

Eagle Bulk Shipping Inc.
Form 10-Q
May 08, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the quarterly period ended March 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

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For the transition period from _____ to _____

Commission File Number 000-51366

EAGLE BULK SHIPPING INC.

(Exact name of Registrant as specified in its charter)

Republic of

the Marshall Islands 98-0453513 (State or other jurisdiction of
incorporation or organization) (I.R.S. Employer

Identification No.)

477 Madison Avenue

New York, New York 10022

Address of Principal Executive Offices

Registrant's telephone number, including area code: (212) 785-2500

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

YES NO

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

Filer Accelerated Filer Non-accelerated Filer Smaller reporting company Large accelerated

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date.

Common Stock, par value \$0.01 per share, 46,757,153 shares outstanding as of May 7, 2008.

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Part 1 : FINANCIAL INFORMATION

Item 1 : Financial Statements

EAGLE BULK SHIPPING INC.
CONSOLIDATED BALANCE SHEETS

March 31, 2008	December 31, 2007	(Unaudited)	ASSETS:	Current Assets:	Cash	\$
148,513,423	\$ 152,903,692	Accounts Receivable	3,279,383	3,392,461	Prepaid Expenses	1,299,813
1,158,113	Total Current Assets	153,092,619	157,454,266	Fixed Assets:	Vessels and Vessel	
	Improvements, at cost, net of Accumulated					
	Depreciation of \$59,442,019 and \$52,733,604, respectively	598,659,588	605,244,861	Advances for Vessel		
	Construction	358,542,727	344,854,962	Restricted Cash	9,276,056	9,124,616
	net of Accumulated Amortization of \$3,080,877 and \$2,453,253, respectively	3,356,233	3,918,006	Deferred Drydock Costs,		
	Financing Costs	14,550,824	14,479,024	Other Assets	10,809,238	932,638
	1,148,287,285	\$ 1,136,008,373	LIABILITIES & STOCKHOLDERS' EQUITY	Current Liabilities:		
	Accounts Payable	\$ 2,145,264	\$ 3,621,559	Accrued Interest	3,561,824	455,750
	Liabilities	1,816,342	1,863,272	Unearned Charter Hire Revenue	5,028,551	4,322,024
	Liabilities	12,551,981	10,262,605	Long-term Debt	603,872,890	597,242,890
	31,008,992	13,531,883	Total Liabilities	647,433,863	621,037,378	Stockholders' Equity:
	Preferred Stock, \$.01 par value, 25,000,000 shares authorized, none issued	—	—	Common shares, \$.01 par value,		
	100,000,000 shares authorized, 46,757,153 and 46,727,153 shares issued and outstanding, respectively	467,571	467,571	Additional Paid-In Capital	605,444,933	602,929,530
	Retained Earnings (net of Dividends declared of \$191,904,059 and \$168,525,482 respectively)	(84,859,328)	(75,826,561)	Accumulated Other Comprehensive		
	Loss	(20,199,754)	(12,599,245)	Total Stockholders' Equity	500,853,422	514,970,995
	Total Liabilities and Stockholders' Equity	\$ 1,148,287,285	\$ 1,136,008,373			

The accompanying notes are an integral part of these Consolidated Financial Statements.

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EAGLE BULK SHIPPING INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (UNAUDITED)

Three Months Ended	March 31, 2008	March 31, 2007	Revenues, net of Commissions	\$ 36,686,016	\$			
26,908,532	Vessel Expenses	7,991,261	6,245,898	Depreciation and Amortization	7,336,039	5,790,631		
	General and Administrative Expenses	5,049,159	4,903,043	Gain on Sale of Vessel	—	(872,568)		
	Operating Expenses	20,376,459	16,067,004	Operating Income	16,309,557	10,841,528		
	3,350,253	3,152,125	Interest Income	(1,386,506)	(798,385)	Net Interest Expense	1,963,747	
	2,353,740	Net Income	\$ 14,345,810	\$ 8,487,788	Weighted Average Shares Outstanding:	Basic		
	46,752,538	37,450,578	Diluted	46,925,494	37,480,914	Per Share Amounts:	Basic Net Income	
	\$ 0.31	\$ 0.23	Diluted Net Income	\$ 0.31	\$ 0.23	Cash Dividends Declared and Paid	\$ 0.50	\$ 0.51

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EAGLE BULK SHIPPING INC.
 CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
 FOR THE THREE MONTHS ENDED MARCH 31, 2008

		Common							
Shares	Common								
Shares									
Amount	Additional								
Paid-In Capital	Retained Earnings	Other							
Comprehensive									
(Loss)	Total								
Stockholders'									
Equity	Net Income	Cash Dividends	Accumulated						
Deficit	Balance at								
December 31, 2007	46,727,153	\$ 467,271	\$ 602,929,530			\$ (75,826,561)	\$ (12,599,245)		
\$ 514,970,995	Comprehensive Income:					Net Income	— — — \$		
14,345,810	— 14,345,810	— 14,345,810	Net Unrealized losses on change in derivatives	— — — —					
— — (7,600,509)	(7,600,509)	Comprehensive Income	— — — —	— — — —		6,745,301	Cash		
Dividends	— — — —	\$ (23,378,577)	(23,378,577)	— (23,378,577)		Non-cash Compensation:			
		Issuance of Stock Grants	30,000	300	608,100	— — — —	608,400		
Non-cash Compensation	— — 1,907,303	— — — —	1,907,303	Balance at March 31, 2008					
46,757,153	\$ 467,571	\$ 605,444,933	\$ (84,859,328)	\$ (20,199,754)		\$ 500,853,422			

The accompanying notes are an integral part of these Consolidated Financial Statements.

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EAGLE BULK SHIPPING INC.
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 (UNAUDITED)

Three Months Ended	March 31, 2008	March 31, 2007	Cash Flows from Operating Activities:	Net
Income	\$ 14,345,810	\$ 8,487,788	Adjustments to Reconcile Net Income to Net Cash provided by Operating	
Activities:	Items included in net income not affecting cash flows:		Depreciation	6,708,415
5,515,648	Amortization of Deferred Drydocking Costs	627,624	274,983	Amortization of Deferred Financing
Costs	61,907	58,012	Amortization of Prepaid and Deferred Charter Revenue	— 1,080,000
Compensation Expense	2,515,703	3,259,223	Gain on Sale of Vessel	(872,568)
Assets and Liabilities:	Accounts Receivable	113,078	(236,485)	Prepaid Expenses
2,666	Accounts Payable	(1,476,295)	496,342	Accrued Interest
			3,106,074	81,792
				Accrued Expenses