ULTRAPETROL BAHAMAS LTD
Form 6-K
August 12, 2008

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 August 2008
Commission File Number: 001-33068

ULTRAPETROL (BAHAMAS) LIMITED
(Translation of registrant's name into English)

Ocean Centre, Montagu Foreshore
East Bay St.
Nassau, Bahamas
P.O. Box SS-19084
(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): 82-

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INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Set forth herein are a copy of the Company's report for the six months ended June 30, 2008, containing certain unaudited financial information and a Management's Discussion and Analysis of Financial Condition and Results of Operations for the three month and six month periods ended June 30, 2008.

ULTRAPETROL (BAHAMAS) LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2008 AND 2007 (UNAUDITED)

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated financial statements of Ultrapetrol (Bahamas) Limited (the "Company") and subsidiaries for the six months ended June 30, 2008 and 2007 included elsewhere in this report.

Our Company

We are an industrial shipping company serving the marine transportation needs of our clients in the markets on which we focus. We serve the shipping markets for grain, vegetable oils, minerals, crude oil, petroleum, and refined petroleum products, as well as the offshore oil platform supply market, and the leisure passenger cruise market through our operations in the following four segments of the marine transportation industry.

Our River Business, with currently 591 barges, is the largest owner and operator of river barges and pushboats that transport dry bulk and liquid cargos through the Hidrovia Region of South America, a large area with growing agricultural, forest and mineral related exports. Our River Business fleet has an aggregate capacity of approximately 1,020,000 dwt.

Our Offshore Supply Business owns and operates vessels that provide critical logistical and transportation services for offshore petroleum exploration and production companies in the North Sea and the coastal waters of Brazil. Our Offshore Supply Business fleet currently consists of technologically advanced Platform Supply Vessels, or PSVs, including five in operation, one under construction in Brazil to be delivered in the first quarter of 2009, four under construction in India and two under construction in China with deliveries commencing in 2009.

Our Ocean Business operates nine oceangoing vessels, including four Handysize / small product tankers, which we employ in the South American coastal trade where we have preferential rights and customer relationships, three versatile Suezmax / Oil-Bulk-Ore, or Suezmax OBOs, one Capesize vessel and one semi-integrated tug / barge unit. Our Ocean Business fleet has an aggregate capacity of approximately 744,529 dwt.

Our Passenger Business owned and operated during the first half of 2008 a 575 passenger cruise vessel, the Blue Monarch, which we currently employ on 7-day and 14-day cruises in the Aegean Sea. (See "Recent developments").

Our business strategy is to continue to operate as a diversified marine transportation company with an aim to maximize our growth and profitability while limiting our exposure to the cyclical behavior of individual sectors of the marine transportation industry.

Developments in three months ended June 30, 2008

On April 1, 2008, we received in the Hidrovia the 30 Mississippi barges and the 7,200 BHP pushboat (M/V Harry Waddington) previously acquired in the United States of America between September 26, 2007 and February 21, 2008.

On April 6, 2008, we entered into a 3-year bareboat charter for an 11,299 dwt, 2006-built product tanker, the M/T Austral, which we intend to employ in the South American coastal trade.

On April 21, 2008, we entered into a Forward Freight Agreement (“FFA”) contract whereby a subsidiary of ours contracted with Bunge S.A. to pay the average time charter rate for the 4 Capesize Time Charter Routes (“C4TC”) for a total of 182.5 days (50% of every calendar month from January 2009 to December 2009 both inclusive) in exchange for a fixed rate of $95,000 (ninety five thousand U.S. Dollars) per day. This FFA is an Over the Counter (OTC) contract and as such it is not done through a clearing house; it has no margin account requirements and bears a higher counterparty risk than a cleared FFA.

On April 29, 2008, we paid $8.8 million corresponding to the second 20% installment due under the ship building contracts for two of our four PSVs under construction in India.

On May 16, 2008, we entered into an FFA contract whereby a subsidiary of ours contracted via BNP Paribas with LCH Clearnet ("LCH") to charge LCH the average time charter rate for the C4TC for a total of 90 days (15 days per month from July 2008 up to December 2008) in exchange for a fixed rate of $170,000 (one hundred and seventy thousand U.S. Dollars) per day. Through these FFAs we partially offset some of the FFA positions previously sold by our subsidiary for the second half of 2008. Simultaneously, we entered into an OTC FFA contract whereby a subsidiary of ours contracted with Noble Chartering Inc. to pay the average time charter rate for the C4TC for a total of 90 days (15 days per month from July 2008 up to December 2008) in exchange for a fixed rate of $168,000 (one hundred and sixty eight thousand U.S. Dollars) per day. This FFA is an OTC contract, has no margin requirements and bears a higher counterparty risk.

On May 19, 2008, we entered into an FFA contract whereby a subsidiary of ours contracted via BNP Paribas with LCH to charge LCH the average time charter rate for the C4TC for a total of 184 days (every calendar month from July 2008 up to December 2008) in exchange for a fixed rate of $166,000 (one hundred and sixty six thousand U.S. Dollars) per day. Through these FFA we partially offset some of the FFA positions previously sold by our subsidiary for the second half of 2008. Simultaneously, we entered into an OTC FFA contract whereby a subsidiary of ours contracted with Noble Chartering Inc. to pay the average time charter rate for the C4TC for a total of 184 days (every calendar month from July 2008 up to December 2008) in exchange for a fixed rate of $165,000 (one hundred and sixty five thousand U.S. Dollars) per day. This FFA is an OTC contract, has no margin requirements and bears a higher counterparty risk.

On May 19, 2008, we entered into two FFA contracts whereby a subsidiary of ours contracted via BNP Paribas with LCH to charge LCH the average time charter rate for the C4TC for a total of 60 days in June 2008 in exchange for a fixed average rate of $194,000 (one hundred and ninety four thousand U.S. Dollars) per day. Through these FFAs we partially offset some of the FFA positions previously sold by our subsidiary for June 2008. On May 20, 2008, we entered into an OTC FFA contract whereby a subsidiary of ours contracted with Bunge S.A. to pay the average time charter rate for the C4TC for a total of 30 days in June 2008 in exchange for a fixed rate of $180,000 (one hundred and eighty thousand U.S. Dollars) per day. This FFA is an OTC contract, has no margin requirements and bears a higher counterparty risk.

On May 27, 2008, we received in the Hidrovia the 27 Mississippi barges and two pushboats (M/V Joey C and M/V Bob Blocker) previously acquired in the United States of America on March 27 and March 28, 2008.

On June 24, 2008, we entered into a 12-year secured term loan of up to $93.6 million with DVB Bank AG and Natixis as Co-lenders in respect of pre-delivery and post-delivery financing of the four PSVs under construction in India.

Recent Developments

On June 30, 2008, we entered into a Memorandum of Agreement (MOA), subsequently modified by two addendums signed on July 24 and August 6, 2008, whereby we have agreed to sell our passenger vessel, Blue Monarch. The net proceeds of this sale to the company shall be $8.3 million. Under the terms of the agreement, the buyers must deposit the purchase price prior to August 25, 2008 in a joint escrow account, while the delivery of the vessel will take place at the end of the current cruising season in the Aegean. If however the purchase price is not deposited in accordance with the MOA by August 25, 2008, this transaction may not materialize as agreed.

On August 12, 2008, we entered into an OTC FFA contract whereby a subsidiary of ours contracted with Bunge S.A. to pay the average time charter rate for the C4TC for a total of 45 days (15 days per month from October to December 2008 both inclusive) in exchange for a fixed rate of $150,000 (one hundred and fifty thousand U.S. Dollars) per day. This FFA is an OTC contract, has no margin requirements and bears a higher counterparty risk.

Factors Affecting Our Results of Operations

We organize our business and evaluate performance by the following operating segments: River Business, Offshore Supply Business, Ocean Business and Passenger Business. The accounting policies of the reportable segments are the same as those for the unaudited condensed consolidated financial statements. We do not have significant inter-segment transactions.

Revenues

In our River Business, we contract for the carriage of cargoes, in substantially all cases, under contracts of affreightment, or COAs. Most of these COAs currently provide for adjustments to the freight rate based on changes in the price of marine diesel oil.

In our Offshore Supply Business, we typically contract our vessels under Time Charters in both Brazil and the North Sea.

In our Ocean Business, we contract our vessels either on a time charter basis or on a COA basis. Some of the differences between time charters and COAs are summarized below.

Time Charter

- We derive revenue from a daily rate paid for the use of the vessel, and
- The charterer pays for all voyage expenses, including fuel costs and port charges.

Contract of Affreightment (COA)

- We derive revenue from a rate based on tonnage shipped expressed in dollars per metric ton of cargo, which may be adjusted for increase in the price of fuel in accordance with a pre-agreed formula.
- We pay for all voyage expenses, including fuel costs and port charges.

Our ships on time charters generate both lower revenues and lower expenses for us than those under COAs. At comparable price levels, both time charters and COAs result in approximately the same operating income, although the operating margin as a percentage of revenues may differ significantly.

In our Passenger Business, our Blue Monarch is now employed on 7-day and 14-day cruises in the Aegean Sea. Under this arrangement we have no guaranteed minimum income and we have to organize and pay for port expenses and fuel in the itineraries we service. In this sense, the earnings of this vessel are similar in nature to a COA.

Time charter revenues accounted for 57% of the total revenues from our businesses for the first six months of 2008, while COA revenues accounted for 43%. With respect to COA revenues in the first half of 2008, 78% were in respect of repetitive voyages for our regular customers and 22% in respect of single voyages for occasional customers.

In our River Business, demand for our services is driven by agricultural, mining and forestry activities in the Hidrovia Region. Droughts and other adverse weather conditions, such as floods, could result in a decline in production of the agricultural products we transport, which would likely result in a reduction in demand for our services. Further, most of the operation in our River Business occurs in the Parana and Paraguay Rivers, and any changes adversely affecting either of these rivers, such as low water levels, could reduce or limit our ability to effectively transport cargo.

In our Ocean Business, we employed a significant part of our fleet on time charter to different customers during the six months ended June 30, 2008. During the first six months of 2008, the international dry bulk freight market was on average higher than it was in the first six months of 2007.

In our Passenger Business, demand for our services is driven primarily by movements of tourists during the European summer cruise season.

Expenses

Our operating expenses generally include the cost of all vessel management, crewing, spares and stores, insurance, lubricants, and repairs and maintenance. Generally, the most significant of these expenses are repairs and maintenance, wages paid to marine personnel, catering and marine insurance costs. However, there are significant differences in the manner in which these expenses are recognized in the different segments in which we operate.

In addition to vessels' operating expenses, our other primary sources of operating expenses in 2008 included general and administrative expenses.

In our River Business, our voyage expenses include port expenses, barge cleaning, fleeting and fuel as well as charter hire paid to third parties and other expenses that may be incurred in proportion to port calls incurred or cargos carried.

In our Offshore Supply Business, voyage expenses include commissions paid by us to third parties which provide brokerage services.

In our Passenger Business, operating expenses currently include all vessel management, crewing, stores, insurance, lubricants, repairs and maintenance, catering, housekeeping and entertainment staff costs. Voyage expenses include port expenses, bunkers and the cost of food for the passengers.

Through our River Business, we own a dry dock and a repair facility at Pueblo Esther, Argentina, land for the construction of two terminals and a shipyard under construction in Argentina, and 50% joint venture participations in two grain loading terminals in Paraguay. We also rent offices in Asuncion (Paraguay) and Buenos Aires (Argentina) and a repair and shipbuilding facility in Ramallo (Argentina).

Through our Offshore Supply Business, we hold a lease for office space in Rio de Janeiro (Brazil) and Aberdeen (United Kingdom). In addition, through our wholly-owned subsidiary Ravenscroft, we own a building in Coral Gables, Florida (United States of America). We also hold a lease to an office in Buenos Aires (Argentina).

Foreign Currency Transactions

During the six months ended June 30, 2008, 90% of our revenues were denominated in U.S. Dollars, 8% of our revenues were denominated and collected in British Pounds and 2% of our revenues were denominated and collected in Brazilian Reals. Furthermore, 20% of our total revenues were denominated in U.S. Dollars but collected in Argentine Pesos, Brazilian Reals and Paraguayan Guaranies. Significant amounts of our expenses were denominated in U.S. dollars and 37% of our total out-of-pocket operating expenses were paid in Argentine Pesos, Brazilian Reals and Paraguayan Guaranies.

Our operating results, which we report in U.S. Dollars, may be affected by fluctuations in the exchange rate between the U.S. Dollar and other currencies. For accounting purposes, we use U.S. Dollars as our functional currency. Therefore, revenue and expense accounts are translated into U.S. Dollars at the average exchange rate prevailing on the month of each transaction.

We have not historically significantly hedged our exposure to changes in foreign currency exchange rates and, as a result, we could incur unanticipated losses due to exchange rate variations. However, on January 2008, we entered into a forward currency agreement to sell £0.5 million per month between January and December 2008 at an average rate of $1.945 per £ to cover part of the exposure that stems from the revenues of our PSVs in the North Sea which are denominated in British Pounds.

Inflation and Fuel Price Increases

We do not believe that inflation has had a material impact on our operations, although certain of our operating expenses (e.g., manning, repair, maintenance and dry docking costs) are subject to fluctuations as a result of market forces.

Inflationary pressure on prices in the South American countries in which we operate may not be fully compensated by equivalent adjustments in the rate of exchange between the local currencies and the US Dollar. Also the US Dollar depreciation or significant revaluation of the local currencies against it has had an incremental effect on the portion of our operating expenses incurred in those local currencies (See "Foreign Currency Transactions").

In 2006 and thereafter, we negotiated and intend to continue to negotiate fuel price adjustment ("fuel pass-through") clauses in most of our River Business COAs. However temporary misalignments may exist between the prices that we pay for fuel and the adjustment that we obtain under our freight contracts.

In our Ocean Business, fuel price increases are not expected to have a material effect on our immediate future operations, as the fleet is currently time chartered to third parties, since under time charter contracts, it is the charterer who pays for fuel. When our ocean vessels are employed under COAs, freight rates for voyage charters are generally sensitive to the price of fuel prevailing at the time of negotiating the voyage charter. However, a sharp rise in bunker prices may have a temporary negative effect on results since freights generally adjust only after prices settle at a higher level.

In the Offshore Supply Business the risk of variation of fuel prices under the fleet's current employment profile is borne by the charterers, since the vessels generally are under time charters and the charterers are responsible for the payment of the fuel cost.

In our Passenger Business, our results of operations are exposed to changes in bunker prices, offset somewhat by bunker fuel surcharges which are charged to passengers as a separate and supplementary cost when market conditions allow.

Forward Freight Agreements (FFAs)

We enter into Forward Freight Agreements (FFAs) as economic hedges to reduce our exposure to changes in the spot market rates earned by some of our vessels in the normal course of our Ocean Business. By using FFAs, we aim at managing the risk associated with fluctuating market conditions. FFAs generally cover periods ranging from one month to one year and involve contracts to provide a fixed number of theoretical days of voyages at fixed rates. FFAs can be executed through LCH, a London clearing house, with which we started to trade during May 2007, but may also be agreed through other clearing houses or as "Over the Counter" (OTC) contracts in which case each party accepts the signature of the other party as sufficient guarantee of its obligations under the contract.

Although LCH or other clearing houses require the posting of collateral, the use of a clearing house reduces the Company's exposure to counterparty credit risk. We are exposed to market risk in relation to our positions in FFAs and could suffer substantial losses from these activities in the event our expectations prove to be incorrect. We enter into FFAs primarily with an objective of economically hedging risk but we may occasionally enter into FFAs for trading purposes to take advantage of short term fluctuations in freight rates. As of June 30, 2008, we were committed to FFAs with a fair value of $35.6 million recorded as a liability, the cleared part of which has been offset against the cash collateral we provided of $20.4 million. These contracts settle between July 2008 and December 2009. As of June 30, 2008, we had $4.8 million outstanding under our credit facility with BNP Paribas to fund part of our margins, i.e., collateral required.

The fair value of FFAs is the estimated amount that we would receive or pay in order to terminate these FFA contracts as of June 30, 2008.

All of our FFAs outstanding at June 30, 2008 qualified as cash flow hedges for accounting purposes, with the change in fair value of the effective portions being recorded in accumulated other comprehensive income (loss) as a loss amounting to $35.6 million. All qualifying hedges are shown at fair value in our balance sheet.

At June 30, 2008 the fair market value of the FFAs, resulted in a liability to the Company of $35.6 million. For the three months ended June 30, 2008, the Company recorded an aggregate net loss on FFAs of $0.4 million, which resulted from the assessment of effectiveness of the FFA positions.

For the six month period ended June 30, 2008, the Company recorded a net gain on FFAs of $5.9 million which result from the $6.3 million gain recorded for the three months ended March 31, 2008 and the $0.4 million loss for the three months ended June 30, 2008 explained here above.

At August 11, 2008 the liability related to the fair market value of the FFAs has been reduced in $9.8 million from June 30, 2008 to $25.8 million. However, these amounts are likely to vary materially as a result of changes in market conditions and / or for changes in the FFAs entered into by us.

Seasonality

Each of our businesses has seasonal aspects that affect their revenues on a per quarter basis. The high season for our River Business is generally between the months of March and September, as a result of the South American harvest and higher river levels. However, growth in the soy pellet manufacturing, minerals and forest industries may help offset some of this seasonality. The Offshore Supply Business operates year-round, particularly off the coast of Brazil, although weather conditions in the North Sea may reduce activity from December to February. In the Ocean Business, demand for oil tankers tends to be stronger during the winter months in the Northern hemisphere. Demand for dry bulk transportation tends to be fairly stable throughout the year, with the exceptions of the Chinese New Year in the first quarter and the European summer holiday season in our third quarter, which generally show lower charter rates. Under existing arrangements, our Passenger Business currently generates its revenue during the European cruise season, typically between May and October of each year.

Legal Proceedings

Our Brazilian subsidiary in the Offshore Supply Business UP Offshore Apoio Maritimo Ltda. ("UP Apoio") is involved in a customs dispute with the Brazilian Customs Tax Authorities over the alleged infringement of customs regulations by the UP Diamante in October 2007. The Customs Authority claims that when the UP Diamante docked to the CSO Deep Blue (a vessel not owned by us) to transfer certain equipment as part of its employment instructions under its charter with Petróleo Brasilero S.A. (¨Petrobras¨), the UP Diamante allegedly did not comply with certain regulations applicable to the docking of vessels when one of them is destined for a foreign country. As a result, the Brazilian Customs Tax Authority commenced an administrative proceeding of which UP Apoio was notified in November 24, 2007, and seeks to impose the maximum Customs penalty, which corresponds to the confiscation ("perdimento") of the vessel UP Diamante in favor of the Brazilian Federal Government.

On December 21, 2007 UP Apoio filed an administrative defense stating that: (i) the legal position taken by Customs Authority is not applicable to the UP Diamante since the "perdimento" is only applicable to vessels coming from or going abroad, and not to vessels engaged in cabotage voyages as was the UP Diamante; (ii) UP Diamante did not violate the Customs Regulation Code because (a) there is no provision related to the transfer of equipment when one of the vessels is going abroad but the other is not and (b) none of the vessels involved was coming from or going abroad; (iii) confiscation could not be imposed on a vessel owned by UP Apoio because at the time of the alleged infringement the UP Diamante was on hire and under charter to Petrobras and consequently under the control and direction of Petrobras and not of UP Apoio; (iv) the imposition of confiscation violates the principles of proportionality, reasonability and non-confiscation; and (v) confiscation is not applicable because under Brazilian Tax Code, when in case of doubt, the applicable law should be interpreted in favor of the taxpayer, and in this case the report issued by the Brazilian Customs Authorities recognizes the existence of doubt concerning the applicability of the corresponding section of the Customs Regulation.

Based on the foregoing, our Brazilian Counsel has considered that the defense presented by UP Apoio is likely to succeed either in this administrative instance or when brought before the courts, and therefore classified the potential liability as remote.

On September 21, 2005, the local customs authority of Ciudad del Este, Paraguay, issued a finding that certain UABL entities owe taxes to that authority in the amount of $2.2 million, together with a fine for non-payment of the taxes in the same amount, in respect of certain operations of our River Business for the prior three-year period. This matter was referred to the Central Customs Authority of Paraguay (the "Paraguayan Customs Authority"). We believe that this finding is erroneous and UABL has formally replied to the Paraguayan Customs Authority contesting all of the allegations upon which the finding was based. After review of the entire operations for the claimed period, the Paraguayan Tax authorities, asserting their jurisdiction over the matter, confirmed that the UABL entities did pay their taxes on the claimed period, but held a dissenting view on a third issue (the tax base used by the UABL entities to

calculate the applicable withholding tax). Finally, the primary case was appealed by the UABL entities before the Tax and Administrative Court, and when summoned, the Paraguayan Tax Authorities filed an admission, upon which the Court on November 24, 2006, confirmed that the UABL entities were not liable for the first two issues. Nevertheless, the third issue continued, and through a resolution which was provided to UABL on October 13, 2006, the Paraguayan Undersecretary for Taxation has confirmed that, in his opinion, UABL was liable for a total of approximately $0.7 million and has applied a fine of 100% of this amount. UABL have entered a plea with the respective court contending the interpretation on the third issue where we claim to be equally non liable. On October 19, 2007, we presented a report by an expert which is highly favorable for our position. All court proceedings on the case are over, and it is expected that the Tax and Administrative Court issues its finding by the end of 2008 or beginning of 2009. We have been advised by UABL's counsel in the case that there is only a remote possibility that a court would find UABL liable for any of these taxes or fines.

On November 3, 2006 and April 25, 2007, the Bolivian Tax Authority ("Departamento de Inteligencia Fiscal de la Gerencia Nacional de Fiscalización") issued a notice in the Bolivian press advising that UABL International S.A. (a Panamanian subsidiary of the Company) would owe taxes to that authority. On June 18, 2007, our legal counsel in Bolivia submitted points of defense to the Bolivian tax authorities. On August 27, 2007 the Bolivian tax authorities gave notice of a resolution determining the taxes that UABL International S.A. would owe to them in the amount of approximately $4.9 million (including interest and fines). On October 1, 2007, our legal counsel in Bolivia gave notice to the Bolivian tax authorities of the lawsuit commenced by UABL International S.A. to refute the resolution above mentioned. We have learned (but have not been legally notified) that on October 20, 2007, the Bolivian Tax Authority replied to UABL's lawsuit, with the corresponding judge participating in the suit considering the legal process as served and duly commenced. On June 26, 2008, a Bolivian court ordered a preemptive embargo against all barges owned by UABL International S.A. that may be registered in the International Bolivian Registry of Ships ("RIBB" for its Spanish acronym). According to Company's local counsel this preemptive embargo under Bolivian law has no effect over the company's right to use its assets nor does it have any implication over the final decision of the court, the substance of the matter and in this case it is ineffective since UABL International S.A. does not have any assets owned by it registered in the RIBB. We have been advised by our local counsel that there is only a remote possibility that UABL International S.A. would finally be found liable for any of these taxes or fines and / or that these proceedings will have financial material adverse impact on the financial position or results of the Company.

Various other legal proceedings involving us may arise from time to time in the ordinary course of business. However, we are not presently involved in any other legal proceedings that, if adversely determined, would have a material adverse effect on us.

Results of Operations

Three months and six months ended June 30, 2008 compared to three months and six months ended June 30, 2007.

The following table sets forth certain unaudited historical income statement data for the periods indicated above derived from our unaudited condensed consolidated statements of income expressed in thousands of dollars.

	Three Months Ended June 30,		Six Months Ended June 30,		
	2008	2007	2008	2007	Percent Change
Revenues					
Attributable to River Business	$34,855	$23,497	$62,011	$45,025	38%
Attributable to Offshore Supply Business	10,974	10,675	20,161	19,070	6%
Attributable to Ocean Business	34,265	12,760	65,323	25,513	156%
Attributable to Passenger Business	2,884	8,494	2,884	11,244	-74%
Total revenues	82,978	55,426	150,379	100,852	49%
Voyage expenses					
Attributable to River Business	(17,928)	(9,629)	(31,483)	(18,271)	72%
Attributable to Offshore Supply Business	(491)	(424)	(913)	(622)	47%
Attributable to Ocean Business	(1,715)	(166)	(2,697)	(495)	445%
Attributable to Passenger Business	(2,334)	(2,944)	(2,607)	(3,703)	-30%
Total voyage expenses	(22,468)	(13,163)	(37,700)	(23,091)	63%
Running costs					
Attributable to River Business	(9,005)	(6,142)	(16,959)	(11,681)	45%
Attributable to Offshore Supply Business	(4,427)	(3,185)	(8,364)	(5,808)	44%
Attributable to Ocean Business	(8,737)	(3,539)	(16,879)	(7,394)	128%
Attributable to Passenger Business	(3,348)	(5,535)	(4,111)	(8,164)	-50%
Total running costs	(25,517)	(18,401)	(46,313)	(33,047)	40%
Amortization of dry dock & intangible assets	(954)	(1,992)	(2,366)	(4,100)	-42%
Depreciation of vessels and equipment	(9,161)	(6,413)	(17,593)	(12,359)	42%
Administrative and commercial expenses	(5,967)	(5,375)	(11,298)	(9,868)	14%
Other operating income	372	2	2,423	65	3628%
Operating profit	19,283	10,084	37,532	18,452	103%
Financial expense	(4,409)	(4,577)	(10,856)	(9,674)	12%
Financial income	205	1,083	647	1,273	-49%
Net income (loss) on FFAs	(449)	(3,073)	5,862	(3,073)	-291%
Investment in affiliates					