

OVERSEAS SHIPHOLDING GROUP INC  
Form 10-Q  
September 30, 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 March 31, 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 1-6479-1

OVERSEAS SHIPHOLDING GROUP, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of incorporation or organization)

13-2637623  
(IRS Employer Identification No.)

1301 Avenue of the Americas, New York, New York  
(Address of principal executive offices)

10019  
(Zip Code)

(212) 953-4100  
Registrant's telephone number, including area code

No Change  
Former name, former address and former fiscal year, if changed since last report

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 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 (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer

Smaller reporting company

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

YES  NO

**APPLICABLE ONLY TO CORPORATE ISSUERS**

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

Common Shares outstanding as of September 30, 2013 30,718,509

### Special Note

This Quarterly Report on Form 10-Q was delayed pending the completion of an inquiry conducted by the Company at the request and under the direction of the audit committee of the board of directors of the Company (the "Audit Committee"), into the Company's understatement of its United States ("U.S.") federal income tax payments and its provision for income taxes. The Company completed its inquiry and an analysis of the consequences in June 2013. On October 19, 2012, the Audit Committee, on the recommendation of management, concluded that the Company's previously issued financial statements for at least each of the three calendar years in the three year period ended December 31, 2011 (including the interim periods within those years), and for each of the calendar quarters ended March 31, 2012 and June 30, 2012, should no longer be relied upon. Upon completion of the aforementioned inquiry, it was determined that there were errors in the Company's previously issued financial statements for each of the twelve calendar years in the twelve year period ended December 31, 2011 (including the interim periods within those years), and for each of the calendar quarters ended March 31, 2012 and June 30, 2012, and such financial statements should be restated. Accordingly, the Company restated its previously issued financial statements for the two calendar years ended December 31, 2011 and 2010 and for each of the calendar quarters ended March 31, 2012 and June 30, 2012 in its Annual Report on Form 10-K for 2012. The Company has also provided adjustments to data for each of the calendar years 2000 to 2009 in Item 6, "Selected Financial Data," in its Annual Report on Form 10-K for the year ended December 31, 2012 (the "2012 Form 10-K"). The Company has not amended its previously filed Annual Reports on Form 10-K or Quarterly Reports on Form 10-Q for the periods affected by this restatement.

The Company also restated the consolidated balance sheet as of December 31, 2011 and the related consolidated statements of operations, comprehensive loss, changes in equity and cash flows for the year ended December 31, 2011 and for each of the calendar quarters ended March 31, 2012 and June 30, 2012 in its 2012 Form 10-K to reflect the correction of an error in the method used to estimate the credit valuation adjustments associated with the fair market valuation of interest rate swap derivative contracts of certain of the Company's equity method investees.

The adjustments made as a result of the restatements and the potential related cash impact of the restatements are discussed in Note 2, "Company Inquiry and Restatement," to the accompanying condensed consolidated financial statements included in "Financial Statements (unaudited)". For additional discussion of the inquiry and restatement adjustments, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Company Inquiry and Restatement" and Note 2, "Company Inquiry and Restatement," to the accompanying condensed consolidated financial statements. For a description of the material weaknesses identified by management in internal control over financial reporting with respect to income taxes and fair market valuation of interest rate swaps and management's remediation actions to address the material weaknesses, see "Controls and Procedures" of this Form 10-Q. For more information, see our Annual Report on Form 10-K for the year ended December 31, 2012.

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES  
(DEBTOR-IN-POSSESSION)  
CONDENSED CONSOLIDATED BALANCE SHEETS  
DOLLARS IN THOUSANDS

	March 31, 2013 (Unaudited)	December 31, 2012
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 556,618	\$ 507,342
Voyage receivables, including unbilled of \$118,545 and \$131,333	154,178	179,259
Other receivables	28,206	28,900
Inventories, prepaid expenses and other current assets	45,207	55,926
Total Current Assets	784,209	771,427
Vessels and other property, including construction in progress of \$107,031 and \$95,283, less accumulated depreciation of \$1,025,933 and \$994,306	2,813,349	2,837,288
Deferred drydock expenditures, net	63,191	74,418
Total Vessels, Deferred Drydock and Other Property	2,876,540	2,911,706
Investments in Affiliated Companies	264,959	252,398
Intangible Assets, less accumulated amortization of \$32,652 and \$31,356	70,679	71,975
Goodwill	9,589	9,589
Other Assets	25,186	26,440
Total Assets	\$ 4,031,162	\$ 4,043,535
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	\$ 103,363	\$ 99,273
Deferred income taxes	24,558	25,900
Income taxes payable, including reserve for uncertain tax positions of \$326,121 and \$326,121	331,805	329,799
Total Current Liabilities	459,726	454,972
Reserve for Uncertain Tax Positions	18,631	17,067
Deferred Gain on Sale and Leaseback of Vessels	-	3,839
Deferred Income Taxes	334,907	343,162
Other Liabilities	39,255	37,712
Liabilities Subject to Compromise	2,805,783	2,652,537
Total Liabilities	3,658,302	3,509,289
Equity:		
Total Equity	372,860	534,246
Total Liabilities and Equity	\$ 4,031,162	\$ 4,043,535

See notes to condensed consolidated financial statements

OVERSEAS SHIPHOLDING GROUP, INC. AND SUBSIDIARIES  
 (DEBTOR-IN-POSSESSION)  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS  
 (UNAUDITED)

	Three Months Ended March 31, 2013	2012 (As Restated)
Shipping Revenues:		
Pool revenues, including \$23,268 and \$20,654 received from companies accounted for by the equity method	\$ 56,255	\$ 72,526
Time and bareboat charter revenues	83,801	67,985
Voyage charter revenues	107,382	151,867
	247,438	292,378
Operating Expenses:		
Voyage expenses	51,793	78,349
Vessel expenses	66,367	70,703
Charter hire expenses	65,460	95,771
Depreciation and amortization		