

TOP SHIPS INC.  
Form 6-K  
May 13, 2010

**FORM 6-K**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

For the month of May 2010

Commission File Number: 000-50859

**TOP SHIPS INC.**

(Translation of registrant's name into English)

**1 VAS. SOFIAS & MEG.**

**ALEXANDROU STREET**

**151 24, MAROUSSI**

**ATHENS, GREECE**

(Address of principal executive offices)

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

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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.

**INFORMATION CONTAINED IN THIS FORM 6-K REPORT**

Attached to this report on Form 6-K as Exhibit 99.1 is the press release of TOP Ships Inc. (the Company ) dated May 13, 2010: TOP Ships Inc. Reports First Quarter 2010 Financial Results.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TOP Ships, Inc.  
(Registrant)

Dated: May 13, 2010

By: /s/Evangelos J. Pistiolis  
Evangelos J. Pistiolis  
Chief Executive Officer

**TOP SHIPS REPORTS FIRST QUARTER 2010 FINANCIAL RESULTS**

ATHENS, GREECE (May 13, 2010) TOP Ships Inc. (NasdaqGS:TOPS) today announced its financial results for the first quarter ended March 31, 2010.

For the first quarter of 2010, the Company reported:

-

Net income of \$0.9 million or \$0.03 per share.

-

Operating income of \$5.5 million.

-

Revenues of \$23.1 million.

Evangelos J. Pistiolis, President and Chief Executive Officer of TOP Ships Inc., commented:

We are happy to report a profitable first quarter, which is the result of the charters we signed in 2008 and our cost cutting efforts.

In addition, during the first quarter we fixed the M/T Dauntless on a two-year time charter at a base rate of \$10,500 per day, plus a 50/50 profit sharing arrangement with a first class charterer.

Following this fixture, nearly 100% of our total remaining operating days of 2010 are under fixed employment. Looking further into the future, approximately 83% of total operating days of 2011 and 60% of total operating days of 2012 are under fixed employment.

The total gross contracted revenue from all of our fixed rate contracts amounts to \$345 million until the end of 2019.

The following indicators serve to highlight the operational performance of the Company's current fleet during the first quarters of 2009 and 2010:

## CURRENT FLEET DATA

	Three Months Ended	
	March 31,	
	2009	2010
Total number of vessels	11	13
Total calendar days for fleet (1)	727	1,170
Total available days for fleet (2)	689	1,152
Total operating days for fleet (3)	679	1,152
Fleet utilization (4)	98.50%	99.93%

(1) We define calendar days as the total days the vessels were in our possession for the relevant period. Calendar days are an indicator of the size of our fleet over the relevant period and affect both the amount of revenues and expenses that we record during that period.

(2) We define available days as the number of calendar days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or scheduled guarantee inspections in the case of newbuildings, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues. We determined to use available days as a performance metric for the first time in the second quarter and first half of 2009. We have determined to adjust the calculation method of utilization to include available days in order to be comparable with shipping companies that calculate utilization using operating days divided by available days.

(3) We define operating days as the number of available days in a period less the aggregate number of days that our vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which the vessels actually generate revenues.

(4) We calculate fleet utilization by dividing the number of operating days during a period by the number of available days during that period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the number of days that its vessels are off-hire for reasons other than scheduled repairs or scheduled guarantee inspections in the case of newbuildings, vessel upgrades, special or intermediate surveys and vessel positioning. We used a new calculation method for fleet utilization for the first time in the second quarter and first half of 2009. In all prior filings and reports, utilization was calculated by dividing operating days by calendar days. We have determined to adjust the calculation method in order to be comparable with most shipping companies, which calculate utilization using operating days divided by available days.

The following table presents the Company's current fleet and employment profile:

	<u>Dwt</u>	<u>Year Built</u>	<u>Charter Type</u>	<u>Expiry</u>	<u>Daily Base Rate</u>	<u>Profit Sharing Above Base Rate</u>
<b>Eight Tanker Vessels</b>						
Dauntless	46,168	1999	Time Charter	Q1/2012	\$10,500	50%
Ioannis P	46,346	2003	Time Charter	Q4/2010	\$18,000	100% first \$1,000 + 50% thereafter
Miss Marilena	50,000	2009	Bareboat Charter	Q1-2/2019	\$14,400	
Lichtenstein	50,000	2009	Bareboat Charter	Q1-2/2019	\$14,550	
Ionian Wave	50,000	2009	Bareboat Charter	Q1-2/2016	\$14,300 <sup>A</sup>	
Thyrrhenian Wave	50,000	2009	Bareboat Charter	Q1-2/2016	\$14,300 <sup>A</sup>	
Britto	50,000	2009	Bareboat Charter	Q1-2/2019	\$14,550	
Hongbo	50,000	2009	Bareboat Charter	Q1-2/2019	\$14,550	
<b>Total Tanker dwt</b>	<b>392,514</b>					
<b>Five Drybulk Vessels</b>						
Cyclades	75,681	2000	Time Charter	Q2/2011	\$54,250	
Amalfi	45,526	2000	Time Charter	Q4/2011	\$14,000	
Papillon (ex Voc Gallant)	51,200	2002	Bareboat Charter	Q2/2012	\$24,000	
Pepito	75,928	2001	Time Charter	Q1-2/2013	\$41,000	
Astrale	75,933	2000	Time Charter	Q3/2011	\$18,000	
<b>Total Drybulk dwt</b>	<b>324,268</b>					
<b>TOTAL DWT</b>	<b>716,782</b>					

A. On January 11, 2010 we announced that we had received from the bareboat charterer of the M/T Ionian Wave and the M/T Thyrrhenian Wave, a reduced charter hire rate of \$10,000 per day, rather than the



\$14,300 per day on a bareboat basis that is set forth in the charter agreement. We have been examining this unilateral reduction and intend to take all necessary steps to recover the amounts owed since the said charterer is considered to be in breach of the charter.

### ***Outstanding Indebtedness***

As of March 31, 2010, we had total indebtedness under senior secured and unsecured credit facilities with our lenders of \$392.7 million (excluding unamortized deferred financing fees of \$4.8 million) with maturity dates from 2010 through 2019.

We are in discussions with DVB America N.V., or DVB in relation to the bridge loan that we took in 2009 in order to finance the delivery installment of our sixth newbuilding product tanker, due to be repaid on July 30, 2010.

As of March 31, 2010, we had no non-restricted cash.

### ***Loan Covenants and Discussions with Banks***

As of March 31, 2010, we were in breach of loan covenants relating to Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), overall cash position (minimum liquidity covenants and minimum operating accounts balance), adjusted net worth, net asset value and asset cover of product tankers with certain banks not previously waived. As a result of these covenant breaches with all of our banks, we classified all of our debt and financial instruments as current. The amount of long-term debt and financial instruments that have been reclassified and presented together with current liabilities amounts to \$339.8 million and \$9.8 million, respectively.

We have been in discussions with all of our banks in relation to these covenant breaches as well as covenant breaches previously waived, for which waiver periods expired as of the end of the first quarter.

### ***Outsourcing of management***

After consideration and approval by our board of directors, we have determined to outsource our vessel commercial and technical management to Central Mare Inc., a related party controlled by our Chief Executive Officer's family. We

believe that the terms of the management agreement with Central Mare Inc. are in line with those of other listed shipping companies.

### ***Conference Call and Webcast***

TOP Ships management team will host a conference call on Friday, May 14, 2010, at 11:00 a.m. EDT to discuss the Company's financial results.

#### **Conference Call details:**

Participants should dial into the call 10 minutes before the scheduled time using the following numbers: 1(866) 819-7111 (from the US), 0(800) 953-0329 (from the UK), or (+44) (0) 1452 542 301 (from outside the US). Please quote "TOP Ships".

A replay of the conference call will be available until May 21, 2010. The United States replay number is 1(866) 247-4222; from the UK 0(800) 953-1533; the standard international replay number is (+44) (0) 1452 550 000 and the access code required for the replay is: 39394642#.

#### **Audio webcast:**

There will also be a simultaneous live webcast over the Internet, through the TOP Ships Inc. website ([www.topships.org](http://www.topships.org)) under Investor Relations. Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

### **About TOP Ships Inc.**

TOP Ships Inc., formerly known as TOP Tankers Inc., is an international provider of worldwide seaborne crude oil and petroleum products and drybulk transportation services. The Company operates a combined tanker and drybulk fleet as follows:

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A fleet of eight double-hull Handymax tankers and an average age of 3.1 years with a total carrying capacity of approximately 0.4 million dwt, of which 76%, in terms of dwt, are sister ships. Two of the Company's Handymaxes are on time charter contracts with an average term of 15 months with both of the time charters including profit sharing agreements above their base rates. Six of the Company's Handymax tankers are fixed on a bareboat charter basis with an average term of 7.9 years.

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A fleet of five drybulk vessels with a total carrying capacity of approximately 0.3 million dwt and an average age of 9.0 years, of which 47%, in terms of dwt, are sister ships. All of the Company's drybulk vessels have fixed rate employment contracts for an average period of 22 months.

### ***Forward-Looking Statements***

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect" "pending" and similar expressions identify forward-looking statements. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, failure of a seller to deliver one or more vessels or of a buyer to accept delivery of one or more vessels, inability to procure acquisition financing, default by one or more charterers of our ships, changes in the demand for crude oil and petroleum products, changes in demand for dry bulk shipping capacity, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

### **Contacts:**

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**TABLES FOLLOW**

**TOP SHIPS INC.****CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS**

(Expressed in thousands of U.S. Dollars - except for share and per share data)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2009</b>	<b>2010</b>
	(Unaudited)	(Unaudited)
<b>REVENUES:</b>		
Revenues	\$ 29,793	\$ 23,141
<b>EXPENSES:</b>		
Voyage expenses	1,150	367
Charter hire expense	5,787	-
Amortization of deferred gain on sale and leaseback of vessels	(808)	-
Other vessel operating expenses	8,653	3,243
Dry-docking costs	1,263	860
Depreciation	6,340	8,156
General and administrative expenses	5,051	5,054
<b>Operating income</b>	<b>2,357</b>	<b>5,461</b>
<b>OTHER INCOME (EXPENSES):</b>		
Interest and finance costs	(2,271)	(3,177)
Gain (loss) on financial instruments	1,205	(1,399)
Interest income	189	32
Other, net	(110)	(33)
<b>Total other expenses, net</b>	<b>(987)</b>	<b>(4,577)</b>
<b>Net Income</b>	<b>\$ 1,370</b>	<b>\$ 884</b>
<b>Earnings per common share, basic and diluted</b>	<b>\$ 0.05</b>	<b>\$ 0.03</b>

<b>Weighted average common shares outstanding, basic</b>	27,522,092	30,653,587
<b>Weighted average common shares outstanding, diluted</b>	27,522,092	30,729,186

## TOP SHIPS INC.

## CONSOLIDATED CONDENSED BALANCE SHEETS

(Expressed in thousands of U.S. Dollars)

	<b>December 31, 2009</b>	<b>March 31, 2010</b>
	(Unaudited)	(Unaudited)
<b><u>ASSETS</u></b>		
	-	-
<b>CASH AND CASH EQUIVALENTS</b>	\$	\$
<b>VESSELS, NET</b>	642,953	634,797
<b>RESTRICTED CASH</b>	22,244	19,345
<b>OTHER ASSETS</b>	9,952	9,820
<b>Total assets</b>	\$ 675,149 \$	663,962
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
<b>FINANCIAL INSTRUMENTS</b>	13,803	13,767
<b>DEBT</b>	399,087	387,919
<b>OTHER LIABILITIES</b>	15,063	13,825
<b>Total liabilities</b>	427,953	415,511
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY</b>	247,196	248,451
<b>Total liabilities and stockholders' equity</b>	\$ 675,149 \$	663,962





**TOP SHIPS INC.****CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**

(Expressed in thousands of U.S. Dollars)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2009</b>	<b>2010</b>
	(Unaudited)	(Unaudited)
<b>Cash Flows provided by Operating Activities:</b>		
Net income	\$ 1,370	\$ 884
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of deferred financing costs	6,696	8,900
Translation gain of foreign currency denominated loan		(240)
Stock-based compensation expense	459	371
Change in fair value of financial instruments	(2,065)	(36)
Amortization of deferred gain on sale and leaseback of vessels	(808)	-
Amortization of fair value below market time charter	(2,347)	-
Loss on sale of other fixed assets	93	33
Change in operating assets and liabilities	1,006	(2,255)
<b>Net Cash provided by Operating Activities</b>	<b>4,404</b>	<b>7,657</b>
<b>Cash Flows (used in) provided by Investing Activities:</b>		
Advances for vessels acquisitions / under construction	(19,504)	-
Vessel acquisitions	(77,735)	-
Insurance claims recoveries	151	716
Decrease in restricted cash	14,232	2,899
Net proceeds from sale of other fixed assets	197	244
Acquisition of other fixed assets	(295)	(87)

<b>Net Cash provided by (used in) Investing Activities</b>	<b>(82,954)</b>	<b>3,772</b>
<b>Cash Flows provided by (used in) Financing Activities:</b>		
Proceeds from long-term debt	74,165	-
Payments of long-term debt	<b>(22,799)</b>	<b>(11,405)</b>
Financial instrument termination payments	<b>(5,000)</b>	-
Payment of common stock issuance costs	-	<b>(24)</b>
Repurchase and cancellation of common stock	<b>(732)</b>	-
Payment of financing costs	<b>(53)</b>	-
<b>Net Cash provided by (used in) Financing Activities</b>	<b>45,581</b>	<b>(11,429)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(32,969)</b>	-
<b>Cash and cash equivalents at beginning of the period</b>	46,242	-
<b>Cash and cash equivalents at end of the period</b>	\$ 13,273	\$ -