

ULTRAPETROL BAHAMAS LTD
Form 20-F
March 15, 2012

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

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g)
OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report: N/A

Commission file number 001-33068

ULTRAPETROL (BAHAMAS) LIMITED
(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)
COMMONWEALTH OF THE BAHAMAS
(Jurisdiction of incorporation or organization)

Ultrapetrol (Bahamas) Limited
H & J Corporate Services Ltd.
Ocean Centre, Montagu Foreshore
East Bay St.
Nassau, Bahamas
P.O. Box SS-19084
(Address of principal executive offices)

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Centre,
Montagu Foreshore, East Bay St.,
P.O. Box SS-19084, Nassau, Bahamas.
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, \$0.01 par value	Nasdaq Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: 9% First Preferred Ship Mortgage Notes due 2014

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Common Shares, \$0.01 par value	30,011,628 Common Shares Outstanding
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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing.

U.S. GAAP

International Financial Reporting Standards as
issued by the International Accounting Standards
Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the Registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Our disclosure and analysis in this report concerning our operations, cash flows and financial position, including, in particular, the likelihood of our success in developing and expanding our business, include forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," "forecasts," "will," "may," "should," and similar expressions are forward-looking statements. Although these statements are based upon assumptions we believe to be reasonable based upon available information, including projections of revenues, operating margins, earnings, cash flow, working capital and capital expenditures, they are subject to risks and uncertainties that are described more fully in this report in the section titled "Risk Factors" in Item 3.D of this report. These forward-looking statements represent our estimates and assumptions only as of the date of this report and are not intended to give any assurance as to future results. As a result, you should not place undue reliance on any forward-looking statements. We assume no obligation to update any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors, except as required by applicable securities laws. Factors that might cause future results to differ include, but are not limited to, the following:

- future operating or financial results;
- pending or recent acquisitions, business strategy and expected capital spending or operating expenses, including drydocking and insurance costs;
- general market conditions and trends, including charter rates, vessel values and factors affecting vessel supply and demand;
- our ability to obtain additional financing or amend existing facilities;
- our financial condition and liquidity, including our ability to obtain financing in the future to fund capital expenditures, acquisitions and other general corporate activities;
- our expectations about the availability of vessels to purchase, the time that it may take to construct new vessels, or vessels' useful lives;
- our dependence upon the abilities and efforts of our management team;
- changes in governmental rules and regulations or actions taken by regulatory authorities;
- adverse weather conditions that can affect production of some of the goods we transport and navigability of the river system on which we transport them;
- the highly competitive nature of the ocean-going transportation industry;
- the loss of one or more key customers;
- fluctuations in foreign exchange rates and inflation in the economies of the countries in which we operate, including wage inflation as a result of trade union negotiations;
- adverse movements in commodity prices or demand for commodities may cause our customers to scale back their contract needs;

- failure to pay resulting in default by one or more of our counterparts in derivative instruments;
 - potential liability from future litigation; and
 - other factors discussed in the section titled "Risk Factors" in Item 3.D of this report.
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PART I

ITEM 1 – IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not Applicable.

ITEM 2 – OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

ITEM 3 – KEY INFORMATION

A. SELECTED FINANCIAL DATA

The following summary financial information set forth below for Ultrapetrol (Bahamas) Limited, or the Company, is for the years ended December 31, 2011, 2010, 2009, 2008 and 2007 and has been derived from the Company's Financial Statements. Operations of our Passenger Business are presented as discontinued operations on a net of tax basis.

	2011	2010	Year Ended December 31,		
			2009	2008	2007
	(Dollars in thousands)				
Statement of Operations Data:					
Revenues	\$ 304,482	\$ 230,445	\$ 220,529	\$ 303,575	\$ 193,807
Operating and manufacturing expenses (1)	(224,607)	(150,922)	(140,607)	(164,476)	(104,507)
Depreciation and amortization	(39,144)	(34,371)	(41,752)	(38,620)	(30,268)
Loss on write- down of vessels	--	--	(25,000)	--	--
Administrative and commercial expenses	(29,604)	(27,051)	(25,065)	(24,396)	(20,355)
Other operating income, net	8,257	617	2,844	6,513	10,944
Operating profit (loss)	19,384	18,718	(9,051)	82,596	49,621
Financial expense and foreign currency					
(losses) gains, net	(37,978)	(26,417)	(23,237)	(30,542)	(20,440)
Financial income	332	399	340	1,156	2,916
(Loss) gain on derivatives, net	(16)	10,474	241	8,816	(17,801)
Investments in affiliates	(1,073)	(341)	(28)	(442)	(28)
Other, net	(621)	(875)	(707)	(558)	(339)
(Loss) Income from continuing operations					
before income taxes	(19,972)	1,958	(32,442)	61,026	13,929
Income taxes benefit (expense)	1,737	(6,363)	(5,355)	4,173	(4,832)
(Loss) Income from continuing operations	\$ (18,235)	\$ (4,405)	\$ (37,797)	\$ 65,199	\$ 9,097
(Loss) from discontinued operations (2)	\$ --	\$ (515)	\$ (2,131)	\$ (16,448)	\$ (3,917)
Net (Loss) Income	\$ (18,235)	\$ (4,920)	\$ (39,928)	\$ 48,751	\$ 5,180
Net Income (loss) attributable to non-controlling interest					
	570	451	(90)	1,228	739

	2011	2010	Year Ended December 31, 2009		2008	2007
			(Dollars in thousands)			
Net (Loss) Income attributable to Ultrapetrol (Bahamas) Limited	(18,805)	(5,371)	(39,838)	47,523	4,441	
Amounts attributable to Ultrapetrol (Bahamas) Limited:						
(Loss) Income from continuing operations	(18,805)	(4,856)	(37,707)	63,971	8,358	
(Loss) from discontinued operations	--	(515)	(2,131)	(16,448)	(3,917)	
Net (loss) income attributable to Ultrapetrol (Bahamas) Limited	(18,805)	(5,371)	(39,838)	47,523	4,441	
Basic and diluted (loss) income per share of Ultrapetrol (Bahamas) Limited:						