ULTRAPETROL BAHAMAS LTD
Form 6-K
November 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 November 2007

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-______________.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Set forth herein are a copy of the Company's report for the nine months ended September 30, 2007, containing certain unaudited financial information and a Management's Discussion and Analysis of Financial Condition and Results of Operations.

ULTRAPETROL (BAHAMAS) LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006 (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 nine months ended September 30, 2007 and 2006 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, forest products, 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 approximately 535 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 Offshore Supply Business owns and operates vessels that provide critical logistical and transportation services for offshore petroleum exploration and production companies, primarily in the North Sea and the coastal waters of Brazil. Our Offshore Supply Business fleet currently consists of proprietarily designed, technologically advanced platform supply vessels, or PSVs, including five in operation, one under construction in Brazil to be delivered by the end of 2008, four under construction in India and two being contracted to be built in China (with an option for further two) to be delivered commencing in 2009.

Our Ocean Business owns and operates eight oceangoing vessels, including three 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 OBO, vessels, to which we have recently added one Capesize vessel and one semi-integrated tug/barge unit. Our Ocean Business fleet has an aggregate capacity of approximately 733,000 dwt, and our three Suezmax OBOs are capable of carrying either dry bulk or liquid cargos, providing flexibility as dynamics change between these market sectors.

Our Passenger Business fleet consisted during most of 2007 of two vessels with a total carrying capacity of approximately 1,600 passengers operating primarily in the European cruise market. We have recently sold the largest of our passenger vessels reducing our capacity to approximately 500 passengers only.

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 2007

On January 2, 2007, we drew down on the initial $37.5 million of the $61.3 million facility agreed with DVB Bank AG and on March 7, 2007 we completed the drawdown of this facility.

On January 5, 2007, we took delivery of the product tanker *Alejandrina* and paid the 90% balance of the purchase price, or $15.3 million. She was positioned for employment in the South American cabotage trade where she commenced service in March 2007.

On January 29, 2007, we entered into a $13.6 million senior secured term loan agreement with Natixis as post-delivery finance for the acquisition of the *Alejandrina*.

On February 21, 2007, we entered into two shipbuilding contracts with a shipyard in India to construct two PSVs with deliveries commencing in 2009, with an option for two more. The price for each new PSV to be built in India is $21.7 million to be paid in five installments of 20% each prior to delivery.

On March 7, 2007, we executed a Stock Purchase Agreement and other complementary agreements with the Shareholders of Compania Paraguaya de Transporte Fluvial S.A. ("CPTF") and Candies Paraguayan Ventures LLC ("CPV") whereby we purchased 100% of the stock of CPTF and CPV. Through the purchase of these two companies, we acquired ownership of one 4,500 HP pushboat (the *Captain Otto Candies*) and twelve Jumbo 2,500 dwt barges (Parana barges) all built in the United States in 1995. The total purchase price paid by us under the respective agreements was $13.8 million.

On March 11, 2007, we signed an agreement with Maritima SIPSA S.A. through which we postponed the date for exercising our repurchase option of the *Princess Marina* until September 25, 2007.

On March 19, 2007, we paid $8.7 million corresponding to the first installment under the building contracts of the two PSVs under construction in India.

On April 3, 2007, the *Miranda I* was dry docked in Buenos Aires to begin its conversion to double hull.

On April 19, 2007, we successfully completed a follow-on offering of 12,650,000 shares of our common stock priced at $19.00 per share. The offering included 5,903,922 shares offered by existing shareholders and 5,096,078 shares issued by us. It also included the exercise of an over-allotment option by the underwriters of the offering comprising 1,650,000 shares from one of the selling shareholders. We did not receive any of the proceeds from any sale of common stock by the selling shareholders. The offering raised approximately $92 million in primary gross proceeds for us.

On May 9, 2007, we entered into a Forward Freight Agreement ("FFA") whereby a subsidiary of ours contracted via BNP Paribas Commodity Futures Limited ("BNP Paribas") with LCH Clearnet ("LCH"), a London clearing house, to pay LCH the average time charter rate for the 4 Capesize Time Charter Routes (C4TC) for a total of 180 days (15 days per month from January 2008 up to December 2008 both inclusive) in exchange for a fixed rate of $80,000 (eighty thousand U.S. Dollars) per day.

On May 10, 2007, we entered into a second FFA whereby a subsidiary of ours contracted via BNP Paribas with LCH to pay LCH the average time charter rate for the 4 Capesize Time Charter Routes (C4TC) for a total of 180 days (15 days per month from January 2008 up to December 2008 both inclusive) in exchange for a fixed rate of $79,500 (seventy nine thousand and five hundred U.S. Dollars) per day.

On May 15, 2007, we entered into a third FFA whereby a subsidiary of ours contracted via BNP Paribas with LCH to pay LCH the average time charter rate for the 4 Capesize Time Charter Routes (C4TC) for a total of 366 days (every calendar month from January 2008 up to December 2008 both inclusive) in exchange for a fixed rate of $77,250 (seventy seven thousand two hundred and fifty U.S. Dollars) per day. On that same day, we took delivery of the fifth PSV in our Offshore Supply Business fleet, *UP Diamante*, from EISA - Estaleiro Ilha S.A. in Rio de Janeiro, Brazil.

On May 23, 2007, we entered into a fourth FFA whereby a subsidiary of ours contracted via BNP Paribas with LCH to pay LCH the average time charter rate for the 4 Capesize Time Charter Routes (C4TC) for a total of 180 days (15 days per month from January 2009 up to December 2009 both inclusive) in exchange for a fixed rate of $51,000 (fifty one thousand U.S. Dollars) per day. On the same day, we entered into a fifth FFA whereby a subsidiary of ours contracted via BNP Paribas with LCH to pay LCH the average time charter rate for the 4 Capesize Time Charter Routes (C4TC) for a total of 46 days (16 days in October 2007 and 15 days in each of November and December 2007) in exchange for a fixed rate of $85,000 (eighty five thousand U.S. Dollars) per day.

On June 13, 2007, we entered into a sixth FFA whereby a subsidiary of ours contracted via BNP Paribas with LCH to pay LCH the average time charter rate for the 4 Capesize Time Charter Routes (C4TC) for a total of 45 days (15 days per month in July, August and September 2007) in exchange for a fixed rate of $74,750 (seventy four thousand seven hundred and fifty U.S. Dollars) per day.

On June 13, 2007, we exercised the option to build two further PSVs in India with deliveries in March and July 2010.

On June 14, 2007, we entered into various purchase agreements to acquire 33 Mississippi barges and one 3,950 HP pushboat in the United States. This equipment was loaded on a semi submersible vessel, and arrived in the Hidrovia on July 24, 2007. The total cost of the load-out operation (which includes amongst other things: purchase price of the equipment, loading, transport and unloading costs, etc.) was approximately $13.8 million.

On June 28, 2007, the *Miranda I* was again delivered to her charterers after finishing her double hull conversion in Argentina.

On July 10, 2007, we signed a Memorandum of Agreement (MOA) to sell our Aframax vessel *Princess Marina* after the delivery of the vessel back to us for a total purchase price of $18.7 million.

On July 10, 2007, we contracted to purchase 18 (eighteen) new heavy fuel engines from a Danish maker to replace and repower some of our large and medium-sized push boats in our River Business. The total purchase price of the engines is approximately €15.6 million, with deliveries ranging between March and December 2009.

On July 17, 2007, the *Amadeo* was redelivered to us by the yard after finishing her double hull conversion in Romania. She sailed to South America and started a long term employment on August 31, 2007.

On July 17, 2007, we placed the first firm order for part of the main equipment of our new yard for building barges in the Hidrovia region. The total purchase price for this portion of the equipment is $2.0 million.

On July 25, 2007, we reached an agreement with a shipyard in China to construct two PSVs with deliveries commencing in second half 2009 with an option for two more PSVs. The price for each new PSV to be constructed in China is $25.0 million to be paid in five installments of 20% of the contract price each, prior to delivery. Our obligations under this agreement are contingent upon the Yard obtaining a suitable refund guarantee for this contract.

On July 31, 2007, we signed a Contract of Affreightment (COA) with a large Brazilian iron ore producer through which our River Business will transport a minimum of 6.4 million tons of iron ore / pig iron over a period of approximately seven years commencing in September 2007, with options to increase contractual volumes between 21% and 93%, declarable on a yearly basis.

On August 10, 2007, we purchased the property where our new yard for building barges in Argentina will be built. The purchase price paid for the property is, approximately, $2.5 million.

On September 26, 2007, we entered into a purchase agreement to acquire 12 Mississippi barges in the United States as part of a possible further shipment of 33 barges and one pushboat to be effected in the first quarter of 2008.

Recent Developments

On October 11, 2007, the *Princess Marina* was delivered to her buyers, for a total net price of $18.1 million.

On October 12, 2007, we entered into a 3-year, $15.0 million, revolving non-secured Credit Agreement with Banco BICE. Our obligations under the Credit Agreement are guaranteed by three of our subsidiaries.

On October 19, 2007, we entered into a Memorandum of Agreement (MOA) to acquire the *Peace Glory* (to be renamed *Princess Marisol*), a 166,000 dwt Capesize vessel, for a total purchase price of $57.0 million. We expect to take delivery of the ship during November 2007.

On October 22, 2007, we entered into an MOA to sell our largest passenger vessel *New Flamenco* for a total purchase price of $24.3 million. The vessel was delivered to her buyers on November 6, 2007.

On October 29, 2007, we drew down $15.0 million under the BICE Credit Agreement.

On October 31, 2007, we entered into a $25.0 million senior secured term loan agreement with DVB Bank AG.

On October 31, 2007, we and three of our subsidiaries entered into an amendment to the BICE Credit Agreement (and the corresponding amendments to the guarantees), whereby the revolving line was temporarily increased by $10.0 million (up to $25.0 million) and we agreed further to enter (through a subsidiary of ours) into a 4-year term secured loan with BICE for a post-delivery financing of the *Princess Marisol* by January 7, 2008. Upon the entering into the BICE term loan the revolving line will have a limit of $10.0 million (down from $25.0 million).

On November 1, 2007, we drew down $25.0 million under the DVB Bank AG senior secured term loan agreement.

On November 2, 2007, we drew down $10.0 million under the amended BICE Credit Agreement.

On November 6, 2007, we delivered the *New Flamenco* to her buyers, receiving proceeds before commissions and expenses associated with the sale of $24.3 million.

Factors Affecting Our Results of Operations

We organize our business and evaluate performance by the following operating segments: the 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 intersegment 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 fuel.

In our Offshore Supply Business we contract our vessels under Time Charter in both Brazil and the North Sea. During the first quarter of 2006, prior to the acquisition of 66.67% of the stock of UP Offshore, the revenues and expenses of UP Offshore were not consolidated with ours; however, two PSVs owned by UP Offshore were operated by us in the North Sea under charters. The revenues of these charters were recognized in our financial statements.

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.

<u>Time Charter</u>

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

<u>Contract of Affreightment (COA)</u>

- We derive revenue from a rate based on tonnage shipped expressed in dollars per metric ton of cargo, and
- We pay for all voyage expenses, including fuel 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.

One of our passenger vessels has been chartered to a European tour operator who guarantees a minimum number of passengers and pays for fuel and port expenses. Our other passenger vessel operates in 3, 4 and 7-day cruises in Greece, Turkey and Israel on a full ticket revenue basis; we pay for fuel and port expenses and there is no guaranteed minimum number of passengers. In this sense, the earnings of this vessel are similar in nature to a COA.

Time charter revenues accounted for 52% of the total revenues from our businesses for the first nine months of 2007, while COA revenues accounted for 48%. With respect to COA revenues in the first nine months of 2007, 79% were in respect of repetitive voyages for our regular customers and 21% 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 on the rivers.

In our Ocean Business, we employed a significant part of our ocean fleet on time charter to different customers during the nine months ended September 30, 2007. During the first nine months of 2007 the international dry bulk freight market was on average higher than it was in the first nine months of 2006.

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, 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 2007 included general and administrative expenses.

In our River Business, our voyage expenses include port expenses and fuel as well as charter hire paid to third parties.

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

In our Passenger Business, operating expenses include all vessel management, crewing, stores, insurance, lubricants, repairs and maintenance and may include catering, housekeeping and entertainment staff if the employment so specifies. Voyage expenses may include port expenses and bunkers if such services are for our account. Similarly, they may include the cost of food and beverages for passengers if such amounts are for our account under the employment agreement.

Through our River Business, we own a dry dock and a repair facility for our River Business fleet at Pueblo Esther, Argentina, land for the construction of two terminals and a shipyard in Argentina and 50% joint venture participations in two grain loading terminals in Paraguay. UABL also rents 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 Ravenscroft, we own a building located at 3251 Ponce de Leon Boulevard, Coral Gables, Florida, United States of America. Additionally, we hold a lease to an office in Buenos Aires, Argentina.

Foreign Currency Transactions

During the nine months ended September 30, 2007, 80% of our revenues were denominated in U.S. Dollars, 9% of our revenues were denominated and collected in British Pounds, 9% of our revenues were denominated and collected in Euros and 2% of our revenues were denominated and collected in Brazilian Reais. Furthermore, 2% of our total revenues were denominated in U.S. Dollars but collected in Argentine Pesos, Brazilian Reais and Paraguayan Guaranies. Significant amounts of our expenses were denominated in U.S. dollars and 27% of our total out-of-pocket operating expenses were paid in Argentine Pesos, Brazilian Reais 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.

Some of our subsidiaries account for in local foreign currencies. The exchange rate variations of those foreign currencies and the U.S. Dollar may create exchange rate gains or losses which, when accounted for under U.S. GAAP, may require an accrual for assumed taxable income caused by those fluctuations in the rate of exchange.

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., crewing, insurance and drydocking costs) are subject to fluctuations as a result of market forces.

In 2006 and thereafter, we negotiated and intend to continue to negotiate fuel price adjustment ("pass-through") clauses in most of our River Business contracts of affreightment.

In our Ocean Business, inflationary pressures on bunker (fuel) costs are not expected to have a material effect on our immediate future operations which are 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. 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 vessels' current employment is borne by the charterers, since they are generally responsible for the supply of fuel.

In our Passenger Business, our results of operations are exposed to changes in bunker prices.

Forward Freight Agreements

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 financial 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 voyages at fixed rates. FFAs are executed through LCH, a London clearing house, with whom we started to trade during May 2007. Although LCH requires 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 its positions in FFAs and could suffer substantial losses from these activities in the event its expectations prove to be incorrect. We enter into FFAs with an objective of either economically hedging risk or for trading purposes to take advantage of short term fluctuations in freight rates. As of September 30, 2007, we were committed to FFAs with a fair value (non-cash loss) of $33.5 million as a liability, which has been offset against the cash collateral funded of $42.0 million. These contracts settle between October 2007 and December 2009. The fair value of FFAs is the estimated amount that we would receive or pay in order to terminate these FFA contracts.

Certain FFAs qualified as cash flow hedges for accounting purposes at September 30, 2007 with the change in fair value of the effective portions being recorded in accumulated other comprehensive income (loss) as a loss amounting to $19.2 million. The qualification of a cash flow hedge for accounting purposes may depend upon the predicted routes of some of our vessels matching those taken into consideration when calculating the value of the FFAs we have entered into as economic hedge instruments. A significant difference between both may result in amounts previously accounted for as other comprehensive income (loss) being reclassified as unrealized profits or losses in our statement of income at that time. All qualifying hedges together with FFAs that do not qualify for hedge accounting are shown at fair value in our balance sheet.

At September 30, 2007 the fair market value of the FFAs, resulted in a liability to the Company of $33.5 million. The Company recorded an aggregate net unrealized loss of $14.3 million and a net realized loss of $1.9 million for the nine month period ended September 30, 2007, which are reflected on the Company's statement of income as Other income (expenses) – Net loss on FFAs for transactions involving FFAs, which have not been designated as hedges for accounting purposes and for the ineffective portion of the FFAs qualified as cash flow hedges for accounting purposes.

At November 9, 2007 the liability related to the fair market value of the FFAs has been increased in $23.3 million from September 30, 2007 to $56.8 million. However, these amounts are likely to vary materially as a result of changes in market conditions.

Seasonality

Each of our businesses has seasonal aspects, which affect their revenues on a quarterly basis. The high season for our River Business is generally between the months of March and September, in connection with 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 from May through October of each year.

Legal Proceedings

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 paid 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 $0.5 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. 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 October 19, 2007, we presented a report by an expert which is highly favorable for our position.

On November 3, 2006 and April 25, 2007, the Bolivian Tax Authority (*Departamento de Inteligencia Fiscal de la Gerencia Nacional de Fiscalizacion*) 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 in the amount of approximately $2.6 million (including interest), together with certain fines that have not been determined yet. On June 18, 2007, our legal counsel in Bolivia submitted points of defense to the Bolivian tax authorities. We have been advised by our local counsel in the case 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 impact on the 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

Third quarter ended September 30, 2007 compared to third quarter ended September 30, 2006 and Nine months ended September 30, 2007 compared to Nine months ended September 30, 2006.

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.

	Third Quarter Ended September 30,		Nine Months Ended September 30,		
	2007	2006	2007	2006	Percent Change
Revenues					
Attributable to River Business	$ 24,640	$ 22,385	$ 69,665	$ 59,324	17%
Attributable to Offshore Supply Business	11,359	7,456	30,153	17,869	69%
Attributable to Ocean Business	13,407	9,924	39,237	30,365	29%
Attributable to Passenger Business	13,684	10,789	24,887	20,152	23%
Total	63,090	50,554	163,942	127,710	28%
Voyage expenses					
Attributable to River Business	(11,469)	(9,186)	(29,767)	(25,117)	19%
Attributable to Offshore Supply Business	(444)	(156)	(1,066)	(3,317)	(68%)
Attributable to Ocean Business	(16)	(178)	(511)	(600)	(15%)
Attributable to Passenger Business	(3,809)	(1,990)	(7,513)	(3,694)	103%
Total	(15,738)	(11,510)	(38,857)	(32,728)	19%
Running cost					
Attributable to River Business	(6,997)	(5,361)	(18,677)	(14,624)	28%
Attributable to Offshore Supply Business	(3,770)	(1,834)	(9,578)	(3,664)	161%
Attributable to Ocean Business	(4,326)	(3,207)	(11,720)	(10,082)	16%
Attributable to Passenger Business	(5,439)	(4,106)	(13,604)	(9,105)	49%
Total	(20,532)	(14,508)	(53,579)	(37,475)	43%
Amortization of dry dock & intangible assets	(1,939)	(2,005)	(6,039)	(6,386)	(5%)
Depreciation of vessels and equipment	(7,034)	(5,310)	(19,391)	(13,916)	39%
Management fees and administrative and commercial expenses	(4,585)	(3,328)	(14,425)	(8,868)	63%
Other operating income	513		578		
Operating profit	13,775	13,893	32,229	28,337	14%
Financial expense	(4,997)	(5,675)	(14,639)	(15,344)	(5%)
Financial income	1,056	3	2,296	276	732%
Net loss on FFAs	(13,162)	0	(16,235)	0	-
Investment in affiliates	161	(143)	454	674	(33%)
Other income (expense)	(147)	681	(400)	743	

Total other expenses	(17,089)	(5,134)	(28,524)	(13,651)	109%
Income (loss) before income taxes and minority interest	(3,314)	8,759	3,705	14,686	(75%)
Income taxes	(1,246)	(319)	(5,032)	(398)	1,164%
Minority interest	(180)	(471)	(503)	(1,010)	(50%)
Net income (loss) for the period	$ (4,740)	$ 7,969	$ (1,830)	$ 13,278	

Revenues. Total revenues from our River Business increased by $10.4 million or 17% from $59.3 million for the nine months ended September 30, 2006 to $69.7 million for the same period in 2007. This growth is mainly attributable to an 18.2% increase in volumes loaded as compared to the same period of 2006.

Total revenues from our Offshore Supply Business increased from $17.9 million for the nine months ended September 30, 2006 to $30.2 million for the same period in 2007, or an increase of 69%. This increase is mainly attributable to the operations of the *UP Topazio* and *UP Agua-Marinha* for the full nine months ending September 30, 2007 compared to three and six months, respectively, of operation in the same nine months of 2006 and the start of operations of our *UP Diamante* in May 2007, coupled with higher average rates obtained by our vessels in the North Sea and by the *UP Agua-Marinha* in Brazil, when compared to rates for the same period in 2006.

Total revenues from our Ocean Business increased from $30.4 million for the nine months ended September 30, 2006 to $39.2 million for the nine months ended September 30, 2007, or an increase of 29%. This increase is primarily attributable to the higher time charter rates obtained by our vessels *Princess Katherine* and *Princess Susana* as compared to the first nine months of 2006, the start of operations of the *Alejandrina* in March 2007 and the *Amadeo* in September 2007, partially offset by the lesser number of operational days of our vessels *Miranda I, Princess Nadia* and *Alianza G3* due to the double hull conversion works of the former and the scheduled drydocking / repairs of the latter two vessels, as well as the unscheduled off hire of our Princess Susana due to damage to her propeller and aft seal following entanglement with a port buoy, partially compensated by our Loss of Hire insurance policy accounted for under other operating income.

Total revenues from our Passenger Business increased 23% from $20.2 million in the first nine months of 2006 to $24.9 million in the same period of 2007. This increase is primarily attributable to higher revenues from our *Blue Monarch* (formerly named *Grand Victoria*) which operated on a full ticket revenue basis in the first nine months of 2007 as opposed to operating on a deck and engine time charter in the same period of 2006, and the off season employment the *New Flamenco* obtained as a floating hotel for various events during January and February 2007, partially offset by the fact that *New Flamenco* started her European summer season in March 2006 while in 2007 she commenced this service in May in accordance with the contract she has with a Spanish Tour Operator.

Voyage expenses. In the nine months ended September 30, 2007, voyage expenses of our River Business were $29.8 million, as compared to $25.1 million for the same period of 2006, an increase of $4.7 million. The increase is mainly attributable to higher fuel expenditure and port expenses on the River Business, consistent with a larger volume of cargo carried in 2007.

In the nine months ended September 30, 2007, voyage expenses of our Offshore Supply Business were $1.1 million, as compared to $3.3 million for the same period of 2006. This decrease is primarily attributable to the effect of the bareboat charter paid for the PSVs *UP Esmeralda* and *UP Safira* during the three months of 2006 prior to the consolidation of UP Offshore as from the second quarter of 2006, partially offset by the operation of the *UP Topazio* (which was delivered to us in September 2006) for the entire first nine months of 2007 and the delivery and entry into operation of the *UP Diamante* in May 2007.

In the nine months ended September 30, 2007, voyage expenses of our Ocean Business were $0.5 million, as compared to $0.6 million for the same period of 2006. This decrease is mainly attributable to a decrease in voyage expenses of our Capesize OBO fleet and a decrease in voyage expenses from our *Miranda I* due to her double hull conversion works, partially offset by the voyage expenses related to the positioning COA employment of our *Alejandrina*.

In the nine months ended September 30, 2007, voyage expenses of our Passenger Business were $7.5 million as compared to $3.7 million for the same period in 2006. This increase is mainly attributable to the fuel expenses, port costs and passenger food costs related to the operation of the *Blue Monarch* under her new operation in the Aegean and the higher off season activity of the *New Flamenco*, partially offset by her later start in May 2007.

Running costs. For the nine months ended September 30, 2007, running costs of our River Business were $18.7 million, as compared to $14.6 million for the same period in 2006, an increase of $4.1 million. This increase is mainly attributable to an increase in our boat costs such as crew, supplies and repairs consistent with the increase in volumes carried and the seven months of operation of the *Otto Candies* convoy since its acquisition in March 2007 and the entry into service in August 2007 of the additional 33 barges and one pushboat that we purchased in United States of America.

For the nine months ended September 30, 2007, running costs of our Offshore Supply Business were $9.6 million, as compared to $3.7 million for the same period in 2006. This increase is primarily attributable to the operation of the *UP Agua-Marinha* and *UP Topazio* for the full nine months ended September 30, 2007 compared with six months of operation of the *UP Agua-Marinha* in the same period of 2006, the *UP Topazio* which was only delivered to us in September 2006 and to the start of operations of our *UP Diamante* in May 2007.

For the nine months ended September 30, 2007, running costs of our Ocean Business were $11.7 million, as compared to $10.1 million for the same period in 2006. The increase is mainly attributable to the start of operations of our new product carrier *Alejandrina* and to one month of operations of our *Amadeo*, partially offset by a lower number of operational days of our vessels *Miranda I* and *Alianza G3* due to their double hull conversion works and repair works, respectively, and by lower days in operation of our *Princess Nadia* in January 2007 due to her dry dock.]

For the nine months ended September 30, 2007, running costs of our Passenger Business were $13.6 million, compared to $9.1 million for the same period in 2006. This increase is mainly attributable to the higher running costs of our *Blue Monarch* related to her Aegean Sea operation (as compared to her deck and engine time charter in the same period of 2006) and the off season employment of the *New Flamenco* which was not present in the first nine months of 2006, partially offset by her later start in May 2007.

Amortization of dry docking and intangible assets. For the nine months ended September 30, 2007, amortization of dry docking and special survey costs were $5.5 million as compared to $6 million for the same period in 2006. This decrease is primarily attributable to the reduced level of amortization of drydock of *Princess Marina* and *Alianza G3* in 2007, partially offset by the increase in the amortization of dry dock expense on our passenger vessel New Flamenco. Amortization of intangible assets was $0.6 million for the nine months ended September30, 2007 as compared to $0.4 million for the same period in 2006. The increase is primarily attributable to the amortization of intangible assets related to the purchase of Ravenscroft as our subsidiary for the full nine months ended September 30, 2007 as compared to six months in the same period of 2006.

Depreciation of vessels and equipment. Depreciation increased by $5.5 million, or 39%, to $19.4 million for the nine months ended September 30, 2007 as compared to $13.9 million for the same period in 2006. This increase is primarily attributable to the combined effect of the consolidation of UP Offshore as our subsidiary from the second quarter of 2006, the additional depreciation associated with the acquisitions of the *Alejandrina*, *Otto Candies* convoy and the entry into operation of the *Amadeo,* the delivery by the yard and entry into operation of the *UP Diamante*, a full nine-month period of depreciation of our vessel *Blue Monarch* as compared to six months starting after her entry into operations during first half 2006, the increased value of our vessel *New Flamenco* (which was fully refurbished in the first quarter of 2006), the increased value of our *Miranda I* (which was converted to double hull during the second quarter of 2007), the depreciation associated with machinery added to our yard in Ramallo and the additional depreciation associated with the barge enlargement program and the barges included in the bottom replacement program.

Management fees and administrative and commercial expenses. Management fees and administrative expenses were $14.4 million for the nine months ended September 30, 2007 as compared to $8.9 million for the same period in 2006. This increase of $5.5 million is mainly attributable to the effect of the consolidation of UP Offshore and Ravenscroft as our subsidiaries from the second quarter of 2006 and the cost of the compensation granted to the Board in the form of stock options and grants of stock in the fourth quarter of 2006.

Other operating income. Did not change significantly.

Operating profit. Operating profit for the nine months ended September 30, 2007 was $32.2 million, as compared to $28.3 million for the same period in 2006, an increase of $3.9 million. This increase is mainly attributable to the effect of the consolidation of UP Offshore (as from the second quarter of 2006) which had an average of four and a half ships working for the first nine months of 2007 as compared to only three ships, in average, during the first nine months of 2006 ($13.1 million) and improved performance of our Ocean ($11.0 million) Business, partially offset by a loss in the Passenger Business of $1.1 million compared with a profit of $4.6 million in 2006, and by higher management fees and administrative and commercial expenses.

Financial expense. Financial expense did not change significantly, since the effect of the consolidation of UP Offshore as our subsidiary from the second quarter of 2006 was largely offset by the full cancellation of our indebtedness in the River Business in October 2006.

Net loss on FFAs. The net loss on FFAs increased to $16.2 million for the nine months ended September 30, 2007 as compared to zero in 2006 because the Company had no FFAs in place by the end of the same period of 2006.

Minority Interest. Minority Interest for the nine months ended September 30, 2007 was $0.5 million, as compared to $1.0 million for the same period in 2006, a decrease of $0.5 million. This decrease is mainly attributable to the acquisition of the minority interest in our River Business of International Finance Corporation in 2006 and to the sale of a Terminal in Mexico by our subsidiary Ultracape in 2006.

Income tax. The charge for nine months ended September 30, 2007 was $5.0 million, compared with $0.4 million for the same period in 2006. The higher charge in 2007 compared with 2006 principally reflects the deferred income tax charge from unrealized foreign currency exchange gains on US Dollar-denominated debt of our Brazilian subsidiary in our Offshore Supply Business (which is consolidated since the second quarter of 2006) of $3.6 million, as well as the tax liability in Brazil under the accelerated depreciation scheme our Brazilian subsidiary is utilizing for Brazilian tax purposes.

Liquidity and Capital Resources

We are a holding company and operate in a capital-intensive industry requiring substantial ongoing investments in revenue-producing assets. Our subsidiaries have historically funded their vessel acquisitions through a combination of bank indebtedness, shareholder loans, cash flow from operations and equity contributions.

The ability of our subsidiaries to make distributions to us may be limited by, among other things, restrictions under our credit facilities and applicable laws of the jurisdictions of their incorporation or organization.

As of September 30, 2007, we had aggregate indebtedness of $270.8 million, consisting of $180.0 million aggregate principal amount of our First Preferred Ship Mortgage Notes due 2014, or the Notes, consolidated indebtedness of our subsidiary UP Offshore (Bahamas) Limited of $70.3 million under two senior loan facilities with DVB, indebtedness of our subsidiary Stanyan Shipping Inc. of $13.2 million under a senior loan facility with Natixis, and a credit facility of our subsidiary Danube Maritime Inc. with BNP Paribas of $7.3 million.

At September 30, 2007, we had cash and cash equivalents on hand of $59.1 million. In addition, we had $9.6 million in non current restricted cash. Additionally, we had $35.7 million in restricted cash under our margin account with BNP Paribas related to our FFAs, this amount is not shown as restricted cash because it has been netted off our liabilities related to the fair value of the FFAs.

Operating Activities

In the nine months ended September 30, 2007, we generated $42.7 million in cash flow from operations compared to $26.2 million in the same period of 2006. We had a net loss of $1.8 million for the first nine months ended September 30, 2007, as compared to a net income of $13.3 million in the same period of 2006, a decrease of $15.1 million. Included in the result for the first nine months ended September 30, 2007 are $14.3 million in non-cash losses due to the mark-to-market under our FFAs and a non-cash loss of $3.6 million due to a deferred income tax charge from unrealized foreign currency exchange rate gains on U.S. Dollar denominated debt of our Brazilian subsidiary in the Offshore Supply Business.

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

Investing Activities

During the nine months ended September 30, 2007, we disbursed $13.8 million to purchase 100% of the shares of Compania Paraguaya de Transporte Fluvial and 100% of the shares of Candies Paraguayan Ventures LLC, and $29.8 million to enlarge and refurbish barges and pushboats and as part of the purchase of 33 Mississippi barges and one pushboat in our River Business; $9.1 million to fund the advance on the two PSVs that are being constructed in India and $8.7 million in respect of PSV vessels *UP Diamante* (delivered to us in May 2007) and *UP Rubi* , under construction in Brazil, in our Offshore Supply Business; $15.8 million related to the purchase of the *Alejandrina* and $13.0 million to convert the *Amadeo* and the *Miranda I* into double hull and in repair works for the *Alianza G3* in our Ocean Business; and finally $2.8 million to refurbish the *Blue Monarch* in our Passenger Business. We also disbursed $42.0 million to fund a margin account in connection with our FFAs.

Financing Activities

Net cash provided by financing activities was $142.4 million during the nine months ended September 30, 2007, compared to net cash used in financing activities of $8.3 million during the same period of 2006. The increase in cash provided by financing activities from 2007 to 2006 is mainly attributable to the net proceeds of our follow-on offering of $91.1 million, the $61.3 million loan agreement with DVB in our Offshore Supply Business and the draw down of our senior loan facility with Natixis for $13.6 million, partially offset for the early repayment of our indebtedness in the Offshore Supply Business for $25.3 million.

Future Capital Requirements

Our near-term cash requirements are related primarily to funding operations and the scheduled installments of our new vessels under construction, setting up our new yard for building barges in Argentina, potentially acquiring second-hand vessels, covering margin calls and settlements under our outstanding FFAs, increasing the size of some of our barges and purchasing new engines for our line pushboats. We cannot assure that our actual cash requirements will not be greater than we currently expect. If we cannot generate sufficient cash flow from operations, we may obtain additional funding through capital market transactions, bank debt and other financial instruments, although it is possible these sources will not be available to us.

Supplemental Information

The following table reconciles our EBITDA to our net income:

($000)	Nine Months Ended September 30, 2007	2006
Net Income (loss)	$ (1,830)	$ 13,278
Plus		
Financial expense	14,639	15,344
Income taxes	5,032	398
Depreciation and amortization	25,430	20,302
EBITDA(1)	$ 43,271	$ 49,322

The following tables reconcile our EBITDA to our Operating profit (loss) for the nine months ended September 30, 2007 and 2006, on a consolidated and a per segment basis:

($000)	Nine Months Ended September 30, 2007				
	River	Offshore Supply	Ocean	Passenger	TOTAL
Segment operating profit (loss)	$ 9,262	$ 13,076	$ 11,040	$ (1,149)	$ 32,229
Depreciation and amortization	7,134	3,175	10,968	4,153	25,430
Investment in affiliates / Minority interest	(72)	(519)	542		(49)
Other, net(3)	(415)	16	27	(28)	(400)
Net income (loss) on FFAs			(16,235)		(16,235)
Segment EBITDA	$ 15,909	$ 15,748	$ 6,342	$ 2,976	$ 40,975
Items not included in segment EBITDA					
Financial income					2,296
Consolidated EBITDA(2)					$ 43,271

($000)	Nine Months Ended September 30, 2006				
	River	Offshore Supply	Ocean	Passenger	TOTAL
Operating profit (loss)	$ 9,788	$ 7,914	$ 6,042	$ 4,593	$ 28,337
Depreciation and amortization	5,879	1,400	10,792	2,231	20,302
Investment in affiliates / Minority interest	(317)	(171)	152		(336)
Other, net[3]	(138)	69	812		743
Segment EBITDA	$ 15,212	$ 9,212	$ 17,798	$ 6,824	$ 49,046
Items not included in segment EBITDA					
Financial income					276
Consolidated EBITDA[2]				$49,322	

(1) EBITDA consists of net income (loss) prior to deductions for interest expense and other financial gains and losses, income taxes, depreciation and amortization of dry dock expense and financial gain (loss) on extinguishment of debt. We believe that EBITDA is intended to exclude all items that affect results relating to financing activities. The gains and losses associated with extinguishment of debt are a direct financing item that affects our results, and therefore should not be included in EBITDA. We do not intend for EBITDA to represent cash flows from operations, as defined by GAAP (on the date of calculation), and should not be considered as an alternative to net income (loss) as an indicator of our operating performance or to cash flows from operations as a measure of liquidity. This definition of EBITDA may not be comparable to similarly titled measures disclosed by other companies. We have provided EBITDA in this filing because we believe it provides useful information to investors to measure our performance and evaluate our ability to incur and service indebtedness.

(2) The reconciliation of our consolidated EBITDA to our Net income (loss) is set forth in the first table shown under section “Supplemental Information” in this filing.

(3) Individually not significant.

ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements at September 30, 2007

ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

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ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(Stated in thousands of U.S. dollars, except per value and share amounts)

	At September 30, 2007 (Unaudited)	At December 31, 2006
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 59,144	$ 20,648
Accounts receivable, net of allowance for doubtful accounts of $244 and $709 in 2007 and 2006, respectively	16,051	17,333
Receivables from related parties	4,064	3,322
Marine and river operating supplies	3,115	3,020
Prepaid expenses	4,983	2,530
Other receivables	10,425	7,917
Total current assets	97,782	54,770
NONCURRENT ASSETS		
Other receivables	4,980	6,368
Receivables from related parties	1,995	2,280
Restricted cash	9,636	1,088
Vessels and equipment, net	418,860	333,191
Dry dock	8,963	9,673
Investment in affiliates	2,739	2,285
Intangible assets	3,159	3,748
Goodwill	5,015	5,015
Other assets	5,659	6,014
Deferred tax assets	2,191	1,947
Total noncurrent assets	463,197	371,609
Total assets	**$ 560,979**	**$ 426,379**
LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 15,984	$ 13,491
Payable to related parties	-	420
Accrued interest	5,977	1,691
Current portion of long-term financial debt	7,108	4,700
Other payables	3,606	2,469

Total current liabilities		32,675		22,771
NONCURRENT LIABILITIES				
Long-term debt		180,000		180,000
Financial debt, net of current portion		83,726		34,294
Deferred tax liability		10,091		6,544
Other payables		-		250
Total noncurrent liabilities		273,817		221,088
Total liabilities		**306,492**		**243,859**
MINORITY INTEREST		**3,506**		**3,091**
SHAREHOLDERS' EQUITY				
Common stock, $.01 par value: 100,000,000 authorized shares; 33,443,030 and 28,346,952 shares issued and outstanding in 2007 and 2006, respectively		334		283
Additional paid-in capital		266,243		173,826
Accumulated earnings (losses)		3,401		5,231
Accumulated other comprehensive income (loss)		(18,997)		89
Total shareholders' equity		**250,981**		**179,429**
Total liabilities, minority interest and shareholders' equity	**$**	**560,979**	**$**	**426,379**

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

ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Stated in thousands of U.S. dollars, except share and per share data)

	For the nine-month periods ended September 30, 2007		2006	
REVENUES				
Revenues from third parties	$	160,990	$	125,010
Revenues from related parties		2,952		2,700
Total revenues		163,942		127,710
OPERATING EXPENSES				
Voyage expenses		(38,857)		(32,728)
Running costs		(53,579)		(37,475)
Amortization of dry docking		(5,450)		(5,993)
Depreciation of vessels and equipment		(19,391)		(13,916)
Management fees to related parties		-		(511)
Amortization of intangible assets		(589)		(393)
Administrative and commercial expenses		(14,425)		(8,357)
Other operating income		578		-
		(131,713)		(99,373)
Operating profit		**32,229**		**28,337**
OTHER INCOME (EXPENSES)				
Financial expense		(14,639)		(15,344)
Net loss on FFAs		(16,235)		-
Financial income		2,296		276
Investment in affiliates		454		674
Other, net		(400)		743
Total other expenses		(28,524)		(13,651)
Income before income taxes and minority interest		**3,705**		**14,686**
Income taxes		(5,032)		(398)
Minority interest		(503)		(1,010)
Net (loss) income	**$**	**(1,830)**	**$**	**13,278**
Basic net (loss) income per share	$	(0.06)	$	0.86
Diluted net (loss) income per share	$	(0.06)	$	0.85

Basic weighted average number of shares	31,061,380	15,500,000
Diluted weighted average number of shares	31,061,380	15,555,475

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

ULTRAPETROL (BAHAMAS) LIMITED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(UNAUDITED)

(Stated in thousands of U.S. dollars, except share data)

Balance	Shares amount	Common stock	Additional paid-in capital	Accumulated earnings (losses)	Accumulated other comprehensive income (loss)	Total
December 31, 2005	15,500,000	$ 155	$ 48,418	$ (5,295)	$ 196	$ 43,474
Comprehensive income:						
– Net income	-	-	-	13,278	-	13,278
– Net loss on EURO hedge agreement designated as cash flow hedge	-	-	-			