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2003 and 2002 included elsewhere in this report.

General

The Company was formed on December 23, 1997 to hold all the capital stock of Princely International Finance Corporation (a Panamanian Company) and Ultracape S.A. (an Argentine Company). The following discussion covers the unaudited financial results of the consolidated entity for the three month period ended March 31, 2003 with a comparison to the unaudited consolidated financial results for the same three month period in 2002.

Currently the Company owns and operates fourteen oceangoing vessels primarily in South America with additional operations between the Caribbean, United States, Europe, Far East and West Africa. One of our vessels is owned by Ultracape (Holdings) Ltd., or Ultracape, an affiliate company that was formed through an association between us and the AIG-GE Capital Latin America Infrastructure Fund L.P., or LAIF, in 2002 of which we own 60%. The Company also charters three push boats and 69 wet and dry barges to UABL (Bahamas) Limited, or UABL, a company that we formed in a joint venture with ACBL Hidrovias, Ltd. in October 2000 and which we own 50% of.

During the first three months of 2003 the Company employed a significant part of its fleet on time charter for different customers.

During the first three months of 2003, the international freight market maintained rates significantly above those experienced in 2002.

The Princess Susana was out of service undergoing major repairs during 15 days and the Princess Pia and Princess Eva were out of service due to accidents for 42 days and 62 days, respectively, during the first quarter of 2003.

In January 2003 the Company renewed the employment of its vessel Princess Katherine for another 11 months on a time charter contract.

On March 13th the Princess Marina was delivered under a time charter for three years to the National Petroleum Company of Chile. As a requirement of this transaction the vessel was re-flagged and registered under the ownership of a related company which ownership shall return to us upon expiration of the charter, all of the financial arrangements with DVB Nedship Bank (America) N.V., who finances the vessel, remain in place.

On March 11, 2003 we entered into a Memorandum of Agreement, or MOA, under the standard format NSF 1993 to sell the Princess Sofia for a total price of \$2.3 million. The vessel was delivered to its new owners on April 25th, 2003.

Our affiliate UABL Limited (50% of which we hold through our unrestricted subsidiary UP River Holdings Ltd.) entered into loan agreements on February 27, 2003 the International Finance Corporation, or IFC, and Kreditanstalt Fur Wiederaufbau with a repayment schedule that starts in June 2005 and continues until December 2011 in the case of the (A) tranche of the IFC Loan until December 2009 in the case of the (B) tranche and the KFW Loan. IFC and KFW have agreed to provide a total of \$40 million to finance the capital expenditures of UABL Limited over the next 3 years. The loans are provided under two separate agreements to wholly owned subsidiaries of UABL Limited: UABL Barges (Panama) Inc. \$30 million and UABL Paraguay S.A. \$10 million with a repayment schedule starting in June 2005 through December 2009. The agreements in connection with this financing impose restrictions on the ability of UABL to pay dividends or make other payments to its shareholders if UABL is in default of its obligations under the loan and require that in conjunction with ACBLH the Company retain control of UABL Limited

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Revenue

The majority of the Company's vessels are employed on time charters to affiliated and unaffiliated companies. The revenue from this operation is derived from a daily rate that is paid to the Company for the use of its vessel. Hire revenue accounted for 65% of the Company's total revenues for the three months ended March 31, 2003.

Also, the Company's vessels are employed on a contract of affreightment, or COA, basis either for single or repetitive voyages. For a COA, the vessel owner or operator generally pays all voyage and vessel operating expenses and has the right to substitute one vessel for another. The rate is generally expressed in dollars per metric ton of cargo. Revenues earned under COA's are referred to as "freight". COA revenue accounted for 35% of the Company's total revenues for the three months ended March 31, 2003.

From the total revenues obtained from COA's during the first quarter of 2003, 54% were in respect of repetitive voyages for the Company's regular customers and 46% in respect of single voyages for occasional customers.

Expenses

When vessels are operated on a COA basis (as well as any time when they are not operating under time or bareboat charter), all costs relating to a given voyage, including port charges, canal dues and fuel costs, are paid by the vessel owner and are recorded as voyage expenses.

The Company's operating expenses, or running expenses, are generally paid through Ravenscroft Shipping Inc., or Ravenscroft, a Miami based affiliate of the Company, which provides ship management services for the Company's vessels. Operating expenses include the cost of all ship management, crewing, spares and stores, insurance, lubricants, repairs and maintenance. The most significant of these expenses are maintenance and repairs, wages paid to marine personnel and marine insurance costs. In the case of our river barges chartered to UABL (Bahamas) Ltd. the Company has contracted the shipmanagement responsibilities to Lonehort Inc, an affiliate of UABL Ltd.

Vessels are depreciated to an estimated scrap value on a straight-line basis over their estimated useful lives. The Company follows the deferral method of accounting for survey and dry-dock costs, whereby actual survey and dry-dock costs are capitalized and amortized over a period of two and one-half years until the date of the next dry-dock or special survey.

The Company's other primary operating expenses include general and administrative expenses as well as ship management and administration fees paid to Ravenscroft and Oceanmarine S.A., another affiliate of the Company, which provides certain administrative services. The Company pays Oceanmarine, or Oceanmarine, a monthly fee of \$9,000 per vessel for administrative services including general administration and accounting (financial reporting, preparation of tax returns), use of office premises, a computer network, secretarial assistance and other general duties. The Company pays Ravenscroft a monthly ship management fee of \$12,500 per vessel for services including technical management, crewing, provisioning, superintendence and related accounting functions. The Company does not expect to pay fees to any affiliated entity other than those described here for management and administration functions.

The Company does not own any buildings and does not pay any rental expense other than as a portion of the administration fees paid to Oceanmarine.

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Foreign Currency Transactions

Substantially all of the Company's revenues are denominated in U.S. dollars, but 9% of the Company total revenues is denominated in US dollars but collected in Argentine pesos at the equivalent amount of US dollars at the payment date and 11% of our total out of pocket operating expenses are paid in Argentine pesos. However, the Company's operating results, which are reported in U.S. dollars, may be affected by fluctuations in the exchange rate between the U.S. dollar and the Argentinean peso. For accounting purposes, revenue and expense accounts are translated into U.S. dollars at the exchange rate prevailing on the date of each transaction. The Company does not hedge its exposure to foreign currency fluctuations.

Inflation

The Company does not believe that inflation has had a material impact on the Company's operations, although certain of the Company's operating expenses (e.g., crewing, insurance and dry docking costs) are subject to fluctuations as a result of market forces.

Inflationary pressures on bunker costs are not expected to have a material effect on the Company's future operations since freight rates for voyage charters are generally sensitive to the price of ship's fuel. A sharp rise in bunker prices may have a temporary negative effect on results since freights generally adjust after prices settle at a higher level.

Legal proceedings

On February 21, 2003, Ursa Shipping Ltd., or Ursa, brought suit in the United States District Court for the District of New Jersey against the Princess Susana and Noble Shipping Ltd. seeking damages arising out of the delay in delivery of a cargo of Kirkuk crude oil to the Valero terminal in Paulsboro, New Jersey. (Ursa Shipping v. the Princess Susana, et al. Civil Action No. 03-CV-747(FLW).) The Princess Susana was detained by the United States Coast Guard prior to her arrival in Paulsboro when, during a routine Coast Guard tank vessel examination, a small amount of cargo was found to have leaked from one of the cargo tanks into one of the void spaces aboard the Princess Susana. On or about February 25, 2003, Valero Marketing and Supply Co., or Valero, commenced an action against Noble Shipping Ltd. (Valero Marketing and Supply Co. v. Noble Shipping Ltd., Civil Action No. 03-CV-843 (FLW). The Valero and Ursa complaints seek damages in excess of \$9 million.

In connection with the above complaints, the Princess Susana was arrested. Security was posted by the vessel's owners' protection and indemnity insurers in the amount of \$11.2 million and the Vvssel was released from arrest (insurance coverage is in place). Both the Ursa and the Valero complaints have been answered, defenses have been raised, and a counterclaim has been raised in the Ursa action seeking, inter alia, unpaid freight and demurrage.

Discovery is presently underway and the parties have exchanged documents. It is too early in the course of the litigations to form an opinion as to their ultimate outcome.

We believe this claim is covered by insurance. The insurer is actively participating in its defense and has not asserted any objections or defenses to the claim. We would expect any damages arising from this action (less our policy deductible) to be covered by the proceeds of such insurance.

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Results of Operations

Three months ended March 31, 2003 compared to the three months ended March 31, 2002.

The following table sets forth certain historical income statement data for the periods indicated derived from the Company's statements of operations expressed in thousands of dollars.

	Three months ended March 31, 2003	2002
	(dollars in thousands)	
Freight revenues		
Attributable to wholly owned vessels	5,939	5,600
Attributable to wholly chartered-in vessels	42	88
Total	5,981	5,688
Hire revenues		
Attributable to wholly owned vessels	10,900	12,667
Attributable to wholly chartered-in vessels	0	0
Total	10,900	12,667
Total Revenues	16,881	18,355
Voyage expenses		
Attributable to wholly owned vessels	(2,582)	(2,643)
Attributable to wholly chartered-in vessels	(23)	(87)
Total	(2,605)	(2,730)
Running costs	(7,382)	(6,734)
Amortization of dry-dock expense	(2,074)	(1,932)
Depreciation of property and equipment	(4,046)	(4,093)
Management fees and administrative expenses	(1,595)	(1,784)
Loss on involuntary conversion of Argentine receivables	-	(988)
Operating profit	(821)	94
Interest expense	(4,090)	(4,254)

Revenues

Total revenues from freight net of commissions increased from \$5.7 million in the first three months 2002 to \$5.9 million in 2003, or an increase of 4%. This increase is primarily attributable to the Princess Susana and Princess Veronica COA's employment instead of time charter operation of the Princess Marisol.

Hire revenues net of commissions, decreased by 14% from \$12.7 to \$10.9

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million. This decrease is attributable to the Princess Susana and Princess Veronica COA's employment instead of time charter employment, partially compensated by the time charter employment of the Princess Marisol and Cape Pampas, a new vessel incorporated in July 2002.

The total of 58 days out of service experienced by our Princess Marina and Princess Susana due to major repairs, Princess Eva and Princess Pia which were out of service due to accidents for 104 days, in the aggregate, during the first quarter affected negatively our revenues in this period. Part of this off hire time is compensated by our loss of hire insurance for which a total of \$1.4 million has been included as other income (outside our operational result).

Operating loss for the first three months of 2003 was \$ 0.8 million, a decrease of \$0.9 million from the same period in 2002. In comparing the results of the first quarter 2003 with the same period 2002 in addition to the factors mentioned above it should also be considered that during the first quarter of 2002 our Suezmax vessels were all under comparatively higher time charters fixed in 2001 while during the first quarter of 2002 a significant portion of our Suezmax fleet was still under lower charters fixed in 2002 all of which expired during this period.

Voyage expenses

The first three months of 2003 voyage expenses were \$2.6 million, as compared to \$2.7 million for the first quarter of 2002, a decrease of \$0.1 million, or 4%. The decrease is primarily attributable to the combined effect of a large portion of the fleet operating on time charter contract instead of COA and the lower activity of our Panamax fleet.

Running costs

Running costs increased by about 10%, to \$7.4 million in the first quarter of 2003 as compared to \$6.7 million in the equivalent 2002 period. This increase is mainly attributable to the new vessel incorporated in July 2002, the Cape Pampas.

Amortization of dry-dock expense

Amortization of dry docking and special survey costs increased by \$0.2 million, or 11%, to \$2.1 million in the first quarter of 2003 as compared to \$1.9 million in 2002. The increase was due to the amortized portion of dry-docks (i.e., repairs) carried out on the Princess Marisol, Princess Pia and Princess Marina.

Depreciation of property and equipment

Depreciation and amortization decreased by \$0.1 million, or 2%, to \$4.0 million in the first three months of 2003 as compared to \$4.1 million in 2002. This decrease is primarily due to the sale of the Princess Fatima partially compensated by an increase attributable to the purchase of the Cape Pampas.

Management fees and administrative expenses

Management fees and administrative expenses were \$1.8 million in the first three months of 2002 as compared to \$1.6 million in 2003 this decrease \$0.2 million is attributable mainly to a decrease in administrative expenses.

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Interest expense

Interest expense decreased by \$0.2 million, or 5%, to \$4.1 million in the first quarter of 2003 as compared to \$4.3 million in 2002. The decrease is primarily attributable to the lower level of financial debt and consequential interest costs associated

Liquidity and Capital Resources

The Company is a holding company with no material assets other than those of its subsidiaries. Consequently, it must fund its capital requirements through other sources, including cash dividends from subsidiaries, borrowings and shareholder contributions. The Company operates in a capital-intensive industry requiring substantial ongoing investments in revenue producing assets. The Company's subsidiaries have historically funded their vessel acquisitions through a combination of bank indebtedness, shareholder loans, cash flow from operations and equity contributions. As of March 31, 2003, the Company had total indebtedness of \$170.4 million, \$135 million from the proceeds of the Note Issue, \$2.0 million drawn under a revolving credit facilities from Allfirst Bank (as from April 1st, 2003 is known as M&T Bank), the trustee of the Company's Notes, for Majestic Maritime Ltd., a wholly owned subsidiary, \$5.8 million in a senior loan facility with Nedship Bank (America) N.V. for Kattegat Shipping Inc., a wholly owned subsidiary, for the purchase of the vessel Princess Marina, \$8.4 million in a senior loan facility with Allfirst Bank for Majestic Maritime Ltd, a wholly owned subsidiary, for the purchase of the vessel Princess Katherine, \$11.0 million in a senior loan facility with Credit Agricole Indosuez for Braddock Shipping Inc, a 60% owned subsidiary, for the purchase of the vessel Cape Pampas. The Company has a revolving credit facilities of \$1.0 million from the Allfirst Bank for Stanmore Shipping Inc., a wholly owned subsidiary and accrued interest expenses for these loans of \$ 7.2 million.

At March 31, 2003, the Company had cash and cash equivalents on hand of \$9.8 million.

The Company believes, based upon current levels of operation, cash flow from operations, together with other sources of funds, that it will have adequate liquidity to make required payments of principal and interest on the Company's debt, including obligations under the Notes, complete anticipated capital expenditures and fund working capital requirements.

Operating Activities

In the first three months of 2003, the Company generated a positive \$8.4 million in cash flow from operations compared to \$9.2 million for in the same period in 2002. Net losses for the first quarter of 2003 were \$ 3.3 million which is \$1.2 million less than net losses in the first quarter of 2002.

Net cash provided by operating activities consists of our net income increased by non-cash expenses, such as depreciation and amortization of deferred, and adjusted by changes in working capital.

Investing Activities

During the first three months of 2003 the Company disbursed \$2.3 million in dry dock and major repair expenses compared to \$3.0 million in the same period of 2002.

Financing Activities

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Net cash provided by financing activities decreased by \$1.2 million. The decrease in cash provided by financing activities in first quarter 2003 is mainly attributable to capital payments made during the first quarter.

ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2003 AND 2002

(Unaudited)

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ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2003 AND 2002

(Unaudited)

(stated in thousands of U.S. dollars, except par value and share amounts)

	2003	2002
	-----	-----
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	9,818	11,153
Restricted cash	2,029	8
Investments	301	198
Accounts receivable	8,970	8,027
Due from affiliates	9,392	22,115
Inventories	1,487	1,847
Prepaid expenses	4,519	4,599
Other receivables	4,442	6,704
	-----	-----
Total current assets	40,958	54,651
	-----	-----

NONCURRENT ASSETS

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Dry Dock	9,068	14,023
Other receivables	6,800	3,821
Property and equipment	130,750	131,203
Investment in affiliates	22,591	22,204
Other assets	4,744	3,514
	-----	-----
Total noncurrent assets	173,953	174,765
	-----	-----
Total assets	214,911	229,416
	=====	=====
LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses		
	6,753	7,294
Due to affiliates	727	9,939
Other financial debt	14,795	19,183
Other payables	297	505
	-----	-----
Total current liabilities	22,572	36,921
	-----	-----
NONCURRENT LIABILITIES		
Long-term debt	135,000	135,000
Other financial payable, net of current portion	20,592	14,120
	-----	-----
Total noncurrent liabilities	155,592	149,120
	-----	-----
Total liabilities	178,164	186,041
	-----	-----
MINORITY INTEREST	4,949	-
	-----	-----
SHAREHOLDERS' EQUITY		
Common stock, \$.01 par value: authorized shares 2,134,451, issued and outstanding 2,109,239 in 2003 and 2,080,840 in 2002	21	20
Additional paid-in capital	68,884	67,781
Treasury stock	(20,332)	(20,332)
Accumulated deficit	(16,775)	(4,094)
	-----	-----
Total shareholders' equity	31,798	43,375
	-----	-----
Total liabilities, minority interest and shareholders' equity	214,911	229,416
	=====	=====

The accompanying notes to condensed consolidated financial statements are an integral part of these statements.

ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2003 AND 2002

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(Unaudited)

(stated in thousands of U.S. dollar)

	2003	2002
	-----	-----
REVENUES		
Freight revenues	5,954	5,543
Freight revenues from related parties	27	145
Hire revenues	8,448	9,523
Hire revenues from related parties	2,452	3,144
	-----	-----
Total revenues	16,881	18,355
	-----	-----
OPERATING EXPENSES		
Voyage expenses	(2,605)	(2,730)
Running costs	(7,382)	(6,734)
Amortization of dry dock	(2,074)	(1,932)
Depreciation of property and equipment	(4,046)	(4,093)
Management fees to related parties	(814)	(810)
Administrative expenses	(781)	(974)
Loss on involuntary conversion of Argentine receivables		(988)
	-----	-----
Total operating expenses	(17,702)	(18,261)
	-----	-----
Operating profit	(821)	94
	=====	=====
OTHER INCOME (EXPENSES)		
Interest expense	(4,090)	(4,254)
Interest income	61	67
Investment in affiliates	123	(307)
Other net income	1,538	8
	-----	-----
Total other expenses	(2,368)	(4,486)
	-----	-----
(Loss) income before income tax and minority interest	(3,189)	(4,392)
	-----	-----
Tax on minimum presumed income / Income tax	(30)	(71)
Minority interest	(72)	-
	-----	-----
Net loss for the period	(3,291)	(4,463)
	=====	=====

The accompanying notes to condensed consolidated financial statements are an integral part of these statements.

ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

CONDENSED STATEMENTS OF CHANGES

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IN SHAREHOLDERS' EQUITY

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2003 AND 2002

(Unaudited)

(stated in thousands of U.S. dollars)

Balances	Common stock	Additional paid-in capital	Treasury stock	Accumulated deficit	Total 2003	Total 2002
At beginning of period	21	68,884	(20,332)	(13,484)	35,089	47,838
- Net loss for the period	-	-	-	(3,291)	(3,291)	(4,463)
At end of period 2003	<u>21</u>	<u>68,884</u>	<u>(20,332)</u>	<u>(16,775)</u>	<u>31,798</u>	<u>-</u>
At end of period 2002	<u>20</u>	<u>67,781</u>	<u>(20,332)</u>	<u>(4,094)</u>	<u>-</u>	<u>43,375</u>

The accompanying notes to condensed consolidated financial statements are an integral part of these statements.

ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2003 AND 2002

(Unaudited)

(stated in thousands of U.S. dollars)

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(3,291)	(4,463)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation of property and equipment	4,046	4,093
Amortization of dry dock expenses	2,074	1,932
Note issuance expenses amortization	146	146
Net loss from investment in affiliate	(123)	307
Changes in assets and liabilities, net:		
(Increase) decrease in assets:		
Accounts receivable	(1,326)	2,937
Due from affiliates	3,647	(3,825)
Inventories	105	(334)
Prepaid expenses	(1,220)	(805)
Other receivables	(772)	38
Increase (decrease) in liabilities:		

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Accounts payable and accrued expenses	1,724	3,444
Due to affiliates	460	1,673
Other payables	(438)	329
Accrued expenses	3,397	3,688
	-----	-----
Net cash provided by operating activities	8,429	9,160
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(6)
Decrease in loan to affiliate	207	-
Dry dock expenses	(2,285)	(3,036)
Increase in current investments	(31)	(6)
	-----	-----
Net cash used in investing activities	(2,109)	(3,048)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of financial debt	(800)	(830)
Funds used in acquisition of treasury stock	(1,200)	-
Increase in restricted cash	(367)	(8)
Capital contribution of minority shareholder to subsidiary	1,517	-
Other	(376)	7
	-----	-----
Net cash used in financing activities	(1,226)	(831)
	-----	-----
Net increase in cash and cash equivalents	5,094	5,281
Cash and cash equivalents at the beginning of year	4,724	5,872
	-----	-----
Cash and cash equivalents at the end of period	9,818	11,153
	=====	=====

The accompanying notes to condensed consolidated financial statements are an integral part of these statements.

ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2003 AND 2002

(Unaudited)

(stated in thousands of U.S. dollars)

1. BASIS OF PRESENTATION

The condensed consolidated financial statements for the three months periods ended March 31, 2003 and 2002, were prepared by the Company without audit. In the opinion of management, all normal recurring nature adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods were made.

Certain information and footnote disclosures, normally included in financial statements prepared in accordance with generally accepted accounting principles, were condensed or omitted. Accordingly, these condensed consolidated financial statements should be read in conjunction

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with the consolidated financial statements and notes thereto included in the consolidated financial statements for the years ended December 31, 2002, 2001 and 2000.

2. SHARE SALE AGREEMENTS SIGNED BY THE COMPANY

On June 28, 2001, the Company issued 138,443 new shares for 5,295 which were totally subscribed by Los Avellanos, one of the Company's original shareholders and was paid 3,297 in 2001 and 1,104 in 2002 and the balance are payable in July 2003.

3. LONG-TERM DEBT AND OTHER FINANCIAL PAYABLES

On March 30, 1998, the Company successfully completed its offering of 135,000 in principal amount of its 10.5% First Preferred Ship Mortgage Notes due in full in 2008. In accordance with the terms provided in such Offering, the Notes are fully and unconditionally guaranteed on a joint and several basis by certain subsidiaries of the Company, and are secured by first ship mortgages on vessels already owned by the guarantors and on additional vessels that the Company purchased with the proceeds obtained from the Offering.

As of March 31, 2003, the Company's noncurrent portion of long-term debt amounts to 135,000. It exclusively comprises the debt principal amount of the Notes. The related interest expense, totaling 7,088 is accrued in other financial debt.

The balances of financial payables as of March 31, 2003 and 2002 are as follows:

	Financial institution / other	Agreement year	Nominal value		Accrued expenses	T
			Current	Noncurrent		
Total 2002			11,920	149,120	7,263	1
			=====	=====	=====	=
	Private Investors					
Ultrapetrol Bahamas	(Notes)	1998	-	135,000	7,088	
Majestic	Allfirst Bank	2001	2,000	-	-	
Kattegat	Nedship Bank	2000	1,000	4,750		
Majestic	Allfirst Bank	2000	1,200	7,200		
Stanmore	Allfirst Bank	2000	1,000	-	-	
Braddock	Credit Agricole	2002	2,390	8,642	117	
	Indosuez					
Total 2003			7,590	155,592	7,205	
			=====	=====	=====	

4. PROPERTY AND EQUIPMENT

On July, 2002, the Company purchased the Cape Pampas, a second hand

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capsize bulk carrier through its wholly owned subsidiary, Braddock. The amount of the acquisition was financed by a mortgage loan agreement with Credit Agricole Indosuez.

On August 26, 2002, the Company entered into a Memorandum of Agreement (MOA) through which it committed to sell its vessel Princess Fatima, to an unrelated company for 1,867, net of associated expenses. On September 19, 2002 the Company delivered the Princess Fatima pursuant to the MOA and received the purchase price.

The proceeds from the sale of the Princess Fatima Vessel were deposited in a restricted cash account and can only be used to buy another vessel to guarantee the Notes. Subsequently, the Princess Sofia was bought with part of these proceeds and the remainder of the proceeds are included in restricted cash as of March 31, 2003.

5. TREASURY STOCK

On October 12, 2000 the Company through a wholly owned subsidiary, Avemar Holdings (Bahamas) Limited ("Avemar"), purchased 537,144 shares of the Company previously owned by Societe Internationale D'Investissement S.A. (Bahamas) ("SII"). The nominal purchase price of said shares was 20,000.

As of March 31, 2003 and 2002, the Company recorded 20,332 in the "Treasury stock" account, 20,000 of which relates to the amount payable to SII and 332 relates to direct cost of acquisition.

6. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	Three months period Ended, March 31	
	2003	2002
- Interest	378	343
- Income taxes	23	84

7. CLAIMS AGAINST INSURANCE COMPANIES

As of March 31, 2003 and 2002, the "Other receivables" account includes 8,953 and 10,088, respectively, related to claims against insurance companies. Claims for 3,200 have been made by the Company against the insurance companies regarding the repair expenses incurred to date for damage to some vessels in 2003. The "Other net income" account for the period of three months ended March 31, 2003, includes 1,448 related to claims for loss of income (business interruption) corresponding to the Princess Pia and Princess Eva.

The "Other net income" account for the period of three months ended March 31, 2002, includes 361 related to claims for loss of income (business interruption) corresponding to the Alianza G3.

8. CLAIMS AGAINST THE COMPANY

On February, 2003, Ursa Shipping Ltd. ("Ursa") brought suit in the United

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States District Court for the District of New Jersey against M/T Princess Susana and Noble Shipping Ltd. (a wholly owned subsidiary of the Company) seeking damages arising out of the delay in delivery of a cargo of Kirkuk crude oil to the Valero terminal in Paulsboro, New Jersey. Also in February 2003, Valero Marketing and Supply Co. ("Valero") commenced an action against Noble Shipping Ltd. The Valero and Ursa complaints seek damages in excess of 9 million.

In connection with the above complaints, the vessel was arrested. Security was posted by the vessel owners' protection and indemnity insurers in the amount of 11.2 million and the vessel was released from arrest (insurance coverage is in place). Both the Ursa and the Valero complaints have been answered, defenses have been raised, and a counterclaim has been raised in the Ursa action seeking, inter alia, unpaid freight and demurrage.

Discovery is presently underway and the parties have exchanged documents. It is too early in the course of the litigations to form an opinion as to their ultimate outcome.

The Company's management and its legal counsel believe this claim is covered by insurance. The insurer is actively participating in its defense and has not asserted any objections or defenses to the claim. We would expect any damages arising from this action (less our policy deductible) to be covered by the proceeds of such insurance.

9. SUPPLEMENTAL GUARANTOR INFORMATION

As described in Note 3, the Notes are fully and unconditionally guaranteed by certain subsidiaries of the Company.

The subsidiaries which offered its assets in collateral of the above - mentioned indebtedness are: Ultrapetrol S.A., Regal International Investments S.A., Baldwin Maritime Inc., Tipton Marine Inc., Kingsway Shipping Inc., Plate Princess Shipping Company Ltd., Panpetrol Shipping S.A., Oceanview Maritime Inc., Kingly Shipping Ltd., Sovereign Maritime Ltd., Imperial Maritime Ltd., Monarch Shipping Ltd., Noble Shipping Ltd., Cavallier Shipping Inc., Oceanpar S.A. and Parfina S.A. ("Subsidiary Guarantors").

Supplemental condensed combining financial information for the Guarantors Subsidiaries is presented below. This information is prepared in accordance with the Company's accounting policies. This supplemental financial disclosure should be read in conjunction with these condensed consolidated financial statements.

SUPPLEMENTAL CONDENSED COMBINED SUBSIDIARY GUARANTORS

BALANCE SHEETS AS OF MARCH 31, 2003 AND 2002

(Unaudited)

(stated in thousands of U.S. dollars)

	2003	2002
	-----	-----
ASSETS		
Current assets	24,964	35,243
Noncurrent assets	99,777	114,124

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Total assets	-----	-----
	124,747	149,367
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities	115,996	127,342
Commitments and contingencies	-	-
Shareholders' equity	8,745	22,025
	-----	-----
Total liabilities and shareholders' equity	124,741	149,367
	=====	=====

SUPPLEMENTAL CONDENSED COMBINED SUBSIDIARY GUARANTORS

STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2003 AND 2002

(Unaudited)

(stated in thousands of U.S. dollars)

	2003	2002
	-----	-----
Freight revenues		
	5,954	5,661
Hire revenues	7,006	8,065
	-----	-----
Total revenues	12,960	13,726
Operating expenses	(13,865)	(14,206)
	-----	-----
Operating (loss) profit	(905)	(480)
Other expenses	(2,054)	(4,565)
	-----	-----
(Loss) income before income tax	(2,959)	(5,045)
Tax on minimum presumed income / Income tax	(24)	(71)
	-----	-----
Net loss (income) for the period	(2,983)	(5,116)
	=====	=====

SUPPLEMENTAL CONDENSED COMBINED SUBSIDIARY GUARANTORS

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2003 AND 2002

(Unaudited)

(stated in thousands of U.S. dollars)

2003 2002

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Net (loss) income for the period		
	(2,983)	(5,116)
Adjustments to reconcile net (loss) income to cash provided by operating activities:	3,429	8,652
Net cash provided by (used in) operating activities	446	3,536
Net cash used in investing activities	(1,255)	(3,040)
Net cash provided by (used in) financing activities	(31)	458
Net increase (decrease) in cash and cash equivalents	(840)	954
Cash and cash equivalents at the beginning of the year	932	247
Cash and cash equivalents at the end of the period	92	1,201

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.

ULTRAPETROL (BAHAMAS) LIMITED
(registrant)

Dated: May 15, 2003

By: /s/ Felipe Menendez

Felipe Menendez
President

02351.0001 #404969