ULTRAPETROL BAHAMAS LTD
Form 6-K
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11New York Lunch1

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ULTRAPETROL (BAHAMAS) LIMITED

INVESTOR AND ANALYST MEETING

WEDNESDAY, MAY 14, 2008

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Forward - looking statements & EBITDA

Our disclosure and analysis in this presentation 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,’’ ‘‘be ‘‘estimates,’’ ‘‘projects,’’ ‘‘forecasts,’’ ‘‘will,’’ ‘‘may,’’ ‘‘should,’’ and similar expressions are forward-looking statements. Although th 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. These forward-looking statements represent our estimates and assumptions only as of the date of this presentation 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:

– unexpected future operating or financial results

– delays or increased costs in pending or recent acquisitions, deviations from our business strategy or unexpected increases in capital spending or operating expenses, including drydocking and insurance costs

– changes in general market conditions and trends, including charter rates, vessel values, and factors affecting vessel supply and demand

– our ability to obtain additional financing

– changes in our financial condition and liquidity, including our ability to obtain financing in the future to fund capital expenditures, acquisitions and other general corporate activities

– deviations from our expectations about the availability of vessels to purchase, the time that it may take to construct new vessels, or vessels’ useful lives

– delays or defaults by our contract counter-parties in performing their obligations to us

– loss of one or more key members of our management team

– changes in governmental rules and regulations or actions taken by regulatory authorities

– adverse weather conditions that can affect production of the goods we transport and navigability of the river system

– the highly competitive nature of the oceangoing transportation industry

– the loss of one or more key customers

– unexpected fluctuations in foreign exchange rates and devaluations

– liabilities from future litigation

– other factors discussed in the section titled ‘‘Risk factors” in our annual report on form 20-F for the year ended December 31, 2007

Management considers EBITDA to be a meaningful indicator of operating performance and uses it as a measure to assess the operating performance of the Company’s business. EBITDA provides us with an understanding of one aspect of earnings before the impact of investing and financing transactions and income taxes. EBITDA should not be construed as a substitute for net income or as a better measure of liquidity than cash flow from operating activities, which is determined in accordance with generally accepted accounting principles (“GAAP”). EBITDA excludes components that are significant in understanding and assessing our results of operations and cash flows. In addition, EBITDA is not a term defined by GAAP and as a result our measure of EBITDA might not be comparable to similarly titled measures used by other companies. The Company believes that EBITDA is relevant and useful information, which is often reported and widely used by analysts, investors and other interested parties in our industry. Accordingly, the Company has included references to EBITDA in this presentation.

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> Biggest player in the Hidrovia Region with 591 barges and 28 pushboats -> over 40% of market share

> Significant volume growth -> need for additional capacity:

§ Barge enlargement program -> expansion of existing capacity

§ Barge building yard -> construction of new capacity

§ Re-engining project -> higher fuel savings and shorter voyage times

> Five very modern PSVs in operation: two in Brazil & three in the North Sea

> Continue growing through construction program:

§ Brazil: One vessel under construction to be delivered by the end of 2008

§ India: Four vessels under construction to be delivered starting 2009

§ China: Two vessels under construction to be delivered starting 2009 with an option for further two

River Business

Offshore Supply Business

Ocean Business

Passenger Business

> Nine vessels in operation

§ Three OBO vessels chartered linked to the 4TC Capesize Routes Index and covered through FFAs -> attractive and stable revenues secured through 2008 / 2009

§ Capesize vessel Princess Marisol employed on a strong spot market

§ Four Handysize / product tankers operating under fixed time charters in South America

> One vessel, Blue Monarch, in operation

> Employed on 7-day and 14-day cruises in the Aegean Sea

> Overall 2008 performance expected to improve with respect to last year

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RIVER BUSINESS

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Corumba
UABL Brazil
Buenos Aires
UABL Argentina
Tres Fronteras
Wanda
Dos Fronteras
San Gotardo
Asunción
UABL Paraguay
Hub
Km 1,200
Mississippi Region
Hidrovia Region
Number of Barges: ~26,500
Number of Barges: ~1,400
Hub
Hub
Hub
Through a system of hubs
we can operate more
efficiently than the smaller
companies
Hidrovia System
> Runs over 2,200 miles across the agricultural heartland of South America
> Comparable in length to the Mississippi system

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(1) Source: FAS - USDA;
(2) Hidrovia Region includes
Argentina, Bolivia, Brazil,
Paraguay and Uruguay.
Source: FAS - USDA.
Hidrovia Region’s share of world’s soy production has
been progressively increasing…

7
2.5
8.7
1Q 08 vs. 1Q 07 Corumbá Mines
Iron Ore Exports(3)
614
895
(1) Sources: Rio Tinto PLC (RTZ), Vale (CVRD) and Mineração e Metálicos S.A. (MMX) public filings, presentations and
web pages;
(2) RTZ and CVRD volumes are assumed flat due to lack of publicly available information from each company in this respect; MMX volumes taken from company presentation of March 2008;
(3) Industry sources.
Corumbá Mines Iron Ore
Estimated Production(1), (2)
UABL signed a long term contract to carry between 2009 and 2014 between 1.3 MM
and 2.0 MM tons of iron ore per year
4.1
7.3
6.7
5.0
…while Corumbá iron ore production is expected to grow
by 3.5x from its 2005 level

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806,900
1,331,900
2006 - 2010 = 65.1% expected increase
Source: Company estimates
River Business potential incremental dwt capacity if
all programs are executed at maximum
1) Barge enlargement
- USD 36.0 million
CAPEX through 2010
- 67% increase per
barge enlarged
130,000 additional dwt
capacity
- Bottom Replacement
sub-program
2) Barge building yard
- USD 24.0 million
initial budget
- USD 28.8 million
annual investments
- Expected
construction of 52
barges per year
starting end 2008
- potential 40%
savings on equipment
compared with
originating in the US at
current newbuild and
transportation prices
In the River Business we have 3 ambitious growth programs
underway to secure our market leadership…

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Estimated Pro Forma EBITDA & EBITDA margin at
different levels of fuel substitution
(1) BunkerWorld - 2007 monthly average price gap
between Diesel and IFO180 at Rotterdam port
(2) BunkerWorld - 2008 YTD monthly average price gap
between Diesel and IFO180 at Rotterdam port
Estimated differential EBITDA at current Price Gap Diesel / Fuel
…through capacity increases and improved fuel efficiencies
3) Re-engining project
- USD 52.0 million CAPEX
through 2010
- 2007 fuel consumption was
49,800 mt
- 2007 average price gap(1) was
USD 264 / mt
- 80% fuel substitution at 2007
average price gap USD 10.5
million savings
- 2008 YTD average price gap(1)
is USD 453 / mt
- 80% fuel substitution at 2008
YTD average price gap USD
18.0 annual million savings

> 14% increase in volumes loaded as compared to 1Q 2007

> Thirty barges and one pushboat purchased in the US already arrived in the Hidrovia, and are fully operational as from 2Q 2008

> Further load-out of 27 barges and two pushboats currently taking place

> Received first six heavy fuel engines out of the 24 included in our re-engining project

> Contracted with a shipyard in Argentina to construct the hull of an 8,325 HP pushboat

> Barge enlargement program continues -> 44 barges processed out of a total of 130 targeted by the end of 2010

> Ongoing construction of new barge building yard -> currently receiving equipment for installation and construction progressing as planned

> The Upper Paraguay River recovered normal water levels early in 1Q 2008

> Unaffected by conflict in Argentina between Government and farmers

1Q 2008 & Year to Date

River Business Developments

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OFFSHORE SUPPLY BUSINESS

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Brazil

Deeper water wells in Brazil and harsh conditions in the North Sea require larger, more advanced PSVs

> Harsh operating conditions demand high quality vessels

> Very active spot market, with robust pricing

North Sea

We are well established in the two most attractive PSV markets…

> Market moving to deeper water wells

> Fastest growing Offshore market in the world

> New discoveries, Tupi and Carioca, potentially two of the largest fields in the world.

> Domestic trade preferences similar to US' Jones Act

> Mainly a term market; not a spot market

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Fleet in Operation

Fleet under Construction

…with one of the most modern and
homogeneous fleets in the world…

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Annualized number of PSVs in operation at same average gross profit contribution per vessel obtained by existing fleet in 2007

2007 / 4.63

PSVs

(1) Pro Forma Gross Profit Contribution = Revenues minus Voyage Expenses minus Running Costs

Indian PSVs

Chinese PSVs

…gross profit from our Offshore Supply Business expected to grow consistently with fleet size over the next 3 years

> Current fleet of 5 PSVs

> Newbuildings under construction are expected to take fleet up to 12 PSVs by 2010

> Option for 2 further PSVs in China could take total fleet to 14 vessels

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UP North Sea Fleet Daily Average Time Charter(2)
2006 - To date North Sea Spot Rates(1)
Committed
Brazil
Committed
North Sea
Spot
North Sea
1Q 08 Fleet Employment Distribution(2)
UP Brazil Fleet Daily Average Time Charter(2)
Current Spot Rate(1)
(1) Source: Seabrokers; Current Spot Rate: company estimates on brokers' figures
(2) Source: Company calculations / data
Offshore Supply Market Overview

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Source: Company estimates based on industry sources

Assumption: 1.7 PSVs required per ordered rig

Source: Stewarts Offshore / ODS - Petrodata

PSV shortfall over next 4 years = 156

Aligned with Offshore Supply market fundamentals…

OCEAN BUSINESS

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Handysize / Product Tankers Fleet

OBO / Capesize Fleet

> Three OBO vessels chartered tied to the 4TC Capesize Routes Index and covered through FFAs

> Stable and attractive rates secured through FFAs for 2008 and 2009

> Capesize vessel Princess Marisol employed on a strong spot market

Ocean Business: two different fleets…

> Consolidating our leading presence in the South American coastal market

> Two new vessels in 2007 -> Alejandrina in March & Amadeo end August

> One new vessel in 2008 -> MT Austral in April 2008, added under a three-year bareboat charter

> Demand is led by major oil companies

> Distribution of products normally done by smaller chemical / product crude coastal vessels

> Expected further acquisition of two Product Tankers; one in 2008, and other in 2009

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Ocean Business: two different fleets (cont'd)

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Avg. ‘07
TC(2)
Avg. 1Q
08 TC(3)
Avg. FY
‘08 TC(4)
OBO Fleet Average Daily Time Charter Rates(1)
OBO Fleet Gross Profit Contribution(1), (3), (5), (6),
(7)
(1) The values in these graphs are based on estimates and assumptions and consequently may change
(2) Excludes Non Cash Losses on FFAs
(3) Excludes Non Cash Gains on FFAs
(4) Gross Profit Contribution = Revenues - Voyage Expenses - Running Costs
(5) Assumes a 25% discount for our vessels from the futures market index’s typical vessel and uses the future settlement values as of May 8, 2008 to value all “Non-Covered” (days on calendar year multiplied by three OBO vessels less number of FFAs contracted days discounted by 25%) available days in 2008
(6) Assumes no off hire or time loss under repairs
(7) Assumes Running Costs of 1Q 08 remain constant for the balance of the year
2007
2008 Est.(6)
Source: Company
calculations and estimates
25.7 M
OBO Fleet Average TC and Gross Profit Contribution

21
Avg. 1Q
08 TC
Avg. FY ‘08
TC(2), (3)
1Q 08
FY 08(3), (5), (6)
Princess Marisol Average Time
Charter Rates(1)
Princess Marisol Gross
Profit Contribution(1), (4)
(1) The values in these graphs are based on estimates and assumptions and consequently may change
(2) Uses known COAs and charters until April 08 inclusive and future settlement values as of May 8, 2008 to value all “non-chartered” available days between May and December 2008
(3) Includes 15 days off hire of scheduled repairs in May 2008, and 45 days of special survey during 4Q 08
(4) Gross Profit Contribution = Revenues - Voyage Expenses - Running Costs
(5) Assumes Running Costs of 1Q 08 remain constant for the balance of the year
(6) Running Costs include expenses of the May and the 4Q 08 scheduled repairs
Princess Marisol TC and Gross Profit Contribution

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> We sold 547.5 days of the 4TC Capesize Routes Index at USD 91,833 per day.

> When added to the 180 days previously sold at USD 51,000, we have covered a total of 727.5 days in 2009 at an average of USD 81,730 of the index vessel.

> Assuming a 25% discount, the FFAs sold for 2009 provide cover for 933 days of our fleet at an average time charter rate of USD 61,297 per day.

> Assuming each of our OBO vessels will have to undergo drydocks / special surveys in 2009, the total number of available OBO vessels days in 2009 is estimated at 1,005.

> The FFAs we have sold for 2009 represent 93% of the available capacity of the OBO fleet under the assumptions described above.

OBO Fleet Gross Profit Contribution(1), (2), (3), (4), (5)

(1) The values in this graph is based on estimates and assumptions and consequently may change

(2) Gross Profit Contribution = Revenues - Voyage Expenses - Running Costs

(3) Assumes a 25% discount for our vessels from the futures market index's typical vessel and uses the future settlement values as of May 8, 2008 to value all "non-covered" available days in 2008 and 2009

(4) Assumes Running Costs of 1Q 08 remain constant for the balance of the year

(5) Includes corresponding off hire days due to scheduled dry docks for all our three OBO vessels

Source: Company calculations and estimates

FFAs in 2009 contracted to maintain 2008 results

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Capesize Orderbook - Dec 2007

Baltic Forward Assessment - May 8, 2008

Period	Route Average
May/June 2008	165,000
3Q 2008	144,813
4Q 2008	141,500
1Q 2009	122,000
2Q 2009	113,313
Cal 2009	101,922
Cal 2010	69,375

Source: Baltic Exchange

4TC Capesize Routes

Source: Baltic Exchange

Source: Howe Robinson dry cargo market annual review 2007

Drybulk Industry Overview

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> One vessel, Blue Monarch, in operation

> Remained in lay up during 1Q 2008; dry docked and repaired for European season

> Started cruising on 7-day and 14-day cruises in the Aegean Sea on April 23, 2008

> Second quarter seasonally slower in the Aegean; expected to improve in peak months of European summer (July - September, 2008)

> Overall 2008 performance expected to improve with respect to last year

Passenger Business Highlights

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This table is provided as a general guide of expected Capital Expenditure under the assumption that certain long term strategies are implemented and all assets / ships can be purchased / built at desired prices and delivered within expected timeframes. This program may change in the future according to the view the Company may have of any particular part of our business at a given point in time.

Expected Expansion CAPEX Program

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> Offshore Supply

§ We expect Offshore Supply Business revenues to grow substantially as from 2009 consistent with scheduled deliveries of new PSVs

§ Current market rate scenario strong with one vessel on the spot market and other becoming available for re-chartering in 3Q 08

> Ocean

§ Vessels fixed physically / through FFAs for the rest of 2008 at time charter revenues level which we expect to be substantially higher than year ended December 31, 2007

§ Added to our fleet a 166,013 dwt Capesize vessel, Princess Marisol

> Passenger

§ Currently employed on 7-day and 14-day cruises in the Aegean Sea; non core business, now only reduced to one smaller vessel

Business Outlook

> River

§ Volumes on the River Business are currently growing; freight rate scenario has been stable / strong

§ Our total transported cargo is expected to grow as we expand capacity

§ Significant growth in fleet expected as from second half 2009 onwards

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FINANCIAL HIGHLIGHTS

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(1) A reconciliation of EBITDA and Adjusted EBITDA to US GAAP measures is available on the Appendix in this presentation

Year-on-Year Income Statement

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Year-on-Year

Income Statement (on a per segment basis)

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(1) A reconciliation of EBITDA and Adjusted EBITDA to US GAAP measures is available on the Appendix in this presentation

Year-on-Year

Income Statement (on a per segment basis) (cont'd)

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Summary Balance Sheet

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INVESTMENT HIGHLIGHTS

High Growth
Markets

> Growing River business with #1 market position
> Rapidly expanding Offshore Supply business
> Established Ocean business; additional product carriers

Rapid
Earnings
Growth

Experienced
Management

> Coastal Tankers: Vessel acquisitions
> Proven management team with extensive transportation experience

Financial
Flexibility

> River: Expansion and fuel efficiency initiatives
> Offshore: Equivalent of one vessel in 2005 to eight planned vessels for 2009
> Coastal Tankers: Vessel acquisitions

Unique
Business
Model

> Industrial view of transportation
> Proven track record in identifying and developing high growth investment opportunities in the transportation sector

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Thank You
Q & A

(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.

Appendix

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Appendix (cont'd)

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Appendix (cont'd)

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Appendix (cont'd)