GENCO SHIPPING & TRADING LTD
Form 10-K/A
October 19, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

Amendment No. 2

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 October 19, 2015 was 72,898,234 shares.

EXPLANATORY NOTE

This Amendment No. 2 on Form 10-K/A (this Amendment) amends our 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), as amended by our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 that was filed with the SEC on April 30, 2015 (the Amended Filing and, together with the Original Filing, the Annual Report). We are filing this Amendment to (i) amend and restate our audited consolidated financial statements and related disclosures for the period from January 1, 2014 to July 9, 2014 and (ii) incorporate certain additional disclosures in response to certain comments we received from the Staff of the SEC regarding the Annual Report. Except as described in this Explanatory Note with respect to Parts I and II, no other changes have been made to the Annual Report. The Annual Report 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.

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. Genco s reporting of consolidated financial information related to those periods before July 9, 2014 are referred to as Predecessor period financial reporting and Genco s reporting of consolidated financial information related to those periods after July 9, 2014 are referred to as Successor period financial reporting.

Background of the Restatement

Subsequent to the issuance of the Company s 2014 consolidated financial statements included in the Amended Filing, the Company became aware of errors in its determination of certain previously reported amounts in its Predecessor period financial information for the period from January 1, 2014 to July 9, 2014 related to its application of fresh-start accounting under ASC 852. These errors were related to the items included in the determination of the Reorganization items, net account balance on the face of the Company s Consolidated Statement of Operations of the Predecessor for the period from January 1, 2014 to July 9, 2014, which affected certain of the Company s previously reported items, including the Company s previously reported Net income and Net income per share, Net income attributable to Genco Shipping & Trading Limited and Net loss attributable to noncontrolling interest for this period. These errors did not impact Genco s previously reported financial information for its Successor period financial reporting, including consolidated revenues, operating expenses, net loss or cash flows of the Successor period from July 9, 2014 to December 31, 2014; or Genco s previously reported consolidated assets, liabilities or total equity of the Successor as of December 31, 2014. The errors did not impact the Company s previously reported consolidated revenues, operating expenses, or cash flows of the Predecessor period from January 1, 2014 to July 9, 2014 or any prior Predecessor period.

The Company determined that its previously issued consolidated financial statements for the Predecessor Company for the period ended July 9, 2014 should be restated to correct for these errors. The effect of correcting for these errors resulted in (1) changing the Company s previously reported gain on Reorganization items, net to a loss, (2) changing the Company s previously reported Net income and Net income per share to a Net loss and Net loss per share, respectively, (3) changing the Company s previously reported Net income attributable to Genco Shipping & Trading Limited to a Net loss attributable to Genco Shipping & Trading Limited; and increasing the Company s previously reported Net loss attributable to noncontrolling interest for the period from January 1, 2014 to July 9, 2014. The effect of correcting these errors is summarized in the following tables:

Consolidated Statement of Operations

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

		Predecessor Period from January 1 to July 9, 2014 As Reported		Adjustment		Predecessor Period from January 1 to July 9, 2014 As Restated
Loss before reorganization items, net	$	(96,795)			$	(96,795)
Reorganization items, net		882,167		(1,797,807)(a)		(915,640)
(Loss) income before income taxes		785,372		(1,797,807)		(1,012,435)
Income tax expense		(815)				(815)
Net (loss) income		784,557		(1,797,807)		(1,013,250)
Less: Net loss attributable to noncontrolling interest		(8,734)		(53,367)(b)		(62,101)
Net (loss) income attributable to Genco Shipping & Trading Limited	$	793,291	$	(1,744,440)	$	(951,149)
Net (loss) income per share-basic	$	18.21		N/A	$	(21.83)
Net (loss) income per share-diluted	$	18.21		N/A	$	(21.83)
Weighted average common shares outstanding-basic		43,568,942		N/A		43,568,942
Weighted average common shares outstanding-diluted		43,568,942		N/A		43,568,942
Dividends declared per share	$			N/A	$	

(a) The adjustment is the result of errors in the Company s prior accounting for the following transactions associated with the application of fresh start accounting:

		Adjustment
Discharge of Predecessor equity <1>	$	(829,974)
Issuance of Successor equity <2>		(1,133,900)
Recording of goodwill in fresh-start accounting <3>		166,067
Total	$	(1,797,807)

<1> The accounting consequences related to the discharge of Predecessor equity were previously reported as a component in the computation of Reorganization items, net . The adjustment is to exclude the accounting consequences related to the discharge of Predecessor equity from the computation of Reorganization items, net .

<2> The accounting consequences related to the issuance of Successor equity were previously excluded as a component in the computation of Reorganization items, net . The adjustment is to include from the accounting consequences related to the issuance of Successor equity in the computation of Reorganization items, net .

<3> The accounting consequences related to the recognition of goodwill were previously excluded as a component in the computation of Reorganization items, net . The adjustment is to include the accounting consequences related to the establishment of goodwill in the computation of Reorganization items, net .

(b) The adjustment is the result of errors in the Company s prior accounting for the consequences to noncontrolling interests of certain transactions associated with the application of fresh-start accounting.

Consolidated Statement of Comprehensive Loss

(U.S. Dollars in Thousands)

	Predecessor Period from January 1 to July 9, 2014 As Reported	Adjustment	Predecessor Period from January 1 to July 9, 2014 As Restated
Net (loss) income	784,557	(1,797,807)	(1,013,250)
Change in unrealized (loss) gain on investments	(25,766)		(25,766)
Unrealized gain on cash flow hedges, net	2,401		2,401
Other comprehensive (loss) income	(23,365)		(23,365)
Comprehensive (loss) income	761,192	(1,797,807)	(1,036,615)
Less: Comprehensive loss attributable to noncontrolling interest	(8,734)	(53,367)	(62,101)
Comprehensive (loss) income attributable to Genco Shipping & Trading Limited	$ 769,926	$ (1,744,440)	$ (974,514)

Management concluded that there was an internal control design deficiency representing a material weakness as of December 31, 2014 associated with these errors as our internal controls existing at the time did not prevent or detect a material misstatement in recording transactions associated with the Company s application of certain aspects of fresh-start accounting under ASC 852.

The Company has not amended, and does not intend to amend, its previously filed Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014, which was the only quarter affected by the restatement described above. The Company intends to reflect restated amounts for such period in its Quarterly Reports on Form 10-Q for the quarterly period ended September 30, 2015.

For the convenience of the reader, this Amendment sets forth Part I and Part II of the Annual Report, as modified and superseded, where necessary to reflect restatement of certain financial information and disclosures previously included in the Annual Report to correct for these errors. The following items have been amended principally as a result of, and to reflect, the restatement of such financial information and disclosures:

- 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 President and Chief Financial Officer dated as of the date of this filing.

The sections of the Annual Report 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

	Successor	Predecessor				
	Period from July 9 to December 31, 2014 (2) (restated)	Period from January 1 to July 9, 2014 (2) (restated)	2013	For the Years Ended December 31, 2012	2011	2010
Income Statement Data:						
(U.S. dollars in thousands except for share and per share amounts)						
Revenues:						
Voyage revenues	$ 98,817	$ 118,759	$ 224,179	$ 223,159	$ 388,929	$ 447,438
Service revenues	1,584	1,701	3,285	3,294	3,285	1,249
Total revenues	$ 100,401	$ 120,460	$ 227,464	$ 226,453	$ 392,214	$ 448,687
Operating Expenses:						
Voyage expenses	7,525	4,140	8,046	7,009	4,457	4,467
Vessel operating expenses	56,943	64,670	111,671	114,318	105,514	78,976
General, administrative and management fees	36,915	31,371	34,031	35,673	33,928	29,081
Depreciation and amortization	36,714	75,952	140,743	139,063	136,203	115,663
Other operating income	(530)		(121)	(265)	(527)	(791)
Goodwill impairment	166,067					
Total operating expenses	303,634	176,133	294,370	295,798	279,575	227,396
Operating (loss) income	(203,233)	(55,673)	(66,906)	(69,345)	112,639	221,291
Other expense	(7,538)	(41,122)	(88,217)	(87,209)	(86,186)	(72,042)
(Loss) income before reorganization items, net	(210,771)	(96,795)	(155,123)	(156,554)	26,453	149,249
Reorganization items, net	(1,591)	(915,640)				
Net (loss) income before income taxes	(212,362)	(1,012,435)	(155,123)	(156,554)	26,453	149,249
Income tax expense	(996)	(815)	(1,898)	(1,222)	(1,385)	(1,840)
Net (loss) income	(213,358)	(1,013,250)	(157,021)	(157,776)	25,068	147,409
Less: Net (loss) income attributable to noncontrolling interest	(31,064)	(62,101)	(9,280)	(12,848)	(318)	6,166
Net (loss) income attributable to Genco Shipping & Trading Limited	$ (182,294)	$ (951,149)	$ (147,741)	$ (144,928)	$ 25,386	$ 141,243
Net (loss) earnings per share - basic	$ (3.02)	$ (21.83)	$ (3.42)	$ (3.47)	$ 0.72	$ 4.28
Net (loss) earnings per share - diluted	$ (3.02)	$ (21.83)	$ (3.42)	$ (3.47)	$ 0.72	$ 4.07
Dividends declared per share			$	$	$	$
Weighted average common shares outstanding - Basic	60,360,515	43,568,942	43,249,070	41,727,075	35,179,244	32,987,449

Weighted average common shares outstanding - Diluted	60,360,515	43,568,942	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	$ N/A	$ 122,722	$ 72,600	$ 227,968	$ 270,877
Total assets	1,752,913	N/A	2,957,254	2,843,371	3,119,277	3,182,708
Total debt (current and long-term, including notes payable)	430,135	N/A	1,595,945	1,524,357	1,694,393	1,746,248
Total equity	1,292,774	N/A	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	$ (26,835)	$ (33,317)	$ (3,144)	$ (18,834)	$ 158,183	$ 262,680
Net cash used in investing activities	(44,101)	(30,535)	(146,555)	(3,669)	(133,367)	(870,230)
Net cash provided by (used in) financing activities	18,273	77,207	199,821	(132,865)	(67,725)	690,160
EBITDA (1)	$ (137,010)	$ (833,366)	$ 83,041	$ 82,537	$ 249,080	$ 330,711

(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:

	Successor	Predecessor				
	Period from July 9 to December 31, 2014 (restated)	Period from January 1 to July 9, 2014 (restated)	2013	For the Years Ended December 31, 2012	2011	2010
Net (loss) income attributable to Genco Shipping & Trading Limited	$ (182,294)	$ (951,149)	$ (147,741)	$ (144,928)	$ 25,386	$ 141,243
Net interest expense	7,574	41,016	88,141	87,180	86,106	71,965
Income tax expense	996	815	1,898	1,222	1,385	1,840
Depreciation and amortization	36,714	75,952	140,743	139,063	136,203	115,663
EBITDA (1)	$ (137,010)	$ (833,366)	$ 83,041	$ 82,537	$ 249,080	$ 330,711

(2) 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.

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 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. 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 (restated)	Predecessor Period from January 1 to July 9, 2014 (restated)	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	$ 224,179	$ (6,603)	(2.9)%
Service revenues	1,584	1,701	3,285		
Total revenues	100,401	120,460	227,464	(6,603)	(2.9)%
Operating Expenses:					
Voyage expenses	7,525	4,140	8,046	3,619	45.0%
Vessel operating expenses	56,943	64,670	111,671	9,942	8.9%
General, administrative and management fees	36,915	31,371	34,031	34,255	100.7%
Depreciation and amortization	36,714	75,952	140,743	(28,077)	(19.9)%
Other operating income	(530)		(121)	(409)	338.0%
Goodwill impairment	166,067			166,067	100.0%
Total operating expenses	303,634	176,133	294,370	185,397	63.0%
Operating loss	(203,233)	(55,673)	(66,906)	(192,000)	287.0%
Other expense	(7,538)	(41,122)	(88,217)	39,557	(44.8)%
Loss before reorganization items, net	(210,771)	(96,795)	(155,123)	(152,443)	98.3%
Reorganization items, net	(1,591)	(915,640)		(917,231)	100.0%
Loss before income taxes	(212,362)	(1,012,435)	(155,123)	(1,069,674)	689.6%
Income tax expense	(996)	(815)	(1,898)	87	(4.6)%
Net loss	(213,358)	(1,013,250)	(157,021)	(1,069,587)	681.2%
Less: Net loss attributable to noncontrolling interest	(31,064)	(62,101)	(9,280)	(83,885)	903.9%
Net loss attributable to Genco Shipping & Trading Limited	$ (182,294)	$ (951,149)	$ (147,741)	$ (985,702)	