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

(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%

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(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

	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.

NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST-

For the years ended December 31, 2013 and 2012, net loss attributable to noncontrolling interest was $9.3 million and $12.8 million, respectively. These amounts represent the net loss attributable to the noncontrolling interest of Baltic Trading.

LIQUIDITY AND CAPITAL RESOURCES

Our principal sources of funds are currently operating cash flows and long-term bank borrowings. We have also historically used issuances of equity and long-term debt securities as sources of financing and may do so in the future. Our principal use of funds is capital expenditures to establish and grow our fleet, maintain the quality of our vessels, comply with international shipping standards and environmental laws and regulations, fund working capital requirements and repayments on outstanding loan facilities.

If the current weak drybulk rate environment persisted, its impact on our earnings could lead us to being unable to maintain compliance with the covenants under our credit facilities governing our ratios of net debt to EBITDA and EBITDA to interest expense when our compliance is measured on June 30, 2015 or on subsequent measurement dates. Accordingly, we may seek waivers or modifications to our credit agreements, which may be unavailable or subject to conditions. We may also seek to lever assets that are currently unencumbered, refinance our indebtedness or raise additional capital through equity or debt offerings or selling assets (including vessels). We cannot be certain that we will accomplish any such actions.

Absent such waivers or modifications, if we do not comply with these covenants and fail to cure our non-compliance following applicable notice and expiration of applicable cure periods, we may be in default of one or more of our credit facilities. As a result, some or all of our indebtedness could be declared immediately due and payable, we may not be able to borrow further under our credit facilities, and we may have to seek alternative sources of financing on terms that may not be favorable to us. If we are unable to service or refinance our current or future indebtedness, we may have to take actions such as reducing or delaying acquisitions or capital expenditures, selling assets, seeking additional debt or equity capital, or pursuing other restructuring options. As a result, we may experience a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, under the collateral maintenance covenants of our $253 Million Term Loan Facility, our $100 Million Term Loan Facility, the 2010 Baltic Trading Credit Facility, the Baltic Trading $22 Million Term Loan Facility, the Baltic Trading $44 Million Term Loan Facility, the 2014 Baltic Trading Term Loan Facilities and the Baltic Trading $148 Million Credit Facility, the aggregate valuations of our vessels pledged under each facility must at least be a certain percentage of loans outstanding (or, in the case of the 2010 Baltic Trading Credit Facility, the total amount we may borrow), which percentages currently are 135%, 130%, 140%, 130%, 125%, 135% and 140%, respectively. If this test is not met, we may be required to take certain remedial actions. See Critical Accounting Policies Vessels and Depreciation below for further details of our vessel valuations.

Following the procurement of vessel valuations in February 2015, we did not meet the 130% collateral maintenance test under the $100 Million Term Loan Facility. The actual percentage measured by us was 122.4%, representing an approximate shortfall of approximately $5.2 million. Under the terms of the credit facility, we must remedy such shortfall within 30 days from the time it is notified by the security agent. We have not been notified by the security agent to take any remedial actions. We have been in communication with the facility s security agent and plan to add one of our unencumbered Handysize vessels as additional collateral to cover the shortfall and satisfy the collateral maintenance test. The next date that valuations under this credit facility will be required is on or around August 17, 2015.

At December 31, 2014, we did not meet the 135% collateral maintenance test under the $253 Million Term Loan Facility. The actual percentage measured by us was 130.7% at December 31, 2014 and 134.8% on January 9, 2015 following the Company s scheduled amortization payment of $5,075,000. Under the terms of the credit facility, we must remedy such shortfall within 30 days from the time it is notified by the security agent. We have not been notified by the security agent to take any action to remedy this slight shortfall. We have been in communication with the facility s agent, and we prepaid $0.2 million of the outstanding indebtedness on March 2, 2015, which will reduce the next scheduled amortization payment of $5.1 million which is due in early April 2015. The next date that vessel valuations under this credit facility will be required is on or around June 30, 2015.

Our current liquidity needs arise primarily from drydocking for our vessels, and working capital requirements as may be needed to support our business and payments required under our indebtedness. Our primary sources of liquidity are cash flow from operations and cash on hand, including the proceeds of the $100 million rights offering that was consummated in connection with the Chapter 11 Cases. Subject to the resolution of the foregoing issues related to our credit facilities, we believe that internally generated cash flow and cash on hand will be sufficient to fund the operations of our fleet, including our working capital requirements, for the next twelve months. We expect that our liquidity needs will continue to arise primarily from capital expenditures for our vessels, working capital requirements as may be needed to support our business and payments required under our indebtedness. Our current and future liquidity will greatly depend upon our operating results. Our ability to continue to meet our liquidity needs is subject to and will be affected by cash utilized in operations, the economic or business environment in which we operate, weakness in shipping industry conditions, the financial condition of our customers, vendors and service providers, our ability to comply with the financial and other covenants of our post-restructuring indebtedness, and other factors. Additionally, the Chapter 11 Cases, including the fact that we have been subject to bankruptcy proceedings, and related matters could negatively impact our financial condition.

Historically, we have used funds to pay dividends and to repurchase our common stock from time to time. We have not declared or paid any dividends since the third quarter of 2008 and currently do not plan to resume the payment of dividends. Moreover, pursuant to restrictions under our credit facilities, we are currently prohibited from paying dividends. Future dividends, if any, will depend on, among other things, our cash flows, cash requirements, financial condition, results of operations, required capital expenditures or reserves, contractual restrictions, provisions of applicable law and other factors that our board of directors may deem relevant.

On May 28, 2013, Baltic Trading closed on an equity offering of 6,419,217 shares of Baltic Trading common stock at an offering price of $3.60 per share. Baltic Trading received net proceeds of $21.6 million after deducting underwriters fees and expenses. On September 25, 2013, Baltic Trading closed on an equity offering of 13,800,000 shares of Baltic Trading common stock at an offering price of $4.60 per share. Baltic Trading received net proceeds of $59.5 million after deducting underwriters fees and expenses. On November 18, 2013, we closed an equity offering of 12,650,000 shares of common stock at an offering price of $4.60 per share. We received net proceeds of $55.1 million after deducting underwriters fees and expenses. Our wholly-owned subsidiary Genco Investments LLC was issued 128,383, 276,000 and 253,000 shares of Baltic Trading s Class B Stock on May 28, 2013, September 25, 2013 and November 18, 2013, respectively, which represented 2% of the number of common shares issued pursuant to the Subscription Agreement between Genco Investments LLC and Baltic Trading. Currently, Genco Investments LLC owns 6,356,471 shares of Baltic Trading s Class B Stock, which represents an 10.85% ownership interest in Baltic Trading and 64.60% of the aggregate voting power of Baltic Trading s outstanding shares of voting stock.

On April 16, 2010, Baltic Trading entered into the 2010 Baltic Trading Credit Facility with Nordea Bank Finland plc, acting through its New York branch. The 2010 Baltic Trading Credit Facility was subsequently amended effective November 30, 2010 which increased the borrowing capacity from $100 million to $150 million. The amended 2010 Baltic Trading Credit Facility matures on November 30, 2016. There was an additional amendment entered into effective August 29, 2013 which reduced the borrowing capacity to $110 million and allowed Baltic Trading to incur additional indebtedness under new credit facilities. Refer to Note 10 Debt of our consolidated financial statements for a description of this amendment. To remain in compliance with a net worth covenant in the 2010 Baltic Trading Credit Facility, Baltic Trading would need to maintain a net worth of $300.9 million after the payment of any dividends.

On July 2, 2013, Baltic Trading entered into agreements to purchase two Handysize drybulk vessels from subsidiaries of Clipper Group for an aggregate purchase price of $41.0 million. The Baltic Hare, a 2009-built Handysize vessel, was delivered on September 5, 2013 and the Baltic Fox, a 2010-built Handysize vessel, was delivered on September 6, 2013. Baltic Trading funded a portion of the purchase price of the vessels using proceeds from its registered follow-on common stock offering completed on May 28, 2013. For the remainder of the purchase price, Baltic Trading drew down $22.0 million on the Baltic Trading $22 Million Term Loan Facility on September 4, 2013. The Baltic Trading $22 Million Term Loan Facility is to be repaid in 23 quarterly repayment installments of approximately $0.4 million each, the first of which is payable three months after the last drawdown date, or December 4, 2013, and a balloon payment of approximately $13.4 million payable on September 4, 2019. Interest on borrowings is payable at the three-month LIBOR rate plus a margin of 3.35%. Refer to Note 10 Debt in our consolidated financial statements for further information regarding this credit facility.

On October 31, 2013, Baltic Trading entered into agreements to purchase two Capesize drybulk vessels from affiliates of SK Shipping Co. Ltd. for an aggregate purchase price of $103.0 million. The Baltic Lion, a 2012-built Capesize vessel, was delivered on December 27, 2013 and the Baltic Tiger, a 2011-built Capesize vessel, was delivered on November 26, 2013. Baltic Trading funded a portion of the purchase price of the vessels using proceeds from its registered follow-on common stock offering completed on September 25, 2013. For the remainder of the purchase price, Baltic Trading drew down $44.0 million on the Baltic Trading $44 Million Term Loan Facility on December 23, 2013. The Baltic Trading $44 Million Term Loan Facility is to be repaid in 23 quarterly repayment installments of approximately $0.7 million each, the first of which is payable three months after the last drawdown date, or March 24, 2014, and a balloon payment of approximately $28.2 million payable on December 23, 2019. Interest on borrowings is payable at the three-month LIBOR rate plus a margin of 3.35%. Refer to Note 10 Debt in our consolidated financial statements for further information regarding this credit facility.

On November 13, 2013, Baltic Trading entered into agreements to purchase up to four 64,000 dwt Ultramax newbuilding drybulk vessels from Yangfan Group Co., Ltd. for a purchase price of $28.0 million per vessel, or up to $112.0 million in the aggregate. Baltic Trading agreed to purchase two such vessels, to be renamed the Baltic Hornet and Baltic Wasp, and obtained an option to purchase up to two additional such vessels for the same price, which Baltic Trading exercised on January 8, 2014. These vessels are to be renamed the Baltic Mantis and the Baltic Scorpion. The purchases are subject to completion of customary additional documentation and closing conditions. The first of these vessels, the Baltic Hornet, was delivered on October 29, 2014. The Baltic Wasp was delivered to Baltic Trading on January 2, 2015. The Baltic Scorpion and the Baltic Mantis are expected to be delivered to Baltic Trading during the second and third quarters of 2015, respectively. Baltic Trading intends to use a combination of cash on hand, future cash flow from operations as well as debt or equity financing, including the 2014 Baltic Trading Term Loan Facilities and the Baltic Trading $148 Million Credit Facility as described below and in Note 10 Debt in our consolidated financial statement, to fully finance the acquisition of these four Ultramax newbuilding drybulk vessels. If Baltic Trading is unable to obtain such debt or equity financing to fund the vessels, it may pursue alternatives, including refinancing its existing indebtedness or disposition of assets.

On October 8, 2014, Baltic Trading and its wholly-owned subsidiaries, Baltic Hornet Limited and Baltic Wasp Limited, each entered into the 2014 Baltic Trading Term Loan Facilities to partially finance the newbuilding Ultramax vessel that each subsidiary is to acquire, namely the Baltic Hornet and Baltic Wasp, respectively. Amounts borrowed may not be reborrowed. The 2014 Baltic Trading Term Loan Facilities have a ten-year term and is to be repaid in 20 equal consecutive semi-annual installments of 1/24 of the facility amount a balloon payment of 1/6 of the facility amount to be paid at final maturity. Principal repayments will commence six months after the actual delivery date for the vessel and borrowing bear interest at three or six-month LIBOR rate plus an applicable margin of 2.50%. Refer to Note 10 Debt in our consolidated financial statements for additional information regarding the 2014 Baltic Trading Term Loan Facilities. On October 24, 2014, Baltic Trading drew down $16.8 million for the purchase of the Baltic Hornet, which was delivered on October 29, 2014. On December 30, 2014, Baltic

Trading drew down $16.4 million for the purchase of the Baltic Wasp, which was delivered on January 2, 2015.

On December 31, 2014, Baltic Trading entered into the Baltic Trading $148 Million Credit Facility. The Baltic Trading $148 Million Credit Facility is comprised of an $115.0 million revolving credit facility and $33.0 million term loan facility. Borrowings under the revolving credit facility will be used to refinance Baltic Trading s outstanding indebtedness under the 2010 Baltic Trading Credit Facility. Amounts borrowed under the revolving credit facility of the Baltic Trading $148 Million Credit Facility may be re-borrowed. Borrowings under the term loan facility of the Baltic Trading $148 Million Credit Facility may be incurred pursuant to two single term loans in an amount of $16.5 million each that will be used to finance, in part, the purchase of two newbuilding Ultramax vessels that Baltic Trading has agreed to acquire, namely the Baltic Scorpion and Baltic Mantis. Amounts borrowed under the term loan facility of the Baltic Trading $148 Million Term Loan Facility may not be re-borrowed.

The Baltic Trading $148 Million Credit Facility has a maturity date of December 31, 2019. Borrowings under this facility bear interest at LIBOR plus an applicable margin of 3.00% per annum. A commitment fee of 1.2% per annum is payable on the unused daily portion of the Baltic Trading $148 Million Credit Facility, which began accruing on December 31, 2014. The commitment under the revolving credit facility of the Baltic Trading $148 Million Term Loan Facility is subject to equal consecutive quarterly reductions of approximately $2.5 million each beginning June 30, 2015 through September 30, 2019. Borrowings under the term loan facility of the Baltic Trading $148 Million Term Loan Facility are subject to equal consecutive quarterly installment repayments commencing three months after delivery of the relevant newbuilding Ultramax vessel, each in the amount of 1/60th of the aggregate outstanding term loan. All remaining amounts outstanding under the Baltic Trading $148 Million Term Loan Facility must be repaid in full on the maturity date, December 31, 2019. Refer to Note 10 Debt in our consolidated financial statements for additional information regarding the Baltic Trading $148 Million Credit Facility.

Dividends

Under the terms of the $253 Million Term Loan Facility and the $100 Million Term Loan Facility as amended in connection with the Prepack Plan, we are prohibited from paying dividends or repurchasing our stock through March 31, 2015. Moreover, we would make dividend payments to our shareholders only if our Board of Directors, acting in its sole discretion, determines that such payments would be in our best interest and in compliance with relevant legal and contractual requirements. The principal business factors that our Board of Directors would consider when determining the timing and amount of dividend payments would be our earnings, financial condition and cash requirements at the time. Marshall Islands law generally prohibits the declaration and payment of dividends other than from surplus. Marshall Islands law also prohibits the declaration and payment of dividends while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

Cash Flow

Net cash used in operating activities for the year ended December 31, 2014 and 2013 was $60.2 million and $3.1 million, respectively. The increase in cash used in operating activities was primarily due to the net loss of $346.2 million for the year ended December 31, 2014, which represents the net of the net income of $571.2 million and the $917.4 million of non-cash reorganization items and fresh-start reporting adjustments, compared to a net loss of $157.0 million for the year ended December 31, 2013, which was primarily due to pre-petition and post-petition reorganization expenses incurred related to our Chapter 11 Cases during the twelve months ended December 31, 2014. Depreciation and amortization decreased by $28.1 million as a result of the adoption of fresh-start reporting on the Effective Date which required us to revalue our vessels assets at market partially offset by the increase in the size of our fleet due to the delivery of four Baltic Trading vessels during the second half of 2013 and one Baltic Trading during the fourth quarter of 2014. Additionally, there was a $10.9 million increase in deferred drydocking costs incurred during the year ended December 31, 2014 as a total of 26 vessels completed drydocking during the year ended December 31, 2014, including six of Baltic Trading s vessels, as compared to only six vessels that completed drydocking during the year ended December 31, 2013. These increases in the net cash used in operations were partially offset by a $20.3 million increase in the amortization of nonvested stock compensation due to the amortization of the MIP Warrants and restricted shares issued after the Effective Date by the Successor Company. Lastly, the increases in net cash used in operations were partially offset by goodwill impairment of $166.1 million that was recorded during the year ended December 31, 2014 and related to goodwill that was originally recorded upon the adoption of fresh-start reporting on the Effective Date.

Net cash used in investing activities for the year ended December 31, 2014 and 2013 was $74.6 million and $146.6 million, respectively. Net cash used in investing activities for the year ended December 31, 2014 consisted primarily of $54.5 million of vessels asset purchases, including deposits. This consisted primarily of deposits made by Baltic Trading for its four newbuilding vessels that it has agreed to acquire, one of which was delivered during the year ended December 31, 2014. Additionally, there was a $19.5 million change in deposits of restricted cash during the year ended December 31, 2014 primarily due to the $19.6 million of restricted cash that was held in an escrow accounts as of December 31, 2014 for the purchase of the Baltic Wasp, which was delivered on January 2, 2015. For the year ended December 31, 2013, cash used in investing activities consisted primarily of $145.4 million of vessel asset purchases, including deposits for the purchase of the Baltic Fox, Baltic Hare, Baltic Lion and Baltic Tiger which were delivered to Baltic Trading during the third and fourth quarter of 2013.

Net cash provided by financing activities was $95.5 million during the year ended December 31, 2014 as compared to $199.8 million during the year ended December 31, 2013. Net cash provided by financing during the year ended December 31, 2014 was primarily a result of the $100.0 million received from the Rights Offering pursuant to the Plan. Additionally, there was $33.2 million of proceeds from the 2014 Baltic Trading Term Loan Facilities. These amounts were partially offset by the following; $15.2 million repayment of debt under the $253 Million Term Loan Facility, $7.7 million repayment of debt under the $100 Million Term Loan Facility; $6.8 million for payments of deferred financing costs, $2.8 million repayment of debt under the Baltic Trading $44 Million Term Loan Facility; $1.5 million repayment of debt under the Baltic Trading $22 Million Term Loan Facility as well as $0.1 million for payment of common stock issuance costs by Baltic Trading. Additionally, there was a $0.5 million settlement payment made to non-accredited 2010 Note holders. Net cash provided by financing activities during the year ended December 31, 2013 was primarily a result of $136.3 million of net proceeds from common stock issued by Baltic Trading, $44.0 million of proceeds from the Baltic Trading $44 Million Term Loan Facility, $22.0 million of proceeds from the Baltic Trading $22 Million Term Loan Facility, as well as $1.0 million of proceeds from the 2010 Baltic Trading Credit Facility. These amounts were partially offset by $1.5 million for payments of deferred financing costs and $0.4 million repayment of debt under the Baltic Trading $22 Million Term Loan Facility.

Net cash used in operating activities for the year ended December 31, 2013 was $3.1 million versus $18.8 million for the year ended December 31, 2012. The decrease in net cash used in operating activities was primarily due to an increase in the amortization of deferred financing costs, lower drydocking costs incurred as well as an increase in accounts payable during the year ended December 31, 2013 as compared to the prior year.

Net cash used in investing activities for the year ended December 31, 2013 and 2012 was $146.6 million and $3.7 million, respectively. The increase was due to the use of more funds for vessel purchases, including deposits, during the year ended December 31, 2013 as compared to prior year. For the year ended December 31, 2013, cash used in investing activities consisted primarily of the purchase of vessels, including deposits, of $145.4 million and purchase of other fixed assets totaling $1.2 million. For the year ended December 31, 2012, cash used in investing activities was predominantly due to purchases of other fixed assets in the amount of $2.1 million and vessel related purchases totaling $1.2 million.

Net cash provided by financing activities was $199.8 million during the year ended December 31, 2013 as compared to net cash used in financing activities of $132.9 million during the year ended December 31, 2012. Cash provided by financing activities for the year ended December 31, 2013 consisted primarily of the following: $136.3 million of net proceeds from the issuance of common stock by our subsidiary Baltic Trading, $22.0 million of proceeds from the Baltic Trading $22 Million Term Loan Facility, $44.0 million of proceeds from the Baltic Trading $44 Million Term Loan Facility, $1.0 million of proceeds from the 2010 Baltic Trading Credit Facility. These amounts were partially offset by the following: $0.4 million repayment of debt under the Baltic Trading $22 Million Term Loan Facility, $1.6 million dividend payment by Baltic Trading to its outside shareholders and $1.5 million payment of deferred financing costs. Under amendments to all three of our credit facilities in August 2012, our scheduled amortization payments have been eliminated for each of the credit facilities through and including the quarter ended December 31, 2013. Cash used in financing activities for the year ended December 31, 2012 mainly consisted of the following: $118.6 million repayment of debt under the 2007 Credit Facility, $15.4 million repayment of debt under the $100 Million Term Loan Facility, $40.6 million repayment of debt under the $253 Million Term Loan Facility, $4.1 million of deferred financing costs and the $4.1 million dividend payment by Baltic Trading to its outside shareholders. These uses of cash were partially offset by $49.9 million of net proceeds provided by our follow-on offering during February 2012.

Credit Facilities

Refer to Note 10 Debt of our consolidated financial statements for a summary of our outstanding credit facilities, including the underlying financial and non-financial covenants. On August 1, 2012, we entered into the August 2012 Agreements, which amended or waived certain provisions of the agreements for the 2007 Credit Facility, the $100 Million Term Loan Facility and the $253 Million Term Loan Facility. On August 29, 2013, Baltic Trading entered into an amendment to the 2010 Baltic Trading Credit Facility. Additionally, on August 30, 2013, wholly-owned subsidiaries of Baltic Trading entered into the Baltic Trading $22 Million Term Loan Facility to fund a portion of the purchase of the Baltic Fox and Baltic Hare and on December 3, 2013, wholly-owned subsidiaries of Baltic Trading entered into the Baltic Trading $44 Million Term Loan Facility to fund or refund a portion of the purchase of the Baltic Tiger and Baltic Lion. On October 8, 2014, wholly-owned subsidiaries of Baltic Trading entered into the 2014 Baltic Trading Term Loan Facilities to fund a portion of the purchase of the Baltic Hornet and Baltic Wasp. Lastly, on December 31, 2014, Baltic Trading entered into the Baltic Trading $148 Million Credit Facility which is comprised of a $115.0 million revolving credit facility and $33.0 million term loan facility to fund or refund a portion of the purchase of the Baltic Scorpion and Baltic Mantis. Borrowings under the Baltic Trading $148 Million Credit Facility will be used to refinance Baltic Trading s indebtedness under the 2010 Baltic Trading Credit Facility. Refer to Note 10 Debt in our consolidated financial statements for further information regarding the terms and fees associated with these agreements.

On July 2, 2014, the Bankruptcy Court entered the Confirmation Order, confirming the Plan. On the Effective Date of July 9, 2014, we completed our financial restructuring and emerged from Chapter 11 through a series of transactions contemplated by the Plan, and the Plan became effective pursuant to its terms.

Key components of the Plan regarding the credit facilities and the 2010 Notes included:

• The conversion of 100% of the Claims under the 2007 Credit Facility into 81.1% of the New Genco Common Stock (subject to dilution by the warrants issued under the Plan). On the Effective Date, the 2007 Credit Facility was terminated, and the liens and mortgages thereunder were released. Refer to Note 10 Debt in our consolidated balance sheet for further information.

• The conversion of 100% of the Claims under the 2010 Notes into 8.4% of the New Genco Common Stock (subject to dilution by the warrants issued under the Plan). On the Effective Date, the 2010 Notes and the Indenture and First Supplemental Indenture relating to the 2010 Notes (the Indenture) were fully satisfied and discharged. Refer to Note 11 Convertible Senior Notes in our consolidated financial statements for further information.

• The amendment and restatement of the $253 Million Term Loan Facility and the $100 Million Term Loan Facility as of the Effective Date, with extended maturities, a financial covenant holiday and certain other amendments, as discussed further in Note 10 Debt in our consolidated financial statements.

As of December 31, 2014, we believe we were in compliance with all of the financial covenants under the $253 Million Term Loan Facility; the $100 Million Term Loan Facility; the 2010 Baltic Trading Credit Facility, as amended; the Baltic Trading $22 Million Term Loan Facility; the Baltic Trading $44 Million Term Loan Facility and the 2014 Baltic Trading Term Loan Facilities.

Convertible Notes Payable

Refer to Note 11 Convertible Senior Notes of our consolidated financial statements for a summary of the convertible notes payable. On the Effective Date when the Company emerged from Chapter 11, the 2010 Notes and the Indenture were fully satisfied and discharged.

Interest Rate Swap Agreements, Forward Freight Agreements and Currency Swap Agreements

At December 31, 2013, we had four interest rate swap agreements with DNB Bank ASA to manage interest costs and the risk associated with changing interest rates. The total notional principal amount of the swaps was $306.2 million and the swaps had specified rates and durations. Notwithstanding the agreements we entered into with certain of the lenders under our 2007 Credit Facility, our $100 Million Term Loan Facility and our $253 Million Term Loan Facility to obtain forbearances with respect to certain potential or actual events of default as of March 31, 2014 (the Relief Agreements), the fact that we did not make the scheduled amortization payment under our 2007 Credit Facility on March 31, 2014 constituted an event of default under our currently outstanding interest rate swap.

As of March 31, 2014, we were in default under covenants of our 2007 Credit Facility due to the default on the scheduled debt amortization payment due on March 31, 2014. The default under the 2007 Credit Facility required us to elect interest periods of only one month; therefore, we no longer qualified for hedge accounting under the original designation and hedge accounting was terminated effective March 31, 2014. Additionally, the filing of the Chapter 11 Cases on the Petition Date constituted an event of default with respect to the outstanding interest rate swap with DNB Bank ASA. As a result, DNB Bank ASA terminated all transactions under the remaining swap agreement effective April 30, 2014 and filed a secured claim with the Bankruptcy Court of $5.6 million. The interest rate swap was settled on the Effective Date upon our emergence from bankruptcy. This liability was paid by the Successor Company during the period from July 9 to December 31, 2014.

Refer to the table in Note 12 Interest Rate Swap Agreements of our consolidated financial statements for further information.

We have considered the creditworthiness of both ourselves and the counterparty in determining the fair value of the interest rate derivatives, and such consideration resulted in an immaterial adjustment to the fair value of derivatives on the balance sheet. Valuations prior to any adjustments for credit risk are validated by comparison with counterparty valuations. Amounts are not and should not be identical due to the different modeling assumptions. Any material differences are investigated.

As part of our business strategy, we may enter into arrangements commonly known as forward freight agreements, or FFAs, to hedge and manage market risks relating to the deployment of our existing fleet of vessels. These arrangements may include future contracts, or commitments to perform in the future a shipping service between ship owners, charters and traders. Generally, these arrangements would bind us and each counterparty in the arrangement to buy or sell a specified tonnage freighting commitment forward at an agreed time and price and for a particular route. Although FFAs can be entered into for a variety of purposes, including for hedging, as an option, for trading or for arbitrage, if we decided to enter into FFAs, our objective would be to hedge and manage market risks as part of our commercial management. It is not currently our intention to enter into FFAs to generate a stream of income independent of the revenues we derive from the operation of our fleet of vessels. If we determine to enter into FFAs, we may reduce our exposure to any declines in our results from operations due to weak market conditions or downturns, but may also limit our ability to benefit economically during periods of strong demand in the market. We have not entered into any FFAs as of December 31, 2014 and 2013.

Interest Rates

The effective interest rate associated with the interest expense for our various debt facilities (2007 Credit Facility (until its termination on the Effective Date), $100 Million Term Loan Facility, $253 Million Term Loan Facility, 2010 Baltic Trading Credit Facility, Baltic Trading $22 Million Term Loan Facility, $44 Million Term Loan Facility and the 2014 Baltic Trading Term Loan Facilities), including the rate differential between the pay fixed receive variable rate on the interest rate swap agreements that were in effect, combined, and the cost associated with unused commitment fees was 4.19% and 4.70% during 2014 and 2013, respectively. The interest rate on the debt, excluding impact of swaps and the unused commitment fees, ranged from 2.73% to 5.15% and from 3.16% to 4.38% for 2014 and 2013, respectively. The effective interest rate associated with the liability component of the 2010 Notes was 10.0% during 2013. We ceased recording interest expense related to the 2010 Notes on April 21, 2014, the date we filed the Chapter 11 Cases, which constituted an event of default with respect to the 2010 Notes. The effective interest rate assocated with the liability component of the 2010 Notes was 10.0% from the period from January 1 to April 21, 2014, refer to Note 11 Convertible Senior Notes in our consolidated financial statements for further information.

Contractual Obligations

The following table sets forth our contractual obligations and their maturity dates as of December 31, 2014. The table incorporates the employment agreement entered into in September 2007 with our Chief Financial Officer, John Wobensmith. The table reflects Baltic Trading s agreements to acquire the remaining two newbuilding Ultramax drybulk vessels from Yangfan Group Co., Ltd. for an aggregate purchase price of $56.0 million. Baltic Trading plans to finance these vessel acquisitions with a combination of cash on hand, future cash flow from operations, as well as debt or equity financing, including the 2014 Baltic Trading Term Loan Facilities and the Baltic Trading $148 Million Credit Facility, as discussed above under Liquidity and Capital Resources. The interest and borrowing fees and credit agreement payments below reflect the $100 Million Term Loan Facility, the $253 Million Term Loan Facility, the Baltic Trading $22 Million Term Loan Facility, the Baltic Trading $44 Million Term Loan Facility and the 2014 Baltic Trading Term Loan Facilities, as well as other fees associated with these facilities. Additionally, the interest and borrowing fees incorporate the unused fees, interest expense and the arrangement fee and structuring fee related to the Baltic Trading $148 Million Credit Facility, which was entered into effective December 31, 2014 and was utilized to refinance the 2010 Baltic Trading Credit Facility. The arrangement fee and structuring fee for the Baltic Trading $148 Million Credit Facility were $1.6 million and $0.4 million, respectively. Refer to Note 10 Debt in our consolidated financial statements for further information regarding the terms of the aforementioned credit facilities. The following table also incorporates the future lease payments associated with the lease for our current space and excludes the lease from our former space as we have filed a motion to reject the lease for our former space in the bankruptcy proceedings which was accepted on the Effective Date upon our emergence from Chapter 11. Refer to Note 22 Commitments and Contingencies in our consolidated financial statements for further information regarding the terms of our two lease agreements.

	Total	Less Than One Year	One to Three Years	Three to Five Years	More than Five Years
			(U.S. dollars in thousands)		
Credit Agreements(1)	$ 432,385	$ 34,324	$ 86,425	$ 291,617	$ 20,019
Interest and borrowing fees	62,432	17,044	25,790	17,811	1,787

Remainder of purchase price of vessels (2)		42,000		42,000						
Executive employment agreement		373		373						
Office leases		19,695		1,037		2,152		3,146		13,360
Totals	$	556,885	$	94,778	$	114,367	$	312,574	$	35,166

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(1) On December 30, 2014, $16.4 million was drawn down from the 2014 Baltic Trading Term Loan Facilities in order to fund the purchase of the Baltic Wasp, which was delivered to Baltic Trading on January 2, 2015. As such, it is included in

the total contractual obligations for credit agreement payments as of December 31, 2014. These amounts do not include the $10.5 million that was drawn down by Baltic Trading on the Baltic Trading $148 Million Credit Facility on February 27, 2015.

(2) The timing of this obligation is based on the estimated delivery dates for the Baltic Scorpion and Baltic Mantis. Upon the delivery of the Baltic Wasp to Baltic Trading on January 2, 2015, the remaining purchase price of $19.6 million was paid to Yangfan Group Co., Ltd. As of December 31, 2014, the $19.6 million remaining purchase price for the Baltic Wasp was included in Restricted Cash in the consolidated balance sheets as the payment was being held in an escrow account until the vessel was delivered on January 2, 2015. As such, this payment is excluded in the table above.

Interest expense has been estimated using 0.26% plus the applicable margin of 3.50% for the $100 Million Term Loan Facility and the $253 Million Term Loan Facility and 2.50% for the 2014 Baltic Trading Term Loan Facilities. For the Baltic Trading $22 Million Term Loan Facility and the Baltic Trading $44 Million Term Loan Facility, interest expense has been estimated using 0.26% plus the applicable margin of 3.35%. Interest expense has been estimated using 0.17% plus the applicable margin for the amended 2010 Baltic Trading Credit Facility of 3.00% until January 7, 2015 when the 2010 Baltic Trading Credit Facility was paid down with proceeds from the Baltic Trading $148 Million Credit Facility. Beginning January 7, 2015, interest expense has been estimated using 0.26% plus the applicable margin for the Baltic Trading $148 Million Credit Facility of 3.00%.

Capital Expenditures

We make capital expenditures from time to time in connection with our vessel acquisitions. Excluding Baltic Trading s vessels, our fleet currently consists of nine Capesize drybulk carriers, eight Panamax drybulk carriers, 17 Supramax drybulk carriers, six Handymax drybulk carriers and 13 Handysize drybulk carriers. Baltic Trading s fleet currently consists of four Capesize drybulk carriers, two Ultramax drybulk carriers, four Supramax drybulk carriers and five Handysize drybulk carriers. After the expected delivery of the remaining two Ultramax vessels that Baltic Trading has agreed to acquire, Baltic Trading s fleet will consists of four Capesize drybulk carriers, four Ultramax drybulk carriers, four Supramax drybulk carriers and five Handysize drybulk carriers. Baltic Trading intends to use a combination of cash on hand, future cash flow from operations as well as debt or equity financing, including the 2014 Baltic Trading Term Loan Facilities and the Baltic Trading $148 Million Credit Facility, to fully finance the acquisition of these four Ultramax newbuilding drybulk vessels.

As previously announced, we have initiated a fuel efficiency upgrade program for certain of our vessels. We believe this program will generate considerable fuel savings going forward and increase the future earnings potential for these vessels. The cost of the upgrades, which will be performed under the planned drydocking schedule, is expected to be approximately $0.3 million for a Supramax vessel and $0.5 million for a Capesize vessel and is included in GS&T s and Baltic Trading s estimated drydocking costs below. Additionally, during 2015, we expect these upgrades to be installed on four of GS&T s Supramax vessels and two of Baltic Trading s Capesize vessels. During 2016, we also expect these upgrades to be installed on one of GS&T s Supramax vessels. The upgrades have been successfully installed on four of our vessels, the Genco Aquitaine, Genco Ardennes, Genco Auvergne and Genco Titus, which completed their planned drydockings during the third and fourth quarter of 2014. Additionally, the upgrades have been successfully installed on five of Baltic Trading s vessels, the Baltic Cougar, the Baltic Panther, the Baltic Leopard, the Baltic Jaguar and the Baltic Wind, which completed their planned drydockings during the first half of 2014.

Under U.S. Federal law and 33 CFR, Part 151, Subpart D, U.S. approved ballast water treatment systems will be required to be installed in all vessels at the first out of water drydocking after January 1, 2016 if these vessels are to discharge ballast water inside 12 nautical miles of the coast of the United States. Currently, we do not believe there are any ballast water treatment systems that are approved by U.S. authorities; however, an alternative management system (AMS) may be installed in lieu. For example, in February 2015, the USCG added Bawat to the list of ballast water treatment systems that received AMS acceptance. An AMS is valid for five years from the date of required compliance with ballast water discharge standards, by which time it must be replaced by an approved system unless the AMS itself achieves approval. The cost of these systems will vary based on the size the vessel, and the Company estimates the cost of the systems to be $1.0 million for Capesize, $0.8 million for Panamax, $0.8 million for Supramax, $0.7 million for Handymax and $0.7 million for Handysize vessels. Any newbuilding vessels that we acquire will have an AMS installed when the vessel is being built. The costs of ballast water treatment systems will be capitalized and depreciated over the remainder of the life of the vessel, assuming the system the Company installs becomes approved. These amounts would be in addition to the amounts budgeted for drydocking below.

Genco Shipping & Trading Limited

In addition to acquisitions that we may undertake in future periods, we will incur additional capital expenditures due to special surveys and drydockings for our fleet. We estimate our drydocking costs, including capitalized costs incurred during drydocking related to vessel assets and vessel equipment, and scheduled off-hire days for our fleet, excluding Baltic Trading s vessels, through 2016 to be:

Year		Estimated Drydocking Cost (U.S. dollars in millions)	Estimated Off-hire Days
2015	$	12.5	340
2016	$	10.8	330

The costs reflected are estimates based on drydocking our vessels in China. Actual costs will vary based on various factors, including where the drydockings are actually performed. We expect to fund these costs with cash from operations. These costs do not include drydock expense items that are reflected in vessel operating expenses, including the write-off of any steel that is replaced during drydocking. Additionally, these costs do not include the cost of ballast water treatment systems as noted above.

We estimate that each drydock will result in approximately 20 days of off-hire. Actual length will vary based on the condition of the vessel, yard schedules and other factors. Higher repairs and maintenance expenses during drydocking for vessels which are over 15 years old typically result in a higher number of off-hire days depending on the condition of the vessel.

During 2014 and 2013, we incurred a total of $12.2 million and $4.7 million of drydocking costs, respectively, excluding costs incurred during drydocking that were capitalized to vessel assets or vessel equipment.

Twenty of our vessels completed their drydockings during 2014, including the Genco Acheron and Genco Loire, which entered the drydocking yard during the fourth quarter of 2013. We estimate that 14 of our vessels will be drydocked during 2015 and 12 of our vessels will be drydocked during 2016.

Baltic Trading Limited

In addition to acquisitions that Baltic Trading may undertake in future periods, Baltic Trading will incur additional capital expenditures due to special surveys and drydockings for its fleet. We estimate our drydocking costs, including capitalized costs incurred during drydocking related to vessel assets and vessel equipment, and scheduled off-hire days for Baltic Trading s fleet through 2015 to be:

Year		Estimated Drydocking Cost (U.S. dollars in millions)	Estimated Off-hire Days
2015	$	4.6	100

2016	$	1.7	40

The costs reflected are estimates based on drydocking our vessels in China. Actual costs will vary based on various factors, including where the drydockings are actually performed. We expect to fund these costs with cash from operations. These costs do not include drydock expense items that are reflected in vessel operating expenses, including the write-off of any steel that is replaced during drydocking. Additionally, these costs do not include the cost of ballast water treatment systems as noted above.

We estimate that each drydock will result in approximately 20 days of off-hire. Actual length will vary based on the condition of the vessel, yard schedules and other factors.

During 2014 and 2013, Baltic Trading incurred a total of $3.4 million and $0.1 million of drydocking costs, respectively, excluding costs incurred during drydocking that were capitalized to vessel assets or vessel equipment.

Six of Baltic Trading s vessels were drydocked during the year ended December 31, 2014. We estimate that five of Baltic Trading s vessels will be drydocked during 2015 and two vessels will be drydocked during 2016.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Inflation

Inflation has only a moderate effect on our expenses given current economic conditions. In the event that significant global inflationary pressures appear, these pressures would increase our operating, voyage, general and administrative, and financing costs.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. We have described below what we believe are our most critical accounting policies, because they generally involve a comparatively higher degree of judgment in their application. For an additional description of our significant accounting policies, see Note 2 to our consolidated financial statements included in this 10-K.

Time Charters Acquired

When a vessel is acquired with an existing time charter, we allocate the purchase price of the vessel and the time charter based on, among other things, vessel market valuations and the present value (using an interest rate which reflects the risks associated with the acquired charters) of the difference between (i) the contractual amounts to be paid pursuant to the charter terms and (ii) management s estimate of the fair market charter rate, measured over a period equal to the remaining term of the charter. The capitalized above-market (assets) and below-market (liabilities) charters are amortized as a reduction or increase, respectively, to voyage revenues over the remaining term of the charter.

Upon our emergence from bankruptcy on the Effective Date, we adopted fresh-start reporting and valued any existing fixed rate time charters to their fair values. On the Effective Date, we recorded an asset for time charters acquired for the Genco Bourgogne, Genco Muse and Genco Spirit in the amount of $0.5 million based on the present value of the difference between the contractual amounts to be paid and our estimated of the fair market charter rate. In order to calculate the present value, we utilized a discount rate of 10%. If we utilized a discount rate of 7% or 13% as compared to 10%, it would have resulted in an immaterial increase and decrease, respectively, in the asset balance.

Performance Claims

Revenue is based on contracted charterparties, including spot-market related time charters which rates fluctuate based on changes in the spot market. However, there is always the possibility of dispute over terms and payment of hires and freights. In particular, disagreements may arise as to the responsibility of lost time and revenue due to us as a result. Additionally, there are certain performance parameters included in contracted charterparties which if not met, can result in customer claims. Accordingly, we periodically assess the recoverability of amounts outstanding and estimate a provision if there is a possibility of non-recoverability. At each balance sheet date, we provide a provision based on a review of all outstanding charter receivables and we also will accrue for any estimated customer claims primarily a result of time charter performance issues that have not yet been deducted by the charterer. We provide for reserves which offset the due from charterers balance if a disputed amount or performance claim has been deducted by the charterer. If a disputed amount or potential performance claim has not been deducted by the charterer, we record the estimated customer claims as deferred revenue. Providing for these reserves will be offset by a decrease in revenue. Although we believe its provisions to be reasonable at the time they are made, it is possible that an amount under dispute is not ultimately recovered and the estimated provision for doubtful accounts is inadequate.

Vessels and Depreciation

We record the value of our vessels at their cost (which includes acquisition costs directly attributable to the vessel and expenditures made to prepare the vessel for its initial voyage) less accumulated depreciation. We depreciate our drybulk vessels on a straight-line basis over their estimated useful lives, estimated to be 25 years from the date of initial delivery from the shipyard. Depreciation is based on cost less the estimated residual scrap value. Effective July 9, 2014, the Effective Date, we increased the estimated scrap value of the vessels from $245/lwt to $310/lwt prospectively based on the 15-year average scrap value of steel. This increase in the residual value of the vessels will decrease the annual depreciation charge over the remaining useful life of the vessels. During the period from July 9, 2014 to December 31, 2014, the increase in the estimated scrap value resulted in a decrease in depreciation expense of approximately $1.5 million for the Successor Company. Similarly, an increase in the useful life of a drybulk vessel would also decrease the annual depreciation charge. Comparatively, a decrease in the useful life of a drybulk vessel or in its residual value would have the effect of increasing the annual depreciation charge. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, we will adjust the vessel s useful life to end at the date such regulations preclude such vessel s further commercial use.

The carrying value each of our vessels does not represent the fair market value of such vessel or the amount we could obtain if we were to sell any of our vessels, which could be more or less. Under U.S. GAAP, we would not record a loss if the fair market value of a vessel (excluding its charter) is below our carrying value unless and until we determine to sell that vessel or the vessel is impaired as discussed below under Impairment of long-lived assets. Excluding the three Bourbon vessels we resold immediately upon delivery to MEP at our cost, we have sold three of our vessels since our inception and realized a profit in each instance. However, we did determine to cancel an acquisition of six drybulk newbuildings in November 2008, incurring a $53.8 million loss from the forfeiture of our deposit and related interest.

Pursuant to our bank credit facilities, we regularly submit to the lenders valuations of our vessels on an individual charter free basis in order to evidence our compliance with the collateral maintenance covenants under our bank credit facilities. Such a valuation is not necessarily the same as the amount any vessel may bring upon sale, which may be more or less, and should not be relied upon as such. We were in compliance with the collateral maintenance covenants under our $100 Million Term Loan Facility, as amended; the $253 Million Term Loan Facility, as amended; the 2010 Baltic Trading Credit Facility; the Baltic Trading $22 Million Term Loan Facility; the Baltic Trading $44 Million Term Loan Facility; and the 2014 Baltic Trading Term Loan Facilities at December 31, 2014. We obtained valuations for all of the vessels in our fleet, including Baltic Trading, as of December 31, 2014 pursuant to the terms of the credit facilities, with the exception of the $100 Million Term Loan Facility which we utilized the August 18, 2014 valuations pursuant to the terms of the credit facility. In the chart below, we list each of our vessels, the year it was built, the year we acquired it, and its carrying value at December 31, 2014 and 2013.

At December 31, 2014, the vessel valuations of all of our vessels for covenant compliance purposes under our bank credit facilities as of the most recent compliance testing date, with the exception of the Genco Avra, Genco Mare and Genco Spirit, were lower than their carrying values at December 31, 2014. At December 31, 2013, the vessel valuations of all of our vessels for covenant compliance purposes under our bank credit facilities as of the most recent compliance testing date, with the exception of the Baltic Fox, Baltic Hare and Baltic Lion, were lower than their carrying values at December 31, 2013. For the Genco Bay, Genco Ocean, Genco Avra, Genco Mare and Genco Spirit, the last compliance testing date prior to December 31, 2014 and 2013 was August 18, 2014 and August 17, 2013, respectively, in accordance with the terms of the $100 Million Term Loan Facility; for all other vessels, the compliance testing date was December 31, 2014 and 2013, respectively, in accordance with the terms of the applicable credit facility.

The amount by which the carrying value at December 31, 2014 of all of the vessels in our fleet, with the exception of the Genco Avra, Genco Mare and Genco Spirit, exceeded the valuation of such vessels for covenant compliance purposes ranges, on an individual vessel basis, from $0.1 million to $8.2 million per vessels, and $246.6 million on an aggregate fleet basis. The amount by which the carrying value at December 31, 2013 of all of the vessels in our fleet, with the exception of the Baltic Fox, Baltic Hare and Baltic Lion, exceed the valuation of such vessels for covenant compliance purposes ranged, on an individual basis, from $0.3 million to $64.3 million per vessel, and $1,171.3 million on an aggregate fleet basis. The average amount by which the carrying value of these vessels exceeded the valuation of such vessels for covenant compliance purposes was $3.9 million as of December 31, 2014 and $18.6 million as of December 31, 2013. However, neither such valuation nor the carrying value in the table below reflects the value of long-term time charters related to some of our vessels.

Vessels	Year Built	Year Acquired	Carrying Value (U.S. dollars in thousands) as of December 31, 2014	2013
Unencumbered				
Genco Reliance	1999	2004	$ 9,379	$ 14,135
Genco Vigour	1999	2004	12,064	19,393
Genco Explorer	1999	2004	9,367	13,981
Genco Carrier	1998	2004	11,209	14,087
Genco Sugar	1998	2004	8,502	13,016
Genco Pioneer	1999	2005	9,352	13,849
Genco Progress	1999	2005	9,364	14,035
Genco Wisdom	1997	2005	10,354	13,238
Genco Success	1997	2005	10,338	13,139
Genco Beauty	1999	2005	12,061	19,514
Genco Knight	1999	2005	12,043	19,205
Genco Leader	1999	2005	12,039	19,183
Genco Marine	1996	2005	9,346	12,382
Genco Prosperity	1997	2005	10,356	13,318
Genco Muse	2001	2005	14,617	19,371
Genco Acheron	1999	2006	12,028	18,981
Genco Surprise	1998	2006	11,058	17,974
Genco Augustus	2007	2007	41,761	98,002
Genco Tiberius	2007	2007	41,763	98,193
Genco London	2007	2007	40,242	99,694
Genco Titus	2007	2007	40,603	100,199
Genco Challenger	2003	2007	12,851	30,169
Genco Charger	2005	2007	14,726	33,537
Genco Warrior	2005	2007	20,348	48,971
Genco Predator	2005	2007	20,349	50,309
Genco Hunter	2007	2007	22,710	54,614
Genco Champion	2006	2008	15,710	35,080
Genco Constantine	2008	2008	44,133	105,126
Genco Raptor	2007	2008	19,802	71,552
Genco Cavalier	2007	2008	18,694	58,506
Genco Thunder	2007	2008	19,810	71,782
Genco Hadrian	2008	2008	43,587	103,504
Genco Commodus	2009	2009	46,057	105,973
Genco Maximus	2009	2009	46,065	105,990
Genco Claudius	2010	2009	48,275	107,688
TOTAL			$ 740,963	$ 1,647,690
$ 100 Million Term Loan Facility				
Genco Bay	2010	2010	20,822	30,024
Genco Ocean	2010	2010	20,829	30,100
Genco Avra	2011	2011	21,945	31,194
Genco Mare	2011	2011	21,948	31,107
Genco Spirit	2011	2011	21,954	31,732
TOTAL			$ 107,498	$ 154,157
$ 253 Million Term Loan Facility				
Genco Aquitaine	2009	2010	20,963	31,601
Genco Ardennes	2009	2010	20,967	31,752
Genco Auvergne	2009	2010	21,157	31,745
Genco Bourgogne	2010	2010	22,110	31,734
Genco Brittany	2010	2010	21,966	31,799
Genco Languedoc	2010	2010	21,967	31,966
Genco Loire	2009	2010	20,321	28,870

Genco Lorraine	2009	2010	20,320	28,565

Vessels	**Year Built**	**Year Acquired**	**Carrying Value (U.S. dollars in thousands) as of December 31, 2014**		**2013**	
Genco Normandy	2007	2010		18,702		26,311
Genco Picardy	2005	2010		20,321		25,705
Genco Provence	2004	2010		19,211		25,299
Genco Pyrenees	2010	2010		21,971		31,742
Genco Rhone	2011	2011		23,054		33,347
TOTAL			$	273,030	$	390,436
2010 Baltic Trading Credit Facility						
Baltic Leopard	2009	2009		20,325		30,312
Baltic Panther	2009	2010		20,327		30,389
Baltic Cougar	2009	2010		20,329		30,540
Baltic Jaguar	2009	2010		20,330		30,459
Baltic Bear	2010	2010		47,251		63,754
Baltic Wolf	2010	2010		47,210		63,561
Baltic Wind	2009	2010		19,831		29,081
Baltic Cove	2010	2010		20,824		29,437
Baltic Breeze	2010	2010		20,833		30,002
TOTAL			$	237,260	$	337,535
Baltic Trading $22 Million Term Loan Facility						
Baltic Fox	2010	2013		20,444		21,017
Baltic Hare	2009	2013		19,331		19,955
TOTAL			$	39,775	$	40,972
Baltic Trading $44 Million Term Loan Facility						
Baltic Lion	2009	2013		53,659		52,589
Baltic Tiger	2010	2013		51,541		50,416
			$	105,200	$	103,005
2014 Baltic Trading Term Loan Facilities						
Baltic Hornet	2014	2014		29,117		
			$	29,117	$	
Consolidated Total			$	1,532,843	$	2,673,795

If we were to sell a vessel or hold a vessel for sale, and the carrying value of the vessel were to exceed its fair market value, we would record a loss in the amount of the difference.

Deferred drydocking costs

Our vessels are required to be drydocked approximately every 30 to 60 months for major repairs and maintenance that cannot be performed while the vessels are operating. We capitalize the costs associated with drydockings as they occur and amortize these costs on a straight-line basis over the period between drydockings. Deferred drydocking costs include actual costs incurred at the drydock yard; cost of travel, lodging and subsistence of our personnel sent to the drydocking site to supervise; and the cost of hiring a third party to oversee the drydocking. We believe that these criteria are consistent with U.S. GAAP guidelines and industry practice and that our policy of capitalization reflects the economics and market values of the vessels. Costs that are not related to drydocking are expensed as incurred. If the vessel is drydocked earlier than originally anticipated, any remaining deferred drydock costs that have not been amortized are expensed at the end of the next drydock.

Impairment of long-lived assets

We follow the FASB Accounting Standards Codification (ASC) subtopic 360-10, Property, Plant and Equipment (ASC 360-10) which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If indicators of impairment are present, we perform an analysis of the anticipated undiscounted future net cash flows to be derived from the related long-lived assets.

The current economic and market conditions, including the significant disruptions in the global credit markets, are having broad effects on participants in a wide variety of industries. Since mid-August 2008, the charter rates in the dry bulk charter market have declined significantly, and drybulk vessel values have also declined both as a result of a slowdown in the availability of global credit and the significant deterioration in charter rates.

When indicators of impairment are present and our estimate of undiscounted future cash flows for any vessel is lower than the vessel s carrying value, the carrying value is written down, by recording a charge to operations, to the vessel s fair market value if the fair market value is lower than the vessel s carrying value.

We determined that as of December 31, 2014, the future income streams expected to be earned by such vessels over their remaining operating lives on an undiscounted basis would be sufficient to recover their carrying values. Our estimated future undiscounted cash flows exceeded each of our vessels carrying values by a considerable margin (approximately 143% - 551% of carrying value). Our vessels remain fully utilized and have a relatively long average remaining useful life of approximately 16.4 years in which to recover sufficient cash flows on an undiscounted basis to recover their carrying values as of December 31, 2014. Management will continue to monitor developments in charter rates in the markets in which it participates with respect to the expectation of future rates over an extended period of time that are utilized in the analyses.

In developing estimates of future undiscounted cash flows, we make assumptions and estimates about the vessels future performance, with the significant assumptions being related to charter rates, fleet utilization, vessels operating expenses, vessels capital expenditures and drydocking requirements, vessels residual value and the estimated remaining useful life of each vessel. The assumptions used to develop estimates of future undiscounted cash flows are based on historical trends. Specifically, we utilize the rates currently in effect for the duration of their current time charters, without assuming additional profit sharing. For periods of time where our vessels are not fixed on time charters, we utilize an estimated daily time charter equivalent for our vessels unfixed days based on the most recent ten year historical one year time charter average. Actual equivalent drybulk shipping rates are currently lower than the estimated rate. We believe current rates have been driven by short-term disruptions or seasonal issues as discussed under Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Voyage Revenues.

Of the inputs that the Company uses for its impairment analysis, future time charter rates are the most significant and most volatile. Based on the sensitivity analysis performed by the Company, the Company would record impairment on its vessels for time charter declines from their most recent ten-year historical one-year time charter averages as follows:

	Percentage Decline from Ten-Year Historical One-Year Time Charter Average at Which Point Impairment Would be Recorded	
Vessel Class	**As of December 31, 2014**	**As of December 31, 2013**
Capesize	(62.0)%	(50.6)%
Panamax	(55.6)%	(30.1)%
Ultramax	(53.5)%	
Supramax	(48.3)%	(29.6)%
Handymax	(39.1)%	(44.1)%
Handysize	(29.6)%	(18.0)%

Our time charter equivalent (TCE) rates for our fiscal years ended December 31, 2014 and 2013, respectively, were above or (below) the ten year historical one-year time charter average as of such dates as follows:

Vessel Class	TCE Rates as Compared with Ten-Year Historical One-Year Time Charter Average (as percentage above/(below)) As of December 31, 2014	As of December 31, 2013
Capesize	(69.2)%	(69.0)%
Panamax	(69.0)%	(65.9)%
Ultramax	(55.6)%	
Supramax	(61.0)%	(60.1)%
Handymax	(58.2)%	(59.7)%
Handysize	(47.3)%	(46.2)%

32

The projected net operating cash flows are determined by considering the future charter revenues from existing time charters for the fixed fleet days and an estimated daily time charter equivalent for the unfixed days over the estimated remaining life of the vessel, assumed to be 25 years from the delivery of the vessel from the shipyard, reduced by brokerage commissions, expected outflows for vessels maintenance and vessel operating expenses (including planned drydocking and special survey expenditures) and capital expenditures adjusted annually for inflation, assuming fleet utilization of 98%. The salvage value used in the impairment test is estimated to be $310 per light weight ton, consistent with our vessels depreciation policy discussed above.

Although we believe that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are highly subjective. There can be no assurance as to how long charter rates and vessel values will remain at their currently low levels or whether they will improve by any significant degree. Charter rates may remain at depressed levels for some time, which could adversely affect our revenue and profitability, and future assessments of vessel impairment.

Investments

We hold an investment in the capital stock of Jinhui. Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. We also hold an investment in the stock of Korea Line Corporation (KLC). 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. These investments are designated as available-for-sale and are reported at fair value, with unrealized gains and losses recorded in shareholders equity as a component of accumulated other comprehensive income (AOCI). We classify the investment as a current or noncurrent asset based on our intent to hold the investment at each reporting date.

Investments are reviewed quarterly to identify possible other-than-temporary impairment in accordance with ASC Subtopic 320-10, Investments Debt and Equity Securities (ASC 320-10). When evaluating the investments, we review factors such as the length of time and extent to which fair value has been below the cost basis, the financial condition of the issuer, the underlying net asset value of the issuer s assets and liabilities, and our ability and intent to hold the investment for a period of time which may be sufficient for anticipated recovery in market value. Should the decline in the value of any investment be deemed to be other-than-temporary, the investment basis would be written down to fair market value, and the write-down would be recorded to earnings as a loss. Investments that are not expected to be sold within the next year are classified as noncurrent.

We will continue to evaluate our investments on a quarterly basis to determine the likelihood of any further significant adverse effects on the fair value and amount of any impairment. In the event we determine that the Jinhui or KLC investments are subject to any other-than-temporary impairment, the amount of the impairment would be reclassified from the consolidated statement of equity and recorded as a loss in the consolidated statement of operations for the amount of the impairment.

Fair value of financial instruments

The estimated fair values of our financial instruments such as amounts due to / due from charterers, accounts payable and long-term debt, approximate their individual carrying amounts as of December 31, 2014 and December 31, 2013 due to their short-term maturity or the variable-rate nature of the respective borrowings under the credit facilities.

The fair value of the interest rate swap for the Predecessor Company was the estimated amount we would receive to terminate these agreements at the reporting date, taking into account current interest rates and the creditworthiness of the counterparty for assets and creditworthiness of us for liabilities. See Note 14 - Fair Value of Financial Instruments in our consolidated financial statements for additional disclosure on the fair values of long term debt, derivative instruments, 2010 Notes and available-for-sale securities.

For the interest rate swaps that are not designated as an effective hedge, the change in the value and the rate differential to be paid or received is recognized as other expense and is listed as a component of other (expense) income.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Genco Shipping & Trading Limited

Consolidated Financial Statements

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of

Genco Shipping & Trading Limited

New York, New York

We have audited the accompanying consolidated balance sheets of Genco Shipping & Trading Limited and subsidiaries (the Company) as of December 31, 2014 (the Successor Company consolidated balance sheet) and 2013 (the Predecessor Company consolidated balance sheet), and the related consolidated statements of operations, comprehensive (loss) income, equity, and cash flows for the period from July 9, 2014 through December 31, 2014 (the Successor Company operations and cash flows), and for the period from January 1, 2014 through July 9, 2014, and each of the two years in the period ended December 31, 2013 (the Predecessor Company operations and cash flows). These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the consolidated financial statements, on July 2, 2014, the Company emerged from Chapter 11 of the Bankruptcy Code pursuant to the terms of a reorganization plan (the Plan) that was approved by the bankruptcy court and declared effective as of July 9, 2014. The terms of the Plan resulted in a series of financial restructuring transactions for the Company and a change in its control, which met the criteria in Accounting Standards Codification (ASC) Topic 852, *Reorganizations,* for the Company to apply fresh-start accounting in conformity with the requirements of ASC Topic 852. Accordingly, the Successor Company financial information in the accompanying consolidated financial statements has carrying values not comparable with prior periods presented.

In our opinion, the Successor Company consolidated financial statements present fairly, in all material respects, the financial position of Genco Shipping & Trading Limited and subsidiaries as of December 31, 2014, and the results of their operations and their cash flows for the period from July 9, 2014 through December 31, 2014, in conformity with accounting principles generally accepted in the United States of America. Further, in our opinion, the Predecessor Company consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Predecessor Company as of December 31, 2013, and the results of their operations and their cash flows for the period from January 1, 2014 through July 9, 2014, and for each of the two years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 27 to the consolidated financial statements, the 2014 consolidated financial statements have been restated.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control Integrated*

Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 2, 2015 (April 30, 2015 as to the effects of the material weakness described in *Management s Report on Internal Control over Financial Reporting,* as revised), which report expressed an adverse opinion on the Company s internal control over financial reporting because of a material weakness.

/s/ DELOITTE & TOUCHE LLP

New York, New York
March 2, 2015 (April 30, 2015 as to the effects of the restatement discussed in Note 27)

Genco Shipping & Trading Limited

Consolidated Balance Sheets as of December 31, 2014 and December 31, 2013

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

	Successor December 31, 2014 (restated)		Predecessor December 31, 2013	
Assets				
Current assets:				
Cash and cash equivalents	$	83,414	$	122,722
Restricted cash		9,750		9,850
Due from charterers, net		14,739		14,241
Prepaid expenses and other current assets		22,423		19,065
Total current assets		130,326		165,878
Noncurrent assets:				
Vessels, net of accumulated depreciation of $36,258 and $730,662, respectively		1,532,843		2,673,795
Deposits on vessels		25,593		1,013
Deferred drydock, net of accumulated amortization of $330 and $11,107, respectively		6,234		11,069
Deferred financing costs, net of accumulated amortization of $729 and $22,279, respectively		10,271		22,011
Fixed assets, net of accumulated depreciation and amortization of $119 and $3,438, respectively		701		5,104
Other noncurrent assets		514		514
Restricted cash		19,945		300
Investments		26,486		77,570
Total noncurrent assets		1,622,587		2,791,376
Total assets	$	1,752,913	$	2,957,254
Liabilities and Equity				
Current liabilities:				
Accounts payable and accrued expenses	$	28,217	$	27,359
Current portion of long-term debt		34,324		1,316,439
Current interest payable				13,199
Convertible senior note payable				115,881
Deferred revenue		1,397		1,597
Current portion of lease obligations				176
Fair value of derivative instruments				6,975
Total current liabilities:		63,938		1,481,626
Noncurrent liabilities:				
Long-term lease obligations		390		3,114
Time charters acquired				84
Long-term debt		395,811		163,625
Total noncurrent liabilities		396,201		166,823
Total liabilities		460,139		1,648,449
Commitments and contingencies				
Equity:				
Genco Shipping & Trading Limited shareholders equity:				
				445

Predecessor Company common stock, par value $0.01; 100,000,000 shares authorized; 44,449,407 shares issued and outstanding at December 31, 2013				
Predecessor Company additional paid-in capital				846,658
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		
Successor Company additional paid-in capital		1,251,197		
Accumulated other comprehensive (loss) income		(25,317)		53,722
Retained (deficit) earnings		(182,294)		66,644
Total Genco Shipping & Trading Limited shareholders equity		1,044,201		967,469
Noncontrolling interest		248,573		341,336
Total equity		1,292,774		1,308,805
Total liabilities and equity	$	1,752,913	$	2,957,254

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited

Consolidated Statements of Operations

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

	Successor Period from July 9 to December 31, 2014 (restated)	Predecessor Period from January 1 to July 9, 2014	Year Ended December 31, 2013	2012
Revenues:				
Voyage revenues	$ 98,817	$ 118,759	$ 224,179	$ 223,159
Service revenues	1,584	1,701	3,285	3,294
Total revenues	100,401	120,460	227,464	226,453
Operating expenses:				
Voyage expenses	7,525	4,140	8,046	7,009
Vessel operating expenses	56,943	64,670	111,671	114,318
General, administrative and management fees	36,915	31,371	34,031	35,673
Depreciation and amortization	36,714	75,952	140,743	139,063
Other operating income	(530)		(121)	(265)
Goodwill impairment	166,067			
Total operating expenses	303,634	176,133	294,370	295,798
Operating loss	(203,233)	(55,673)	(66,906)	(69,345)
Other (expense) income:				
Other income (expense)	36	(106)	(76)	(29)
Interest income	46	45	75	378
Interest expense	(7,620)	(41,061)	(88,216)	(87,558)
Other expense	(7,538)	(41,122)	(88,217)	(87,209)
Loss before reorganization items, net	(210,771)	(96,795)	(155,123)	(156,554)
Reorganization items, net	(1,591)	882,167		
(Loss) income before income taxes	(212,362)	785,372	(155,123)	(156,554)
Income tax expense	(996)	(815)	(1,898)	(1,222)
Net (loss) income	(213,358)	784,557	(157,021)	(157,776)
Less: Net loss attributable to noncontrolling interest	(31,064)	(8,734)	(9,280)	(12,848)
Net (loss) income attributable to Genco Shipping & Trading Limited	$ (182,294)	$ 793,291	$ (147,741)	$ (144,928)
Net (loss) income per share-basic	$ (3.02)	$ 18.21	$ (3.42)	$ (3.47)
Net (loss) income per share-diluted	$ (3.02)	$ 18.21	$ (3.42)	$ (3.47)
Weighted average common shares outstanding-basic	60,360,515	43,568,942	43,249,070	41,727,075
Weighted average common shares outstanding-diluted	60,360,515	43,568,942	43,249,070	41,727,075
Dividends declared per share	$	$	$	$

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited

Consolidated Statements of Comprehensive (Loss) Income

(U.S. Dollars in Thousands)

	Successor Period from July 9 to December 31, 2014 (restated)	Predecessor Period from January 1 to July 9, 2014	Year Ended December 31, 2013	2012
Net (loss) income	$ (213,358)	$ 784,557	$ (157,021)	$ (157,776)
Change in unrealized (loss) gain on investments	(25,317)	(25,766)	56,482	(3,480)
Unrealized gain on cash flow hedges, net		2,401	9,081	9,188
Other comprehensive (loss) income	(25,317)	(23,365)	65,563	5,708
Comprehensive (loss) income	(238,675)	761,192	(91,458)	(152,068)
Less: Comprehensive loss attributable to noncontrolling interest	(31,064)	(8,734)	(9,280)	(12,848)
Comprehensive (loss) income attributable to Genco Shipping & Trading Limited	$ (207,611)	$ 769,926	$ (82,178)	$ (139,220)

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited

Consolidated Statements of Equity

(U.S. Dollars in Thousands)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained (Deficit) Earnings (restated)	Genco Shipping & Trading Limited Shareholders Equity (restated)	Noncontrolling Interest (restated)	Total Equity
Balance January 1, 2012 (Predecessor)	$ 363	$ 809,443	$ (17,549)	$ 359,349	$ 1,151,606	$ 210,012	$ 1,361,618
Net loss				(144,928)	(144,928)	(12,848)	(157,776)
Change in unrealized gain on investments			(3,480)		(3,480)		(3,480)
Unrealized gain on cash flow hedges, net			9,188		9,188		9,188
Issuance of 7,500,000 shares of common stock	75	49,799			49,874		49,874
Issuance of 464,175 shares of nonvested stock, less forfeitures of 1,500 shares	5	(5)					
Nonvested stock amortization		4,087			4,087	1,777	5,864
Cash dividends paid by Baltic Trading Limited				(30)	(30)	(4,051)	(4,081)
Vesting of restricted shares issued by Baltic Trading Limited		(21)			(21)	21	
Balance December 31, 2012 (Predecessor)	$ 443	$ 863,303	$ (11,841)	$ 214,391	$ 1,066,296	$ 194,911	$ 1,261,207
Net loss				(147,741)	(147,741)	(9,280)	(157,021)
Change in unrealized gain on investments			56,482		56,482		56,482
Unrealized gain on cash flow hedges, net			9,081		9,081		9,081
Issuance of 200,634 shares of nonvested stock, less forfeitures of 21,500 shares	2	(2)					
Nonvested stock amortization		2,924			2,924	1,558	4,482
Issuance of common stock of Baltic Trading Limited		(19,532)			(19,532)	155,695	136,163
Cash dividends paid by Baltic Trading Limited				(6)	(6)	(1,583)	(1,589)
		(35)			(35)	35	

Vesting of restricted shares issued by Baltic Trading Limited							
Balance December 31, 2013 (Predecessor)	$ 445	$ 846,658	$ 53,722	$ 66,644	$ 967,469	$ 341,336	$ 1,308,805
Net loss, exclusive of net gain from fresh-start adjustments				(124,107)	(124,107)	(8,734)	(132,841)
Unrealized loss on investments			(25,766)		(25,766)		(25,766)
Unrealized gain on cash flow hedges, net			2,401		2,401		2,401
Nonvested stock amortization		2,403			2,403	1,949	4,352
Cash dividends paid by Baltic Trading Limited		(5)			(5)	(2,041)	(2,046)
Vesting of restricted shares issued by Baltic Trading Limited		74			74	(74)	
Subtotal July 9, 2014 (Predecessor)	$ 445	$ 849,130	$ 30,357	$ (57,463)	$ 822,469	$ 332,436	$ 1,154,905
Net gain from fresh-start adjustments (see Note 21)				917,399	917,399		917,399
Balance July 9, 2014 (Predecessor)	$ 445	$ 849,130	$ 30,357	$ 859,936	$ 1,739,868	$ 332,436	$ 2,072,304
Fresh-start adjustments:							
Cancellation of Predecessor common stock	(445)	(849,130)			(849,575)		(849,575)
Elimination of Predecessor accumulated deficit and accumulated other comprehensive income			(30,357)	(859,936)	(890,293)		(890,293)
Elimination of Predecessor non-controlling interest						(332,436)	(332,436)
Issuance of new equity interest in connection with emergence from Chapter 11, including the $100 Million Rights Offering	603	1,232,397			1,233,000		1,233,000
Revaluation of non-controlling interest						279,069	279,069
Balance July 9, 2014 (Successor)	$ 603	$ 1,232,397	$	$	$ 1,233,000	$ 279,069	$ 1,512,069
Net loss				(182,294)	(182,294)	(31,064)	(213,358)
Unrealized loss on investments			(25,317)		(25,317)		(25,317)
Issuance of 131,017 shares of common stock	1	(1)					
Issuance of 1,110,600 shares of nonvested stock	11	(11)					
Nonvested stock amortization		18,854			18,854	1,551	20,405
Cash dividends paid by Baltic Trading Limited		(3)			(3)	(1,022)	(1,025)
Vesting of restricted shares issued by		(39)			(39)	39	

Baltic Trading Limited							
Balance December 31, 2014 (Successor)	$ 615	$ 1,251,197	$ (25,317)	$ (182,294)	$ 1,044,201	$ 248,573	$ 1,292,774

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited

Consolidated Statements of Cash Flows

(U.S. Dollars in Thousands)

	Successor	**Predecessor**		
	Period from July 9 to December 31, 2014	**Period from January 1 to July 9, 2014**	**Year Ended December 31, 2013**	**2012**
Cash flows from operating activities:				
Net (loss) income	$ (213,358)	$ 784,557	$ (157,021)	$ (157,776)
Adjustments to reconcile net (loss) income to net cash used in operating activities:				
Non-cash reorganization items and fresh-start reporting adjustments, net		(917,399)		
Goodwill impairment	166,067			
Depreciation and amortization	36,714	75,952	140,743	139,063
Amortization of deferred financing costs	845	4,461	9,116	5,413
Amortization of time charters acquired	450	(68)	(334)	(746)
Amortization of discount on Convertible Senior Notes		1,592	4,963	4,537
Receipt of stock in lieu of cash payment			(100)	
Interest expense related to the de-designation of the interest rate swap		1,048		
Unrealized loss (gain) on derivative instruments			4	(100)
Amortization of nonvested stock compensation expense	20,405	4,352	4,482	5,864
Change in assets and liabilities:				
(Increase) decrease in due from charterers	(1,545)	1,047	(2,527)	1,974
Decrease (increase) in prepaid expenses and other current assets	8,343	(11,735)	(919)	(437)
(Decrease) increase in accounts payable and accrued expenses	(39,170)	32,534	2,765	(4,880)
Increase (decrease) in deferred revenue	400	(600)	273	(2,903)
Increase in lease obligations	390	195	143	1,324
Deferred drydock costs incurred	(6,376)	(9,253)	(4,732)	(10,167)
Net cash used in operating activities	(26,835)	(33,317)	(3,144)	(18,834)
Cash flows from investing activities:				
Purchase of vessels, including deposits	(24,473)	(29,995)	(145,350)	(1,155)
Purchase of other fixed assets	(208)	(415)	(1,205)	(2,114)
Changes in deposits of restricted cash	(19,420)	(125)		(400)
Net cash used in investing activities	(44,101)	(30,535)	(146,555)	(3,669)
Cash flows from financing activities:				
Repayments on the 2007 Credit Facility				(118,588)
Repayments on the $100 Million Term Loan Facility	(3,846)	(3,846)		(15,385)
Repayments on the $253 Million Term Loan Facility	(5,075)	(10,150)		(40,600)
Proceeds on the 2010 Baltic Trading Credit Facility			1,000	
			22,000	

Proceeds from the Baltic Trading $22 Million Term Loan Facility				
Repayments on the Baltic Trading $22 Million Term Loan Facility	(750)	(750)	(375)	
Proceeds from the Baltic Trading $44 Million Term Loan Facility			44,000	
Repayments on the Baltic Trading $44 Million Term Loan Facility	(1,375)	(1,375)		
Proceeds from the 2014 Baltic Trading Term Loan Facilities	33,150			
Payment of dividend by subsidiary	(1,025)	(2,046)	(1,589)	(4,081)
Cash settlement of non-accredited Note holders	(484)			
Proceeds from Rights Offering		100,000		
Proceeds from issuance of common stock				50,721
Payment of common stock issuance costs				(847)
Proceeds from issuance of common stock by subsidiary			136,980	
Payment of common stock issuance costs by subsidiary		(111)	(706)	
Payment of deferred financing costs	(2,322)	(4,515)	(1,489)	(4,085)
Net cash provided by (used in) financing activities	18,273	77,207	199,821	(132,865)
Net (decrease) increase in cash and cash equivalents	(52,663)	13,355	50,122	(155,368)
Cash and cash equivalents at beginning of period	136,077	122,722	72,600	227,968
Cash and cash equivalents at end of period	$ 83,414	$ 136,077	$ 122,722	$ 72,600

See accompanying notes to consolidated financial statements.

Genco Shipping & Trading Limited

(U.S. Dollars in Thousands)

Notes to Consolidated Financial Statements

1 - GENERAL INFORMATION

The accompanying consolidated financial statements include the accounts of Genco Shipping & Trading Limited (GS&T), its wholly-owned subsidiaries, and its subsidiary, Baltic Trading Limited (collectively, the Company). The Company is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. GS&T is incorporated under the laws of the Marshall Islands and as of December 31, 2014, is the sole owner of all of the outstanding shares of the following subsidiaries: Genco Ship Management LLC; Genco Investments LLC; Genco RE Investments LLC; and the ship-owning subsidiaries as set forth below. As of December 31, 2014, Genco Ship Management LLC is the sole owner of all of the outstanding shares of Genco Management (USA) Limited.

Bankruptcy Filing

On April 21, 2014 (the Petition Date), GS&T and its subsidiaries other than Baltic Trading Limited and its subsidiaries (collectively, the Debtors) filed voluntary petitions for relief (the Chapter 11 Cases) under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code) in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). The Debtors continued to operate their businesses in the ordinary course as debtors-in-possession under the jurisdiction of the Bankruptcy Court in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. Through the Chapter 11 Cases, the Debtors implemented a Prepackaged Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code (the Prepack Plan) for which the Company solicited votes from certain classes of its creditors prior to commencement of the Chapter 11 Cases in accordance with the Restructuring Support Agreement that the Debtors entered into with certain of its creditors on April 3, 2014. The Company subsequently emerged from bankruptcy on July 9, 2014.

The filing of the Chapter 11 Cases constituted an event of default with respect to each of the following agreements or instruments:

- the Credit Agreement, dated as of July 20, 2007 (as amended to date), by and among the Company as borrower, 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, relating to approximately $1,055,912 of principal plus accrued and unpaid interest, fees, costs, and other expenses (the 2007 Credit Facility);

- the Loan Agreement, dated as of August 20, 2010 (as amended to date), by and among the Company as borrower, Genco Aquitaine Limited and the other subsidiaries of the Company named therein as guarantors, the banks and financial institutions named therein as lenders, BNP Paribas, Credit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG Filiale Deutschlandgeschaft, Skandinaviska Enskilda Banken AB (publ) as mandated lead arrangers, BNP Paribas, Credit Agricole Corporate and Investment Bank, DVB Bank SE, Deutsche Bank AG, Skandinaviska Enskilda Banken AB (publ) as swap providers, and Deutsche Bank Luxembourg S.A. as agent for the lenders and the assignee, relating to approximately $175,718 of principal and accrued and unpaid interest, fees, costs, and other expenses (the $253 Million Term Loan Facility);

- the Loan Agreement, dated as of August 12, 2010 (as amended to date), by and among the Company as borrower, Genco Ocean Limited and the other subsidiaries of the Company named therein as guarantors, the banks and financial institutions named therein as lenders, and Credit Agricole Corporate and Investment Bank as agent and security trustee, relating to approximately $73,561 of principal plus accrued and unpaid interest, fees, costs, and other expenses (the $100 Million Term Loan Facility);

- the Indenture and First Supplemental Indenture relating to $125,000 of principal plus accrued and unpaid interest outstanding of the Company s 5.00% Convertible Senior Notes (the 2010 Notes) due August 15, 2015 (the Indenture); and

- the outstanding interest rate swap with DNB Bank ASA, relating to a liability position of $5,622.

As a result of the filing of the Chapter 11 Cases, all indebtedness outstanding under the 2007 Credit Facility and the Indenture was accelerated and became due and payable, and indebtedness under the other agreements and instruments described above were accelerated and become due and payable upon notice to the Company, subject to an automatic stay of any action to collect, assert, or recover a claim against the Company or the other Debtors and the application of the applicable provisions of the Bankruptcy Code.

On July 2, 2014, the Bankruptcy Court entered an order (the Confirmation Order), confirming the First Amended Prepackaged Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code (the Plan). Capitalized terms used but not defined below shall have the meanings given to them in the Plan. On the July 9, 2014 (the Effective Date), the Debtors completed their financial restructuring and emerged from Chapter 11 through a series of transactions contemplated by the Plan, and the Plan became effective pursuant to its terms. References to Successor Company refer to the Company after July 9, 2014, after giving effect to the application of fresh-start reporting (see Financial Statement Presentation section below). References to Predecessor Company refer to the Company prior to July 9, 2014.

Key components of the Plan included:

- The conversion of 100% of the Claims under the 2007 Credit Facility into 81.1% of the Successor Company Common Stock (subject to dilution by the warrants issued under the Plan). On the Effective Date, the 2007 Credit Facility was terminated, and the liens and mortgages thereunder were released. Refer to Note 10 Debt for further information.

- The conversion of 100% of the Claims under the 2010 Notes into 8.4% of the Successor Company Common Stock (subject to dilution by the warrants issued under the Plan). On the Effective Date, the 2010 Notes and the Indenture were fully satisfied and discharged. Refer to Note 11 Convertible Senior Notes for further information.

- A fully backstopped Rights Offering for approximately 8.7% of the Successor Company Common Stock, in which holders of 2007 Credit Facility Claims were entitled to subscribe for up to 80% of the Successor Company Common Stock offered, and holders of the 2010 Notes Claims were entitled to subscribe for up to 20% of the Successor Company Common Stock being offered under the Rights Offering for an aggregate subscription price of $100,000.

- The amendment and restatement of the $253 Million Term Loan Facility and the $100 Million Term Loan Facility as of the Effective Date, with extended maturities, a financial covenant holiday and certain other amendments, as discussed further in Note 10 - Debt.

- The cancellation of the common stock of the Predecessor Company as of the Effective Date, with the holders thereof receiving warrants to acquire shares of the Successor Company Common Stock. Each of the Successor Company s Equity Warrants is exercisable for one share of the Successor Company s Common Stock, and holders received an aggregate of 3,938,298 of the Successor Company s Equity Warrants for the common stock of the Predecessor Company. The Successor Company s Equity Warrants in the aggregate are exercisable for approximately 6% of the Successor Company Common Stock (subject to dilution).

- Reinstatement, non-impairment or payment in full in the ordinary course of business during the pendency of the Chapter 11 Cases of all Allowed General Unsecured Claims, including Allowed Claims of trade vendors, suppliers, customers and charterers, per the approval by the Bankruptcy Court.

- The non-impairment of all other General Unsecured Claims under Section 1124 of the Bankruptcy Code.

- The establishment of the Genco Shipping & Trading Limited 2014 Management Incentive Plan (the MIP), which provides for the distribution of the Successor Company s MIP Primary Equity in the form of shares representing 1.8% of the Successor Company s Common Stock and three tiers of the Successor Company s MIP Warrants (MIP Warrants) with staggered strike prices based on increasing equity values to the participating officers, directors, and other management of the Successor Company. These awards were made on August 7, 2014. Refer to Note 24 Stock-Based Compensation.

Registration Rights Agreement

On the Effective Date, the Successor Company and the Registration Rights Parties entered into the Registration Rights Agreement. The Registration Rights Agreement provided the Registration Rights Parties who receive 10% or more of the Successor Company s Common Stock under the Plan with demand and piggyback registration rights. All other Registration Rights Parties have piggyback registration rights only.

Reorganization Value

The Plan as confirmed by the Bankruptcy Court estimated the reorganization value of the Debtors to be $1.23 billion. This reorganization value was determined by, among other things, vessel appraisals and other valuation methodologies as well as the Debtors equity interests in Baltic Trading and Jinhui Shipping, $100,000 of cash invested through the Rights Offering and approximately $250,000 of debt projected to be on the balance sheet of the Debtors. It also assumed that the Debtors would issue approximately 61.7 million primary shares of New Genco Common Stock valued at $20.00 per share (prior to dilution) in order to satisfy claims pursuant to the Plan.

The foregoing estimates of the post-confirmation equity value of the Debtors and the share price of New Genco Common Stock were based on a number of assumptions, including no material adverse changes in the spot rate market, no further ship arrests, the continuing employment of the Debtors vessels, the continuing service revenue from Baltic Trading and MEP, the Rights Offering, and other assumptions. Such valuation assumptions are not a prediction or reflection of post-confirmation trading prices of the Debtors common stock. Such securities may trade at substantially lower or higher prices because of a number of factors. The trading prices of securities issued under a plan of reorganization are subject to many unforeseen circumstances and therefore cannot be predicted.

Successor Company Equity Warrant Agreement

On the Effective Date, pursuant to the Plan, the Successor Company s Equity Warrants totaling 3,938,298 were issued pursuant to the terms of the Successor Company s Equity Warrant Agreement (the Equity Warrants). Each of the Equity Warrants has a 7-year term (commencing on the day following the Effective Date) and are exercisable for one share of the Successor Company s Common Stock. The Equity Warrants are exercisable on a cashless basis at an exercise price of $20.99 per share. The Successor Company s Equity Warrant Agreement contains customary anti-dilution adjustments in the event of any stock split, reverse stock split, stock dividend, reclassification, dividend or other distributions (including, but not limited to, cash dividends), or business combination transaction.

The Equity Warrants were distributed to holders of the common stock of the Predecessor Company, which was cancelled as of the Effective Date. Shares of common stock of the Predecessor Company issued to directors, officers and employees of Genco under compensatory plans that were unvested as of the Effective Date were deemed vested automatically on the Effective Date, so that all Equity Warrants received in exchange were therefore deemed vested. Refer to Note 24 Stock-Based Compensation for further information.

Financial Statement Presentation

Upon the Company s emergence from the Chapter 11 Cases on July 9, 2014, the Company adopted fresh-start reporting in accordance with provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 852, Reorganizations (ASC 852). Upon adoption of fresh-start reporting, the Company s assets and liabilities were recorded at their value as of the fresh-start reporting date. The fair values of the Company s assets and liabilities in conformance with ASC 805, Business Combinations, as of that date differed materially from the recorded values of its assets and liabilities as reflected in its historical consolidated financial statements. In addition, the Company s adoption of fresh-start reporting may materially affect its results of operations following the fresh-start reporting dates, as the Company will have a new basis in its assets and liabilities. Consequently, the Company s historical financial statements may not be reliable indicators of its financial condition and results of operations for any period after it adopted fresh-start reporting. As a result of the adoption of fresh-start reporting, the Company s consolidated balance sheets and consolidated statements of operations subsequent to July 9, 2014 will not be comparable in many respects to our consolidated balance sheets and consolidated statements of operations prior to July 9, 2014.

Under ASC 852, fresh-start reporting is required upon emergence from Chapter 11 if (i) the value of the assets of the emerging entity immediately before the date of confirmation is less than the total of all post-petition liabilities and allowed claims; and (ii) holders of existing voting shares immediately before confirmation receive less than 50% of the voting shares of the emerging entity. Accordingly, the Company qualified for and adopted fresh-start reporting as of the Effective Date. Adopting fresh-start reporting results in a new reporting entity with no beginning retained earnings or deficit. The cancellation of all existing shares outstanding on the Effective Date and issuance of new shares of the reorganized entity caused a related change of control of the Company under ASC 852.

The following fresh-start balance sheet illustrates the financial effects on the Company of the implementation of the Plan and the adoption of fresh-start reporting. This fresh-start balance sheet reflects the effect of the completion of the transactions included in the Plan, including the issuance of equity and the settlement of old indebtedness.

The effects of the Plan and fresh-start reporting on the Company s consolidated balance sheet are as follows:

		Fresh-Start Adjustments			
	Predecessor July 9, 2014	**Debt Discharge and Equity Issuance (a)**	**Reinstatement of Liabilities (b)**	**Revaluation of Assets and Liabilities (c)**	**Successor July 9, 2014**
Assets					
Current assets:					
Cash and cash equivalents	$ 48,551	$ 87,526	$	$	$ 136,077
Restricted cash	9,975				9,975
Due from charterers, net	13,194				13,194
Prepaid expenses and other current assets	30,800			(41)	30,759
Time charters acquired				450	450
Total current assets	102,520	87,526		409	190,455
Noncurrent assets:					
Vessels, net	2,604,731			(1,065,882)	1,538,849
Deposits on vessels	28,658			2,317	30,975
Deferred drydock, net	16,584			(16,396)	188
Deferred financing costs, net	18,953	(11,893)			7,060
Fixed assets, net	4,053			(3,443)	610
Other noncurrent assets	514				514
Restricted cash	300				300
Investments	51,804				51,804
Goodwill				166,067	166,067
Total noncurrent assets	2,725,597	(11,893)		(917,337)	1,796,367
Total assets	$ 2,828,117	$ 75,633	$	$ (916,928)	$ 1,986,822
Liabilities and Equity					
Current liabilities not subject to compromise:					
Accounts payable and accrued expenses	$ 60,333	$ (1,086)	$ 6,478	$	$ 65,725
Current portion of long-term debt	4,250		27,992		32,242
Deferred revenue	997				997
Time charters acquired	16			(16)	
Total current liabilities not subject to compromise	65,596	(1,086)	34,470	(16)	98,964
Noncurrent liabilities not subject to compromise:					
Long-term lease obligations	2,670			(2,670)	
Long-term debt	161,500		214,289		375,789
Total noncurrent liabilities not subject to compromises	164,170		214,289	(2,670)	375,789
Total liabilities subject to compromise	1,443,446	(1,194,687)	(248,759)		
Total liabilities	1,673,212	(1,195,773)		(2,686)	474,753
Equity:					
Genco Shipping & Trading Limited shareholders equity:					
Predecessor Common stock	445	(445)			
Predecessor Additional paid-in capital	849,130	(849,130)			
Successor Common stock		603			603
Successor Additional paid-in capital		1,232,397			1,232,397

Accumulated other comprehensive income	30,357	4,574		(34,931)	
Retained (deficit) earnings	(57,463)	936,774		(879,311)	
Total Genco Shipping & Trading Limited shareholders equity	822,469	1,324,773		(914,242)	1,233,000
Noncontrolling interest	332,436	(53,367)			279,069
Total equity	1,154,905	1,271,406		(914,242)	1,512,069
Total liabilities and equity	$ 2,828,117	$ 75,633	$	$ (916,928)	$ 1,986,822

(a) Debt Discharge and Equity Issuance This column reflects the following adjustments pursuant to the Plan:

- The discharge of the outstanding debt under the 2007 Credit Facility of $1,055,912.
- The discharge of the long-term interest payable due pursuant to the 2007 Credit Facility of $13,199.
- The discharge of the 2010 Notes liability of $117,473 and the bond coupon interest of $1,105.
- Receipt of the $100,000 rights offering pursuant to the Plan.
- The payment of interest expense accrued up until the Effective Date of $1,772, $59 and $156 for the 2007 Credit Facility, the $100 Million Term Loan Facility and the $253 Million Term Loan Facility, respectively.
- The paydown on the Effective Date of $1,923 and $5,075 for the $100 Million Term Loan Facility and $253 Million Term Loan Facility, respectively, which were due on the Effective Date as they were not paid during the pendency of the Chapter 11 Cases.
- The adjustment of net unamortized deferred financing fees of $15,383 for the 2007 Credit Facility, the 2010 Notes as well as the $100 Million and $253 Million Term Loan Facilities prior to the amendments and restatements as per the Plan.
- The payment of deferred financing fees of $3,490 for the Amended and Restated $100 Million and $253 Million Term Loan Facilities.
- Adjustment of equity of $1,271,406 to adjust for the cancellation of the old equity of the Predecessor Company and the issuance of the new equity for the Successor Company.

(b) Reinstatement of Liabilities This column reflects the reinstatement of the remaining Liabilities subject to compromise for the Predecessor Company which were not already adjusted in the Debt Discharge and Equity Issuance column. It includes the following adjustments:

- The reclassification of the debt outstanding under the Amended and Restated $100 Million Term Loan Facility. This includes $7,692 of current long-term debt and $63,946 of long-term debt.

- The reclassification of the debt outstanding under the Amended and Restated $253 Million Term Loan Facility. This includes $20,300 of current long-term debt and $150,343 of long-term debt.

- The reinstatement of $5,622 related to the termination of the interest rate swap agreement with DNB Bank ASA.

- The reinstatement of the $815 lease obligation.

- The reinstatement of $41 of pre-petition accounts payable due to vendors in the United States.

(c) Revaluation of Assets and Liabilities Fresh-start reporting adjustments are made to reflect asset values at their estimated fair value, including:

- Adjustment of $179 to prepaid amounts for the Predecessor Company.

- Adjustment to reflect the fair value of time charters acquired of $434.

- Adjustment of $1,083,404 to reflect the fair value of vessel assets, vessel deposits, drydocking assets and other fixed assets as of the Effective Date.

- Adjustment of $2,670 to reflect the fair value of the Company s current lease agreement which was previously recorded as long-term lease obligations. As of the Effective Date, the lease agreement has been valued at below market, therefore we have recorded in Prepaid expenses and other current assets an asset of $138 which will be amortized over the remaining life of the lease agreement.

- An adjustment of $166,067 to reflect the reorganization value of the Successor Company in excess of the fair value of assets, net of liabilities.

Other General Information

At December 31, 2014, 2013 and 2012, GS&T s fleet consisted of 53 vessels.

Below is the list of GS&T s wholly owned ship-owning subsidiaries as of December 31, 2014:

Wholly Owned Subsidiaries	**Vessel Acquired**	**Dwt**	**Delivery Date**	**Year Built**
Genco Reliance Limited	Genco Reliance	29,952	12/6/04	1999
Genco Vigour Limited	Genco Vigour	73,941	12/15/04	1999
Genco Explorer Limited	Genco Explorer	29,952	12/17/04	1999
Genco Carrier Limited	Genco Carrier	47,180	12/28/04	1998
Genco Sugar Limited	Genco Sugar	29,952	12/30/04	1998
Genco Pioneer Limited	Genco Pioneer	29,952	1/4/05	1999
Genco Progress Limited	Genco Progress	29,952	1/12/05	1999
Genco Wisdom Limited	Genco Wisdom	47,180	1/13/05	1997
Genco Success Limited	Genco Success	47,186	1/31/05	1997
Genco Beauty Limited	Genco Beauty	73,941	2/7/05	1999
Genco Knight Limited	Genco Knight	73,941	2/16/05	1999
Genco Leader Limited	Genco Leader	73,941	2/16/05	1999
Genco Marine Limited	Genco Marine	45,222	3/29/05	1996
Genco Prosperity Limited	Genco Prosperity	47,180	4/4/05	1997
Genco Muse Limited	Genco Muse	48,913	10/14/05	2001
Genco Acheron Limited	Genco Acheron	72,495	11/7/06	1999
Genco Surprise Limited	Genco Surprise	72,495	11/17/06	1998
Genco Augustus Limited	Genco Augustus	180,151	8/17/07	2007
Genco Tiberius Limited	Genco Tiberius	175,874	8/28/07	2007
Genco London Limited	Genco London	177,833	9/28/07	2007
Genco Titus Limited	Genco Titus	177,729	11/15/07	2007
Genco Challenger Limited	Genco Challenger	28,428	12/14/07	2003
Genco Charger Limited	Genco Charger	28,398	12/14/07	2005
Genco Warrior Limited	Genco Warrior	55,435	12/17/07	2005
Genco Predator Limited	Genco Predator	55,407	12/20/07	2005
Genco Hunter Limited	Genco Hunter	58,729	12/20/07	2007
Genco Champion Limited	Genco Champion	28,445	1/2/08	2006
Genco Constantine Limited	Genco Constantine	180,183	2/21/08	2008
Genco Raptor LLC	Genco Raptor	76,499	6/23/08	2007
Genco Cavalier LLC	Genco Cavalier	53,617	7/17/08	2007
Genco Thunder LLC	Genco Thunder	76,588	9/25/08	2007
Genco Hadrian Limited	Genco Hadrian	169,694	12/29/08	2008

Genco Commodus Limited	Genco Commodus	169,025	7/22/09	2009
Genco Maximus Limited	Genco Maximus	169,025	9/18/09	2009
Genco Claudius Limited	Genco Claudius	169,025	12/30/09	2010
Genco Bay Limited	Genco Bay	34,296	8/24/10	2010
Genco Ocean Limited	Genco Ocean	34,409	7/26/10	2010
Genco Avra Limited	Genco Avra	34,391	5/12/2011	2011
Genco Mare Limited	Genco Mare	34,428	7/20/2011	2011
Genco Spirit Limited	Genco Spirit	34,432	11/10/2011	2011
Genco Aquitaine Limited	Genco Aquitaine	57,981	8/18/10	2009
Genco Ardennes Limited	Genco Ardennes	57,981	8/31/10	2009
Genco Auvergne Limited	Genco Auvergne	57,981	8/16/10	2009
Genco Bourgogne Limited	Genco Bourgogne	57,981	8/24/10	2010
Genco Brittany Limited	Genco Brittany	57,981	9/23/10	2010
Genco Languedoc Limited	Genco Languedoc	57,981	9/29/10	2010
Genco Loire Limited	Genco Loire	53,416	8/4/10	2009
Genco Lorraine Limited	Genco Lorraine	53,416	7/29/10	2009
Genco Normandy Limited	Genco Normandy	53,596	8/10/10	2007
Genco Picardy Limited	Genco Picardy	55,257	8/16/10	2005
Genco Provence Limited	Genco Provence	55,317	8/23/10	2004

Genco Pyrenees Limited	Genco Pyrenees	57,981	8/10/10	2010
Genco Rhone Limited	Genco Rhone	58,018	3/29/2011	2011

On May 28, 2013, Baltic Trading Limited (Baltic Trading) closed an equity offering of 6,419,217 shares of Baltic Trading common stock at an offering price of $3.60 per share. Baltic Trading received net proceeds of $21,564 after deducting underwriters fees and expenses.

On September 25, 2013, Baltic Trading closed an equity offering of 13,800,000 shares of Baltic Trading common stock at an offering price of $4.60 per share. Baltic Trading received net proceeds of $59,474 after deducting underwriters fees and expenses.

On November 18, 2013, Baltic Trading closed an equity offering of 12,650,000 shares of Baltic Trading common stock at an offering price of $4.60 per share. Baltic Trading received net proceeds of $55,125 after deducting underwriters fees and expenses.

Baltic Trading was a wholly-owned indirect subsidiary of GS&T until Baltic Trading completed its initial public offering, or IPO, on March 15, 2010. As of December 31, 2014 and 2013, Genco Investments LLC owned 6,356,471 shares of Baltic Trading s Class B Stock, which represented an 10.85% and 11.05% ownership interest in Baltic Trading, respectively, and 64.60% and 65.08% of the aggregate voting power of Baltic Trading s outstanding shares of voting stock, respectively. Additionally, pursuant to the Subscription Agreement between Genco Investments LLC and Baltic Trading, for so long as GS&T directly or indirectly holds at least 10% of the aggregate number of outstanding shares of Baltic Trading s common stock and Class B stock, Genco Investments LLC will be entitled to receive an additional number of shares of Baltic Trading s Class B stock equal to 2% of the number of common shares issued in the future, other than shares issued under Baltic Trading s Equity Incentive Plans. As such, when Baltic Trading closed the equity offerings of 6,419,217 shares on May 28, 2013, 13,800,000 shares on September 25, 2013 and 12,650,000 shares on November 18, 2013 as noted above, GS&T was issued 128,383, 276,000 and 253,000 shares, respectively, of Baltic Trading s Class B Stock which represents 2% of the number of common shares issued.

Below is the list of Baltic Trading s wholly owned ship-owning subsidiaries as of December 31, 2014:

Baltic Trading s Wholly Owned Subsidiaries	**Vessel Acquired**	**Dwt**	**Delivery Date**	**Year Built**
Baltic Leopard Limited	Baltic Leopard	53,447	4/8/10	2009
Baltic Panther Limited	Baltic Panther	53,351	4/29/10	2009
Baltic Cougar Limited	Baltic Cougar	53,432	5/28/10	2009
Baltic Jaguar Limited	Baltic Jaguar	53,474	5/14/10	2009
Baltic Bear Limited	Baltic Bear	177,717	5/14/10	2010
Baltic Wolf Limited	Baltic Wolf	177,752	10/14/10	2010
Baltic Wind Limited	Baltic Wind	34,409	8/4/10	2009
Baltic Cove Limited	Baltic Cove	34,403	8/23/10	2010
Baltic Breeze Limited	Baltic Breeze	34,386	10/12/10	2010
Baltic Fox Limited	Baltic Fox	31,883	9/6/13	2010
Baltic Hare Limited	Baltic Hare	31,887	9/5/13	2009
Baltic Lion Limited	Baltic Lion	179,185	12/27/13	2012
Baltic Tiger Limited	Baltic Tiger	179,185	11/26/13	2011
Baltic Hornet Limited	Baltic Hornet	63,574	10/29/14	2014
Baltic Wasp Limited	Baltic Wasp	63,389	1/2/15	2015
Baltic Scorpion Limited	Baltic Scorpion	64,000	Q2 2015 (1)	2015 (1)
Baltic Mantis Limited	Baltic Mantis	64,000	Q3 2015 (1)	2015 (1)

(1) Built dates and delivery dates for vessels being delivered in the future are estimates based on guidance received from the sellers and the respective shipyards.

The Company provides technical services for drybulk vessels purchased by Maritime Equity Partners (MEP). Peter C. Georgiopoulos, Chairman of the Board of Directors of GS&T, controls and has a minority interest in 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 was provided for an initial term of one year. MEP has the right to cancel provision of services on 60 days notice with payment of a one-year termination fee upon a change in control of the Company. The Company may terminate provision of the services at any time on 60 days notice.

On February 28, 2012, the Company closed on an equity offering of 7,500,000 shares of common stock at an offering price of $7.10 per share. The Company received net proceeds of $49,874 after deducting underwriters fees and expenses.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which include the accounts of GS&T, its wholly-owned subsidiaries and Baltic Trading, a subsidiary in which the Company owns a majority of the voting interests and exercises control. All intercompany accounts and transactions have been eliminated in consolidation.

Basis of reporting

The consolidated financial statements have been prepared on a going concern basis as the Company believes that internally generated cash flow and cash on hand will be sufficient to fund the operations of the Company s fleet, including its working capital requirements, for the next twelve months, subject to the resolution of the foregoing issue related to the Company s credit facilities, refer to Note 10 Debt. The Company s current and future liquidity will greatly depend upon the Company s operating results. The Company s ability to continue to meet its liquidity needs is subject to, and will be affected by; cash utilized in operations; the economic or business environment in which the Company operates; weakness in shipping industry conditions; the financial condition of the Company s customers, vendors and service providers; the Company s ability to comply with the financial and other covenants of its post-restructuring indebtedness; and other factors. Additionally, the Chapter 11 Cases, including the fact that the Company has been subject to bankruptcy proceedings, and related matters could negatively impact the Company s financial condition.

Business geographics

The Company s vessels regularly move between countries in international waters, over hundreds of trade routes and, as a result, the disclosure of geographic information is impracticable.

Vessel acquisitions

When the Company enters into an acquisition transaction, it determines whether the acquisition transaction was the purchase of an asset or a business based on the facts and circumstances of the transaction. As is customary in the shipping industry, the purchase of a vessel is normally treated as a purchase of an asset as the historical operating data for the vessel is not reviewed nor is it material to the Company s decision to make such acquisition.

When a vessel is acquired with an existing time charter, the Company allocates the purchase price to the vessel and the time charter based on, among other things, vessel market valuations and the present value (using an interest rate which reflects the risks associated with the acquired charters) of the difference between (i) the contractual amounts to be paid pursuant to the charter terms and (ii) management s estimate of the fair market charter rate, measured over a period equal to the remaining term of the charter. The capitalized above-market (assets) and below-market (liabilities) charters are amortized as a reduction or increase, respectively, to revenues over the remaining term of the charter.

Segment reporting

The Company has two reportable segments, GS&T and Baltic Trading, which are both engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. Refer to Note 3 Segment Information for further information.

Revenue and voyage expense recognition

Since the Company s inception, revenues have been generated from time charter agreements, pool agreements and spot market-related time charters. A time charter involves placing a vessel at the charterer s disposal for a set period of time during which the charterer may use the vessel in return for the payment by the charterer of a specified daily hire rate, including any ballast bonus payments received pursuant to the time charter agreement. Spot market-related time charters are the same as other time charter agreements, except the time charter rates are variable and are based on a percentage of the average daily rates as published by the Baltic Dry Index (BDI). Voyage revenues also include the sale of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

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 the Company. At the inception of a time charter, the Company records 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. These differences in bunkers resulted in a net (gain) loss of $852 during the period from July 9 to December 31, 2014 for the Successor Company. During the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, the Predecessor Company recorded net (gains) losses of ($252), ($567) and ($1,714), respectively. Additionally, voyage expenses include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

The Company records time charter revenues over the term of the charter as service is provided. Revenues are recognized on a straight-line basis as the average revenue over the term of the respective time charter agreement. The Company records spot market-related time charter revenues over the term of the charter as service is provided based on the rate determined based on the BDI for each respective billing period. As such, the revenue earned by the Company s vessels that are on spot market-related time charters is subject to fluctuations of the spot market. The Company recognizes voyage expenses when incurred.

Four of the Company s vessels, the Genco Ocean, Genco Bay, Genco Avra and Genco Spirit, were chartered under spot market-related time charters which include a profit-sharing element. The time charters for the Genco Ocean and Genco Bay ended during August 2013 and March 2013, respectively. The time charters for the Genco Avra and Genco Spirit ended during March 2014 and November 2014, respectively. Under these charter agreements, the rate for the spot market-related time charter was linked with a floor of $9 and a ceiling of $14 daily with a 50% profit sharing arrangement to apply to any amount above the ceiling. The rate was based on 115% of the average of the daily rates reflected in the daily reports of the Baltic Handysize Index.

At December 31, 2014 and 2013, eight and five of GS&T s vessels were in vessel pools, respectively. Additionally, at December 31, 2014 and 2013, five and four of Baltic Trading s vessels were in vessel pools, respectively. At December 31, 2014, GS&T and Baltic Trading had five and two vessels, respectively, operating in the Clipper Logger Pool, a vessel pool trading in the spot market for which Clipper Group acts as the pool manager. Additionally, at December 31, 2014, GS&T and Baltic Trading had two and three vessels, respectively, operating in the Bulkhandling Handymax A/S Pool, a vessel pool trading in the spot market for which Torvald Klaveness acts as pool manager. Lastly, as of December 31, 2014, GS&T had one vessel operating in the Navig8 Bulk Pool, a vessel pool trading in the spot market for which Navig8 Inc. acts as the pool manager. At December 31, 2013, GS&T and Baltic Trading had two and two vessels, respectively, operating in the Clipper Logger Pool. Additionally, at December 31, 2013, Baltic Trading had two vessels operating in the Bulkhandling Handymax A/S Pool. Lastly, at December 31, 2013, GS&T had three vessels operating in the LB/IVS Pool, a vessel pool trading in the spot market for which Lauritzen Bulkers A/S acts as the pool manager. Under pool arrangements, the vessels operate under a time charter agreement whereby the cost of bunkers and port expenses are borne by the pool and operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel. Since the members of the pool share in the revenue less voyage expenses generated by the entire group of vessels in the pool, and the pool operates in the spot market, the revenue earned by these vessels is subject to the fluctuations of the spot market. The Company recognizes revenue from these pool arrangements based on its portion of the net distributions reported by the relevant pool, which represents the net voyage revenue of the pool after voyage expenses and pool manager fees.

Other operating income

During the period from July 9 to December 31, 2014, the Successor Company recorded other operating income of $530. During the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, the Predecessor Company recorded other operating income of $0, $121 and $265 respectively. Other operating income recorded by the Successor Company during the period from July 9 to December 31, 2014 and by the Predecessor Company during the year ended December 31, 2012 consists of $530 and $263, respectively, related to installments due from Samsun Logix Corporation (Samsun) pursuant to the rehabilitation plan which was approved by the South Korean courts. Other operating income recorded by the Predecessor Company during the years ended December 31, 2013 and 2012 also included $21 and $2, respectively, related to the settlement due from Korea Line Corporation (KLC) pursuant to the rehabilitation plan which was approved by the South Korean courts. Lastly, other operating income during the year ended December 31, 2013 included $100 related to the receipt of 3,355 shares of stock of KLC as part of the aforementioned rehabilitation plan. This investment has been designated as Available for Sale (AFS). Refer to Note 22 Commitments and Contingencies for further information regarding the bankruptcy settlements with Samsun and KLC and Note 7 Investments for further information regarding the investment in KLC shares.

Due from charterers, net

Due from charterers, net includes accounts receivable from charters, net of the provision for doubtful accounts. At each balance sheet date, the Company records the provision based on a review of all outstanding charter receivables. Included in the standard time charter contracts with the Company s customers are certain performance parameters which, if not met, can result in customer claims. As of December 31, 2014 and 2013, the Company had a reserve of $1,588 and $632, respectively, against the due from charterers balance and an additional accrual of $662 and $536, respectively, in deferred revenue, each of which is primarily associated with estimated customer claims against the Company including vessel performance issues under time charter agreements.

Revenue is based on contracted charterparties. However, there is always the possibility of dispute over terms and payment of hires and freights. In particular, disagreements may arise concerning the responsibility of lost time and revenue. Accordingly, the Company periodically assesses the recoverability of amounts outstanding and estimates a provision if there is a possibility of non-recoverability. The Company believes its provisions to be reasonable based on information available.

Inventories

Inventories consist of consumable bunkers, lubricants and victualling stores, which are stated at the lower of cost or market value and are recorded in Prepaid expenses and other current assets. Cost is determined by the first in, first out method.

Vessel operating expenses

Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the cost of spares and consumable stores, and other miscellaneous expenses. Vessel operating expenses are recognized when incurred.

Vessels, net

Vessels, net is stated at cost less accumulated depreciation. Included in vessel costs are acquisition costs directly attributable to the acquisition of a vessel and expenditures made to prepare the vessel for its initial voyage. The Company also capitalizes interest costs for a vessel under construction as a cost that is directly attributable to the acquisition of a vessel. Vessels are depreciated on a straight-line basis over their estimated useful lives, determined to be 25 years from the date of initial delivery from the shipyard. Depreciation expense for vessels for the period from July 9 to December 31, 2014 for the Successor Company was $36,265. Depreciation expense for vessels for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012 for the Predecessor Company was $71,756, $133,562, and $133,111, respectively.

Depreciation expense is calculated based on cost less the estimated residual scrap value. The costs of significant replacements, renewals and betterments are capitalized and depreciated over the shorter of the vessel s remaining estimated useful life or the estimated life of the renewal or betterment. Undepreciated cost of any asset component being replaced that was acquired after the initial vessel purchase is written off as a component of vessel operating expense. Expenditures for routine maintenance and repairs are expensed as incurred. Scrap value is estimated by the Company by taking the cost of steel times the weight of the ship noted in lightweight tons (lwt). Effective July 9, 2014, on the Effective Date, the Company increased the estimated scrap value of the vessels from $245 per lwt to $310 per lwt prospectively based on the 15-year average scrap value of steel. The change in the estimated scrap value will result in a decrease in depreciation expense over the remaining life of the vessel assets. During the period from July 9 to December 31, 2014, the increase in the estimated scrap value resulted in a decrease in depreciation expense of $1,540 for the Successor Company. The decrease in depreciation expense resulted in a $0.03 change to the basic and diluted net loss per share during the period from July 9 to December 31, 2014. The basic and diluted net loss per share would have been ($3.05) per share if there was no change in the estimated scrap value.

Fixed assets, net

Fixed assets, net are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are based on a straight line basis over the estimated useful life of the specific asset placed in service. The following table is used in determining the typical estimated useful lives:

Description	**Useful lives**
Leasehold improvements	Lesser of the estimated useful life of the asset or life of the lease
Furniture, fixtures & other equipment	5 years
Vessel equipment	2-15 years
Computer equipment	3 years

Depreciation and amortization expense for fixed assets for the period from July 9 to December 31, 2014 for the Successor Company was $119. Depreciation and amortization expense for fixed assets for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012 for the Predecessor Company was $458, $1,481 and $888, respectively.

Deferred drydocking costs

The Company s vessels are required to be drydocked approximately every 30 to 60 months for major repairs and maintenance that cannot be performed while the vessels are operating. The Company defers the costs associated with the drydockings as they occur and amortizes these costs on a straight-line basis over the period between drydockings. Costs deferred as part of a vessel s drydocking include actual costs incurred at the drydocking yard; cost of travel, lodging and subsistence of personnel sent to the drydocking site to supervise; and the cost of hiring a third party to oversee the drydocking. If the vessel is drydocked earlier than originally anticipated, any remaining deferred drydock costs that have not been amortized are expensed at the end of the next drydock.

Amortization expense for drydocking for the period from July 9 to December 31, 2014 for the Successor Company was $330. Amortization expense for drydocking for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012 for the Predecessor Company was $3,738, $5,700, and $5,064, respectively. All other costs incurred during drydocking are expensed as incurred.

Goodwill

The Company follows the provisions of ASC Subtopic 350-20, Intangibles - Goodwill and Other (ASC 350-20). This statement requires that goodwill and intangible assets with indefinite lives be tested for impairment at least annually or when there is a triggering event and written down with a charge to operations when the carrying amount of the reporting unit that includes goodwill exceeds the estimated fair value of the reporting unit. If the carrying value of the goodwill exceeds the reporting unit s implied goodwill, such excess must be written off.

The Company recorded Goodwill of $166,067 upon adoption of fresh-start reporting in accordance with provisions of ASC 852 as of the Effective Date. Pursuant to the Company s annual goodwill impairment testing performed as of December 31, 2014, it was determined that the entire amount of this goodwill was impaired. Refer to Note 5 Goodwill Impairment.

Impairment of long-lived assets

The Company follows ASC Subtopic 360-10, Property, Plant and Equipment (ASC 360-10), which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts. If indicators of impairment are present, the Company performs an analysis of the anticipated undiscounted future net cash flows of the related long-lived assets. If the carrying value of the related asset exceeds the undiscounted cash flows, the carrying value is reduced to its fair value. Various factors including anticipated future charter rates, estimated scrap values, future drydocking costs and estimated vessel operating costs are included in this analysis.

For the periods from July 9 to December 31, 2014 and from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, no impairment charges were recorded on the Company s long-lived assets.

As part of fresh-start reporting, the Company revalued its vessel assets at their fair values as of the Effective Date and the losses were recorded in Reorganization items, net in the Consolidated Statements of Operation.

Deferred financing costs

Deferred financing costs, included in other assets, consist of fees, commissions and legal expenses associated with securing loan facilities and other debt offerings and amending existing loan facilities. These costs are amortized over the life of the related debt and are included in interest expense.

Cash and cash equivalents

The Company considers highly liquid investments such as money market funds and certificates of deposit with an original maturity of three months or less to be cash equivalents.

Investments

The Company holds an investment in the capital stock of Jinhui Shipping and Transportation Limited (Jinhui) and in 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. The investments in Jinhui and KLC have been designated as AFS and are reported at fair value, with unrealized gains and losses recorded in equity as a component of accumulated other comprehensive income (loss) (AOCI). The Company classifies the investments as current or noncurrent assets based on the Company s intent to hold the investments at each reporting date.

Investments are reviewed quarterly to identify possible other-than-temporary impairment in accordance with ASC Subtopic 320-10, Investments Debt and Equity Securities (ASC 320-10). When evaluating its investments, the Company reviews factors such as the length of time and extent to which fair value has been below the cost basis, the financial condition of the issuer, the underlying net asset value of the issuers assets and liabilities, and the Company s ability and intent to hold the investment for a period of time which may be sufficient for anticipated recovery in market value. Should the decline in the value of any investment be deemed to be other-than-temporary, the investment basis would be written down to fair market value, and the write-down would be recorded to earnings as a loss. Refer to Note 7 Investments.

Income taxes

Pursuant to Section 883 of the U.S. Internal Revenue Code of 1986 (as amended) (the Code), qualified income derived from the international operations of ships is excluded from gross income and exempt from U.S. federal income tax if a company engaged in the international operation of ships meets certain requirements (the Section 883 exemption). Among other things, in order to qualify, the Company must be incorporated in a country that grants an equivalent exemption to U.S. corporations and must satisfy certain qualified ownership requirements.

GS&T is incorporated in the Marshall Islands. Pursuant to the income tax laws of the Marshall Islands, GS&T is not subject to Marshall Islands income tax. The Marshall Islands has been officially recognized by the Internal Revenue Service as a qualified foreign country that currently grants the requisite equivalent exemption from tax. GS&T is not taxable in any other jurisdiction, with the exception of Genco Management (USA) Limited as noted below.

GS&T will qualify for the Section 883 exemption if, among other things, (i) GS&T stock is treated as primarily and regularly traded on an established securities market in the United States (the publicly traded test), or (ii) GS&T satisfies one of two other ownership tests. Under applicable Treasury Regulations, the publicly-traded test cannot be satisfied in any taxable year in which persons who actually or constructively own 5% or more of our stock (5% shareholders), together own 50% or more of GS&T s stock for more than half the days in such year (the five percent override rule), unless an exception applies.

Based on the ownership and trading of GS&T stock in 2014, management believes that GS&T satisfied the publicly traded test and qualified for the Section 883 exemption in 2014. However, as a result of the restructuring of GS&T s indebtedness pursuant to the Plan, 5% shareholders may beneficially own more than 50% of GS&T stock for more than half of 2015. As a result, the five percent override rule may apply, and management believes that GS&T would have significant difficulty in satisfying an exception thereto. It is also not clear whether GS&T will satisfy one of the other two ownership tests. Thus, GS&T may not qualify for the Section 883 exemption in 2015. Even if GS&T does qualify for the Section 883 exemption in 2015, there can be no assurance that changes and shifts in the ownership of GS&T stock by 5% shareholders will not preclude GS&T from qualifying for the Section 883 exemption in future taxable years.

If GS&T does not qualify for the Section 883 exemption, GS&T s U.S. source shipping income, i.e., 50% of its gross shipping income attributable to transportation beginning or ending in the U.S. (but not both beginning and ending in the U.S.) would be subject to a 4% tax without allowance for deductions (the U.S. gross transportation tax).

Baltic Trading is also incorporated in the Marshall Islands and its stock is primarily traded on an established securities market in the U.S. However, GS&T has indirectly owned shares of Baltic Trading s Class B Stock which has provided GS&T with over 50% of the combined voting power of all classes of Baltic Trading s voting stock since Baltic Trading s IPO was completed on March 15, 2010. As a result, Baltic Trading s Class B Stock will not be treated as regularly traded and Baltic Trading will not satisfy the publicly traded test (and cannot satisfy one of the other two ownership tests). Thus, Baltic Trading does not qualify for a Section 883 exemption. As such, Baltic Trading is subject to U.S. gross transportation income tax on its U.S. source shipping income.

During the period from July 9 to December 31, 2014, Baltic Trading had U.S. source shipping income of $450. Baltic Trading s estimated U.S. gross transportation income tax expense for the period from July 9 to December 31, 2014 was $18. During the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, Baltic Trading had U.S. source shipping income of $965, $832 and $690, respectively. Baltic Trading s U.S. gross transportation income tax expense for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012 was $39, $34 and $28, respectively.

In addition to GS&T s shipping income and pursuant to certain agreements, GS&T technically and commercially manages vessels for Baltic Trading, and provides technical management of vessels for MEP in exchange for fees. These management services are performed by Genco Management (USA) Limited (Genco (USA)), which has elected to be classified (and taxed) as a corporation for U.S. federal income tax purposes. As such, Genco (USA) is subject to U.S. federal net income tax (currently imposed at graduated rates of up to 35%) on its worldwide net income, including the net income derived from providing these management services. Genco (USA) has entered into a cost-sharing agreement with the Company and Genco Ship Management LLC, collectively Manco, pursuant to which Genco (USA) agrees to reimburse Manco for the costs incurred by Genco (USA) for the use of Manco s personnel and services in connection with the provision of management services for both Baltic Trading and MEP s vessels.

Total revenue earned by the Successor Company for management services during the period from July 9 to December 31, 2014 was $3,893, of which $2,309 was eliminated upon consolidation. After allocation of certain expenses, there was taxable net income of $2,178 associated with these activities for the period from July 9 to December 31, 2014. This resulted in estimated U.S. federal net income tax expense of $978 for the period from July 9 to December 31, 2014.

Total revenue earned by the Predecessor Company for management services during the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012 was $3,857, $7,856 and $6,110, respectively, of which $2,156, $4,571 and $2,816, respectively, was eliminated upon consolidation. After allocation of certain expenses, there was taxable net income of $1,723 associated with these activities for the period from January 1 to July 9, 2014. This resulted in estimated U.S. federal net income tax expense of $776 for the period from January 1 to July 9, 2014. After allocation of certain expenses, there was taxable net income of $4,235 associated with these activities for the year ended December 31, 2013. This resulted in estimated U.S. federal net income tax expense of $1,864 for the year ended December 31, 2013. After allocation of certain expenses, there was taxable net income of $2,655 associated with these activities for the year ended December 31, 2012. This resulted in estimated U.S. federal net income tax expense of $1,194 for the year ended December 31, 2012.

Deferred revenue

Deferred revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as income when earned. Additionally, deferred revenue includes estimated customer claims mainly due to time charter performance issues. Refer to Revenue and voyage expense recognition above for description of the Company s revenue recognition policy.

Comprehensive income

The Company follows ASC Subtopic 220-10, Comprehensive Income (ASC 220-10), which establishes standards for reporting and displaying comprehensive income and its components in financial statements. Comprehensive income is comprised of net income and amounts related to the Company s interest rate swaps accounted for as hedges, as well as unrealized gains or losses associated with the Company s AFS investments.

Nonvested stock awards

The Company follows ASC Subtopic 718-10, Compensation Stock Compensation (ASC 718-10), for nonvested stock issued under its equity incentive plans. Stock-based compensation costs from nonvested stock have been classified as a component of additional paid-in capital.

Accounting estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include vessel valuations, the valuation of amounts due from charterers, performance claims, residual value of vessels, useful life of vessels and the fair value of derivative instruments. Actual results could differ from those estimates.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk are amounts due from charterers, cash and cash equivalents, deposits on vessels and interest rate swap agreements. With respect to amounts due from charterers, the Company attempts to limit its credit risk by performing ongoing credit evaluations and, when deemed necessary, requires letters of credit, guarantees or collateral. The Successor Company earned 100% of revenues from 44 customers during the period from July 9 to December 31, 2014. The Predecessor Company earned 100% of revenues from 33 customers during the period from January 1 to July 9, 2014, 48 customers during the year ended December 31, 2013 and 43 customers during the year ended December 31, 2012. Management does not believe significant risk exists in connection with the Company s concentrations of credit at December 31, 2014 and 2013.

For the period from July 9 to December 31, 2014 for the Successor Company, there were two customers that individually accounted for more than 10% of voyage revenues; Cargill International S.A., including its subsidiaries (Cargill) and Swissmarine Services S.A., including its subsidiaries (Swissmarine), which represented 17.06% and 22.52% of voyage revenues, respectively. For the period from January 1 to July 9, 2014 for the Predecessor Company, there were two customers that individually accounted for more than 10% of voyage revenues; Cargill and Swissmarine, which represented 19.37% and 20.67% of voyage revenues, respectively. For the year ended December 31, 2013 for the Predecessor Company, there were three customers that individually accounted for more than 10% of voyage revenues; Cargill, Swissmarine and Pacific Basin Chartering Ltd., which represented 21.45%, 18.73% and 10.30% of voyage revenues, respectively. For the year ended December 31, 2012 for the Predecessor Company, there was one customer that individually accounted for more than 10% of voyage revenues, Cargill, which represented 31.27% of voyage revenues.

At December 31, 2014 and 2013, deposits on vessels consist primarily of progress payments due by Baltic Trading to the shipyard as per the newbuilding contracts with Yangfan Group Co., Ltd. These payments are not held in an escrow account; however, Baltic Trading has a refund guarantee with the Bank of China in the case that Yangfan Group Co., Ltd. does not perform as required by the newbuilding contracts. Refer to Note 6 Vessel Acquisitions for further information.

At December 31, 2014 and 2013, the Company maintains all of its cash and cash equivalents with three and four financial institutions, respectively. None of the Company s cash and cash equivalent balances is covered by insurance in the event of default by these financial institutions.

At December 31, 2013, the Company had four interest rate swap agreements with DnB Bank ASA to manage interest costs and the risk associated with changing interest rates related to the 2007 Credit Facility. None of the interest rate swap agreements were covered by insurance in the event of default by this financial institution. On April 30, 2014, the remaining interest rate swap agreement was terminated by DNB Bank ASA and a secure claim was filed with the Bankruptcy Court. Refer to Note 1 General Information for additional information regarding defaults related to the interest rate swap. There were no interest rate swaps held by the Company at December 31, 2014.

Fair value of financial instruments

The estimated fair values of the Company s financial instruments, such as amounts due to / due from charterers, accounts payable and long-term debt, approximate their individual carrying amounts as of December 31, 2014 and 2013 due to their short-term maturity or the variable-rate nature of the respective borrowings under the credit facilities.

The fair value of the interest rate swaps is the estimated amount the Company would receive or have to pay in order to terminate these agreements at the reporting date, taking into account current interest rates and the creditworthiness of the counterparty for assets and creditworthiness of the Company for liabilities. See Note 14 - Fair Value of Financial Instruments for additional disclosure on the fair values of long term debt, convertible senior notes, derivative instruments, and AFS securities.

Derivative financial instruments

Interest rate risk management

The Company is exposed to the impact of interest rate changes. The Company s objective is to manage the impact of interest rate changes on its earnings and cash flow in relation to borrowings primarily for the purpose of acquiring drybulk vessels. These borrowings are subject to a variable borrowing rate. Up until the Effective Date, the Company used pay-fixed receive-variable interest rate swaps to manage future interest costs and the risk associated with changing interest rate obligations. These swaps were designated as cash flow hedges of future variable rate interest payments and were tested for effectiveness on a quarterly basis. Refer to Note 12 Interest Rate Swap Agreements for further information regarding the interest rate swaps that were held by the Company prior to the Effective Date.

The differential to be paid or received for the effectively hedged portion of any swap agreement was recognized as an adjustment to interest expense as incurred. Additionally, the changes in value for the portion of the swaps that were effectively hedging future interest payments were reflected as a component of AOCI.

For the interest rate swaps that are not designated as an effective hedge, the change in the value and the rate differential to be paid or received was recognized as other expense and is listed as a component of other (expense) income in the Consolidated Statements of Operations.

Recent accounting pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle is that a company should recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, and shall be applied either retrospectively to each period presented or as a cumulative effect adjustment as of the date of adoption. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In February 2013, the FASB issued Accounting Standards Update No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income (ASU 2013-02), to improve the transparency of changes in other comprehensive income (loss) (OCI) and items reclassified out of accumulated other income (loss) (AOCI). The amendments in ASU 2013-02 are required to be applied prospectively and are effective for reporting periods beginning after December 15, 2012. The adoption of ASU 2013-02 did not have any impact on the Company s consolidated financial statements other than separately disclosing in the footnotes to the consolidated financial statements amounts reclassified out of AOCI and the individual line items in the Consolidated Statement of Operations that are affected. The Company adopted ASU 2013-02 during the year ended December 31, 2013 and the impact of adoption was not material to the Company s consolidated financial statements. Refer to Note 13 Accumulated Other Comprehensive Income (Loss) for additional disclosure.

3 - SEGMENT INFORMATION

The Company determines its reportable segments based on the information utilized by the chief operating decision maker to assess performance and make decisions about allocating the Company s resources. Based on this information, the Company has two reportable operating segments, GS&T and Baltic Trading. Both GS&T and Baltic Trading are engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. GS&T and Baltic Trading seek to deploy their vessels on time charters, spot market-related time charters or in vessel pools trading in the spot market. Segment results are evaluated based on net (loss) income. Additionally, the debt covenants for the credit facilities are measured separately for GS&T and Baltic Trading. The accounting policies applied to the reportable segments are the same as those used in the preparation of the Company s consolidated financial statements. As a result of the adoption of fresh-start reporting on the Effective Date, the cost basis for certain of Baltic Trading s assets were revalued and are reflected in the Baltic Trading balances in the segment information reported below.

The following table presents a reconciliation of total voyage revenue from external (third party) customers for the Company s two operating segments to total consolidated voyage revenue from external customers for the Successor Company for the period from July 9 to December 31, 2014 and for the Predecessor Company for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012.

	Successor Period from July 9 to December 31, 2014	Predecessor Period from January 1 to July 9, 2014	For the Years Ended December 31, 2013	2012
Voyage revenue from external customers				
GS&T	$ 77,885	$ 94,171	$ 188,206	$ 195,855
Baltic Trading	20,932	24,588	35,973	27,304
Total operating segments	98,817	118,759	224,179	223,159
Eliminating revenue				
Total consolidated voyage revenue from external customers	$ 98,817	$ 118,759	$ 224,179	$ 223,159

The following table presents a reconciliation of total intersegment revenue, which eliminates upon consolidation, for the Company s two operating segments for the Successor Company for the period from July 9 to December 31, 2014 and for the Predecessor Company for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012. The intersegment revenue noted in the following table represents revenue earned by GS&T pursuant to the management agreement entered into with Baltic Trading, which includes commercial service fees, technical service fees and sale and purchase fees, if any.

	Successor	Predecessor		
	Period from July 9 to December 31, 2014	Period from January 1 to July 9, 2014	For the Years Ended December 31, 2013	2012
Intersegment Revenue				
GS&T	$ 2,309	$ 2,156	$ 4,571	$ 2,816
Baltic Trading				
Total operating segments	2,309	2,156	4,571	2,816
Eliminating revenue	(2,309)	(2,156)	(4,571)	(2,816)
Total consolidated intersegment revenue	$	$	$	$

The following table presents a reconciliation of total depreciation and amortization expense for the Company s two operating segments to total consolidated depreciation and amortization expense for the Successor Company for the period from July 9 to December 31, 2014 and for the Predecessor Company for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012. The eliminating depreciation and amortization expense noted in the following table consists of the elimination of intercompany transactions resulting from the depreciation expense associated with the 1% purchase fee due to GS&T from Baltic Trading pursuant to the Management Agreement. The 1% purchase fee is capitalized as part of vessel assets by Baltic Trading and is depreciated over the remaining life of the vessel and therefore, the associated depreciation expense is eliminated upon consolidation.

	Successor	Predecessor		
	Period from July 9 to December 31, 2014	Period from January 1 to July 9, 2014	For the Years Ended December 31, 2013	2012
Depreciation and amortization				
GS&T	$ 28,922	$ 65,237	$ 125,344	$ 124,405
Baltic Trading	7,794	10,829	15,564	14,814
Total operating segments	36,716	76,066	140,908	139,219
Eliminating depreciation and amortization	(2)	(114)	(165)	(156)
Total consolidated depreciation and amortization	$ 36,714	$ 75,952	$ 140,743	$ 139,063

The following table presents a reconciliation of total interest expense for the Company s two operating segments to total consolidated interest expense for the Successor Company for the period from July 9 to December 31, 2014 and for the Predecessor Company for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012. There is no eliminating interest expense as the interest incurred by each operating segment is related to each operating segment s own debt facilities.

	Successor	Predecessor		
	Period from July 9 to December 31, 2014	Period from January 1 to July 9, 2014	For the Years Ended December 31, 2013	2012
Interest expense				
GS&T	$ 4,791	$ 37,998	$ 83,761	$ 83,306

Baltic Trading		2,829		3,063		4,455		4,252
Total operating segments		7,620		41,061		88,216		87,558
Eliminating interest expense								
Total consolidated interest expense	$	7,620	$	41,061	$	88,216	$	87,558

The following table presents a reconciliation of total net (loss) income for the Company s two operating segments to total consolidated net (loss) income for the Successor Company for the period from July 9 to December 31, 2014 and for the Predecessor Company for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012. The eliminating net (loss) income noted in the following table consists of the elimination of intercompany transactions between GS&T and Baltic Trading as well as dividends received by GS&T from Baltic Trading for its Class B shares of Baltic Trading.

	Successor Period from July 9 to December 31, 2014	Predecessor Period from January 1 to July 9, 2014	For the Years Ended December 31, 2013	2012
Net (loss) income				
GS&T	$ (177,921)	$ 878,127	$ (144,054)	$ (139,295)
Baltic Trading	(35,032)	(93,430)	(11,392)	(17,270)
Total operating segments	(212,953)	784,697	(155,446)	(156,565)
Eliminating net loss (income)	405	140	1,575	1,211
Total consolidated net (loss) income	$ (213,358)	$ 784,557	$ (157,021)	$ (157,776)

The following table presents a reconciliation of total assets for the Company s two operating segments to total consolidated net assets as of December 31, 2014 and December 31, 2013. The eliminating assets noted in the following table consist of the elimination of intercompany transactions resulting from the capitalization of fees paid to GS&T by Baltic Trading as vessel assets, including related accumulated depreciation, as well as the outstanding receivable balance due to GS&T from Baltic Trading as of December 31, 2014 and 2013.

	Successor December 31, 2014	Predecessor December 31, 2013
Total assets		
GS&T	$ 1,270,923	$ 2,404,811
Baltic Trading	482,415	557,367
Total operating segments	1,753,338	2,962,178
Eliminating assets	(425)	(4,924)
Total consolidated assets	$ 1,752,913	$ 2,957,254

The following table presents a reconciliation of total expenditures for vessel purchases, including vessel deposits, for the Company s two operating segments to total consolidated expenditures for vessel purchases, including vessel deposits, for the Successor Company for the period from July 9 to December 31, 2014 and for the Predecessor Company for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012. The eliminating expenditures for vessels noted in the following table consists primarily of the elimination of the 1% purchase fees due to GS&T from Baltic Trading pursuant to the Management Agreement which were paid by Baltic Trading to GS&T during the period from July 9 to December 31, 2014 and during the year ended December 31, 2013.

	Successor Period from July 9 to December 31, 2014	Predecessor Period from January 1 to July 9, 2014	For the Years Ended December 31, 2013	2012
Expenditures for vessels				
GS&T	$ 831	$ 1,043	$ 192	$ 1,155
Baltic Trading	23,922	28,952	146,598	
Total operating segments	24,753	29,995	146,790	1,155
Eliminating expenditures for vessels	(280)		(1,440)	

Total consolidated expenditures for vessels	$	24,473	$	29,995	$	145,350	$	1,155

4 - CASH FLOW INFORMATION

As of December 31, 2013, the Company had four interest rate swaps which are described and discussed in Note 12 Interest Rate Swap Agreements. At December 31, 2013, the fair value of the four interest rate swaps were in a liability position of $6,975, all of which was classified within current liabilities.

For the period from July 9 to December 31, 2014, the Successor Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $464 for the Purchase of vessels, including deposits and $22 for the Purchase of other fixed assets. Additionally, for the period from July 9 to December 31, 2014, the Successor Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $2,190 associated with the Payment of deferred financing fees. Lastly, for the period from July 9 to December 31, 2014, the Successor Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Prepaid expenses and other current assets consisting of $7 associated with the Purchase of vessels, including deposits.

Professional fees and trustee fees in the amount of $1,591 were recognized in Reorganization items, net for the period from July 9 to December 31, 2014 by the Successor Company (refer to Note 21). During this period, $32,794 of professional fees and trustee fees were paid through December 31, 2014 and $313 is included in Accounts payable and accrued expenses as of December 31, 2014.

For the period from January 1 to July 9, 2014, the Predecessor Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $53 for the Purchase of vessels, including deposits and $20 for the Purchase of other fixed assets. Additionally, for the period from January 1 to July 9, 2014, the Predecessor Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $456 associated with the Payment of deferred financing fees.

Of the $35,232 of professional fees and trustee fees recognized in Reorganization items, net for the period from January 1 to July 9, 2014 by the Predecessor Company (refer to Note 21), $2,703 was paid through July 9, 2014 and $32,529 is included in Accounts payable and accrued expenses as of July 9, 2014.

For the year ended December 31, 2013, the Predecessor Company had non-cash investing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $618 for the Purchase of vessels, including deposits and $122 for the Purchase of other fixed assets. For the year ended December 31, 2013, the Predecessor Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $78 associated with the Payment of deferred financing fees and $111 for the Payment of common stock issuance costs by its subsidiary. Additionally, for the year ended December 31, 2013, the Predecessor Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Current interest payable consisting of $13,199 associated with the Payment of deferred financing fees.

For the year ended December 31, 2012, the Predecessor Company had non-cash financing activities not included in the Consolidated Statement of Cash Flows for items included in Long-term interest payable consisting of $13,199 associated with the Payment of deferred financing fees.

During the period from July 9 to December 31, 2014, the Successor Company made a reclassification of $9,140 from deposits on vessels to vessels, net of accumulated depreciation, due to the completion of the purchase of Baltic Hornet. No such reclassifications were made by the Predecessor Company during the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012.

During the period from January 1 to July 9, 2014, the Predecessor Company made a reclassification of $984 from fixed assets to vessel assets for items that should be capitalized and depreciated over the remaining life of the respective vessels.

During the period from July 9 to December 31, 2014, cash paid by the Successor Company for interest, net of amounts capitalized, was $5,483. During the period from January 1 to July 9, 2014 and the years ended December 31, 2013 and 2012, cash paid for interest, net of amounts capitalized and including bond coupon interest paid, was $40,209, $75,133 and $79,373 respectively.

During the period from July 9 to December 31, 2014, cash paid by the Successor Company for estimated income taxes was $750. During the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, cash paid for estimated income taxes was $1,495, $1,275 and $1,216, respectively.

On August 7, 2014, the Company made grants of nonvested common stock pursuant to the MIP as approved by the Plan in the amount of 1,110,600 shares to the participating officers, directors and other management of the Successor Company. The aggregate fair value of such nonvested stock was $22,212. Additionally, on August 7, 2014, the Company issued 8,557,461 MIP Warrants to the participating officers, directors and other management of the Successor Company. The aggregate fair value of these awards upon emergence from bankruptcy was $54,436.

On May 16, 2013, the Company made grants of nonvested common stock in the amount of 200,634 shares in the aggregate to directors of the Company. The grant date fair value of such nonvested stock was $315. On May 17, 2012, November 7, 2012 and December 13, 2012, the Company made grants of nonvested common stock in the amount of 15,000, 2,500 and 52,500 shares, respectively, to directors of the Company. The grant date fair value of such nonvested stock was $53, $7 and $141, respectively. These shares vested on May 16, 2013. On December 13, 2012, the Board of Directors approved a grant of 100,000 shares of nonvested common stock to Peter C. Georgiopoulos, Chairman of the Board, which had a grant date fair value of $268. Lastly, on December 13, 2012, the Company granted 294,175 shares of nonvested stock to certain employees. The grant date fair value of such nonvested stock was $788. These nonvested shares were cancelled on the Effective Date and the holder received warrants to acquire shares of New Genco Common Stock. Refer to Note 1 - General Information for information regarding the Chapter 11 Cases.

On April 9, 2014, Baltic Trading made grants of nonvested common stock in the amount of 36,345 shares to directors of Baltic Trading. The aggregate fair value of such nonvested stock was $225. Additionally, on December 18, 2014, 700,000 and 350,000 shares of Baltic Trading s nonvested common stock were granted to Peter C. Georgiopoulos, Chairman of the Board of Baltic Trading, and John Wobensmith, Baltic Trading s President and Chief Financial Officer, respectively. The grant date fair value of such nonvested stock was $2,615.

On May 16, 2013, Baltic Trading made grants of nonvested common stock in the amount of 59,680 shares to directors of Baltic Trading. The grant date fair value of such nonvested stock was $225. These shares vested on April 9, 2014. Additionally, on December 19, 2013, 539,000 and 400,000 shares of Baltic Trading s nonvested common stock were granted to Peter C. Georgiopoulos and John Wobensmith, respectively. The grant date fair value of such nonvested stock was $5,371.

On May 17, 2012 and December 13, 2012, Baltic Trading made grants of nonvested common stock in the amount of 12,500 and 37,500 shares, respectively, to directors of Baltic Trading. The grant date fair value of such nonvested stock was $48 and $113, respectively. These shares vested on May 16, 2013. Additionally, on December 13, 2012, 166,666 and 83,333 shares of Baltic Trading s nonvested common stock were granted to Peter C. Georgiopoulos and John Wobensmith, respectively. The grant date fair value of such nonvested stock was $750. All of the aforementioned grants of Baltic Trading s nonvested common stock were made under Baltic Trading s Equity Incentive Plan.

5 GOODWILL IMPAIRMENT

ASC 350-20 bases the accounting for goodwill on the reporting units of the combined entity. The Company has two reporting units as defined by criteria in ASC 350-20, GS&T and Baltic Trading.

The Company recorded Goodwill of $166,067 in adopting fresh-start reporting in accordance with provisions of ASC 852 as of the Effective Date, which was allocated to its two reporting units based on their relative fair values as of that date.

ASC 350-20 provides guidance for impairment testing of goodwill, which is not amortized. Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that its carrying amount may not be recoverable, using a two-step process that begins with an estimation of the fair value of the Company s reporting units. The first step is a screen for potential impairment and the second step measures the amount of impairment, if any. The first step involves a comparison of the estimated fair value of a reporting unit with its carrying amount. If the estimated fair value of the reporting unit exceeds its carrying value, goodwill of the reporting unit is considered unimpaired. Conversely, if the carrying amount of the reporting unit exceeds its estimated fair value, the second step is performed to measure the amount of impairment, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit s goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined by allocating the estimated fair value of the reporting unit to the estimated fair value of its existing assets and liabilities in a manner similar to a purchase price allocation. The unallocated portion of the estimated fair value of the reporting unit is the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying amount, an impairment loss, equivalent to the difference, is recorded as a reduction of goodwill and a charge to operating expense.

In the Company s annual test of goodwill for impairment on December 31, 2014, the Company estimated the fair value of the reporting units to which its goodwill had been allocated. For this purpose the Company used the trailing 10-year industry average rates for each vessel class, over the remaining useful life of each vessel, recognizing that the transportation drybulk products is cyclical in nature and is subject to wide fluctuation in rates, and management believes the use of a 10-year average is the best measure of future rates over the remaining useful life of the Company s fleet. Also for this purpose, the Company uses a utilization rate based on the Company s historic average. In addition, the Company expects to incur the following costs over the remaining useful lives of the vessels in the Company s fleet:

- Vessel operating costs based on historic and budgeted costs adjusted for inflation,
- Drydocking costs based on historic costs adjusted for inflation, and
- General and administrative costs adjusted for inflation.

The more significant factors which could impact management s assumptions regarding voyage revenues, drydocking costs and general and administrative expenses include, without limitation: (a) loss or reduction in business from the Company s significant customers; (b) changes in demand; (c) material declines in rates in the tanker market; (d) changes in production of or demand for drybulk products, generally or in particular regions; (e) greater than anticipated levels of new building orders or lower than anticipated rates of scrapping; (f) changes in rules and regulations applicable to the drybulk industry, including, without limitation, legislation adopted by international organizations such as the International Maritime Organization and the European Union or by individual countries; (g) actions taken by regulatory authorities; and (h) increases in costs including without limitation: crew wages, insurance, provisions, repairs and maintenance.

Step 1 of impairment testing as of December 31, 2014 consisted of determining and comparing the fair value of a reporting unit, calculated by weighting discounted expected future cash flows, the fair value of the vessels and other assets owned by the reporting unit and the fair value of the reporting units based on the public trading price of each reporting unit, to the carrying value of each reporting unit. Based on performance of this test, it was determined that the goodwill allocated to each reporting unit may be impaired.

The Company then undertook the second step of the goodwill impairment test which involves the procedures discussed above. For purposes of determining the fair value of each reporting unit, the Company ascribed a weight of 75% to a valuation method based on the fair value of the reporting unit s net assets; and 25% to the valuation method that utilized the public trading price of each reporting unit. There was no weight ascribed to a third valuation methodology considered by management, which was the discounted cash flow (DCF) valuation method due to the significant volatility in the drybulk rate market and the values derived by applying the DCF valuation method were not consistent with the other values derived in applying the other two valuation methodologies considered.

As a result of this testing, management determined that all of the goodwill allocated to the two reporting units was impaired, which resulted in a write-off at December 31, 2014 of $166,067. This impairment is attributable to the progressive decline in vessel charter rates that occurred from the Effective Date to the Company s annual goodwill impairment test date of December 31, 2014, which included significant declines during the fourth quarter of 2014, which affected both the reporting units vessel values and their publicly traded stock prices.

Other than goodwill, the Company does not have any other intangible assets that are not amortized.

6 - VESSEL ACQUISITIONS

On July 2, 2013, Baltic Trading entered into agreements to purchase two Handysize drybulk vessels from subsidiaries of Clipper Group for an aggregate purchase price of $41,000. The Baltic Hare, a 2009-built Handysize vessel, was delivered on September 5, 2013 and the Baltic Fox, a 2010-built Handysize vessel, was delivered on September 6, 2013. Baltic Trading financed the vessel purchases with proceeds from its May 28, 2013 common stock offering and borrowings under its $22 Million Term Loan Facility entered into on August 30, 2013. Refer to Note 10 Debt below for further information regarding the Baltic Trading $22 Million Term Loan Facility.

On October 31, 2013, Baltic Trading entered into agreements to purchase two Capesize drybulk vessels from affiliates of SK Shipping Co. Ltd. for an aggregate purchase price of $103,000. The Baltic Lion, a 2012-built Capesize vessel, was delivered on December 27, 2013, and the Baltic Tiger, a 2011-built Capesize vessel, was delivered on November 26, 2013. Baltic Trading financed the vessel purchases with cash on hand and borrowings under its $44 Million Term Loan Facility entered into on December 3, 2013. Refer to Note 10 Debt below for further information regarding the Baltic Trading $44 Million Term Loan Facility.

On November 13, 2013, Baltic Trading entered into agreements to purchase up to four 64,000 dwt Ultramax newbuilding drybulk vessels from Yangfan Group Co., Ltd. for a purchase price of $28,000 per vessel, or up to $112,000 in the aggregate. Baltic Trading agreed to purchase two such vessels, to be renamed the Baltic Hornet and Baltic Wasp, and obtained an option to purchase up to two additional such vessels for the same purchase price, which Baltic Trading exercised on January 8, 2014. These vessels are to be renamed the Baltic Mantis and the Baltic Scorpion. The purchases are subject to completion of customary additional documentation and closing conditions. The first of these vessels, the Baltic Hornet, was delivered to Baltic Trading on October 29, 2014. The Baltic Wasp was delivered to Baltic Trading on January 2, 2015. The Baltic Scorpion and the Baltic Mantis are expected to be delivered to Baltic Trading during the second and third quarters of 2015, respectively. As of December 31, 2014 and December 31, 2013, deposits on vessels were $25,593 and $1,013, respectively. Baltic Trading intends to use a combination of cash on hand, future cash flow from operations as well as debt or equity financing, including the 2014 Baltic Trading Term Loan Facilities and the Baltic Trading $148 Million Credit Facility as described in Note 10 Debt, to fully finance the acquisition of these four Ultramax newbuilding drybulk vessels. On December 30, 2014, Baltic Trading paid $19,645 for the final payment due for the Baltic Wasp, which has been classified as noncurrent Restricted Cash in the Consolidated Balance Sheets as of December 31, 2014 as the payment was held in an escrow account and not released to the seller until the vessel was delivered to Baltic Trading on January 2, 2015.

Refer to Note 1 General Information for a listing of the vessel delivery dates for the vessels in the Company s fleet and the estimated delivery dates for vessels that Baltic Trading has entered into agreements to purchase.

Below market time charters, including those acquired during previous periods, were amortized as an increase to voyage revenue by the Predecessor Company in the amount of $68, $334 and $746 during the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, respectively. The remaining unamortized fair market value of Time charters acquired at December 31, 2013 was $84. As part of fresh-start reporting, the remaining liability for below market time charters was written-off during the re-valuation of our liabilities, refer to Financial Statement Presentation section in Note 1 General Information.

Additionally, as part of fresh-start reporting, an asset for above market time charters was recorded in Time charters acquired in the amount of $450 for the Genco Bourgogne, Genco Muse and Genco Spirit. These above market time charters were amortized as a decrease to voyage revenue by the Successor Company in the amount of $450 during the period from July 9 to December 31, 2014. The remaining unamortized fair market value of Time charters acquired at December 31, 2014 is $0.

Capitalized interest expense associated with the newbuilding contracts entered into by Baltic Trading as recorded by the Successor Company for the period from July 9 to December 31, 2014 was $400. Capitalized interest expense associated with the newbuilding contracts entered into by Baltic Trading as recorded by the Predecessor Company for the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012 was $295, $0 and $0, respectively.

7 INVESTMENTS

The Company holds an investment in the capital stock of Jinhui and the stock of 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. These investments are designated as AFS and are reported at fair value, with unrealized gains and losses recorded in equity as a component of AOCI. At December 31, 2014 and 2013, the Company held 16,335,100 shares of Jinhui capital stock which is recorded at its fair value of $26,414 and $77,488, respectively, based on the closing price on December 30, 2014 and 2013, respectively. At December 31, 2014 and 2013, the Company held 3,355 shares of KLC stock which is recorded at its fair value of $72 and $82, respectively, based on the closing price on December 30, 2014 and 2013, respectively.

The Company reviews the investment in Jinhui and KLC for impairment on a quarterly basis. There were no impairment charges recognized during the period from July 9 to December 31, 2014, January 1 to July 9, 2014 or during the years ended December 31, 2013 and 2012.

The unrealized gains (losses) for the Jinhui capital stock and KLC stock are a component of AOCI since these investments are designated as AFS securities. As part of fresh-start reporting, the Company revised its cost basis for its investments in Jinhui and KLC based on their fair values on the Effective Date.

Refer to Note 13 Accumulated Other Comprehensive Income (Loss) for a breakdown of the components of AOCI.

8 - NET (LOSS) INCOME PER SHARE

The computation of basic net (loss) income per share is based on the weighted-average number of common shares outstanding during the year. The computation of diluted net (loss) income per share assumes the vesting of nonvested stock awards (refer to Note 24 Stock-Based Compensation), for which the assumed proceeds upon vesting are deemed to be the amount of compensation cost attributable to future services and are not yet recognized using the treasury stock method, to the extent dilutive. Of the 1,110,600 and 0 nonvested shares outstanding at December 31, 2014 and July 9, 2014 for the Successor Company and Predecessor Company, respectively (refer to Note 24 Stock-Based Compensation), all are anti-dilutive. The Successor Company s diluted net (loss) income per share will also reflect the assumed conversion of the Equity Warrants and MIP Warrants issued by the Successor Company if the impact is dilutive under the treasury stock method. The Predecessor Company s diluted net (loss) income per share will also reflect the assumed conversion under the Predecessor Company s convertible debt if the impact is dilutive under the if converted method. The impact of the shares convertible under the Predecessor Company s convertible notes is excluded from the computation of diluted income per share when interest expense per common share obtainable upon conversion is greater than basic earnings per share.

The components of the denominator for the calculation of basic net (loss) income per share and diluted net (loss) income per share are as follows:

	Successor	Predecessor		
	Period from July 9 to December 31, 2014	Period from January 1 to July 9, 2014	Year Ended December 31, 2013	2012
Common shares outstanding, basic:				
Weighted-average common shares outstanding, basic	60,360,515	43,568,942	43,249,070	41,727,075
Common shares outstanding, diluted:				
Weighted-average common shares outstanding, basic	60,360,515	43,568,942	43,249,070	41,727,075
Dilutive effect of warrants				
Dilutive effect of convertible notes				
Dilutive effect of restricted stock awards				
Weighted-average common shares outstanding, diluted	60,360,515	43,568,942	43,249,070	41,727,075

The following table sets forth a reconciliation of the net (loss) income attributable to GS&T and the net (loss) income attributable to GS&T for diluted net (loss) income per share under the if-converted method:

	Successor	Predecessor		
	Period from July 9 to December 31, 2014	Period from January 1 to July 9, 2014	Year Ended December 31, 2013	2012
Net (loss) income attributable to GS&T	$ (182,294)	$ 793,291	$ (147,741)	$ (144,928)

Interest expense related to convertible notes, if dilutive								
Net (loss) income attributable to GS&T for the computation of diluted net (loss) income per share	$	(182,294)	$	793,291	$	(147,741)	$	(144,928)

9 - RELATED PARTY TRANSACTIONS

The following represent related party transactions reflected in these consolidated financial statements:

The Company makes available employees performing internal audit services to General Maritime Corporation (GMC), where the Company s Chairman, Peter C. Georgiopoulos, also serves as Chairman of the Board. For the period from July 9 to December 31, 2014, the Successor Company invoiced $12 to GMC and for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012, the Predecessor Company invoiced $72, $145 and $175, respectively, to GMC. The amounts billed to GMC include time associated with such internal audit services and other expenditures. Additionally, during the period from July 9 to December 31, 2014, the Successor Company incurred travel and other office related expenditures totaling $53. For the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, the Predecessor Company incurred travel and other office related expenditures totaling $49, $133 and $87, respectively. These amounts are reimbursable to GMC or its service provider. At December 31, 2014 and 2013, the amount due to GMC from the Company was $41 and $16, respectively.

During the period from July 9 to December 31, 2014, the Successor Company incurred legal services (primarily in connection with vessel acquisitions) aggregating $11 from Constantine Georgiopoulos, the father of Peter C. Georgiopoulos, Chairman of the Board. Additionally, during the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, the Predecessor Company incurred legal services aggregating $3, $48 and $11, respectively, from Constantine Georgiopoulos. At December 31, 2014 and 2013, the amount due to Constantine Georgiopoulos was $9 and $25, respectively.

GS&T and Baltic Trading have entered into agreements with Aegean Marine Petroleum Network, Inc. (Aegean) to purchase lubricating oils for certain vessels in the their fleets. Peter C. Georgiopoulos, Chairman of the Board of the Company, is Chairman of the Board of Aegean. During the period from July 9 to December 31, 2014, Aegean supplied lubricating oils to the Successor Company s vessels aggregating $790. Additionally, during the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, Aegean supplied lubricating oils to the Predecessor Company s vessels aggregating $1,087, $1,521 and $1,517, respectively. At December 31, 2014 and 2013, $267 and $263 remained outstanding, respectively.

During the period from July 9 to December 31, 2014, the Successor Company invoiced MEP for technical services provided and expenses paid on MEP s behalf aggregating $1,618. During the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, the Predecessor Company invoiced MEP for technical services provided and expenses paid on MEP s behalf aggregating $1,743, $3,430 and $3,396, respectively. Peter C. Georgiopoulos, Chairman of the Board, controls and has a minority interest in MEP. At December 31, 2014 and 2013, $10 and $7, respectively, was due to the Company from MEP. Total service revenue earned by the Successor Company for the technical service provided to MEP for the period from July 9 to December 31, 2014 was $1,584. Total service revenue earned by the Predecessor Company for technical services provided to MEP for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012 was $1,701, $3,285 and $3,294, respectively.

10 - DEBT

Long-term debt consists of the following:

	Successor December 31, 2014	Predecessor December 31, 2013
2007 Credit Facility	$	$ 1,055,912
$100 Million Term Loan Facility	67,792	75,484
$253 Million Term Loan Facility	165,568	180,793
2010 Baltic Trading Credit Facility	102,250	102,250
Baltic Trading $22 Million Term Loan Facility	20,125	21,625
Baltic Trading $44 Million Term Loan Facility	41,250	44,000
2014 Baltic Trading Term Loan Facilities	33,150	
Less: Current portion	(34,324)	(1,316,439)
Long-term debt	$ 395,811	$ 163,625

Bankruptcy Proceedings

To allow discussions with the Company s creditors concerning the Company s restructuring to continue into April 2014 without the need to file for immediate bankruptcy relief, on March 31, 2014, the Company entered into agreements with certain of the lenders under our 2007 Credit Facility, our $100 Million Term Loan Facility, and our $253 Million Term Loan Facility (our Credit Facilities) to obtain waivers or forbearances with respect to certain potential or actual events of default as of March 31, 2014 as follows (the Relief Agreements):

- not making the scheduled amortization payment on March 31, 2014 under our 2007 Credit Facility;
- not meeting the consolidated interest ratio covenant for the period ended March 31, 2014;
- not meeting the maximum leverage ratio covenant for the period ending March 31, 2014;
- not meeting the collateral maintenance test under the 2007 Credit Facility;
- not meeting the minimum cash balance covenant under the 2007 Credit Facility;
- not furnishing audited financial statements to the lenders within 90 days after year end for the year ended December 31, 2013;
- a cross-default with respect to our outstanding interest rate swap with respect to the foregoing;
- cross-defaults among our credit facilities with respect to the foregoing; and
- any related defaults or events of default resulting from the failure to give notice with respect to any of the foregoing.

The Relief Agreement for our 2007 Credit Facility provided that the agent and consenting lenders would forbear to exercise their rights and remedies through 11:59 p.m. on April 1, 2014 with respect to the foregoing potential or actual events of default, subject to earlier termination if a subsequent event of default occurs under our credit agreements other than those described above or if we breach the terms of the Relief Agreement. The Relief Agreements for our other two Credit Facilities provided that the agent and lenders waived through 11:59 p.m. on April 1, 2014 the foregoing potential or actual events of default, subject to earlier termination if a subsequent event of default occurs under our credit agreements or if we breach the terms of the Relief Agreements. Notwithstanding such waivers and forbearances, the fact that we did not make the scheduled amortization payment on March 31, 2014 constituted an event of default under our currently outstanding interest rate swap. In addition, under the indenture and supplemental indenture (the Indenture) governing our 5.0% Convertible Senior Notes issued on July 27, 2010 (the 2010 Notes), the Company s failure to make such payment would constitute an event of default under the Indenture if the Company failed to cure such default within 30 days after notice from the trustee under the Indenture.

On April 1, 2014, the Company entered into new agreements with the other parties to the Relief Agreements that extended the expiration of the forbearances and waivers under the Relief Agreements from 11:59 p.m. on April 1, 2014 to 11:59 p.m. on April 21, 2014. Also, the forbearances and waivers would have terminated if a definitive agreement for the Company s restructuring was not effective by 11:59 p.m. on April 4, 2014. The Company avoided this termination through our entry into the Support Agreement. Such new agreements are otherwise on substantially the same terms and conditions as the Relief Agreements.

As of July 9, 2014, the Effective Date, the 2007 Credit Facility was terminated and the liens and mortgages related thereto were released as part of the Plan. Refer to the Bankruptcy Filing section of Note 1 General Information for further information regarding the Chapter 11 Cases.

<u>August 2012 Credit Facility Agreements</u>

On August 1, 2012, the Company entered into agreements (the August 2012 Agreements) to amend or waive certain provisions of the agreements for the 2007 Credit Facility, $100 Million Term Loan Facility and the $253 Million Term Loan Facility (as defined below). The agreements implemented, among other things, the following:

- The waiver of the Company s compliance with its existing maximum leverage ratio covenant and minimum permitted consolidated interest ratio covenant that commenced on October 1, 2011 and ends on and includes March 31, 2013 was extended to end on and include December 31, 2013 (which we refer to as the extended waiver period).

- The gross interest-bearing debt to total capital covenant which originally ended on and included March 31, 2013 was extended to end on and include December 31, 2013. This covenant limits the ratio of the Company s interest-bearing indebtedness to the sum of its interest-bearing indebtedness and its consolidated net worth in accordance with GAAP to 62.5% on the last day of any fiscal quarter during the waiver period.

- Scheduled amortization payments through and including the quarter ending December 31, 2013 were deferred until the final payment at maturity under the 2007 Credit Facility and prepaid under the other two credit facilities. The next scheduled amortization payments under these facilities will be due in the first quarter of 2014 in the aggregate principal amount of $55,193.

- Commencing September 30, 2012, the Company was to repay the 2007 Credit Facility on a quarterly basis using excess cash, defined as the balance over $100,000 in the Company s and certain of its subsidiaries accounts pledged under the 2007 Credit Facility. Of such repayments, 25% would be allocated to the final payment at maturity, and 75% will be applied entirely against each successive scheduled mandatory principal repayment beginning with the payment due March 31, 2014. Certain other mandatory repayments under the existing terms of this facility as well as voluntary prepayments will be applied in the same manner. These obligations continued until the later of December 31, 2013 and the date on which the appraised value of certain mortgaged vessels is equal to at least 100% of the aggregate principal amount of the Company s loans, letters of credit and certain hedge obligations under the 2007 Credit Facility.

- The Company and its subsidiaries (other than Baltic Trading and its subsidiaries) would not increase the amount of principal indebtedness currently outstanding under each of its three credit agreements or change their maturity dates.

- Indebtedness that the Company and its subsidiaries (other than Baltic Trading and its subsidiaries) may incur in connection with vessel acquisitions will be limited to 60% of the lesser of the vessel s acquisition cost and fair market value. Any newly acquired vessel will subject to a security interest under the 2007 Credit Facility.

- The Applicable Margin over LIBOR payable on the principal amount outstanding under the 2007 Credit Facility increased from 2.0% to 3.0% per annum.

- The minimum cash balance required under the 2007 Credit Facility increased from $500 to $750 per vessel mortgaged under the 2007 Credit Facility.

- The Company agreed to grant additional security for its obligations under the 2007 Credit Facility, consisting of a pledge of the Class B Stock of Baltic Trading held by Genco Investments LLC and a second priority security interest in vessels pledged under its other two credit facilities or in connection with any new indebtedness (excluding in each case vessels owned by Baltic Trading and its subsidiaries).

- Consenting lenders under each of the three credit facilities received an upfront fee of 0.25% on the amount of outstanding loans.

As required under the August 2012 Agreements, the Company prepaid $57,893 under its 2007 Credit Facility, $30,450 under its $253 Million Term Loan Facility, and $11,538 under its $100 Million Term Loan Facility on August 1, 2012. The prepayment under the 2007 Credit Facility was applied to the final payment due under the facility. The prepayments under the other two facilities were applied in order of maturity and fulfilled all scheduled amortization payments through December 31, 2013 under these facilities. In addition, lenders under the 2007 Credit Facility will receive a fee equal to 1.25% of the principal amount outstanding following such prepayment, or $13,199, on the earlier date of the maturity date of this facility or the date on which all obligations under this facility have been paid in full. The $13,199 has been recorded as current interest payable in current liabilities in the consolidated balance sheet at December 31, 2013 which is consistent with the classification of the principal amount of the 2007 Credit Facility, see 2007 Credit Facility section below for further information.

December 2011 Credit Facility Agreements

On December 21, 2011, the Company entered into agreements (the December 2011 Agreements) to amend or waive provisions of the 2007 Credit Facility, the $100 Million Term Loan Facility and the $253 Million Term Loan Facility. The aforementioned credit facilities are explained in further detail below. The agreements implemented, among other things, the following:

- The Company s compliance with its existing maximum leverage ratio covenant was waived for a period starting on October 1, 2011 and ending on (and including) March 31, 2013, or the waiver period. This covenant governs the ratio of the Company s net debt to EBITDA (as such term is defined in the credit agreements).

- The Company s compliance with its existing minimum permitted consolidated interest ratio covenant is also waived for the waiver period. This covenant governs the ratio of the Company s EBITDA to consolidated interest expense.

- A new gross interest-bearing debt to total capital covenant applies to the Company for the duration of the waiver period. This covenant limits the ratio of the Company s interest-bearing indebtedness to the sum of its interest-bearing indebtedness and its consolidated net worth in accordance with GAAP to 62.5% on the last day of any fiscal quarter during the waiver period.

- Consenting lenders under the facilities received an upfront fee of 0.25% of the amount of outstanding loans.

As contemplated under these agreements, the Company prepaid $52,500 under its 2007 Credit Facility, $7,000 under its $253 Million Term Loan Facility, and $3,000 under its $100 Million Term Loan Facility. All such prepayments were applied in inverse order of maturity under each credit facility. In addition, the 2007 Credit Facility is subject to a facility fee of 2.0% per annum on the average daily outstanding principal amount of the loans thereunder, payable quarterly in arrears, which was reduced to 1.0% on February 28, 2012 when the Company completed an equity offering of 7,500,000 shares of common stock, refer to Note 1 General Information. The other two credit facilities were not subject to a facility fee.

2007 Credit Facility

On July 20, 2007, the Company entered into the 2007 Credit Facility with DnB Nor Bank ASA for the purpose of acquiring nine Capesize vessels and refinancing the Company s existing 2005 Credit Facility and Short-Term Line. DnB Nor Bank ASA is also Mandated Lead Arranger, Bookrunner, and Administrative Agent. The Company has used borrowings under the 2007 Credit Facility to repay amounts outstanding under the 2005 Credit Facility and the Short-Term Line, and these two facilities have accordingly been terminated. During the years ended December 31, 2012 and 2011, total repayments of $118,588 and $102,500 were made, respectively. The $118,588 of repayments made during 2012 includes the $57,893 of repayments made during 2012 pursuant to the August 2012 Agreements, as noted in the August 2012 Credit Facility Agreements section hereof. The $102,500 of repayments made during 2011 includes the $52,500 prepayment of debt made during 2011 pursuant to the December 2011 Agreements, as noted in the December 2011 Credit Facility Amendments section herein. As of December 31, 2013, $1,055,912 was outstanding under the 2007 Credit Facility. As of December 31, 2013, the Company had utilized its maximum borrowing capacity under the 2007 Credit Facility. As noted in the Bankruptcy Proceedings section above, the 2007 Credit Facility was terminated on the

Effective Date.

On January 26, 2009, the Company entered into an amendment to the 2007 Credit Facility (the 2009 Amendment) which implemented the following modifications to the terms of the 2007 Credit Facility:

- Compliance with the existing collateral maintenance financial covenant was waived effective for the year ended December 31, 2008 and until the Company can represent that it is in compliance with all of its financial covenants and is otherwise able to pay a dividend and purchase or redeem shares of common stock under the terms of the Credit Facility in effect before the 2009 Amendment. The Company s cash dividends and share repurchases were suspended until the Company can represent that it is in a position to again satisfy the collateral maintenance covenant.

- The total amount of the 2007 Credit Facility is subject to quarterly reductions of $12,500 beginning March 31, 2009 through March 31, 2012 and quarterly reductions of $48,195 beginning June 30, 2012 and thereafter until the maturity date. After the prepayment of $52,500 and $57,893 made during December 2011 and August 2012 pursuant to the December 2011 Agreements and August 2012 Agreements, respectively, a final payment of $381,182 will be due on the maturity date.

- The Applicable Margin to be added to the London Interbank Offered Rate to calculate the rate at which the Company s borrowings bear interest is 2.00% per annum. This was increased to 3.00% per annum pursuant to the August 2012 Agreements as noted above.

- The commitment commission paid to each lender is 0.70% per annum of the daily average unutilized commitment of such lender.

Amounts repaid under the 2007 Credit Facility may not be reborrowed. The 2007 Credit Facility had a maturity date of July 20, 2017.

Loans made under the 2007 Credit Facility may be and have been used for the following:

- up to 100% of the en bloc purchase price of $1,111,000 for nine modern drybulk Capesize vessels, which the Company has agreed to purchase from Metrostar;

- repayment of amounts previously outstanding under the Company s 2005 Credit Facility, or $206,233;

- the repayment of amounts previously outstanding under the Company s Short-Term Line, or $77,000;

- possible acquisitions of additional drybulk carriers between 25,000 and 180,000 dwt that are up to ten years of age at the time of delivery and not more than 18 years of age at the time of maturity of the credit facility;

- up to $50,000 of working capital, if available; and

- the issuance of up to $50,000 of standby letters of credit. At December 31, 2014 and 2013, there were no letters of credit issued under the 2007 Credit Facility.

All amounts owing under the 2007 Credit Facility are secured by the following:

- cross-collateralized first priority mortgages on 35 of the Company s existing vessels and any new vessels financed with the 2007 Credit Facility;

- an assignment of any and all earnings of the mortgaged vessels;

- an assignment of all insurances on the mortgaged vessels;

- a first priority perfected security interest in all of the shares of Jinhui owned by the Company;

- an assignment of the shipbuilding contracts and an assignment of the shipbuilder s refund guarantees meeting the Administrative Agent s criteria for any additional newbuildings financed under the 2007 Credit Facility; and

- a first priority pledge of the Company s ownership interests in each subsidiary guarantor.

The Company completed a pledge of its ownership interests in the subsidiary guarantors that own the nine Capesize vessels acquired. The other collateral described above was pledged, as required, within 30 days of the effective date of the 2007 Credit Facility.

The Company s borrowings under the 2007 Credit Facility bore interest at the London Interbank Offered Rate (LIBOR) for an interest period elected by the Company of one, three, or six months, or longer if available, plus the Applicable Margin which was 0.85% per annum. Effective January 26, 2009, due to the 2009 Amendment, the Applicable Margin increased to 2.00%. Additionally, effective August 1, 2012, due to the August 2012 Agreements, the Applicable Margin increased to 3.00%. In addition to other fees payable by the Company in connection with the 2007 Credit Facility, the Company paid a commitment fee at a rate of 0.20% per annum of the daily average unutilized commitment of each lender under the facility until September 30, 2007, and 0.25% thereafter. Effective January 26, 2009, due to the 2009 Amendment, the rate increased to 0.70% per annum of the daily average unutilized commitment of such lender. Refer to December 2011 Credit Facility Agreements above for the facility fee that the Company is subject to pursuant to the December 2011 Agreements.

The 2007 Credit Facility includes the following financial covenants which apply to the Company and its subsidiaries on a consolidated basis and are measured at the end of each fiscal quarter beginning with June 30, 2007:

- The leverage covenant requires the maximum average net debt to EBITDA ratio to be no greater than 5.5:1.0. As per the December 2011 Agreements and the August 2012 Agreements, this covenant has been waived for a period beginning on October 1, 2011 and ending on (and including) December 31, 2013.

- Cash and cash equivalents must not be less than $750 per mortgaged vessel. This was increased from $500 per mortgaged vessel effective August 1, 2012 pursuant to the August 2012 Agreements.

- The ratio of EBITDA to interest expense, on a rolling last four-quarter basis, must be no less than 2.0:1.0. As per the December 2011 Agreements and the August 2012 Agreements, this covenant has been waived for a period beginning on October 1, 2011 and ending on (and including) December 31, 2013.

- After July 20, 2007, consolidated net worth, as defined in the 2007 Credit Facility, must be no less than $263,300 plus 80% of the value of the any new equity issuances of the Company from June 30, 2007. Based on the equity offerings completed in October 2007, May 2008, July 2010 and February 2012, consolidated net worth must be no less than $674,555.

- The aggregate fair market value of the mortgaged vessels must at all times be at least 130% of the aggregate outstanding principal amount under the credit facility plus all letters of credit outstanding; the Company has a 30 day remedy period to post additional collateral or reduce the amount of the revolving loans and/or letters of credit outstanding. This covenant was waived effective for the year ended December 31, 2008 and indefinitely until the Company can represent that it is in compliance with all of its financial covenants as per the 2009 Amendment as described above.

As of December 31, 2013, the Company believed it was probable that the Company would not be in compliance with certain covenants at measurement dates within the next twelve months. As such, the debt outstanding under this facility of $1,055,912 was classified as a current liability in the consolidated balance sheets as of December 31, 2013.

Refer to Bankruptcy Proceedings section above for further information about the Chapter 11 Cases and the termination of the 2007 Credit Facility on the Effective Date.

<u>$100 Million Term Loan Facility</u>

On August 12, 2010, the Company entered into the $100 Million Term Loan Facility with Crédit Agricole Corporate and Investment Bank, which is also acting as Agent and Security Trustee; and Crédit Industriel et Commercial; and Skandinaviska Enskilda Banken AB (publ) are the lenders under the facility. The Company has used the $100 Million Term Loan Facility to fund or refund to the Company a portion of the purchase price of the acquisition of five vessels from Metrostar (Refer to Note 6 Vessel Acquisitions). Under the terms of the facility, the $100 Million Term Loan Facility was drawn down in five equal tranches of $20,000 each, with one tranche per vessel. The $100 Million Term Loan Facility has a final maturity date of seven years from the date of the first drawdown, or August 17, 2017, and borrowings under the facility bear interest at LIBOR for an interest period of one, three or six months (as elected by the Company), plus 3.00% per annum. A commitment fee of 1.35% is payable on the undrawn committed amount of the $100 Million Term Loan Facility, which began accruing on August 12, 2010. Borrowings are to be repaid quarterly, with the outstanding principal amortized on a 13-year profile, with any outstanding amount under the $100 Million Term Loan Facility to be paid in full on the final maturity date. Repaid amounts are no longer available and cannot be reborrowed. Borrowings under the $100 Million Term Loan Facility are secured by liens on the five Metrostar vessels purchased by GS&T and other related assets. Certain of the Company s wholly-owned ship-owning subsidiaries, each of which own one of the five Metrostar vessels, will act as guarantors under the $100 Million Term Loan Facility.

As of December 31, 2014, the Company has utilized its maximum borrowing capacity under the $100 Million Term Loan Facility.

The $100 Million Term Loan Facility requires the Company to comply with a number of covenants, including financial covenants related to leverage, consolidated net worth, interest coverage and dividends; minimum working capital requirements; collateral maintenance requirements; and other covenants, most of which are in principle and calculation similar to the Company s covenants under the existing 2007 Credit Facility. The $100 Million Term Loan Facility includes usual and customary events of default and remedies for facilities of this nature. Refer to the August 2012 Credit Facility Agreements and December 2011 Credit Facility Agreements sections above for waivers obtained for specific covenants under this credit facility.

See above in this note under the heading Bankruptcy Proceedings for a description of the agreement the Company entered into to obtain waivers with respect to certain events of default relating to the $100 Million Term Loan Facility. See the Bankruptcy Filing section under Note 1 General Information for the Company s restructuring plans, including the filing of its Chapter 11 Cases and the Company s subsequent emergence from Chapter 11.

On the Effective Date, Genco entered into the Amended and Restated $100 Million Term Loan Facility and the Amended and Restated $253 Million Term Loan Facility. The Amended and Restated Credit Facilities included, among other things:

- A paydown as of the Effective Date with respect to payments which became due under the prepetition credit facilities between the Petition Date and the Effective Date and were not paid during the pendency of the Chapter 11 Cases ($1,923 for the $100 Million Term Loan Facility and $5,075 for the $253 Million Term Loan Facility).

- Extension of the maturity dates to August 31, 2019 from August 17, 2017 for the $100 Million Term Loan Facility and August 15, 2015 for the $253 Million Term Loan Facility.

- Relief from compliance with financial covenants governing the Company s maximum leverage ratio, minimum consolidated interest coverage ratio and consolidated net worth through and including the quarter ending March 31, 2015 (with quarterly testing commencing June 30, 2015).

- A fleetwide minimum liquidity covenant requiring maintenance of cash of $750 per vessel for all vessels owned by Genco (excluding those owned by Baltic Trading).

- An increase in the interest rate to LIBOR plus 3.50% per year from 3.00% previously for the $100 Million Term Loan Facility and the $253 Million Term Loan Facility.

The obligations under the Amended and Restated $100 Million Term Loan Facility are secured by a first priority security interest in the vessels and other collateral securing the $100 Million Term Loan Facility. The Amended and Restated $100 Million Term Loan Facility requires quarterly repayment installments in accordance with the original terms of the $100 Million Term Loan Facility.

As of December 31, 2014, the Company believed it was in compliance with all of the financial covenants under the Amended and Restated $100 Million Term Loan Facility. However, as of December 31, 2013, the Company believed it was probable that the Company would not be in compliance with certain covenants at measurement dates within the following twelve months. As such, the debt outstanding under this facility of $75,484 was classified as a current liability in the consolidated balance sheet as of December 31, 2013.

Following the procurement of updated valuations in February 2015, the Company was not in compliance with the collateral maintenance test of a ratio of 130%. The collateral measurement was 122.4%, representing an approximate shortfall of $5,150. Under the terms of the credit facility the Company would need to cover such shortfall within 30 days from the time it is notified by the security agent. The Company has not been notified by the security agent to take any remedial actions. The Company has been in communication with the facility s security agent and plans to add one of its unencumbered Handysize vessels as additional collateral to cover the shortfall and satisfy the collateral maintenance test.

The following table sets forth the repayment of the outstanding debt of $67,792 at December 31, 2014 under the Amended and Restated $100 Million Term Loan Facility:

Year Ending December 31,		**Total**
2015	$	7,692
2016		7,692
2017		7,692
2018		7,692
2019		37,024
Total debt	$	67,792

$253 Million Term Loan Facility

On August 20, 2010, the Company entered into the $253 Million Term Loan Facility. BNP Paribas; Crédit Agricole Corporate and Investment Bank; DVB Bank SE; Deutsche Bank AG Filiale Deutschlandgeschäft, which is also acting as Security Agent and Bookrunner; and Skandinaviska Enskilda Banken AB (publ) are Lenders and Mandated Lead Arrangers under the facility. Deutsche Bank Luxembourg S.A. is acting as Agent under the facility, and Deutsche Bank AG and all of the Lenders other than Deutsche Bank AG Filiale Deutschlandgeschäft are acting as Swap Providers under the facility. The Company has used the $253 Million Term Loan Facility to fund a portion of the purchase price of the acquisition of 13 vessels from affiliates of Bourbon. Under the terms of the facility, the $253 Million Term Loan Facility was drawn down in 13 tranches in amounts based on the particular vessel being acquired, with one tranche per vessel. The $253 Million Term Loan Facility has a maturity date of August 15, 2015 and borrowings under the $253 Million Term Loan Facility bear interest, as elected by the Company, at LIBOR for an interest period of three or six months, plus 3.00% per annum. A commitment fee of 1.25% is payable on the undrawn committed amount of the $253 Million Term Loan Facility, which began accruing on August 20, 2010. Borrowings are to be repaid quarterly with outstanding principal amortized on a per vessel basis and any outstanding amount under the $253 Million Term Loan Facility to be paid in full on the maturity date. Repaid amounts are no longer available and cannot be reborrowed. Borrowings under the $253 Million Term Loan Facility are secured by liens on the Bourbon vessels and other related assets. Certain of the Company s wholly-owned ship-owning subsidiaries, each of which owns one of the Bourbon vessels, will act as guarantors under the credit facility.

As of December 31, 2014, total drawdowns of $253,000 have been made under the $253 Million Term Loan Facility to fund or refund to the Company a portion of the purchase price of the 12 Bourbon vessels delivered during the third quarter of 2010 and the Bourbon vessel delivered during the first quarter of 2011. Refer to Note 1 General Information for a listing of the vessels delivered. As of December 31, 2014, the Company has utilized its maximum borrowing capacity under the $253 Million Term Loan Facility.

The $253 Million Term Loan Facility requires the Company to comply with a number of covenants, including financial covenants related to leverage, consolidated net worth, liquidity and interest coverage; dividends; collateral maintenance requirements; and other covenants, most of which are in principle and calculation similar to our covenants under the existing 2007 Credit Facility. As of December 31, 2014 and 2013, the Company had deposited $9,750 that has been reflected as restricted cash. Restricted cash will be released only if the underlying collateral is sold or disposed of. The $253 Million Term Loan Facility includes usual and customary events of default and remedies for facilities of this nature. Refer to the December 2011 Credit Facility Agreements section herein for waivers obtained for specific covenants under this credit facility.

See above in this note under the heading 2007 Credit Facility for a description of the agreement the Company entered into to obtain waivers with respect to certain events of default relating to the $253 Million Term Loan Facility. See the Bankruptcy Filing section under Note 1 General Information for the Company s restructuring plans, including the filing of its Chapter 11 Cases and the Company s subsequent emergence from Chapter 11.

Refer to the $100 Million Term Loan Facility section above for a description of the Amended and Restated $253 Million Term Loan Facility that was entered into by the Company on the Effective Date. The obligations under the Amended and Restated $253 Million Term Loan Facility are secured by a first priority security interest in the vessels and other collateral securing the $253 Million Term Loan Facility. The Amended and Restated $253 Million Term Loan Facility requires quarterly repayment installments in accordance with the original terms of the $253 Million Term Loan Facility.

As of December 31, 2014, the Company believed it was in compliance with all of the financial covenants under the Amended and Restated $253 Million Term Loan Facility, except for the 135% collateral maintenance test. The actual percentage measured by the Company was 130.7% at December 31, 2014 and 134.8% on January 9, 2015 following the Company s scheduled amortization payment of $5,075. Under the terms of the credit facility the company would need to cover such shortfall within 30 days from the time it was notified by the security agent. The Company has not been notified by the security agent to take any actions to remedy this slight shortfall. The Company has been in communication with the facility s agent and prepaid $216 of the outstanding indebtedness on March 2, 2015, which will reduce the next scheduled amortization payment of $5,075 due in early April 2015. The next date that valuations under this credit facility will be required is June 30, 2015.

As of December 31, 2013, the Company believed it was probable that the Company would not be in compliance with certain covenants at measurement dates within the next twelve months. As such, the debt outstanding under this facility of $180,793 was classified as a current liability and the restricted cash related to this facility was classified as a current asset as of December 31, 2013 in the consolidated balance sheets.

The following table sets forth the repayment of the outstanding debt of $165,568 at December 31, 2014 under the Amended and Restated $253 Million Term Loan Facility:

Year Ending December 31,		**Total**
2015	$	20,300
2016		20,300
2017		20,300
2018		20,300
2019		84,368
Total debt	$	165,568

2010 Baltic Trading Credit Facility

On April 16, 2010, Baltic Trading entered into a $100,000 senior secured revolving credit facility with Nordea Bank Finland plc, acting through its New York branch (as amended, the 2010 Baltic Trading Credit Facility). An amendment to the 2010 Baltic Trading Credit Facility was entered into by Baltic Trading effective November 30, 2010. Among other things, this amendment increased the commitment amount of the 2010 Baltic Trading Credit Facility from $100,000 to $150,000. An additional amendment to the 2010 Baltic Trading Credit Facility was entered into by Baltic Trading effective August 29, 2013 (the August 2013 Amendment). The August 2013 Amendment implemented the following modifications to the 2010 Baltic Trading Credit Facility:

- The requirement that certain additional vessels acquired by Baltic Trading be mortgaged as collateral under the 2010 Baltic Trading Credit Facility was eliminated.

- Restrictions on the incurrence of indebtedness by Baltic Trading and its subsidiaries were amended to apply only to those subsidiaries acting as guarantors under the 2010 Baltic Trading Credit Facility.

- The total commitment under this facility was reduced to $110,000 and will be further reduced in three consecutive semi-annual reductions of $5,000 commencing on May 30, 2015. On the maturity date, November 30, 2016, the total commitment will reduce to zero and all borrowings must be paid in full.

- Borrowings bear interest at an applicable margin over LIBOR of 3.00% per annum if the ratio of the maximum facility amount of the aggregate appraised value of vessels mortgaged under the facility is 55% or less, measured quarterly; otherwise, the applicable margin is 3.35% per annum.

- Financial covenants corresponding to the liquidity and leverage under the Baltic Trading $22 Million Term Loan Facility (as defined below) have been incorporated into the 2010 Baltic Trading Credit Facility.

A commitment fee of 1.25% per annum is payable on the unused daily portion of the 2010 Baltic Trading Credit Facility, which began accruing on March 18, 2010 under the terms of the commitment letter entered into on February 25, 2010. In connection with the August 2013 Amendment, Baltic Trading paid an upfront fee of $275. Of the total original facility amount of $150,000, $25,000 is available for working capital purposes. On May 9, 2013, the Company drew down $1,000 for working capital purposes.

Borrowings under the 2010 Baltic Trading Credit Facility are secured by liens on Baltic Trading s initial vessels and other related assets. Borrowings under the facility are subject to the delivery of security documents with respect to Baltic Trading s initial vessels. Baltic Trading s subsidiaries owning the initial vessels act as guarantors under the 2010 Baltic Trading Credit Facility.

All amounts owing under the 2010 Baltic Trading Credit Facility are also secured by the following:

- cross-collateralized first priority mortgages of each of Baltic Trading s initial vessels;
- an assignment of any and all earnings of Baltic Trading s initial vessels; and
- an assignment of all insurance on the mortgaged vessels.

The 2010 Baltic Trading Credit Facility requires Baltic Trading to comply with a number of covenants, including financial covenants related to liquidity, consolidated net worth, and collateral maintenance; delivery of quarterly and annual financial statements and annual projections; maintaining adequate insurances; compliance with laws (including environmental); compliance with ERISA; maintenance of flag and class of Baltic Trading s initial vessels; restrictions on consolidations, mergers or sales of assets; restrictions on changes in the Manager of Baltic Trading s initial vessels (or acceptable replacement vessels); limitations on changes to the Management Agreement; limitations on liens; limitations on additional indebtedness; restrictions on paying dividends; restrictions on transactions with affiliates; and other customary covenants.

The amended 2010 Baltic Trading Credit Facility includes the following financial covenants which apply to Baltic Trading and its subsidiaries on a consolidated basis and are measured at the end of each fiscal quarter:

- Cash and cash equivalents plus the undrawn amount available for working capital under the facility must not be less than $5,000 during the first year following the amendment, or until November 30, 2011. Beginning December 1, 2010, cash and cash equivalents plus the undrawn amount available for working capital under the facility must not be less than $750 per vessel for all vessels in Baltic Trading s fleet.

- Consolidated net worth must not be less than (i) $232,796 plus (ii) 50% of the value of any subsequent primary equity offerings of Baltic Trading.

- The aggregate fair market value of the mortgaged vessels must at all times be at least 140% of the aggregate outstanding principal amount under the 2010 Baltic Trading Credit Facility.

As of December 31, 2014, $7,750 remained available under the 2010 Baltic Trading Credit Facility as the total commitment was reduced to $110,000 pursuant to the August 2013 Amendment. The total available working capital borrowings of $25,000 are subject to the total remaining availability under the 2010 Baltic Trading Credit Facility; therefore, only $7,750 is available for working capital purposes as of December 31, 2014.

Under the 2010 Baltic Trading Credit Facility, Baltic Trading is not permitted to make loans to GS&T or Genco Investments LLC if an event of default existed at the time of the loan or could be reasonably expected to result there from. In addition, Baltic Trading would not be permitted under the facility to declare or pay dividends to its shareholders (including Genco Investments LLC) if an event of default existed at the time of payment or would be caused thereby. As of December 31, 2012, to remain in compliance with a net worth covenant in the facility, Baltic Trading needs to maintain a net worth of $232,796 after the payment of any dividends.

As of December 31, 2014, the Company believes Baltic Trading is in compliance with all of the financial covenants under the 2010 Baltic Trading Credit Facility.

On December 31, 2014, Baltic Trading entered into the Baltic Trading $148 Million Credit Facility, refer to Baltic Trading $148 Million Credit Facility section below. Borrowings under the Baltic Trading $148 Million Credit Facility will be used to refinance Baltic Trading s indebtedness under the 2010 Baltic Trading Credit Facility. On January 7, 2015, Baltic Trading repaid the $102,250 outstanding under the 2010 Baltic

Trading Credit Facility with borrowings from the $148 Million Credit Facility. Baltic Trading utilized the repayment terms under the Baltic Trading $148 Million Credit Facility in order to determine the repayment dates of the outstanding debt as of December 31, 2014.

The following table sets forth the repayment of the outstanding debt of $102,250 at December 31, 2014 under the 2010 Baltic Trading Credit Facility utilizing the payment terms under the Baltic Trading $148 Million Credit Facility:

Year Ending December 31,		**Total**
2015	$	
2016		4,378
2017		9,787
2018		9,787
2019		78,298
Total debt	$	102,250

Baltic Trading $22 Million Term Loan Facility

On August 30, 2013, Baltic Hare Limited and Baltic Fox Limited, wholly-owned subsidiaries of Baltic Trading, entered into a secured loan agreement with DVB Bank SE for a term loan facility of up to $22,000 (the Baltic Trading $22 Million Term Loan Facility). Amounts borrowed and repaid under the Baltic Trading $22 Million Term Loan Facility may not be reborrowed. This facility has a maturity date of the sixth anniversary of the drawdown date for borrowings for the second vessel to be purchased, or September 4, 2019. Borrowings under the Baltic Trading $22 Million Term Loan Facility bear interest at the three-month LIBOR rate plus an applicable margin of 3.35% per annum. A commitment fee of 1.00% per annum is payable on the unused daily portion of the credit facility, which began accruing on August 30, 2013 and ended on September 4, 2013, the date which the entire $22,000 was borrowed. Borrowings are to be repaid in 23 quarterly installments of $375 each commencing three months after the last vessel delivery date, or December 4, 2013, and a final payment of $13,375 due on the maturity date.

Borrowings under the Baltic Trading $22 Million Term Loan Facility are secured by liens on Baltic Trading s vessels purchased with borrowings under the facility, namely the Baltic Fox and the Baltic Hare, and other related assets. Under a Guarantee and Indemnity entered into concurrently with the Baltic Trading $22 Million Term Loan Facility, Baltic Trading agreed to guarantee the obligations of its subsidiaries under the Baltic Trading $22 Million Term Loan Facility.

The Baltic Trading $22 Million Term Loan Facility also requires Baltic Trading, Baltic Hare Limited and Baltic Fox Limited to comply with a number of covenants, including financial covenants related to liquidity, leverage, consolidated net worth, and collateral maintenance; delivery of quarterly and annual financial statements and annual projections; maintaining adequate insurances; compliance with laws (including environmental); maintenance of flag and class of the initial vessels; restrictions on consolidations, mergers or sales of assets; limitations on changes in the manager of the Baltic Trading s vessels; limitations on changes to the Management Agreement; limitations on liens and additional indebtedness; prohibitions on paying dividends if an event of default has occurred or would occur as a result of payment of a dividend; restrictions on transactions with affiliates; and other customary covenants. The liquidity covenants under the facility require Baltic Hare Limited and Baltic Fox Limited to maintain $500 each in their cash accounts and Baltic Trading to maintain $750 for each vessel in its fleet in cash or cash equivalents plus undrawn working capital lines of credit. The facility s leverage covenant requires that the ratio of Baltic Trading s total financial indebtedness to the value of its total assets as adjusted based on vessel appraisals not exceed 70%. The facility also requires that Baltic Trading maintain a minimum consolidated net worth of $232,796 plus fifty percent of the value of Baltic Trading s equity offerings completed on or after May 28, 2013. The facility s collateral maintenance covenant requires that the minimum fair market value of vessels mortgaged under the facility be 130% of the amount outstanding under the facility through August 30, 2016 and 135% of such amount thereafter.

On September 4, 2013, Baltic Hare Limited and Baltic Fox Limited made drawdowns of $10,730 and $11,270 for the Baltic Hare and the Baltic Fox, respectively. As of December 31, 2014, Baltic Trading has utilized its maximum borrowing capacity of $22,000 and there was no further availability. At December 31, 2014 and 2013, the total outstanding debt balance was $20,125 and $21,625, respectively, as required repayments began on December 4, 2013.

As of December 31, 2014, the Company believes Baltic Trading is in compliance with all of the financial covenants under the Baltic Trading $22 Million Term Loan Facility.

The following table sets forth the repayment of the outstanding debt of $20,125 at December 31, 2014 under the Baltic Trading $22 Million Term Loan Facility:

Year Ending December 31,		Total
2015	$	1,500
2016		1,500
2017		1,500
2018		1,500
2019		14,125
Total debt	$	20,125

Baltic Trading $44 Million Term Loan Facility

On December 3, 2013, Baltic Tiger Limited and Baltic Lion Limited, wholly-owned subsidiaries of Baltic Trading, entered into a secured loan agreement with DVB Bank SE for a term loan facility of up to $44,000 (the Baltic Trading $44 Million Term Loan Facility). Amounts borrowed and repaid under the Baltic Trading $44 Million Term Loan Facility may not be reborrowed. The Baltic Trading $44 Million Term Loan Facility has a maturity date of the sixth anniversary of the drawdown date for borrowings for the second vessel to be purchased, or December 23, 2019. Borrowings under the Baltic Trading $44 Million Term Loan Facility bear interest at the three-month LIBOR rate plus an applicable margin of 3.35% per annum. A commitment fee of 0.75% per annum was payable on the unused daily portion of the credit facility, which began accruing on December 3, 2013 and ended on December 23, 2013, the date on which the entire $44,000 was borrowed. Borrowings are to be repaid in 23 quarterly installments of $688 each commencing three months after the last drawdown date, or March 24, 2014, and a final payment of $28,188 due on the maturity date.

Borrowings under the Baltic Trading $44 Million Term Loan Facility are secured by liens on Baltic Trading s vessels to be financed or refinanced with borrowings under the facility, namely the Baltic Tiger and the Baltic Lion, and other related assets. Upon the prepayment of $18,000 plus any additional amounts necessary to maintain compliance with the collateral maintenance covenant, the Company may have the lien on the Baltic Tiger released. Under a Guarantee and Indemnity entered into concurrently with the Baltic Trading $44 Million Term Loan Facility, Baltic Trading agreed to guarantee the obligations of its subsidiaries under the Baltic Trading $44 Million Term Loan Facility.

The Baltic Trading $44 Million Term Loan Facility also requires Baltic Trading, Baltic Tiger Limited and Baltic Lion Limited to comply with a number of covenants, including financial covenants related to liquidity, leverage, consolidated net worth, and collateral maintenance; delivery of quarterly and annual financial statements and annual projections; maintaining adequate insurances; compliance with laws (including environmental); maintenance of flag and class of the initial vessels; restrictions on consolidations, mergers or sales of assets; limitations on changes in the manager of the Baltic Trading s vessels; limitations on changes to the Management Agreement; limitations on liens and additional indebtedness; prohibitions on paying dividends if an event of default has occurred or would occur as a result of payment of a dividend; restrictions on transactions with affiliates; and other customary covenants. The liquidity covenants under the facility require Baltic Tiger Limited and Baltic Lion Limited to maintain $1,000 each in their cash accounts and Baltic Trading to maintain $750 for each vessel in its fleet in cash or cash equivalents plus undrawn working capital lines of credit. The facility s leverage covenant requires that the ratio of Baltic Trading s total financial indebtedness to the value of its total assets as adjusted based on vessel appraisals not exceed 70%. The facility also requires that Baltic Trading maintain a minimum consolidated net worth of $232,796 plus fifty percent of the value of any primary equity offerings of Baltic Trading after April 30, 2013. The facility s collateral maintenance covenant requires that the minimum fair market value of vessels mortgaged under the facility be 125% of the amount outstanding under the facility.

On December 23, 2013, Baltic Tiger Limited and Baltic Lion Limited made drawdowns of $21,400 and $22,600 for the Baltic Tiger and Baltic Lion, respectively. As of December 31, 2014, Baltic Trading has utilized its maximum borrowing capacity of $44,000 and there was no further availability. At December 31, 2014 and 2013, the total outstanding debt balance was $41,250 and $44,000, respectively, as required repayments began on March 24, 2014.

As of December 31, 2014, the Company believes Baltic Trading is in compliance with all of the financial covenants under the Baltic Trading $44 Million Term Loan Facility.

The following table sets forth the repayment of the outstanding debt of $41,250 at December 31, 2014 under the Baltic Trading $44 Million Term Loan Facility:

Year Ending December 31,		**Total**
2015	$	2,750
2016		2,750
2017		2,750
2018		2,750
2019		30,250

Total debt	$	41,250

2014 Baltic Trading Term Loan Facilities

On October 8, 2014, Baltic Trading and its wholly-owned subsidiaries, Baltic Hornet Limited and Baltic Wasp Limited, each entered into a loan agreement and related documentation for a credit facility in a principal amount of up to $16,800 with ABN AMRO Capital USA LLC and its affiliates (the 2014 Baltic Trading Term Loan Facilities) to partially finance the newbuilding Ultramax vessel that each subsidiary is to acquire, namely the Baltic Hornet and Baltic Wasp, respectively. Amounts borrowed under the 2014 Baltic Trading Term Loan Facilities may not be reborrowed. The 2014 Baltic Trading Term Loan Facilities have a ten-year term, and the facility amount is to be the lowest of 60% of the delivered cost per vessel, $16,800 per vessel, and 60% of the fair market value of each vessel at delivery. The 2014 Baltic Trading Term Loan Facilities are insured by the China Export & Credit Insurance

Corporation (Sinosure) in order to cover political and commercial risks for 95% of the outstanding principal plus interest, which will be recorded in deferred financing fees. Borrowings under the 2014 Baltic Trading Term Loan Facilities bear interest at the three or six-month LIBOR rate plus an applicable margin of 2.50% per annum. Borrowings are to be repaid in 20 equal consecutive semi-annual installments of 1/24 of the facility amount plus a balloon payment of 1/6 of the facility amount at final maturity. Principal repayments will commence six months after the actual delivery date for a vessel.

Borrowings under the 2014 Baltic Trading Term Loan Facilities are to be secured by liens on the Baltic Trading s vessels acquired with borrowings under these facilities, namely the Baltic Hornet and Baltic Wasp, and other related assets. Baltic Trading guarantees the obligations of the Baltic Hornet and Baltic Wasp under the 2014 Baltic Trading Term Loan Facilities.

The 2014 Baltic Trading Term Loan Facilities require Baltic Trading, Baltic Hornet Limited and Baltic Wasp Limited to comply with covenants comparable to those of the Baltic Trading $44 Million Term Loan Facility, with the exception of the collateral maintenance covenant and minimum cash requirement for the encumbered vessels. For the 2014 Baltic Trading Term Loan Facilities, the collateral maintenance covenant requiring that the minimum fair market value of the vessels acquired be 135% of the amount outstanding under the 2014 Baltic Trading Term Loan Facilities. Additionally, for the 2014 Baltic Trading Term Loan Facilities, the Baltic Hornet Limited and Baltic Wasp Limit are required to maintain $750 each in their cash accounts. Refer to Baltic Trading $44 Million Term Loan Facility section above.

On October 24, 2014, Baltic Trading drew down $16,800 for the purchase of the Baltic Hornet, which was delivered on October 29, 2014. Additionally, on December 30, 2014, Baltic Trading drew down $16,350 for the purchase of the Baltic Wasp, which was delivered on January 2, 2015. As of December 31, 2014, Baltic Trading has utilized its maximum borrowing capacity and there was no further availability. At December 31, 2014, the total outstanding debt balance was $33,150.

As of December 31, 2014, the Company believes Baltic Trading is in compliance with all of the financial covenants under the 2014 Baltic Trading Term Loan Facilities.

The following table sets forth the repayment of the outstanding debt of $33,150 at December 31, 2014 under the 2014 Baltic Trading Term Loan Facilities:

Year Ending December 31,		**Total**
2015	$	2,081
2016		2,763
2017		2,763
2018		2,763
2019		2,763
Thereafter		20,017
Total debt	$	33,150

<u>Baltic Trading $148 Million Credit Facility</u>

On December 31, 2014, Baltic Trading entered into a $148,000 senior secured credit facility with Nordea Bank Finland plc, New York Branch (Nordea), as Administrative and Security Agent, Nordea and Skandinaviska Enskilda Banken AB (Publ) (SEB), as Mandated Lead Arrangers, Nordea, as Bookrunner, and the lenders (including Nordea and SEB) party thereto (the Baltic Trading $148 Million Credit Facility). The Baltic Trading $148 Million Credit Facility is comprised of an $115,000 revolving credit facility and $33,000 term loan facility. Borrowings under the revolving credit facility will be used to refinance Baltic Trading s outstanding indebtedness under the 2010 Baltic Trading Credit Facility. Amounts borrowed under the revolving credit facility of the Baltic Trading $148 Million Credit Facility may be re-borrowed. Borrowings under the term loan facility of the Baltic Trading $148 Million Credit Facility may be incurred pursuant to two single term loans in an amount of $16,500 each that will be used to finance, in part, the purchase of two newbuilding Ultramax vessels that Baltic Trading has agreed to acquire, namely the Baltic Scorpion and Baltic Mantis. Amounts borrowed under the term loan facility of the Baltic Trading $148 Million Credit Facility may not be re-borrowed.

The Baltic Trading $148 Million Credit Facility has a maturity date of December 31, 2019. Borrowings under this facility bear interest at LIBOR plus an applicable margin of 3.00% per annum. A commitment fee of 1.2% per annum is payable on the unused daily portion of the Baltic Trading $148 Million Credit Facility, which began accruing on December 31, 2014. The commitment under the revolving credit facility of the Baltic Trading $148 Million Credit Facility is subject to equal consecutive quarterly reductions of $2,447 each beginning June 30, 2015 through September 30, 2019. Borrowings under the term loan facility of the Baltic Trading $148 Million Credit Facility are subject to equal consecutive quarterly installment repayments commencing three months after delivery of the relevant newbuilding Ultramax vessel, each in the amount of 1/60 of the aggregate outstanding term loan.

All remaining amounts outstanding under the Baltic Trading $148 Million Credit Facility must be repaid in full on the maturity date, December 31, 2019.

Borrowings under the Baltic Trading $148 Million Credit Facility are secured by liens on nine of Baltic Trading s existing vessels that have served as collateral under the 2010 Baltic Trading Credit Facility, the two newbuilding Ultramax vessels noted above, and other related assets, including existing or future time charter contracts in excess of 36 months related to the foregoing vessels.

The Baltic Trading $148 Million Credit Facility requires Baltic Trading to comply with a number of customary covenants substantially similar to those in the 2010 Baltic Trading Credit Facility, including financial covenants related to liquidity, leverage, consolidated net worth and collateral maintenance. Refer to the 2010 Baltic Trading Credit Facility section above for further information.

As of December 31, 2014, $148,000 remained available under the Baltic Trading $148 Million Credit Facility as there were no drawdowns during the year ended December 31, 2014.

On January 7, 2015, Baltic Trading drew down $104,500 from the revolving credit facility of the Baltic Trading $148 Million Credit Facility. Using these borrowings, Baltic Trading repaid the $102,250 outstanding under the 2010 Baltic Trading Facility.

As of December 31, 2014, the Company had not drawn down on the Baltic Trading $148 Million Credit Facility, and therefore no measurement of financial covenants was required for this facility.

Refer to 2010 Baltic Trading Credit Facility section above for the repayment schedule of the outstanding debt of $102,250 as of December 31, 2014 which was refinanced with the Baltic Trading $148 Million Credit Facility.

Change of Control

If the Company s ownership in Baltic Trading were to decrease to less than 10% of the aggregate number of shares of common stock and Class B Stock of Baltic Trading, the outstanding Baltic Trading Class B Stock held by the Company would automatically convert into common stock, and the voting power held by the Company in Baltic Trading would likewise decrease to less than 30%. This would result in a change of control as defined under the Baltic Trading 2010 Credit Facility, the Baltic Trading $22 Million Term Loan Facility, the Baltic Trading $44 Million Term Loan Facility and the 2014 Baltic Trading Term Loan Facilities, and would therefore constitute an event of default. Additionally, a change of control constituting an event of default under Baltic Trading s credit facilities would also occur if any party other than the Company or certain other permitted holders beneficially owns more than 30% of the Company s outstanding voting or economic equity interests, which may occur if a party were deemed to control Genco. Refer to Note 1 General Information for discussion of the Company s current economic status. The Prepack Plan did not result, and the Company does not expect the Prepack Plan to result, in a reduction of the Company s ownership in Baltic Trading. As of the date of this report, no change of control under either of the foregoing tests has occurred. In addition, 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 Prepack 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), 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. The Prepack Plan did not result in any changes to the Management Agreement. In its Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 2, 2015, Baltic Trading stated that its Board of Directors had not made any determination as of the date of such report regarding any action in connection with the Management Agreement in light of the foregoing events.

<u>Interest payable</u>

As required under the August 2012 Agreements, lenders under the 2007 Credit Facility will receive a fee equal to 1.25% of the principal amount outstanding following such prepayment, or $13,199, on the earlier date of the maturity date of this facility or the date on which all obligations under this facility have been paid in full. On the Effective Date, the 2007 Credit Facility was terminated, therefore this liability was discharged. Refer to Note 1 General Information for further information regarding the Chapter 11 Cases.

Interest rates

The following tables set forth the effective interest rate associated with the interest expense for the Company s debt facilities noted above included the costs associated with unused commitment fees. For the Predecessor Company for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012, the effective interest rate also included the rate differential between the pay fixed, receive variable rate on the interest rate swap agreements that were in effect (refer to Note 12 Interest Rate Swap Agreements), combined, as well as the 1.0% facility fee for the 2007 Credit Facility as noted above. The following tables also include the range of interest rates on the debt, excluding the impact of swaps and unused commitment fees, if applicable:

	Successor	Predecessor		
	Period from July 9 to December 31, 2014	Period from January 1 to July 9, 2014	Year Ended December 31, 2013	2012
Effective Interest Rate	3.60%	4.19%	4.70%	4.68%
Range of Interest Rates (excluding impact of swaps and unused commitment fees)	2.73% to 3.76%	3.15% to 5.15%	3.16% to 4.38%	3.21% to 4.63%

Letter of credit

In conjunction with the Company entering into a long-term office space lease (See Note 22 - Commitments and Contingencies), the Company was required to provide a letter of credit to the landlord in lieu of a security deposit. As of September 21, 2005, the Company obtained an annually renewable unsecured letter of credit with DnB NOR Bank. The letter of credit outstanding was $300 as of December 31, 2014 and 2013 at a fee of 1% per annum. The letter of credit is cancelable on each renewal date provided the landlord is given 150 days minimum notice. This letter of credit has been securitized by $300 that was paid by the Company to DnB NOR Bank during the year ended December 31, 2012. This has been recorded as restricted cash included in total noncurrent assets in the consolidated balance sheet as of December 31, 2014 and 2013.

11 CONVERTIBLE SENIOR NOTES

The Company issued $125,000 of the 2010 Notes on July 27, 2010. The 2010 Notes mature on August 15, 2015 and are convertible into shares of the Company s common stock at a conversion rate of approximately 51.0204 shares of common stock per (in whole dollars) $1,000 principal amount of the 2010 Notes (equivalent to an initial conversion price of $19.60 per share, representing a 22.5% conversion premium over the concurrent offering price of $16.00 per share of the Company s common stock on July 21, 2010), subject to adjustment, based on the occurrence of certain events, including, but not limited to, (i) the issuance of certain dividends on our common stock, (ii) the issuance of certain rights, options or warrants, (iii) the effectuation of share splits or combinations, (iv) certain distributions of property and (v) certain issuer tender or exchange offers as described in the Indenture, with the amount due on conversion payable in shares, cash, or a combination thereof at the Company s discretion. The total underlying shares of the 2010 Notes are 6,377,551 shares of common stock. Since the Company can settle a conversion of the 2010 Notes with shares, cash, or a combination thereof at its discretion, the Company allocated the convertible debt proceeds between the liability component and the embedded conversion option (i.e., the equity component). The liability component of the debt instrument is being accreted to par value using the effective interest method over the remaining life of the debt. This accretion is reported as a component of interest expense. The equity component is not subsequently revalued as long as it continues to qualify for equity treatment.

Upon issuance, the Company estimated the fair value of the liability component of the 2010 Notes, assuming a 10% non-convertible borrowing rate, to be $100,625 and the fair value of the conversion option to be $24,375. This amount was recorded as a debt discount and as an increase to additional paid-in capital as of the issuance date and the Company proportionately allocated approximately $918 of issuance costs against this equity component. The issuance costs allocated to the liability component of $3,637 along with the debt discount is being amortized to interest expense over the approximate 5-year period to the maturity of the 2010 Notes on August 15, 2015 resulting in additional interest expense in future periods. The issuance cost allocated to the liability component has been recorded as deferred financing costs; refer to Note 16 Deferred Financing Costs.

The 2010 Notes were issued pursuant to an indenture, dated as of July 27, 2010 (the Base Indenture), by and between the Company and The Bank of New York Mellon, as trustee (the Trustee), supplemented by the First Supplemental Indenture dated as of June 27, 2010, by and between the Company and the Trustee (the Supplemental Indenture, and together with the Base Indenture, the Indenture). The 2010 Notes were represented by a global security, executed by the Company, in the form attached to the Supplemental Indenture. Interest was payable semi-annually in arrears on February 15 and August 15 of each year, which began on February 15, 2011. The 2010 Notes were to mature on August 15, 2015, subject to earlier repurchase or conversion upon the occurrence of certain events. Holders could have converted their 2010 Notes before February 15, 2015, only in certain circumstances determined by (i) the market price of the Company s common stock, (ii) the trading price of the 2010 Notes, or (iii) the occurrence of specified corporate events. The 2010 Notes were subject to repurchase by the Company at the option of the holders following a fundamental change, as defined in the Indenture, including, but not limited to, (i) certain ownership changes, (ii) certain recapitalizations, mergers and dispositions, (iii) approval of any plan or proposal for the liquidation, or dissolution of the Company, and (iv) the Company s common stock ceasing to be listed on any of the New York Stock Exchange or the Nasdaq Global Select Market, any of their respective successors or any other U.S. national securities exchange, at a price equal to 100% of the principal amount of the 2010 Notes plus accrued and unpaid interest up to the fundamental change repurchase date. After February 15, 2015, holders could convert their 2010 Notes at any time thereafter until the second scheduled trading day preceding maturity.

The Indenture included customary agreements and covenants by the Company, including with respect to events of default.

As noted in Note 1 General Information, the filing of the Chapter 11 Cases by the Company on April 21, 2014 constituted an event of default with respect to the 2010 Notes. On that date, the Company ceased recording interest expense related to the 2010 Notes. During the period from January 1 to July 9, 2014, interest expense of $2,522, including the amortization of the discount of the liability components and the bond coupon interest expense, was not recorded by the Predecessor Company, which would have been incurred had the indebtedness not been reclassified as a Liability subject to compromise. On the Effective Date, when the Company emerged from Chapter 11, the 2010 Notes and the Indenture were fully satisfied and discharged.

The following tables provide additional information about the Company s 2010 Notes.

	Predecessor December 31, 2013
Carrying amount of the equity component (additional paid-in capital)	$ 24,375
Principal amount of the 2010 Notes	125,000
Unamortized discount of the liability component	9,119
Net carrying amount of the liability component	115,881

	Predecessor		
	Period from January 1 to July 9, 2014 (a)	Year Ended December 31, 2013	2012
Effective interest rate on liability component	10.0%	10.0%	10.0%
Cash interest expense recognized	$ 1,886	$ 6,250	$ 6,263
Non-cash interest expense recognized	1,592	4,963	4,537
Non-cash deferred financing amortization costs included in interest expense	216	720	722

(a) The amounts and percentage reflect amounts through April 21, 2014 since the Company ceased recording interest expense due to the Chapter 11 Cases.

Refer to Note 1 General Information for additional information regarding defaults relating to the 2010 Notes

12 - INTEREST RATE SWAP AGREEMENTS

As of March 31, 2014, the Company was in default under covenants of its 2007 Credit Facility due to the default on the scheduled debt amortization payment due on March 31, 2014. Refer to Note 1 General Information for additional information regarding defaults relating to the swap. The default under the 2007 Credit Facility required the Company to elect interest periods of only one-month, therefore the Company no longer qualified for hedge accounting under the original designation and hedge accounting was terminated effective March 31, 2014. Additionally, the filing of the Chapter 11 Cases by the Company on the Petition Date constituted an event of default with respect to the outstanding interest rate swap with DNB Bank ASA. As a result, DNB Bank ASA terminated all transactions under the remaining swap agreement effective April 30, 2014 and filed a secured claim with the Bankruptcy Court of $5,622. The claim was paid to DNB Bank ASA by the Successor Company during the period from July 9 to December 31, 2014.

As of December 31, 2013, the Company had four interest rate swap agreements outstanding with DnB Bank ASA to manage interest costs and the risk associated with changing interest rates related to the Company s 2007 Credit Facility. The total notional principal amount of the swaps at December 31, 2013 is $306,233 and the swaps had specified rates and durations. Three of the swaps that were outstanding as of December 31, 2013 expired during 2014 prior to the Petition Date.

The swap agreements held by the Predecessor Company synthetically converted variable rate debt to fixed rate debt at the fixed interest rate of the swap plus the Applicable Margin, as defined in the 2007 Credit Facility section above in Note 10 Debt.

The following table summarizes the interest rate swaps designated as cash flow hedges that were in place as of December 31, 2013 for the Predecessor Company:

	Interest Rate Swap Detail				Predecessor December 31, 2013
Trade Date	**Fixed Rate**	**Start Date of Swap**	**End date of Swap**		**Notional Amount Outstanding**
9/6/05	4.485%	9/14/05	7/29/15	$	106,233
3/29/06	5.25%	1/2/07	1/1/14		50,000
1/9/09	2.05%	1/22/09	1/22/14		100,000
2/11/09	2.45%	2/23/09	2/23/14		50,000
				$	306,233

The following table summarizes the derivative asset and liability balances at December 31, 2013 for the Predecessor Company:

			Liability Derivatives		
	Balance Sheet Location		**Fair Value December 31, 2013**	**Balance Sheet Location**		**Fair Value December 31, 2013**
Derivatives designated as hedging instruments						
Interest rate contracts	Fair value of derivative instruments (Current Assets)	$		Fair value of derivative instruments (Current Liabilities)	$	6,975
Interest rate contracts	Fair value of derivative instruments (Noncurrent Assets)			Fair value of derivative instruments (Noncurrent Liabilities)		
Total derivatives designated as hedging instruments						6,975
Total Derivatives		$			$	6,975

The differentials to be paid or received for these swap agreements were recognized as an adjustment to Interest expense as incurred. The Company utilized cash flow hedge accounting for these swaps through March 31, 2014, whereby the effective portion of the change in value of the swaps was reflected as a component of AOCI. The ineffective portion is recognized as Other expense, which is a component of Other (expense) income. On March 31, 2014, the cash flow hedge accounting on the remaining swap agreement was discontinued. Once cash flow hedge accounting was discontinued, the changes in the fair value of the interest rate swaps were recorded in the Consolidated Statement of Operations in Interest expense and the remaining amounts included in AOCI were amortized to interest expense over the original term of the hedging relationship for the Predecessor Company.

The interest expense pertaining to the interest rate swaps for the Predecessor Company for the period from January 1 to July 9, 2014 and the years ended December 31, 2013 and 2012 was $2,580, $9,963 and $13,440, respectively.

The following tables present the impact of derivative instruments and their location within the Consolidated Statement of Operations for the Predecessor Company:

The Effect of Derivative Instruments on the Consolidated Statement of Operations

For the Period from January 1 to July 9, 2014

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2014	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2014	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2014
Interest rate contracts	$ (179)	Interest Expense	$ (2,580)	Other Income (Expense)	$

The Effect of Derivative Instruments on the Consolidated Statement of Operations

For the Year Ended December 31, 2013

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2013	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2013	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2013
Interest rate contracts	$ (882)	Interest Expense	$ (9,963)	Other Income (Expense)	$ (4)

The Effect of Derivative Instruments on the Consolidated Statement of Operations

For the Year Ended December 31, 2012

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2012	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2012	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2012
Interest rate contracts	$ (4,252)	Interest Expense	$ (13,440)	Other Income (Expense)	$ 100

The Effect of Derivative Instruments on the Consolidated Statement of Operations

For the Period from January 1 to July 9, 2014 and for the Years Ended December 31, 2013 and 2012

Derivatives not designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative — For the Period from January 1 to July 9, 2014	For the Year Ended December 31, 2013	2012
Interest rate contracts	Interest Expense	$ (225)	$	$

The Company was required to provide collateral in the form of vessel assets to support the interest rate swap agreements, excluding vessel assets of Baltic Trading. Prior to the termination of the 2007 Credit Facility on the Effective Date, the Company s 35 vessels mortgaged under the 2007 Credit Facility served as collateral in the aggregate amount of $100,000.

13 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of AOCI included in the accompanying consolidated balance sheets consist of net unrealized gain (loss) on cash flow hedges and net unrealized gains (losses) from investments in Jinhui stock and KLC stock for the Predecessor Company. For the Successor Company, the components of AOCI included in the accompanying consolidated balance sheets consists only of net unrealized gains (losses) from investments in Jinhui stock and KLC stock based on the revised cost basis recorded as part of fresh-start reporting.

Changes in AOCI by Component

For the Period from July 9 to December 31, 2014

Successor Company

		Net Unrealized Gain (Loss) on Investments
AOCI July 9, 2014	$	
OCI before reclassifications		(25,317)
Amounts reclassified from AOCI		
Net current-period OCI		(25,317)
AOCI December 31, 2014	$	(25,317)

Changes in AOCI by Component

For the Period from January 1, 2012 to July 9, 2014

Predecessor Company

		Net Unrealized Gain (Loss) on Cash Flow Hedges		Net Unrealized Gain on Investments		Total
AOCI January 1, 2012	$	(25,245)	$	7,696	$	(17,549)
OCI before reclassifications		22,628		(3,480)		19,148
Amounts reclassified from AOCI		(13,440)				(13,440)
Net current-period OCI		9,188		(3,480)		5,708
AOCI December 31, 2012	$	(16,057)	$	4,216	$	(11,841)
OCI before reclassifications		19,044		56,482		75,526
Amounts reclassified from AOCI		(9,963)				(9,963)
Net current-period OCI		9,081		56,482		65,563
AOCI December 31, 2013	$	(6,976)	$	60,698	$	53,722
OCI before reclassifications		(179)		(25,766)		(25,945)
Amounts reclassified from AOCI		2,580				2,580
Net current-period OCI		2,401		(25,766)		(23,365)
AOCI July 9, 2014	$	(4,575)	$	34,932	$	30,357

Reclassifications Out of AOCI

Predecessor Company

Details about AOCI Components	Amount Reclassified from AOCI Predecessor For the Period from January 1 to July 9, 2014	For the Year Ended December 31, 2013	2012	Affected Line Item in the Statement Where Net Loss is Presented
Gains and losses on cash flow hedges				
Interest rate contracts	$ 2,580	$ 9,963	$ 13,440	Interest expense
Total reclassifications for the period	$ 2,580	$ 9,963	$ 13,440	

14 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values and carrying values of the Company s financial instruments at December 31, 2014 and 2013 which are required to be disclosed at fair value, but not recorded at fair value, are noted below.

	Successor December 31, 2014		Predecessor December 31, 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	$ 83,414	$ 83,414	$ 122,722	$ 122,722
Restricted cash	29,695	29,695	10,150	10,150
Floating rate debt	430,135	430,135	1,480,064	See Below
2010 Notes			115,881	63,438

The fair value of the floating rate debt under the Amended and Restated $100 Million Term Loan Facility and the Amended and Restated $253 Million Term Loan Facility are based on rates obtained upon our emergence from Chapter 11 on the Effective Date. The 2007 Credit Facility was terminated on the Effective Date; however, a portion of the floating rate debt of the 2007 Credit Facility which was outstanding as of December 31, 2013 was traded in a private transaction for an amount that is not determinable by the Company, which Management believed was lower than the debt s current carrying value as of December 31, 2013. The 2010 Baltic Trading Credit Facility was refinanced by the Baltic Trading $148 Million Credit Facility which was entered into December 31, 2014. On January 7, 2015, Baltic Trading settled the outstanding debt under the 2010 Baltic Trading Credit Facility with proceeds from the Baltic Trading $148 Million Credit Facility, therefore Management believes the floating debt outstanding under the 2010 Baltic Trading Credit Facility approximates its fair value as of December 31, 2014. The fair value of the Baltic Trading $22 Million Term Loan Facility and the Baltic Trading $44 Million Term Loan Facility is based on rates that Baltic Trading recently obtained upon the effective dates of these facilities on August 30, 2013 and December 3, 2013, respectively. Lastly, the fair value of the floating rate debt outstanding under the 2014 Baltic Trading Term Loan Facilities is based on rates that Baltic Trading recently obtained upon the effective date of these facilities on October 8, 2014. Refer to Note 10 Debt for further information. Additionally, the Company considers its creditworthiness in determining the fair value of the floating rate debt under the credit facilities. The carrying value approximates the fair market value for these floating rate loans, except for the 2007 Credit Facility as of December 31, 2013. The fair value of the convertible senior notes payable represents the market value based on recent transactions of the 2010 Notes at December 31, 2013 without bifurcating the value of the conversion option. The fair value of the interest rate swaps as of December 31, 2013 is the estimated amount the Company would pay to terminate the swap agreements at the reporting date, taking into account current interest rates and the creditworthiness of both the swap counterparty and the Company. Refer to Note 11 Convertible Senior Notes and Note 12 Interest Rate Swap Agreements for further information regarding the effect of the Chapter 11 Cases. The carrying amounts of the Company s other financial instruments at December 31, 2014 and 2013 (principally Due from charterers and Accounts payable and accrued expenses) approximate fair values because of the relatively short maturity of these instruments.

ASC Subtopic 820-10, Fair Value Measurements & Disclosures (ASC 820-10), applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 requires significant management judgment. The three levels are defined as follows:

- Level 1 Valuations based on quoted prices in active markets for identical instruments that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.

- Level 2 Valuations based on quoted prices in active markets for instruments that are similar, or quoted prices in markets that are not active for identical or similar instruments, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

- Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

As of December 31, 2014 and 2013, the fair values of the Company s financial assets and liabilities are categorized as follows:

	Successor December 31, 2014 Total	Quoted Market Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments	$ 26,486	$ 26,486	$

	Predecessor December 31, 2013 Total	Quoted Market Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments	$ 77,570	$ 77,570	$
Derivative instruments liability position	6,975		6,975

The Company holds an investment in the capital stock of Jinhui, which is classified as a long-term investment. The stock of Jinhui is publicly traded on the Oslo Stock Exchange and is considered a Level 1 item. The Company also holds an investment in the stock of KLC, which is classified as a long-term investment. The stock of KLC is publicly traded on the Korea Stock Exchange and is considered a Level 1 item. The Company s only interest rate derivative instruments is a pay-fixed, receive-variable interest rate swaps based on LIBOR which was outstanding as of December 31, 2013. The Company has elected to use the income approach to value the derivatives, using observable Level 2 market inputs at measurement date and standard valuation techniques to convert future amounts to a single present amount assuming that participants are motivated, but not compelled to transact. Level 2 inputs for the valuations are limited to quoted prices for similar assets or liabilities in active markets (specifically futures contracts on LIBOR for the first two years) and inputs other than quoted prices that are observable for the asset or liability (specifically LIBOR cash and swap rates and credit spreads at commonly quoted intervals). Mid-market pricing is used as a practical expedient for fair value measurements. Refer to Note 12 Interest Rate Swap Agreements for further information regarding the Company s interest rate swap agreements. ASC 820-10 states that the fair value measurement of an asset or liability must reflect the nonperformance risk of the entity and the counterparty. Therefore, the impact of the counterparty s creditworthiness when in an asset position and the Company s creditworthiness when in a liability position have also been factored into the fair value measurement of the derivative instruments. This credit valuation adjustment did not have a material impact on the fair value of these derivative instruments as of December 31, 2013. Refer to Note 1 General Information for additional information regarding defaults relating to the swap. Cash and cash equivalents and restricted cash are considered Level 1 items as they represent liquid assets with short-term maturities. Floating rate debt is considered to be a Level 2 item as the Company considers the estimate of rates it could obtain for similar debt or based upon transactions amongst third parties. The 2010 Notes are publicly traded in the over-the-counter market; however, they are not considered to be actively traded. As such, the 2010 Notes are considered to be a Level 2 item as of December 31, 2013. The interest rate swap agreement and 2010 Notes were not outstanding as of December 31, 2014. The Company did not have any Level 3 financial assets or liabilities during the years ended December 31, 2014 and 2013.

15 - PREPAID EXPENSES AND OTHER CURRENT AND NONCURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	Successor December 31, 2014	Predecessor December 31, 2013
Lubricant inventory, fuel oil and diesel oil inventory and other stores	$ 11,018	$ 11,342
Prepaid items	4,638	5,000
Insurance receivable	1,951	1,096
Other	4,816	1,627
Total prepaid expenses and other current assets	$ 22,423	$ 19,065

Other noncurrent assets in the amount of $514 at December 31, 2014 and 2013 represent the security deposit related to the operating lease entered into effective April 4, 2011. Refer to Note 22 Commitments and Contingencies for further information related to the lease agreement.

16 DEFERRED FINANCING COSTS

Deferred financing costs includes fees, commissions and legal expenses associated with securing loan facilities and other debt offerings and amending existing loan facilities. These costs are amortized over the life of the related debt and are included in interest expense. Refer to Note 10 Debt for further information regarding the existing loan facilities.

Total net deferred financing costs consist of the following as of December 31, 2014 and 2013:

	Successor December 31, 2014	Predecessor December 31, 2013
2007 Credit Facility	$	$ 29,568
$ 100 Million Term Loan Facility	1,492	1,783
$ 253 Million Term Loan Facility	3,135	4,708
2010 Notes		3,637
2010 Baltic Trading Credit Facility		3,339
Baltic Trading $148 Million Credit Facility	3,233	
Baltic Trading $22 Million Term Loan Facility	529	518
Baltic Trading $44 Million Term Loan Facility	758	737
2014 Baltic Trading Term Loan Facilities	1,853	
Total deferred financing costs	11,000	44,290
Less: accumulated amortization	729	22,279
Total	$ 10,271	$ 22,011

Amortization expense of deferred financing costs for the Successor Company for the period from July 9 to December 31, 2014 was $845. Amortization expense of deferred financing costs for the Predecessor Company for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012 was $4,461, $9,116 and $5,413, respectively. This amortization expense is recorded as a component of interest expense in the Consolidated Statements of Operations.

On the Effective Date, the Company eliminated the net unamortized deferred financing costs for the 2007 Credit Facility and the 2010 Notes and classified the changes as Restructuring items, net in the Consolidated Statements of Operation for the Predecessor Company as both the 2007 Credit Facility and 2010 Notes were terminated as part of the Plan. Additionally, the unamortized deferred financing costs for the $100 Million Term Loan Facility and the $253 Million Term Loan Facility prior to their Restatements and Amendment pursuant to the Plan were eliminated and the Company classified the changes to Restructuring items, net in the Consolidated Statements of Operation for the Predecessor Company. Fees and legal expenses for securing the Amended and Restated $100 Million and $253 Million Term Loan Facilities have been capitalized as deferred financing costs and will be amortized over the extended term of the respective loans.

Baltic Trading entered into the Baltic Trading $148 Million Credit Facility on December 31, 2014, which was used to refinance the outstanding indebtedness under the 2010 Baltic Trading Credit Facility. As such, on December 31, 2014, the net unamortized deferred financing costs associated with the 2010 Baltic Trading Credit Facility are going to be amortized over the life of the Baltic Trading $148 Million Credit Facility. (Refer to Note 10 Debt)

17 - FIXED ASSETS

Fixed assets consist of the following:

	Successor December 31, 2014		Predecessor December 31, 2013	
Fixed assets, at cost:				
Vessel equipment	$	229	$	4,323
Leasehold improvements				2,679
Furniture and fixtures		462		786
Computer equipment		129		754
Total costs		820		8,542
Less: accumulated depreciation and amortization		119		3,438
Total	$	701	$	5,104

Refer to Note 4 Cash Flow Information for information regarding the reclassification from fixed assets to vessels assets by the Predecessor Company during the period from January 1 to July 9, 2014.

18 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

		Successor December 31, 2014		Predecessor December 31, 2013
Accounts payable	$	9,921	$	5,643
Accrued general and administrative expenses		5,894		8,960
Accrued vessel operating expenses		12,402		12,756
Total	$	28,217	$	27,359

19 LIABILITIES SUBJECT TO COMPROMISE

As a result of the filing of the Chapter 11 Cases on April 21, 2014, the payment of pre-petition indebtedness is subject to compromise or other treatment under a plan of reorganization. Generally, actions to enforce or otherwise effect payment of pre-bankruptcy filing liabilities are stayed. Refer to the Financial Statement Presentation section of Note 1 General Information for the allocation of the reinstatement of the Liabilities subject to compromise on the Effective Date.

As of July 9, 2014, Liabilities subject to compromise for the Predecessor Company consist of the following:

		Predecessor July 9, 2014
2007 Credit Facility	$	1,055,912
$ 100 Million Term Loan Facility		73,561
$ 253 Million Term Loan Facility		175,718
Interest payable		13,199
Terminated interest rate swap liability		5,622
Convertible senior note payable		117,473
Bond coupon interest payable		1,105
Lease obligation		815
Pre-petition accounts payable		41
Total	$	1,443,446

20 REVENUE FROM TIME CHARTERS

Total voyage revenue includes revenue earned on time charters, including revenue earned in vessel pools and spot market-related time charters, as well as the sale of bunkers consumed during short-term time charters. For the period from July 9 to December 31, 2014, the Successor Company earned $98,817 of voyage revenue. For the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012, the Predecessor Company earned $118,759, $224,179 and $223,159, respectively. There was no profit sharing revenue earned during the years ended December 31, 2014, 2013 and 2012. Future minimum time charter revenue, based on vessels committed to noncancelable time charter contracts as of February 11, 2015, is expected to be $6,024 during 2015, assuming off-hire due to any scheduled drydocking and that no additional off-hire time is incurred. For drydockings, the Company assumes twenty days of offhire. Future minimum revenue excludes revenue earned for the vessels currently in pool arrangements and vessels that are currently on or will be on spot market-related time charters, as spot rates cannot be estimated, as well as profit sharing revenue.

21 REORGANIZATION ITEMS, NET

Reorganization items, net represent amounts incurred and recovered subsequent to the bankruptcy filing as a direct result of the filing of the Chapter 11 Cases and are comprised of the following:

		Successor Period from July 9 to December 31, 2014		Predecessor Period from January 1 to July 9, 2014
Professional fees incurred	$	968	$	34,981
Trustee fees incurred		623		251
Total reorganization fees	$	1,591	$	35,232
Gain on settlement of liabilities subject to compromise	$		$	(1,187,689)
Net gain on debt and equity discharge and issuance				(775,086)
Fresh-start reporting adjustments				1,045,376
Total fresh-start adjustment	$		$	(917,399)
Total reorganization items, net	$	1,591	$	(882,167)

22 COMMITMENTS AND CONTINGENCIES

In September 2005, the Company entered into a 15-year lease for office space in New York, New York for which there was a free rental period from September 1, 2005 to July 31, 2006. On January 6, 2012, the Company ceased the use of this space. During the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012, the Predecessor Company recorded net rent expense of ($41), $1,264 and $92, respectively, representing the adjustment to and the present value of the Company s estimated remaining rent expense for the duration of the lease after taking into account estimated future sublease income based on the sublease agreement entered into effective November 1, 2013 and deferred rent on the facility. The current and long-term lease obligations related to this lease agreement as of December 31, 2013 of $176 and $744, respectively, are recorded in the consolidated balance sheets in Current portion of lease obligations and Long-term lease obligations, respectively, for the Predecessor Company. Pursuant to the Plan that was approved by the Bankruptcy Court, the Debtors rejected the lease agreement on the Effective Date and the Company believes that it will owe the lessor the remaining liability.

Effective April 4, 2011, the Company entered into a seven-year sub-sublease agreement for additional office space in New York, New York. The term of the sub-sublease commenced June 1, 2011, with a free base rental period until October 31, 2011. Following the expiration of the free base rental period, the monthly base rental payments are $82 per month until May 31, 2015 and thereafter will be $90 per month until the end of the seven-year term. Pursuant to the sub-sublease agreement, the sublessor was obligated to contribute $472 toward the cost of the Company s alterations to the sub-subleased office space. The Company has also entered into a direct lease with the over-landlord of such office space that commences immediately upon the expiration of such sub-sublease agreements, for a term covering the period from May 1, 2018 to September 30, 2025; the direct lease provides for a free base rental period from May 1, 2018 to September 30, 2018. Following the expiration of the free base rental period, the monthly base rental payments will be $186 per month from October 1, 2018 to April 30, 2023 and $204 per month from May 1, 2023 to September 30, 2025. For accounting purposes, the sub-sublease agreement and direct lease agreement with the landlord constitutes one lease agreement. As a result of the straight-line rent calculation generated by the free rent period and the tenant work credit, the monthly straight-line rental expense for the term of the entire lease from June 1, 2011 to September 30, 2025 was $130 for the Predecessor Company. On the Effective Date, a revised straight-line rent calculation was completed as part of fresh-start reporting. The revised monthly straight-line rental expense for the remaining term of the lease from the Effective Date to September 30, 2025 is $150. The Company had a long-term lease obligation at December 31, 2014 and 2013 of $390 and $2,370, respectively. Rent expense pertaining to this lease recorded by the Successor Company for the period from July 9 to December 31, 2014 was $865. Rent expense pertaining to this lease recorded by the Predecessor Company for the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012 was $813 $1,558 and $1,558, respectively.

Future minimum rental payments on the above lease for the next five years and thereafter are as follows: $1,037 for 2015, $1,076 annually for 2016 and 2017, $916 for 2018, $2,230 for 2019 and a total of $13,360 for the remaining term of the lease.

During the beginning of 2009, the Genco Cavalier, a 2007-built Supramax vessel, was on charter to Samsun when Samsun filed for the equivalent of bankruptcy protection in South Korea, otherwise referred to as a rehabilitation application. On February 5, 2010, the rehabilitation plan submitted by Samsun was approved by the South Korean courts. As part of the rehabilitation process, the Company s claim of $17,212 will be settled in the following manner; 34.0%, or $5,852, will be paid in cash in annual installments on

December 30th of each year from 2010 through 2019 ranging from 8.0% to 17.0%; the remaining 66.0%, or $11,360, was converted to Samsun shares at a specified value per share. During the year ended December 31, 2014, the Company received $296 and $234 from Samsun for the remainder of the payment that was due on December 30, 2012, including interest, and 50% of the payment that was due on December 30, 2013, respectively. During the year ended December 31, 2013, there were no payments remitted by Samsun. Lastly, during the year ended December 31, 2012, the Company received $263 from Samsun which represented 50% of the payment due on December 30, 2012. As such, during the years ended December 31, 2014, 2013 and 2012, $530, $0 and $263, respectively, have been recorded as other operating income.

During January 2011, the Genco Success, a 1997-built Handymax vessel, was on charter to KLC when KLC filed for a rehabilitation application with South Korean courts. The original rehabilitation plan submitted by KLC was approved by the South Korean courts on July 3, 2012. However, on October 4, 2013, a final revised rehabilitation plan was approved by the South Korean courts which resulted in a settlement payment to be paid to the Company of $21 in addition to 3,355 shares of stock of KLC. The Company valued the shares of KLC stock using the fair value on the date that the shares were received which resulted in other operating income of $100. These shares of KLC stock have been classified as AFS, refer to Note 7 Investments for further information. As per the original rehabilitation plan, the Company received a payment of $2 from KLC on December 30, 2012. As such, during the years ended December 31, 2014, 2013 and 2012, $0, $121 and $2, respectively, have been recorded as other operating income.

23 SAVINGS PLAN

In August 2005, the Company established a 401(k) plan that is available to full-time employees who meet the plan s eligibility requirements. This 401(k) plan is a defined contribution plan, which permits employees to make contributions up to maximum percentage and dollar limits allowable by IRS Code Sections 401(k), 402(g), 404 and 415 with the Company matching up to the first six percent of each employee s salary on a dollar-for-dollar basis. The matching contribution vests immediately. For the period from July 9 to December 31, 2014, the Successor Company s matching contributions to this plan were $181. For the period from January 1 to July 9, 2014 and the years ended December 31, 2013 and 2012, the Predecessor Company s matching contributions to this plan were $131, $301 and $296, respectively.

24 STOCK-BASED COMPENSATION

Genco Shipping & Trading Predecessor Company

On July 12, 2005, the Company s Board of Directors approved the Genco Shipping and Trading Limited 2005 Equity Incentive Plan (the 2005 GS&T Plan). The aggregate number of shares of common stock available for award under the 2005 GS&T Plan is 2,000,000 shares. Additionally, on May 17, 2012, at the Company s 2012 Annual Meeting of Shareholders, the Company s shareholders approved the Genco Shipping and Trading Limited 2012 Equity Incentive Plan (the 2012 GS&T Plan). The aggregate number of shares of common stock available for award under the 2012 GS&T Plan is 3,000,000 shares. Under these plans, the Company s Board of Directors, the compensation committee, or another designated committee of the Board of Directors may grant a variety of stock-based incentive awards to employees, directors and consultants who the compensation committee (or other committee or the Board of Directors) believes are key to the Company s success. Awards may consist of incentive stock options, nonqualified stock options, stock appreciation rights, dividend equivalent rights, nonvested stock, unrestricted stock and performance shares. Under the Plan, on the Effective Date, any unvested shares under the 2005 and 2012 GS&T Plans were deemed vested automatically and Equity Warrants were issued. Refer to Successor Company Equity Warrant Agreement section in Note 1 General Information for further information. The vesting of these shares is included in the $2,403 of nonvested stock amortization expense recorded by the Predecessor Company during the period from January 1 to July 9, 2014 and is included in the table below.

Under the 2005 and 2012 GS&T Plans, grants of nonvested common stock to executives and employees vested ratably on each of the four anniversaries of the determined vesting date. Grants of nonvested common stock issued under the 2005 and 2012 GS&T Plans to directors vested the earlier of the first anniversary of the grant date or the date of the next annual shareholders meeting, which are typically held during May. Grants of nonvested common stock issued under the 2005 and 2012 GS&T Plans to the Company s Chairman, Peter C. Georgiopoulos, that were not granted as part of grants made to all directors, excluding the grants made on December 13, 2012, December 28, 2011 and December 21, 2010, vested ratably on each of the ten anniversaries of the vesting date.

The table below summarizes the Predecessor Company s nonvested stock awards for the period from January 1, 2012 to July 9, 2014 under the 2005 and 2012 GS&T Plans:

	Number of Shares		Weighted Average Grant Date Price
Outstanding at January 1, 2014 - Predecessor	880,465	$	7.77
Granted			
Vested	(880,465)		7.77
Forfeited			
Outstanding at July 9, 2014 - Predecessor		$	

	Year Ended December 31,					
	2013			2012		
	Number of Shares		Weighted Average Grant Date Price	Number of Shares		Weighted Average Grant Date Price
Outstanding at January 1 - Predecessor	1,108,762	$	9.47	936,787	$	14.06
Granted	200,634		1.57	464,175		2.71
Vested	(407,431)		9.46	(290,700)		13.49
Forfeited	(21,500)		5.53	(1,500)		6.39
Outstanding at December 31 - Predecessor	880,465	$	7.77	1,108,762	$	9.47

The total fair value of shares that vested under the 2005 and 2012 GS&T Plans during the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012 was $691, $943 and $733, respectively. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

For the period from January 1 to July 9, 2014 and for the years ended December 31, 2013 and 2012, the Predecessor Company recognized nonvested stock amortization expense for the 2005 and 2012 GS&T Plans, which is included in general, administrative and management fees, as follows:

	Predecessor					
	Period from January 1 to July 9, 2014		Year Ended December 31,			
			2013		2012	
General, administrative and management fees	$	2,403	$	2,924	$	4,087

Genco Shipping & Trading Successor Company

2014 Management Incentive Plan

On the Effective Date, pursuant to the Chapter 11 Plan, the Company adopted the MIP (as defined in Note 1 General Information). An aggregate of 9,668,061 shares of Common Stock were available for award under the MIP, which were awarded in the form of restricted stock grants and awards of three tiers of MIP Warrants with staggered strike prices based on increasing equity values. The number of shares of common stock available under the Plan represented approximately 1.8% of the shares of post-emergence Common Stock outstanding as of the Effective Date on a fully-diluted basis. Awards under the MIP were available to eligible employees, non-employee directors and/or officers of the Company and its subsidiaries (collectively, Eligible Individuals). Under the MIP, a committee appointed by the Board from time to time (or, in the absence of such a committee, the Board) (in either case, the Plan Committee) may grant a variety of stock-based incentive awards, as the Plan Committee deems appropriate, to Eligible Individuals. The MIP Warrants are exercisable on a cashless basis and contain customary anti-dilution protection in the event of any stock split, reverse stock split, stock dividend, reclassification, dividend or other distributions (including, but not limited to, cash dividends), or business combination transaction.

On August 7, 2014, pursuant to the MIP, certain individuals were granted MIP Warrants whereby each warrant can be converted on a cashless basis for the amount in excess of the respective strike price. The MIP Warrants were issued in three tranches, which are exercisable for 2,380,664, 2,467,009, and 3,709,788 shares and have exercise prices of $25.91 (the $25.91 Warrants), $28.73 (the $28.73 Warrants) and $34.19 (the $34.19 Warrants), respectively. The fair value of each warrant upon emergence from bankruptcy was $7.22 for the $25.91 Warrants, $6.63 for the $28.73 Warrants and $5.63 for the $34.19 Warrants. The warrant values were based upon a calculation using the Black-Scholes-Merton option pricing formula. This model uses inputs such as the underlying price of the shares issued when the warrant is exercised, volatility, cost of capital interest rate and expected life of the instrument. The Company has determined that the warrants should be classified within Level 3 of the fair value hierarchy by evaluating each input for the Black-Scholes-Merton option pricing formula against the fair value hierarchy criteria and using the lowest level of input as the basis for the fair value classification. The Black-Scholes-Merton option pricing formula used a volatility of 43.91% (representing the six-year volatility of a peer group), a risk-free interest rate of 1.85% and a dividend rate of 0%. The aggregate fair value of these awards upon emergence from bankruptcy was $54,436. The warrants vest 33.33% on each of the first three anniversaries of the grant date, with accelerated vesting upon a change in control of the Company.

For the period from August 7, 2014 to December 31, 2014, the Successor Company recognized amortization expense of the fair value of these warrants of $13,390 which is included in the Company s Consolidated Statements of Operations as a component of General, administrative and management fees. Amortization of the unamortized stock-based compensation balance of $41,046 as of December 31, 2014 is expected to be expensed $25,941, $11,496, and $3,609 during the years ending December 31, 2015, 2016 and 2017, respectively. The following table summarizes all the warrant activity for the period July 9, 2014 to December 31, 2014:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Fair Value
Outstanding at July 9, 2014 - Successor		$	$
Granted	8,557,461	30.31	6.36
Exercised			
Forfeited			
Outstanding at December 31, 2014 - Successor	8,557,461	$ 30.31	$ 6.36

The following table summarizes certain information about the warrants outstanding as of December 31, 2014:

	Warrants Outstanding, December 31, 2014			Warrants Exercisable, December 31, 2014	
Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Warrants	Weighted Average Exercise Price
$ 30.31	8,557,461	$ 30.31	5.60		

On August 6, 2014, the Successor Company s Board of Directors approved the 2014 Equity Incentive Plan for an aggregate of 250,000,000, which included the shares issued for the Successor Company pursuant to the Plan. The nonvested stock awards granted under the 2014 MIP Plan will vest ratably on each of the three anniversaries of the determined vesting date of August 7, 2014. The table below summarizes the Successor Company s nonvested stock awards for the period from July 9 to December 31, 2014 that were issued under the 2014 MIP Plan:

	Number of Shares	Weighted Average Grant Date Price

Outstanding at July 9, 2014 - Successor		$	
Granted	1,110,600		20.00
Vested			
Forfeited			
Outstanding at December 31, 2014 - Successor	1,110,600	$	20.00

The total fair value of restricted shares that vested under the 2014 MIP Plan during the period from July 9 to December 31, 2014 for the Successor Company was $0. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

For the period from July 9 to December 31, 2014, the Successor Company recognized nonvested stock amortization expense for the 2014 MIP Plan restricted shares, which is included in General, administrative and management fees, as follows:

	Successor Period from July 9 to December 31, 2014
General, administrative and management fees	$ 5,464

The Company is amortizing these grants over the applicable vesting periods, net of anticipated forfeitures. As of December 31, 2014, unrecognized compensation cost of $16,748 related to nonvested stock will be recognized over a weighted-average period of 2.6 years.

<u>Baltic Trading Limited</u>

On March 3, 2010, Baltic Trading s Board of Directors approved the Baltic Trading Limited 2010 Equity Incentive Plan (the Baltic Trading Plan). On March 13, 2014, Baltic Trading s Board of Directors approved an amendment to the Baltic Trading Plan that increased the aggregate number of shares of common stock available for awards from 2,000,000 to 6,000,000 shares. Additionally, on April 9, 2014, at Baltic Trading s 2014 Annual Meeting of Shareholders, Baltic Trading s shareholders approved the amendment to the Baltic Trading Plan. Under the Baltic Trading Plan, Baltic Trading s Board of Directors, the compensation committee, or another designated committee of the Board of Directors may grant a variety of stock-based incentive awards to officers, directors, and executive, managerial, administrative and professional employees of and consultants to Baltic Trading or the Company whom the compensation committee (or other committee of the Board of Directors) believes are key to Baltic Trading s success. Awards may consist of restricted stock, restricted stock units, stock options, stock appreciation rights and other stock or cash-based awards.

Grants of restricted stock to Peter C. Georgiopoulos, Chairman of the Board of Baltic Trading, and John Wobensmith, President and Chief Financial Officer of Baltic Trading, made in connection with Baltic Trading s IPO vest ratably on each of the first four anniversaries of March 15, 2010. Grants of restricted common stock to Baltic Trading s directors made following Baltic Trading s IPO (which exclude the foregoing grant to Mr. Georgiopoulos) vest the earlier of the first anniversary of the grant date or the date of Baltic Trading s next annual shareholders meeting. Grants of restricted stock made to executives and the Chairman of the Board not in connection with the Company s IPO vest ratably on each of the first four anniversaries of the determined vesting date.

The following table presents a summary of Baltic Trading s nonvested stock awards for the three years ended December 31, 2014 under the Baltic Trading Plan:

	Year Ended December 31,					
	2014		2013		2012	
	Number of Baltic Trading Common Shares	Weighted Average Grant Date Price	Number of Baltic Trading Common Shares	Weighted Average Grant Date Price	Number of Baltic Trading Common Shares	Weighted Average Grant Date Price
Outstanding at January 1	1,381,429	$ 6.03	664,249	$ 7.70	545,750	$ 11.60
Granted	1,086,345	2.61	998,680	5.60	299,999	3.04

Vested	(525,930)		7.21	(281,500)		8.48	(181,500)		11.71
Forfeited									
Outstanding at December 31	1,941,844	$	3.80	1,381,429	$	6.03	664,249	$	7.70

The total fair value of shares that vested under the Baltic Trading Plan during the period from July 9 to December 31, 2014, the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012 was $1,168, $1,143, $1,194 and $663. The total fair value is calculated as the number of shares vested during the period multiplied by the fair value on the vesting date.

The Successor Company and the Predecessor Company recognized nonvested stock amortization expense for the Baltic Trading Plan, which is included in General, administrative and management fees, as follows:

	Successor Period from July 9 to December 31, 2014	Predecessor Period from January 1 to July 9, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
General, administrative and management fees	$ 1,551	$ 1,949	$ 1,558	$ 1,777

The Company is amortizing Baltic Trading s grants over the applicable vesting periods, net of anticipated forfeitures. As of December 31, 2014, unrecognized compensation cost of $5,273 related to nonvested stock will be recognized over a weighted-average period of 3.28 years.

25 SHARE REPURCHASE PROGRAM

On February 13, 2008, the Company s Board of Directors approved a share repurchase program for up to a total of $50,000 of the Company s common stock. Share repurchases were to be made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of purchases under the program will be determined by management based upon market conditions and other factors. Purchases may be made pursuant to a program adopted under Rule 10b5-1 under the Securities Exchange Act. The program does not require the Company to purchase any specific number or amount of shares and may be suspended or reinstated at any time in the Company s discretion and without notice. Prior to the termination of the 2007 Credit Facility pursuant to the Plan, repurchases were subject to restrictions under the 2007 Credit Facility. The 2007 Credit Facility was amended as of February 13, 2008 to permit the share repurchase program and provide that the dollar amount of shares repurchased is counted toward the maximum dollar amount of dividends that may be paid in any fiscal quarter. Subsequently, on January 26, 2009, the Company entered into the 2009 Amendment which amended the 2007 Credit Facility to require the Company to suspend all share repurchases until the Company can represent that it is in a position to again satisfy the collateral maintenance covenant. Refer to Note 10 Debt.

Since the inception of its share repurchase program through July 9, 2014, the Predecessor Company repurchased and retired 278,300 shares of its common stock for $11,500. No share repurchases were made by the Predecessor Company during the period from January 1 to July 9, 2014 and during the years ended December 31, 2013 and 2012.

26 - LEGAL PROCEEDINGS

Refer to Note 1 General Information for information concerning the Chapter 11 Cases.

On March 28, 2014, the Genco Auvergne was arrested due to a disputed claim with the charterer of one of the Company s other vessels, namely the Genco Ardennes. In order for the Company to release the Genco Auvergne from its arrest, the Company entered into a cash collateralized $900 bank guarantee with Skandinaviska Enskilda Banken AB (the SEB Bank Guarantee) on April 3, 2014. The vessel has since been released from its arrest and the bank guarantee will remain in an escrow account until the arbitration related to this case is completed. The SEB Bank Guarantee resulted in additional indebtedness by the Company. As the Company was in default under the covenants of its 2007 Credit Facility due to the default on a scheduled debt amortization payment due on March 31, 2014, on April 3, 2014 the Company received a consent from the lenders under the 2007 Credit Facility to incur this additional indebtedness. Also, under the $253 Million Term Loan Facility for which the Genco Auvergne is collateralized, the Company may not incur additional indebtedness related to its collateralized vessels under this facility. The Company also received a consent from the lenders under the $253 Million Term Loan Facility on April 3, 2014 in order to enter the SEB Bank Guarantee. The $900 to collateralize the bank guarantee has been recorded as Prepaid expenses and other current assets in the Consolidated Balance Sheets as of December 31, 2014.

From time to time, the Company may be subject to legal proceedings and claims in the ordinary course of its business, principally personal injury and property casualty claims. Such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. The Company is not aware of any legal proceedings or claims that it believes will have, individually or in the aggregate, a material effect on the Company, its financial condition, results of operations or cash flows besides those noted above.

27 RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

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 noncontrolling interest recognized in December 2014 by the Company associated with its consolidated subsidiary Baltic Trading (refer to Note 5 Goodwill Impairment). As a result of this error, amounts allocated to the Company s noncontrolling interest in the Company s previously reported Consolidated Statement of Operations of the Successor Company for the period from July 9, 2014 to December 31, 2014 and the Company s previously reported Consolidated Balance Sheet of the Successor Company as of December 31, 2014 were incorrect.

The error affected the Company s previously reported Net loss allocable to GS&T and the noncontrolling interest and Net loss per share allocable to GS&T on the face of the Company s Consolidated Statement of Operations of the Successor Company for the period from July 9, 2014 to December 31, 2014; and the Company s previously reported allocation of shareholders equity to the shareholders of the Company and the noncontrolling interest in the face of the Company s Consolidated Balance Sheet of the Successor Company as of December 31, 2014. The error did not impact the Company s previously reported consolidated revenues, operating expenses, net loss or cash flows for the Successor Company for the period from July 9, 2014 to December 31, 2014; or the Company s previously reported consolidated assets, liabilities or total equity of the Successor Company 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 previously reported net loss attributable to GS&T and an increase in previously reported Net loss attributable to noncontrolling interest for the period from July 9, 2014 to December 31, 2014 by the same amount; and 2) an increase in GS&T s equity attributable to its shareholders and a decrease in the Noncontrolling interest in the Consolidated Balance Sheet as of December 31, 2014 by the same amount. The effect of correcting these errors is summarized as follows:

- For the period from July 9, 2014 to December 31, 2014, the previously reported Net loss attributable to GS&T decreased by $21,823 to $182,294 from $204,117 as a result of the restatement. This resulted in a change in Net loss per share from $3.38 to $3.02 as a result of the restatement. After the restatement, the Net loss attributable to noncontrolling interest for the period from July 9, 2014 to December 31, 2014 increased by $21,823 to $31,064 from $9,241. The Company s consolidated Net loss for the period from July 9, 2014 to December 31, 2014 was unchanged at $213,358.

- As of December 31, 2014, the previously reported equity recorded by GS&T attributable to its shareholders increased by $21,823 to $1,044,201 from $1,022,378 as a result of the restatement. After restatement, as of December 31, 2014, the noncontrolling interest s equity decreased by $21,823 to $248,573 from $270,396. The Company s consolidated total equity in its Consolidated Balance Sheet as of December 31, 2014 was unchanged at $1,292,774.

28 UNAUDITED QUARTERLY RESULTS OF OPERATIONS

In the opinion of the Company s management, all adjustments, consisting of normal recurring accruals considered necessary for a fair presentation have been included on a quarterly basis. We have presented the unaudited quarterly results of operations separately for the Successor Company and the Predecessor Company.

	2014				
	Predecessor			Successor	
	Quarter Ended		Period from July 1 to July 9	Period from July 9 to September 30	Quarter Ended December 31 (restated)
	March 31	June 30			
	(In thousands, except share and per share amounts)				
Revenues	$ 63,180	$ 51,545	$ 4,034	$ 43,943	$ 54,874
Operating (loss) income	(20,766)	(26,552)	(8,356)	(17,436)	(185,796)
Net (loss) income	(42,238)	(65,557)	892,351	(22,562)	(190,795)
Net (loss) income attributable to noncontrolling interest	(3,133)	(5,033)	(568)	(4,272)	(26,792)
Net (loss) income attributable to Genco Shipping & Trading Limited	(39,105)	(60,524)	892,919	(18,290)	(164,003)
Net (loss) earnings per share - basic (2)	$ (0.90)	$ (1.39)	$ 20.49	$ (0.30)	$ (2.72)
Net (loss) earnings per share - diluted (2)	$ (0.90)	$ (1.39)	$ 20.49	$ (0.30)	$ (2.72)
Dividends declares and paid per share (1)	$	$	$	$	$
Weighted average common shares outstanding - basic	43,568,942	43,568,942	43,568,942	60,299,766	60,415,981
Weighted average common shares outstanding - diluted	43,568,942	43,568,942	43,568,942	60,299,766	60,415,981

	2013			
	Predecessor			
	Quarter Ended			
	March 31	June 30	September 30	December 31
Revenues	$ 40,486	$ 45,760	$ 59,433	$ 81,785
Operating (loss) income	(30,474)	(27,075)	(13,387)	4,030
Net (loss) income	(51,950)	(48,940)	(36,976)	(19,155)
Net (loss) income attributable to noncontrolling interest	(3,787)	(3,571)	(1,942)	20
Net (loss) income attributable to Genco Shipping & Trading Limited	(48,163)	(45,369)	(35,034)	(19,175)
Net (loss) earnings per share - basic (2)	$ (1.12)	$ (1.05)	$ (0.81)	$ (0.43)
Net (loss) earnings per share - diluted (2)	$ (1.12)	$ (1.05)	$ (0.81)	$ (0.43)
Dividends declares and paid per share (1)	$	$	$	$
Weighted average common shares outstanding - basic	43,161,510	43,196,895	43,231,510	43,403,894
Weighted average common shares outstanding - diluted	43,161,510	43,196,895	43,231,510	43,403,894

(1) Does not include cash dividends paid by Baltic Trading.

(2) Amounts may not total to annual earnings (loss) because each quarter and year are calculated separately based on basic and diluted weighted-average common shares outstanding during that period.

29 - SUBSEQUENT EVENTS

On January 2, 2015, Baltic Trading took delivery of the Baltic Wasp, a 63,389 dwt Ultramax newbuilding from Yangfan Group Co., Ltd. Baltic Trading utilized cash on hand and $16,350 of proceeds from the 2014 Baltic Trading Term Loan Facilities to pay the remaining balance of $19,400 for the Baltic Wasp.

On February 27, 2015, Baltic Trading drew down $10,500 under the working capital line of the Baltic Trading $148 Million Credit Facility. This amount represents the remaining availability under the $115,000 revolving credit facility.

Refer to Note 10 Debt for discussion on collateral short-fall for the $100 Million Term Loan Facility and the $253 Million Term Facility.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our President and our Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15 of the Exchange Act as of the end of the period covered by this Report. Based upon that evaluation, our President and our Chief Financial Officer have concluded that our disclosure controls and procedures are effective.

INTERNAL CONTROL OVER FINANCIAL REPORTING

MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining effective internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become ineffective because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Our assessment included consideration of an error that was identified in April 2015 in our accounting for the allocation of a goodwill impairment charge recorded in December 2014 that was partially attributable to our noncontrolling interests. Specifically, management identified that process level controls, including management review of consolidated financial information and legal entity trial balances within our consolidated financial reporting process regarding attribution of income/loss to our noncontrolling interests were not adequately designed. These controls lacked attributes specific to the accurate tracking of basis differences attributable to noncontrolling interests that were established in July 2014 associated with our application of fresh-start accounting.

This error is corrected in this Form 10-K/A. Management concluded that this internal control design deficiency represented 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 interests that were established in July 2014 associated with our application of fresh-start accounting.

Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an audit report on the Company s internal control over financial reporting. The attestation report is included on pages 36-37 of this report.

CHANGES IN INTERNAL CONTROLS

In response to the identified error and the related material weakness in internal control described above, management has implemented remediation efforts to address the design of internal controls related to our accounting for noncontrolling interests. Our new and refined internal controls are intended to prevent or detect similar occurrences. Such changes to our internal controls include (1) improved reconciliation and review controls over tracking legal entity financial information and focus on classification and presentation effects of less-than-wholly-owned subsidiaries in our consolidation process; and (2) enhanced training and education on principles related to accounting for noncontrolling interests.

Other than the material weakness described above, there have been no changes in our internal controls or over financial reporting that occurred during the fourth fiscal quarter of 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of

Genco Shipping & Trading Limited

New York, New York

We have audited the internal control over financial reporting of Genco Shipping & Trading Limited and subsidiaries (the Company) as of December 31, 2014, based on criteria established in *Internal Control Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed by, or under the supervision of, the company s principal executive and principal financial officers, or persons performing similar functions, and effected by the company s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As discussed in Note 1 to the consolidated financial statements, on July 2, 2014, the Company emerged from Chapter 11 of the Bankruptcy Code pursuant to the terms of a reorganization plan (the Plan) that was approved by the bankruptcy court and declared effective as of July 9, 2014. The terms of the Plan resulted in a series of financial restructuring transactions for the Company and a change in its control, which met the criteria in Accounting Standards Codification (ASC) Topic 852, *Reorganizations,* for the Company to apply fresh-start accounting in conformity with the requirements of ASC Topic 852. Accordingly, the financial information in the accompanying consolidated financial statements has carrying values not comparable with prior periods presented.

As discussed in Note 27 to the consolidated financial statements, the 2014 consolidated financial statements have been restated to correct an error.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company s annual or interim financial statements will not be prevented or detected on a timely basis. A material weakness related to the Company s accounting for the allocation of a goodwill impairment charge recorded in December 2014 that was partially attributable to its noncontrolling interests has been identified and included in management s assessment about the effectiveness of the Company s internal control over financial reporting. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audits of the Company s consolidated financial statements as of and for the year ended December 31, 2014 and this report does not affect our report on such financial statements.

In our opinion, because of the effect of the material weakness identified above on the achievement of the objectives of the control criteria, the Company has not maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2014 of the Company and our report dated March 2, 2015 (April 30, 2015 as to the effects of the restatement discussed in Note 27) expressed an unqualified opinion on those financial statements.

/s/ DELOITTE & TOUCHE LLP

New York, New York

March 2, 2015 (April 30, 2015 as to the effects of the material weakness described in Management s Report on Internal Control over Financial Reporting, as revised).

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Board of Directors

The Genco Board of Directors currently consists of seven directors. Under Genco s Certificate of Incorporation, as amended, the Board of Directors is classified into two classes. The term of office of the Class I directors expires at the Genco 2015 Annual Meeting of Shareholders, while the term of office of the Class II directors expires at the Genco 2016 Annual Meeting of Shareholders. Upon the conclusion of such second annual meeting, the Board of Directors will automatically cease to be divided into classes, with all directors to be elected annually. The classes are currently comprised as follows:

- *Class I directors*. Peter Georgiopoulos, Ian Ashby and Eugene I. Davis are Class I directors whose terms expire at the Genco 2015 Annual Meeting of Shareholders.

- *Class II directors*. James G. Dolphin, Michael J. Leffell, William Manuel and Bao D. Truong are Class II directors whose terms expire at the Genco 2016 Annual Meeting of Shareholders.

Below is selected biographical information for our directors as of the date of this report:

Name	Age	Position
Peter C. Georgiopoulos	54	Chairman and Director
Ian Ashby	58	Director
Eugene I. Davis	60	Director
James G. Dolphin	47	Director
Michael J. Leffell	56	Director
William Manuel	42	Director
Bao D. Truong	41	Director

Peter C. Georgiopoulos has served as Chairman and as a director of Genco since Genco s inception. Since 1997, Mr. Georgiopoulos served as Chairman and a member of the board of directors of General Maritime Corporation and its predecessors, which he founded, and he served as CEO from 1997 to 2008 and President from 2003 to 2008. Mr. Georgiopoulos is also Chairman and a director of Aegean Marine Petroleum Network, Inc., a company listed on the New York Stock Exchange. Mr. Georgiopoulos has also served as chairman of the board of directors and a director of Baltic Trading since March 2010. From 1991 to 1997, he was the principal of Maritime Equity Management, a ship-owning and investment company that he founded in 1991. From 1990 to 1991, he was affiliated with Mallory Jones Lynch & Associates, an oil tanker brokerage firm. From 1987 to 1990, Mr. Georgiopoulos was an investment banker at Drexel Burnham Lambert. Before entering the investment banking business, he had extensive experience in the sale, purchase and chartering of vessels while working for shipowners in New York and Piraeus, Greece. Mr. Georgiopoulos is a member of the American Bureau of Shipping. He holds an MBA from Dartmouth College. As a result of these and other professional experiences, Genco believes Mr. Georgiopoulos possesses knowledge and experience regarding Genco s history and operations and the shipping industry, finance and capital markets, that strengthen the Board s collective qualifications, skills and experience.

Ian Ashby has served as a director of Genco since July 21, 2014. Mr. Ashby currently serves as a corporate advisor. Mr. Ashby has worked for BHP Billiton and its predecessor companies for twenty-five years. During his time at BHP Billiton, Mr. Ashby served in a variety of roles culminating in serving for over five years as President Iron Ore. Prior to holding that position, Mr. Ashby served as Mine Superintendent; Resident, Mine, and Oxide Manager; Vice President Projects; Vice-President Asset Development; President Joint Ventures; Chief Operating Officer Base Metals; Acting President Base Metals; and Chief Operating Officer Western Australia Iron Ore. During his time at BHP Billiton, Mr. Ashby at various times served as a member of the board of the University of Western Australia Business School, a member of the board of directors of Samarco Joint Venture, a member of BHP Billiton s executive committee, and Chairman of BHP Billiton s Iron Ore Executive Committee and Western Australia Iron Ore Executive Committee. Mr. Ashby currently serves on the Boards of Directors of New World Resources, Alderon Iron Ore Corp. and Nevson Resources Ltd. Mr. Ashby received his Bachelor of Engineering Degree from the University of Melbourne. As a result of these and other professional experiences, Genco believes Mr. Ashby possesses knowledge and experience regarding general business and finance that strengthen the Board s collective qualifications, skills and experience.

Eugene I. Davis has served as a director of Genco since July 21, 2014. Mr. Davis has been the Chairman and Chief Executive Officer of Pirinate Consulting Group LLC, a privately held consulting firm, since 1999. Pirinate specializes in turnaround management, merger and acquisition consulting and strategic planning advisory services for public and private business entities. Mr. Davis currently serves as a director of Spectrum Brands Holdings, Inc., Harbinger Group Inc., WMI Holdings Corp. and U.S. Concrete, Inc. Mr. Davis holds a Bachelor of Arts in International Politics from Columbia University, Columbia College, a Masters in International Affairs, International Law and Organization from Columbia University s School of International Affairs, and Juris Doctor from the Columbia University s School of Law. Mr. Davis serves on the Executive Committee of the Columbia College Alumni Association. As a result of these and other professional experiences, Genco believes Mr. Davis possesses knowledge and experience regarding general business and finance that strengthen the Board s collective qualifications, skills and experience.

James G. Dolphin has served as a director of Genco since July 21, 2014. Mr. Dolphin has served as the Managing Director and President of AMA Capital Partners, LLC, since 2001. AMA is a leading shipping and offshore merchant bank and advisor. Prior to joining AMA, Mr. Dolphin served as a Principal of Booz Allen Hamilton, serving as the leader of their commercial freight management consultancy practice. Mr. Dolphin also served as a Transportation Executive with First National Bank of Maryland. Mr. Dolphin has served as a member of the Board of Directors of Remedial Cayman Limited since 2010. Mr. Dolphin received his B.A. in Economics and Managerial Studies from Rice University. As a result of these and other professional experiences, Genco believes Mr. Dolphin possesses knowledge and experience regarding the shipping industry, ship finance, and general business matters that strengthen the Board s collective qualifications, skills and experience.

Michael J. Leffell has served as a director of Genco since July 21, 2014. Mr. Leffell is the founder of Portage Advisors, LLC, a privately held company focused on alternative asset investments and consulting. Until his retirement in 2009, Mr. Leffell was the Deputy Executive Managing Member of Davidson Kempner Capital Management, an event driven, multistrategy hedge fund. While at the firm, Mr. Leffell also co-ran the Distressed Securities investment strategy for 20 years. Mr. Leffell has previously served as a director of Compton Petroleum Inc. Mr. Leffell established The Lisa and Michael Leffell Foundation, dedicated to Jewish education, strengthening security and vibrancy of the State of Israel, social service, and medical research. Mr. Leffell is President of the Board of Trustees at the Solomon Schechter School of Westchester, a Trustee of The Jewish Theological Seminary, UJA Federation of New York, Commentary Magazine, and The Gruss Life Monument Funds, Inc., and is a Wexner Heritage Fellow. Mr. Leffell received his J.D. from Columbia Law School, where he was a Harlan Fiske Stone Scholar, and earned a B.A., magna cum laude, Phi Beta Kappa, from Clark University, where he was awarded the H. Donaldson Jordan Prize in History. As a result of these and other professional experiences, Genco believes Mr. Leffell possesses knowledge and experience regarding general business and finance that strengthen the Board s collective qualifications, skills and experience.

William Manuel has served as a director of Genco since July 21, 2014. Mr. Manuel is a Senior Managing Director at Centerbridge. Mr. Manuel joined Centerbridge in 2006, and currently focuses on investments in the Transportation & Logistics, Business Services & Media, and Telecom & Technology sectors. Prior to joining Centerbridge, Mr. Manuel was a Principal with Spectrum Equity Investors. At Spectrum, he focused on investments in the business services, technology and media and government services sectors. Prior to his time at Spectrum, he was a Principal at Spire Capital, a private equity firm focused on the media and communications sectors, before which he worked in the Mergers and Acquisitions group at Chase Securities. Mr. Manuel earned a B.A. in Government from Connecticut College. Mr. Manuel serves on the boards of directors of syncreon Holdings Limited, Cardinal Logistics Management, Inc., and Kenan Advantage Group, Inc. As a result of these and other professional experiences, Genco believes Mr. Manuel possesses knowledge and experience regarding general business and finance that strengthen the Board s collective qualifications, skills and experience.

Bao D. Truong has served as a director of Genco since July 21, 2014. Mr. Truong is a Senior Managing Director at Centerbridge, which he joined in 2010. Prior to joining Centerbridge, Mr. Truong was a Managing Director and Partner in the credit business of Fortress Investment Group LLC. While at Fortress from 2004 to 2010, Mr. Truong was engaged principally in public market investments across the corporate capital structure, with a focus on distressed and special situations. Prior to his time at Fortress, Mr. Truong was a member of the distressed/high-yield research and trading business of Lehman Brothers Inc. Mr. Truong graduated magna cum laude from the University of Pennsylvania, where he was a Benjamin Franklin Scholar, with degrees in Finance (Wharton) and Computer Science & Engineering. He received his M.B.A. from Harvard Business School. Mr. Truong serves on the Board of Directors of Alinta Holdings. As a result of these and other professional experiences, Genco believes Mr. Truong possesses knowledge and experience regarding general business and finance that strengthen the Genco Board s collective qualifications, skills and experience.

Mr. Georgiopoulos serves as an executive officer of Genco and General Maritime Corporation. On April 21, 2014, Genco and its subsidiaries other than Baltic Trading and its subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code. On November 17, 2011, General Maritime and substantially all of its subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code.

Corporate Governance

NYSE Listing Standards While Genco is not currently listed on the NYSE, it elects to comply with NYSE rules with respect to director independence and committee composition.

Governance Materials - All of Genco s corporate governance materials, including the committee charters of the Board and Genco s Corporate Governance Guidelines, are published on the Corporate Governance section of Genco s website under Investor at www.gencoshipping.com. These materials are also available in print to any shareholder upon request. Genco s Board regularly reviews corporate governance developments and modifies its committee charters as warranted. Any modifications are reflected on Genco s website.

Director Independence - It is the Genco Board s objective that a majority of the Genco Board consists of independent directors. For a director to be considered independent, the Genco Board must determine that the director does not have any material relationship with Genco. The Genco Board follows the criteria set forth in applicable NYSE listing standards to determine director independence. The Genco Board will consider all relevant facts and circumstances in making an independence determination.

All members of the Genco Audit, Compensation and Nominating, Corporate Governance, and Conflicts Committees must be independent directors as defined by applicable NYSE listing standards. Members of the Genco Audit Committee must also satisfy a separate SEC independence requirement, which provides that they may not accept directly or indirectly any consulting, advisory or other compensatory fee from Genco or any of its subsidiaries other than their director compensation.

The independent directors of Genco are Ian Ashby, Eugene I. Davis, James G. Dolphin and Michael J. Leffell. The Genco Board has determined that each of the members of the Audit, the Compensation and the Nominating, Corporate Governance, and Conflicts Committees, respectively, are independent as defined in the applicable NYSE listing standards.

Code of Ethics - All directors, officers, employees and agents of Genco must act ethically at all times and in accordance with the policies comprising Genco s code of ethics set forth in the its Code of Ethics. Under Genco s Code of Ethics, the Genco Board will only grant waivers for a director or an executive officer in limited circumstances and where circumstances would support a waiver. Such waivers may only be made by the Audit Committee.

Genco s Code of Ethics is available on Genco s website at www.gencoshipping.com and is available in print to any shareholder upon request. Genco intends to provide any disclosures regarding the amendment or waiver of its Code of Ethics on its website.

Communicating Concerns to Directors   Shareholders or other interested parties may communicate directly with any individual director, with the Genco Board as a group, with the Chairman or other presiding director for the non-management directors, or with non-management directors as a group pursuant to Section 303A.03 of the NYSE s Listed Company Manual. All of Genco s directors are currently non-management directors. All communications should be in writing and should be addressed to the intended recipient(s), c/o John C. Wobensmith, Secretary, 299 Park Avenue, 12th Floor, New York, New York 10171. Once the communication is received by the Secretary, the Secretary reviews the communication. Communications that comprise advertisements, solicitations for business, requests for employment, requests for contributions or other inappropriate material will not be forwarded to Genco s directors. Other communications are promptly forwarded to the addressee.

Board Meetings and Committees

During fiscal year 2014, there were 13 meetings of the Genco Board of Directors prior to the Effective Date and 4 meetings of the Genco Board of Directors after the Effective Date. A quorum of Directors was present, either in person or telephonically, for all of the meetings. Actions were also taken during the year by unanimous written consent of Genco s directors. All directors attended at least 75% of the aggregate of the total number of meetings of the Genco Board of Directors and the total number of meetings of all Committees of the Genco Board of Directors on which they served. Genco encourages all directors to attend each annual meeting of shareholders.

During fiscal year 2014, Genco s Audit Committee was comprised of Harry A. Perrin, Nathaniel C.A. Kramer and Mark F. Polzin until the Effective Date, and Eugene Davis, James G. Dolphin and Michael J. Leffell from and after August 4, 2014, all of whom qualify (or qualified) as independent under the listing requirements of the NYSE and are (or were) financially literate. Mr. Davis is also a financial expert as defined under Item 401(h)(2) of Regulation S-K. Please refer to Mr. Davis biographical information on page 39 for his relevant experience. Through its written charter, Genco s Audit Committee has been delegated the responsibility of reviewing with the independent auditors the plans and results of the audit engagement, reviewing the adequacy, scope and results of the internal accounting controls and procedures, reviewing the degree of independence of the auditors, reviewing the auditor s fees and recommending the engagement of the auditors to the full Board. During fiscal year 2014, Genco s Audit Committee held six meetings prior to the Effective Date and five meetings after the Effective Date.

Genco s Compensation Committee was comprised of Mark F. Polzin, Harry A. Perrin and Nathaniel C.A. Kramer until the Effective Date, and Ian Ashby, Eugene Davis and Michael J. Leffell from and after August 4, 2014. All of these directors qualify (or qualified) as independent under the listing requirements of the NYSE, and none of them is (or was) an employee of Genco. Through its written charter, Genco s Compensation Committee administers Genco s equity incentive plan and other corporate benefits programs. Genco s Compensation Committee also considers from time to time matters of compensation philosophy and competitive status, and also reviews, approves, or recommends executive officer bonuses, equity grants and other compensation. Genco s Compensation Committee generally does not delegate its authority, although Genco s officers are responsible for the day-to-day administration of Genco s 2005 Equity Incentive Plan and 2012 Equity Incentive Plan. Genco s Compensation Committee s primary processes for establishing and overseeing executive compensation can be found under Compensation Discussion and Analysis below. Directors compensation is established by the Genco Board of Directors upon the recommendation of Genco s Compensation Committee. During fiscal year 2014, Genco s Compensation Committee held seven meetings prior to the Effective Date and three meetings after the Effective Date.

Genco s Nominating, Corporate Governance, and Conflicts Committee was comprised of Basil G. Mavroleon, Rear Admiral Robert C. North, and Alfred E. Smith IV until the Effective Date, and James G. Dolphin, Ian Ashby and Michael J. Leffell from and after August 4, 2014. All of these directors qualify (or qualified) as independent under the listing requirements of the NYSE, and none of them is (or was) an employee of Genco. Through its written charter, the Nominating, Corporate Governance, and Conflicts Committee assists the Board in identifying qualified individuals to become Board members, in determining the composition of the Board and its committees, in monitoring a process to assess Board effectiveness and in developing and implementing Genco s corporate governance guidelines. When a vacancy exists on the Board, or when the Board determines to add an additional director, the Nominating, Corporate Governance, and Conflicts Committee seeks out appropriate candidates from various sources, which may include directors, officers, employees and others. The Committee may use consultants and search firms who may be paid fees for their assistance in identifying and evaluating candidates, but has not done so to date. The Committee does not have a set of minimum, specific qualifications that must be met by a candidate for director and will review the candidate s background, experience and abilities, and the contributions the candidate can be expected to make to the collective functioning of the Board and the needs of the Board at the time. The Committee considers candidates based on materials provided, and will consider whether an interview is appropriate. The Committee will consider shareholder recommendations of director candidates, which should be sent to the attention of the corporate secretary at Genco headquarters, on the same basis. During fiscal year 2014, the Nominating, Corporate Governance, and Conflicts Committee held one meeting prior to the Effective Date and no meetings after the Effective Date.

As noted above, the Nominating, Corporate Governance, and Conflicts Committee considers many factors when determining the eligibility of candidates for nomination to the Board. The Committee does not have a diversity policy; however, in the event of a vacancy, the Committee s goal is to nominate candidates from a broad range of experiences and backgrounds who can contribute to the Board s overall effectiveness in meeting its mission.

Executive Sessions

Under the Corporate Governance Guidelines that Genco adopted to assure free and open discussion and communication among the non-management directors, the non-management directors will seek to meet at least annually and may meet as the non-management directors deem appropriate. In addition, if there are any non-management directors who are not independent directors, the independent directors shall meet in executive session at least once each year. The presiding director at any executive session with the non-management or independent directors will be the Chairman if the Chairman is present and is a non-management or independent director (as applicable) and will otherwise be selected by a majority of the non-management or independent directors (as applicable) present at the meeting. All of Genco s directors are currently non-management directors, and two executive sessions of independent directors were held in fiscal year 2014.

Board Leadership Structure

As noted above, Genco s Board is currently comprised of four independent and three non-independent directors. Genco recognizes that different Board leadership structures may be appropriate for Genco during different periods of time and under different circumstances. Genco believes that its current Board leadership structure is suitable for Genco because it allows Genco to consider a broad range of opinions in the course of its Board deliberations, including those with knowledge of Genco s day-to-day operations and business strategy, as well as those with an experienced independent viewpoint.

Genco s Board does not have a policy on whether or not the roles of President and Chairman of the Board should be separate and, if they are to be separate, whether the Chairman of the Board should be selected from the non-employee Directors or be an employee. Genco s Board believes that it should have the flexibility to make a determination from time to time in a manner that is in the best interests of Genco and its shareholders at the time of such determination.

Genco s Board has placed the responsibilities of Chairman with a non-employee member of the Board, which Genco believes fosters accountability between Genco s Board and Genco s management team. Genco s Chairman has been closely involved with Genco since its founding. Given his unique knowledge, experience and relationship with the Board, Genco believes his continued service as Chairman provides significant value to Genco and its shareholders, and that it is beneficial for Genco s Chairman to lead its Board members as they provide leadership to its management team. In addition, Genco s Chairman contributes significantly to developing and implementing Genco s strategy; facilitating communication among the directors; developing Board meeting agendas in consultation with management; and presiding at Board and shareholder meetings. This delineation of duties allows the President to focus his attention on managing the day-to-day business of Genco.

Genco s Corporate Governance Guidelines provide the flexibility for Genco s Board to modify or continue Genco s leadership structure in the future, as it deems appropriate.

Risk Oversight

Genco s Board believes that oversight of Genco s risk management efforts is the responsibility of the entire Board. It views risk management as an integral part of Genco s strategic planning process. The subject of risk management is regularly discussed at Board meetings with Genco s President and Chief Financial Officer. Additionally, the charters of certain of the Board s committees assign oversight responsibility for particular areas of risk. For example, Genco s Audit Committee oversees management of risks related to accounting, auditing and financial reporting and maintaining effective internal controls for financial reporting. Genco s Nominating Committee oversees risk associated with Genco s Corporate Governance Guidelines and Code of Ethics, including compliance with listing standards for independent directors, committee assignments and conflicts of interest. Genco s Compensation Committee oversees the risk related to Genco s executive compensation plans and arrangements.

Executive Officers

The following tables set forth certain information with respect to the executive officers of Genco other than Peter C. Georgiopoulos, for whom information is set forth above under the heading Board of Directors :

Name	Age	Position
John C. Wobensmith	45	President (Principal Executive Officer)
Apostolos Zafolias	36	Chief Financial Officer
Joseph Adamo	52	Chief Accounting Officer

John C. Wobensmith has served as Genco s President since December 19, 2014, and prior to such time had served as its Chief Financial Officer and Principal Accounting Officer since April 4, 2005. Since 2010, Mr. Wobensmith has served as President, Chief Financial Officer, Principal Accounting Officer, Secretary and Treasurer of Baltic Trading, a subsidiary of Genco. Mr. Wobensmith has over 16 years of experience in the shipping industry, with a concentration in shipping finance. Before becoming Genco s Chief Financial Officer, Mr. Wobensmith served as a Senior Vice President with American Marine Advisors, Inc., an investment bank focused on the shipping industry. While at American Marine Advisors, Inc., Mr. Wobensmith was involved in mergers and acquisitions, equity fund management, debt placement and equity placement in the shipping industry. From 1993 through 2000, he worked in the international maritime lending group of The First National Bank of Maryland, serving as a Vice President from 1998. He has a bachelor s degree in economics from St. Mary s College of Maryland and holds the Chartered Financial Analyst designation.

Apostolos Zafolias has served as Genco s Chief Financial Officer since December 19, 2014. Mr. Zafolias has been employed with Genco since May 2005. Since July 2013, Mr. Zafolias has served as Genco s Executive Vice President of Finance, playing an integral part in the execution of its finance strategy. Mr. Zafolias has approximately 10 years of experience in the shipping industry with a focus on mergers and acquisitions, commercial bank financing, debt and equity capital markets transactions, and SEC reporting. Before being appointed Executive Vice President of Finance, Mr. Zafolias held various finance leadership positions at Genco. He has a bachelor of science degree from Babson College and holds the Chartered Financial Analyst designation.

Joseph Adamo has served as Genco s Chief Accounting Officer since December 19, 2014. Mr. Adamo has been employed with Genco since June 2005. Mr. Adamo s initial position with Genco was Controller until April 2010, when he was promoted to Treasurer and Controller. Mr. Adamo is responsible for overseeing Genco s accounting department, including certain filings with the SEC. Prior to joining Genco, Mr. Adamo was a turnaround consultant providing restructuring advisory services to distressed companies. Prior to that, Mr. Adamo served as Chief Financial Officer for two private companies. Mr. Adamo started his career in public accounting working for Price Waterhouse, currently PriceWaterhouseCoopers LLP. He has a bachelor s degree in accounting from Pace University and is a licensed Certified Public Accountant.

On April 21, 2014, Genco and its subsidiaries other than Baltic Trading and its subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code.

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Exchange Act and the rules thereunder, Genco s executive officers and directors and persons who own more than 10% of a registered class of Genco s equity securities, or 10% holders, are required to file with the Securities and Exchange Commission reports of their ownership of, and transactions in, Genco s common stock. Based solely on a review of copies of such reports furnished to Genco, and written representations that no reports were required, Genco believes that during the fiscal year ended December 31, 2014 its executive officers, directors, and 10% holders complied with the Section 16(a) requirements.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section describes Genco s compensation program as it relates to its Chairman, Peter C. Georgiopoulos, its President, John C. Wobensmith, its Chief Financial Officer, Apostolos D. Zafolias, its Chief Accounting Officer, Joseph Adamo, and its former President, Robert Gerald Buchanan, all of whom Genco refers to together as Genco s named executives. Genco treats Peter C. Georgiopoulos as an executive officer of Genco for securities laws purposes, although he is not currently an employee or a corporate officer and is not paid a salary.

Effective December 19, 2014, Mr. Buchanan retired from his position as Genco s President and Mr. Wobensmith, who previously served as Genco s Chief Financial Officer, assumed the role of President. Also, on December 19, 2014, Messrs. Zafolias and Adamo assumed the roles of Chief Financial Officer and Chief Accounting Officer, respectively.

Detailed compensation information for each of the named executives is presented in the tables following this discussion in accordance with SEC rules.

On April 21, 2014, Genco and its subsidiaries other than Baltic Trading filed the Chapter 11 Cases. Genco subsequently emerged from bankruptcy on July 9, 2014. Given Genco s emergence from bankruptcy, Genco did not make equity awards at the end of 2014 to its Chairman and President as it had historically done, although it awarded cash bonuses to them of $937,500 and $807,500, respectively. However, as part of the Plan that was approved by the Bankruptcy Court, Genco adopted its 2014 Management Incentive Plan, which provided for certain equity awards to its named executives and other key employees. Please see the section captioned 2014 Management Incentive Plan below for further details.

How Compensation is Determined

Role of Compensation Committee. Genco s executive compensation program is overseen by the Compensation Committee. Prior to Genco s emergence from bankruptcy, the Compensation Committee was composed of the following three non-employee directors: Mark F. Polzin, Nathaniel C.A. Kramer and Harry A. Perrin. These individuals left Genco s Board of Directors upon its emergence from bankruptcy. Thereafter, Genco s Board of Directors appointed three other non-employee directors, Ian Ashby, Eugene Davis and Michael J. Leffell to the Compensation Committee on August 4, 2014. The Compensation Committee:

- reviews, designs and recommends to the Board for approval and administers Genco s compensation plans and policies;
- reviews and approves the corporate goals and objectives relative to Genco s executive officers, and evaluates corporate performance and the performance of each of Genco s executives; and
- recommends to the Board the compensation (cash and equity) of Genco s executive officers and selected other executives.

Each year, the Compensation Committee evaluates each named executive to determine if changes in compensation are appropriate. As part of this process, the Compensation Committee reviews tally sheets and other summaries that include the following information, as applicable for each individual:

- salary, bonus, and other cash compensation;
- prior grants of equity-based awards; and
- the value of benefits and perquisites.

Role of Compensation Consultant. In December 2014, the Compensation Committee retained Lyons, Benenson & Company Inc. (LB&Co.), an independent compensation consultant, to assist and advise the Compensation Committee on all aspects of Genco s executive and director compensation programs and corporate governance. The services that LB&Co. was retained for include:

- Reviewing and advising Genco on its compensation philosophy, strategy and program;

- Analyzing the appropriateness of the compensation comparator group;

- Providing and analyzing competitive market compensation data;

- Analyzing the effectiveness of the existing compensation programs and making recommendations, as appropriate;

- Assisting in the negotiation of executive employment agreements, as applicable;

- Providing advice and counsel on best practices in compensation and corporate governance, and keeping the company and the Compensation Committee apprised of trends, developments, legislation and regulations affecting executive and director compensation; and,

- Conducting a risk assessment of Genco s incentive compensation programs at least annually and making recommendations, as appropriate.

Compensation Consultant Independence. As required by rules adopted by the SEC under the Dodd-Frank Wall Street Reform And Consumer Protection Act, the Compensation Committee has considered the relevant factors (including those set forth in Rule 10C-1(b)(4)(i) through (vi) under the Exchange Act) and has determined that LB&Co. is independent and has no conflicts of interest.

Role of Management. The Compensation Committee consults with Genco s senior executives regarding their views on their compensation and the compensation of those who report to them directly or indirectly. However, the Compensation Committee makes the final recommendation to the Board with respect to each executive s compensation. None of Genco s named executives determines his own compensation.

Competitive Marketplace Assessment. In order to assess the competitiveness of Genco s executive compensation, the Compensation Committee reviews the compensation arrangements of executives at certain other publicly-traded drybulk and other shipping companies for which executive compensation information is publicly available. After the Chapter 11 Cases, the Compensation Committee expanded the comparator group to include recently restructured companies in addition to drybulk and other shipping/transportation companies. The comparator group now comprises 18 such companies, listed below. The Compensation Committee believes the compensation information from the comparator group can be helpful, but recognizes that benchmarking data is not always definitive and can be subject to significant change from one year to the next. The Compensation Committee uses this information as a general frame of reference only and does not target Genco s executive compensation to a specific percentile, instead using company and individual performance as the primary drivers of compensation levels; the Compensation Committee did not use the comparator group in making its compensation decisions with respect to the annual bonus for 2014. The Compensation Committee, assisted by LB&Co., will review the compensation comparator group annually.

Compensation Comparator Group

Air T, Inc.	International Shipholding Corporation
Air Transport Services Group, Inc.	Lee Enterprises, Incorporated
Ambac Financial Group, Inc.	Matson, Inc.
Eagle Bulk Shipping Inc.	Otelco Inc.
Echo Global Logistics, Inc.	Radiant Logistics, Inc.
Forward Air Corporation	Rand Logistics, Inc.
Gulfmark Offshore, Inc.	Tronox Limited
Horizon Lines, Inc.	William Lyon Homes
Houghton Mifflin Harcourt Company	XPO Logistics, Inc.

Genco s Compensation Philosophy

Genco s executive compensation program is designed to attract, motivate and retain a talented team of executives who will enable Genco to compete successfully with other drybulk shipping companies. Genco seeks to accomplish this goal in a way that aligns Genco s executives interests with those of its shareholders and encourages and rewards Genco s executives for achievement of Genco s annual and longer-term performance objectives.

Historically, in light of the cyclical nature of the shipping industry and the volatile and unpredictable markets in which Genco operates, Genco has not established specific performance targets for incentive compensation to Genco s named executives, and compensation levels generally have not been determined through a benchmarking process. Instead, the compensation of Genco s senior executives has been generally determined or recommended by the Compensation Committee, in its discretion, following a review of Genco s performance and individual contributions to the prior year s performance. In taking this approach, the Compensation Committee has historically sought to calibrate performance-based incentive compensation paid to retroactive performance assessments and potentially variable market conditions. The amount of compensation for each named executive has historically been determined retroactively, based on the Compensation Committee s assessment of Genco s performance, each named executive s individual performance and contributions to improving shareholder value, and his or her level of responsibility and management experience. The factors affecting these compensation decisions for the named executives included:

- key financial and statistical measurements;

- the design and implementation of a finance strategy for Genco, including obtaining or renegotiating financing on favorable terms in a difficult market environment;

- strategic objectives such as acquisitions, dispositions or joint ventures, including Genco s ability to acquire and dispose of individual vessels on favorable terms; and

- the achievement of operational goals for Genco or a particular area of responsibility for the named executive, such as operations or chartering.

In the future, the Compensation Committee may consider establishing goals for performance periods for Genco s named executives, the achievement of which would lead to annual and long-term incentive payments. This approach would be intended to further strengthen the alignment of Genco s executives and shareholders interests and provide more objective criteria to assess each named executive s day-to-day performance and the resulting shareholder value creation. These goals would be established and approved by the Compensation Committee (in collaboration with management) to tie directly to Genco s short- and long-term strategies, which are designed to enhance shareholder value.

Compensation Objectives

Genco s compensation program is rooted in the principles inherent in pay for performance and has been designed to attract, motivate, retain and reward outstanding executives and managers. Genco further believes that its compensation program should align the interests of its executives with those of its shareholders in achieving and sustaining significant increases in shareholder value over the short- and long-terms. With these objectives in mind, Genco has designed its compensation program to:

- attract, motivate, retain and reward those executives and managers who have the necessary experience and subject-matter expertise to deliver sustained improvements in shareholder value;

- compensate each executive and manager competitively based upon the scope and impact of his or her position as it relates to the success of Genco and on the potential of each employee to assume increasing responsibility within Genco; and

- align the interests of Genco s executives with those of Genco s shareholders through the use of performance-based short- and long-term incentive awards tied to the achievement of corporate goals and objectives.

Elements Of Compensation

The compensation program for the named executives consists of three main elements:

- Fixed compensation comprised of base salaries or, in the case of Mr. Georgiopoulos, fees for his services;

- Short-term (annual) incentives payable in cash on the basis of annual achievement; and

- Long-term (equity) incentives.

The named executives (other than Mr. Georgiopoulos) are also eligible to participate in Genco s health and other broad-based programs on the same basis as other U.S. employees and are eligible for paid time off and paid holidays.

Fixed Compensation

Base Salary and Chairman s Fee. Base salaries (or, in the case of Mr. Georgiopoulos, fees for his services) for the named executives are determined as follows:

- the breadth, scope and complexity of the functions performed by each named executive;
- individual performance, skills, and experience;
- the competitive labor market for the position; and
- internal equity considerations.

Base salaries and, in the case of Mr. Georgiopoulos, fees, are reviewed annually, and may be adjusted to reflect:

- merit increases in instances where individual performance, skills, and experience warrant such an adjustment;

- promotions or significant changes in the scope of the position; or
- market adjustments to reflect the competitive labor market for the position.

Variable Incentive Compensation

In support of Genco s commitment to align compensation with demonstrated performance, a significant portion of the compensation paid to its named executives is incentive-based. Genco s incentive compensation program has been designed to recognize scope of responsibilities, reward demonstrated performance and leadership, motivate future performance, align the interests of the executive with Genco s shareholders and retain the executives through the term of the equity awards, which has historically been for four years. Historically, the Compensation Committee has made incentive compensation decisions based upon considerations of Genco s financial results, the state of its operations and its strategic accomplishments during the year, and the accomplishments and contributions of its named executives at the end of Genco s fiscal year. Following this assessment, variable incentive compensation, in the forms of cash and restricted stock, has been awarded to Genco s named executives.

Cash Incentive Awards. Genco s Chairman and President make recommendations for all eligible participants, other than themselves, at the end of each fiscal year. The Compensation Committee then considers the recommended amounts and either modifies or recommends them to the full Board for approval.

Restricted Stock Awards. Genco does not have a specific policy governing the timing of restricted stock grants but has generally made one grant per year at the end of the calendar year. The Compensation Committee considers the grant size and form of award when making award decisions.

In 2014, Messrs. Georgiopoulos, Wobensmith, Adamo and Zafolias each received one-time restricted stock and warrant awards following Genco s emergence from bankruptcy as described below under 2014 Management Incentive Plan. These grants were made in order to align the interests of the named executives with Genco s shareholders to incentivize the named executives in future value creation.

Historically, during the restricted period, unless otherwise determined by the Compensation Committee, each restricted stock grant has entitled the named executive to receive payments for any dividends declared and paid on Genco s common stock. As the executives share commensurately with other shareholders in receiving dividends, they likewise share in the recognition of the current income generation and future change in stock price. However, if any such restricted shares do not vest, the holders of the non-vesting shares must repay any dividends that were paid to them on the non-vesting shares unless the Board or the Compensation Committee determines otherwise.

Prior to consummation of its proposed business combination with Baltic Trading, Genco anticipates adopting a 2015 Equity Incentive Plan that will provide for equity awards with respect to shares of Genco s common stock in the form of non-qualified stock options, stock appreciation rights, dividend equivalent rights, restricted stock, restricted stock units, or unrestricted stock. Awards will be available to officers, directors, and executive, managerial, administrative and professional employees of and consultants to Genco or any subsidiary or joint venture of Genco. Genco expects that the other terms and conditions of its 2015 Equity Incentive Plan will be substantially similar to those of its 2012 Equity Incentive Plan.

Other Elements

Benefits**.** Genco s named executives (other than Mr. Georgiopoulos) are eligible under the same plans as all other U.S. employees for medical, dental, vision, and disability insurance and are eligible for paid time off and paid holidays. Additionally, Genco matches the 401(k) contributions of Messrs. Wobensmith, Zafolias, Adamo and Buchanan up to the maximum allowed per year, which was $15,600 in 2014, and Genco pays premiums on life insurance and long-term disability insurance for Mr. Wobensmith. Genco believes these benefits are reasonable, competitive and consistent with Genco s overall executive compensation program.

2014 Management Incentive Plan

In connection with Genco s bankruptcy reorganization, the Genco Shipping & Trading Limited 2014 Management Incentive Plan (the 2014 Management Incentive Plan) was established and approved by the Bankruptcy Court. The 2014 Management Incentive Plan provided for the distribution of Genco s equity in the form of restricted stock and warrants to purchase shares of its common stock with three strike prices, to the participating officers, directors, and other management. Tier 1 warrants have a strike price of $25.91 per share, Tier 2 warrants have a strike price of $28.73 per share, and Tier 3 warrants have a strike price of $34.19 per share. Among the awards granted to each individual under the 2014 Management Incentive Plan, the number of shares subject to restricted stock grants is the least, and the number of shares subject to each tier of warrants increases with the strike price of the warrant. The Compensation Committee believes that the grants will motivate and retain key personnel who will be important to achieving success in Genco s emergence from bankruptcy.

Compensation for Genco s Named Executives in 2014

The specific compensation decisions made for each of the named executives for 2014 reflect the achievement of operational, technical and commercial successes, despite a challenging market environment and Genco s bankruptcy reorganization.In connection with Genco s emergence from bankruptcy, the named executives received awards of restricted shares of Genco s common stock and warrants to purchase common stock pursuant to the 2014 Management Incentive Plan, as approved by the Bankruptcy Court in the Chapter 11 Cases. Given the one-time awards made under the 2014 Management Incentive Plan, elements of Genco s named executives compensation for 2014 were significantly higher than in 2013.

In addition, upon Genco s emergence from bankruptcy, Genco s pre-reorganization outstanding common stock was cancelled pursuant to the Plan, with the holders thereof receiving warrants to acquire shares of Company s new common stock. Shares of Genco s pre-reorganization common stock issued to directors, officers and employees of Genco under compensatory plans that were unvested were deemed vested automatically, so that all warrants received in exchange therefor were deemed vested.

Genco Compensation

Peter C. Georgiopoulos. The Compensation Committee believes that Mr. Georgiopoulos experience, expertise, and strategic leadership were, and will continue to be, particularly valuable to Genco as it navigates this difficult market and seeks restructuring of its outstanding indebtedness. In determining compensation for Genco s Chairman, the Compensation Committee considers Mr. Georgiopoulos annual director compensation for his service on the Board. With respect to fiscal year 2014, Mr. Georgiopoulos received no salary from Genco but received a Chairman s fee for his services of $500,000. The Compensation Committee recommended, and Genco s Board of Directors approved, a one-time award under the 2014 Management Incentive Plan of 832,950 shares of restricted stock, Tier 1 warrants to purchase 1,785,498 shares, Tier 2 warrants to purchase 1,850,257 shares, and Tier 3 warrants to purchase 2,782,341 shares of common stock to motivate and retain him following Genco s emergence from bankruptcy. In addition, the Compensation Committee reviewed all aspects of Genco s 2014 performance and determined that Mr. Georgiopoulos provided leadership and managerial expertise that enabled Genco to navigate the very difficult and challenging drybulk shipping industry and successfully emerge from Chapter 11 bankruptcy. In recognition of his efforts and accomplishments, the Compensation Committee recommended, and Genco s Board of Directors approved, a discretionary bonus to Mr. Georgiopoulos of $937,500.

John C. Wobensmith. For the majority of fiscal year 2014, Mr. Wobensmith s annual base salary was $500,000 and was increased to $600,000, effective as of December 15, 2014. Mr. Wobensmith also received a one-time award under the 2014 Management Incentive Plan of 222,120 shares of restricted stock, Tier 1 warrants to purchase 476,133 shares, Tier 2 warrants to purchase 493,402 shares, and Tier 3 warrants to purchase 741,958 shares of common stock to incentivize him after Genco s emergence from bankruptcy. In addition, the Compensation Committee reviewed all aspects of Genco s 2014 performance and determined that Mr. Wobensmith provided leadership and managerial expertise that enabled Genco to navigate the very difficult and challenging drybulk shipping industry and successfully emerge from Chapter 11 bankruptcy. In recognition of his efforts and accomplishments, the Compensation Committee recommended, and Genco s Board of Directors approved, a discretionary bonus to Mr. Wobensmith of $807,500.

Apostolos D. Zafolias. For fiscal year 2014, Mr. Zafolias annual base salary was $190,000. Mr. Zafolias approved compensation package also included a cash bonus award of $180,000 for his performance in 2014. In addition, the Compensation Committee recommended, and Genco s Board of Directors approved, a one-time award under the 2014 Management Incentive Plan of 18,991 shares of restricted stock, Tier 1 warrants to purchase 40,709 shares, Tier 2 warrants to purchase 42,186 shares, and Tier 3 warrants to purchase 63,437 shares of common stock to incentivize him after Genco s emergence from bankruptcy.

Joseph Adamo. As for fiscal year 2014, Mr. Adamo s annual base salary was $237,000. Mr. Adamo s approved compensation package also included a cash bonus award of $225,000 for his performance in 2014. In addition, the Compensation Committee recommended, and Genco s Board of Directors approved, a one-time award under the 2014 Management Incentive Plan of 5,764 shares of restricted stock, Tier 1 warrants to purchase 12,356 shares, Tier 2 warrants to purchase 12,804 shares, and Tier 3 warrants to purchase 19,254 shares of common stock to incentivize him after Genco s emergence from bankruptcy.

Robert Gerald Buchanan. Mr. Buchanan s annual base salary was $475,000 for 2014. Mr. Buchanan resigned from his employment with Genco effective December 19, 2014 and received no cash bonus or other variable incentive compensation award for 2014.

Baltic Trading Compensation

Peter C. Georgiopoulos. In considering Mr. Georgiopoulos compensation, the Compensation Committee took into account Mr. Georgiopoulos compensation for service to Baltic Trading. Specifically, Mr. Georgiopoulos had received director fees of $60,000 and an award of 7,269 shares of restricted stock of Baltic Trading for his service as a director, and Baltic Trading awarded a year-end grant of 700,000 restricted shares of Baltic Trading s common stock in recognition of his contributions to Baltic Trading s performance in 2014.

John C. Wobensmith. In considering Mr. Wobensmith s compensation, Genco s Compensation Committee took into account that Baltic Trading s awarded a year-end grant of 350,000 restricted shares of Baltic Trading s common stock in recognition of his contributions to Baltic Trading s performance in 2014.

Severance Benefits

Employment Agreements. Genco entered into an employment agreement with John C. Wobensmith, its President, on September 21, 2007, as amended on March 26, 2014 and June 23, 2014 (the Genco Employment Agreement). In connection with the Plan, the Genco Employment Agreement was assumed by Genco. The Genco Employment Agreement provides for a base salary of $300,000 during the term, which may be increased but not decreased. The Genco Employment Agreement also confirms Mr. Wobensmith s eligibility to receive cash bonuses and awards under any successor plan to the 2005 Equity Incentive Plan in amounts that the Compensation Committee may determine. The general terms of the Genco Employment Agreement are described in greater detail under the heading Executive Employment Agreements on page 55. The Genco Employment Agreement provides for payments upon termination of his employment under certain conditions, which are described under the heading Potential Payments upon Termination or Change-in-Control Executive Employment Agreements on page 56.

Genco entered into the Genco Employment Agreement with Mr. Wobensmith to retain him, particularly in the event of an actual or rumored change in control. The provisions under the Genco Employment Agreement relating to a change in control serve to align his interests with those of Genco s shareholders by enabling Mr. Wobensmith to consider corporate transactions that are in the best interests of Genco s shareholders and its other constituents without undue concern over whether the transactions may jeopardize his employment. The change of control payments under the Genco Employment Agreement are subject to a double trigger, meaning that the payments are not awarded upon a change of control unless he terminates his employment for good reason or his employment is terminated without cause (other than for death or disability) within two years of a change of control. The vesting of Mr. Wobensmith s restricted stock, as with all restricted stock granted to directors, officers, and other employees to date, remains subject to a single trigger and thus vests immediately upon a change of control. Genco believes this structure strikes a balance between providing appropriate performance incentives and its executive retention goals.

On June 23, 2014, Genco entered into a letter agreement with Mr. Wobensmith to amend the Genco Employment Agreement. Under the letter agreement, Mr. Wobensmith was entitled to terminate his employment within 30 days of the effective date of the Plan if the amounts allocated to him under the 2014 Management Incentive Plan were not reasonably satisfactory to him. Upon such termination, Mr. Wobensmith would have been entitled to receive a lump sum payment of $2,000,000 along with certain other unpaid amounts. Mr. Wobensmith did not terminate his employment within such 30 day period and is not entitled to any such payments.

On April 30, 2015, Genco entered into a letter agreement with Mr. Wobensmith which clarified that the Chapter 11 Cases did not trigger a change in control under any of his agreements with Genco, awarded him a bonus of $807,500 for 2014, increased his base salary to $600,000, effective as of December 15, 2014, and clarified the calculation of his double trigger severance amount as further described below under Potential Payments upon Termination or Change-in-Control Executive Employment Agreements .

Tax and Accounting Implications

Deductibility of Executive Compensation

Section 162(m) of the Code limits the deductibility of compensation to certain employees in excess of $1 million. So long as Genco qualifies for the Section 883 exemption, it is not subject to United States federal income tax on its shipping income (which comprised substantially all of its gross revenue in 2014). If Genco does not qualify for the Section 883 exemption, its shipping income derived from U.S. sources, or 50% of its gross shipping income attributable to transportation beginning or ending in the United States, would be subject to a 4% tax imposed without allowance for deductions. Further discussion of this exemption is provided above under the heading Risk Factors Risk Factors Related to Genco s Business and Operations Company Specific Risk Factors Genco may have to pay U.S. tax on U.S. source shipping income. . . Commencing in 2010, Genco became subject to United States federal income tax on certain non-shipping income derived from its Management Agreement with Baltic Trading and its agency agreement with MEP. However, Genco views the amount of compensation that would currently be subject to Section 162(m) not to be material. For these reasons, historically, Genco has not sought to structure its cash bonus plan or grants under its equity incentive plans to qualify for exemption under Section 162(m). The Compensation Committee intends to consider the impact of Section 162(m) in the future based on the amount of executive income and other factors while maintaining discretion and flexibility in awarding compensation.

Accounting for Stock-Based Compensation

Genco follows Accounting Standards Codification Topic 718, Stock Compensation, in accounting for non-vested stock issued under its 2014 Management Incentive Plan.

Risk Assessment

Genco s Compensation Committee is primarily responsible for overseeing the review and assessment of risks arising from Genco s compensation policies and practices. Genco uses a number of approaches to mitigate excessive risk-taking, including significant weighting towards long-term incentive compensation and emphasizing qualitative goals in addition to quantitative metrics. Based on its review of Genco s compensation policies and practices, the Compensation Committee determined that the risks arising from Genco s compensation policies and practices for Genco s employees are not reasonably likely to have a material adverse effect on Genco.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship exists between any of Genco s executive officers or members of Genco s Board of Directors or Compensation Committee and any other company s executive officers, Board of Directors or Compensation Committee.

Compensation Committee Report

The Compensation Committee of the Board has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Form 10-K/A.

Submitted by the Compensation Committee of the Board of Directors:

Ian Ashby, Chairman

Eugene Davis

Michael J. Leffell

The Compensation Committee Report does not constitute soliciting material, and shall not be deemed to be filed or incorporated by reference into any other Company filing under the Securities Act or the Exchange Act, except to the extent that Genco specifically incorporates the Compensation Committee Report by reference therein.

Summary Compensation Table

The following table sets forth in summary form information concerning the compensation paid by Genco or Baltic Trading during the years ended December 31, 2014, December 31, 2013, and December 31, 2012, to Genco s named executives:

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards ($)(1) (e)	Warrant Awards ($)(2) (f)	All Other Compensation ($) (i)	Total ($) (j)
John C. Wobensmith	2014	$ 504,384	$ 807,500	$ 5,313,900	$ 10,886,154	$ 15,600(3)	$ 17,527,538
	2013	$ 500,000	$ 950,000	$ 2,288,000		$ 15,300(3)	$ 3,753,300
President (former Chief Financial Officer)	2012	$ 450,000	$ 950,000	$ 700,998		$ 15,000(3)	$ 2,115,998
Apostolos D. Zafolias Chief Financial Officer(6)	2014	$ 190,000	$ 180,000	$ 379,820	$ 930,762	$ 15,600(3)	$ 1,696,182
Joseph Adamo Chief Accounting Officer(6)	2014	$ 237,000	$ 225,000	$ 115,280	$ 282,496	$ 15,600(3)	$ 875,376
Peter C. Georgiopoulos	2014		$ 937,500	$ 18,446,995	$ 40,823,080	$ 560,000(4)(5)	$ 60,767,575
Chairman	2013		$ 1,577,570	$ 6,301,157		$ 560,000(4)(5)	$ 4,983,078
	2012		$ 1,250,000	$ 1,361,146		$ 535,000(4)(5)	$ 3,146,146
Robert G. Buchanan	2014	$ 475,000				$ 15,600(3)	$ 490,600
(former President)(6)	2013	$ 475,000	$ 350,000			$ 15,300(3)	$ 840,300
	2012	$ 450,000	$ 425,000	$ 67,000		$ 15,000(3)	$ 957,000

(1) The amounts in column (e) reflect the aggregate grant date fair value of restricted stock awards pursuant to Genco s 2014 Management Incentive Plan, Genco s 2012 Equity Incentive Plan or Baltic Trading s 2010 Equity Incentive Plan in each case computed in accordance with FASB ASC Topic 718. On July 9, 2014, all of Genco s outstanding common stock was cancelled pursuant to the Plan, and warrants to purchase Genco s new common stock were issued to holders of Genco s old common stock. The actual amount realized by the named executive will likely vary based on a number of factors, including Genco s or Baltic Trading s performance, stock price fluctuations and applicable vesting. Additional information regarding restricted stock awards is provided in the Grants of Plan-Based Awards table below.

(2) The amounts in column (f) reflect the aggregate grant date fair value of warrant awards pursuant to Genco s 2014 Management Incentive Plan, computed in accordance with FASB ASC Topic 718. The actual amount realized by the named executive will likely vary based on a number of factors, including Genco s performance, stock price fluctuations and applicable vesting. Additional information regarding warrant awards is provided in the Grants of Plan-Based Awards table below. See Note 24 to Genco s consolidated financial statements for the year ended December 31, 2014 included elsewhere in this Form 10-K/A for additional details regarding assumptions underlying the value of these warrant awards.

(3) Represents matching payments made to the 401(k) Plan.

(4) Includes fees for service on the Board of Directors of Baltic Trading at an annual rate of $60,000 in 2014 and 2013 and $35,000 in 2012.

(5) Mr. Georgiopoulos receives a fee for his services to Genco payable at an annual rate of $500,000 but does not receive regular board fees paid to other members of the Board.

(6) On December 19, 2014, Mr. Buchanan ceased to be an executive officer of Genco, and Messrs. Zafolias and Adamo became named executives of Genco.

The following table reflects awards of restricted stock and warrants under Genco s 2014 Management Incentive Plan and Baltic Trading s 2010 Equity Incentive Plan during the year ended December 31, 2014:

Grants of Plan-Based Awards

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock	All Other Warrant Awards: Number of Securities Underlying Warrants (#)	Exercise or Base Price of Warrant Awards ($/Sh)	Grant Date Fair Value of Stock and Warrant Awards ($)
(a)	(b)	(i)	(j)	(k)	(l)
John C. Wobensmith	8/7/14	222,120(1)(4)(9)			$ 4,442,400
	8/7/14		476,133(2)	$ 25.91	$ 3,437,679
	8/7/14		493,402(2)	$ 28.73	$ 3,271,254
	8/7/14		741,958(2)	$ 34.19	$ 4,177,221
	12/18/14	350,000(3)(4)(9)			$ 871,500
Peter C. Georgiopoulos	8/7/14	832,950(1)(7)(9)			$ 16,659,000
	8/7/14		1,785,498(2)	$ 25.91	$ 12,891,296
	8/7/14		1,850,257(2)	$ 28.73	$ 12,267,204
	8/7/14		2,782,341(2)	$ 34.19	$ 15,664,580
	4/9/14	7,269(6)(8)(9)			$ 44,995
	12/18/14	700,000(3)(7)(9)			$ 1,743,000
Apostolos D. Zafolias	8/7/14	18,991(1)(5)(9)			$ 379,820
	8/7/14		40,709(2)	$ 25.91	$ 293,919
	8/7/14		42,186(2)	$ 28.73	$ 279,693
	8/7/14		63,437(2)	$ 34.19	$ 357,150
Joseph Adamo	8/7/14	5,764(1)(5)(9)			$ 115,280
	8/7/14		12,356(2)	$ 25.91	$ 89,210
	8/7/14		12,804(2)	$ 28.73	$ 84,891
	8/7/14		19,254(2)	$ 34.19	$ 108,400

(1) Represents a grant of restricted shares of Genco s common stock pursuant to Genco s 2014 Management Incentive Plan in connection with its emergence from bankruptcy on July 9, 2014. The restrictions applicable to the shares lapse in three equal installments commencing on August 7, 2016 and on each of the first two anniversaries thereafter.

(2) Represents a grant of warrants exercisable for shares of Genco s common stock pursuant to Genco s 2014 Management Incentive Plan in connection with its emergence from bankruptcy on July 9, 2014. The warrants are exercisable on a cashless basis and contain customary anti-dilution protection in the event of any stock split, reverse stock split, stock dividend, reclassification, dividend or other distributions (including, but not limited to, cash dividends), or business combination transaction.

(3) Represents a grant of restricted shares of the Baltic Trading s common stock for the year ended December 31, 2014. The restrictions applicable to the shares lapse in four equal installments commencing on November 15, 2015 and on each of the first three anniversaries thereafter.

(4) Restrictions on these shares also lapse with respect to a pro rata percentage of the shares upon death or disability and will lapse in full upon the occurrence of a change in control (as defined in the relevant issuer s incentive plan) or termination by the relevant issuer without cause (as defined in the relevant issuer s incentive plan) or by Mr. Wobensmith for good reason (as defined in his employment agreement with the relevant issuer).

(5) Restrictions on these shares also lapse with respect to a pro rata percentage of the shares upon death or disability and will lapse in full upon the occurrence of a change in control (as defined in the 2014 Management Incentive Plan).

(6) Represents a grant of restricted shares of Baltic Trading s common stock made to directors of Baltic Trading generally. The restrictions applicable to the shares lapse on the earliest of the date of the Baltic Trading Annual Meeting, upon the occurrence of a change of control (as defined under the Baltic Trading 2010 Equity Incentive Plan), or upon Mr. Georgiopoulos death or disability. The occurrence of the Baltic Trading Annual Meeting will result in the vesting of restricted shares of Baltic Trading s common stock.

(7) Restrictions on these shares also lapse in full immediately upon the occurrence of a change of control (as defined in the relevant issuer s incentive plan) or the termination of Mr. Georgiopoulos service as a director, employee or consultant unless Mr. Georgiopoulos voluntarily terminates his service or he is removed as a director for cause in accordance with the relevant issuer s amended and restated bylaws.

(8) Represents a grant of restricted shares of Genco s common stock made to directors of Genco generally. The restrictions applicable to the shares lapse on the earlier of the date of the Genco Annual Meeting, upon the occurrence of a change of control (as defined under Genco s 2014 Management Incentive Plan), or upon Mr. Georgiopoulos death or disability.

(9) Recipients of restricted share grants will receive dividends thereon at the same rate as is paid to other holders of common stock but must repay dividends on any shares subject to forfeiture under the terms of such recipient s grant agreement unless the relevant issuer s board of directors waives the repayment requirement as to dividends on such shares.

The following table provides information on warrant and restricted stock awards under Genco s 2014 Management Incentive Plan and Baltic Trading s 2010 Equity Incentive Plan:

Outstanding Warrant and Equity Awards at Fiscal Year End

	Warrant Awards				Equity Awards	
Name (a)	**Number of Securities Underlying Unexercised Warrants (#) Exercisable (b)**	**Number of Securities Underlying Unexercised Warrants (#) Unexercisable (c)**	**Warrant Exercise Price ($) (e)**	**Warrant Expiration Date (f)**	**Number of Shares of Stock That Have Not Vested (g)**	**Market Value of Shares of Stock that Have Not Vested ($) (h)(5)**
John C. Wobensmith *Genco*		476,133(1)	$ 25.91	8/7/23	222,120(2)	$ 2,998,620
		493,402(1)	$ 28.73	8/7/23		
		741,958(1)	$ 34.19	8/7/23		
Baltic					697,917(3)	$ 1,751,770
Total		1,711,493				$ 4,750,390
Peter C. Georgiopoulos						
Genco		1,785,498(1)	$ 25.91	8/7/23	832,950(2)	$ 11,244,825
		1,850,257(1)	$ 28.73	8/7/23		
		2,782,341(1)	$ 34.19	8/7/23		
Baltic					1,214,852(4)	$ 3,049,278
Total		6,418,096				$ 14,294,103
Apostolos D. Zafolias		40,709(1)	$ 25.91	8/7/23	18,991(2)	$ 256,379
		42,186(1)	$ 28.73	8/7/23		
		63,437(1)	$ 34.19	8/7/23		

Joseph Adamo	12,356(1)	$	25.91	8/7/23	5,764(2)	$	77,814
	12,804(1)	$	28.73	8/7/23			
	19,254(1)	$	34.19	8/7/23			

(1) Represents a grant of warrants exercisable for shares of Genco s common stock pursuant to Genco s 2014 Management Incentive Plan in connection with its emergence from bankruptcy on July 9, 2014. The warrants are exercisable on a cashless basis and contain customary anti-dilution protection in the event of any stock split, reverse stock split, stock dividend, reclassification, dividend or other distributions (including, but not limited to, cash dividends), or business combination transaction.

(2) Represents a grant of restricted shares of Genco s common stock pursuant to Genco s 2014 Management Incentive Plan in connection with its emergence from bankruptcy on July 9, 2014. The restrictions applicable to the shares lapse in three equal installments commencing on August 7, 2016 and on each of the first two anniversaries thereafter.

(3) Represents the unvested portions of: 25,000 restricted shares of Baltic Trading s common stock granted on December 21, 2011, which vest in four equal installments commencing on November 15, 2012 and on each of the first three anniversaries thereafter; 83,333 restricted shares of Baltic Trading s common stock granted on December 13, 2012, which vest in four equal installments commencing on November 15, 2013 and on each of the first three anniversaries thereafter; 400,000 restricted shares of Baltic Trading s common stock granted on December 19, 2013, which vest in four equal installments commencing on November 15, 2014 and on each of the first three anniversaries thereafter; and 350,000 restricted shares of Baltic Trading s common stock granted on December 18, 2014, which vest in four equal installments commencing on November 15, 2015 and on each of the first three anniversaries thereafter. The consummation of Genco s proposed business combination with Baltic Trading will result in the acceleration of restricted shares of Baltic Trading s common stock.

(4) Represents the unvested portions of: 80,000 restricted shares of Baltic Trading s common stock granted on December 21, 2011, which vest in four equal installments commencing on November 15, 2012 and on each of the first three anniversaries thereafter; 166,666 restricted shares of Baltic Trading s common stock granted on December 13, 2012, which vest in four equal installments commencing on November 15, 2013 and on each of the first three anniversaries thereafter; 539,000 restricted shares of common stock granted on December 19, 2013, which vest in four equal installments commencing on November 15, 2014, and on each of the first three anniversaries thereafter; 7,269 restricted shares of Baltic Trading s common stock granted on April 9, 2014, which vest on the date of the Baltic Trading Annual Meeting; and 700,000 restricted shares of Baltic Trading s common stock granted on December 18, 2014, which vest in four equal installments commencing on November 15, 2015 and on each of the first three anniversaries thereafter. The consummation of Genco s proposed business combination with Baltic Trading will result in the acceleration of restricted shares of Baltic Trading s common stock.

(5) The value of the unvested stock awards of Genco equals the number of unvested shares of Genco s common stock held multiplied by $13.50, the closing market price of Genco s common stock on the OTC Bulletin Board (the OTCBB) on December 31, 2014. The value of the unvested stock awards of Baltic Trading equals the number of unvested shares of Baltic Trading s common stock held multiplied by $2.51, the closing market price of Baltic Trading s common stock on the NYSE on December 31, 2014.

The following table provides information regarding the number of restricted stock awards that vested during the year ended December 31, 2014, all of which were awards of restricted shares of Genco s or Baltic Trading s common stock:

Stock Vested

Name	**Number of Shares Acquired on Vesting**		**Value Realized on Vesting ($) (1)(2)**
(a)	**(d)**		**(e)**
John C. Wobensmith			
Genco	112,500(2)	$	88,313
Baltic Trading	160,333	$	624,613
Total	272,833	$	712,926

[redacted]

Apostolos D. Zafolias	12,075(2)	$	9,479
Joseph Adamo	12,937(2)	$	10,156
Robert Gerald Buchanan	37,500(2)	$	29,438

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(1) The value of the unvested stock awards of Baltic Trading that vested during the year ended December 31, 2014 equals the number of shares vested multiplied by the closing market price of Baltic Trading s common stock on the NYSE on the vesting date of each grant.

(2) In connection with Genco s emergence from bankruptcy, on July 9, 2014, Genco s pre-reorganization common stock was cancelled pursuant to the Plan, with the holders thereof receiving warrants to acquire shares Genco s new common stock. Shares of pre-reorganization common stock issued to directors, officers and employees of Genco under compensatory plans that were unvested were deemed vested automatically, so that all warrants received in exchange for such stock were deemed vested. The value realized on vesting shown for Genco stock awards equals the number of shares vested multiplied by the closing market price of

Genco s common stock on the OTCBB on the vesting date of each grant.

Executive Employment Agreements

Genco entered into a letter agreement (as amended, the Genco Employment Agreement) with John C. Wobensmith, Genco s President, on September 21, 2007, as amended on March 26, 2014, June 23, 2014 and April 30, 2015, with an initial two year term and an automatic renewal for additional one year terms, unless either party terminates the Genco Employment Agreement on at least 90 days notice. In connection with the Plan, the Genco Employment Agreement was assumed by Genco. The Genco Employment Agreement provides for a base salary per annum of $300,000, increased to $600,000 as of December 15, 2014, as well as discretionary bonuses as determined by the Compensation Committee in its sole discretion. Mr. Wobensmith will also be eligible to receive restricted stock and other equity grants from time to time pursuant to Genco s 2012 Equity Incentive Plan or any successor employee stock incentive, warrant or option plan. Genco will pay for life insurance and long-term disability insurance for Mr. Wobensmith pursuant to the Genco Employment Agreement at a cost of no more than $20,000 per annum.

Under the Genco Employment Agreement, Mr. Wobensmith has agreed to protect Genco s confidential information for three years after termination, and not to solicit Genco s employees for other employment for two years after termination. He has also agreed not to engage in certain defined competitive activities described in the Genco Employment Agreement for two years after the termination of his employment with Genco. Certain provisions regarding competitive activities will not apply following a change of control or in the event of termination of Mr. Wobensmith by Genco without cause or by Mr. Wobensmith for good reason. For purposes of the Genco Employment Agreement, change of control is defined generally as the acquisition of beneficial ownership of 30% or more of the voting power of the Genco within a 12-month period or of more than 50% of such aggregate voting power or the value of Genco s capital stock by any person or group other than Peter C. Georgiopoulos; the sale of all or substantially all of Genco s assets within a 12-month period; any merger or similar transaction in which holders of Genco s voting stock immediately prior to such transaction do not hold at least 50% of the voting stock of the surviving entity; or a majority of the members of Genco s Board of Directors being replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of Genco s Board of Directors before the date of such appointment or election. The transactions of the Chapter 11 Cases do not constitute a change of control under the Genco Employment Agreement.

Baltic Trading has also entered into a letter agreement (the Baltic Trading Employment Agreement , together with the Genco Employment Agreement, the Employment Agreements) with Mr. Wobensmith, who serves as Baltic Trading s President, Chief Financial Officer, Principal Accounting Officer, Secretary and Treasurer, dated December 19, 2013, as amended on March 26, 2014. Contingent upon the consummation of Genco s proposed business combination with Baltic Trading, Mr. Wobensmith has agreed to waive all rights under the Baltic Trading Employment Agreement and terminate such agreement. The Baltic Trading Employment Agreement is intended to provide for the continued services of Mr. Wobensmith for Baltic Trading s benefit if Mr. Wobensmith s employment at Genco terminates following a change in control as defined in the Genco Employment Agreement.

Mr. Wobensmith s employment term under the Baltic Trading Employment Agreement has not yet commenced. If Mr. Wobensmith s employment with Genco terminates within 18 months of such a change in control, Mr. Wobensmith s employment term with Baltic Trading under the Baltic Trading Employment Agreement would commence for an initial term of two years on a date mutually agreed to by the parties (the Effective Baltic Trading Employment Date). The Baltic Trading Employment Agreement provides for automatic renewal for additional one year terms, unless either party terminates the Baltic Trading Employment Agreement on at least 90 days notice. The Baltic Trading Employment Agreement provides for a base salary per annum of $500,000 during the employment term as well as discretionary bonuses as determined by the Compensation Committee of Baltic Trading s Board of Directors in its sole discretion. Mr. Wobensmith will also be eligible to receive restricted stock and other Baltic Trading equity grants from time to time. Under the Baltic Trading Employment Agreement, Baltic Trading will pay for life insurance and long-term disability insurance for Mr. Wobensmith at a cost of no more than $20,000 per annum.

In the event of termination of Mr. Wobensmith s employment at Genco or Baltic Trading due to his death or disability, the Genco or Baltic Trading, as applicable, will pay him, or his estate, a pro rata bonus for the year of termination and one year s salary and, in the case of disability, provide medical coverage for him and his eligible dependents for a period of one year.

If Mr. Wobensmith is terminated at Genco or Baltic Trading without cause or resigns for good reason, Genco or Baltic Trading, as applicable, will pay him a pro rata bonus for the year of termination, plus a lump sum equal to double the average of his prior three years annual incentive awards, plus double his annualized base salary, and provide medical, dental, long-term disability, and life insurance benefit plan coverage for him and his eligible dependents for a period of two years. If a termination without cause or resignation for good reason occurs within two years of a change in control, the amounts that are doubled above become tripled, and the coverage period of two years becomes three years. Mr. Wobensmith s annual incentive award for a given year is his cash bonus earned for that year and, if a termination without cause or resignation for good reason occurs within two years of a change in control, the grant date value of any equity awards granted for such year. Under the Genco Employment Agreement, the grant date value of any equity awards is deemed to be $1,500,000 for each of the years 2014, 2015, and 2016.

If a payment to Mr. Wobensmith under the Employment Agreements or otherwise after a change in control of Baltic Trading causes him to owe excise tax under Section 4999 of the Code, Genco or Baltic Trading, as applicable, will fund the amount of this tax on a fully grossed-up basis, intended to ensure that after payment of the excise tax and any related taxes and penalties, Mr. Wobensmith retains the full amount of the payment that gave rise to the excise tax liability.

In connection with Mr. Wobensmith s execution of the Baltic Trading Employment Agreement, Mr. Wobensmith received a grant of 100,000 restricted shares of Baltic Trading s common stock, which vest in equal installments on each of the first four anniversaries of November 15, 2013. In addition, Mr. Wobensmith will receive an additional grant of 100,000 restricted shares of Baltic Trading s common stock on the Effective Baltic Trading Employment Date.

The protections for Baltic Trading in the Baltic Trading Employment Agreement were negotiated largely to mirror those already included in the Genco Employment Agreement in order to protect the interests of Baltic Trading s shareholders. One such key protection is a non-compete provision that generally prohibits Mr. Wobensmith from competing with Baltic Trading during the period of his employment and for two years thereafter. In addition, as described in greater detail below, Mr. Wobensmith agreed to modify outstanding Baltic Trading equity awards so that vesting will not necessarily accelerate upon a change in control at Genco, so that Baltic Trading awards will continue to provide meaningful incentives and retention benefits in the event of a Genco change in control. The two grants of 100,000 restricted shares provided for under the Baltic Trading Employment Agreement reflect the same vesting terms. Specifically, Mr. Wobensmith agreed to waive accelerated vesting of his restricted stock grants upon a change in control (as defined in the Baltic Trading 2010 Equity Incentive Plan) if such change in control is also a change of control of Genco under the Genco Employment Agreement and such change in control is not the acquisition of beneficial ownership of 80% or more of the shares of capital stock ordinarily entitled to elect directors of Baltic Trading by any person or group (excluding certain parties) or the sale of 80% or more of the Genco assets (except to certain parties). However, if Mr. Wobensmith s employment with Genco does not terminate within three months of such change in control other than as a result of his death or disability, accelerated vesting will nonetheless occur exactly three months after such change in control.

Potential Payments upon Termination or Change-in-Control

Genco Employment Agreement

The Genco Employment Agreement calls for Mr. Wobensmith to receive payments under certain circumstances following a termination of his employment. If Mr. Wobensmith is terminated without cause or resigns for good reason, Genco will pay him a pro rata bonus for the year of termination, plus a lump sum equal to double the average of his prior three years annual incentive awards, plus double his annualized base salary, and provide medical, dental, long-term disability, and life insurance benefit plan coverage for him and his eligible dependents for a period of two years. If a termination without cause or resignation for good reason occurs within two years of a change in control, the amounts that are doubled above become tripled, and the coverage period of two years becomes three years. Mr. Wobensmith s annual incentive award for a given year is his cash bonus earned for that year and, if a termination without cause or resignation for good reason occurs within two years of a change in control, the grant date value of any equity awards granted for such year. Under the Genco Employment Agreement, the grant date value of any equity awards is deemed to be $1,500,000 for each of the years 2014, 2015, and 2016.

If a payment to Mr. Wobensmith under the Genco Employment Agreement or otherwise after a change of control of Genco causes him to owe excise tax under Section 4999 of the Code, Genco will fund the amount of this tax on such that after payment of the excise tax and any related taxes and penalties, Mr. Wobensmith retains the full amount of the payment that gave rise to the excise tax liability.

In the event of termination of Mr. Wobensmith s employment due to his death or disability, Genco will pay him, or his estate, a pro rata bonus for the year of termination and one year s salary and, in the case of disability, to provide medical coverage for him and his eligible dependents for a period of one year.

The table below sets forth the payments and other benefits that would be provided to Mr. Wobensmith upon termination of his employment by Genco without cause or by him for good reason under the following sets of circumstances as described more fully above: change of control, no change of control, and death or disability. In each set of circumstances, Genco has assumed a termination as of the end of the day on December 31, 2014 and used the closing market price of Genco s common stock on December 31, 2014 of $13.50 per share for purposes of the calculations for the table below:

	Termination by Executive for Good Reason or by Genco without Cause					
		Change of Control (1)		**No Change of Control**		**Death or Disability**
Cash Severance Payment	$	13,378,122	$	3,850,000	$	500,000
Estimated Present Value of Continued Benefits Following Termination (2)	$	172,000	$	105,295	$	53,470

(1) Includes the funding of the excise tax under Section 280G of the Code as described above on severance payments made and on the value of restricted stock subject to accelerated vesting. See the sections captioned Potential Payments upon Termination or Change-in-Control Executive Employment Agreement above and Accelerated Vesting of Restricted Stock below.

(2) Mr. Wobensmith and his dependents are entitled to medical, dental and certain other insurance coverage substantially identical to the coverage in place prior to termination. This benefit period is two years if Genco terminates Mr. Wobensmith s employment without cause or if he terminates his employment at Genco or Baltic Trading, as applicable, with good reason, three years if such a termination occurs within two years following a change in control, or twelve months in the event of his death or disability. The amounts presented for termination for good reason or without cause assume a discount rate of 6% per annum and annual cost increases of 5% for health insurance. The amounts presented for death or disability assume circumstances which would provide the maximum benefit (i.e., disability of the executive).

Contingent upon consummation of Genco s proposed business combination with Baltic Trading, pursuant to his waiver, Mr. Wobensmith will no longer be entitled to any compensation or benefits under the Baltic Trading Employment Agreement.

Accelerated Vesting of Restricted Stock

Under the terms of Mr. Wobensmith s restricted stock grant agreements with the Genco or Baltic Trading, all shares of restricted stock vest in full automatically upon the occurrence of a change of control (as defined under the relevant issuer s equity incentive plan). The consummation of Genco s proposed business combination with Baltic Trading will result in the acceleration of Mr. Wobensmith s restricted stock in Baltic Trading. In addition, if Mr. Wobensmith s service is terminated by the relevant issuer without cause (as defined in the relevant issuer s equity incentive plan) or by Mr. Wobensmith for good reason (as defined in the Employment Agreements), all shares of restricted stock vest in full. Also, if Mr. Wobensmith s service is terminated by the relevant issuer by reason of his death or disability (each as defined under the relevant issuer s equity incentive plan), the restrictions lapse as to a pro rata percentage of the shares, calculated monthly, that would otherwise vest at the next anniversary of the grant date. For purposes of these agreements, service means a continuous time period during which Mr. Wobensmith is at least one of the following: an employee or a director of, or a consultant to, Genco (or, in the case of Baltic Trading grants, to Genco or Baltic Trading). In addition, under the terms of such other restricted stock grant agreements, if a payment, benefit, or distribution after a change in control of Genco or Baltic Trading causes him to owe excise tax under Section 4999 of the Code, the applicable company will fund the amount of this tax such that after payment of the excise tax and any related taxes and penalties, Mr. Georgiopoulos retains the full amount of the payment, benefit or distribution that gave rise to the excise tax liability.

Under the terms of the restricted stock grant agreements between Baltic Trading and Mr. Georgiopoulos for the grants of 7,289 restricted shares that were awarded in the aggregate to directors generally, all shares of restricted stock vest in full automatically upon a change of control (as defined under Baltic Trading s 2010 Equity Incentive Plan) or upon Mr. Georgiopoulos death or disability. Under the terms of the other restricted stock grant agreements between Genco or Baltic Trading and Mr. Georgiopoulos, all shares of restricted stock vest in full immediately upon the occurrence of a change of control (as defined under the relevant issuer s equity incentive plan) or the termination of Mr. Georgiopoulos service (as defined in the applicable award agreements) as a director, employee or consultant unless Mr. Georgiopoulos voluntarily terminates his service or he is removed as a director for cause in accordance with the relevant issuer s amended and restated bylaws. The consummation of Genco s proposed business combination with Baltic Trading will result in the acceleration of Mr. Georgiopoulos restricted stock in Baltic Trading. In addition, under the terms of such other restricted stock grant agreements, if a payment, benefit, or distribution after a change in control causes him to owe excise tax under Section 4999 of the Code, Genco will fund the amount of this tax such that after payment of the excise tax and any related taxes and penalties, Mr. Georgiopoulos retains the full amount of the payment, benefit or distribution that gave rise to the excise tax liability.

Under the terms of Mr. Zafolias and Mr. Adamo s restricted stock grant agreements with Genco, all shares of restricted stock vest in full automatically upon the occurrence of a change of control (as defined under the 2014 Management Incentive Plan). Also, if Mr. Zafolias or Mr. Adamo s service is terminated by Genco by reason of his death or disability (each as defined under the relevant issuer s equity incentive plan), the restrictions lapse as to a pro rata percentage of the shares, calculated monthly, that would otherwise vest at the next anniversary of the grant date.

The table below sets forth the vesting of restricted stock that the named executives would receive under the following sets of circumstances: change of control, termination without cause, and death or disability. In each set of circumstances, Genco has assumed a triggering event as of the end of the day on December 31, 2014 and used the closing market price of Genco s common stock on December 31, 2014 of $13.50 per share and the closing market price of Baltic Trading s common stock on December 31, 2014 of $2.51 per share for purposes of the calculations for the table below:

	Value of Restricted Stock Subject to Accelerated Vesting ($)					
Name	Change of Control		Termination without Cause(1)		Death or Disability	
John C. Wobensmith						
Genco	$	2,998,620	$	2,998,620	$	333,180
Baltic Trading	$	1,751,770	$	1,751,770	$	26,582
Total	$	4,750,390	$	4,750,390	$	109,877
Peter C. Georgiopoulos						
Genco	$	11,244,825	$	11,244,825	$	11,244,825
Baltic Trading	$	3,049,279	$	3,031,033	$	3,049,279
Total	$	14,294,104	$	14,275,858	$	14,294,104
Apostolos D. Zafolias	$	256,379			$	28,485
Joseph Adamo	$	77,814			$	8,640

(1) Includes termination by Mr. Wobensmith for good reason.

Accelerated Exercisability of Warrants

Under the terms of Mr. Wobensmith s warrants awarded under the 2014 Management Incentive Plan, the warrants become exercisable in full for the full warrant term automatically upon the occurrence of a change of control (as defined under the 2014 Management Incentive Plan). In addition, if Mr. Wobensmith s service is terminated by Genco without cause (as defined in the 2014 Management Incentive Plan) or Mr. Wobensmith terminates his service for good reason (as defined in the Genco Employment Agreement), the warrants likewise become exercisable in full for the full warrant term. Also, if Mr. Wobensmith s service is terminated by Genco by reason of his death or disability (as defined in the warrants), the warrants become exercisable as to a pro rata percentage of the warrants, calculated monthly, that would otherwise become exercisable at the next anniversary of the award date for a period of one year after termination. For purposes of the warrants, service means a continuous time period during which Mr. Wobensmith is at least one of the following: an employee or a director of, or a consultant to, Genco. In addition, under the terms of the warrant agreements, if a payment, benefit, or distribution after a change in control of Genco causes him to owe excise tax under Section 4999 of the Code, Genco will fund the amount of this tax such that after payment of the excise tax and any related taxes and penalties, Mr. Wobensmith retains the full amount of the payment, benefit or distribution that gave rise to the excise tax liability.

Under the terms of Mr. Georgiopoulos warrants awarded under the 2014 Management Incentive Plan, all warrants become exercisable in full for the full warrant term automatically upon the occurrence of a change of control (as defined under the 2014 Management Incentive Plan) or the termination of Mr. Georgiopoulos service as a director, employee or consultant unless Mr. Georgiopoulos voluntarily terminates his service or he is removed as a director for cause in accordance with Genco s amended and restated bylaws. In addition, under the terms of the warrant agreements, if a payment, benefit, or distribution after a change in control of Genco causes him to owe excise tax under Section 4999 of the Code, Genco will fund the amount of this tax such that after payment of the excise tax and any related taxes and penalties, Mr. Georgiopoulos retains the full amount of the payment, benefit or distribution that gave rise to the excise tax liability.

Under the terms of Mr. Zafolias and Mr. Adamo s warrants awarded under the 2014 Management Incentive Plan, the warrants become exercisable in full for the full warrant term automatically upon the occurrence of a change of control (as defined under the 2014 Management Incentive Plan). Also, if Mr. Zafolias or Mr. Adamo s service is terminated by Genco by reason of his death or disability (each as defined under the 2014 Management Incentive Plan), the warrants become exercisable as to a pro rata percentage of the warrants, calculated monthly, that would otherwise become exercisable at the next anniversary of the award date for a period of one year after termination.

The closing market price of Genco s common stock on December 31, 2014 of $13.50 per share was lower than the strike price of all of the warrants. Accordingly, any accelerated exercisability of the warrants as of such date would not have resulted in any value to the holders of the warrants.

Director Compensation

As of July 9, 2014, as provided in the Plan, the members of Genco s Board of Directors prior to such date ceased to be directors of Genco.

For fiscal year 2014, each director of Genco other than Messrs. Georgiopoulos, Mr. Truong and Mr. Manuel who joined Genco s Board of Directors on July 9, 2014 received an annual fee of $65,000, a fee of $20,000 for an Audit Committee Chair assignment, $10,000 for an Audit Committee member assignment, $15,000 for a Compensation Committee Chair assignment, $7,500 for a Compensation Committee member assignment, $12,000 for a Nominating, Corporate Governance and Conflicts Committee Chair assignment, and $6,000 for a Nominating, Corporate Governance and Conflicts Committee member assignment, each of which was prorated for length of service in 2014. As described above, Mr. Georgiopoulos received a Chairman s fee for his services of $500,000 for 2014. Members of an ad hoc committee also received a one-time fee of $75,000. Directors serving prior to Genco s emergence from bankruptcy received an annual fee of $60,000, a fee of $10,000 for an Audit Committee assignment, a fee of $7,500 for a Compensation Committee assignment and a fee of $3,750 for a Nominating, Corporate Governance, and Conflicts Committee assignment. One of Genco s directors, Peter C. Georgiopoulos, and two of its former directors, Basil G. Mavroleon, and Harry A. Perrin, are also directors of Baltic Trading; cash fees paid for service on the Baltic Trading Board are the same as those paid to directors for service on Genco s Board of Directors prior to its emergence from bankruptcy.

It is anticipated that Ian Ashby, Eugene I. Davis, James G. Dolphin, and Michael J. Leffell, as members of the Board, will each be granted restricted equity awards with respect to 4,047 shares of Genco s common stock subject to adoption of the 2015 Equity Incentive Plan. Such amount represents a grant having a dollar value of $85,000 with an assumed value per share of $21 the closing price at which Genco s stock was first quoted on the OTCBB on July 15, 2014 following Genco s restructuring, with fractional shares rounded down. Restrictions on all such shares will lapse on the date of the Genco Annual Meeting. In addition, Peter C. Georgiopoulos and Genco s former Board members, Basil G. Mavroleon, and Harry A. Perrin, as members of the Board of Directors of Baltic Trading, were each granted 7,269 restricted shares of Baltic Trading s common stock on April 9, 2014, with restrictions on all such shares to lapse on the date of the Baltic Trading Annual Meeting. Restrictions on such shares will lapse in full automatically upon the occurrence of a change of control (as defined under the relevant issuer s equity incentive plan) or upon such director s death or disability.

Genco and Baltic Trading reimburse their respective directors for all reasonable expenses incurred by them in connection with serving on their respective Board of Directors. The following table summarizes compensation earned by directors other than Mr. Georgiopoulos for the year ended December 31, 2014:

Name of Director	Fees Earned or Paid in Cash ($) (1)	Stock Awards ($) (2)	All Other Compensation ($)	Total ($)
(a)	(b)	(c)	(g)	(h)
Ian Ashby	$ 94,792			$ 94,792
Eugene I. Davis	$ 96,288			$ 96,288
James G. Dolphin	$ 95,022			$ 95,022
Michael J. Leffell	$ 95,367			$ 95,367
William Manuel				
Bao D. Truong				
Nathaniel C.A. Kramer (former director)	$ 77,500			$ 77,500
[redacted]				
Rear Admiral Robert C. North, USCG (ret.) (former director)	$ 63,750			$ 63,750
[redacted]				
Mark F. Polzin (former director)	$ 82,500			
[redacted]				

(1) The amount indicated represents the total fees for service on the Board or its committees as set forth above.

(2) The amounts in column (c) reflect the aggregate grant date fair value of restricted stock awards computed in accordance with FASB ASC Topic 718. The actual amount realized by the director will likely vary based on a number of factors, including Baltic Trading s performance, stock price fluctuations and applicable vesting.

For fiscal year 2015, the amounts of the annual fee for each director and fees for committee assignments will remain the same as in second half of fiscal year 2014.

For the treatment of unvested restricted stock held by Genco s directors under the Plan, please see the section captioned Compensation Discussion and Analysis Compensation for Genco s Named Executives in 2014 on page 48.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding the beneficial ownership of Genco s voting common stock as of April 30, 2015 of:

- each person, group or entity known to Genco to beneficially own more than 5% of Genco s stock;
- each of Genco s directors;
- each of Genco s Named Executive Officers; and
- all of Genco s directors and executive officers as a group.

As of April 30, 2015, a total of 61,600,604 shares of common stock were outstanding. Each share of Genco common stock is entitled to one vote on matters on which Genco common shareholders are eligible to vote. The amounts and percentages of Genco common stock beneficially owned are reported on the basis of regulations of the Securities and Exchange Commission governing the determination of beneficial ownership of securities. Under the rules of the Securities and Exchange Commission, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of that security, or investment power, which includes the power to dispose of or to direct the disposition of that security. A person is also deemed to be a beneficial owner of any securities as to which that person has a right to acquire beneficial ownership presently or within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities, and a person may be deemed to be the beneficial owner of securities as to which that person has no economic interest.

Name and Address of Beneficial Owner (1)	Amount of Genco Common Stock Beneficially Owned	Percentage of Genco Common Stock Outstanding
Peter C. Georgiopoulos	1,252,381(2)	2.0%
John C. Wobensmith	248,653(3)	*
Apostolos Zafolias	20,893(5)	*
Joseph Adamo	8,621(4)	*
Robert G. Buchanan	10,550(6)	*
Ian Ashby		
Eugene I. Davis		
James G. Dolphin		
Michael J. Leffell		
William Manuel		
Bao Truong		
Investment funds affiliated with Centerbridge Partners, L.P.	21,195,627(7)	34.4%

Investment funds affiliated with Apollo Global Management, LLC	9,489,342(8)	15.4%
Investment funds affiliated with Strategic Value Partners, LLC	7,639,918(9)	12.4%
Investment funds affiliated with Davidson Kempner Partners	6,082,953(10)	9.9%
Investment funds affiliated with Alden Global Capital Ltd	5,194,544(11)	8.4%
All current directors and executive officers as a group (10 persons)	1,530,548	2.5%

* Less than 1% of the outstanding shares of common stock.

(1) Unless otherwise indicated, the business address of each beneficial owner identified is c/o Genco Shipping & Trading Limited, 299 Park Avenue, 12th Floor, New York, NY 10171.

(2) Includes 832,950 restricted shares of Genco common stock granted on August 7, 2014, which vest, if at all,

in equal installments commencing on August 7, 2015 and on each of the two anniversaries thereafter; warrants to purchase 380,127 shares issued to holders of Genco s pre-reorganization common stock; and warrants to purchase 39,304 shares issued to holders of Genco s pre-reorganization common stock owned by Fleet Acquisition LLC. These securities are deemed beneficially owned by Mr. Georgiopoulos by virtue of his membership interest in Fleet Acquisition LLC and his status as the sole member of the Management Committee thereof. Mr. Georgiopoulos disclaims beneficial ownership of these securities except to his pecuniary interest therein.

(3) Includes 222,120 restricted shares of Genco common stock granted on August 7, 2014, which vest, if at all, in equal installments commencing on August 7, 2015 and on each of the two anniversaries thereafter; and warrants to purchase 26,533 shares issued to holders of Genco s pre-reorganization common stock.

(4) Includes 5,764 restricted shares of Genco common stock granted on August 7, 2014, which vest, if at all, in equal installments commencing on August 7, 2015 and on each of the two anniversaries thereafter; and warrants to purchase 2,857 shares issued to holders of Genco s pre-reorganization common stock, which are pledged as collateral in connection with a line of credit.

(5) Includes 18,991 restricted shares of Genco common stock granted on August 7, 2014, which vest, if at all, in equal installments commencing on August 7, 2015 and on each of the two anniversaries thereafter; and warrants to purchase 1,902 shares issued to holders of Genco s pre-reorganization common stock.

(6) Mr. Buchanan served as Genco s President until his resignation on December 19, 2014. Consists of warrants to purchase 10,550 shares issued to holders of Genco s pre-reorganization common stock. The reported information is based upon the Form 4 filed by filed by Mr. Buchanan with the Securities and Exchange Commission on July 21, 2014.

(7) Consists of 2,837,673 shares owned by Centerbridge Credit Partners, L.P., 5,149,293 shares owned by Centerbridge Credit Partners Master, L.P., 10,520,805 shares owned by Centerbridge Capital Partners II (Cayman), L.P., 77,008 shares owned by Centerbridge Capital Partners SBS II (Cayman), L.P. and 2,610,848 shares owned by Centerbridge Special Credit Partners II AIV IV (Cayman), L.P. Centerbridge Credit Partners General Partner, L.P. is the general partner of Centerbridge Credit Partners, L.P. Centerbridge Credit GP Investors, L.L.C. is the general partner of Centerbridge Credit Partners General Partner, L.P. Centerbridge Credit Partners Offshore General Partner, L.P. is the general partner of Centerbridge Credit Partners Master, L.P. Centerbridge Credit Offshore GP Investors, L.L.C. is the general partner of Centerbridge Credit Partners Offshore General Partner, L.P. Centerbridge Associates II (Cayman), L.P. is the general partner of Centerbridge Capital Partners II (Cayman), L.P. and Centerbridge Capital Partners SBS II (Cayman), L.P. Centerbridge GP Investors II (Cayman) L.P. is the general partner of Centerbridge Associates II (Cayman), L.P. CCP II Cayman GP Ltd. is the general partner of Centerbridge GP Investors II (Cayman) L.P. Centerbridge Special Credit Partners General Partner II (Cayman), L.P. is the general partner of Centerbridge Special Credit Partners II AIV IV (Cayman), L.P. Centerbridge Special GP Investors II (Cayman), L.P. is the general partner of Centerbridge Special Credit Partners General Partner II (Cayman), L.P. CSCP II Cayman GP Ltd. is the general partner of Centerbridge Special GP Investors II (Cayman), L.P. Mark T. Gallogly is a managing member of Centerbridge Credit GP Investors, L.L.C., Centerbridge Credit Offshore GP Investors, L.L.C., Centerbridge GP Investors II, LLC, which serves as the director of CCP II Cayman Ltd. and Centerbridge Special GP Investors II, L.L.C, which serves as the director of CSCP II Cayman Ltd. Jeffrey H. Aronson is a managing member of Centerbridge Credit GP Investors, L.L.C., Centerbridge Credit Offshore GP Investors, L.L.C. CCP II Cayman Ltd. and CSCP II Cayman Ltd.

The business address of each of the entities and persons identified in this note is 375 Park Avenue, New York, New York 10152. The reported information is based upon the Schedule 13D filed by Centerbridge Partners, L.P. with the Securities and Exchange Commission on July 21, 2014 and information supplied in the voting agreement.

Messrs. Manuel and Truong are Senior Managing Directors of Centerbridge L.P., which is affiliated with the Centerbridge Shareholders. Messrs. Manuel and Truong disclaim beneficial ownership of such shares of common stock of Genco.

(8) Consists of 744,533 shares owned by Apollo Centre Street Partnership, L.P., 185,752 shares owned by Apollo Franklin Partnership, L.P., 4,279,866 shares owned by Apollo Credit Opportunity Trading Fund III LP, 555,455 shares owned by AEC (Lux) S.á.r.l., 953,633 shares owned by AES (Lux) S.á.r.l., 384,252 shares owned by ANS U.S. Holdings Ltd., 1,601,582 shares owned by Apollo Special Opportunities Managed Account, L.P. and 784,269 shares owned by Apollo Zeus Strategic Investments, L.P. Apollo Centre Street Management, LLC serves as the investment manager for Apollo Centre Street Partnership L.P., and Apollo Franklin Management, LLC serves as the investment manager for Apollo Franklin Partnership, L.P. Apollo Credit Opportunity Fund III LP and Apollo Credit Opportunity Fund (Offshore) III LP serve as the general partners of Apollo Credit Opportunity Trading Fund III LP. Apollo Credit Opportunity Management III LLC serves as the investment manager for Apollo Credit Opportunity Fund III LP and Apollo Credit Opportunity Fund (Offshore) III LP. Apollo European Credit Management L.P. serves as the investment manager for AEC (Lux) S.á.r.l. and Apollo European Credit Management, LLC serves as the general partner of Apollo European Credit Management, L.P. Apollo European Strategic Management, L.P. serves as the investment manager for AES (Lux) S.á.r.l., and Apollo European Strategic Management LLC serves as the general partner for Apollo European Strategic Management, L.P. Apollo SK Strategic Investments, L.P. is the sole member-manager of ANS U.S. Holdings Ltd. Apollo SK Strategic Management, LLC serves as the investment manager for Apollo SK Strategic Investments, L.P. Apollo SOMA Advisors, L.P. serves as the general partner of Apollo Special Opportunities Managed Account, L.P., and Apollo SOMA Capital Management, LLC serves as the general partner of Apollo SOMA Advisors, L.P. Apollo Principal Holdings II, L.P. serves as the sole member and manager of Apollo SOMA Capital Management, LLC, and Apollo Principal Holdings II GP, LLC serves as the general partner of Apollo Principal Holdings II, L.P. Apollo SVF Management, L.P. serves as the manager of Apollo Special Opportunities Managed Account, L.P., and Apollo SVF Management GP, LLC serves as the general partner of Apollo SVF Management, L.P. Apollo Zeus Strategic Management, LLC serves as the investment manager for Apollo Zeus Strategic Investments, L.P. Apollo Capital Management, L.P. is the sole member and manager of Apollo Centre Street Management, LLC, Apollo Franklin Management, LLC, Apollo Credit Opportunity Management III LLC, Apollo European Credit Management, LLC, Apollo European Strategic Management, LLC, Apollo SK Strategic Management, LLC, Apollo SVF Management GP, LLC and Apollo Zeus Strategic Management, LLC . Apollo Capital Management GP, LLC is the general partner of Apollo Capital Management, L.P. Apollo Management Holdings, L.P. serves as the sole member and manager of Apollo Capital Management GP, LLC, and Apollo Management Holdings GP, LLC serves as the general partner of Apollo Management Holdings, L.P.

The address of each of Apollo Centre Street Partnership, L.P., Apollo Centre Street Management, LLC, Apollo Franklin Partnership, L.P., Apollo Credit Opportunity Trading Fund III LP, Apollo Credit Opportunity Fund III LP, Apollo Credit Opportunity Fund (Offshore) III LP, Apollo SK Strategic Investments, L.P., Apollo Special Opportunities Managed Account, L.P., Apollo SOMA Advisors, L.P., Apollo SOMA Capital Management, LLC, Apollo Principal Holdings II, L.P. and Apollo Principal Holdings II GP, LLC is One Manhattanville Road, Suite 201, Purchase, New York 10577. The principal office of each of AEC (Lux) S.á.r.l. and AES (Lux) S.á.r.l. is 44, Avenue J.F. Kennedy, Luxembourg L-1855, Luxembourg. The principal office of ANS U.S. Holdings Ltd. is c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town KY1-9005, Cayman Islands. The principal office of Apollo Zeus Strategic Investments, L.P. is c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, George Town KY1-1104, Cayman Islands. The principal office of each of Apollo Franklin Management, LLC, Apollo Credit Opportunity Management III LLC, Apollo European Credit Management L.P., Apollo European Credit Management, LLC, Apollo European Strategic Management, L.P., Apollo European Strategic Management LLC, Apollo SK Strategic Management, LLC, Apollo SVF Management, L.P., Apollo SVF Management GP, LLC, Apollo Zeus Strategic Management, LLC, Apollo Capital Management, L.P., Apollo Capital Management GP, LLC, Apollo Management Holdings, L.P. and Apollo Management Holdings GP, LLC is 9 W. 57th Street, 43rd Floor, New York, New York 10019. The reported information is based upon the Schedule 13G/A filed by Apollo Management Holdings GP, LLC with the Securities and Exchange Commission on February 12, 2015.

(9) Consists of 1,868,917 shares owned by Strategic Value Special Situations Master Fund III, L.P., 2,753,389

shares owned by Strategic Value Special Situations Master Fund II, L.P., 365,031 shares owned by Strategic Value Special Situations Offshore Fund III-A, L.P. and 2,652,581 shares owned by Strategic Value Master Fund, Ltd. SVP Special Situations III LLC is the investment manager of, and exercises investment discretion over, Strategic Value Special Situations Master Fund III, L.P. Strategic Value Partners, LLC is the managing member of SVP Special Situations III LLC. Strategic Value Partners, LLC and SVP Special Situations III LLC are both indirectly majority owned and controlled by Victor Khosla. Strategic Value Partners, LLC is the manager member of SVP Special Situations II LLC, the investment manager of Strategic Value Special Situations Master Fund II, L.P. SVP Special Situations II LLC is indirectly majority owned and controlled by Victor Khosla. Strategic Value Partners, LLC is the managing member of SVP Special Situations III-A LLC, the investment manager of Strategic Value Special Situations Offshore Fund III-A, LP. SVP Special Situations III-A LLC is indirectly majority owned and controlled by Victor Khosla. Strategic Value Partners, LLC is the investment manager of Strategic Value Master Fund, Ltd.

The address of each reporting person is c/o Strategic Value Partners, LLC, 100 West Putnam Avenue, Greenwich, CT 96830. The reported information is based upon the Form 4 filed by Strategic Value Partners LLC with the Securities and Exchange Commission on October 21, 2014.

(10) Consists of 167,178 shares owned by M.H. Davidson & Co., 814,298 shares owned by Davidson Kempner Partners, 1,751,770 shares owned by Davidson Kempner Institutional Partners, L.P., 1,675,555 shares owned by Davidson Kempner International, Ltd., 683,853 shares owned by Davidson Kemper Distressed Opportunities Fund LP, and 990,299 shares owned by Davidson Kemper Distressed Opportunities International Ltd. M.H. Davidson & Co. GP, L.L.C. is the general partner of M.H. Davidson & Co. MHD Management Co. is the general partner of Davidson Kempner Partners and MHD Management Co. GP, L.L.C. is the general partner of MHD Management Co. Davidson Kempner Advisors Inc. is the general partner of Davidson Kempner Institutional Partners, L.P. Davidson Kempner International Advisors, L.L.C. is the investment manager of Davidson Kempner International, Ltd. DK Group LLC is the general partner of Davidson Kempner Distressed Opportunities Fund LP. DK Management Partners LP is the investment manager of Davidson Kempner Distressed Opportunities International Ltd. Davidson Kempner Capital Management LP acts as investment manager to each of M.H. Davidson & Co., Davidson Kempner Partners, Davidson Kempner Institutional Partners, L.P. Davidson Kempner International, Ltd., Davidson Kempner Distressed Opportunities Fund LP and Davidson Kempner Distressed Opportunities International Ltd. DKCM GP LLC is the general partner of Davidson Kempner Capital Management LP. The managing members of Davidson Kempner Capital Management LP are Thomas L. Kempner, Jr., Stephen M. Dowicz, Timothy I. Levart, Robert J. Brivio, Jr., Anthony A. Yoseloff, Eric P. Epstein, Avram Z. Friedman, Conor Bastable, Shulamit Leviant, Morgan Blackwell, Patrick W. Dennis and Gabriel T. Schwartz.

The address of the principal business office of each of entities and persons identified in this note is c/o Davidson Kempner Partners, 65 East 55th Street, 19th Floor, New York, New York 10022.

The reported information is based upon the Schedule 13G filed by Davidson Kempner Partners with the Securities and Exchange Commission on July 21, 2014.

(11) Consists of 252,286 shares (including 10,171 warrants) owned by Alden Global Adfero BPI Fund, Ltd, 3,407,820 shares (including 98,048 warrants) owned by Alden Global Opportunities Master Fund, L.P. 161,246 shares (including 4,694 warrants) owned by Wilshire Institutional Master Fund II SPC Wilshire Alden Global Event Driven Opportunities Segregated Portfolio, 102,958 shares owned by Dugan Partners, L.P., and 1,270,234 shares (including 36,961 warrants) owned by Turnpike Limited. Alden Global Capital LLC is the manager of Alden Global Adfero BPI Fund, Ltd. Alden Global Capital Limited is the investment manager of Alden Global Opportunities Master Fund L.P. Alden Global Capital LLC is the investment sub-adviser to Alden Global Opportunities Master Fund L.P. Alden Global Capital Limited and Alden Global Capital LLC are investment sub-advisers to Wilshire Institutional Master Fund II SPC Wilshire Alden Global Event Driven Opportunities Segregated Portfolio. Alden Global Capital LLC is the investment portfolio manager to Dungan Partners L.P. Alden Global Capital Limited is the investment adviser to Turnpike Limited and Alden Global Capital LLC is an investment sub-adviser to Turnpike Limited.

The address of the principal business office of Alden Global Adfero BPI Fund, Ltd., Alden Global Opportunities Master Fund, L.P. and Turnpike Limited is c/o Ogier Fiduciary Svcs (Cayman) Ltd., 89 Nexus Way, Camana Bay, Cayman Islands KY1-9007. The address of the principal business office of Wilshire Institutional Master Fund II SPC Wilshire Alden Global Event Driven Opportunities Segregated Portfolio is c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. The address of the principal place of business of Dungan Partners L.P. is Ogier House, The Esplanade, St. Helier, Jersey JE4 9WG. The reported information is based upon the Schedule 13G filed by Alden Global Capital Ltd. with the Securities and Exchange Commission on July 21, 2014, and information from the holder.

Equity Compensation Plan Information

The following table provides information as of December 31, 2014 regarding the number of shares of Genco s common stock that may be issued under the 2014 Management Incentive Plan:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and Rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders		$	
Equity compensation plans not approved by security holders	8,667,461	$ 30.31	
Total	8,667,461	$ 30.31	

No shares remain for issuance under Genco s 2005 Equity Incentive Plan or 2012 Equity Incentive Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Transactions with General Maritime Corporation

Genco makes employees performing internal audit services available to General Maritime Corporation (GMC), where Genco s Chairman, Peter C. Georgiopoulos, also serves as Chairman of the Board. For the years ended December 31, 2012, 2013 and 2014, Genco invoiced approximately $174,911, 145,025 and $84,000, respectively, to GMC for the time associated with such internal audit services. In addition, Genco incurred travel-related and miscellaneous expenditures during 2012, 2013 and 2014 totaling approximately $87,225, $132,690 and $102,000, respectively. These travel-related expenditures are reimbursable to GMC or its service provider. At December 31, 2014, approximately $41,000 was due GMC from Genco.

Transactions with Aegean Marine Petroleum Network, Inc.

Genco and Baltic Trading have entered into agreements with Aegean Marine Petroleum Network, Inc. (Aegean) to purchase lubricating oils for certain vessels in their fleets. Peter C. Georgiopoulos is Chairman of the Board of Aegean. During the years ended December 31, 2012, 2013 and 2014, Aegean supplied lubricating oils to Genco s and Baltic Trading s vessels aggregating approximately $1,516,744, $1,520,599 and $1,877,000 respectively. At December 31, 2014, approximately $267,000 remained outstanding to Aegean.

Transactions with Baltic Trading Limited

On April 7, 2015, Genco and Baltic Trading entered into the Stock Purchase Agreement, pursuant to which Genco purchased from Baltic Trading on April 8, 2015 all of Baltic Trading s equity interests in Baltic Lion Limited and Baltic Tiger Limited, the respective owners of the Capesize drybulk vessels known as the Baltic Lion and the Baltic Tiger, for an aggregate purchase price of $68.5 million, subject to reduction for the outstanding amounts under the Secured Loan Agreement dated December 3, 2013 by and among Baltic Trading s wholly owned subsidiaries, Baltic Tiger Limited and Baltic Lion Limited and DVB Bank SE (the $44 Million Term Loan Facility) and an adjustment for working capital and liabilities as of the closing date. The indebtedness under such the $44 Million Term Loan Facility remained in place. The purchase price was established in arm s length negotiations between the Baltic Trading special committee and the Genco special committee and was financed by Genco with available cash and borrowings under the Loan Agreement dated April 7, 2015 by and among Genco s wholly owned subsidiaries, Genco Commodus Limited, Genco Maximus Limited, Genco Claudius Limited, Genco Hunter Limited and Genco Warrior Limited and ABN AMRO Capital USA LLC (the 2015 Credit Facility). In connection with the Stock Purchase Agreement, Genco executed a Guarantee and Indemnity in favor of DVB Bank SE, which is on substantially the same terms as the Guarantee and Indemnity executed by Baltic Trading on December 3, 2013. As a result, Baltic Trading was released from its Guarantee and Indemnity with respect to the $44 Million Term Loan Facility.

In connection with Baltic Trading s initial public offering in 2010, Genco Investments entered into a registration rights agreement with Baltic Trading pursuant to which Baltic Trading granted Genco Investments and its affiliates certain registration rights with respect to Baltic Trading s common stock and Class B Stock owned by them. Pursuant to the agreement, Genco Investments has the right, subject to certain terms and conditions, to require Baltic Trading, on up to three separate occasions following the first anniversary of its initial public offering, to register under the Securities Act of 1933, as amended (the Securities Act), shares of Baltic Trading s common stock, including common stock issuable upon conversion of Class B Stock, held by Genco Investments and its affiliates for offer and sale to the public (including by way of underwritten public offering) and incidental or piggyback rights permitting participation in certain registrations of common stock by Baltic Trading. Genco Investments currently owns 6,356,471 shares of Baltic Trading s Class B Stock.

In 2010, Genco entered into the Management Agreement with Baltic Trading pursuant to which Genco provides 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 pays Genco for the services Genco provide it as well as reimburses Genco for Genco s costs and expenses incurred in providing certain of these services. Baltic Trading pays Genco a commercial services fee of 1.25% of gross charter revenues generated by each vessel; a technical services fee of $750 per ship per day, subject to increase based on the Consumer Price Index; and a sale & purchase fee equal to 1% of the gross purchase or sale price upon the consummation of any purchase or sale of a vessel by Baltic Trading. For the years ended December 31, 2012, 2013 and 2014, Baltic Trading incurred costs of approximately $2,816,472, $4,571,449 and $4,465,000, respectively pursuant to the Management Agreement. At December 31, 2014, the amount due to Genco from Baltic Trading was approximately $143,000 for such services. Additionally, during the years ended December 31 2012, 2013 and 2014, Baltic Trading incurred fees of approximately $0, $41,517 and $54,000, respectively, for internal audit services provided by Genco employees which are reimbursable to Genco pursuant to the Management Agreement, and Genco incurred costs in a net amount of approximately $23,576, $402,997 and $284,000, respectively on Baltic Trading s behalf to be reimbursed to Genco pursuant to the Management Agreement. At December 31, 2014, the amount due to Baltic Trading from Genco was approximately $4,000 for such costs. Upon consolidation with Baltic Trading, any management fee income earned is eliminated for financial reporting purposes.

Also in 2010, Genco entered into an Omnibus Agreement with Baltic Trading pursuant to which Genco has a right of first refusal with respect to business opportunities generally except with respect to certain spot charter opportunities, as to which Baltic Trading a right of first refusal. So that Genco may comply with a provision in one of its existing credit facilities, the Omnibus Agreement further provides that Baltic Trading will not issue any shares of preferred stock without Genco s prior written consent.

Transactions with MEP

In 2010, Genco entered into an agency agreement with Maritime Equity Partners LLC (MEP) pursuant to which Genco provides MEP with technical services for drybulk vessels. 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 are being provided for an initial term of one year. MEP has 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 Genco change of control. Genco may terminate provision of the services at any time on 60 days notice. Genco s Chairman, Peter C. Georgiopoulos, controls and has a minority interest in MEP. For the years ended December 31, 2012, 2013 and 2014, Genco invoiced approximately $3,396,428, $3,429,661 and $3,361,000, respectively to MEP for the foregoing services and transactions. At December 31, 2014, approximately $10,000 was due to Genco from MEP.

Other Transactions

During 2014, Genco incurred legal services (primarily in connection with vessel acquisitions) aggregating approximately $14,000 from Constantine Georgiopoulos, the father of Peter C. Georgiopoulos, Chairman of the Board. At December 31, 2014, approximately $9,000 was outstanding to Constantine Georgiopoulos. In addition, Peter C. Georgiopoulos is a party to Genco s existing registration rights agreement that provides him with piggyback registration rights only.

Review and Approval of Transactions with Related Persons

In April 2007, Genco s Board of Directors adopted a policy and procedures for review, approval and monitoring of transactions involving Genco and related persons (generally, directors and executive officers, director nominees, shareholders owning five percent or greater of any class of Genco s voting securities, immediate family members of the foregoing). The policy covers any related person transaction that meets the minimum threshold for disclosure in the proxy statement under the relevant SEC rules (generally, transactions involving amounts exceeding $120,000 in which a related person has a direct or indirect material interest) and will be applied to any such transactions proposed after its adoption.

Related person transactions must be approved by the Genco Board or by a committee of the Genco Board consisting solely of independent directors, who will approve the transaction only if they determine that it is in the best interests of Genco. In considering the transaction, the Genco Board or committee will consider all relevant factors, including as applicable (i) the related person s interest in the transaction; (ii) the approximate dollar value of the amount involved in the transaction; (iii) the approximate dollar value of the amount of the related person s interest in the transaction without regard to the amount of any profit or loss; (iv) Genco s business rationale for entering into the transaction; (v) the alternatives to entering into a related person transaction; (vi) whether the transaction is on terms no less favorable to Genco than terms that could have been reached with an unrelated third party; (vii) the potential for the transaction to lead to an actual or apparent conflict of interest and any safeguards imposed to prevent such actual or apparent conflicts; (viii) the overall fairness of the transaction to Genco; and (ix) any other information regarding the transaction or the related person in the context of the merger that would be material to investors in light of the circumstances of the particular transaction. If a director is involved in the transaction, he or she will not cast a vote regarding the transaction.

Director Independence

For information on director independence, please see Corporate Governance Director Independence above in Item 10, Directors, Executive Officers, and Corporate Governance.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees to Independent Auditors for Fiscal 2014 and 2013

The following table presents fees for professional services rendered by Deloitte & Touche LLP for the audit of Genco s consolidated annual financial statements for fiscal 2014 and fiscal 2013 and fees billed for audit-related services, tax services and all other services rendered by Deloitte & Touche LLP for fiscal 2014 and fiscal 2013.

Type of Fees	2014 ($ in thousands)		2013 ($ in thousands)	
Audit Fees	$	562	$	547
Audit-Related Fees	$	848	$	170
Tax Fees	$	0	$	0
All Other Fees	$	0	$	0
Total	$	1,410	$	717

In the above table, in accordance with the SEC s definitions and rules, audit fees are fees that Genco paid to the auditor for the audit of Genco s annual financial statements included in its Form 10-K and Form 10-K/A and review of financial statements included in its Form 10-Qs and for services that are normally provided by the auditor in connection with statutory and regulatory filings or engagements. Audit-related fees are fees for assurance and related services that are reasonably related to the performance of the audit or review of Genco s financial statements and include services associated with primary and secondary offerings of Genco s common stock in the past two fiscal years and other matters related to Genco s periodic public filings; tax fees are fees for tax compliance, tax advice and tax planning; and all other fees are fees for any services not included in the first three categories.

Pre-Approval Policy for Services Performed by Independent Auditor

The Genco Audit Committee has responsibility for the appointment, compensation and oversight of the work of the independent auditor. As part of this responsibility, the Genco Audit Committee must pre-approve all permissible services to be performed by the independent auditor.

The Genco Audit Committee has adopted an auditor pre-approval policy which sets forth the procedures and conditions pursuant to which pre-approval may be given for services performed by the independent auditor. Under the policy, the Genco Audit Committee must give prior approval for any amount or type of service within four categories: audit, audit-related, tax services or, to the extent permitted by law, other services that the independent auditor provides. Prior to the annual engagement, the Genco Audit Committee may grant general pre-approval for independent auditor services within these four categories at maximum pre-approved fee levels. During the year, circumstances may arise when it may become necessary to engage the independent auditor for additional services not contemplated in the original pre-approval and, in those instances, such service will require separate pre-approval by the Genco Audit Committee if it is to be provided by the independent auditor. For any pre-approval, the Genco Audit Committee will consider whether such services are consistent with the SEC s rules on auditor independence, whether the auditor is best positioned to provide the most cost effective and efficient service and whether the service might enhance Genco s ability to manage or control risk or improve audit quality. The Genco Audit Committee may delegate to one or more of its members authority to approve a request for pre-approval provided the member reports any approval so given to the Genco Audit Committee at its next scheduled meeting.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this Amendment:

23.1 Consent of Independent Registered Public Accounting Firm.

31.1 Certification of President pursuant to Rule 13(a)-14(a) and 15(d)-14(a) of the Securities Exchange Act of 1934, as amended.

31.2 Certification of Chief Financial Officer pursuant to Rule 13(a)-14(a) and 15(d)-14(a) of the Securities Exchange Act of 1934, as amended.

32.1 Certification of President pursuant to 18 U.S.C. Section 1350.

32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on April 30, 2015.

GENCO SHIPPING & TRADING LIMITED

By:	/s/ John C. Wobensmith	
	Name:	John C. Wobensmith
	Title:	President and Principal Executive Officer

EXHIBIT INDEX

Exhibit	Document
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32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.