

Eagle Bulk Shipping Inc.
Form 10-Q
August 12, 2013

**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 June 30, 2013

OR

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

For the transition period from to

Commission File Number 001-33831

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 (I.R.S. Employer
incorporation or organization) Identification No.)

477 Madison Avenue

New York, New York 10022

(Address of principal executive offices)(Zip Code)

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 **X** NO _____

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

YES **X** 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):

Large accelerated Filer _____ Accelerated Filer _____ Non-accelerated Filer _____ Smaller reporting company **X**

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

YES _____ NO **X**

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

Common Stock, par value \$0.01 per share, 16,658,417 shares outstanding as of August 12, 2013.

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Part 1 : FINANCIAL INFORMATION**Item 1 : Financial Statements****EAGLE BULK SHIPPING INC.****CONSOLIDATED BALANCE SHEETS****(UNAUDITED)**

| | June 30, 2013 | December 31, 2012 |
|--|------------------------|--------------------------|
| ASSETS: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 19,621,006 | \$ 18,119,968 |
| Accounts receivable, net | 12,973,504 | 9,303,958 |
| Prepaid expenses | 4,120,630 | 3,544,810 |
| Inventories | 11,815,111 | 12,083,125 |
| Investment | 33,939,835 | 197,509 |
| Fair value above contract value of time charters acquired | - | 549,965 |
| Total current assets | 82,470,086 | 43,799,335 |
| Noncurrent assets: | | |
| Vessels and vessel improvements, at cost, net of accumulated depreciation of \$351,835,709 and \$314,700,681, respectively | 1,677,264,725 | 1,714,307,653 |
| Other fixed assets, net of accumulated amortization of \$606,606 and \$515,896, respectively | 360,793 | 447,716 |
| Restricted cash | 66,243 | 276,056 |
| Deferred drydock costs | 2,699,884 | 2,132,379 |
| Deferred financing costs | 20,946,561 | 25,095,469 |
| Fair value above contract value of time charters acquired | — | 2,491,530 |
| Other assets | 844,266 | 594,012 |
| Total noncurrent assets | 1,702,182,472 | 1,745,344,815 |
| Total assets | \$1,784,652,558 | \$1,789,144,150 |
| LIABILITIES & STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 8,236,022 | \$ 10,235,007 |
| Accrued interest | 996,242 | 2,430,751 |
| Other accrued liabilities | 10,791,942 | 14,330,141 |
| Deferred revenue and fair value below contract value of time charters acquired | — | 3,237,694 |
| Unearned charter hire revenue | 3,904,870 | 3,755,166 |
| Fair value of derivative instruments | 657,346 | 2,243,833 |
| Total current liabilities | 24,586,422 | 36,232,592 |
| Noncurrent liabilities: | | |
| Long-term debt | 1,129,478,741 | 1,129,478,741 |
| Payment-in-kind loans | 29,853,031 | 15,387,468 |
| Deferred revenue and fair value below contract value of time charters acquired | — | 13,850,772 |

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| | | |
|---|------------------------|------------------------|
| Total noncurrent liabilities | 1,159,331,772 | 1,158,716,981 |
| Total liabilities | 1,183,918,194 | 1,194,949,573 |
| Commitment and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$.01 par value, 25,000,000 shares authorized, none issued | — | — |
| Common stock, \$.01 par value, 100,000,000 shares authorized, 16,658,417 and 16,638,092 shares issued and outstanding, respectively | 166,581 | 166,378 |
| Additional paid-in capital | 765,999,866 | 762,313,030 |
| Retained earnings (net of historical dividends declared of \$262,118,388) | (166,940,186) | (165,275,389) |
| Accumulated other comprehensive income (loss) | 1,508,103 | (3,009,442) |
| Total stockholders' equity | 600,734,364 | 594,194,577 |
| Total liabilities and stockholders' equity | \$1,784,652,558 | \$1,789,144,150 |

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

EAGLE BULK SHIPPING INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)