TOP TANKERS INC.
Form 6-K
June 13, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of June 2007

Commission File Number 000-50859

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

1, Vassilissis Sofias Meg. Alexandrou Str.
151 24 Maroussi
Greece
(Address of principal executive office)

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

Form 20-F [X]   Form 40-F [_]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ___

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)7: ___

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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 [X]

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): ________.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Included in this report on Form 6-K as Exhibit 1 is the Management's Discussion and Analysis of Financial Position and Performance Operating and Financial Review and Prospects of TOP Tankers (the "Company") for the Three Months Ended March 31, 2007.

We have entered into a sales agreement with Deutsche Bank Securities Inc. as sales agent pursuant to which we may, from time to time, sell shares in at the market and negotiated transactions with a total market price of up to $30,000,000. The commissions will be between 2.75% and 4.0%. The sales agreement is attached to this report as Exhibit 2.

This Form 6-K is hereby incorporated by reference to the Company's registration statement on Form F-3 filed on August 1, 2005 (Registration No. 333-127086).

Exhibit 1

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND PERFORMANCE OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following is a discussion of our financial condition and results of operations for the quarters ended March 31, 2007 and 2006. You should read this section together with the condensed financial information for the periods mentioned below.

We are a provider of international seaborne transportation services, carrying refined petroleum products and crude oil. As of March 31, 2007, our fleet size was 24 vessels, or 2.5 million dwt (including 18 vessels sold and leased back for a period of 5 to 7 years) as compared to 27 vessels, or 2.6 million dwt on March 31, 2006.

We actively manage the deployment of our fleet between spot market voyage charters, which generally last from several days to several weeks, and time charters, which can last up to several years. A spot market voyage charter is generally a contract to carry a specific cargo from a load port to a discharge port for an agreed upon total amount. Under spot market voyage charters, we pay voyage expenses such as port, canal and fuel costs. A time charter is generally a contract to charter a vessel for a fixed period of time at a specified daily rate. Under time charters, the charterer pays voyage expenses such as port, canal and fuel costs. Under both types of charters, we pay for vessel operating expenses, which include crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance and repairs, as well as for commissions on gross charter rates. We are also responsible for the vessel's intermediate and special survey costs.

Vessels operating on time charters provide more predictable cash flows, but can yield lower profit margins than vessels operating in the spot market during periods characterized by favorable market conditions. Vessels operating in the spot market generate revenues that are less predictable but may enable us to capture increased profit margins during periods of improvements in vessel rates although we are exposed to the risk of declining vessel rates, which may have a materially adverse impact on our financial performance. We are constantly evaluating opportunities to increase the number of our vessels deployed on time charters, but only expect to enter into additional time charters if we can obtain contract terms that satisfy our charter rate criteria.

Operating Results

For discussion and analysis purposes only, we evaluate performance using time charter equivalent, or TCE[1], revenues. TCE revenues are voyage revenues minus voyage expenses. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by a charterer under a time charter, as well as commissions. We believe that presenting voyage revenues net of voyage expenses neutralizes the variability created by unique costs associated with particular voyages or the deployment of vessels on the spot market and presents a more accurate representation of the revenues generated by our vessels.

We calculate daily TCE rates by dividing TCE revenues by voyage days for the relevant time period. TCE revenues include demurrage revenue, which represents fees charged to charterers associated with our spot market voyages when the charterer exceeds the agreed upon time required to load or discharge a cargo. We calculate daily direct vessel operating expenses and daily general and administrative expenses for the relevant period by dividing the total expenses by the aggregate number of calendar days that we owned each tanker for the period.

[1] Consistent with general practice in the tanker shipping industry, time charter equivalent, or TCE, is a measure of the average daily revenue performance of a vessel on a per voyage basis. Our method of calculating TCE is consistent with industry standards and is determined by dividing net voyage revenue by voyage days for the relevant time period. Net voyage revenues are voyage revenues minus voyage expenses. Voyage expenses primarily consist of port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract, as well as third party charter commissions.

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The following table reflects calculation of the TCE (all amounts are expressed in thousands of U.S. dollars, except for Average Daily Time Charter Equivalent amounts and Total Voyage Days):

	Three months ended March 31, 2006	Three months ended March 31, 2007
Dollars in thousands		
Voyage revenues	$ 101,746	$ 73,988
Less Voyage expenses	(16,234)	(14,942)
Time charter equivalent revenue	$ 85,512	$ 59,046
Total voyage days	2,348	1,995
Average Daily Time Charter Equivalent	$ 36,419	$ 29,597

We depreciate our tankers on a straight-line basis over their estimated useful lives determined to be 25 years from the date of their initial delivery from the shipyard. Depreciation is based on cost less the estimated residual value. We capitalize the total costs associated with a dry-docking, as deferred charges, and amortize these costs on a straight-line basis over the period when the next dry-docking becomes due, which is typically 30 months. Regulations and/or incidents may change the estimated dates of next dry dockings.

In March 2006, we sold the *M/T Faithful, M/T Spotless, M/T Vanguard, M/T Doubtless, M/T Flawless, M/T Timeless, M/T Priceless* and *M/T Stopless* and entered into bareboat charter agreements to leaseback the vessels, for a period of five years.

The charter back agreements are accounted for as operating leases and the gains on each sale were deferred and are being amortized to income over the lease periods; lease payments relating to the bareboat charters of the vessels are separately reflected in the consolidated statements of income. According to the terms of the 2006 sale and leaseback transactions, 10% of the gross aggregate sales price, $55.0 million, has been withheld by the purchaser and will be paid to us not later than three months after the end of bareboat charter period or upon the resale of the vessels by the purchaser, if earlier. Consequently, we recognized this receivable from the purchaser at a discounted amount upon the sale of the vessels, classified as a non-current asset, and will accrete the balance of the receivable to the full $55.0 million, through deferred gain on sale and leaseback of vessels over the period of the bareboat charter or upon the resale of the vessels by the purchaser, if earlier. The purpose of the hold-back is to serve as security for the due and punctual performance and observance of all the terms and conditions from our behalf under the agreements.

The purpose of the sale and leaseback transactions that were completed in 2006 was to take advantage of the high asset price environment prevailing in the market at the time while maintaining commercial and operational control of the vessels for a period of five to seven years. The majority of the net proceeds of the transaction, after debt repayment, were distributed as a special dividend to the Company's shareholders.

Adjusted EBITDA[2], decreased by $44.8 million, or 80.6%, to $10.8 million for the first quarter of 2007 compared to $55.6 million for the first quarter of 2006. This decrease is due to the decrease of voyage revenues to $74 million in 2007 from $101.7 million in 2006 and an increase in charter hire expense to $29.5 million in 2007 from $7.6 million in 2006, as a result of the 13 sale and leaseback transactions concluded in 2006. Adjusted EBITDA reconciliation is presented in Appendix A.

Fleet Employment Profile

As of March 31, 2007, the Company's fleet size was 24 vessels, or 2.5 million dwt (including 18 vessels sold and leased back for a period of 5 to 7 years) as compared to 27 vessels, or 2.6 million dwt on March 31, 2006.

[2]Adjusted EBITDA represents earnings before interest and finance costs, interest income, taxes, depreciation and amortization. Interest and finance costs, net includes interest expense, interest income, amortization of deferred financing fees, other financial costs, gain or loss from termination of swaps and swap fair value changes. Adjusted EBITDA is included in this report because we believe it provides investors with an understanding of operating performance over comparative periods. Adjusted EBITDA should not be considered as a substitute for operating income or net income (all as determined in accordance with generally accepted accounting principles) for the purpose of analyzing our operating performance, as Adjusted EBITDA is not defined by generally accepted accounting principles. We presented Adjusted EBITDA, however, because it is commonly used by certain investors and analysts to analyze and compare companies on the basis of operating performance.

In April 2007, the Company sold the Suezmax tanker M/T Errorless for $52.5 million, resulting in a book gain of $2.0 million, which will be recognized in the second quarter of 2007. The vessel was delivered to its new owners on April 30, 2007.

The following key indicators serve to highlight changes in the financial performance of the Company's fleet during the first quarters ended March 31, 2006 and 2007:

	Suezmax Fleet		
	Three Months Ended March 31,		
(In U.S. Dollars unless otherwise stated)	2006	2007	Change
Total available ship days	1,170	1,170	0.0%
Total operating days	1,112	1,084	-2.5%
Utilization	95.0%	92.6%	-2.5%
TCE per ship per day under spot voyage charter	$ 61,802	$ 38,565	-37.6%
TCE per ship per day under time charter	$ 39,108	$ 35,123	-10.2%
Average TCE	$ 52,741	$ 37,428	-29.0%
Other vessel operating expenses per ship per day	$ 7,634	$ 8,231*	7.8%

	Handymax Fleet		
	Three Months Ended March 31,		
(In U.S. Dollars unless otherwise stated)	2006	2007	Change
Total available ship days	1,260	990	-21.4%
Total operating days	1,236	911	-26.3%
Utilization	98.1%	92.0%	-6.2%
TCE per ship per day under spot voyage charter	-	-	-
TCE per ship per day under time charter	$ 21,735	$ 20,279	-6.7%
Average TCE	$ 21,735	$ 20,279	-6.7%
Other vessel operating expenses per ship per day	$ 5,397	$ 6,576	21.9%

	Total Fleet		
	Three Months Ended March 31,		
(In U.S. Dollars unless otherwise stated)	2006	2007	Change
Total available ship days	2,430	2,160	-11.1%
Total operating days	2,348	1,995	-15.0%
Utilization	96.6%	92.4%	-4.4%
TCE per ship per day under spot voyage charter	$ 61,802	$ 38,565	-37.6%
TCE per ship per day under time charter	$ 26,326	$ 24,467	-7.1%
Average TCE	$ 36,419	$ 29,597	-18.7%
Other vessel operating expenses per ship per day	$ 6,474	$ 7,473*	15.4%
General and administrative expenses per ship per day**	$ 3,024	$ 2,406	-20.4%

* The daily Other vessel operating expenses for the Suezmax Fleet and Total Fleet include approximately $332 and $180, respectively for the ballast tank cleaning process of the M/T Faultless, that are not expected to be covered by the insurance underwriters.

** The daily General and Administrative expenses include approximately $1,630 and $218 for the first quarter of 2006 and 2007, respectively, of non-cash restricted stock expense, general compensation provision, specific legal and auditing fees and depreciation for other fixed assets.

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Fleet Deployment:

During the first quarter of 2007, the Company had approximately 64% of the fleet's operating days on long-term employment contracts. Fifteen of the Company's 24 tankers were on time charter contracts with an average term of over three years with all but three of the time charters including profit sharing agreements.

On May 16, 2007, the Company announced a new time charter contract with a major South American oil company for its Suezmax M/T Flawless. The vessel is expected to earn approximately $44,500 per day, on a TCE basis, for one year and charterers have the option to extend the contract for an additional one year.

The Company has secured approximately 63% of the estimated operating days for 2007 under time charter contracts. At the same time, the seven Suezmaxes that will operate in the spot market, together with the profit sharing component of the time charter contracts, expose approximately 55% of the Company's estimated operating days for 2007 to spot rates, which may be potentially higher.

Suezmax Fleet:

During the first quarter of 2007, nine of the Company's Suezmax tankers operated in the spot market, earning on average $38,565 per vessel per day on a time charter equivalent (TCE) basis.

During the first quarter of 2007, four of the Company's Suezmax tankers operated under time charter contracts, earning on average $35,123 per vessel per day on a time charter equivalent (TCE) basis.

As of the date of this filing, the Company's Suezmax fleet for the second quarter of 2007 has been fixed for employment as follows:

Spot: 52% of operating days at average daily TCE of $45,000
Total (Spot and time charter, including profit sharing): 67% of operating days at average daily TCE of $41,000.

Handymax Fleet:

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

During the first quarter of 2007, including the profit-sharing allocated to the Company the Handymax fleet earned on average $20,279 per vessel per day on a time charter equivalent (TCE) basis.

As of the date of this filing, the Company's Handymax fleet for the second quarter of 2007 has been fixed for 66% of its operating days at average daily TCE of $21,000.

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

	Dwt	Year Built	Charter Type	Expiry	Daily Base Rate	Profit Sharing Above Base Rate (2007)	Daily Charter Hire Expense
12 Suezmax Tankers							
Timeless[C]	154,970	1991	Spot				$25,000
Flawless[C]	154,970	1991	Time Charter	Q3/2008 [A]	$44,500	None	$25,000
Stopless[C]	154,970	1991	Spot				$25,000
Priceless[C]	154,970	1991	Time Charter	Q3/2008	$35,000	50% thereafter	$25,000
Faultless[D]	154,970	1992	Spot				$23,450
Noiseless[D]	149,554	1992	Time Charter	Q2/2010	$36,000 [1]	None	$23,450
Stainless[D]	149,599	1992	Spot				$23,450
Endless[D]	135,915	1992	Time Charter	Q4/2008 [E]	$36,500	None	$23,450
Limitless[D]	136,055	1993	Spot				$23,450
Stormless[F]	150,038	1993	Time Charter	Q4/2009	$36,900	None	
Ellen P[F]	146,286	1996	Spot				
Edgeless[F]	147,048	1994	Spot				
11 Handymax Tankers							
Victorious[B]	47,084	1991	Time Charter	Q3/2009	$14,000	50% thereafter	$11,500
Sovereign[B]	47,084	1992	Time Charter	Q3/2009	$14,000	50% thereafter	$11,600
Invincible[B]	47,084	1992	Time Charter	Q3/2009	$14,000	50% thereafter	$11,500
Relentless[B]	47,084	1992	Time Charter	Q3/2009	$14,000	50% thereafter	$11,500
Vanguard[C]	47,084	1992	Time Charter	Q1/2010	$15,250	50% thereafter	$13,200
Restless[B]	47,084	1991	Time Charter	Q4/2009	$15,250	50% thereafter	$11,600
Spotless[C]	47,094	1991	Time Charter	Q1/2010	$15,250	50% thereafter	$13,200
Doubtless[C]	47,076	1991	Time Charter	Q1/2010	$15,250	50% thereafter	$13,200
Faithful[C]	45,720	1992	Time Charter	Q2/2010	$14,500	100% first $500 + 50% thereafter	$13,200
Dauntless[F]	46,168	1999	Time Charter	Q1/2010	$16,250	100% first $1,000 + 50%	

						thereafter
Ioannis P[F]	46,346	2003	Time Charter	Q4/2010	$18,000	100% first $1,000 + 50% thereafter
Total Tanker DWT	**2,304,253**					

A. Charterers have option to extend contract for an additional one-year period
B. Vessels sold and leased back in August and September 2005 for a period of 7 years
C. Vessels sold and leased back in March 2006 for a period of 5 years
D. Vessels sold and leased back in April 2006 for a period of 7 years
E. Charterers have option to extend contract for an additional four-year period
F. Owned vessels

1. Base rate will change to $35,000 in Q2 2008 until expiration.

Credit Facility

As of March 31, 2007, TOP Tankers had total indebtedness under senior secured credit facilities of $225.7 million with its lenders, the Royal Bank of Scotland ("RBS") and HSH Nordbank ("HSH"), maturing in 2015 and 2013 respectively.

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As of March 31, 2007, the Company has three interest rate swap agreements with RBS for the notional amounts of $31.7 million, $10 million and $10 million for a period of four, seven and seven years, respectively. Under these agreements the interest rate is fixed at an effective annual rate of 4.66% (in addition to the applicable margin), 4.23% and 4.11%, respectively. The Company also has one interest rate swap agreement with HSH for the notional amount of $40.2 million for a period of five years, at a fixed interest rate of 4.80% in addition to the applicable margin. In addition, the Company has two interest rate swap agreements with Deutsche Bank and Egnatia Bank for the notional amounts of $50 million and $10 million for a period of seven and seven years, respectively. Under these agreements the interest rate is fixed at an effective annual rate of 4.45% and 4.76%, respectively. The two swaps with RBS for notional amounts of $10 million and $10 million, the swap with Deutsche Bank for a notional amount of $50 million and the swap with Egnatia Bank for a notional amount of $10 million, include steepening terms based on the 2 and 10 year swap difference, which is calculated quarterly in arrears. The interest rate for the remaining balance of the loans is LIBOR, plus the margin. On March 31, 2007, the Company's ratio of indebtedness to total capital was approximately 53.0%.

Quarter ended March 31, 2007 compared to the quarter ended March 31, 2006

VOYAGE REVENUES--Voyage revenues decreased by $27.7 million, or 27.2%, to $74.0 million for 2007 compared to $101.7 million for 2006. This decrease is due to the decrease of operating days to 1,995 days in 2007 from 2,348 days in 2006 as a result of the decrease in the average number of vessels and the decrease in the utilization rate of vessels as a result of the dry-dockings of M/T Stopless and M/T Vanguard and the ballast tanks cleaning process of M/T Faultless. Specifically, during the first quarter of 2007 the average number of vessels operating was 24.0, down from 27.0 for the respective period in 2006. Also, during the first quarter of 2007 the average TCE rate was lower by 18.7% or $29,597 from $36,419 in the respective period in 2006.

VOYAGE EXPENSES--Voyage expenses primarily consist of port charges, including canal dues, bunkers (fuel costs) and commissions that are unique to a particular voyage. These expenses, which are paid by the charterer under a time charter contract, as well as commissions, decreased by $1.3 million, or 8.0%, to $14.9 million for 2007 compared to $16.2 million for the respective period in 2006. This decrease is primarily due to the decrease of our average number of vessels to 24.0 from 27.0 in the first quarter of 2006, as well as a decrease in the average market price for bunkers from the respective period in 2006.

NET VOYAGE REVENUES--Net voyage revenues, which are voyage revenues minus voyage expenses, decreased by $26.5 million, or 31.0%, to $59.0 million for the first quarter of 2007 compared to $85.5 million the first quarter of the prior year. This decrease is the result of the decrease of our total voyage days for the fleet to 1,995 days in the first quarter of 2007 from 2,348 days in the respective period of 2006, due to the decrease of our average number of vessels to 24.0 in 2007 from 27.0 in 2006 as well as the lower charter rates realized on our vessels during the first quarter of 2007.

	Three months ended March 31, 2006	**Three months ended March 31, 2007**
Dollars in thousands		
Voyage revenues	$ 101,746	$ 73,988
Less Voyage expenses	(16,234)	(14,942)
Net voyage revenues	$ 85,512	$ 59,046

The following provides a further analysis of our net voyage revenues for the first quarter of 2007 as compared to the first quarter of the prior year:

Spot Charter Revenues:

- Our tankers operated an aggregate of 726 days, or 36.4%, in the spot market during the first quarter of 2007, compared to 668 days, or 28.4%, in the spot market during the respective period of the prior year.

- The average daily spot rate was $38,565 for the first quarter of 2007 compared to the average daily spot rate of $61,802 for the respective period in 2006.

- Revenues from our vessels' spot trading decreased by 32.2% to $28.0 million, compared to $41.3 million in 2006. Spot market revenues were 47.4% of net voyage revenue in the first quarter of 2007, compared to 48.3% of net voyage revenue generated in the spot market during the prior year.

Time Charter Revenues:

- Our tankers operated an aggregate of 1,269 days, or 63.6%, on time charter contracts during the first quarter of 2007, compared to 1,680 days, or 71.6%, on time charter contracts during the prior year.

- The average daily time charter rate was $24,467 for the first quarter of 2007 compared to average daily time charter rate of $26,326 for the respective period in the prior year.

- Revenues from our time charter contracts decreased by 29.9% for the first quarter of 2007 to $31.0 million, compared to $44.2 million in the respective period of 2006. Time charter revenues were 52.6%, of net voyage revenue in the first quarter of 2007, compared to 51.7% during the respective period of 2006.

- CHARTER HIRE EXPENSE--Charter hire expense, which refers to lease payments for the 18 vessels sold and leased back, which are treated as operating leases, increased by $21.9 million, or 288.1%, to $29.5 million for the first quarter of 2007 compared to $7.6 million for the respective period of the prior year. This increase is due to the 3 sale and leaseback transactions for a total of 13 vessels which were concluded in mid March (8 vessels) and April (5 vessels) 2006.

OTHER VESSEL OPERATING EXPENSES--Other vessel operating expenses, which include crew costs, insurance, repairs and maintenance, spares, consumable stores and taxes increased by $0.4 million, or 2.6%, to $16.1 million for the first quarter of 2007 compared to $15.7 million for the respective period of the prior year. The increase is attributed mainly to repairs and maintenance expenses of approximately $1.1 million incurred in the first quarter of 2007 during the dry-docking of two vessels. This increase was partly set off by the decrease in the number of calendar days to 2,160 in the first quarter of 2007 from 2,430 days in the respective period in 2006.

GENERAL AND ADMINISTRATIVE EXPENSES-- General and administrative expenses, which include all of our onshore expenses and sub-managers' fees, decreased by $2.1 million, or 28.8%, to $5.2 million for the first quarter of 2007 compared to $7.3 million for the respective period in the prior year. This decrease is mainly due to the bonus compensation provision of $2.5 million recorded in the first quarter of 2006. No similar bonus provision was made in the first quarter of 2007.

FOREIGN CURRENCY GAINS OR LOSSES--We incurred a $29,000 foreign currency gain in the first quarter of 2007 compared to a loss of $62,000 for the respective period in the prior year.

DEPRECIATION AND AMORTIZATION--Depreciation and amortization, which include depreciation of tankers and amortization of dry dockings, decreased by $8.3 million, or 47.2%, to $9.3 million for the first quarter of 2007 compared to $17.6 million for the prior year due to a lower number of owned vessels in the first quarter of 2007 versus the similar period in 2006.

	Three months ended March 31, 2006	Three months ended March 31, 2007
Dollars in thousands		
Vessels depreciation expense	$ 15,185	$ 5,239
Amortization of dry dockings	2,390	4,036
	$ 17,575	$ 9,275

This decrease was due to the 13 sale and leaseback deals concluded during 2006 and the sale of 3 vessels during the fourth quarter of 2006 which resulted in a decrease in depreciation expense of $9.9 million. The sale and leasebacks were treated as operating leases for financial reporting purposes. As a result the vessels are not recorded as assets and therefore there is no depreciation expense. The decrease was partially offset by an increase of $1.6 million in the amortization of dry dockings, due to the fact that 11 vessels were dry-docked between March 31, 2006 and March 31, 2007.

AMORTIZATION OF DEFERRED GAIN ON SALE AND LEASEBACK OF VESSELS--Amortization of deferred gain on sale and leaseback of vessels increased by $1.6 million, or 200.0%, to $2.4 million for the first quarter of 2007 compared to $0.8 million for the respective period in 2006. This increase is due to the 13 sale and leaseback transactions concluded in 2006.

OPERATING INCOME--Operating income decreased by $36.6 million, or 96.3%, to $1.4 million for the first quarter of 2007 compared to $38.0 million for the respective period in 2006. This decrease is mainly due to:

1. The decrease in voyage revenues which decreased by $27.7 million, or 27.2%, to $74.0 million for 2007 compared to $101.7 million for 2006. This decrease is due to the decrease of operating days to 1,995 days in 2007 from 2,348 days in 2006 as a result of the decrease in the average number of vessels as well as the lower charter rates realized by our vessels during the first quarter of 2007.

2. The 13 sale and leaseback transactions concluded in 2006, which resulted in the increase of charter hire expense by $21.9 million, or 288.1%, to $29.5 million for the first quarter of 2007 compared to $7.6 million for the respective period of the prior year. This increase was partly set off by the decrease in the depreciation expense.

3. INTEREST AND FINANCE COSTS--Interest and finance costs decreased by $6.7 million, or 83.7%, to $1.3 million for the first quarter of 2007 compared to $8.0 million for the prior year. This decrease is mainly due to the repayment of $170.7 million in secured debt associated with five vessels sold and leased back in April 2006 and three vessels sold in the fourth quarter of 2006.

INTEREST INCOME--Interest income increased by $0.6 million, or 216.1%, to $0.8 million for the first quarter of 2007 compared to $0.3 million for the prior year. This increase is due to the increase in cash and cash equivalents, associated mainly with the proceeds from the sale of vessels in 2006.

OTHER NET--We recognized an expense of $0.01 million for the first quarter of 2007 versus an expense of $0.004 million during 2006.

NET INCOME--Net income was $0.9 million for the first quarter of 2007 compared to net income of $30.2 million for the respective period in the prior year.

Liquidity and Capital Resources

Cash flows provided by operating activities decreased 88.9% for the three months ended March 31, 2007 to $4.9 million compared to $44.1 million for the same period in 2006. This decrease was attributed to a decrease in net income of $29.3 million down to $0.9 million for the quarter ended March 31, 2007 from $30.2 million for the respective period in 2006 as well as an increase in dry-docking payments of $6.8 million, up from $0 for the respective period in 2006. The decrease in net income was attributed to a decrease in voyage revenues by $27.7 million, or 27.2%, to $74.0 million for 2007 compared to $101.7 million for 2006. This decrease is due to the decrease of operating days to 1,995 days in 2007 from 2,348 days in 2006 as a result of the decrease in the average number of vessels. Additionally, operating expenses increased mainly due to the 13 sale and leaseback transactions concluded in 2006, which resulted in the increase of charter hire expense by $21.9 million, or 288.1%, to $29.5 million for the first quarter of 2007 compared to $7.6 million for the respective period of the prior year. This increase was partly set off by the decrease in the depreciation expense.

Cash flows used by investing activities were $16.0 million for the three months ended March 31, 2007, which mainly represents the first installment for two out of six new-buildings ordered by the Company in 2006. For the same period of 2006, the Company had generated cash from investing activities of $251.3 million mainly as a result of the sale and leaseback of eight vessels completed in March 2006.

For the three months ended March 31, 2007, the Company had net cash inflows from financing activities of $5.8 million as a result of the drawdown of $10.0 million from the existing revolving credit facility, to partially finance the installment for the 2 new-buildings, and a principal repayment of $4.3 million for outstanding debt obligations. For the same period of 2006, the Company had net cash outflows from financing activities of $288.0 million as a result of a debt repayment of $141.0 million and a dividend payment of $147.0 million.

At March 31, 2007, the Company had a revolving credit facility outstanding of $93.0 million and a loan outstanding of $132.7 million:

a) Revolving Credit Facility: In January 2007, $10.0 million was drawn down from the revolving credit facility to partially finance the construction of two new-buildings. The outstanding amount will be fully repaid in 2015. As of March 31, 2007, the undrawn amount amounted to $65.0 million. The revolving credit facility bears interest at LIBOR plus a margin.

b) Loan: The loan of $132.7 million outstanding as at March 31, 2007, was drawn down in 2005 and originally amounted to $154.0 million. It was obtained to partially finance the acquisitions of the vessels Stormless, Ellen P., Errorless and Edgeless. The loan consisted of 2 tranches of $130.0 million (Tranche A) and $24.0 million (Tranche B).

TOP TANKERS INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
DECEMBER 31, 2006 AND MARCH 31, 2007 (UNAUDITED)
(Expressed in thousands of U.S. Dollars - except share and per share data)

	December 31, 2006	March 31, 2007
ASSETS:		
CURRENT ASSETS:		