GENCO SHIPPING & TRADING LTD
Form 10-K/A
April 30, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

x **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2014

or

o **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 001-33393

GENCO SHIPPING & TRADING LIMITED

(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands	**98-043-9758**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

299 Park Avenue, 12th Floor, New York, New York	**10171**
(Address of principal executive offices)	(Zip Code)

Registrant s telephone number, including area code: **(646) 443-8550**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock, par value $.01 per share

Name of Each Exchange on Which Registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicated by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

Indicate by checkmark 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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 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 x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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 definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer x	Smaller reporting company o

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

The aggregate market value of the registrant s voting common equity held by non-affiliates of the registrant on the last business day of the registrant s most recently completed second fiscal quarter, computed by reference to the last sale price of such stock of $0.94 per share as of June 30, 2014 on the OTC Markets, was approximately $36.6 million. The registrant has no non-voting common equity issued and outstanding. The determination of affiliate status for purposes of this paragraph is not necessarily a conclusive determination for any other purpose.

The number of shares outstanding of the registrant s common stock as of April 30, 2015 was 61,600,604 shares.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this Amendment) amends our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, that was filed with the Securities and Exchange Commission (SEC) on March 2, 2015 (the Original Filing). We are filing this Amendment to (i) to amend and restate our audited consolidated financial statements and related disclosures for the year ended December 31, 2014 and (ii) to provide the information required by Part III of Form 10-K. Except as set forth in Part III, or as described below with respect to Parts I and II, no other changes are made to the Original Filing. The Original Filing continues to speak as of the date of the Original Filing. Unless expressly stated, this Amendment does not reflect events occurring after the filing of the Original Filing, nor does it modify or update in any way the disclosures contained in the Original Filing.

In the context of this Amendment, unless otherwise indicated or the context otherwise requires, Genco, the Company, we, us, and our refer t Genco Shipping & Trading Limited and its subsidiaries.

Background of the Restatement

Subsequent to the issuance of the Company s 2014 consolidated financial statements, the Company became aware of an error in its allocation of goodwill impairment to the noncontrolling interest recognized in December 2014 by the Company associated with its consolidated subsidiary Baltic Trading Limited (Baltic Trading). As a result of this error, amounts allocated to the noncontrolling interest in the Company s previously reported Consolidated Statement of Operations of the Company for the period from July 9, 2014 to December 31, 2014 (the Successor) and the Company s previously reported Consolidated Balance Sheet of the Successor as of December 31, 2014 were incorrect.

The error affected the Company s previously reported Net loss attributable to the Company and Net loss per share attributable to the Company as well as the Net loss attributable to the noncontrolling interest on the face of the Company s Consolidated Statement of Operations of the Successor for the period from July 9, 2014 to December 31, 2014; and the previously reported Company shareholders equity and the noncontrolling interest in the face of the Company s Consolidated Balance Sheet of the Successor as December 31, 2014. The error did not impact the Company s previously reported consolidated revenues, operating expenses, net loss or cash flows of the Successor period from July 9, 2014 to December 31, 2014; or the Company s previously reported consolidated assets, liabilities or total equity of the Successor as of December 31, 2014.

The Company determined its previously issued consolidated financial statements for the year ended December 31, 2014 should be restated to correct for this error. The effect of correcting for this error resulted in (1) a decrease in the previously reported Net loss attributable to the Company and an increase in previously reported Net loss attributable to the noncontrolling interest for the period from July 9, 2014 to December 31, 2014 by the same amount; and (2) increasing the Company shareholder s equity and decreasing the noncontrolling interest in the consolidated balance sheet as of December 31, 2014 by the same amount. The effect of correcting this error is summarized in the following tables:

Consolidated Balance Sheet
(U.S. Dollars in thousands, except for share and per share data)

	Adjustment

	December 31,2014 As Reported		December 31, 2014 As Restated
Equity:			
Successor Company common stock, par value $0.01; 250,000,000 shares authorized; 61,541,389 shares issued and outstanding at December 31, 2014	615		615
Successor Company additional paid-in capital	1,251,197		1,251,197
Accumulated other comprehensive (loss) income	(25,317)		(25,317)
Retained (deficit) earnings	(204,117)	21,823	(182,294)
Total Genco Shipping & Trading Limited shareholders equity	1,022,378	21,823	1,044,201
Noncontrolling interest	270,396	(21,823)	248,573
Total equity	1,292,774		1,292,774
Total liabilities and equity	1,752,913	$	1,752,913

Consolidated Statement of Operations

(U.S. Dollars in Thousands, Except for Earnings Per Share and Share Data)

	Successor Period July 9 to December 21, 2014 As Reported	Adjusted	Successor Period July 9 to December 21, 2014 As Restated
Net (loss) income	(213,358)		(213,358)
Less: Net loss attributable to noncontrolling interest	(9,241)	(21,823)	(31,064)
Net (loss) income attributable to Genco Shipping & Trading Limited	$ (204,117)	$ (21,823)	$ (182,294)
Net (loss) income per share-basic	$ (3.38)	N/A	$ (3.02)
Net (loss) income per share-diluted	$ (3.38)	N/A	$ (3.02)
Weighted average common shares outstanding-basic	60,360,515	N/A	60,360,515
Weighted average common shares outstanding-diluted	60,360,515	N/A	60,360,515
Dividends declared per share	$	$	$

Consolidated Statement of Comprehensive Loss

(U.S. Dollars in Thousands)

	Successor Period July 9 to December 21, 2014 As Reported	Adjusted	Successor Period July 9 to December 21, 2014 As Restated
Net (loss) income	(213,358)		(213,358)
Change in unrealized (loss) gain on investments	(25,317)		(25,317)
Other Comprehensive (loss) income	(25,317)		(25,317)
Comprehensive (loss) income	(238,675)		(238,675)
Less: Net loss attributable to noncontrolling interest	(9,241)	(21,823)	(31,064)
Net (loss) income attributable to Genco Shipping & Trading Limited	$ (229,434)	$ (21,823)	$ (207,611)

Management concluded that there was an internal control design deficiency representing a material weakness as of December 31, 2014 as there was a reasonable possibility our internal controls existing at the time would not have prevented or detected a material misstatement of income (loss) attributable to noncontrolling interest and Genco s common shareholders in our statements of consolidated operations and the related equity components in our statements of consolidated financial position as well as our earnings (loss) per common shareholder. Accordingly, management concluded that our internal controls over financial reporting were not effective as of December 31, 2014. However, this material weakness did not have a pervasive effect on internal controls over financial reporting, as it was limited to the accurate tracking of basis differences attributable to noncontrolling interest that were established in July 2014 associated with our application of fresh-start accounting.

For the convenience of the reader, in addition to providing the information required by Part III of Form 10-K, this Amendment sets forth Part I and Part II of the Original Filing, as modified and superseded, where necessary to reflect the restatement. The following items have been amended principally as a result of, and to reflect, the restatement:

- Part II - Item 6. Selected Financial Data
- Part II - Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations;
- Part II - Item 8. Financial Statements and Supplementary Data; and
- Part II - Item 9A. Controls and Procedures.

In accordance with applicable SEC rules, this Amendment includes certifications from our Chief Executive Officer and Chief Financial Officer dated as of the date of this filing.

The sections of the Original Filing which were not amended are unchanged and continue in full force and effect as originally filed. This Amendment is as of the date of the Original Filing on the Original Filing and has not been updated to reflect events occurring subsequent to the Original Filing date other than those associated with the restatement of the Company s audited consolidated financial statements.

PART II

ITEM 6. SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

	For the Years Ended December 31,				
	2014 (2)	**2013**	**2012**	**2011**	**2010**
Income Statement Data:					
(U.S. dollars in thousands except for share and per share amounts)					
Revenues:					
Voyage revenues	$ 217,576	$ 224,179	$ 223,159	$ 388,929	$ 447,438
Service revenues	3,285	3,285	3,294	3,285	1,249
Total revenues	$ 220,861	$ 227,464	$ 226,453	$ 392,214	$ 448,687
Operating Expenses:					
Voyage expenses	11,665	8,046	7,009	4,457	4,467
Vessel operating expenses	121,613	111,671	114,318	105,514	78,976
General, administrative and management fees	68,286	34,031	35,673	33,928	29,081
Depreciation and amortization	112,666	140,743	139,063	136,203	115,663
Other operating income	(530)	(121)	(265)	(527)	(791)
Goodwill impairment	166,067				
Total operating expenses	479,767	294,370	295,798	279,575	227,396
Operating (loss) income	(258,906)	(66,906)	(69,345)	112,639	221,291
Other expense	(48,660)	(88,217)	(87,209)	(86,186)	(72,042)
(Loss) income before reorganization items, net	(307,566)	(155,123)	(156,554)	26,453	149,249
Reorganization items, net	880,576				
Net income (loss) before income taxes	573,010	(155,123)	(156,554)	26,453	149,249
Income tax expense	(1,811)	(1,898)	(1,222)	(1,385)	(1,840)
Net income (loss)	571,199	(157,021)	(157,776)	25,068	147,409
Less: Net (loss) income attributable to noncontrolling interest	(39,798)	(9,280)	(12,848)	(318)	6,166
Net income (loss) attributable to Genco Shipping & Trading Limited	$ 610,997	$ (147,741)	$ (144,928)	$ 25,386	$ 141,243
Net (loss) earnings per share - basic	$ N/A	$ (3.42)	$ (3.47)	$ 0.72	$ 4.28
Net (loss) earnings per share - diluted	$ N/A	$ (3.42)	$ (3.47)	$ 0.72	$ 4.07
Dividends declared per share		$	$	$	$
Weighted average common shares outstanding - Basic	N/A	43,249,070	41,727,075	35,179,244	32,987,449
Weighted average common shares outstanding - Diluted	N/A	43,249,070	41,727,075	35,258,205	35,891,373
Balance Sheet Data:					
(U.S. dollars in thousands, at end of period)					
Cash and cash equivalents	$ 83,414	$ 122,722	$ 72,600	$ 227,968	$ 270,877
Total assets	1,752,913	2,957,254	2,843,371	3,119,277	3,182,708
Total debt (current and long-term, including notes payable)	430,135	1,595,945	1,524,357	1,694,393	1,746,248

Total equity	1,292,774	1,308,805	1,261,207	1,361,618	1,348,153
Other Data:					
(U.S. dollars in thousands)					
Net cash (used in) provided by operating activities	$ (60,152)	$ (3,144)	$ (18,834)	$ 158,183	$ 262,680
Net cash used in investing activities	(74,636)	(146,555)	(3,669)	(133,367)	(870,230)
Net cash provided by (used in) financing activities	95,480	199,821	(132,865)	(67,725)	690,160
EBITDA (1)	$ 774,064	$ 83,041	$ 82,537	$ 249,080	$ 330,711

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(1) EBITDA represents net (loss) income attributable to Genco Shipping & Trading Limited plus net interest expense, taxes and depreciation and amortization. EBITDA is included because it is used by management and certain investors as a measure of operating performance. EBITDA is used by analysts in the shipping industry as a common performance measure to compare results across peers. Our management uses EBITDA as a performance measure in our consolidated internal financial statements, and it is presented for review at our board meetings. We believe that EBITDA is useful to investors as the shipping industry is capital intensive which often results in significant depreciation and cost of financing. EBITDA presents investors with a measure in addition to net income to evaluate our performance prior to these costs. EBITDA is not an item recognized by U.S. GAAP and should not be considered as an alternative to net income, operating income or any other indicator of a company s operating performance required by U.S. GAAP. EBITDA is not a measure of liquidity or cash flows as shown in our consolidated statements of cash flows. The definition of EBITDA used here may not be comparable to that used by other companies. The foregoing definition of EBITDA differs from the definition of Consolidated EBITDA used in the financial covenants of our 2007 Credit Facility (prior to its termination on the Effective Date), our $253 Million Term Loan Credit Facility, and our $100 Million Term Loan Credit Facility. Specifically, Consolidated EBITDA substitutes gross interest expense (which includes amortization of deferred financing costs) for net interest expense used in our definition of EBITDA, includes adjustments for restricted stock amortization and non-cash charges for deferred financing costs related to the refinancing of other credit facilities or any non-cash losses from our investments in Jinhui and Korea Line Corporation (KLC), and excludes extraordinary gains or losses and gains or losses from derivative instruments used for hedging purposes or sales of assets other than inventory sold in the ordinary course of business. The following table demonstrates our calculation of EBITDA and provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading Limited for each of the periods presented above:

	For the Years Ended December 31,				
	2014	**2013**	**2012**	**2011**	**2010**
Net income (loss) attributable to Genco Shipping & Trading Limited	$ 610,997	$ (147,741)	$ (144,928)	$ 25,386	$ 141,243
Net interest expense	48,590	88,141	87,180	86,106	71,965
Income tax expense	1,811	1,898	1,222	1,385	1,840
Depreciation and amortization	112,666	140,743	139,063	136,203	115,663
EBITDA (1)	$ 774,064	$ 83,041	$ 82,537	$ 249,080	$ 330,711

(2) The consolidated and other financial data for the year ended December 31, 2014 combine the results of operation for the period from July 9 to December 31, 2014 (Successor Company) and the period from January 1 to July 9, 2014 (Predecessor Company). The period from July 9 to December 31, 2014 (Successor Company) and the period from January 1 to July 9, 2014 (Predecessor Company) are distinct reporting periods as a result of our emergence from bankruptcy on July 9, 2014 as reported in our consolidated financial statements. We did not combine the share and per share amounts for the year ended December 31, 2014 since the change in our capital structure as a result of the bankruptcy renders these not comparable between the Successor Company and Predecessor Company. Refer to page 28 for the calculation of these combined results for the Successor Company and Predecessor Company for the year ended December 31, 2014.

ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

We are a Marshall Islands company that transports iron ore, coal, grain, steel products and other drybulk cargoes along worldwide shipping routes through the ownership and operation of drybulk carrier vessels. Excluding vessels of Baltic Trading, our fleet currently consists of nine Capesize, eight Panamax, 17 Supramax, six Handymax and 13 Handysize drybulk carriers, with an aggregate carrying capacity of approximately 3,810,000 deadweight tons (dwt), and the average age of our fleet is currently approximately 9.8 years, as compared to the average age for the world fleet of approximately 9 years for the drybulk shipping segments in which we compete. We seek to deploy our vessels on time charters, spot market-related time charters or in vessel pools trading in the spot market, to reputable charterers, including Cargill International S.A., including its subsidiaries, Pacific Basin Chartering Ltd., Swissmarine Services S.A., including its subsidiaries and the Clipper Logger Pool, in which Clipper Group acts as the pool manager. The majority of the vessels in our current fleet are presently engaged under time charter, spot market-related time charter and vessel pool contracts that expire (assuming the option periods in the time charters are not exercised) between March 2015 and February 2016.

In addition, Baltic Trading s fleet currently consists of four Capesize, two Ultramax, four Supramax and five Handysize drybulk carriers with an aggregate carrying capacity of approximately 1,221,000 dwt. After the expected delivery of the two additional Ultramax newbuilding vessels that Baltic Trading has agreed to acquire, Baltic Trading will own a fleet of 17 drybulk vessels, consisting of four Capesize, four Ultramax, four Supramax and five Handysize vessels with a total carrying capacity of approximately 1,349,000 dwt.

See pages 8-13 of the Original Filing for a table of all vessels that have been or are expected to be delivered to us, including Baltic Trading s vessels.

On April 21, 2014 (the Petition Date), Genco and its subsidiaries other than Baltic Trading (collectively, the Debtors) filed voluntary petitions for relief (the Chapter 11 Cases). On July 2, 2014, the U.S. Bankruptcy Court for the Southern District of New York (the Bankruptcy Court) entered an order (the Confirmation Order) which approved and confirmed the Plan. On the Effective Date of July 9, 2014, the Debtors emerged from Chapter 11 through a series of transactions contemplated by the Plan, and the Plan became effective pursuant to its terms. Refer to Note 1 in our Consolidated Financial Statements for a detailed description of the Plan.

Baltic Trading, formerly our wholly-owned subsidiary, completed its initial public offering, or IPO, on March 15, 2010. On May 28, 2013, Baltic Trading closed an equity offering of 6,419,217 shares of common stock at an offering price of $3.60 per share. Baltic Trading received net proceeds of approximately $21.6 million after deducting underwriters fees and expenses. Additionally, on September 25, 2013, Baltic Trading closed an equity offering of 13,800,000 shares of common stock at an offering price of $4.60 per share. Baltic Trading received net proceeds of approximately $59.5 million after deducting underwriters fees and expenses. Lastly, on November 18, 2013, Baltic Trading closed an equity offering of 12,650,000 shares of common stock at an offering price of $4.60 per share. Baltic Trading received net proceeds of approximately $55.1 million after deducting underwriters fees and expenses. As a result of Baltic Trading s equity offerings completed on May 28, 2013, September 25, 2013 and November 18, 2013, we were issued 128,383, 276,000 and 253,000 shares, respectively, of Class B stock, which represents 2% of the number of common shares issued. As of December 31, 2014, our wholly-owned subsidiary Genco Investments LLC owned 6,356,471 shares of Baltic Trading s Class B Stock, which represents an 10.85% ownership interest in Baltic Trading at December 31, 2014 and

64.60% of the aggregate voting power of Baltic Trading s outstanding shares of voting stock. Baltic Trading is consolidated as we control a majority of the voting interest in Baltic Trading. Management s discussion and analysis of our results of operations and financial condition includes the results of Baltic Trading.

We entered into a long-term management agreement (the Management Agreement) with Baltic Trading pursuant to which we apply our expertise and experience in the drybulk industry to provide Baltic Trading with commercial, technical, administrative and strategic services. The Management Agreement is for an initial term of approximately 15 years and will automatically renew for additional five-year periods unless terminated in accordance with its terms. Baltic Trading will pay us for the services we provide it as well as reimburse us for our costs and expenses incurred in providing certain of these services. Management fee income we earn from the Management Agreement net of any allocated shared expenses, such as salary, office expenses and other general and administrative fees, will be taxable to us. Upon consolidation with Baltic Trading, any management fee income earned will be eliminated for financial reporting purposes. Baltic Trading has the right to terminate the Management Agreement upon the occurrence of certain events, including a Manager Change of Control (as defined in the Management Agreement), without making a termination payment. Some of these have occurred as a result of the transactions contemplated by the Plan, including the consummation of any transaction that results in (i) any person (as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the Exchange Act), other than Peter Georgiopoulos or any of his affiliates, becoming the beneficial owner of 25% of the Company s voting securities or (ii) the Company s stock ceasing to be traded on the New York Stock Exchange or any other internationally recognized stock exchange. Therefore, Baltic Trading may have the right to terminate the Management Agreement, although Baltic Trading may be prevented or delayed from doing so because of the effect of applicable bankruptcy law, including the automatic stay provisions of the United States Bankruptcy Code and the provisions of the Prepack Plan and the Confirmation Order.

Our management team and our other employees are responsible for the commercial and strategic management of our fleet. Commercial management includes the negotiation of charters for vessels, managing the mix of various types of charters, such as time charters, voyage charters and spot market-related time charters, and monitoring the performance of our vessels under their charters. Strategic management includes locating, purchasing, financing and selling vessels. We currently contract with three independent technical managers to provide technical management of our fleet at a lower cost than we believe would be possible in-house. Technical management involves the day-to-day management of vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies. Members of our New York City-based management team oversee the activities of our independent technical managers.

We hold an investment in the capital stock of Jinhui and KLC. Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products.

We provide technical services for drybulk vessels purchased by MEP under an agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services are provided for a fee of $750 per ship per day plus reimbursement of out-of-pocket costs and will be provided for an initial term of one year. MEP will have the right to cancel provision of services on 60 days notice with payment of a one-year termination fee or without a fee upon a change of our control. We may terminate provision of the services at any time on 60 days notice. Mr. Georgiopoulos controls and has a minority interest in MEP. This arrangement was approved by an independent committee of our Board of Directors.

Year ended December 31, 2014 compared to the year ended December 31, 2013

Factors Affecting Our Results of Operations

We believe that the following table reflects important measures for analyzing trends in our results of operations. The table reflects our ownership days, available days, operating days, fleet utilization, TCE rates and daily vessel operating expenses for the years ended December 31, 2014 and 2013 on a consolidated basis, which includes the operations of Baltic Trading. The period from July 9 to December 31, 2014 (Successor Company) and the period from January 1 to July 9, 2014 (Predecessor Company) are distinct reporting periods as a result of our emergence from bankruptcy on July 9, 2014. References in these results of operation and the percentage change combine the Successor Company and Predecessor Company results for the year ended December 31, 2014 in order to provide comparability of such information to the year ended December 31, 2013.

	For the Years Ended December 31, 2014	2013	Increase (Decrease)	% Change
Fleet Data:				
Ownership days (1)				
Capesize	4,745.0	4,055.6	689.4	17.0%
Panamax	2,920.0	2,920.0		
Ultramax	63.7		63.7	100.0%
Supramax	7,665.0	7,665.0		
Handymax	2,190.0	2,190.0		
Handysize	6,570.0	6,074.1	495.9	8.2%
Total	24,153.7	22,904.7	1,249.0	5.5%
Available days (2)				
Capesize	4,701.5	4,022.7	678.8	16.9%
Panamax	2,833.9	2,880.6	(46.7)	(1.6)%
Ultramax	60.7		60.7	100.0%
Supramax	7,279.9	7,570.5	(290.6)	(3.8)%
Handymax	2,086.1	2,166.0	(79.9)	(3.7)%
Handysize	6,478.0	6,018.7	459.3	7.6%
Total	23,440.1	22,658.5	781.6	3.4%
Operating days (3)				
Capesize	4,693.1	4,018.4	674.7	16.8%
Panamax	2,825.1	2,848.4	(23.3)	(0.8)%
Ultramax	60.7		60.7	100.0%
Supramax	7,176.2	7,507.9	(331.7)	(4.4)%
Handymax	2,026.4	2,135.1	(108.7)	(5.1)%
Handysize	6,309.5	5,985.1	324.4	5.4%
Total	23,091.0	22,494.9	596.1	2.6%
Fleet utilization (4)				
Capesize	99.8%	99.9%	(0.1)%	(0.1)%
Panamax	99.7%	98.9%	0.8%	0.8%
Ultramax	100.0%		100.0%	100.0%
Supramax	98.6%	99.2%	(0.6)%	(0.6)%
Handymax	97.1%	98.6%	(1.5)%	(1.5)%
Handysize	97.4%	99.4%	(2.0)%	(2.0)%
Fleet average	98.5%	99.3%	(0.8)%	(0.8)%
Average Daily Results:				
Time Charter Equivalent (5)				
Capesize	$ 13,132	$ 14,378	$ (1,246)	(8.7)%
Panamax	7,222	8,665	(1,443)	(16.7)%
Ultramax	10,494		10,494	100.0%
Supramax	8,018	8,885	(867)	(9.8)%
Handymax	7,444	7,785	(341)	(4.4)%
Handysize	7,590	8,177	(587)	(7.2)%
Fleet average	8,785	9,539	(754)	(7.9)%
Daily vessel operating expenses (6)				
Capesize	$ 5,429	$ 5,450	(21)	(0.4)%
Panamax	5,049	5,057	(8)	(0.2)%

Ultramax	5,543		5,543	100.0%
Supramax	5,133	4,745	388	8.2%
Handymax	5,061	4,890	171	3.5%
Handysize	4,616	4,563	53	1.2%
Fleet average	5,035	4,875	160	3.3%

(1) We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(2) We define available days as the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, 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.

(3) We define operating days as the number of our 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 vessels actually generate revenues.

(4) We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the 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 repairs under guarantee, vessel upgrades, special surveys or vessel positioning.

(5) We define TCE rates as net voyage revenue (voyage revenues less voyage expenses) divided by the number of our available days during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.

	For the Years Ended December 31, 2014		2013	
Voyage revenues (in thousands)	$	217,576	$	224,179
Voyage expenses (in thousands)		11,665		8,046
		205,911		216,133
Total available days		23,440.1		22,658.5
Total TCE rate	$	8,785	$	9,539

(6) We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Operating Data

The following tables represent the operating data and certain balance sheet data for the years ended December 31, 2014 and 2013 on a consolidated basis, which includes the operations of Baltic Trading. The period from July 9 to September 30, 2014 (Successor Company) and the period from January 1 to July 9, 2014 (Predecessor Company) are distinct reporting periods as a result of our emergence from bankruptcy on July 9, 2014. References in these results of operation and the percentage change combine the Successor Company and Predecessor Company results for the year ended December 31, 2014 in order to provide comparability of such information to the year ended December 31, 2013. While this combined presentation is a non-GAAP presentation for which there is no comparable GAAP measure, management believes that providing this financial information is the most relevant and useful method for making comparisons to the year ended December 31, 2013. We did not compare the share and per share amounts, since the change in our capital structure as a result of the bankruptcy renders these not comparable between the Successor Company and the Predecessor Company.

	Successor Period from July 9 to December 31, 2014	Predecessor Period from January 1 to July 9, 2014	Combined Year Ended December 31, 2014	Predecessor Year Ended December 31, 2013	Change	% Change
Income Statement Data:						
(U.S. Dollars in thousands, except for per share amounts)						
Revenue:						
Voyage revenues	$ 98,817	$ 118,759	$ 217,576	$ 224,179	$ (6,603)	(2.9)%
Service revenues	1,584	1,701	3,285	3,285		
Total revenues	100,401	120,460	220,861	227,464	(6,603)	(2.9)%
Operating Expenses:						
Voyage expenses	7,525	4,140	11,665	8,046	3,619	45.0%
Vessel operating expenses	56,943	64,670	121,613	111,671	9,942	8.9%
General, administrative and management fees	36,915	31,371	68,286	34,031	34,255	100.7%
Depreciation and amortization	36,714	75,952	112,666	140,743	(28,077)	(19.9)%
Other operating income	(530)		(530)	(121)	(409)	338.0%
Goodwill impairment	166,067		166,067		166,067	100.0%
Total operating expenses	303,634	176,133	479,767	294,370	185,397	63.0%
Operating loss	(203,233)	(55,673)	(258,906)	(66,906)	(192,000)	287.0%
Other expense	(7,538)	(41,122)	(48,660)	(88,217)	39,557	(44.8)%
Loss before reorganization items, net	(210,771)	(96,795)	(307,566)	(155,123)	(152,443)	98.3%
Reorganization items, net	(1,591)	882,167	880,576		880,576	100.0%
(Loss) income before income taxes	(212,362)	785,372	573,010	(155,123)	728,133	(469.4)%
Income tax expense	(996)	(815)	(1,811)	(1,898)	87	(4.6)%
Net (loss) income	(213,358)	784,557	571,199	(157,021)	728,220	(463.8)%
Less: Net loss attributable to noncontrolling interest	(31,064)	(8,734)	(39,798)	(9,280)	(30,518)	328.9%
Net (loss) income attributable to Genco Shipping & Trading Limited	$ (182,294)	$ 793,291	$ 610,997	$ (147,741)	$ 758,738	(513.6)%
Net (loss) earnings per share - basic	$ (3.02)	$ 18.21	$ N/A	$ (3.42)	$ N/A	N/A
Net (loss) earnings per share - diluted	$ (3.02)	$ 18.21	$ N/A	$ (3.42)	$ N/A	N/A
Dividends declared and paid per share	$	$	$	$	$	
Weighted average common shares outstanding - basic	60,360,515	43,568,942	N/A	43,249,070	N/A	N/A
Weighted average common shares outstanding - diluted	60,360,515	43,568,942	N/A	43,249,070	N/A	N/A

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	Successor Period from July 9 to December 31, 2014	Predecessor Period from January 1 to July 9, 2014	Combined Year Ended December 31, 2014	Predecessor Year Ended December 31, 2013	Change	% Change
Balance Sheet Data:						
(U.S. Dollars in thousands, at end of period)						
Cash and cash equivalents	N/A	N/A	$ 83,414	$ 122,722	$ (39,308)	(32.0)%
Total assets	N/A	N/A	1,752.913	2,957,254	(1,204,341)	(40.7)%
Total debt (current and long-term, including notes payable)	N/A	N/A	430,135	1,595,945	(1,165,810)	(73.0)%
Total equity	N/A	N/A	1,292,774	1,308,805	(16,031)	(1.2)%
Other Data:						
(U.S. Dollars in thousands)						
Net cash used in operating activities	$ (26,835)	$ (33,317)	$ (60,152)	$ (3,144)	(57,008)	1,813.2%
Net cash used in investing activities	(44,101)	(30,535)	(74,636)	(146,555)	71,919	(49.1)%
Net cash provided by financing activities	18,273	77,207	95,480	199,821	(104,341)	(52.2)%
EBITDA (1)	N/A	N/A	$ 774,064	$ 83,041	$ 691,023	832.1%

(1) EBITDA represents net (loss) income attributable to Genco Shipping & Trading plus net interest expense, taxes and depreciation and amortization. Refer to pages 4-5 included in Item 6 where the use of EBITDA is discussed and for a table demonstrating our calculation of EBITDA that provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading for each of the periods presented above.

Results of Operations

VOYAGE REVENUES-

Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the amount of daily charterhire that our vessels earn, that, in turn, are affected by a number of factors, including:

- the duration of our charters;

- our decisions relating to vessel acquisitions and disposals;

- the amount of time that we spend positioning our vessels;
- the amount of time that our vessels spend in drydock undergoing repairs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- levels of supply and demand in the drybulk shipping industry; and
- other factors affecting spot market charter rates for drybulk carriers.

During 2014, voyage revenues decreased by $6.6 million, or 2.9%, as compared to 2013. The decrease in voyage revenues was primarily due lower spot market rates achieved by the majority of the vessels in our fleet. This decrease was partially offset by an increase in revenues earned by Baltic Trading s vessels of $9.5 million due to the increase in the size of Baltic Trading s fleet partially offset by lower spot market rates achieved by its other vessels.

The average TCE rate of our fleet decreased 7.9% to $8,785 a day during 2014 from $9,539 a day during 2013. The decrease in TCE rates was primarily due to lower spot market rates achieved by the majority of the vessels in our fleet.

During 2013, the Baltic Dry Index, or BDI (a drybulk index) recorded a high of 2,113 on January 1, 2014, retreated to a low of 723 on July 22, 2014 and after climbing to a peak of 1,484 in November 2014, has since retreated to reach a level of 782 on December 24, 2014. In 2015, the index started off at 771 on January 2, 2015 and has since retreated to 509 as of February 18, 2015.

The BDI displayed weakness through the entire year in 2014 following a volatile environment in 2013. The BDI saw relative strength at the end of 2013, which carried into the very beginning of 2014 resulting in a peak of 2,113 on January 2, 2014. Deliveries of newbuilding vessels increased in January 2014, contributing to an already oversupplied market. Additionally, a ban of coal shipments out of Drummond s Columbian coal mines and short-term weather-related issues in Brazil and Australia temporarily reduced iron ore output. As a result, a decline of rates was experienced through the first half of the year resulting in the BDI closing at 850 as of June 30, 2014. As fleet growth moderated and iron ore exports increased, the BDI traded up beginning in August of 2014 and recorded a high of 1,484 on November 4, 2014. During the fourth quarter of 2014, excess vessel supply continued to weigh on the drybulk market. Additionally, a period of destocking at Chinese iron ore ports and coal power plants and a sustained Indonesian mineral ore export ban all contributed to a declining freight rate environment. Fluctuations in Brazilian iron ore fixture volume led to additional volatility within the Capesize sector, particularly in the latter two months of the fourth quarter. In the year to date in 2015, we have seen continued pressure on the drybulk market as a result of a seasonal increase in newbuilding vessel deliveries and weak iron ore and coal trades ahead of the Chinese New Year. Given the fact that a majority of our vessels are chartered at spot market-related rates, we expect that the weak rate environment will adversely impact our first quarter 2015 revenues and results of operations.

For 2014 and 2013, we had ownership days of 24,153.7 days and 22,904.7 days, respectively. The increase in ownership days is primarily a result of the delivery of four Baltic Trading vessels during the second half of 2013 and the delivery of one Baltic Trading vessel during the fourth quarter of 2014. Total available days during 2014 and 2013 were 23,440.1 and 22,658.5, respectively. The increase in available days was due to the increase in the size of Baltic Trading s fleet as previously explained partially offset by a decrease due to the drydocking of additional vessels during 2014 as compared to 2013. Our fleet utilization decreased to 98.5% during 2014 as compared to 99.3% during 2013 due to additional offhire periods for some of our Handymax and Handysize vessels.

Please see pages 8-13 of the Original Filing for a table that sets forth information about the current employment of the vessels currently in our fleet.

SERVICE REVENUES-

Service revenues consist of revenues earned from providing technical services to MEP pursuant to the agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services are provided for a fee of $750 per ship per day. During the years ended December 31, 2014 and 2013, total service revenue was $3.3 million during both periods.

VOYAGE EXPENSES-

In time charters, spot market-related time charters and pool agreements, operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel and specified voyage costs such as fuel and port charges are paid by the charterer. There are certain other non-specified voyage expenses such as commissions, which are typically borne by us. Voyage expenses include port and canal charges, fuel (bunker) expenses and brokerage commissions payable to unaffiliated third parties. Port and canal charges and bunker expenses primarily increase in periods during which vessels are employed on voyage charters because these expenses are for the account of the vessel owner. At the inception of a time charter, we record the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a gain or loss within voyage expenses. Additionally, voyage expenses include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

For 2014 and 2013, voyage expenses were $11.7 million and $8.0 million, respectively. The $3.6 million increase is primarily due to an increase in bunker losses during 2014 as compared to 2013 due to the declining price of fuel during the second half of 2014. Additionally, there was an increase in bunker consumption during 2014 due to additional drydockings during 2014 as compared to 2013 as well as additional bunkers consumption during repositioning and ballast legs of time charters during 2014 as compared to 2013. During 2014 there was also an increase in the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement. Lastly, as of December 31, 2014, our bunker inventory was written down to its market value which resulted in additional expense.

VESSEL OPERATING EXPENSES-

Vessel operating expenses increased by $9.9 million from $111.7 million to $121.6 million primarily due to a larger fleet as a result of the delivery of four Baltic Trading vessels during the second half of 2013 and the delivery of one Baltic Trading vessel during the fourth quarter of 2014. Additionally, there were higher maintenance related expenses during 2014 as compared to 2013 due to expenses incurred during drydocking. The $9.9 million increase includes a net increase of $7.3 million related to Baltic Trading s vessels primarily due to the acquisition of the vessels mentioned above.

Average daily vessel operating expenses for our fleet increased by $160 per day from $4,875 during 2013 as compared to $5,035 in 2014. The increase in daily vessel operating expenses was primarily due to higher maintenance related expenses incurred during drydocking, and also due to higher crew costs. We believe daily vessel operating expenses are best measured for comparative purposes over a 12-month period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year of operation.

Our vessel operating expenses, which generally represent fixed costs, will increase as a result of the expansion of our fleet. Other factors beyond our control, some of which may affect the shipping industry in general, including, for instance, developments relating to market prices for crewing, lubes, and insurance, may also cause these expenses to increase.

Based on our management s estimates and budgets provided by our technical manager, we expect our vessels, excluding Baltic Trading vessels, to have average daily vessel operating expenses during 2015 of:

Vessel Type		**Average Daily Budgeted Amount**
Capesize	$	5,800
Panamax		5,300
Supramax		5,200
Handymax		5,200
Handysize		5,000

Based on these average daily budgeted amounts by vessel type, we expect our fleet, excluding Baltic Trading vessels, to have average daily vessel operating expenses of $5,250 during 2015. The average daily vessel operating expense budget for 2015 of $5,250 is the same as the prior year 2014 budget of $5,250.

Based on our management s estimates and budgets provided by our technical manager, we expect Baltic Trading s vessels to have average daily vessel operating expenses during 2015 of:

Vessel Type		**Average Daily Budgeted Amount**
Capesize	$	6,100
Ultramax		5,300
Supramax		5,600

Handysize	5,100

Based on these average daily budgeted amounts by vessel type, we expect Baltic Trading vessels to have average daily vessel operating expenses of $5,500 during 2015. The average daily vessel operating expense budget for 2015 of $5,500 is slightly higher than the prior year 2014 budget of $5,400, primarily due to crew related expenses.

GENERAL, ADMINISTRATIVE AND MANAGEMENT FEES-

We incur general and administrative expenses, which relate to our onshore non-vessel-related activities. Our general and administrative expenses include our payroll expenses, including those relating to our executive officers, rent, legal, auditing and other professional expenses. With respect to the restricted shares issued as incentive compensation to our Chairman, our employees and our directors under our 2005 Equity Incentive Plan and 2012 Equity Incentive Plan for the Predecessor Company and under the Management Incentive Program (the MIP) for the Successor Company, refer to Note 24 Stock-Based Compensation in our consolidated financial statements. Additionally, we incur management fees to third-party technical management companies for the day-to-day management of our vessels, including performing routine maintenance, attending to vessel operations and arranging for crews and supplies.

General, administrative and management fees increased by $34.3 million from $34.0 million during 2013 to $68.3 million during 2014. The increase was primarily due to higher non-cash compensation expenses associated with the restricted shares and warrants issued under the MIP. Additionally, the increase was due to our pre-petition expenses related to our Chapter 11 Cases incurred during 2014. Lastly, there was an increase in management fees due to the delivery of four Baltic Trading vessels during the second half of 2013 and the delivery of one Baltic Trading vessel during the fourth quarter of 2014.

DEPRECIATION AND AMORTIZATION-

We depreciate the cost of our vessels on a straight-line basis over the expected useful life of each vessel. Depreciation is based on the cost of the vessel less its estimated residual value. We estimate the useful life of our vessels to be 25 years. On the Effective Date, as part of fresh-start reporting, we revalued our vessels assets which resulted in a decrease in vessels assets, vessel equipment recorded as a component of other fixed assets and drydocking assets. On the Effective Date, we also increased the scrap value of our vessels from $245/lwt to $310/lwt which will result in an overall decrease in vessels depreciation expense over the remaining life of the vessels.

Depreciation and amortization charges decreased by $28.1 million to $112.7 million during 2014 from $140.7 million during 2013. This decrease was due to revaluation of the vessel assets as well as the change in the scrap value as mentioned above. These decreases were partially offset by the operation of a larger fleet during 2014 as compared to 2013, which includes the four Baltic Trading vessels delivered during the second half of 2013 as well as the one Baltic Trading vessel delivered during the fourth quarter of 2014.

OTHER OPERATING INCOME-

For the years ended December 31, 2014 and 2013, other operating income was $0.5 million and $0.1 million, respectively. The increase is primarily due to $0.5 million of total payments received from Samsun Logix Corporation as part of the cash settlement related to the rehabilitation plan approved by the South Korean courts during 2010. During the year ended December 31, 2013, we received a final cash settlement and shares of KLC stock as part of the final approved rehabilitation plan approved by the South Korean courts during 2013 which resulted in other operating income of $0.1 million. Refer to Note 22 Commitments and Contingencies in our consolidated financial statements for further information regarding the settlement payments.

GOODWILL IMPAIRMENT

During the year ended December 31, 2014, we recorded $166.1 million of goodwill impairment as a result of our annual assessment. Refer to Note 5 Goodwill Impairment in the consolidated financial statements for additional information.

OTHER (EXPENSE) INCOME-

NET INTEREST EXPENSE-

Net interest expense decreased by $39.6 million from $88.1 million during 2013 to $48.6 million during 2014. Net interest expense during the years ended December 31, 2014 and 2013 consisted of interest expense under our $100 Million Term Loan Facility, $253 Million Term Loan Facility, the 2010 Baltic Trading Credit Facility and the Baltic Trading $22 Million Term Loan Facility and the Baltic Trading $44 Million Term Loan Facility, which were entered into August 30, 2013 and December 3, 2013, respectively. Additionally, interest income, unused commitment fees associated with the aforementioned credit facilities as well as the amortization of deferred financing costs related to the aforementioned credit facilities are included in net interest expense during 2014 and 2013. Net interest expense during the years ended December 31, 2014 and 2013 also includes interest expense related to our 5.0% Convertible Senior Notes (the 2010 Notes) up until the Petition Date and for the facility under the Credit Agreement, dated as of July 20, 2007 (as amended to date), with the banks and other financial institutions named therein as lenders, Wilmington Trust, N.A., as successor administrative and collateral agent, and the other parties thereto (the 2007 Credit Facility) until the Effective Date. Lastly, net interest expense during 2014 also includes interest expense under the 2014 Baltic Trading Term Loan Facilities which was entered into on October 8, 2014.

The decrease in net interest expense for the year ended December 31, 2014 versus the year ended December 31, 2013 was primarily due to a decrease in interest expense associated with the 2007 Credit Facility, which was terminated pursuant to the Plan on the Effective Date, and the interest rate swap agreements as three interest rate swap agreements expired during the first quarter of 2014. Additionally, there was a decrease in interest expense related to the 2010 Notes as we ceased accreting the liability related to the 2010 Notes and accruing for the related coupon payment on the Petition Date of April 21, 2014. Refer to Note 10 Debt, Note 11 Convertible Senior Notes and Note 12 Interest Rate Swap Agreements in our consolidated financial statements. These decreases were partially offset by an increase in the interest expense and the amortization of deferred financing costs recorded during the year ended December 31, 2014 associated with Baltic Trading $22 Million Term Loan Facility, Baltic Trading $44 Million Term Loan Facility and the 2014 Baltic Trading Term Loan Facilities, which were entered into by Baltic Trading effective August 30, 2013, December 3, 2013 and October 8, 2014. Refer to Note 10 Debt in our consolidated financial statements for further information about these credit facilities.

INCOME TAX EXPENSE-

For the year ended December 31, 2014, income tax expense was $1.8 million as compared to $1.9 million during the year ended December 31, 2013. This income tax expense consists primarily of federal, state and local income taxes on net income earned by Genco Management (USA) Limited (Genco (USA)), one of our wholly-owned subsidiaries. Pursuant to certain agreements, we technically and commercially manage vessels for Baltic Trading, as well as provide technical management of vessels for MEP in exchange for specified fees for these services provided. These services are provided by Genco (USA), which has elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) is subject to United States federal income tax on its worldwide net income, including the net income derived from providing these services. Refer to the Income taxes section of Note 2 Summary of Significant Accounting Policies included in our consolidated financial statements for further information. The decrease in income tax expense during 2014 as compared to 2013 is primarily a result of additional income earned by Genco (USA) during 2013. This was primarily due to the 1% purchase fee earned by Genco (USA) from Baltic Trading pursuant to the Management Agreement related to the delivery of four Baltic Trading vessels during 2013 as compared to only two vessels during 2014. These purchase fees eliminate upon consolidation; however, the fees are included in the net income earned by Genco (USA) and are taxable. This decrease was partially offset by an increase in commercial service revenue due to Genco (USA) from Baltic Trading pursuant to the Management Agreement as a result of higher charter rates achieved by Baltic Trading s fleet.

REORGANIZATION ITEMS, NET

For the year ended December 31, 2014, reorganization items, net were $880.6 million. These reorganization items include trustee fees, professional fees incurred after the Petition Date in relation to the Chapter 11 Cases, the revaluation of assets and liabilities recorded as part of fresh-start reporting, the gain on the settlement of liabilities subject to compromise as well as a net gain on debt and equity discharge and issuance pursuant to the Plan. Refer to Note 21 Reorganization items, net in our Consolidated Financial Statements for further detail. There were no reorganization items during the year ended December 31, 2013 as the Petition Date was April 21, 2014.

NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST-

For the years ended December 31, 2014 and 2013, net loss attributable to noncontrolling interest was $39.8 million and $9.3 million, respectively. These amounts represent the net loss attributable to the noncontrolling interest of Baltic Trading.

Year ended December 31, 2013 compared to the year ended December 31, 2012

Factors Affecting Our Results of Operations

We believe that the following table reflects important measures for analyzing trends in our results of operations. The table reflects our ownership days, available days, operating days, fleet utilization, TCE rates and daily vessel operating expenses for the years ended December 31, 2013 and 2012 on a consolidated basis, which includes the operations of Baltic Trading.

	For the Years Ended December 31, 2013	2012	Increase (Decrease)	% Change
Fleet Data:				
Ownership days (1)				
Capesize	4,055.6	4,026.0	29.6	0.7%
Panamax	2,920.0	2,928.0	(8.0)	(0.3)%
Supramax	7,665.0	7,686.0	(21.0)	(0.3)%
Handymax	2,190.0	2,196.0	(6.0)	(0.3)%
Handysize	6,074.1	5,856.0	218.1	3.7%
Total	22,904.7	22,692.0	212.7	0.9%
Available days (2)				
Capesize	4,022.7	3,995.9	26.8	0.7%
Panamax	2,880.6	2,800.4	80.2	2.9%
Supramax	7,570.5	7,505.5	65.0	0.9%
Handymax	2,166.0	2,112.5	53.5	2.5%
Handysize	6,018.7	5,856.0	162.7	2.8%
Total	22,658.5	22,270.3	388.2	1.7%
Operating days (3)				
Capesize	4,018.4	3,989.8	28.6	0.7%
Panamax	2,848.4	2,785.8	62.6	2.2%
Supramax	7,507.9	7,380.9	127.0	1.7%
Handymax	2,135.1	2,091.6	43.5	2.1%
Handysize	5,985.1	5,841.4	143.7	2.5%
Total	22,494.9	22,089.5	405.4	1.8%
Fleet utilization (4)				
Capesize	99.9%	99.8%	0.1%	0.1%
Panamax	98.9%	99.5%	(0.6)%	(0.6)%
Supramax	99.2%	98.3%	0.9%	0.9%
Handymax	98.6%	99.0%	(0.4)%	(0.4)%
Handysize	99.4%	99.8%	(0.4)%	(0.4)%
Fleet average	99.3%	99.2%	0.1%	0.1%
Average Daily Results:				
Time Charter Equivalent (5)				
Capesize	$ 14,378	$ 14,137	$ 241	1.7%
Panamax	8,665	8,909	(244)	(2.7)%
Supramax	8,885	9,298	(413)	(4.4)%
Handymax	7,785	8,032	(247)	(3.1)%
Handysize	8,177	8,189	(12)	(0.1)%
Fleet average	9,539	9,706	(167)	(1.7)%
Daily vessel operating expenses (6)				
Capesize	$ 5,450	$ 5,448	2	
Panamax	5,057	5,385	(328)	(6.1)%
Supramax	4,745	4,878	(133)	(2.7)%
Handymax	4,890	5,339	(449)	(8.4)%
Handysize	4,563	4,678	(115)	(2.5)%
Fleet average	4,875	5,038	(163)	(3.2)%

(1) We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(2) We define available days as the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, 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.

(3) We define operating days as the number of our 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 vessels actually generate revenues.

(4) We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the 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 repairs under guarantee, vessel upgrades, special surveys or vessel positioning.

(5) We define TCE rates as net voyage revenue (voyage revenues less voyage expenses) divided by the number of our available days during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.

	For the Years Ended December 31, 2013		2012	
Voyage revenues (in thousands)	$	224,179	$	223,159
Voyage expenses (in thousands)		8,046		7,009
		216,133		216,150
Total available days		22,658.5		22,270.3
Total TCE rate	$	9,539	$	9,706

(6) We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Operating Data

The following compares the components of our operating loss and net loss for the years ended December 31, 2013 and 2012 and certain balance sheet data as of December 31, 2013 and 2012.

	For the Years Ended December 31, 2013			2012		Increase (Decrease)	% Change
Income Statement Data:							
(U.S. dollars in thousands except for per share amounts)							
Revenues:							
Voyage revenue	$	224,179	$	223,159	$	1,020	0.5%
Service revenue		3,285		3,294		(9)	(0.3)%
Revenues		227,464		226,453		1,011	0.4%
Operating Expenses:							
Voyage expenses		8,046		7,009		1,037	14.8%
Vessel operating expenses		111,671		114,318		(2,647)	(2.3)%
		34,031		35,673		(1,642)	(4.6)%

General, administrative and management fees							
Depreciation and amortization		140,743		139,063		1,680	1.2%
Other operating income		(121)		(265)		144	(54.3)%
Total operating expenses		294,370		295,798		(1,428)	(0.5)%
Operating loss		(66,906)		(69,345)		2,439	(3.5)%
Other expense		(88,217)		(87,209)		(1,008)	1.2%
Loss before income taxes		(155,123)		(156,554)		1,431	(0.9)%
Income tax expense		(1,898)		(1,222)		(676)	55.3%
Net loss		(157,021)		(157,776)		755	(0.5)%
Less: Net loss attributable to noncontrolling interest		(9,280)		(12,848)		3,568	(27.8)%
Net loss attributable to Genco shipping & Trading Limited	$	(147,741)	$	(144,928)	$	(2,813)	(19.4)%
Net loss per share - basic	$	(3.42)	$	(3.47)	$	0.05	(1.4)%
Net loss per share - diluted	$	(3.42)	$	(3.47)	$	0.05	(1.4)%
Dividends declared per share	$		$		$		
Weighted average common shares outstanding Basic		43,249,070		41,727,075		1,521,995	3.6%
Weighted average common shares outstanding - Diluted		43,249,070		41,727,075		1,521,995	3.6%
Balance Sheet Data:							
(U.S. dollars in thousands, at end of period)							
Cash and cash equivalents	$	122,722	$	72,600	$	50,122	69.0%
Total assets		2,957,254		2,843,371		113,883	4.0%
Total debt (current and long-term, including notes payable)		1,595,945		1,524,357		71,588	4.7%
Total equity		1,308,805		1,261,207		47,598	3.8%
Other Data:							
(U.S. dollars in thousands)							
Net cash used in operating activities	$	(3,144)	$	(18,834)	$	15,690	(83.3)%
Net cash used in investing activities		(146,555)		(3,669)		(142,886)	3,894.4%
Net cash used in financing activities		199,821		(132,865)		332,686	(250.4)%
EBITDA (1)	$	83,041	$	82,537	$	504	0.6%

(1) EBITDA represents net (loss) income attributable to Genco Shipping & Trading plus net interest expense, taxes and depreciation and amortization. Refer to pages 4-5 included in Item 6 where the use of EBITDA is discussed and for a table demonstrating our calculation of EBITDA that provides a reconciliation of EBITDA to net (loss) income attributable to Genco Shipping & Trading for each of the periods presented above.

Results of Operations

VOYAGE REVENUES-

During 2013, voyage revenues increased by $1.0 million, or 0.5%, as compared to 2012. The net increase in revenue was primarily due to a net increase in revenues earned by Baltic Trading vessels of $8.7 million partially offset by a decrease in revenue earned by our vessels of $7.7 million due to lower charter rates achieved by the majority of our vessels during the year ended December 31, 2013. The net increase in voyage revenues includes an $8.7 million increase in revenues earned by Baltic Trading due to higher spot market rates achieved by its Capesize vessels, as well as the increase in the size of Baltic Trading s fleet during 2013.

The average TCE rate of our fleet decreased marginally by 1.7% to $9,539 a day during 2013 from $9,706 a day during 2012.

During 2013, the Baltic Dry Index, or BDI (a drybulk index) recorded a low of 698 on January 1, 2013 and rebounded to a yearly high of 2,337 on December 12, 2013. At December 24, 2013, the index was 2,277. In 2014, the index started off at 2,113 on January 2, 2014 and has since decreased to 1,362 as of March 31, 2014.

The BDI displayed considerable weakness in the beginning of 2012 due to reduced iron ore cargoes recorded through the celebration of the Chinese New Year, as well as a high level of newbuilding vessel deliveries for the first two months of the year. A combination of factors, including excess vessel supply, weather disruptions in Brazil and Australia and strikes in Columbian coal mines resulted in the BDI remaining at relatively low levels through the first half of the year. As fleet growth moderated and Chinese steel production increased, the BDI traded up through the second half of 2013 and recorded its peak value of 2,337 on December 12, 2013.

For 2013 and 2012, we had ownership days of 22,904.7 days and 22,692.0 days, respectively. The increase in ownership days is primarily a result of the delivery of four Baltic Trading vessels during the year ended December 31, 2013 partially offset by a decrease in ownership days as a result of an additional day during 2012 due to the leap year. Our fleet utilization remained stable during 2013 and 2012 at 99.3% and 99.2%, respectively.

SERVICE REVENUES-

Service revenues consist of revenues earned from providing technical services to MEP pursuant to the agency agreement between us and MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services are provided for a fee of $750 per ship per day. During the years ended December 31, 2013 and 2012, total service revenue was $3.3 million during both periods.

VOYAGE EXPENSES-

For 2013 and 2012, voyage expenses were $8.0 million and $7.0 million, respectively. The $1.0 million increase is primarily due to a decrease in bunker gains and an increase in bunker consumption during the year ended December 31, 2013 as compared to the year ended December 31, 2013. Baltic Trading s voyage expenses did not fluctuate significantly during 2013 as compared to 2012.

VESSEL OPERATING EXPENSES-

Vessel operating expenses decreased by $2.6 million from $114.3 million to $111.7 million primarily due to lower maintenance expenses, as well as the timing of the purchase of stores and spare parts for the year ended December 31, 2013 as compared to the year ended December 31, 2012. These decreases were partially offset by the operation of a larger fleet, including the four vessels delivered to Baltic Trading during the year ended December 31, 2013. The $2.6 million decrease includes a net increase of $0.9 million related to Baltic Trading s vessels primarily due to the acquisition of the four vessels.

Average daily vessel operating expenses for our fleet decreased by $163 per day from $5,038 during 2012 as compared to $4,875 in 2013. The decrease in daily vessel operating expenses was mainly due to lower maintenance expenses, as well as the timing of the purchase of stores and spare parts during the year ended December 31, 2013. We believe daily vessel operating expenses are best measured for comparative purposes over a 12-month period in order to take into account all of the expenses that each vessel in our fleet will incur over a full year of operation.

GENERAL, ADMINISTRATIVE AND MANAGEMENT FEES-

General, administrative and management fees decreased by $1.6 million from $35.7 million during 2012 to $34.0 million during 2013. The decrease in general and administrative fees was primarily due to lower non-cash compensation and office related expenses. These decreases were partially offset by an increase in management fees during 2013 as compared to 2012 due to the delivery of four Baltic Trading vessels during 2013. During 2014, the management fees per vessel are expected to be the same as during 2013, or approximately $0.13 million per vessel.

DEPRECIATION AND AMORTIZATION-

Depreciation and amortization charges increased by $1.7 million during 2013 as compared to 2012 due to the operation of a larger fleet, including the four Baltic Trading vessels delivered during 2013, as well as an increase in amortization of deferred drydocking costs.

OTHER OPERATING INCOME-

For the years ended December 31, 2013 and 2012, other operating income was $0.1 million and $0.3 million, respectively. The decrease is due to a $0.2 million decrease in the payment received from Samsun as part of the cash settlement related to the rehabilitation plan approved by the South Korean courts during 2010. During the year ended December 31, 2013, we received a final cash settlement and shares of KLC stock as part of the final approved rehabilitation plan approved by the South Korean courts during 2013 which resulted in other operating income of $0.1 million. Refer to Note 22 Commitments and Contingencies in our consolidated financial statements for further information regarding the settlement payments.

OTHER (EXPENSE) INCOME-

NET INTEREST EXPENSE-

Net interest expense increased by $1.0 million during 2013 as compared with 2012. Net interest expense during the years ended December 31, 2013 and 2012 consisted of interest expense under our 2007 Credit Facility, $100 Million Term Loan Facility, $253 Million Term Loan Facility, the 2010 Baltic Trading Credit Facility, as well as interest expense related to the 2010 Notes. Additionally, interest income, unused commitment fees associated with the aforementioned credit facilities as well as the amortization of deferred financing costs related to the aforementioned credit facilities are included in net interest expense during 2013 and 2012. Net interest expense during the year ended December 31, 2013 also includes interest expense under the Baltic Trading $22 Million Term Loan Facility and the Baltic Trading $44 Million Term Loan Facility which were entered into on August 30, 2013 and December 3, 2013, respectively.

The increase in net interest expense for the year ended December 31, 2013 versus the year ended December 31, 2012 was primarily due to an increase in the amortization of deferred financing costs during 2013 due to additional financing fees capitalized as part of the negotiations of the August 1, 2012 amendment to the 2007 Credit Facility, $100 Million Term Loan Facility and the $253 Million Term Loan Facility. There were also additional financing fees capitalized as part of the negotiations of the Baltic Trading $22 Million Term Loan Facility and the Baltic Trading $44 Million Term Loan Facility which were entered into effective 2013. These increases were partially offset by a decrease in interest expense as a result of lower outstanding debt during 2013 due to the prepayment of $99.9 million of outstanding debt during August 2012 pursuant to the August 1, 2012 amendment to the 2007 Credit Facility, $100 Million Term Loan Facility and the $253 Million Term Loan Facility. Refer to Note 10 Debt in our consolidated financial statements for more information regarding our credit facilities as well as the August 1, 2012 amendment.

INCOME TAX EXPENSE-

For the year ended December 31, 2013, income tax expense was $1.9 million as compared to $1.2 million during the year ended December 31, 2012. This income tax expense consists primarily of federal, state and local income taxes on net income earned by Genco Management (USA) Limited (Genco (USA)), one of our wholly-owned subsidiaries. Pursuant to certain agreements, we technically and commercially manage vessels for Baltic Trading, as well as provide technical management of vessels for MEP in exchange for specified fees for these services provided. These services are provided by Genco (USA), which has elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) is subject to United States federal income tax on its worldwide net income, including the net income derived from providing these services. Refer to the Income taxes section of Note 2 Summary of Significant Accounting Policies included in our consolidated financial statements for further information. The increase in income tax expense during 2013 as compared to 2012 is primarily a result of additional income earned by Genco (USA) during 2013. This was due to the 1% purchase fee earned by Genco (USA) from Baltic Trading pursuant to the Management Agreement related to the delivery of four Baltic Trading vessels during 2013. These purchase fees eliminate upon consolidation; however, the fees are included in the net income earned by Genco (USA) and are taxable. There were no similar transactions during 2012.