

GENCO SHIPPING & TRADING LTD

Form 10-Q

May 08, 2015

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended March 31, 2015

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-33393

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**GENCO SHIPPING & TRADING LIMITED**

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(Exact name of registrant as specified in its charter)

**Republic of the Marshall Islands**  
(State or other jurisdiction of  
incorporation or organization)

**98-043-9758**  
(I.R.S. Employer  
Identification No.)

**299 Park Avenue, 12th Floor, New York, New York 10171**

(Address of principal executive offices) (Zip Code)

**(646) 443-8550**

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company o

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

The number of shares outstanding of each of the issuer's classes of common stock, as of May 8, 2015: Common stock, \$0.01 per share 61,600,604 shares.



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**Website Information**

We intend to use our website, [www.GencoShipping.com](http://www.GencoShipping.com), as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included in our website's Investor section. Accordingly, investors should monitor the Investor portion of our website, in addition to following our press releases, SEC filings, public conference calls, and webcasts. To subscribe to our e-mail alert service, please submit your e-mail address at the Investor Relations Home page of the Investor section of our website. The information contained in, or that may be accessed through, our website is not incorporated by reference into or a part of this document or any other report or document we file with or furnish to the SEC, and any references to our website are intended to be inactive textual references only.

Table of Contents**PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**Genco Shipping & Trading Limited**

Condensed Consolidated Balance Sheets as of March 31, 2015 and December 31, 2014

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

(Unaudited)

	Successor March 31, 2015	Successor December 31, 2014
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 68,783	\$ 83,414
Restricted cash	9,750	9,750
Due from charterers, net of a reserve of \$1,371 and \$1,588, respectively	12,366	14,739
Prepaid expenses and other current assets	25,920	22,423
<b>Total current assets</b>	<b>116,819</b>	<b>130,326</b>
Noncurrent assets:		
Vessels, net of accumulated depreciation of \$52,271 and \$36,258, respectively	1,508,885	1,532,843
Deposits on vessels	19,237	25,593
Deferred drydock, net of accumulated amortization of \$722 and \$330, respectively	9,375	6,234
Deferred financing costs, net of accumulated amortization of \$1,216 and \$729, respectively	10,061	10,271
Fixed assets, net of accumulated depreciation and amortization of \$170 and \$119, respectively	783	701
Other noncurrent assets	514	514
Restricted cash	300	19,945
Investments	28,845	26,486
<b>Total noncurrent assets</b>	<b>1,578,000</b>	<b>1,622,587</b>
<b>Total assets</b>	<b>\$ 1,694,819</b>	<b>\$ 1,752,913</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 29,817	\$ 28,217
Current portion of long-term debt	44,576	34,324
Deferred revenue	1,837	1,397
<b>Total current liabilities</b>	<b>76,230</b>	<b>63,938</b>
Noncurrent liabilities:		
Long-term lease obligations	593	390
Long-term debt	390,032	395,811
<b>Total noncurrent liabilities</b>	<b>390,625</b>	<b>396,201</b>

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Total liabilities	466,855	460,139
Commitments and contingencies		
Equity:		
Genco Shipping & Trading Limited shareholders' equity:		
Successor Company common stock, par value \$0.01; 250,000,000 shares authorized; issued and outstanding 61,541,389 shares at March 31, 2015 and December 31, 2014	615	615
Successor Company additional paid-in capital	1,262,327	1,251,197
Accumulated other comprehensive loss	(22,958)	(25,317)
Retained deficit	(220,736)	(182,294)
Total Genco Shipping & Trading Limited shareholders' equity	1,019,248	1,044,201
Noncontrolling interest	208,716	248,573
Total equity	1,227,964	1,292,774
Total liabilities and equity	\$ 1,694,819	\$ 1,752,913

See accompanying notes to condensed consolidated financial statements.

Table of Contents**Genco Shipping & Trading Limited**

Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2015 and 2014

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

(Unaudited)

	<b>Successor For the Three Months Ended March 31, 2015</b>	<b>Predecessor For the Three Months Ended March 31, 2014</b>
<b>Revenues:</b>		
Voyage revenues	\$ 33,609	\$ 63,180
Service revenues	810	810
<b>Total revenues</b>	<b>34,419</b>	<b>63,990</b>
<b>Operating expenses:</b>		
Voyage expenses	4,380	1,956
Vessel operating expenses	28,672	31,223
General, administrative and management fees	20,324	15,376
Depreciation and amortization	19,410	36,201
Impairment of vessel assets	35,396	
<b>Total operating expenses</b>	<b>108,182</b>	<b>84,756</b>
<b>Operating loss</b>	<b>(73,763)</b>	<b>(20,766)</b>
<b>Other (expense) income:</b>		
Other income (expense)	11	(57)
Interest income	24	20
Interest expense	(4,324)	(21,023)
<b>Other expense</b>	<b>(4,289)</b>	<b>(21,060)</b>
<b>Loss before reorganization items, net</b>	<b>(78,052)</b>	<b>(41,826)</b>
Reorganization items, net	(520)	
<b>Loss before income taxes</b>	<b>(78,572)</b>	<b>(41,826)</b>
Income tax expense	(543)	(412)
<b>Net loss</b>	<b>(79,115)</b>	<b>(42,238)</b>
Less: Net loss attributable to noncontrolling interest	(40,673)	(3,133)
<b>Net loss attributable to Genco Shipping &amp; Trading Limited</b>	<b>\$ (38,442)</b>	<b>\$ (39,105)</b>
<b>Net loss per share-basic</b>	<b>\$ (0.64)</b>	<b>\$ (0.90)</b>
<b>Net loss per share-diluted</b>	<b>\$ (0.64)</b>	<b>\$ (0.90)</b>
Weighted average common shares outstanding-basic	60,430,789	43,568,942
Weighted average common shares outstanding-diluted	60,430,789	43,568,942
Dividends declared per share	\$	\$



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See accompanying notes to condensed consolidated financial statements.

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**Genco Shipping & Trading Limited**

Condensed Consolidated Statements of Comprehensive Loss

For the Three Months Ended March 31, 2015 and 2014

(U.S. Dollars in Thousands)

(Unaudited)

	<b>Successor For the Three Months Ended March 31, 2015</b>	<b>Predecessor For the Three Months Ended March 31, 2014</b>
Net loss	\$ (79,115)	\$ (42,238)
Change in unrealized gain (loss) on investments	2,359	(14,215)
Unrealized gain on cash flow hedges, net		1,228
Other comprehensive income (loss)	2,359	(12,987)
Comprehensive loss	(76,756)	(55,225)
Less: Comprehensive loss attributable to noncontrolling interest	(40,673)	(3,133)
Comprehensive loss attributable to Genco Shipping & Trading Limited	\$ (36,083)	\$ (52,092)

See accompanying notes to condensed consolidated financial statements.

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## Condensed Consolidated Statements of Equity

For the Three Months Ended March 31, 2015 and 2014

(U.S. Dollars in Thousands)

(Unaudited)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained (Deficit) Earnings	Genco Shipping & Trading Limited Shareholders Equity	Noncontrolling Interest	Total Equity
Balance January 1, 2015 (Successor)	\$ 615	\$ 1,251,197	\$ (25,317)	\$ (182,294)	\$ 1,044,201	\$ 248,573	\$ 1,292,774
Net loss				(38,442)	(38,442)	(40,673)	(79,115)
Unrealized gain on investments			2,359		2,359		2,359
Settlement of non-accredited Note holders		(414)			(414)		(414)
Nonvested stock amortization		11,544			11,544	816	12,360
Balance March 31, 2015 (Successor)	\$ 615	\$ 1,262,327	\$ (22,958)	\$ (220,736)	\$ 1,019,248	\$ 208,716	\$ 1,227,964
	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained (Deficit) Earnings	Genco Shipping & Trading Limited Shareholders Equity	Noncontrolling Interest	Total Equity
Balance January 1, 2014 (Predecessor)	\$ 445	\$ 846,658	\$ 53,722	\$ 66,644	\$ 967,469	\$ 341,336	\$ 1,308,805
Net loss				(39,105)	(39,105)	(3,133)	(42,238)
Change in unrealized gain on investments			(14,215)		(14,215)		(14,215)
Unrealized gain on cash flow hedges, net			1,228		1,228		1,228
Nonvested stock amortization		427			427	963	1,390

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Cash dividends paid by Baltic Trading Limited				(4)		(4)		(1,530)		(1,534)				
Vesting of restricted shares issued by Baltic Trading Limited			96			96		(96)						
Balance March 31, 2014 (Predecessor)	\$	445	\$	847,181	\$	40,735	\$	27,535	\$	915,896	\$	337,540	\$	1,253,436

See accompanying notes to condensed consolidated financial statements.

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Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2015 and 2014

(U.S. Dollars in Thousands)

(Unaudited)

	<b>Successor For the Three Months Ended March 31, 2015</b>	<b>Predecessor For the Three Months Ended March 31, 2014</b>
Cash flows from operating activities:		
Net loss	\$ (79,115)	\$ (42,238)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	19,410	36,201
Amortization of deferred financing costs	487	2,220
Amortization of time charters acquired		(49)
Amortization of discount on Convertible Senior Notes		1,299
Amortization of nonvested stock compensation expense	12,360	1,390
Impairment of vessel assets	35,396	
Change in assets and liabilities:		
Decrease in due from charterers	2,373	2,803
Increase in prepaid expenses and other current assets	(3,504)	(7,210)
Increase in accounts payable and accrued expenses	3,163	8,558
Increase (decrease) in deferred revenue	440	(9)
Increase in lease obligations	203	100
Deferred drydock costs incurred	(3,533)	(5,669)
Net cash used in operating activities	(12,320)	(2,604)
Cash flows from investing activities:		
Purchase of vessels, including deposits	(24,104)	(17,618)
Purchase of other fixed assets	(56)	(179)
Changes in deposits of restricted cash	19,645	(125)
Net cash used in investing activities	(4,515)	(17,922)
Cash flows from financing activities:		
Repayments on the \$100 Million Term Loan Facility	(1,923)	(1,923)
Repayments on the \$253 Million Term Loan Facility	(5,292)	(5,075)
Proceeds from the Baltic Trading \$148 Million Credit Facility	115,000	
Repayments on the 2010 Baltic Trading Credit Facility	(102,250)	
Repayments on the Baltic Trading \$22 Million Term Loan Facility	(375)	(375)
Repayments on the Baltic Trading \$44 Million Term Loan Facility	(687)	(687)
Payment of dividend by subsidiary		(1,534)
Cash settlement of non-accredited Note holders	(49)	
Payment of common stock issuance costs by subsidiary		(106)
Payment of deferred financing costs	(2,220)	(88)
Net cash provided by (used in) financing activities	2,204	(9,788)
Net decrease in cash and cash equivalents	(14,631)	(30,314)

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Cash and cash equivalents at beginning of period		83,414		122,722
Cash and cash equivalents at end of period	\$	68,783	\$	92,408

See accompanying notes to condensed consolidated financial statements.

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**Genco Shipping & Trading Limited**

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

Notes to Condensed Consolidated Financial Statements (unaudited)

1 - GENERAL INFORMATION

The accompanying condensed 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 March 31, 2015, 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 March 31, 2015, 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 (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 Effective Date ). Refer to the financial statements and notes thereto included in the Company s annual report on Form 10-K for the year ended December 31, 2014, as amended, for further detail regarding the bankruptcy filing.

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. References to Successor Company refer to the Company after July 9, 2014, after giving effect to the application of fresh-start reporting. References to Predecessor Company refer

to the Company prior to July 9, 2014.

Merger Agreement with Baltic Trading

On April 7, 2015, the Company entered into a definitive merger agreement with Baltic Trading under which the Company will acquire Baltic Trading in a stock-for-stock transaction. Under the terms of the agreement, Baltic Trading will become an indirect wholly-owned subsidiary of the Company, and Baltic Trading shareholders (other than the Company and its subsidiaries) will receive 0.216 shares of the Company's common stock for each share of Baltic Trading's common stock they own at closing, with fractional shares to be settled in cash. Upon consummation of the transaction, the Company's shareholders are expected to own approximately 84.5% of the combined company, and Baltic Trading's shareholders (other than the Company and its subsidiaries) are expected to own approximately 15.5% of the combined company. Shares of Baltic Trading's Class B stock (all of which are owned by the Company) will be canceled in the merger. The Company expects to have its stock listed on the New York Stock Exchange upon consummation of the transaction.

The Boards of Directors of both the Company and Baltic Trading established independent special committees to review the transaction and negotiate the terms on behalf of their respective companies. Both independent special committees unanimously approved the transaction. The Boards of Directors of both companies approved the merger by unanimous vote of directors present and



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voting, with Peter C. Georgiopoulos, Chairman of the Board of each company, recused for the vote. Approval of the merger is subject to a vote of shareholders of both the Company and Baltic Trading.

### Acquisition of Baltic Lion and Baltic Tiger

Additionally, on April 7, 2015, the Company entered into an agreement under which the Company acquired all of the shares of two single-purpose vessel owning entities that were wholly owned by Baltic Trading, each of which owns one Capesize drybulk vessel, specifically the Baltic Lion and Baltic Tiger, for an aggregate purchase price of \$68,500, subject to reduction for \$40,563 of outstanding first-mortgage debt of such single-purpose entities that is to be guaranteed by the Company. For further details, refer to the "Impairment of vessel assets" Section in Note 2 "Summary of Significant Accounting Policies." These transactions, which closed on April 8, 2015, will be accounted for pursuant to accounting guidance under ASC 805, "Business Combinations", for transactions amongst entities under common control. Accordingly, the difference between the cash paid to Baltic Trading and the Company's carrying value of the Baltic Lion and Baltic Tiger as of the closing date will be reflected as an adjustment to Additional paid-in capital. The independent special committees of both companies' Boards of Directors reviewed and approved these transactions.

### Other General Information

Below is the list of GS&T's wholly owned ship-owning subsidiaries as of March 31, 2015:

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

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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

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Wholly Owned Subsidiaries	Vessel Acquired	Dwt	Delivery Date	Year Built
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	5/12/11	2011
Genco Mare Limited	Genco Mare	34,428	7/20/11	2011
Genco Spirit Limited	Genco Spirit	34,432	11/10/11	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	3/29/11	2011

Baltic Trading Limited 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 March 31, 2015 and December 31, 2014, Genco Investments LLC owned 6,356,471 shares of Baltic Trading's Class B Stock, which represented a 10.85% ownership interest in Baltic Trading and 64.60% of the aggregate voting power of Baltic Trading's outstanding shares of voting stock. 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 and shares issued in conjunction with the merger.

Below is the list of Baltic Trading's wholly owned/ship-owning subsidiaries as of March 31, 2015:

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	10/29/2014	2014
Baltic Wasp Limited	Baltic Wasp	63,389	1/2/2015	2015

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Baltic Scorpion Limited	Baltic Scorpion	64,000	Q2 2015 (1)	2015 (1)
Baltic Mantis Limited	Baltic Mantis	64,000	Q3 2015 (1)	2015 (1)

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

The Company provides technical services for drybulk vessels purchased by Maritime Equity Partners LLC ( MEP ). Peter C. Georgiopoulos, Chairman of the Board of Directors of GS&T, controls and has a minority interest in MEP. These services include

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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 were 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.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying condensed 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 presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information and the rules and regulations of the Securities and Exchange Commission (the SEC ). In the opinion of management of the Company, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and operating results have been included in the statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company s annual report on Form 10-K for the year ended December 31, 2014, as amended (the 2014 10-K ). The results of operations for the periods ended March 31, 2015 and 2014 for the Successor Company and Predecessor Company, respectively, are not necessarily indicative of the operating results for the full year.

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 which 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 Successor Company and the Predecessor Company for the three months ended March 31, 2015 and 2014 was \$18,967 and \$34,160, 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

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the Company by taking the cost of steel times the weight of the ship noted in lightweight tons (lwt). Effective July 9, 2014, 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. During the three months ended March 31, 2015, the increase in the estimated scrap value resulted in a decrease in depreciation expense of \$787. The decrease in depreciation expense resulted in a \$0.01 change to the basic and diluted net loss per share during the three months ended March 31, 2015. The basic and diluted net loss per share would have been (\$0.65) per share if there were no change in the estimated scrap value.

### 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. As of March 31, 2015 and December 31, 2014, the Company had an accrual of \$725 and \$662, respectively, related to these estimated customer claims.

### Voyage expense recognition

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

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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 loss (gain) of \$1,453 and (\$66) during the three months ended March 31, 2015 and 2014 for the Successor Company and Predecessor Company, respectively. Additionally, voyage expenses include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement.

Impairment of vessel assets

During the three months ended March 31, 2015, the Successor Company recorded \$35,396 related to the impairment of vessel assets in accordance with ASC 360 Property, Plant and Equipment (ASC 360). At March 31, 2015, the Company determined that the sale of the Baltic Lion and Baltic Tiger was more likely than not based on Baltic Trading's expressed consideration to divest of those vessels. Therefore, the time utilized to determine the recoverability of the carrying value of the vessel assets was significantly reduced, and after determining that the sum of the estimated undiscounted future cash flows attributable to the Baltic Lion and Baltic Tiger would not exceed the carrying value of the respective vessels, the Company reduced the carrying value of each vessel to its estimated fair value, which was determined primarily based on appraisals and third-party broker quotes. Subsequent to March 31, 2015, the Baltic Lion and Baltic Tiger entities were sold to GS&T. Refer to Note 1 General Information for details pertaining to the sale of these entities.

Noncontrolling interest

Net loss attributable to noncontrolling interest during the three months ended March 31, 2015 and 2014 reflects the noncontrolling interest's share of the net loss of Baltic Trading, a subsidiary of the Company, which owns and employs drybulk vessels in the spot market, in vessel pools or on spot market-related time charters. The spot market represents immediate chartering of a vessel, usually for single voyages. At March 31, 2015 and December 31, 2014, the noncontrolling interest held an 89.15% economic interest in Baltic Trading while only holding 35.40% of the voting power.

Income taxes

Pursuant to certain agreements, GS&T technically and commercially manages vessels for Baltic Trading, as well as provides technical management of vessels for MEP in exchange for specified fees for these services provided. These services are performed by Genco Management (USA) Limited (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. 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 the services for both Baltic Trading and MEP's vessels.

Total revenue earned by the Successor Company for these services during the three months ended March 31, 2015 was \$2,189 of which \$1,379 eliminated upon consolidation. After allocation of certain expenses, there was taxable income of \$1,198 associated with these activities for the three months ended March 31, 2015. This resulted in estimated tax expense of \$520 for the three months ended March 31, 2015. Total revenue earned by the Predecessor Company for these services during the three months ended March 31, 2014 was \$1,855 of which \$1,045 eliminated

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upon consolidation. After allocation of certain expenses, there was taxable income of \$886 associated with these activities for the three months ended March 31, 2014. This resulted in estimated tax expense of \$400 for the three months ended March 31, 2014.

Baltic Trading is subject to income tax on its United States source income. During the three months ended March 31, 2015 and 2014, Baltic Trading had United States operations that resulted in United States source income of \$587 and \$284, respectively. Baltic Trading's estimated United States income tax expense for the three months ended March 31, 2015 and 2014 was \$23 and \$12, respectively.

### 3 - SEGMENT INFORMATION

The Company determines its operating 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. The accounting policies applied to the reportable segments are the same as those used in the preparation of the Company's condensed consolidated financial statements. As a result of the adoption of fresh-start reporting on the



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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 Company for the three months ended March 31, 2015 and 2014.

	<b>Successor For the Three Months Ended March 31, 2015</b>	<b>Predecessor For the Three Months Ended March 31, 2014</b>
<b><u>Voyage Revenue from External Customers</u></b>		
GS&T	\$ 26,698	\$ 50,089
Baltic Trading	6,911	13,091
Total operating segments	33,609	63,180
Eliminating revenue		
Total consolidated voyage revenue from external customers	\$ 33,609	\$ 63,180

The following table presents a reconciliation of total intersegment revenue, which eliminates upon consolidation, for the Company's two operating segments for the three months ended March 31, 2015 and 2014. 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.

	<b>Successor For the Three Months Ended March 31, 2015</b>	<b>Predecessor For the Three Months Ended March 31, 2014</b>
<b><u>Intersegment revenue</u></b>		
GS&T	\$ 1,379	\$ 1,045
Baltic Trading		
Total operating segments	1,379	1,045
Eliminating revenue	(1,379)	(1,045)
Total consolidated intersegment revenue	\$	\$

The following table presents a reconciliation of total net loss for the Company's two operating segments to total consolidated net loss for the three months ended March 31, 2015 and 2014. The eliminating net loss 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, if applicable.

<b>Successor For the Three Months Ended March 31,</b>	<b>Predecessor For the Three Months Ended March 31,</b>
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	2015		2014
<b>Net loss</b>			
GS&T	\$	(33,029)	\$ (38,569)
Baltic Trading		(45,811)	(3,533)
Total operating segments		(78,840)	(42,102)
Eliminating net loss		275	136
Total consolidated net loss	\$	(79,115)	\$ (42,238)

The following table presents a reconciliation of total assets for the Company's two operating segments to total consolidated assets as of March 31, 2015 and December 31, 2014. 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 March 31, 2015 and December 31, 2014.

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	Successor March 31, 2015	Successor December 31, 2014
<b>Total assets</b>		
GS&T	\$ 1,245,703	\$ 1,270,923
Baltic Trading	451,181	482,415
Total operating segments	1,696,884	1,753,338
Eliminating assets	(2,065)	(425)
Total consolidated assets	\$ 1,694,819	\$ 1,752,913

4 - CASH FLOW INFORMATION

For the three months ended March 31, 2015, the Successor Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$402 for the Purchase of vessels, including deposits and \$98 for the Purchase of other fixed assets. Additionally, for the three months ended March 31, 2015, the Successor Company had non-cash financing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$247 associated with the Payment of deferred financing fees. Lastly, for the three months ended March 31, 2015, the Successor Company had non-cash financing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$414 associated with the Cash settlement of non-accredited Note holders. During the three months ended March 31, 2015, the Successor Company increased the estimated amount of non-accredited holders of the Convertible Senior Notes, which was discharged on the Effective Date, that are expected to be settled in cash versus settled with common shares.

For the three months ended March 31, 2014, the Predecessor Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$213 for the Purchase of vessels, including deposits and \$145 for the Purchase of other fixed assets. For the three months ended March 31, 2014, the Predecessor Company had non-cash financing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of \$253 associated with the Payment of deferred financing fees and \$5 for the Payment of common stock issuance costs by its subsidiary. Additionally, for the three months ended March 31, 2014, the Predecessor Company had non-cash financing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in current Interest payable consisting of \$13,199 associated with the Payment of deferred financing fees.

Professional fees and trustee fees in the amount of \$520 were recognized by the Successor Company in Reorganization items, net for the three months ended March 31, 2015 (refer to Note 19). During this period, \$709 of professional fees and trustee fees were paid through March 31, 2015 and \$124 is included in Accounts payable and accrued expenses as of March 31, 2015.

During the three months ended March 31, 2015, the Successor Company made a reclassification of \$9,694 from Deposits on vessels to Vessels, net of accumulated depreciation, due to the completion of the purchase of Baltic Wasp. No such reclassifications were made during the three months ended March 31, 2014.

During the three months ended March 31, 2014, the Predecessor Company made a reclassification of \$984 from Fixed assets, net of accumulated depreciation, to Vessels, net of accumulated depreciation, for items that should be capitalized and depreciated over the remaining life of the

respective vessels.

During the three months ended March 31, 2015 and 2014, cash paid for interest by the Successor Company and the Predecessor Company, net of amounts capitalized, and including bond coupon interest paid during the three months ended March 31, 2014, was \$3,203 and \$14,163, respectively.

During the three months ended March 31, 2015 and 2014, cash paid for estimated income taxes by the Successor Company and Predecessor Company was \$454 and \$1,072, respectively.

#### 5 - VESSEL ACQUISITIONS

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

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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 March 31, 2015 and December 31, 2014, deposits on vessels were \$19,237 and \$25,593, 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 Baltic Trading \$148 Million Credit Facility as described in Note 9 Debt, to fully finance the acquisition of the remaining two Ultramax newbuilding drybulk vessels. On December 30, 2014, Baltic Trading paid \$19,645 for the final payment due for the Baltic Wasp which was classified as noncurrent Restricted Cash in the Condensed Consolidated Balance Sheets as of December 31, 2014 as the payment was held in an escrow account and was released to the seller when 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 in the amount of \$49 by the Predecessor Company during the three months ended March 31, 2014. The remaining unamortized fair market value of Time charters acquired at December 31, 2014 was \$0. As part of fresh-start reporting, the remaining liability for below market time charters was written-off during the re-valuation of our liabilities.

Capitalized interest expense associated with the newbuilding contracts entered into by Baltic Trading recorded by the Successor Company and the Predecessor Company for the three months ended March 31, 2015 and 2014 was \$124 and \$98, respectively.

6 - INVESTMENTS

The Company holds an investment in the capital stock of Jinhui Shipping and Transportation Limited ( Jinhui ) and Korea Line Corporation ( KLC ). Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company that 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 ( 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 ). At March 31, 2015 and December 31, 2014, the Company held 16,335,100 shares of Jinhui capital stock which is recorded at its fair value of \$28,776 and \$26,414, respectively, based on the last closing price during each respective quarter on March 31, 2015 and December 30, 2014, respectively. At March 31, 2015 and December 31, 2014, the Company held 3,355 shares of KLC stock which is recorded at its fair value of \$69 and \$72, respectively, based on the last closing price during each respective quarter on March 31, 2015 and December 30, 2014.

The Company reviews the investment in Jinhui and KLC for impairment on a quarterly basis. There were no impairment charges recognized for the three months ended March 31, 2015 and 2014.

The unrealized gain (losses) on 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 12 Accumulated Other Comprehensive Income (Loss) for a breakdown of the components of AOCI.

7 NET LOSS PER COMMON SHARE

The computation of basic net loss per share is based on the weighted-average number of common shares outstanding during the year. The computation of diluted net loss per share assumes the vesting of nonvested stock awards (refer to Note 21 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 nonvested shares outstanding at March 31, 2015 (refer to Note 21 Stock-Based Compensation), all are anti-dilutive. The Successor Company's diluted net loss per share will also reflect the assumed conversion of the equity warrants issued on the Effective Date and MIP Warrants issued by the Successor Company (refer to Note 21 Stock-Based Compensation) if the impact is dilutive under the

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treasury stock method. The Predecessor Company's diluted net loss 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 earnings 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 per share and diluted net loss per share are as follows:

	Successor Three Months Ended March 31, 2015	Predecessor Three Months Ended March 31, 2014
<b>Common shares outstanding, basic:</b>		
Weighted-average common shares outstanding, basic	60,430,789	43,568,942
<b>Common shares outstanding, diluted:</b>		
Weighted-average common shares outstanding, basic	60,430,789	43,568,942
Dilutive effect of warrants		
Dilutive effect of convertible notes		
Dilutive effect of restricted stock awards		
Weighted-average common shares outstanding, diluted	60,430,789	43,568,942

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

	Successor Three Months Ended March 31, 2015	Predecessor Three Months Ended March 31, 2014
Net loss attributable to GS&T	\$ (38,442)	\$ (39,105)
Interest expense related to convertible notes, if dilutive		
Net loss attributable to GS&T for the computation of diluted net loss per share	\$ (38,442)	\$ (39,105)

8 - RELATED PARTY TRANSACTIONS

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

Until December 31, 2014, the Company made 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 three months ended March 31, 2014, the Predecessor Company invoiced \$35 to GMC, which includes time associated with such internal audit services and other expenditures. Additionally, during the three months ended March 31, 2015 and 2014, the Successor Company and Predecessor Company incurred travel and other office related expenditures totaling \$30 and \$28, respectively, reimbursable to GMC or its service provider. At March 31, 2015 and December 31, 2014, the amount due to GMC from the Company was \$30 and \$41, respectively.

During the three months ended March 31, 2015 and 2014, the Successor Company and Predecessor Company incurred legal services (primarily in connection with vessel acquisitions) aggregating \$8 and \$3, respectively, from Constantine Georgiopoulos, the father of Peter C. Georgiopoulos, Chairman of the Board. At March 31, 2015 and December 31, 2014, the amount due to Constantine Georgiopoulos was \$2 and \$9, 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 their fleets. Peter C. Georgiopoulos, Chairman of the Board of the Company, is



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Chairman of the Board of Aegean. During the three months ended March 31, 2015 and 2014, Aegean supplied lubricating oils to the Successor Company and Predecessor Company's vessels aggregating \$343 and \$600, respectively. At March 31, 2015 and December 31, 2014, \$202 and \$267 remained outstanding, respectively.

During the three months ended March 31, 2015 and 2014, the Successor Company and Predecessor Company invoiced MEP for technical services provided and expenses paid on MEP's behalf aggregating \$818 and \$822, respectively. Peter C. Georgiopoulos, Chairman of the Board, controls and has a minority interest in MEP. At March 31, 2015 and December 31, 2014, \$532 and \$10, respectively, was due to the Company from MEP. Total service revenue earned by the Successor Company and the Predecessor Company for technical service provided to MEP for the three months ended March 31, 2015 and 2014 was \$810 and \$810, respectively.

9 - DEBT

Long-term debt consists of the following:

	Successor March 31, 2015	Successor December 31, 2014
\$100 Million Term Loan Facility	\$ 65,868	\$ 67,792
\$253 Million Term Loan Facility	160,277	165,568
2010 Baltic Trading Credit Facility		102,250
Baltic Trading \$148 Million Credit Facility	115,000	
Baltic Trading \$22 Million Term Loan Facility	19,750	20,125
Baltic Trading \$44 Million Term Loan Facility	40,563	41,250
2014 Baltic Trading Term Loan Facilities	33,150	33,150
Less: Current portion	(44,576)	(34,324)
Long-term debt	\$ 390,032	\$ 395,811

\$100 Million Term Loan Facility

On August 12, 2010, the Company entered into the \$100 Million Term Loan Facility. As of March 31, 2015, the Company has utilized its maximum borrowing capacity as \$100,000. The Company has used the \$100 Million Term Loan Facility to fund or refund the Company a portion of the purchase price of the acquisition of five vessels from companies within the Metrostar group of companies. As of March 31, 2015, there was no availability under the \$100 Million Term Loan Facility.

Pursuant to the amendments to the \$100 Million Term Loan Facility that were entered into on December 21, 2011 and certain agreements we entered into in August 2012 to further amend our credit facilities (the August 2012 Agreements), the maximum leverage ratio covenant and the minimum permitted consolidated interest ratio covenant were waived for the periods ending on and including December 31, 2013.

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On the Effective Date, the Company 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 the Company (excluding those owned by Baltic Trading).

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- 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.

On April 30, 2015, the Company entered into agreements to amend or waive certain provisions under the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility (the April 2015 Amendments ) which implemented the following, among other things:

- The existing covenant measuring the Company's ratio of net debt to EBITDA was replaced with a covenant requiring its ratio of total debt outstanding to value adjusted total assets (total assets adjusted for the difference between book value and market value of fleet vessels) to be less than 70%.
- Measurement of the interest coverage ratio under each facility is waived through and including December 31, 2016.
- The fleetwide minimum liquidity covenant has been amended to allow up to 50% of the required amount of \$750 per vessel in cash to be satisfied with undrawn working capital lines with a remaining availability period of more than six months.
- The Company agreed to grant additional security for its obligation under the \$253 Million Term Loan Facility consisting of four of the Company's vessels, the Genco Thunder, the Genco Raptor, the Genco Muse and the Genco Challenger and related collateral.

Consenting lenders under the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility received an upfront fee of \$165 and \$350, respectively, related to the April 2015 Amendments.

As of March 31, 2015, the Company believes it is in compliance with all of the financial covenants under the \$100 Million Term Loan Facility, as amended.

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 was not notified by the security agent to take any remedial actions. However, on April 24, 2015, the Company added one of its unencumbered Handysize vessels,

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the Genco Sugar, 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.

### \$253 Million Term Loan Facility

On August 20, 2010, the Company entered into the \$253 Million Term Loan Facility. As of March 31, 2015, the Company has utilized its maximum borrowing capacity of \$253,000 to fund or refund to the Company a portion of the purchase price of the 13 vessels purchased from Bourbon SA during the third quarter of 2010 and first quarter of 2011. As of March 31, 2015, there was no availability under the \$253 Million Term Loan Facility.

Pursuant to the amendment to the \$253 Million Term Loan Facility that was entered into on December 21, 2011 and the August 2012 Agreements, the maximum leverage ratio covenant and the minimum permitted consolidated interest ratio covenant were waived for the periods ending on and including December 31, 2013.

As of March 31, 2015 and December 31, 2014, the Company has 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.

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 as well as a description of the April 2015 Amendments that were entered into by the Company on April 30, 2015. 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

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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 March 31, 2015, the Company believes it is in compliance with all of the financial covenants under the \$253 Million Term Loan Facility, as amended.

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.

2015 Revolving Credit Facility

On April 7, 2015, the Company's wholly-owned subsidiaries, Genco Commodus Limited, Genco Maximus Limited, Genco Claudius Limited, Genco Hunter Limited and Genco Warrior Limited (collectively, the Subsidiaries) entered into a loan agreement by and among the Subsidiaries, as borrowers, ABN AMRO Capital USA LLC, as arranger, facility agent, security agent, and as lender, providing for a \$59,500 revolving credit facility, with an uncommitted accordion feature that, if exercised, will upsize the facility up to \$150,000 (the 2015 Revolving Credit Facility). On April 7, 2015, the Company entered into a guarantee of the obligations of the Subsidiaries under the 2015 Revolving Credit Facility, in favor of ABN AMRO Capital USA LLC.

Borrowings under the 2015 Revolving Credit Facility will be used for general corporate purposes including working capital (as defined in the 2015 Revolving Credit Facility) and to finance the purchase of drybulk vessels. The 2015 Revolving Credit Facility has a maturity date of March 31, 2020. Borrowings under the 2015 Revolving Credit Facility bear interest at LIBOR plus a margin based on a combination of utilization levels under the 2015 Revolving Credit Facility and a security maintenance cover ranging from 3.40% per annum to 4.25% per annum. The commitment under the 2015 Revolving Credit Facility is subject to quarterly reductions of \$1,641 to \$4,137 depending on the total amount committed. Borrowings under the 2015 Revolving Credit Facility are subject to 20 equal consecutive quarterly installment repayments commencing three months after the date of the loan agreement, or July 7, 2015. A commitment fee of 1.5% per annum is payable on the undrawn amount of the maximum loan amount.

Borrowings under the 2015 Revolving Credit Facility are to be secured by liens on each of the Subsidiaries' respective vessels; specifically, the Genco Commodus, Genco Maximus, Genco Claudius, Genco Hunter and Genco Warrior and other related assets. Should the accordion feature be exercised, the 2015 Revolving Credit Facility will also be secured by up to six additional Capesize vessels and two additional Supramax vessels owned by other subsidiaries of the Company and other related assets.

The 2015 Revolving Credit Facility requires the Subsidiaries to comply with a number of customary covenants including financial covenants related to collateral maintenance, liquidity, leverage, debt service reserve and dividend restrictions.

On April 8, 2015, the Company drew down \$25,000 on the 2015 Revolving Credit Facility for working capital purposes and to partially fund the purchase of the Baltic Lion and Baltic Tiger from Baltic Trading.

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 ). Among other things, the August 2013 Amendment implements 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.

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- 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.
- 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.

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 were 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 Baltic Trading \$148 Million Credit Facility.

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.

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 March 31, 2015, Baltic Trading has utilized its maximum borrowing capacity of \$22,000 and there was no further availability. At March 31, 2015 and December 31, 2014, the total outstanding debt balance was \$19,750 and \$20,125, respectively.

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As of March 31, 2015 the Company believes Baltic Trading is in compliance with all of the financial covenants under the Baltic Trading \$22 Million Term Loan Facility.

### 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 is 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 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 to be secured by liens on the Company'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, Baltic Trading 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.



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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 March 31, 2015, Baltic Trading has utilized its maximum borrowing capacity of \$44,000 and there was no further availability. At March 31, 2015 and December 31, 2014, the total outstanding debt balance was \$40,563 and \$41,250, respectively.

As of March 31, 2015, the Company believes Baltic Trading is in compliance with all of the financial covenants under the Baltic Trading \$44 Million Term Loan Facility.

On April 8, 2015, the Company acquired the entities owning the Baltic Lion and Baltic Tiger and succeeded Baltic Trading as the guarantor of the outstanding debt under the Baltic Trading \$44 Million Term Loan Facility. Refer to Note 1 General Information for further information regarding the sale of these entities to the Company.

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 (Sinasure) 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.

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 March 31, 2015, Baltic Trading has utilized its maximum borrowing capacity and there was no further availability. At March 31, 2015 and December 31, 2014, the total outstanding debt balance was \$33,150 and \$33,150, respectively.

As of March 31, 2015, the Company believes Baltic Trading is in compliance with all of the financial covenants under the 2014 Baltic Trading Term Loan Facilities.

Baltic Trading \$148 Million Credit Facility

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

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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.

As of March 31, 2015, \$33,000 remained available under the Baltic Trading \$148 Million Credit Facility which represents the \$33,000 term loan facility.

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. Additionally, on February 27, 2015, Baltic Trading drew down \$10,500 from the revolving credit facility of the Baltic Trading \$148 Million Credit Facility. Therefore, as of March 31, 2015, there was no remaining availability under the revolving credit facility of the Baltic Trading \$148 Million Credit Facility. At March 31, 2015 and December 31, 2014, the total outstanding debt balance was \$115,000 and \$0, respectively.

As of March 31, 2015, the Company believes Baltic Trading is in compliance with all of the financial covenants under 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 \$148 Million 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. 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

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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. However, it is anticipated that the Management Agreement will be terminated following consummation of the transactions contemplated by the Company's definitive merger agreement with Baltic Trading.

On April 7, 2015, the Company entered into a definitive merger agreement with Baltic Trading, refer to Note 1 - General Information.

### Interest rates

The following tables sets forth the effective interest rate associated with the interest expense for the Company's debt facilities noted above, including the cost associated with unused commitment fees. For the Predecessor Company for the three months ended March 31, 2014, 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 11 - Interest Rate Swap Agreements), combined, as well as the 1.0% facility

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fee for the credit agreement entered into on July 20, 2017 with DnB Nor Bank ASA (the 2007 Credit Facility ) which was terminated on the Effective Date. The following table also includes the range of interest rates on the debt, excluding the impact of swaps and unused commitment fees, if applicable:

	<b>Successor Three Months Ended March 31, 2015</b>	<b>Predecessor Three Months Ended March 31, 2014</b>
Effective Interest Rate	3.69%	4.35%
Range of Interest Rates (excluding impact of swaps and unused commitment fees)	2.73% to 3.76%	3.15% to 4.25%

10 CONVERTIBLE SENIOR NOTES

The Company issued \$125,000 of the 5.0% Convertible Senior Notes on July 27, 2010 (the 2010 Notes ). The Indenture for the 2010 Notes 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 this date, the Company ceased recording interest expense related to the 2010 Notes. On the Effective Date, when the Company emerged from Chapter 11, the 2010 Notes and the Indenture were fully satisfied and discharged.

The following table provides additional information about the Predecessor Company s 2010 Notes:

	<b>Predecessor Three Months Ended March 31, 2014</b>
Effective interest rate on liability component	10.0%
Cash interest expense recognized	\$ 1,541
Non-cash interest expense recognized	1,299
Non-cash deferred financing amortization costs included in interest expense	177

11 - INTEREST RATE SWAP AGREEMENTS

As of March 31, 2014, the Company had one interest rate swap agreement outstanding with DNB Bank ASA to manage interest costs and risk associated with variable interest rates related to the Company s 2007 Credit Facility. The notional amount of the swap was \$106,233. As of March 31, 2014, the Company was in default under covenants of its 2007 Credit Facility due to the default on the schedule debt amortization payment due on March 31, 2014. 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

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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 September 30, 2014.

As of March 31, 2015 and December 31, 2014 the Company did not have any interest rate swap agreements.

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 the value of the swaps is reflected as a component of AOCI. The ineffective portion is recognized as Other expense, which is a component of Other income (expense). 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 Condensed 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 following tables present the impact of derivative instruments and their location within the Condensed Consolidated Statement of Operations:

Table of Contents**The Effect of Derivative Instruments on the Condensed Consolidated Statement of Operations****For the Three-Month Period Ended March 31, 2014****Predecessor Company**

	<b>Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2014</b>	<b>Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)</b>	<b>Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2014</b>	<b>Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)</b>	<b>Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2014</b>
<b>Derivatives in Cash Flow Hedging Relationships</b>					
Interest rate contracts	\$ (179)	Interest Expense	\$ (1,407)	Other Income (Expense)	\$

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.

12 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of AOCI included in the accompanying condensed 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 condensed consolidated balance sheets consist 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.

Table of Contents**Changes in AOCI by Component****For the Three-Month Period Ended March 31, 2015****Successor Company**

	<b>Net Unrealized Gain (Loss) on Investments</b>
AOCI January 1, 2015	\$ (25,317)
OCI before reclassifications	2,359
Amounts reclassified from AOCI	
Net current-period OCI	2,359
AOCI March 31, 2015	\$ (22,958)

**Changes in AOCI by Component****For the Three-Month Period Ended March 31, 2014****Predecessor Company**

	<b>Net Unrealized Gain (Loss) on Cash Flow Hedges</b>	<b>Net Unrealized Gain on Investments</b>	<b>Total</b>
AOCI January 1, 2014	\$ (6,976)	\$ 60,698	\$ 53,722
OCI before reclassifications	2,635	(14,215)	(11,580)
Amounts reclassified from AOCI	(1,407)		(1,407)
Net current-period OCI	1,228	(14,215)	(12,987)
AOCI March 31, 2014	\$ (5,748)	\$ 46,483	\$ 40,735

**Reclassifications Out of AOCI****For the Three-Month Periods Ended March 31, 2015 and 2014**

	<b>Amount Reclassified from AOCI Successor Three Months Ended March 31, 2015</b>	<b>Predecessor Three Months Ended March 31, 2014</b>	<b>Net Loss is Presented</b>
Details about AOCI Components			
Gains and losses on cash flow hedges			



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Interest rate contracts	\$	\$	1,407	Interest expense
Total reclassifications for the period	\$	\$	1,407	

13 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values and carrying values of the Company's financial instruments at March 31, 2015 and December 31, 2014 which are required to be disclosed at fair value, but not recorded at fair value, are noted below.

	March 31, 2015		Successor	December 31, 2014	
	Carrying Value	Fair Value		Carrying Value	Fair Value
Cash and cash equivalents	\$ 68,783	\$ 68,783	\$	83,414	\$ 83,414
Restricted cash	10,050	10,050		29,695	29,695
Floating rate debt	434,608	434,608		430,135	430,135

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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 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 rate debt outstanding under the Baltic Trading \$148 Million Credit Facility and the 2010 Baltic Trading Credit Facility as of March 31, 2015 and December 31, 2014, respectively, approximates its fair value as of those dates. 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 9 Debt for further information. Additionally, the Company considers its creditworthiness in determining the fair value of floating rate debt under the credit facilities. The carrying value approximates the fair market value for these floating rate loans. The carrying amounts of the Company's other financial instruments at March 31, 2015 and December 31, 2014 (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 assumption (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally 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 March 31, 2015 and December 31, 2014, the fair values of the Company's financial assets and liabilities are categorized as follows:

	<b>Successor March 31, 2015</b>	
		<b>Quoted Market Prices in Active Markets (Level 1)</b>
<b>Total</b>		

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Investments	\$	28,845	\$	28,845
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**Successor  
December 31, 2014**

		<b>Total</b>		<b>Quoted Market Prices in Active Markets (Level 1)</b>
Investments	\$	26,486	\$	26,486

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. 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

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obtain for similar debt or based upon transaction amongst third parties. The Company did not have any Level 3 financial assets or liabilities as of March 31, 2015 and December 31, 2014.

14 - PREPAID EXPENSES AND OTHER CURRENT AND NONCURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	<b>Successor March 31, 2015</b>	<b>Successor December 31, 2014</b>
Lubricant inventory, fuel oil and diesel oil inventory and other stores	\$ 11,712	\$ 11,018
Prepaid items	5,565	4,638
Insurance receivable	2,774	1,951
Other	5,869	4,816
<b>Total prepaid expenses and other current assets</b>	<b>\$ 25,920</b>	<b>\$ 22,423</b>

Other noncurrent assets in the amount of \$514 at March 31, 2015 and December 31, 2014 represent the security deposit related to the operating lease entered into effective April 4, 2011. Refer to Note 20 Commitments and Contingencies for further information related to the lease agreement.

15 DEFERRED FINANCING COSTS

Deferred financing costs include 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 9 Debt for further information regarding the existing loan facilities.

Total net deferred financing costs consist of the following as of March 31, 2015 and December 31, 2014:

	<b>Successor March 31, 2015</b>	<b>Successor December 31, 2014</b>
\$100 Million Term Loan Facility	\$ 1,492	\$ 1,492
\$253 Million Term Loan Facility	3,135	3,135
2015 Revolving Credit Facility	26	
Baltic Trading \$148 Million Credit Facility	3,456	3,233
Baltic Trading \$22 Million Term Loan Facility	544	529
Baltic Trading \$44 Million Term Loan Facility	758	758

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2014 Baltic Trading Term Loan Facilities	1,866	1,853
Total deferred financing costs	11,277	11,000
Less: accumulated amortization	1,216	729
Total	\$ 10,061	\$ 10,271

Amortization expense for deferred financing costs for the Successor Company and the Predecessor Company for the three months ended March 31, 2015 and 2014 was \$487 and \$2,220, respectively. This amortization expense is recorded as a component of Interest expense in the Condensed Consolidated Statements of Operations.

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 being amortized over the life of the Baltic Trading \$148 Million Credit Facility. (Refer to Note 9 Debt)

16 - FIXED ASSETS

Fixed assets consist of the following:

	Successor March 31, 2015	Successor December 31, 2014
Fixed assets, at cost:		
Vessel equipment	\$ 349	\$ 229
Furniture and fixtures	462	462
Computer equipment	142	129
Total costs	953	820
Less: accumulated depreciation and amortization	170	119
Total	\$ 783	\$ 701

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Depreciation and amortization expense for fixed assets for the Successor Company and the Predecessor Company for the three months ended March 31, 2015 and 2014 was \$51 and \$219, respectively. Refer to Note 4 Cash Flow Information for information regarding the reclassification from fixed assets to vessels assets during the three months ended March 31, 2014.

17 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

	<b>Successor March 31, 2015</b>	<b>Successor December 31, 2014</b>
Accounts payable	\$ 8,885	\$ 9,921
Accrued general and administrative expenses	7,849	5,894
Accrued vessel operating expenses	13,083	12,402
Total	\$ 29,817	\$ 28,217

18 REVENUE FROM TIME CHARTERS

Total voyage 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 three months ended March 31, 2015 and 2014 for the Successor Company and the Predecessor Company was \$33,609 and \$63,180, respectively. There was no profit sharing revenue earned during the three months ended March 31, 2015 and 2014. Future minimum time charter revenue, based on vessels committed to noncancelable time charter contracts as of April 27, 2015, is expected to be \$4,491 for the remainder of 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.

19 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:

	<b>Successor Three Months Ended March 31, 2015</b>
Professional fees incurred	\$ 278

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Trustee fees incurred		242
Total reorganization fees	\$	520
Gain on settlement of liabilities subject to compromise	\$	
Net gain on debt and equity discharge and issuance		
Fresh-start reporting adjustments		
Total fresh-start adjustment	\$	
Total reorganization items, net	\$	520

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20 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 three months ended March 31, 2014, the Predecessor Company recorded net rent expense of \$0 related to this lease agreement. 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 will commence immediately upon the expiration of such sub-sublease agreement, 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 March 31, 2015 and December 31, 2014 of \$593 and \$390, respectively. Rent expense pertaining to this lease recorded by the Successor Company and the Predecessor Company for the three months ended March 31, 2015 and 2014 was \$452 and \$389, respectively.

Future minimum rental payments on the above lease for the next five years and thereafter are as follows: \$791 for the remainder of 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.

21 STOCK-BASED COMPENSATION

Genco Shipping & Trading Predecessor Company

Under the Plan that was approved by the Bankruptcy Court, on the Effective Date, the 880,465 unvested shares that were issued under the Genco Shipping & Trading Limited 2005 and 2012 Equity Incentive Plans (the GS&T Plans) were deemed vested automatically and equity warrants were issued.

There were no shares that vested under the GS&T Plans during the three months ended March 31, 2014 for the Predecessor Company.



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For the three months ended March 31, 2014 the Predecessor Company recognized nonvested stock amortization expense for the GS&T Plans, which is included in General, administrative and management fees, as follows:

	<b>Predecessor Three Months Ended March 31, 2014</b>	
General, administrative and management fees	\$	427

### Genco Shipping & Trading Successor Company

#### 2014 Management Incentive Plan

On the Effective Date, pursuant to the Chapter 11 Plan, the Company adopted the Genco Shipping & Trading Limited 2014 Management Incentive Plan (the "MIP"). An aggregate of 9,668,061 shares of Common Stock were available for award under the

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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 three months ended March 31, 2015, the Successor Company recognized amortization expense of the fair value of these warrants of \$8,199, which is included in the Company's Condensed Consolidated Statements of Operations as a component of General, administrative and management fees. Amortization of the unamortized stock-based compensation balance of \$32,847 as of March 31, 2015 is expected to be expensed \$17,742, \$11,496, and \$3,609 during the remainder of 2015 and during the years ending December 31, 2016 and 2017, respectively. The following table summarizes all the warrant activity for the three months ended March 31, 2015:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Fair Value
Outstanding at January 1, 2015 - Successor	8,557,461	\$ 30.31	\$ 6.36
Granted			
Exercised			
Forfeited			
Outstanding at March 31, 2015 - Successor	8,557,461	\$ 30.31	\$ 6.36

The following table summarizes certain information about the warrants outstanding as of March 31, 2015:

Weighted Average Exercise Price	Number of Warrants	Warrants Outstanding, March 31, 2015		Warrants Exercisable, March 31, 2015	
		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Warrants	Weighted Average Exercise Price

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\$	30.31	8,557,461	\$	30.31	5.36
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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 three months ended March 31, 2015 which were issued under the 2014 MIP Plan:

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	Number of Shares	Weighted Average Grant Date Price
Outstanding at January 1, 2015 - Successor	1,110,600	\$ 20.00
Granted		
Vested		
Forfeited		
Outstanding at March 31, 2015 - Successor	1,110,600	\$ 20.00

There were no shares that vested under the 2014 MIP Plan during the three months ended March 31, 2015 for the Successor Company. 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 three months ended March 31, 2015, 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 Three Months Ended March 31, 2015
General, administrative and management fees	\$ 3,345

The Company is amortizing these grants over the applicable vesting periods, net of anticipated forfeitures. As of March 31, 2015, unrecognized compensation cost of \$13,403 related to nonvested stock will be recognized over a weighted-average period of 2.36 years.

Baltic Trading Limited

On March 13, 2014, Baltic Trading's Board of Directors approved an amendment to the Baltic Trading Limited 2010 Equity Incentive Plan (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.

The following table presents a summary of Baltic Trading's nonvested stock awards for the three months ended March 31, 2015 under the Baltic Trading Plan:

Number of Baltic Trading Common Shares	Weighted Average Grant Date Price
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Outstanding at January 1, 2015	1,941,844	\$	3.80
Granted			
Vested			
Forfeited			
Outstanding at March 31, 2015	1,941,844	\$	3.80

The total fair value of shares that vested under the Baltic Trading Plan during the three months ended March 31, 2015 and 2014 was \$0 and \$774, 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 three months ended March 31, 2015 and 2014, 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:

	<b>Successor Three Months Ended March 31, 2015</b>	<b>Predecessor Three Months Ended March 31, 2014</b>
General, administrative and management fees	\$ 816	\$ 963

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The Company is amortizing Baltic Trading's grants over the applicable vesting periods, net of anticipated forfeitures. As of March 31, 2015, unrecognized compensation cost of \$4,457 related to nonvested stock will be recognized over a weighted-average period of 3.03 years.

22 - 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.

In April 2015, six class action complaints were filed in the Supreme Court of the State of New York, County of New York, styled *Erol Sarikaya v. Peter C. Georgiopoulos et al.*, Index No. 651244/2015, filed on April 15, 2015, voluntarily dismissed, and refiled as *Joshua Bourne v. Peter C. Georgiopoulos et al.*, Index No. 651429/2015, filed on April 28, 2015, *Justin Wilson v. Baltic Trading Ltd., et al.*, Index No. 651241/2015, filed on April 15, 2015, *Sangeetha Ganesan v. Baltic Trading Limited et al.*, Index No. 651279/2015, filed on April 17, 2015, *Edward Braunstein v. Peter C. Georgiopoulos et al.*, Index No. 651368/2015, filed on April 23, 2015, *Larry Williams v. Baltic Trading Ltd., et al.*, Index No. 651371/2015, filed on April 23, 2015, and *Larry Goldstein and Bernhard Stomporowski v. John C. Wobensmith et al.*, Index No. 651407/2015, filed on April 27, 2015. All six complaints purport to be brought by and on behalf of the Baltic Trading's shareholders. The plaintiff in each action alleges the proposed merger does not fairly compensate Baltic Trading's shareholders and undervalues Baltic Trading. Each lawsuit names as defendants some or all of the Company, Baltic Trading, the individual members of Baltic Trading's board, the Company's and Baltic Trading's President, and the Company's merger subsidiary. The claims generally allege (i) breaches of fiduciary duties of good faith, due care, disclosure to shareholders, and loyalty, including for failing to maximize shareholder value, and (ii) aiding and abetting those breaches. Among other relief, the complaints seek an injunction against the merger, declaratory judgments that the individual defendants breached fiduciary duties, rescission of the merger agreement, and unspecified damages. The Company does not believe that it is probable that the resolution of these matters will have a material financial reporting consequence.

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.

23 - SUBSEQUENT EVENTS

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On April 7, 2015, the Company entered into a definitive merger agreement with Baltic Trading under which the Company will acquire Baltic Trading in a stock-for-stock transaction. Refer to Note 1 – General information for further information regarding this agreement.

Additionally, on April 7, 2015, the Company entered into an agreement under which it acquired the Baltic Lion and Baltic Tiger entities from Baltic Trading. This purchase agreement closed on April 8, 2015. Refer to Note 1 – General information for further information regarding this agreement.

Lastly, on April 7, 2015, certain of the Company's wholly-owned subsidiaries entered in the 2015 Revolving Credit Facility to be used for general corporate purposes. On April 8, 2015, the Company drew down \$25,000 on the 2015 Revolving Credit Facility. Refer to Note 9 – Debt for additional information.

On April 30, 2015, the Company entered into agreements to amend or waive certain provisions of the \$100 Million Term Loan Facility and the \$253 Million Term Loan Facility. Refer to Note 9 – Debt for additional information.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

This report contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements use words such as anticipate, estimate, expect, project, intend, plan, believe, and other words of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. These forward-looking statements are based on management's current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward looking statements contained in this report are the following: (i) declines in demand or rates in the drybulk shipping industry; (ii) prolonged weakness in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, repairs, maintenance and general, administrative and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of the our vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) our acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete repairs on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to time charters; (xiv) charterers' compliance with the terms of their charters in the current market environment; (xv) the fulfillment of the closing conditions under, or the execution of additional documentation for, Baltic Trading's agreements to acquire vessels; (xvi) obtaining, completion of definitive documentation for, and funding of financing for the vessel acquisitions on acceptable terms; (xvii) the extent to which our operating results continue to be affected by weakness in market conditions and charter rates; (xviii) our ability to maintain contracts that are critical to our operation, to obtain and maintain acceptable terms with our vendors, customers and service providers and to retain key executives, managers and employees; (xix) the timing and realization of the recoveries of assets and the payments of claims and the amount of expenses required to recognize such recoveries and reconcile such claims; (xx) our ability to obtain sufficient and acceptable post-restructuring financing; and other factors listed from time to time in our filings with the Securities and Exchange Commission, including, without limitation, our Annual Report on Form 10-K for the year ended December 31, 2014, as amended, and subsequent reports on Form 8-K and Form 10-Q.

The following management's discussion and analysis should be read in conjunction with our historical consolidated financial statements and the related notes included in this Form 10-Q.

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 Limited (Baltic Trading), our fleet currently consists of eleven Capesize, eight Panamax, 17 Supramax, six Handymax and 13 Handysize drybulk carriers, with an aggregate carrying capacity of approximately 4,168,000 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., Pacific Basin Chartering Ltd., Swissmarine Services S.A. 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 May 2015 and March 2016.



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In addition, Baltic Trading's fleet currently consists of two Capesize, two Ultramax, four Supramax and five Handysize drybulk carriers with an aggregate carrying capacity of approximately 863,000 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 15 drybulk vessels, consisting of two Capesize, four Ultramax, four Supramax and five Handysize drybulk carriers with a total carrying capacity of approximately 991,000 dwt.

See pages 37 - 41 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, we filed the Chapter 11 Filing. On July 2, 2014, the Bankruptcy Court entered the Confirmation Order which approved and confirmed the Plan. On the Effective Date of July 9, 2014, we emerged from Chapter 11 through a series of transactions contemplated by the Plan, and the Plan became effective pursuant to its terms. Refer to the Annual Report on Form 10-K for the year ended December 31, 2014, as amended, for a detailed description of the Plan.

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Baltic Trading, formerly our wholly-owned subsidiary, completed its initial public offering, or IPO, on March 15, 2010. As of March 31, 2015, our wholly-owned subsidiary Genco Investments LLC owned 6,356,471 shares of Baltic Trading's Class B Stock, which represents a 10.85% ownership interest in Baltic Trading at March 31, 2015 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.

On April 7, 2015, we entered into a definitive merger agreement with Baltic Trading under which we agreed to acquire Baltic Trading in a stock-for-stock transaction. Under the terms of the agreement, Baltic Trading will become our indirect wholly-owned subsidiary, and Baltic Trading shareholders (other than GS&T and its subsidiaries) will receive 0.216 shares of our common stock for each share of Baltic Trading's common stock they own at closing, with fractional shares to be settled in cash. Upon consummation of the transaction, our shareholders are expected to own approximately 84.5% of the combined company, and Baltic Trading's shareholders (other than the GS&T and its subsidiaries) are expected to own approximately 15.5% of the combined company. Shares of Baltic Trading's Class B stock (all of which are owned by us) will be canceled in the merger. We expect to have our stock listed on the New York Stock Exchange upon consummation of the transaction.

Our Board of Directors and Baltic Trading's Board of Directors established independent special committees to review the transaction and negotiate the terms on behalf of their respective companies. Both independent special committees unanimously approved the transaction. The Boards of Directors of both companies approved the merger by unanimous vote of directors present and voting, with Peter C. Georgiopoulos, Chairman of the Board of each company, recused for the vote. Approval of the merger is subject to a vote of both our shareholders and Baltic Trading's shareholders.

Additionally, on April 7, 2015, we entered into an agreement under which we acquired all of the shares of two single-purpose entities that were wholly owned by Baltic Trading, each of which owns one Capesize drybulk vessel, for an aggregate purchase price of \$68.5 million, subject to reduction for \$40.6 million of outstanding first-mortgage debt of such single-purpose entities that is to be guaranteed by the Company and an adjustment for the difference between such single-purpose entities' current assets and total liabilities as of the closing date. At March 31, 2015, the Company determined that the sale of the Baltic Lion and Baltic Tiger were more likely than not based on Baltic Trading's expressed consideration to divest of those vessels to increase its liquidity position and strengthen its balance sheet. Through the transactions, which closed on April 8, 2015, we acquired the vessels known as the Baltic Lion and the Baltic Tiger. The independent special committees of both companies' Boards of Directors reviewed and approved this transaction.

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), 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

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Prepack Plan and the Confirmation Order.

On April 7, 2015, five of our wholly-owned subsidiaries, Genco Commodus Limited, Genco Maximus Limited, Genco Claudius Limited, Genco Hunter Limited and Genco Warrior Limited (collectively, the Subsidiaries ) entered into a loan agreement by and among the Subsidiaries, as borrowers, ABN AMRO Capital USA LLC, as arranger, facility agent, security agent, and as lender, providing for a \$59.5 million revolving credit facility, with an uncommitted accordion feature that, if exercised, will upsize the facility up to \$150.0 million (the 2015 Revolving Credit Facility ). On April 7, 2015, we entered into a guarantee of the obligations of the Subsidiaries under the 2015 Revolving Credit Facility, in favor of ABN AMRO Capital USA LLC. Borrowings under the 2015 Revolving Credit Facility are to be secured by liens on each of the Subsidiaries respective vessels; specifically, the Genco Commodus, Genco Maximus, Genco Claudius, Genco Hunter and Genco Warrior and other related assets. Should the accordion feature be exercised, the 2015 Revolving Credit Facility will also be secured by up to six additional Capesize vessels and two additional Supramax vessels owned by other subsidiaries of the Company and other related assets.

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Borrowings under the 2015 Revolving Credit Facility have been used for general corporate purposes including working capital (as defined in the 2015 Revolving Credit Facility) and to finance the purchase of drybulk vessels. The 2015 Revolving Credit Facility has a maturity date of March 31, 2020. Borrowings under the 2015 Revolving Credit Facility bear interest at LIBOR plus a margin based on a combination of utilization levels under the 2015 Revolving Credit Facility and a security maintenance cover ranging from 3.40% per annum to 4.25% per annum. The commitment under the 2015 Revolving Credit Facility is subject to quarterly reductions of \$1,641 to \$4,137 depending on the total amount committed. Borrowings under the 2015 Revolving Credit Facility are subject to 20 equal consecutive quarterly installment repayments commencing three months after the date of the loan agreement, or July 7, 2015. On April 8, 2015, we drew down \$25.0 million on the 2015 Revolving Credit Facility for working capital purposes and to partially fund the purchase of the Baltic Lion and Baltic Tiger from Baltic Trading.

On November 13, 2013, Baltic Trading entered into agreements to purchase up to four 64,000 dwt Ultramax newbuilding drybulk carriers from Yangfan Group Co., Ltd. for a purchase of \$28.0 million per vessel, or up to \$112.0 million in the aggregate. Baltic Trading has 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. 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 Baltic Trading \$148 Million Credit Facility as described in Note 9 Debt in our Condensed Consolidated Financial Statements, to fully finance the acquisition of the remaining two 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.

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 Shipping and Transportation Limited ( Jinhui ) and Korea Line Corporation ( 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 Maritime Equity Partners LLC ( 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 has the right to cancel provision of services on 60 days notice with payment of a one-year termination fee upon a change of our control. We may terminate provision of the services at any time on 60 days notice. Peter C. Georgiopoulos, our Chairman of the Board of Directors, controls and has a minority interest in MEP. This arrangement was approved by an independent committee of our Board of Directors.

**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 three months ended March 31, 2015 and 2014 for the Successor Company and the Predecessor Company, respectively, on a consolidated basis, which includes the operations of Baltic Trading.

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	For the Three Months Ended			
	March 31,		Increase (Decrease)	% Change
	Successor 2015	Predecessor 2014		
<b>Fleet Data:</b>				
<i>Ownership days (1)</i>				
Capesize	1,170.0	1,170.0		
Panamax	720.0	720.0		
Ultramax	178.9		178.9	100.0%
Supramax	1,890.0	1,890.0		
Handymax	540.0	540.0		
Handysize	1,620.0	1,620.0		
Total	6,118.9	5,940.0	178.9	3.0%
<i>Available days (2)</i>				
Capesize	1,146.0	1,170.0	(24.0)	(2.1)%
Panamax	708.1	679.4	28.7	4.2%
Ultramax	174.5		174.5	100.0%
Supramax	1,762.4	1,796.8	(34.4)	(1.9)%
Handymax	506.4	499.3	7.1	1.4%
Handysize	1,574.7	1,548.2	26.5	1.7%
Total	5,872.1	5,693.7	178.4	3.1%
<i>Operating days (3)</i>				
Capesize	1,143.4	1,169.5	(26.1)	(2.2)%
Panamax	707.9	678.4	29.5	4.3%
Ultramax	174.5		174.5	100.0%
Supramax	1,745.4	1,786.1	(40.7)	(2.3)%
Handymax	470.7	492.7	(22.0)	(4.5)%
Handysize	1,571.5	1,533.0	38.5	2.5%
Total	5,813.4	5,659.7	153.7	2.7%
<i>Fleet utilization (4)</i>				
Capesize	99.8%	100.0%	(0.2)%	(0.2)%
Panamax	100.0%	99.9%	0.1%	0.1%
Ultramax	100.0%		100.0%	100.0%
Supramax	99.0%	99.4%	(0.4)%	(0.4)%
Handymax	92.9%	98.7%	(5.8)%	(5.8)%
Handysize	99.8%	99.0%	0.8%	0.8%
Fleet average	99.0%	99.4%	(0.4)%	(0.4)%

	For the Three Months Ended			
	March 31,		Increase (Decrease)	% Change
	Successor 2015	Predecessor 2014		
<b>Average Daily Results:</b>				
<i>Time Charter Equivalent (5)</i>				
Capesize	\$ 4,121	\$ 15,767	\$ (11,646)	(73.9)%
Panamax	4,179	9,719	(5,540)	(57.0)%
Ultramax	6,369		6,369	100.0%

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Supramax	4,678	9,541	(4,863)	(51.0)%
Handymax	4,946	9,806	(4,860)	(49.6)%
Handysize	6,151	9,452	(3,301)	(34.9)%
Fleet average	4,977	10,753	(5,776)	(53.7)%
<i>Daily vessel operating expenses (6)</i>				
Capesize	\$ 5,143	\$ 5,456	\$ (313)	(5.7)%
Panamax	4,520	5,410	(890)	(16.5)%
Ultramax	4,461		4,461	100.0%
Supramax	4,853	5,364	(511)	(9.5)%
Handymax	4,314	4,887	(573)	(11.7)%
Handysize	4,382	5,041	(659)	(13.1)%
Fleet average	4,686	5,256	(570)	(10.8)%

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In order to understand our discussion of our results of operations, it is important to understand the meaning of the following terms used in our analysis and the factors that influence our results of operations.

**(1) Ownership days.** 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) Available days.** We define available days as the number of our ownership days in a period 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 between time charters. 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) Operating days.** 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) Fleet utilization.** 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) TCE rates.** 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.

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	
	<b>Successor 2015</b>	<b>Predecessor 2014</b>
Voyage revenues (in thousands)	\$ 33,609	\$ 63,180
Voyage expenses (in thousands)	4,380	1,956
	\$ 29,229	\$ 61,224
Total available days	5,872.1	5,693.7
Total TCE rate	\$ 4,977	\$ 10,753



(6) Daily vessel operating expenses. We define daily vessel operating expenses as vessel operating expenses divided by ownership days for the period. Vessel operating expenses 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.

### **Operating Data**

The following tables represent the operating data for the three months ended March 31, 2015 and 2014 on a consolidated basis for the Successor Company and Predecessor Company, respectively, which includes the operations of Baltic Trading. 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.

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	<b>For the Three Months Ended</b>					
	<b>March 31,</b>					
	<b>Successor</b>		<b>Predecessor</b>			
	<b>2015</b>		<b>2014</b>			
	<b>(U.S. dollars in thousands, except for per share amounts)</b>					
<i>Revenue:</i>						
Voyage revenues	\$	33,609	\$	63,180	\$ (29,571)	(46.8)%
Service revenues		810		810		
<b>Total revenues</b>		<b>34,419</b>		<b>63,990</b>	<b>(29,571)</b>	<b>(46.2)%</b>
<i>Operating Expenses:</i>						
Voyage expenses		4,380		1,956	2,424	123.9%
Vessel operating expenses		28,672		31,223	(2,551)	(8.2)%
General, administrative and management fees		20,324		15,376	4,948	32.2%
Depreciation and amortization		19,410		36,201	(16,791)	(46.4)%
Impairment of vessel assets		35,396			35,396	100.0%
<b>Total operating expenses</b>		<b>108,182</b>		<b>84,756</b>	<b>23,426</b>	<b>27.6%</b>
Operating loss		(73,763)		(20,766)	(52,997)	255.2%
Other expense		(4,289)		(21,060)	16,771	(79.6)%
<b>Loss before reorganization items, net</b>		<b>(78,052)</b>		<b>(41,826)</b>	<b>(36,226)</b>	<b>86.6%</b>
Reorganization items, net		(520)			(520)	100.0%
<b>Loss before income taxes</b>		<b>(78,572)</b>		<b>(41,826)</b>	<b>(36,746)</b>	<b>87.9%</b>
Income tax expense		(543)		(412)	(131)	31.8%
<b>Net loss</b>		<b>(79,115)</b>		<b>(42,238)</b>	<b>(36,877)</b>	<b>87.3%</b>
Less: Net loss attributable to noncontrolling interest		(40,673)		(3,133)	(37,540)	1,198.2%
<b>Net loss attributable to Genco Shipping &amp; Trading Limited</b>	<b>\$</b>	<b>(38,442)</b>	<b>\$</b>	<b>(39,105)</b>	<b>\$ 663</b>	<b>(1.7)%</b>
Net loss per share - basic	\$	(0.64)	\$	(0.90)	N/A	N/A
Net loss per share - diluted	\$	(0.64)	\$	(0.90)	N/A	N/A
Dividends declared and paid per share	\$		\$		\$	
Weighted average common shares outstanding - basic		60,430,789		43,568,942	N/A	N/A
Weighted average common shares outstanding - diluted		60,430,789		43,568,942	N/A	N/A
<b>EBITDA (1)</b>	<b>\$</b>	<b>(14,189)</b>	<b>\$</b>	<b>18,511</b>	<b>\$ (32,700)</b>	<b>(176.7)%</b>

(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

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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 investment in Jinhui and KLC, and excludes extraordinary

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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:

	<b>For the Three Months Ended March 31,</b>	
	<b>Successor 2015</b>	<b>Predecessor 2014</b>
Net loss attributable to Genco Shipping & Trading Limited	\$ (38,442)	\$ (39,105)
Net interest expense	4,300	21,003
Income tax expense	543	412
Depreciation and amortization	19,410	36,201
EBITDA (1)	\$ (14,189)	\$ 18,511

**Results of Operations**

The following tables set forth information about the vessels in our fleet, including Baltic Trading s vessels, as of May 8, 2015:

Genco Shipping & Trading Limited

Vessel	Year Built	Charterer	Charter Expiration (1)	Cash Daily Rate (2)
<b><u>Capesize Vessels</u></b>				
Genco Augustus	2007	Swissmarine Asia Pte. Ltd.	March 2016	102% of BCI(3)
Genco Tiberius	2007	Cargill International S.A.	November 2015	102% of BCI
Genco London	2007	Cargill International S.A.	November 2015	102.5% of BCI
Genco Titus	2007	Swissmarine Services S.A.	June 2015	104.5% of BCI
Genco Constantine	2008	Cargill International S.A.	December 2015	102% of BCI
Genco Hadrian	2008	Swissmarine Services S.A.	October 2015	98.5% of BCI
Genco Commodus	2009	Swissmarine Asia Pte. Ltd.	March 2016	98.5% of BCI(4)
Genco Maximus	2009	Swissmarine Services S.A.	February 2016	98.5% of BCI
Genco Claudius	2010	Swissmarine Services S.A.	September 2015	99% of BCI
Genco Tiger	2011	Swissmarine Services S.A.	October 2015	103% of BCI(5)
Baltic Lion	2012	Swissmarine Services S.A.	November 2015	103% of BCI(6)
<b><u>Panamax Vessels</u></b>				
Genco Beauty	1999	Navig8 Inc.	June 2015	94.5% of BPI
Genco Knight	1999	Swissmarine Services S.A.	June 2015	99% of BPI
Genco Leader	1999	Navig8 Pan8 Pool Inc.	August 2015	Spot Pool(7)
Genco Vigour	1999	Swissmarine Services S.A.	July 2015	98% of BPI
Genco Acheron	1999	Swissmarine Services S.A.	July 2015	98% of BPI
Genco Surprise	1998	Swissmarine Services S.A.	June 2015	100% of BPI

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Genco Raptor	2007	Global Maritime Investments Ltd.	June 2015	100% of BPI
Genco Thunder	2007	Swissmarine Services S.A.	August 2015	100% of BPI(8)

**Supramax Vessels**

Genco Predator	2005	Oldendorff GMBH & Co.	May 2015	\$6,500(9)
Genco Warrior	2005	Trammo Bulk Carriers	June 2015	\$7,250(10)
Genco Hunter	2007	Pioneer Navigation Ltd.	December 2015	106.5% of BSI
Genco Cavalier	2007	Oldendorff GMBH & Co.	May 2015	\$5,500(11)
Genco Lorraine	2009	Pioneer Navigation Ltd.	June 2015	\$7,750(12)
Genco Loire	2009	China Pacific Maritime Inc.	June 2015	\$6,000(13)

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Genco Aquitaine	2009	Bulkhandling Handymax A/S	August 2015	Spot Pool(14)
Genco Ardennes	2009	Bulkhandling Handymax A/S	August 2015	Spot Pool(14)
Genco Auvergne	2009	Pioneer Navigation Ltd.	December 2015	100% of BSI
Genco Bourgogne	2010	Clipper Sapphire Pool	November 2015	Spot Pool(15)
Genco Brittany	2010	Clipper Sapphire Pool	November 2015	Spot Pool(15)
Genco Languedoc	2010	Chun An Chartering Co. Ltd.	May 2015	\$7,000(16)
Genco Normandy	2007	Bulk Marine Ltd.	May 2015	\$6,200(17)
Genco Picardy	2005	Oldendorff GMBH & Co.	May 2015	\$5,500(18)
Genco Provence	2004	Pioneer Navigation Ltd.	July 2015	100% of BSI
Genco Pyrenees	2010	Clipper Sapphire Pool	November 2015	Spot Pool(15)
Genco Rhone	2011	Pioneer Navigation Ltd.	November 2015	100% of BSI

**Handymax Vessels**

Genco Success	1997	Caltrek Freight and Trading Ltd.	May 2015	91.5% of BSI
Genco Carrier	1998	Polaris Shipping Co. Ltd.	April 2015	\$3,000(19)
Genco Prosperity	1997	Centurion Bulk Pte. Ltd. Singapore	June 2015	89% of BSI(20)
Genco Wisdom	1997	ED & F MAN Shipping Ltd.	May 2015/Feb. 2016	90%/89% of BSI(21)
Genco Marine	1996			