

Edgar Filing: TOP TANKERS INC. - Form 6-K

TOP TANKERS INC.  
Form 6-K  
August 10, 2005

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of August 2005

TOP TANKERS INC.  
(Translation of registrant's name into English)

109-111 Messogion Avenue  
Politia Centre  
Athens 115 26 GR

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file  
annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the  
information contained in this Form is also thereby furnishing the information to  
the commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of  
1934.

Yes  No

Item 1. INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached as Exhibit 1 is a copy of the press release issued by TOP  
Tankers Inc. (the "Company") of the Company's financial results for the second  
quarter and the first half of 2005. This report on Form 6K is hereby  
incorporated by reference to the registration statement of Form F-3 filed on  
August 1, 2005 (file No. 333-127086).

EXHIBIT 1  
-----

TOP TANKERS INC.

NEWS RELEASE for August 4, 2005 at 7:35 AM EDT  
Contact: Michael Mason (investors)  
Allen & Caron Inc  
212 691 8087

Stamatis Tsantanis, CFO  
TOP Tankers Inc  
011 30 210 697 8199

# Edgar Filing: TOP TANKERS INC. - Form 6-K

michaelm@allencaron.com

snt@toptankers.com

## TOP TANKERS REPORTS SECOND QUARTER AND FIRST HALF 2005 FINANCIAL RESULTS

ATHENS, GREECE (August 4, 2005) ... TOP Tankers Inc (NasdaqNM:TOPT) today announced operating results for the second quarter and first half of 2005.

For the three months ended June 30, 2005, the Company reported net income of \$13,552,000, or \$0.49 per share, compared with net income of \$5,709,000, or \$0.95 per share, for the second quarter of 2004. The weighted average number of basic and diluted shares used in the computations was 27,830,990 and 6,000,000 for the second quarter of 2005 and 2004 respectively. For the three months ended June 30, 2005, operating income was \$19,200,000, compared with \$6,486,000 for the second quarter of 2004. EBITDA(1) for the second quarter of 2005 was \$33,128,000, compared with \$8,999,000 for previous year's second quarter. Voyage revenues for the second quarter of 2005 were \$56,329,000, compared to \$17,428,000 recorded for the second quarter of the previous year.

For the six months ended June 30, 2005, TOP Tankers reported net income of \$32,673,000, or \$1.17 per share, compared to \$6,953,000, or \$1.16 per share, for the first half of 2004. The weighted average number of basic and diluted shares used in the computations was 27,830,990 and 6,000,000 for the first half of 2005 and 2004 respectively. For the six-month period ended June 30, 2005, operating income was \$40,175,000, compared with \$8,084,000 for the first half of 2004. EBITDA for the first six months of 2005 was \$62,847,000, compared to \$12,035,000 for the same period last year. Voyage revenues for the six month period ended June 30, 2005, were \$103,620,000, compared to \$25,156,000 recorded for the first half of 2004.

Evangelos J. Pistiolis, President and Chief Executive Officer of TOP Tankers Inc, commented, "We have entered the summer period, typically the season for low rate especially for crude oil tankers. Still, despite the decline in crude oil tanker-charter rates compared to last year, we are still experiencing a strong rate environment, which we consider very promising for the remainder of 2005."

-----  
1 EBITDA represents earnings before interest, taxes, depreciation and amortization. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by GAAP, and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included in this press release because it is a basis upon which we assess our liquidity position and because we believe that it presents useful information to investors regarding our ability to service and/or incur indebtedness.

## TOP TANKERS REPORTS 2nd QUARTER AND FIRST HALF 2005 FINANCIAL RESULTS

The following key indicators serve to highlight changes in the Company's fleet financial performance during the second quarters and six-month periods ended June 30, 2004 and 2005:

(In U.S. Dollars unless otherwise stated)

Suezma  
Three Months Ended June 30  
2004 2005 Chang

Edgar Filing: TOP TANKERS INC. - Form 6-K

Total available ship days	182	791	334.6
Total operating days	176	687	290.3
Utilization	96.7%	86.9%	-10.2
Time Charter Equivalent (TCE) per ship per day under spot voyage charter	38,534	40,209	4.3
TCE per ship per day under time charter	-	32,195	
Average TCE	38,534	37,223	-3.4
Vessel operating expenses per ship per day	5,665	7,818	38.0

	Three Months Ended	Handym June 30	
(In U.S. Dollars unless otherwise stated)	2004	2005	Chang

Total available ship days	182	1,230	575.8
Total operating days	182	1,138	525.3
Utilization	100.0%	92.5%	-7.5
TCE per ship per day under spot voyage charter	-	11,500	-
TCE per ship per day under time charter	13,407	19,859	48.1
Average TCE	13,407	19,536	45.7
Vessel operating expenses per ship per day	4,137	5,149	24.5

	Three Months Ended	Total June 30	
(In U.S. Dollars unless otherwise stated)	2004	2005	Chang

Total available ship days	637	2,112	231.6
Total operating days	622	1,916	208.0
Utilization	97.6%	90.7%	-7.1
TCE per ship per day under spot voyage charter	23,089	37,539	62.6
TCE per ship per day under time charter	13,407	21,176	57.9
Average TCE	20,256	25,232	24.6
Vessel operating expenses per ship per day	4,523	5,822	28.7
General and administrative expenses per ship per day	1,129	1,433	26.9

TOP TANKERS REPORTS 2nd QUARTER AND FIRST HALF 2005 FINANCIAL RESULTS

FLEET REPORT

As of June 30, 2005, the Company's fleet size was 23 vessels, or 2.0 million dwt, up from seven vessels, or 0.45 million dwt, on June 30, 2004. During the second quarter of 2005, the Company took delivery of two double-hull Suezmax tankers and two double-hull product tankers.

On July 13, 2005, the Company sold the M/T Fearless to a third party. The expected gain of approximately \$10 million will be recognized in the third quarter of 2005.

On August 3, 2005, the Company announced the sale of the handymax tankers M/T Restless and M/T Sovereign and their immediate leaseback to the Company for a period of seven years. The lease is a bareboat charter, with TOP Tankers performing the operational and commercial management of the vessels.

## Edgar Filing: TOP TANKERS INC. - Form 6-K

The Company expects to generate a gain of approximately \$7.0 million, which will be amortized over the seven year lease period. The bareboat charter rate is \$11,600 per ship per day and both vessels will continue their time charter contracts with Vitol and Glencore for their remaining period of two and four years respectively. The Company believes this sale and leaseback qualifies as an operational lease under the U.S. GAAP.

### FLEET DEPLOYMENT

During the second quarter of 2005, the Company had approximately 70 percent of the fleet's net operating days on long-term employment contracts. The Company announced on June 24, 2005, the signing of a new employment agreement for a Suezmax tanker. On July 13, the Company also announced that it sold the M/T Fearless. In total, 18 of the Company's 22 tankers will be on time-charter contracts with an average term in excess of three years. All but two of these time charters include profit-sharing agreements.

The Company has secured approximately 73 percent of the estimated working days for 2005 and 78 percent for 2006 under time charter contracts. At the same time, the four Suezmaxes operating in the spot market, together with the profit-sharing component of the time-charter contracts, expose approximately 63 percent of the Company's estimated working days for 2005 and 49 percent for 2006 to potentially higher spot rates.

All of the Company's profit-sharing contracts settle on a quarterly basis and the potentially generated profit is presented in the financial statements for the corresponding period. Each settlement is full and final (except for voyages in progress and demurrages) and does not depend on average rates of future periods.

### SUEZMAX FLEET:

During the second quarter of 2005, five of the Company's Suezmax tankers operated in the spot market, earning on average approximately \$40,209 per vessel per day on a time-charter equivalent (TCE) basis.

During the second quarter of 2005, four of the Company's Suezmax tankers entered into time-charter agreements:

Three Suezmax tankers entered into two-year time-charter agreements with Glencore SA, one of the world's largest oil traders. Pursuant to these agreements, the M/T Stopless, M/T Timeless and M/T Flawless will earn base rates per day of \$28,000 during the term of the contracts. Should a vessel generate revenue in excess of its base rate over the duration of the contract, TOP Tankers will receive 100 percent of the first \$7,000 per day in excess of the base rate, up to \$35,000 per day, and 50 percent of the excess thereafter.

One Suezmax tanker entered into a five-year time-charter contract with Hyundai Merchant Marine. The M/T Faultless will earn \$37,000 per day during the first two years of the time-charter contract, \$36,000 per day for the third year and \$35,000 per day for the remaining two years through the expiration of the contract.

One Suezmax tanker entered into a time charter contract with Petroleos de Venezuela S.A. The M/T Priceless, which substituted the reported M/T Noiseless, will earn \$38,100 per day for a period of three years, and the charterers have the option to extend the contract for an additional four-year period.

During the second quarter of 2005, the vessels under time charter earned on average approximately \$32,195 per vessel per day on a TCE basis.

Edgar Filing: TOP TANKERS INC. - Form 6-K

HANDYMAX FLEET:

All of the Company's Handymax tankers operate under long-term employment agreements with Glencore and Vitol that provide for a base rate and additional profit-sharing.

Four of these contracts are with Glencore and have a base rate of \$14,500 per day. Should a vessel generate revenue in excess of its base rate over the duration of the contract, TOP Tankers receives 100 percent of the first \$500 per day in excess of the base rate and 50 percent of the excess thereafter. The Company extended these two-year time charter contracts by three years. The new three-year contracts will commence immediately upon the expiration of the current contracts. The base rates per day for the new three-year periods will be \$14,000. Should a vessel generate revenue in excess of the base rates over the duration of these contracts, TOP Tankers will receive 100 percent of the first \$500 per day in excess of the base rate and 50 percent of the excess thereafter.

The Company has also entered into five-year employment agreements with Glencore for all four of its double-hull Handymax tankers delivered in March and April 2005. Pursuant to these time charter agreements, the M/T Taintless, M/T Dauntless, M/T Soundless and M/T Topless will earn a base rate of \$17,000 per day during the first year of their respective contracts. Should a vessel generate revenue in excess of its base rate over the first year of the contract, TOP Tankers will receive 30 percent of the excess. From the second year through the expiration of these contracts, the base rates per day will be \$16,250. Should a vessel generate revenue in excess of its base rate per day during this period, TOP Tankers will receive 100 percent of the first \$1,000 in excess of its base rate and 50 percent of the excess thereafter.

Six Handymax vessels have been chartered to Vitol at a base rate of \$14,250 per day until December 31, 2005, at a base rate of \$13,250 per day from January 1, 2006, until expiration of the contracts in February or March of 2007, as well as a profit-sharing provision based on the actual rate that the charterer generates from the vessel. Under the profit sharing provision, the Company receives, on a quarterly basis, the first \$250 per day (until December 31, 2005) and the first \$1,250 per day (from January 1, 2006, until expiration of the contracts) that the charterer generates from the vessel in excess of the base rate and 50 percent of the excess thereafter above \$14,500 per day. Following the sale of the M/T Fearless, there are five vessels chartered to Vitol.

During the second quarter of 2005, including the profit-sharing allocated to the Company from these profit-sharing agreements, the Handymax fleet, earned on average approximately \$19,536 per vessel per day on a TCE basis.

The following table presents the Company's fleet list and the employment agreements:

	Dwt	Year Built	Charter Type	Expiry	Daily Base Rate	Profit Shar Above Base Rate
	---	----	-----	-----	----	-----
9 Suezmax Tankers						
Timeless.....	154,970	1991	Time Charter	Q2/2007	\$28,000	100% first \$7,
Flawless.....	154,970	1991	Time Charter	Q2/2007	\$28,000	100% first \$7,
Stopless.....	154,970	1991	Time Charter	Q2/2007	\$28,000	100% first \$7,
Priceless.....	154,970	1991	Time Charter	Q3/2008 (A)	\$38,100	
Faultless.....	154,970	1992	Time Charter	Q2/2010	\$37,000 (1)	
Noiseless.....	149,554	1992	Spot			
Stainless.....	149,599	1992	Spot			
Endless.....	135,915	1992	Spot			

## Edgar Filing: TOP TANKERS INC. - Form 6-K

Limitless.....	136,055	1993	Spot				
14 Handymax Tankers							
Victorious.....	47,084	1991	Time Charter	Q3/2009	\$14,500 (2)	100% first	\$500
Sovereign (B).....	47,084	1992	Time Charter	Q3/2009	\$14,500 (2)	100% first	\$500
Invincible.....	47,084	1992	Time Charter	Q3/2009	\$14,500 (2)	100% first	\$500
Relentless.....	47,084	1992	Time Charter	Q3/2009	\$14,500 (2)	100% first	\$500
Vanguard.....	47,084	1992	Time Charter	Q1/2007	\$14,250 (3)	100% first	\$250
Restless (B).....	47,084	1991	Time Charter	Q1/2007	\$14,250 (3)	100% first	\$250
Spotless.....	47,094	1991	Time Charter	Q1/2007	\$14,250 (3)	100% first	\$250
Doubtless.....	47,076	1991	Time Charter	Q1/2007	\$14,250 (3)	100% first	\$250
Faithful.....	45,720	1992	Time Charter	Q1/2007	\$14,250 (3)	100% first	\$250
Fearless (C).....	44,646	1992	Time Charter	Q1/2007	\$14,250 (3)	100% first	\$250
Topless.....	47,262	1998	Time Charter	Q2/2010	\$17,000 (4)	30% above bas	
Taintless.....	46,217	1999	Time Charter	Q1/2010	\$17,000 (4)	30% above bas	
Dauntless.....	46,168	1999	Time Charter	Q1/2010	\$17,000 (4)	30% above bas	
Soundless.....	46,185	1999	Time Charter	Q2/2010	\$17,000 (4)	30% above bas	
Total Tanker DWT	1,998,845						

- A. Charterers have option to extend contract for an additional four-year period
- B. Vessels sold on August 3 and leased back for a period of 7 years.
- C. Sold on July 13, 2005
1. Base rate will change to \$36,000 in the third year of the contract and \$35,000 in the fourth year until expiration.
  2. Base rate will change to \$14,000 in the third year of the contract until expiration.
  3. Base rate will change to \$13,250 from 1/1/2006 until expiration of the contracts, with 100 percent profit sharing participation in the first \$1,250 above base rate and 50 percent thereafter.
  4. Base rate will change to \$16,250 in the second year of the contract until expiration, with 100 percent profit sharing participation in the first \$1,000 above base rate and 50 percent thereafter. MORE - MORE - MORE

### CREDIT FACILITY

As of June 30, 2005, TOP Tankers had total indebtedness of \$471 million, provided by the Royal Bank of Scotland and DVB Bank, maturing in 2013 and 2012 respectively. On March 31, 2005, the Company entered into three interest rate-swap agreements with Royal Bank of Scotland for the amounts of \$93.5 million, \$36.5 million and \$27.9 million for a period of five, four and four years, respectively. Under these agreements the interest rate is fixed at 4.72 percent, 4.66 percent and 4.5775 percent, respectively, in addition to the applicable margin. The interest rate for the remaining balance of the loan is LIBOR, plus the margin, whereas the interest rate for the DVB loan is LIBOR, plus 1.25 percent margin. On June 30, 2005, the Company's ratio of indebtedness to total capital was approximately 57.8 percent.

### DIVIDEND

The Company paid its third quarterly dividend of \$0.21 per share on July 20, 2005, to shareholders of record as of July 7, 2005. The Company also paid a special dividend of \$0.25 per share on July 27, 2005, to shareholders of record as of July 15, 2005.

### CONFERENCE CALL AND WEBCAST

TOP Tankers' management team will host a conference call on August 4, 2005, at 12:00 PM EDT. Participants should dial into the call 10-15 minutes before the

## Edgar Filing: TOP TANKERS INC. - Form 6-K

scheduled time using the following numbers: 877-407-8035 (from the US and Canada) or +1 201-689-8035 (from outside the US and Canada). A live webcast of the conference call will also be accessible via the Internet at [www.toptankers.com](http://www.toptankers.com), or by going to [www.vcall.com](http://www.vcall.com).

A telephonic replay of the conference call will be available by dialing 877-660-6853 (from the US and Canada) or 1 201-612-7415 (from outside the US and Canada); enter account number 286 and conference ID number 163221. An online archive will also be available immediately following the call at the sites noted above. Both are available through August 11, 2005.

### ABOUT TOP TANKERS INC

TOP Tankers Inc is an international provider of worldwide seaborne transportation services of bulk commodities. The Company operates a fleet of 22 tankers transporting crude oil and refined petroleum products. The fleet under management consists of nine double-hull Suezmax tankers and 13 double-hull Handymax tankers, with a total carrying capacity of approximately 2.0 million dwt of which 95.2 percent are sister ships. Eighteen of the Company's 22 tankers are on time charter contracts with an average term of over three years with all but two of the time charters including profit-sharing agreements.

### FORWARD-LOOKING STATEMENTS

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although TOP Tankers believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, TOP Tankers cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charterhire rates and vessel values, failure of a seller to deliver one or more vessels, failure of a buyer to accept delivery of a vessel, inability to procure acquisition financing, changes in demand for oil and petroleum products, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers, scheduled and unscheduled drydocking, changes in our voyage and operating expenses, including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations including requirements for double-hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents and political events or acts by terrorists.

Risks and uncertainties are further described in reports filed by TOP Tankers with the US Securities and Exchange Commission.

TABLES FOLLOW

Edgar Filing: TOP TANKERS INC. - Form 6-K

TOP TANKERS INC.  
(Formerly Ocean Holdings Inc.)

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)  
(Expressed in thousands of U.S. Dollars - except for share and per share data)

	Three Months Ended June 30,		Six Months Ended
	2004	2005	2004
REVENUES:			
Voyage revenues	17,428	56,329	25,150
EXPENSES:			
Voyage expenses	4,829	7,984	6,486
Vessel operating expenses	2,881	12,297	5,330
Depreciation and amortization	2,513	13,904	3,890
General and administrative expenses	719	3,027	1,380
Foreign currency (gains) / losses, net	-	(83)	(100)
Operating income	6,486	19,200	8,080
OTHER INCOME (EXPENSES):			
Interest and finance costs	(778)	(5,894)	(1,190)
Interest income	1	222	600
Other, net	-	24	600
Total other expenses, net	(777)	(5,648)	(1,130)
Net Income	5,709	13,552	6,950
Earnings per share, basic and diluted	0.95	0.49	1.10
Weighted average number of shares, basic and diluted	6,000,000	27,830,990	6,000,000

EBITDA RECONCILIATION	Three Months Ended June 30,		Six Months Ended
(Expressed in Thousands of U.S Dollars)	2004	2005	2004
EBITDA	8,999	33,128	12,030
DEPRECIATION AND AMORTIZATION	2,513	13,904	3,890
INTEREST AND FINANCE COSTS, NET	(777)	(5,672)	(1,190)
NET INCOME	5,709	13,552	6,950



Edgar Filing: TOP TANKERS INC. - Form 6-K

TOP TANKERS INC.  
(Formerly Ocean Holdings Inc.)

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of U.S. Dollars - except for share and per share data)

	December 31, 2004	June 30, 2005
	-----	-----
		(Unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	114,768	43,233
Other current assets	26,283	27,000
	-----	-----
Total current assets	141,051	70,233
FIXED ASSETS:		
Advances for vessels acquisitions	25,650	-
Vessels, net	355,997	748,508
Deferred charges and other non-current assets	17,188	20,325
	-----	-----
Total assets	539,886	839,066
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	19,540	52,509
Dividends payable	5,845	5,897
Other current liabilities	17,426	26,238
	-----	-----
Total current liabilities	42,811	84,644
LONG-TERM DEBT, net of current portion	175,266	414,224
STOCKHOLDERS' EQUITY	321,809	340,198
	-----	-----
Total liabilities and stockholders' equity	539,886	839,066
	=====	=====

TOP TANKERS INC.  
(Formerly Ocean Holdings Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
(Expressed in thousands of U.S. Dollars)

	Six Months Ended June 30, 2004	2005
	-----	-----
Cash Flows from (used in) Operating Activities:		
Net income	6,953	32,673
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,949	23,139
Change in operating assets and liabilities	(2,594)	5,553

Edgar Filing: TOP TANKERS INC. - Form 6-K

Payments for dry-docking	-	(3,238)
	-----	-----
Net Cash from Operating Activities	8,308	58,127
Cash Flows from (used in) Investing Activities:		
Advances for vessels acquisitions	(250)	-
Acquisition of vessels and equipment	(75,846)	(387,400)
Other	(116)	-
	-----	-----
Net Cash used in Investing Activities	(76,212)	(387,400)
Cash Flows from (used in) Financing Activities:		
Proceeds from long-term debt	59,900	284,294
Payments of long-term debt	(3,229)	(10,000)
(Increase) decrease in restricted cash	-	(2,000)
Capital contributions	17,077	-
Payment of financing costs	(330)	(2,866)
Dividends paid	(2,318)	(11,690)
	-----	-----
Net Cash from Financing Activities	71,100	257,738
	-----	-----
Net increase (decrease) in cash and cash equivalents	3,196	(71,535)
Cash and cash equivalents at beginning of period	2,343	114,768
	-----	-----
Cash and cash equivalents at end of period	5,539	43,233
	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	1,042	4,853
	=====	=====

# # #

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TOP TANKERS INC.  
(registrant)

Dated: August 10, 2005

By: /s/ Stamatis Tsantanis

-----  
Stamatis Tsantanis  
Chief Financial Officer

23116.0001 #593257