

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

TOP TANKERS INC.
Form 6-K
February 18, 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 February 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 X

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Set forth herein as Exhibit 1 is a copy of News Release for February 18, 2005 - TOP Tankers Reports Fourth Quarter and Fiscal Year 2004 Results issued by TOP Tankers Inc. on February 18, 2005.

Exhibit 1

NEWS RELEASE for February 18, 2005 at 7:35 AM EST

Contact:	Michael Mason (investors)	Stamatis Tsantanis, CFO
	Allen & Caron Inc	TOP Tankers Inc
	212 691 8087	011 30 210 697 8199
	michaelm@allencaron.com	snt@toptankers.com

TOP TANKERS REPORTS FOURTH QUARTER
AND FISCAL YEAR 2004 RESULTS

ATHENS, GREECE (February 18, 2005) ... TOP Tankers Inc (NasdaqNM:TOPT) today announced operating results for the fourth quarter and the fiscal year ended

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

December 31, 2004.

For the three months ended December 31, 2004, the Company reported net income of \$ 19,286,000, or \$0.80 per share, compared with net income of \$688,000, or \$0.11 per share, for the fourth quarter of 2003. The weighted average number of basic and diluted shares used in the computations was 24,196,917 and 6,000,000 for the fourth quarter of 2004 and 2003, respectively.

For the three months ended December 31, 2004, operating income was \$21,302,000 compared with \$1,136,000 for the fourth quarter of 2003. EBITDA* for the fourth quarter of 2004 was \$28,254,000 compared with \$2,322,000 for the previous year's fourth quarter. Voyage revenues for the fourth quarter of 2004 were \$47,722,000 compared to \$6,441,000 recorded in the fourth quarter of the previous year.

For the year ended December 31, 2004, TOP Tankers reported net income of \$32,739,000, or \$2.53 per share, compared to \$1,634,000, or \$0.27 per share, for the previous year. The weighted average number of basic and diluted shares used in the computations was 12,922,449 and 6,000,000 for the years ended December 31, 2004, and 2003, respectively.

For the year ended December 31, 2004, operating income was \$37,268,000 compared with \$2,710,000 for the previous year. EBITDA for 2004 was \$52,081,000 compared to \$7,172,000 for the previous year. Voyage revenues for the year ended December 31, 2004, was \$93,774,000, compared to \$23,085,000 recorded in the previous year.

Evangelos J. Pistiolis, President and Chief Executive Officer of TOP Tankers Inc, commented, "2004 was a milestone year for our Company:

MORE - MORE - MORE

TOP TANKERS REPORTS FOURTH QUARTER, FISCAL YEAR 2004 RESULTS

Page 2-2-2

- o We listed our shares on the Nasdaq National Market on July 23, raising \$146.6 million, the largest shipping IPO at the time.
- o We completed our follow-on public offering on November 5, raising \$148 million.
- o We successfully acquired a fleet of 10 modern double-hull vessels with the proceeds of our IPO in record time, and we are in the process of taking delivery of another five modern double-hull tankers, acquired with the proceeds of our follow-on offering.
- o Our total fleet size increased six times, from five vessels, or 0.18 million Dwt on December 31, 2003, to 15 vessels, or 1.08 million Dwt on December 31, 2004, and 10.2 times pro-forma the delivery of the follow-on vessels.
- o We sold two of our single-hull Handysize vessels and increased our double-hull configuration to 97.2 percent by Dwt. Consistent with our policy of operating a high quality double-hull fleet, we intend to sell our last single-hull tanker during 2005.
- o We fixed our 10 Handymax vessels with major oil-traders on long-term employment contracts at profitable base rates with 50/50 profit sharing on subcharters. This employment strategy allows us to minimize downside risk, secure a significant part of our cashflow and benefit from higher spot voyage charter rates.

"We look forward to expanding our tanker fleet in 2005 and will also explore acquisitions in the dry-bulk carrier sector as opportunities arise that satisfy our investment criteria."

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

The following key indicators serve to highlight changes in the Company's financial performance during the fourth quarters and years ended December 31, 2003 and 2004:

(In US dollars unless otherwise stated)	Total Fleet Three Months Ended December 31,			Total Fleet Year Ended December 31,		
	2003	2004	%Change	2003	2004	%Change
Total available ship days	460	1,447	214.6%	1,609	3,517	118.6%
Total operating days	444	1,307	194.4%	1,517	3,215	111.9%
Utilization	96.5%	90.3%	-6.4%	94.3%	91.4%	-3%
TCE** per ship per day under spot voyage charter	\$9,727	\$52,330	438%	\$10,428	\$31,220	199.4%
TCE per ship per day under time charter	\$12,658	\$21,568	70.4%	\$12,875	\$18,020	40%
Net daily revenue per ship per day	\$10,941	\$31,336	186.4%	\$11,304	\$23,912	111.5%
Vessel operating expenses per ship per day	\$4,333	\$5,142	18.7%	\$5,233	\$4,846	-7.4%
General and administrative expenses per ship per day	\$1,061	\$4,005	277.5%	\$1,128	\$2,439	116.2%
Net cash flow from operating activities per ship per day	\$5,547	\$22,189	300%	\$4,943	\$16,627	236.4%

MORE - MORE - MORE

TOP TANKERS REPORTS FOURTH QUARTER, FISCAL YEAR 2004 RESULTS
Page 3-3-3

FLEET REPORT

During the fiscal year 2004, the Company's fleet size increased six times, from five vessels, or 0.18 million Dwt on December 31, 2003, to 15 vessels, or 1.08 million Dwt on December 31, 2004. During the year, the Company took delivery of four double-hull Suezmax tankers and 10 double-hull product tankers. In addition, the Company sold two single-hull vessels, the M/T Tireless and the M/T Med Prologue, to unrelated parties, recording a total book gain of \$0.6 million. As of December 31, 2004, TOP Tankers operated a fleet of 15 tankers. The fleet consisted of four Suezmax, 10 Handymax and one Handysize vessel of approximately 1.08 million Dwt:

Crude Oil Tankers

	Country Built	Year Built	Year Acquired	Hull Type (1)	Dwt
Suezmax					
Timeless	Korea	1991	2004	DH	154,970
Flawless	Korea	1991	2004	DH	154,970
Endless	Brazil	1992	2004	DH	135,915
Limitless	Brazil	1993	2004	DH	136,055
Total Suezmax					581,910

Product Tankers Handymax

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

Restless	Korea	1991	2004	DH	47,084
Spotless	Korea	1991	2004	DH	47,094
Doubtless	Korea	1991	2004	DH	47,076
Victorious	Korea	1991	2004	DH	47,084
Relentless	Korea	1992	2004	DH	47,084
Sovereign	Korea	1992	2004	DH	47,084
Invincible	Korea	1992	2004	DH	47,084
Vanguard	Korea	1992	2004	DH	47,084
Fearless	China	1992	2003	DH	44,646
Faithful	Japan	1992	2002	DH	45,720
Total Handymax					467,040
Handysize					
Yapi	Poland	1989	2000	SH	29,998
Total Handysize					29,998
TOTAL COMBINED FLEET					1,078,948

1) DH = Double-hull tanker; SH = Single-hull tanker

On November 3, 2004, the Company enter into an agreement to acquire five modern double-hull Suezmaxes. The first Suezmax, M/T Priceless, was delivered on February 3, 2005, and the second vessel, M/T Stopless, is expected to be delivered within the next 20 days. The remaining three are expected to be delivered by April 15, 2005. Upon delivery of the remaining vessels, the Company will own and operate a fleet of 20 tankers, or 1.8 million Dwt, comprising of nine double-hull Suezmaxes, 10 double-hull Handymaxes and one Handysize vessel.

MORE - MORE - MORE

TOP TANKERS REPORTS FOURTH QUARTER, FISCAL YEAR 2004 RESULTS

Page 4-4-4

FLEET DEPLOYMENT

During the fourth quarter of 2004, the Company had approximately 68 percent of the fleet's net operating days on long-term employment contracts. Approximately 60 percent of the fleet's estimated net operating days for the first quarter of 2005, and 50 percent for the entire year 2005, are secured by time charters with 50/50 profit-sharing on subcharters expected to generate, at the base rate, approximately \$50 million in revenues for 2005.

During the fourth quarter of 2004, the Company's Suezmax fleet operated in the spot market, earning on average approximately \$74,925 per vessel per day on a time charter equivalent (TCE) basis.

All of the Company's Handymax tankers operate under 50/50 profit-sharing employment agreements with Glencore and Vitol. Four of these contracts have a base rate of \$14,500 per day 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 \$500 per day that the charterer generates from the vessel in excess of the base rate and 50 percent of the excess thereafter above \$15,000 per day. These time charters expire in August 2006. The contracts for the six remaining Handymax vessels have a base rate of \$14,250 per day until December 31, 2005, and 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

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

vessel in excess of the base rate and 50 percent of the excess thereafter above \$14,500 per day.

Including the profit-sharing allocated to the Company from these profit-sharing agreements, the Handymax fleet earned, on average, approximately \$21,590 per vessel per day on a time charter equivalent (TCE) basis.

During the fourth quarter of 2004, the Company's Handysize fleet operated in the spot market, earning an average approximately \$12,567 per vessel per day. The remaining Handysize vessel is expected to continue operating in the spot market.

CREDIT FACILITY

As of December 31, 2004, TOP Tankers had total indebtedness of \$197 million, provided by the Royal Bank of Scotland, maturing in 2012. On October 1, 2004, the Company entered into an interest rate swap for an amount of \$98.5 million for a period of four years. Under this agreement the interest rate is fixed at 3.61 percent, in addition to the applicable 1 percent spread. The interest rate for the \$98.5 million is LIBOR, plus a 1 percent spread. The Company's ratio of indebtedness to total capital was approximately 38 percent.

MORE - MORE - MORE

TOP TANKERS REPORTS FOURTH QUARTER, FISCAL YEAR 2004 RESULTS

Page 5-5-5

In connection with the acquisition of the five follow-on tankers, the Company entered into additional financing agreements with the Royal Bank of Scotland and DVB Bank, for a total of \$140 million.

DIVIDEND

The Company paid its first dividend of \$0.21 per share on January 12, 2005, to shareholders of record as of December 22, 2004.

CONFERENCE CALL AND WEBCAST

TOP Tankers management team will host a conference call today February 18, 2004, at 11:00 a.m. EST, to review the results and to discuss other corporate news and its outlook. Participants should dial into the call 10 minutes before the 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, or by going to www.vcall.com.

A telephonic replay of the conference call will be available by dialling 877-660-6853 (from the US and Canada) or +1 201-612-7415 (from outside the US and Canada); enter account number 1628 and conference ID number 139432. An online archive will also be available immediately following the call at the sites noted above. Both are available through February 25, 2005.

* 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.

** Time charter equivalent, or TCE, is a measure of the average daily revenue

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

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 commissions.

ABOUT TOP TANKERS INC

TOP Tankers Inc is an international provider of worldwide seaborne crude oil and petroleum products transportation services. The Company expects to own and operate a fleet of 20 tankers, consisting of nine Suezmax tankers, 10 Handymax tankers and one Handysize tanker, with a total carrying capacity of approximately 1.84 million Dwt. By Dwt, 98.4 percent of the Company's fleet will be double-hull and 93.5 percent of the fleet will be sister ships.

MORE - MORE - MORE

TOP TANKERS REPORTS FOURTH QUARTER, FISCAL YEAR 2004 RESULTS
Page 6-6-6

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 charter hire rates and vessel values, 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 to scheduled and unscheduled drydocking, changes in TOP Tankers' 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 REPORTS FOURTH QUARTER, FISCAL YEAR 2004 RESULTS

Page 7-7-7

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 December 31,		Year Ended December 31,	
	2003	2004	2003	2004
REVENUES:				
Voyage revenues	6,441	47,722	23,085	93,774
EXPENSES:				
Voyage expenses	1,583	6,766	5,937	16,898
Vessel operating expenses	1,992	7,440	8,420	17,045
Depreciation and amortization	1,242	6,820	4,203	14,622
General and administrative expenses	488	5,795	1,815	8,579
Gain on sale of vessels	-	(401)	-	(638)
Operating income	1,136	21,302	2,710	37,268
OTHER INCOME (EXPENSES):				
Interest and finance costs	(392)	(2,505)	(1,336)	(5,201)
Interest income	-	357	1	481
Other, net	(56)	132	259	191
Total other expenses, net	(448)	(2,016)	(1,076)	(4,529)
Net Income	688	19,286	1,634	32,739
	=====	=====	=====	=====
Earnings per share, basic and diluted	0.11	0.80	0.27	2.53
	=====	=====	=====	=====
Weighted average number of shares, basic and diluted	6,000,000	24,196,917	6,000,000	12,922,449

EBITDA RECONCILIATION

(Expressed in Thousands of U.S.
Dollars)

	Three Months Ended December 31,		Year Ended December 31,	
	2003	2004	2003	2004
EBITDA	2,322	28,254	7,172	52,081
DEPRECIATION AND AMORTIZATION	1,242	6,820	4,203	14,622

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

INTEREST AND FINANCE COSTS	(392)	(2,148)	(1,335)	(4,720)
NET INCOME	688	19,286	1,634	32,739

MORE - MORE - MORE

TOP TANKERS REPORTS FOURTH QUARTER, FISCAL YEAR 2004 RESULTS
Page 8-8-8

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, 2003	December 31 2004
	-----	-----
		(Unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	2,343	124,768
Other current assets	2,519	26,225
	-----	-----
Total current assets	4,862	150,993
NON-CURRENT ASSETS:		
Advances for vessels acquisitions	-	25,650
Vessels, net	48,074	355,997
Deferred charges and other non-current assets	2,975	9,382
	-----	-----
Total assets	55,911	542,022
	=====	=====
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	4,085	20,000
Dividends payable	-	5,845
Other current liabilities	4,981	17,423
	-----	-----
Total current liabilities	9,066	43,268
LONG-TERM DEBT, net of current portion	30,526	177,000
STOCKHOLDERS' EQUITY	16,319	321,754
	-----	-----

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

Total liabilities and stockholders' equity	55,911	542,022
--	--------	---------

MORE - MORE - MORE

TOP TANKERS REPORTS FOURTH QUARTER, FISCAL YEAR 2004 RESULTS
Page 9-9-9

TOP TANKERS INC.
(Formerly Ocean Holdings Inc.)

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

	Year Ended December 31,	
	2003	2004
Cash Flows from (used in) Operating Activities:		
Net income	1,634	32,739
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,324	15,377
Gain on sale of vessels	-	(638)
Change in operating assets and liabilities	1,386	(11,512)
Payments for dry-docking	(2,414)	(7,365)
Net Cash from Operating Activities	4,930	28,601
Cash Flows from (used in) Investing Activities:		
Advances for vessels acquisitions	-	(25,650)
Acquisition of vessels and equipment	(19,550)	(328,104)
Net proceeds from sale of vessel	-	8,536
Other	(451)	619
Net Cash used in Investing Activities	(20,001)	(344,599)
Cash Flows from (used in) Financing Activities:		
Proceeds from long-term debt	25,850	281,900
Payments of long-term debt	(14,289)	(119,511)
Issuance of common stock and capital contributions	6,484	281,107
Payment of financing costs	(154)	(2,755)
Dividends paid	(571)	(2,318)
Net Cash from Financing Activities	17,320	438,423
Net increase in cash and cash equivalents	2,249	122,425
Cash and cash equivalents at beginning of year	94	2,343

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

Cash and cash equivalents at end of year	----- 2,343 =====	----- 124,768 =====
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	----- 1,045 =====	----- 3,157 =====

#

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: February 18, 2005

By: /s/ Stamatis N. Tsantanis

Stamatis N. Tsantanis
Chief Financial Officer

23116.0001 #549465