclusive of commissions. Net charter rates are charter rates after the payment of commissions. Commissions reflect payments made to third-party brokers on our charters, and do not include the 1.25% fee payable on gross freight, charter hire, ballast bonus and demurrage to our Manager pursuant to our vessel management agreements with our Manager
- (3) The start dates listed reflect either actual start dates or, in the case of contracted charters that had not commenced as of February 20, 2011, scheduled start dates. Actual start dates and redelivery dates may differ from the scheduled start and redelivery dates depending on the terms of the charter and market conditions.
- (4) For further information on our charters please refer to our 2010 Annual Report on Form 20-F filed on March 04, 2011

# Prudent Leverage

Differentiated  
Strategies

Chartering

Fleet Profile

Fleet  
Employment

Leverage

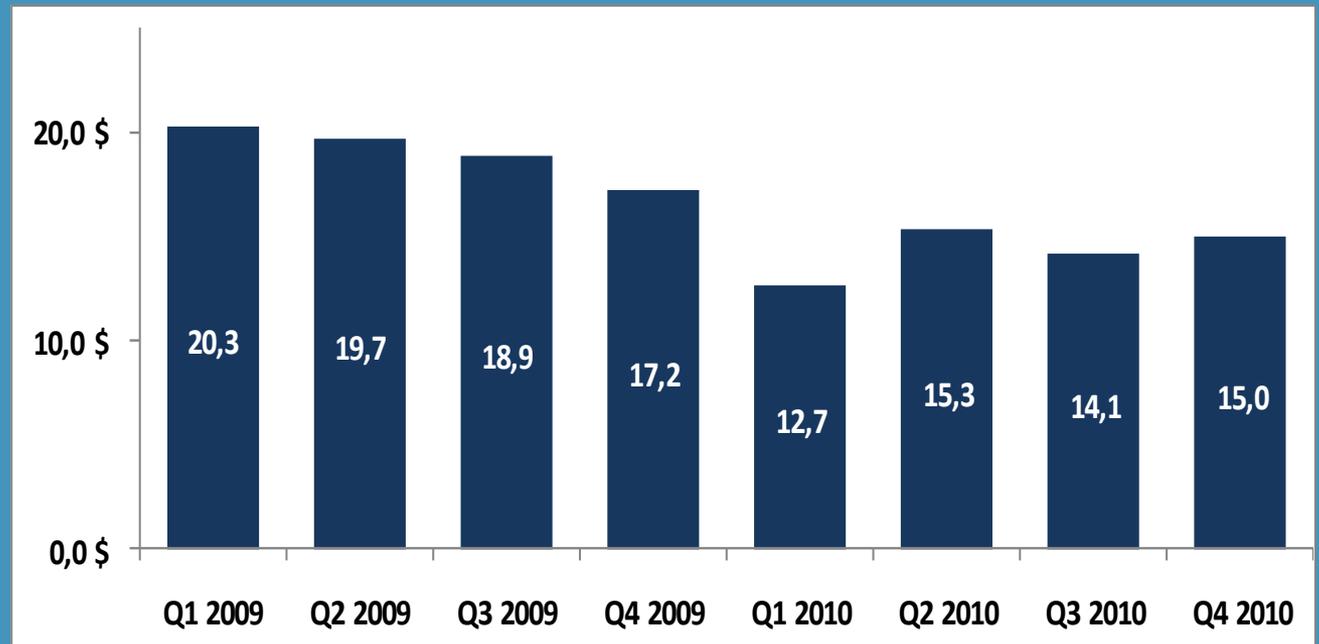
Liquidity

Dividend

Vessels as of Q-end



Net debt per vessel\* [mil. USD]



\*Net debt per vessel consists of total debt less cash, time deposits, restricted cash, long-term floating rate note less advances for newbuilds divided by number of vessels "in the water" as of quarter end.

Assumption: Contracted value of newbuilds equals market value.

## Differentiated Strategies

Chartering

Fleet Profile

Fleet Employment

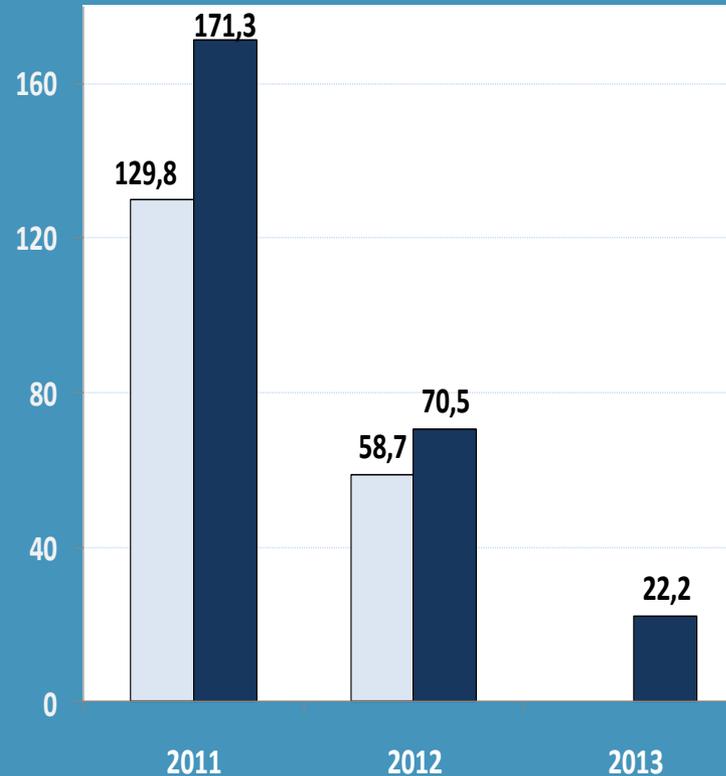
Leverage

**Liquidity**

Dividend

# Liquidity vs. Capex requirements

As of December 31, 2010



■ Liquidity: Cash, Time Deposits, Restricted Cash and committed loans excluding Long-Term Floating Rate Note

■ Capital Expenditure Requirements

- 1 existing unencumbered vessel
- \$50 million Long-term Floating Rate Note facility
- Visibility on our future cash flows

## Differentiated Strategies

Chartering

Fleet Profile

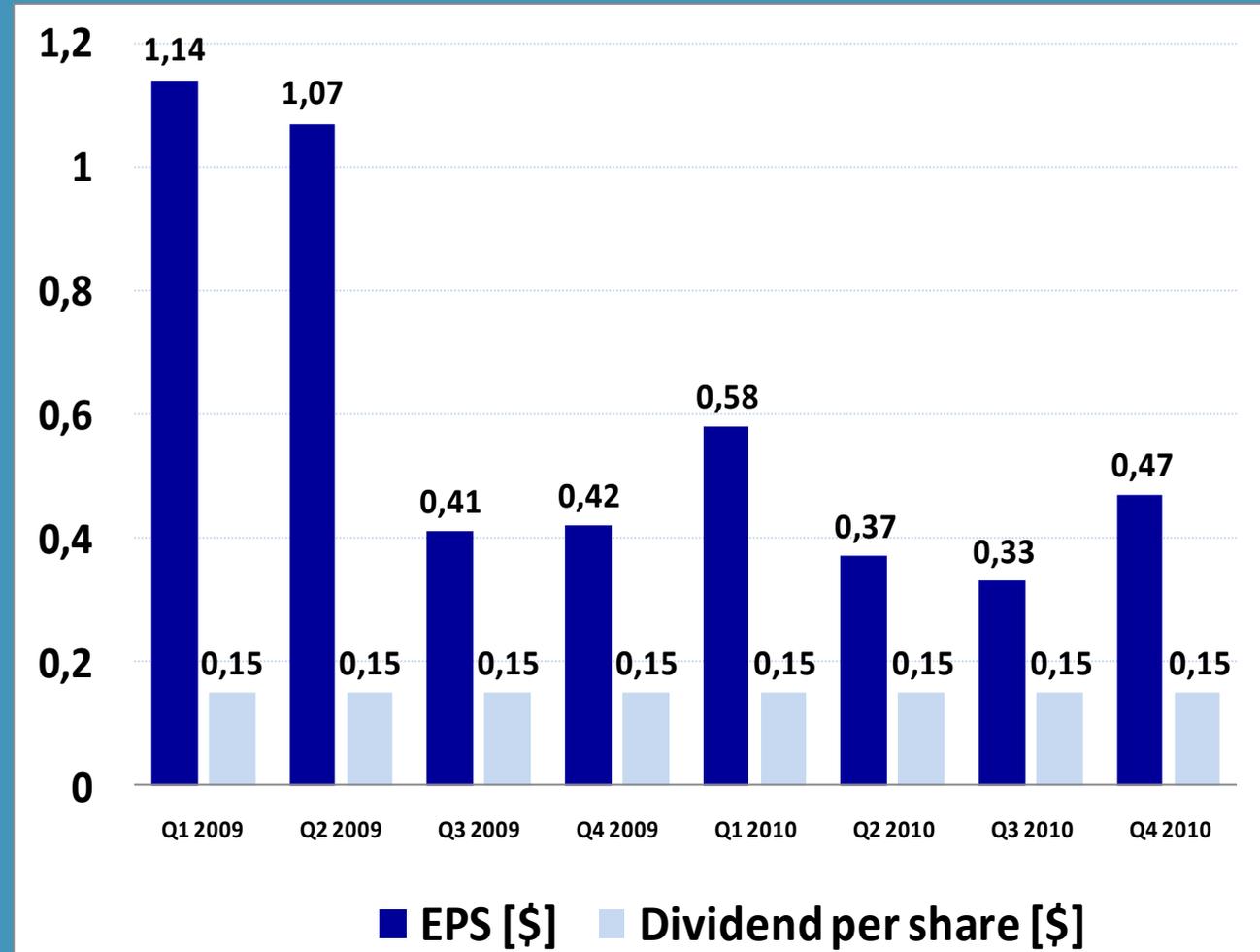
Fleet Employment

Leverage

Liquidity

**Dividend**

# EPS vs. Dividend per share



**Financial  
results**

## **Dividends**

### **Dividend Declaration**

The Company paid a cash dividend on its common stock of \$0.15 per share on February 25, 2011 to shareholders of record at the close of trading of the Company's common stock on the New York Stock Exchange (the "NYSE") on February 18, 2011.

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. We can give no assurance that dividends will be paid in the future.

**Prudent  
Dividend  
policy**

# Actively Managing Our Business

Financial results

History

Growth

Financial flexibility

Dividend policy

Strategic planning

- 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 16 drybulk vessels, **all built after 2003**.
- Significant contracted growth with **9 additional newbuild** vessels .
- Extensive charter coverage with **Blue Chip Customers** and upside potential subject to market conditions.
- Strong balance sheet and liquidity provide **financial flexibility**.
- **Prudent dividend policy**.
- Proactive management team, **fully aligned** with public shareholders, implements and optimizes strategic planning and policies adapted to market conditions.

# Analyst Coverage

**Ken Hoexter**  
BAML

**Natasha Boyden**  
Cantor Fitzgerald

**Gregory Lewis**  
Credit Suisse

**Omar Nokta**  
Dahlman Rose & Co

**Glenn Lodden**  
DnBNOR

**Robert Mackenzie**  
FBR Capital Markets

**Douglas Mavrinac**  
Jefferies & Co.

**Ole Slorer**  
Morgan Stanley

**G. Scott Burk**  
Oppenheimer & Co

Please note that any opinions, estimates or forecasts regarding Safe Bulkers' performance made by the analysts are theirs alone and do not represent opinions, forecasts or predictions of Safe Bulkers or its management. Safe Bulkers is providing this information as a service to investors and does not by its reference above imply its endorsement of or concurrence with such information, conclusions or recommendations.

# Contacts

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## Financial results

# Annex : A. Selected Financial Data

## 5 years Statement of Income

	Year Ended December 31,				
	2006	2007	2008	2009	2010
	(In thousands of U.S. dollars except share data)				
<b>STATEMENT OF INCOME</b>					
Revenues.....	\$ 99,040	\$ 172,057	\$ 208,411	\$ 168,400	\$ 159,698
Commissions.....	(3,731)	(6,209)	(7,639)	(3,794)	(2,678)
Net revenues.....	95,309	165,848	200,772	164,606	157,020
Voyage expenses.....	(420)	(179)	(273)	(577)	(610)
Vessel operating expenses.....	(13,068)	(12,429)	(17,615)	(19,628)	(23,128)
Depreciation.....	(9,553)	(9,583)	(10,614)	(13,893)	(19,673)
General and administrative expenses—Management fee to related party.....	(1,006)	(1,177)	(4,420)	(4,436)	(4,880)
Third party expenses.....	—	(2,477)	(3,625)	(2,610)	(2,138)
Early redelivery cost.....	(150)	(21,438)	(565)	74,951	132
Loss on asset purchase cancellations.....	—	—	—	(20,699)	—
Gain on sale of assets.....	37,015	112,360	—	—	15,199
Operating income.....	108,127	230,925	163,660	177,714	121,922
Interest expense.....	(6,140)	(8,225)	(16,392)	(10,342)	(6,423)
Other finance costs.....	(116)	(161)	(408)	(442)	(330)
Interest income.....	775	1,290	1,492	2,164	2,627
Loss on derivatives.....	(1,963)	(704)	(19,509)	(4,416)	(8,164)
Foreign currency (loss)/gain.....	(3,279)	(13,759)	(9,501)	838	281
Amortization and write-off of deferred finance charges.....	(180)	(166)	(131)	(106)	(266)
Net income.....	\$ 97,224	\$ 209,200	\$ 119,211	\$ 165,410	\$ 109,647
Earnings per share, basic and diluted.....	\$ 1.78	\$ 3.84	\$ 2.19	\$ 3.03	\$ 1.73
Cash dividends declared per share.....	—	7.04	\$ 3.83	\$ 0.60	\$ 0.60
Weighted average number of shares outstanding, basic and diluted.....	54,500,000	54,500,000	54,500,889	54,510,587	63,300,466

For further information on our financial performance please refer to our 2010 Annual Report on Form 20-F filed on March 04, 2011

## Financial results

# Annex : A. Selected Financial Data

## Selected Financial Data

	Year Ended December 31,				
	2006	2007	2008	2009	2010
	(In thousands of U.S. dollars except share data)				
<b>OTHER FINANCIAL DATA</b>					
Net cash (used in)/provided by operating activities .....	\$ (12,806)	\$ 278,506	\$ 259,597	\$ 211,338	\$ 118,147
Net cash (used in)/provided by investing activities .....	(33,835)	88,416	(148,223)	(191,863)	(131,709)
Net cash provided by/(used in) financing activities .....	46,641	(366,922)	(83,672)	(28,742)	60,136
Net increase/(decrease) in cash and cash equivalents .....	—	—	27,702	(9,267)	46,574
	As of December 31,				
	2006	2007	2008	2009	2010
<b>BALANCE SHEET DATA</b>					
Total current assets .....	\$ 282,021	\$ 98,883	\$ 88,086	\$ 105,648	104,276
Total fixed assets .....	253,448	308,340	387,296	467,513	640,258
Other non-current assets .....	314	434	6,900	55,563	60,838
<b>Total assets .....</b>	<b>535,783</b>	<b>407,657</b>	<b>482,282</b>	<b>628,724</b>	<b>805,372</b>
Total current liabilities .....	172,275	43,984	70,863	65,551	52,983
Derivative liabilities .....	—	242	21,716	15,510	9,787
Long-term debt, net of current portion .....	134,457	306,267	413,483	420,994	467,070
Time charter discount .....	—	2,766	—	—	—
Unearned revenue—Long-term .....	—	—	11,765	29,450	31,399
Total owners'/shareholders' equity/(deficit) .....	229,051	54,398	(35,545)	97,219	244,133
<b>Total liabilities and owners'/shareholders' equity .....</b>	<b>535,783</b>	<b>407,657</b>	<b>482,282</b>	<b>628,724</b>	<b>805,372</b>

For further information on our financial performance please refer to our 2010 Annual Report on Form 20-F filed on March 04, 2011

## Financial results

# Annex : B. Selected Operating Results

### TCE

	Year Ended December 31,		
	2008	2009	2010
	(In thousands of U.S. dollars except available days and time charter equivalent rate)		
Time charter revenues.....	\$ 208,411	\$ 168,400	\$ 159,698
Less commissions .....	7,639	3,794	2,678
Less voyage expenses .....	273	577	610
Time charter equivalent revenue.....	<u>\$ 200,499</u>	<u>\$ 164,029</u>	<u>\$ 156,410</u>
Available days.....	<u>4,040</u>	<u>4,795</u>	<u>5,296</u>
Time charter equivalent rate .....	<u>\$ 49,626</u>	<u>\$ 34,208</u>	<u>\$ 29,534</u>

### Daily Operating Expenses

	Year Ended December 31,		
	2008	2009	2010
Ownership days.....	4,075	4,817	5,326
Available days.....	4,040	4,795	5,296
Operating days .....	4,025	4,778	5,269
Fleet utilization .....	98.77%	99.19%	98.93%
TCE rates .....	\$ 49,626	\$ 34,208	\$ 29,534
Daily vessel operating expenses .....	\$ 4,323	\$ 4,075	\$ 4,342

# Financial results

## Annex : C. Financial Statements

### Financial Statements Balance Sheet

SAFE BULKERS, INC. CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2009 AND 2010		December 31,	
(In thousands of U.S. Dollars, except for share and per share data)			
	Notes	2009	2010
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents .....		18,435	65,335
Time deposits – short term .....		57,887	35,080
Accounts receivable trade .....		1,905	1,285
Asset held for sale .....	6	16,969	—
Inventories .....		1,245	1,417
Accrued revenue .....	21	1,693	—
Restricted cash .....		6,392	—
Prepaid expenses and other current assets .....		1,122	1,159
<b>Total current assets .....</b>		<b>105,648</b>	<b>104,276</b>
<b>FIXED ASSETS:</b>			
Vessels, net .....	4	373,924	541,244
Advances for vessel acquisition and vessels under construction .....	5	93,520	99,014
Other fixed assets, net .....	7	69	—
<b>Total fixed assets .....</b>		<b>467,513</b>	<b>640,258</b>
<b>OTHER NON CURRENT ASSETS:</b>			
Deferred finance charges, net .....	8	677	930
Restricted cash .....		4,763	5,423
Derivative assets .....	15	123	4,485
Long-term investment .....	10	50,000	50,000
<b>Total assets .....</b>		<b>628,724</b>	<b>805,372</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Current portion of long-term debt .....	9	15,742	27,674
Liability directly associated with asset held for sale .....	9	34,500	—
Unearned revenue .....	21	3,973	10,685
Trade accounts payable .....		2,668	1,470
Accrued liabilities .....	16	7,426	5,903
Derivative liability .....	15	1,223	6,802
Due to Manager .....	3	19	449
<b>Total current liabilities .....</b>		<b>65,551</b>	<b>52,983</b>
Derivative liabilities .....	15	15,510	9,787
Long-term debt, net of current portion .....	9	420,994	467,070
Unearned revenue — Long-term .....	21	29,450	31,399
<b>Total liabilities .....</b>		<b>531,505</b>	<b>561,239</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
<b>SHAREHOLDERS' EQUITY:</b>			
Shareholders' equity:			
Common stock, \$0.001 par value; 200,000,000 authorized, 54,512,931 and 65,876,507 issued and outstanding at December 31, 2009 and 2010, respectively .....	11	55	66
Preferred stock, \$0.01 par value; 20,000,000 authorized, none issued or outstanding as of December 31, 2009 and 2010 .....		—	—
Additional paid in capital .....		90	75,166
Retained earnings .....		97,074	168,901
<b>Total shareholders' equity .....</b>		<b>97,219</b>	<b>244,133</b>
<b>Total liabilities and shareholders' equity .....</b>		<b>628,724</b>	<b>805,372</b>

For further information on our financial performance please refer to our 2010 Annual Report on Form 20-F filed on March 04, 2011

## Financial results

# Annex : C. Financial Statements

**SAFE BULKERS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2008, 2009 AND 2010**  
(In thousands of U.S. Dollars, except for share and per share data)

	Notes	Year Ended December 31,		
		2008	2009	2010
<b>REVENUES:</b>				
Revenues.....	13	208,411	168,400	159,698
Commissions.....		(7,639)	(3,794)	(2,678)
<b>Net revenues</b> .....		<b>200,772</b>	<b>164,606</b>	<b>157,020</b>
<b>EXPENSES:</b>				
Voyage expenses.....		(273)	(577)	(610)
Vessel operating expenses.....	14	(17,615)	(19,628)	(23,128)
Depreciation.....	4, 7	(10,614)	(13,893)	(19,673)
General and administrative expenses.....				
-Management fee to related party.....	3,20	(4,420)	(4,436)	(4,880)
-Third party expenses.....	20	(3,625)	(2,610)	(2,138)
Early redelivery (cost)/income, net.....	17	(565)	74,951	132
Loss on asset purchase cancellations.....	18	—	(20,699)	—
Gain on sale of assets.....	22	—	—	15,199
<b>Operating income</b> .....		<b>163,660</b>	<b>177,714</b>	<b>121,922</b>
<b>OTHER (EXPENSE)/INCOME:</b>				
Interest expense.....	9	(16,392)	(10,342)	(6,423)
Other finance costs.....		(408)	(442)	(330)
Interest income.....		1,492	2,164	2,627
Loss on derivatives.....	15	(19,509)	(4,416)	(8,164)
Foreign currency (loss)/gain.....		(9,501)	838	281
Amortization and write-off of deferred finance charges.....	8	(131)	(106)	(266)
<b>Net income</b> .....		<b>119,211</b>	<b>165,410</b>	<b>109,647</b>
<b>Earnings per share in U.S. Dollars, basic and diluted</b> .....	24	2.19	3.03	1.73
<b>Weighted average number of shares, basic and diluted</b> ...		54,500,889	54,510,587	63,300,466

For further information on our financial performance please refer to our 2010 Annual Report on Form 20-F filed on March 04, 2011

## Financial Statements Statement of Income

## Financial results

# Annex : C. Financial Statements

SAFE BULKERS, INC. CONSOLIDATED STATEMENTS  
OF SHAREHOLDERS' EQUITY FOR THE YEARS  
ENDED DECEMBER 31, 2008, 2009 AND 2010  
(In thousands of U.S. Dollars, except for per share data)

	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as of January 1, 2008.....	—	—	54,398	54,398
Net income.....	—	—	119,211	119,211
Issuance of common stock.....	55	—	—	55
Share based compensation.....	—	30	—	30
Dividends (\$3.83 per share).....	—	—	(209,239)	(209,239)
<b>Balance as of December 31, 2008.....</b>	<b>55</b>	<b>30</b>	<b>(35,630)</b>	<b>(35,545)</b>
Net income.....	—	—	165,410	165,410
Share based compensation.....	—	60	—	60
Dividends (\$0.60 per share).....	—	—	(32,706)	(32,706)
<b>Balance as of December 31, 2009.....</b>	<b>55</b>	<b>90</b>	<b>97,074</b>	<b>97,219</b>
Net income.....	—	—	109,647	109,647
Issuance of common stock.....	11	74,956	—	74,967
Share based compensation.....	—	120	—	120
Dividends (\$0.60 per share).....	—	—	(37,820)	(37,820)
<b>Balance as of December 31, 2010.....</b>	<b>66</b>	<b>75,166</b>	<b>168,901</b>	<b>244,133</b>

## Financial Statements Shareholders' Equity

# Financial results

## Annex : C. Financial Statements

**SAFE BULKERS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008, 2009 AND 2010**  
(In thousands of U.S. Dollars)

	December 31,		
	2008	2009	2010
<b>Cash Flows from Operating Activities:</b>			
Net income .....	119,211	165,410	109,647
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Depreciation .....	10,614	13,893	19,673
Gain on sale of assets .....	—	—	(15,199)
Loss on asset purchase cancellations .....	—	20,395	—
Amortization and write-off of deferred finance charges .....	131	106	266
Unrealized foreign exchange loss/(gain) .....	9,335	(1,028)	(326)
Unrealized loss/(gain) on derivatives .....	20,097	(3,729)	(4,508)
Share based compensation .....	30	60	120
Amortization of time charter discount .....	(2,766)	—	—
<b>Change in:</b>			
Accounts receivable trade .....	1,189	(1,377)	620
Due from Manager .....	95,584	112	—
Inventories .....	(397)	(56)	(172)
Accrued revenue .....	(3,938)	2,245	1,693
Prepaid expenses and other current assets .....	(710)	(408)	(37)
Due to Manager .....	—	19	430
Trade accounts payable .....	373	1,093	(1,198)
Accrued liabilities .....	(5,245)	1,396	(1,523)
Unearned revenue .....	16,089	13,207	8,661
<b>Net Cash Provided by Operating Activities .....</b>	<b>259,597</b>	<b>211,338</b>	<b>118,147</b>
<b>Cash Flows from Investing Activities:</b>			
Vessel acquisitions including advances for vessels under construction .....	(89,570)	(131,474)	(192,418)
Proceeds from sale of assets .....	—	—	32,168
Acquisition of long term investments .....	—	(50,000)	—
Increase in restricted cash .....	(37,379)	(6,405)	(650)
Restricted cash released .....	—	32,629	6,382
Increase in bank time deposits .....	(21,274)	(78,147)	(86,548)
Maturity of bank time deposits .....	—	41,534	109,357
<b>Net Cash Used in Investing Activities .....</b>	<b>(148,223)</b>	<b>(191,863)</b>	<b>(131,709)</b>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from long-term debt .....	221,600	42,000	74,500
Principal payments of long-term debt .....	(85,532)	(38,026)	(50,992)
Advances from shareholders .....	11,489	—	—
Repayment of advances to shareholders .....	(21,575)	—	—
Dividends paid .....	(209,239)	(32,706)	(37,820)
Payment of deferred financing costs .....	(470)	(10)	(519)
Proceeds on issuance of common stock (net) .....	55	—	74,967
<b>Net Cash (Used in)/Provided by Financing Activities .....</b>	<b>(83,672)</b>	<b>(28,742)</b>	<b>60,136</b>
Net increase/(decrease) in cash and cash equivalents .....	27,702	(9,267)	46,574
Effect of exchange rate changes on cash .....	—	—	326
Cash and cash equivalents at beginning of year .....	—	27,702	18,435
<b>Cash and cash equivalents at end of year .....</b>	<b>27,702</b>	<b>18,435</b>	<b>65,335</b>
<b>Supplemental cash flow information:</b>			
Cash paid for interest (excluding capitalized interest) .....	14,116	13,695	6,414

# Financial Statements Cash Flow

