Genco Shipping & Trading Limited



Genco *Unlimited*

On a course for success

October 2017

Forward Looking Statements

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995

This presentation 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,” “budget,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms 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) further declines or sustained weakness in demand in the drybulk shipping industry; (ii) continuation of weakness or further declines 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, lube, oil, bunkers, 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 Company’s 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) the Company’s 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 charters; (xiv) charterers’ compliance with the terms of their charters in the current market environment; (xv) the extent to which our operating results continue to be affected by weakness in market conditions and charter rates; (xvi) 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; and other factors listed from time to time in our public filings with the Securities and Exchange Commission including, without limitation, the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 and its subsequent reports on Form 10-Q and Form 8-K. Our ability to pay dividends in any period will depend upon various factors, including the limitations under any credit agreements to which we may be a party, applicable provisions of Marshall Islands law and the final determination by the Board of Directors each quarter after its review of our financial performance. The timing and amount of dividends, if any, could also be affected by factors affecting cash flows, results of operations, required capital expenditures, or reserves. As a result, the amount of dividends actually paid may vary. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Genco Unlimited: On a course for success

- **Company Overview**
- **Fleet Commercial Strategy**
  - **Major Bulk**
  - **Minor Bulk**
- **Operational & Technical Performance**
- **Market Update & Industry Overview**
- **Conclusion**

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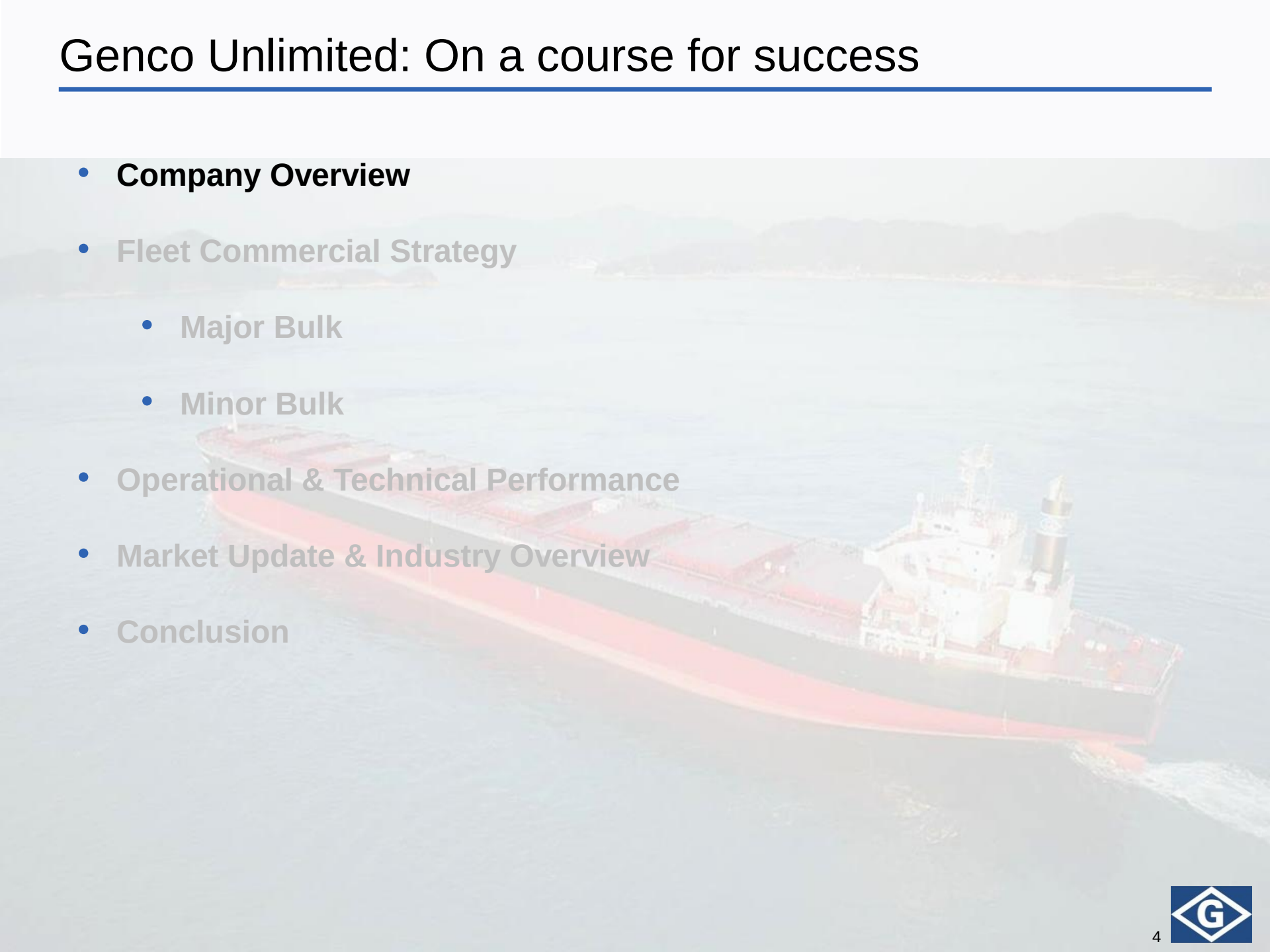


Executive Overview

Genco is in a position of strength to become a bellwether



- **Largest US based drybulk ship owner**
  - Drybulk company focused on major and minor bulk commodities
  - Headquartered in the US
- **Well positioned for a recovering market**
  - Well capitalized balance sheet with attractive debt facilities
  - Spot exposure to improving freight rate environment
- **Concentration on full in-house commercial platform**
  - Incorporating voyage charters and direct cargo liftings
  - Providing logistics solution to major cargo owners
- **Exploring growth and consolidation opportunities from a position of strength**
- **Continue to be leading low cost operator**
  - Achieved considerable vessel operating savings since 2014
- **Founded in December 2004 (NYSE:GNK)**
  - Full service operating platform with a diverse fleet of 60 vessels

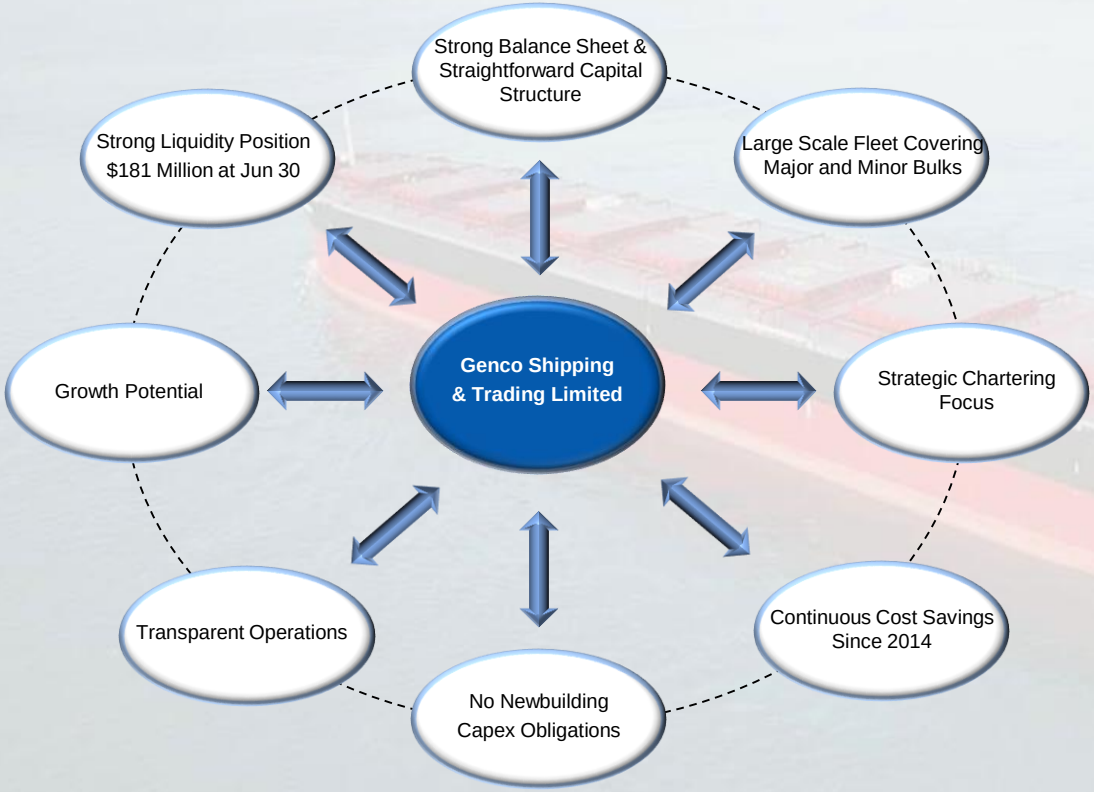
Optimization of Industry Leading Platform

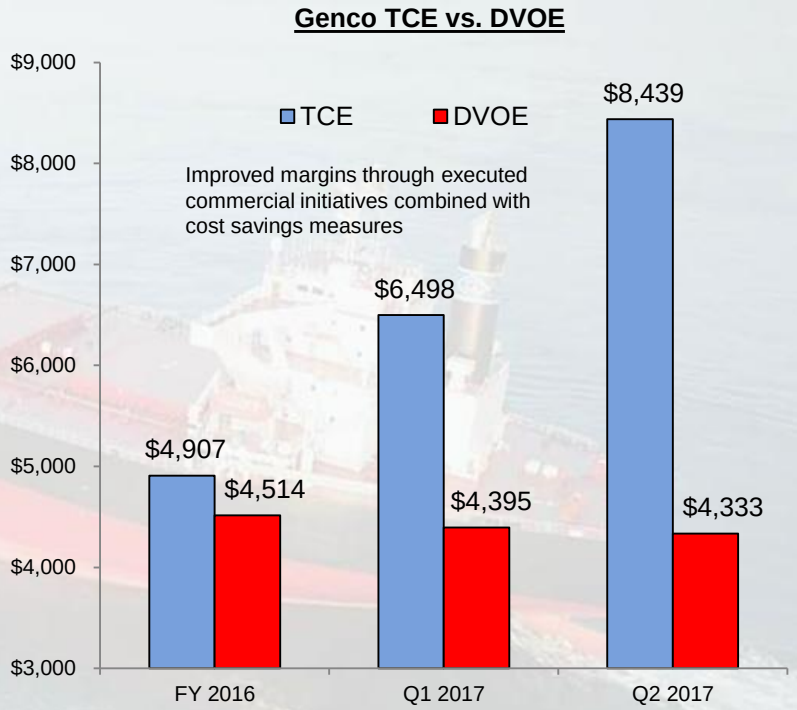
- ☑ Strengthen Balance Sheet
- ☑ Expense Optimization
- ☑ Implement Operating Commercial Platform
- ☐ Take Advantage of Growth Opportunities

- **Execution of strategic initiatives has enhanced Genco's already industry leading drybulk platform**
- **Transformed commercial platform to an active owner-operator model to increase margins and outperform benchmarks**
- **Next phase in the Company's strategy is to look to acquire high quality, modern tonnage with a focus on Capesize and Ultramax vessels**

Leading Market Position

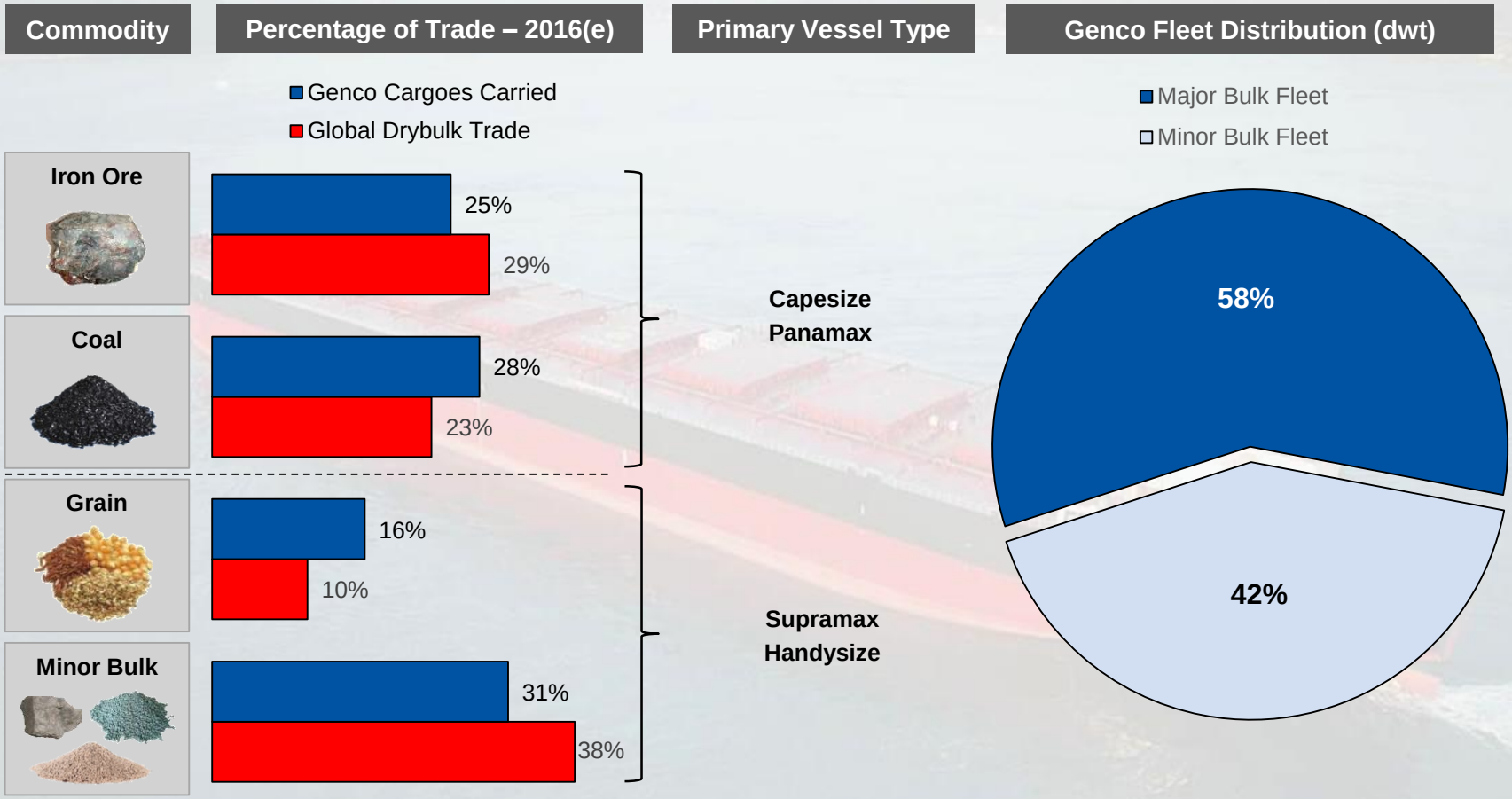
Genco has significantly improved its leading market position focusing on enhancing its commercial strategy and leading low-cost operations





Genco's Fleet Strongly Aligns With Global Trade Dynamics

Genco's fleet of major and minor bulk vessels largely mirrors global trade flows, enabling the Company to capitalize on key trade routes



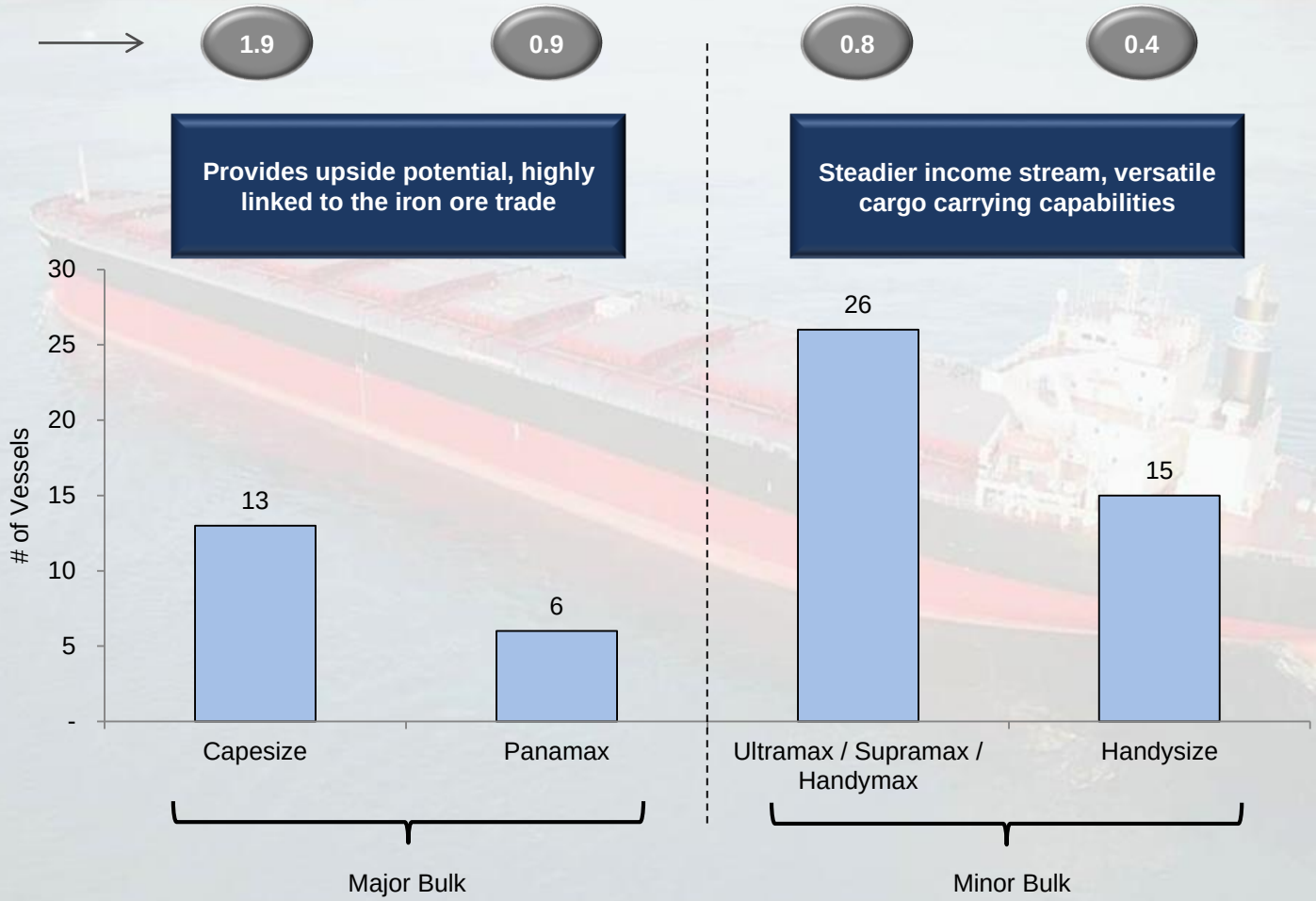
Source: Clarksons Research Services Limited 2017

Upside Earnings Potential Combined With Steadier Income Stream

Capesize exposure provides upside earnings potential while minor bulk fleet provides a steadier income stream

Genco's Fleet Concentrates on the Major and Minor Bulks

Shipping Market "Beta" →



Source: Marsoft Incorporated

Consolidated Capital Structure



Covenant Overview

- Minimum liquidity requirement reduced to $21.5 million through Dec 31, 2018 based on a fleet of 60 vessels
- No collateral maintenance test through Jun 29, 2018 for the $400 Million Credit Facility, minimum value covenant thereafter of:
  - 105% starting Jun 30, 2018, 115% from Dec 31, 2018, 135% from Dec 31, 2020
- No collateral maintenance test through Dec 30, 2017 for the $33 million ABN/Sinosure Facilities, minimum value covenant thereafter of:
  - 100% starting Dec 31, 2017, 105% from Jun 30, 2018, 115% from Dec 31, 2018, 135% from Dec 31, 2019
- Collateral maintenance covenant of 140% for the $98 Million Credit Facility remains in place, but certain amounts can be netted against its measurement
- Debt outstanding presented above is as of June 30, 2017 and is gross of unamortized deferred financing costs

(1) Token fixed debt repayments of $0.1 million per quarter during 2017 and 2018. Fixed debt repayments step up to $18.6 million per quarter commencing in Q1 2021.

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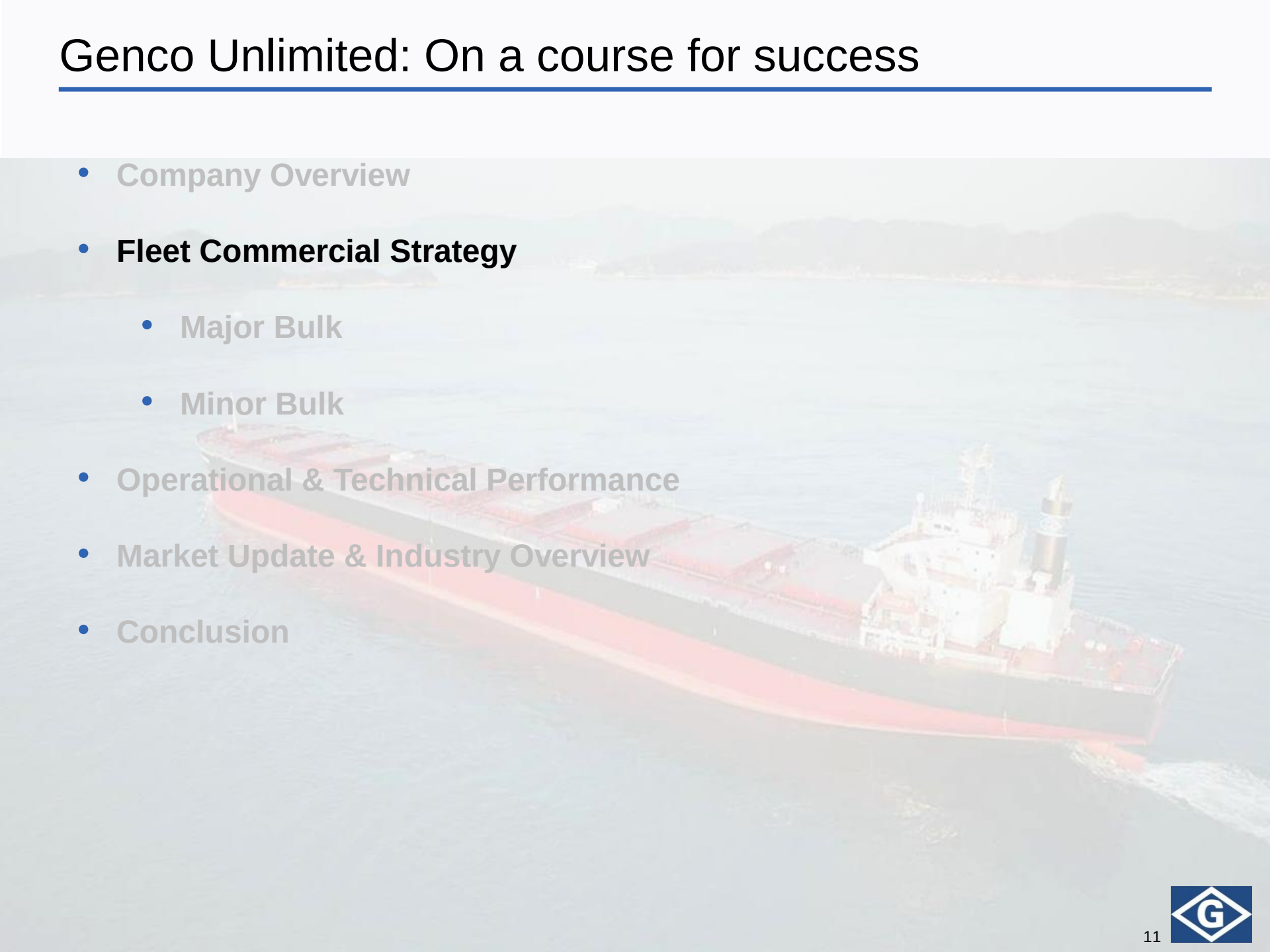


Commercial Initiatives

Genco has enhanced its commercial platform aimed at driving revenue growth

Active Approach to Revenue Growth

- Focus on increasing margins
- Concentration on full in-house commercial platform
- Providing full logistics solution to major cargo owners

Incorporating Voyage Charters & Direct Cargo Liftings

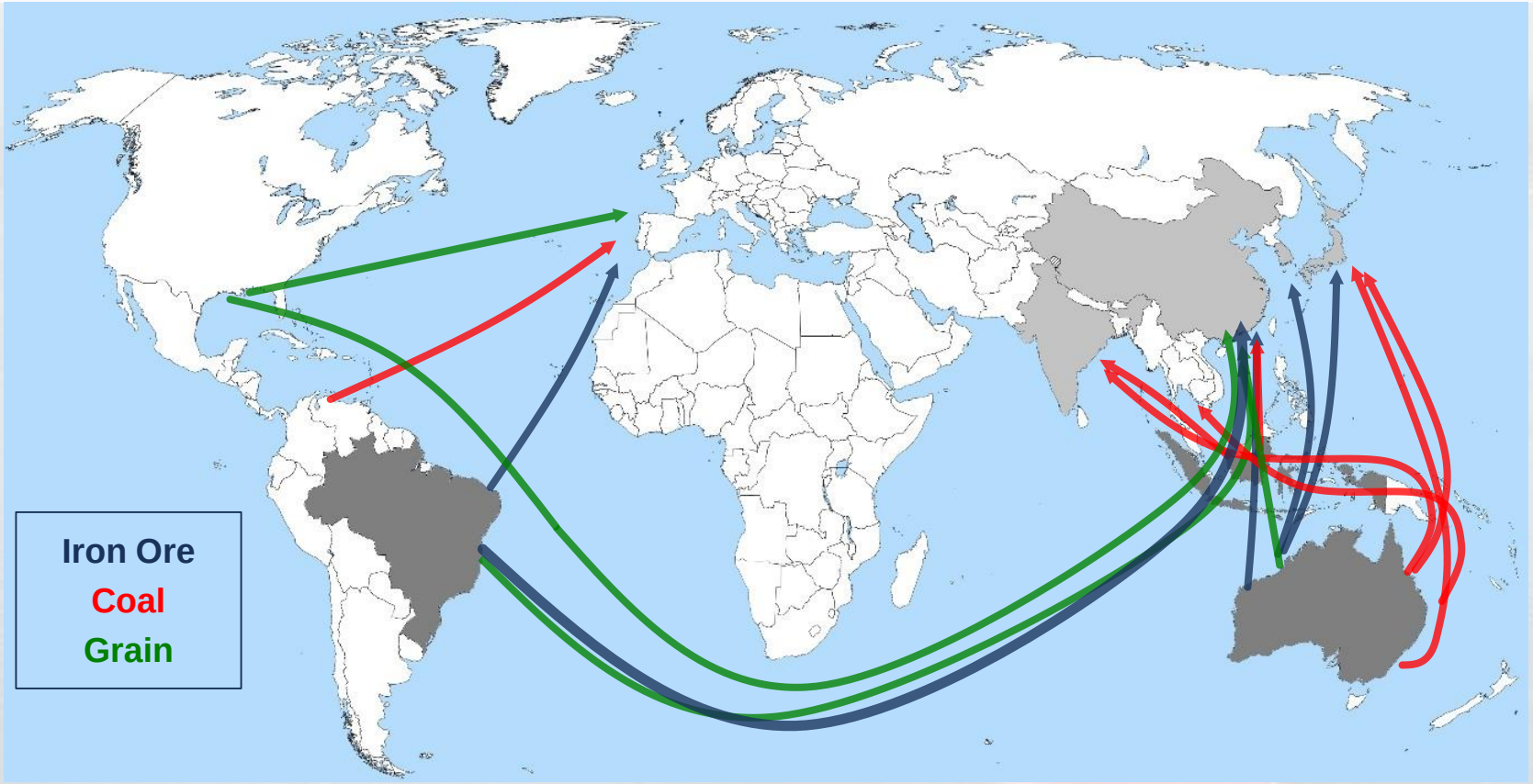
- Repositioned a portion of the fleet to capture Atlantic premium
- Identified key trading lanes by vessel
- Vessel speed and consumption optimization

Expanding Customer Base

- Diversifying customer base enabling Genco to get closer to cargo
- Strong risk management practices

Optimizing Commercial Strategy To Capture Key Trading Lanes

Key Trade Routes



Commercial Strategy

- Fleet deployment mix weighted towards short-term fixtures: provides optionality in a rising freight rate environment
- Fleet concentrated on the major and minor bulks
  - Capesize: provides upside potential, highly linked to the iron ore trade
  - Ultramax/Supramax/Handysize: steadier income stream, versatile cargo carrying capabilities

Source: Braemar

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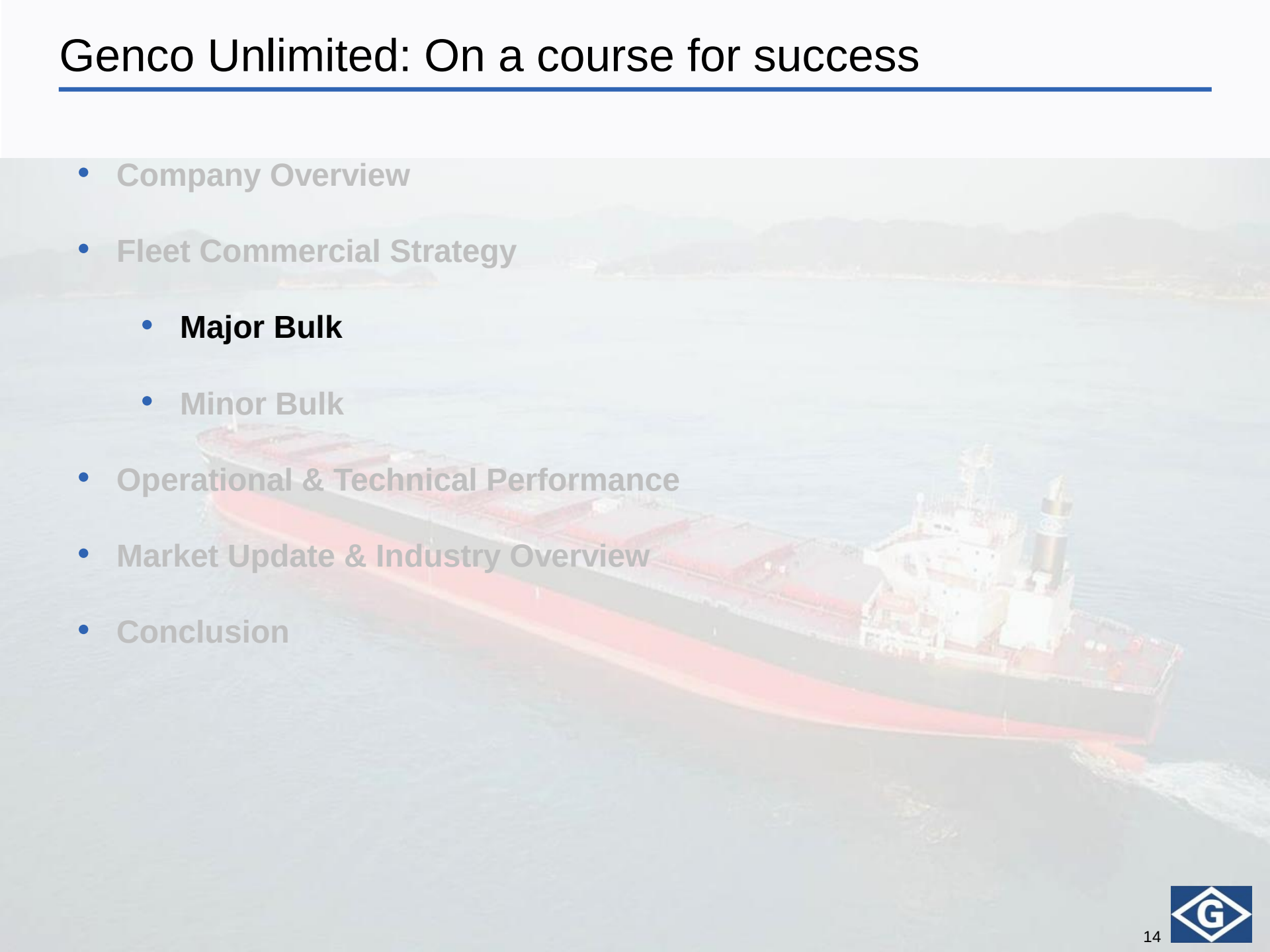

Fleet Commercial Strategy – Major Bulk

Major Bulk

Vessel Name	Year Built	Dwt
Capesize		
Genco Augustus	2007	180,151
Genco Tiberius	2007	175,874
Genco London	2007	177,833
Genco Titus	2007	177,729
Genco Constantine	2008	180,183
Genco Hadrian	2008	169,025
Genco Commodus	2009	169,098
Genco Maximus	2009	169,025
Genco Claudius	2010	169,001
Genco Tiger	2011	179,185
Baltic Lion	2012	179,185
Baltic Bear	2010	177,717
Baltic Wolf	2010	177,752
Panamax		
Genco Beauty	1999	73,941
Genco Knight	1999	73,941
Genco Vigour	1999	73,941
Genco Surprise	1998	72,495
Genco Thunder	2007	76,588
Genco Raptor	2007	76,499

Capesize



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Panamax



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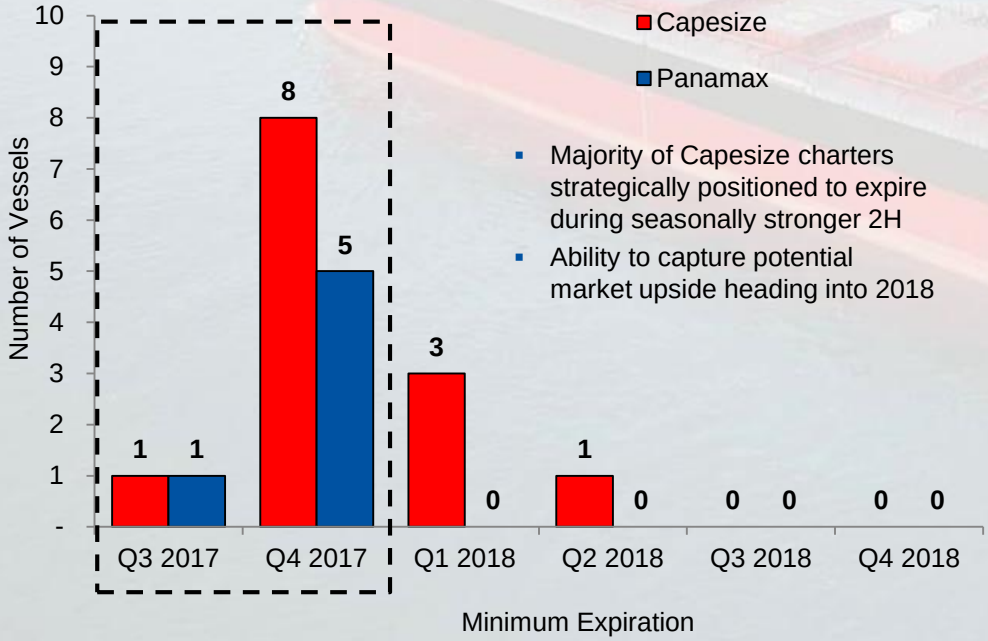
Optimizing Commercial Strategy – Major Bulk

Major Bulk Commercial Strategy

- Direct exposure to projected ton-mile demand growth highly driven by iron ore and coal
  - Positioned the fleet for a stronger 2H 2017
- Diversifying and expanding the customer base
- Staggering expiration dates of charters
- Implementing a portfolio approach
- Establishing a Singapore presence to focus on Capesize vessels as well as backhaul trades on the minor bulk fleet

Major Bulk Charters Positioned for Market Recovery



- Majority of Capesize charters strategically positioned to expire during seasonally stronger 2H
- Ability to capture potential market upside heading into 2018

Major Bulk End Users

bhpbilliton
KOCH SUPPLY & TRADING
RioTinto
uniper
LDC Louis Dreyfus Company
Cargill
VALE

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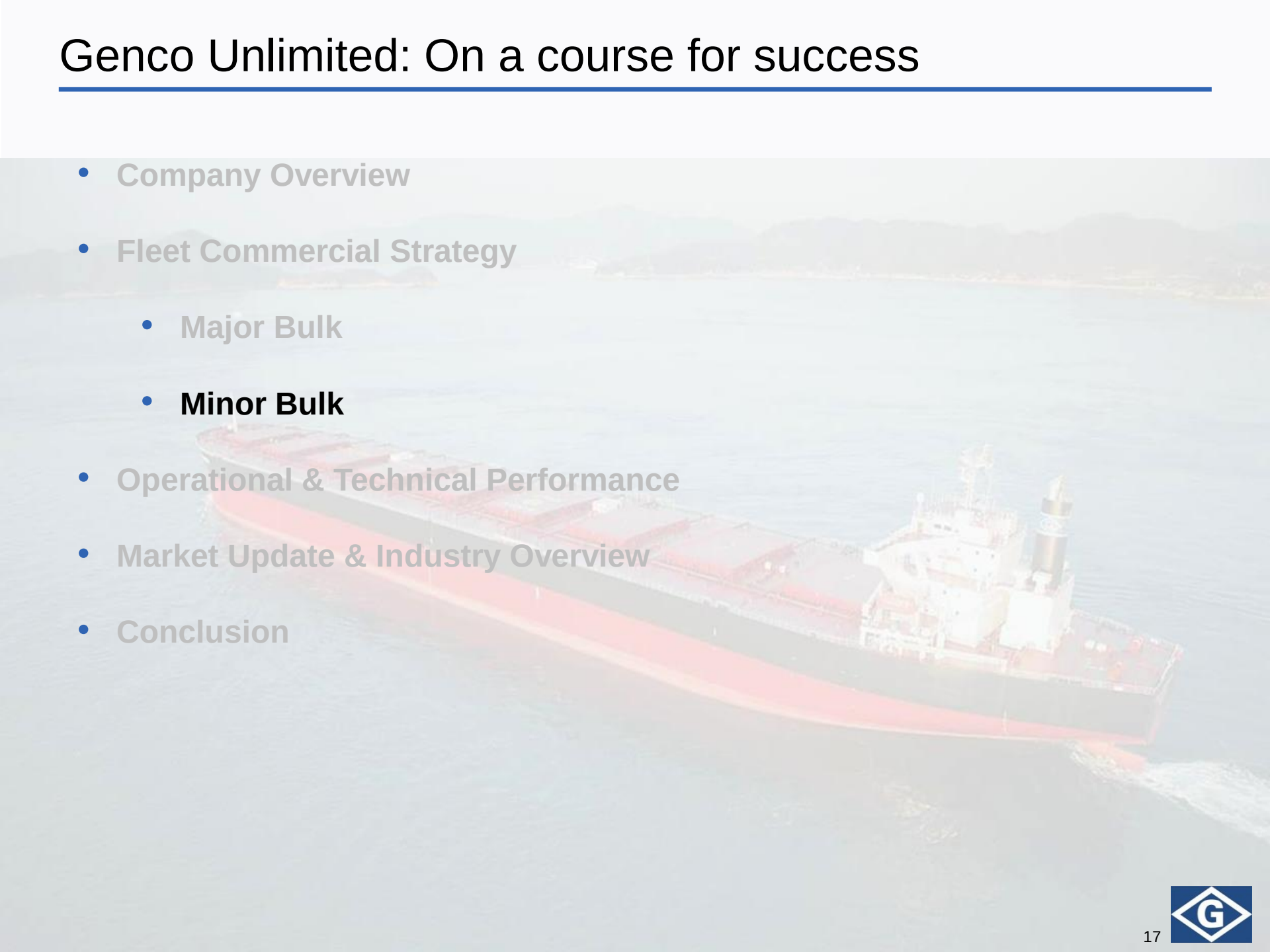

Fleet Commercial Strategy – Minor Bulk

Minor Bulk

Vessel Name	Year Built	Dwt
Ultramax		
Baltic Hornet	2014	63,574
Baltic Wasp	2015	63,389
Baltic Scorpion	2015	63,462
Baltic Mantis	2015	63,470
Supramax/Handymax		
Genco Warrior	2005	55,435
Genco Hunter	2007	58,729
Genco Predator	2005	55,407
Genco Cavalier	2007	53,617
Genco Aquitaine	2009	57,981
Genco Ardennes	2009	58,018
Genco Auvergne	2009	58,020
Genco Bourgogne	2010	58,018
Genco Brittany	2010	58,018
Genco Languedoc	2010	58,018
Genco Loire	2009	53,430
Genco Lorraine	2009	53,417
Genco Normandy	2007	53,596
Genco Picardy	2005	55,257
Genco Provence	2004	55,317
Genco Pyrenees	2010	58,018

Vessel Name	Year Built	Dwt
Genco Rhone	2011	58,018
Baltic Leopard	2009	53,446
Baltic Panther	2009	53,350
Baltic Jaguar	2009	53,473
Baltic Cougar	2009	53,432
Genco Muse	2001	48,913
Handysize		
Genco Explorer	1999	29,952
Genco Progress	1999	29,952
Genco Charger	2005	28,398
Genco Champion	2006	28,445
Genco Challenger	2003	28,428
Genco Bay	2010	34,296
Genco Ocean	2010	34,409
Genco Avra	2011	34,391
Genco Mare	2011	34,428
Genco Spirit	2011	34,432
Baltic Wind	2009	34,408
Baltic Cove	2010	34,403
Baltic Breeze	2010	34,386
Baltic Fox	2010	31,883
Baltic Hare	2009	31,887

Ultramax / Supramax / Handymax



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Handysize



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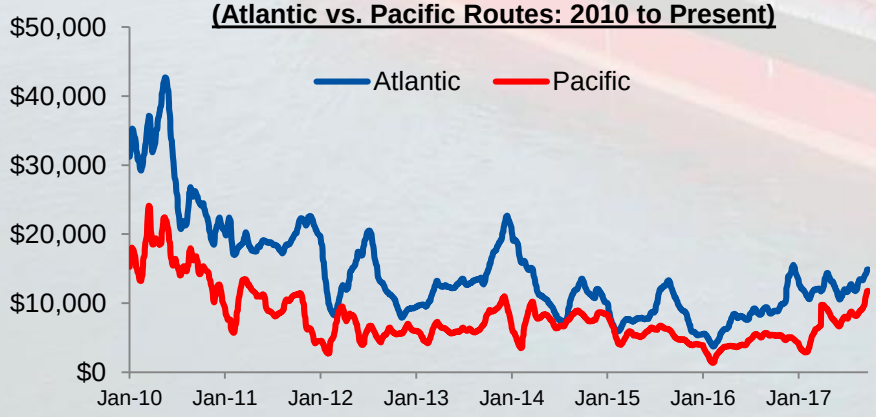
Optimizing Commercial Strategy – Minor Bulks

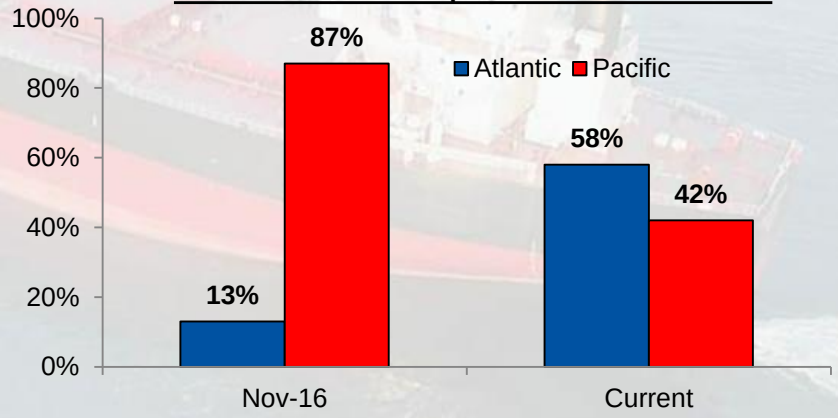
Minor Bulk Commercial Strategy

- Provide full service logistics solutions to top tier cargo owners
  - Reallocated freight exposure through a more balanced Atlantic vs. Pacific split
  - Repositioned select geared vessels during the first and second quarters of 2017
  - Reduction of ballast legs and higher fleet utilization through concentrated customer geographic focus
  - Capture earnings premium offered by Atlantic market
- Implementing and integrating new commercial resources
  - Added Vice President and Commercial Director, Minor Bulk Fleet

Baltic Supramax Index Routes (Atlantic vs. Pacific Routes: 2010 to Present)



Atlantic vs. Pacific Exposure: Minor Bulk Fleet*



* Includes Ultramaxes, in-house managed Supramax, and Handysize vessels.

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Operations and Technical Management

- In-house operations and logistics group
  - Post-fixture logistics management of vessels
  - Enables charterers to efficiently carry cargoes
  - Monitors vessel performance to satisfy customer needs and standards
  - Promotes safety and regulatory compliance
  - Minimal incidents/detentions

- We utilize two leading third-party technical managers for the day-to-day management of our fleet, including:
  - Performing routine maintenance
  - Arranging for purchasing and supplies
  - Providing access to large crew pools
  - High retention of crew
  - Benchmark across managers through KPIs and industry best practices
  - Have achieved significant savings on operating expenses to date through oversight and internal initiatives
  - Progressing towards real time data collection and management of vessel performance

- In-house technical management staff actively oversees and benchmarks the performance of each manager
  - Directly handles all drydockings
  - High emphasis on cost control as well as safety and maintenance

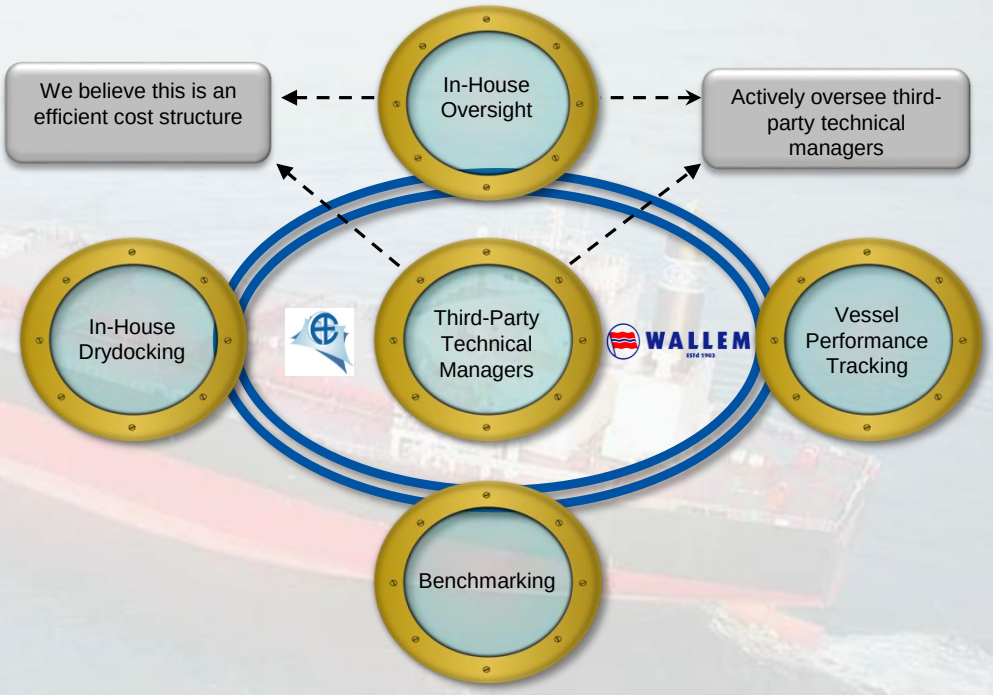
- Our current fleet contains 15 groups of sister ships
  - Several groups of sister vessels enable us to reduce costs by creating economies of scale
  - Allow for multi-vessel contracting by charterers

Selected Third-Party Technical Managers

Technical Management Approach

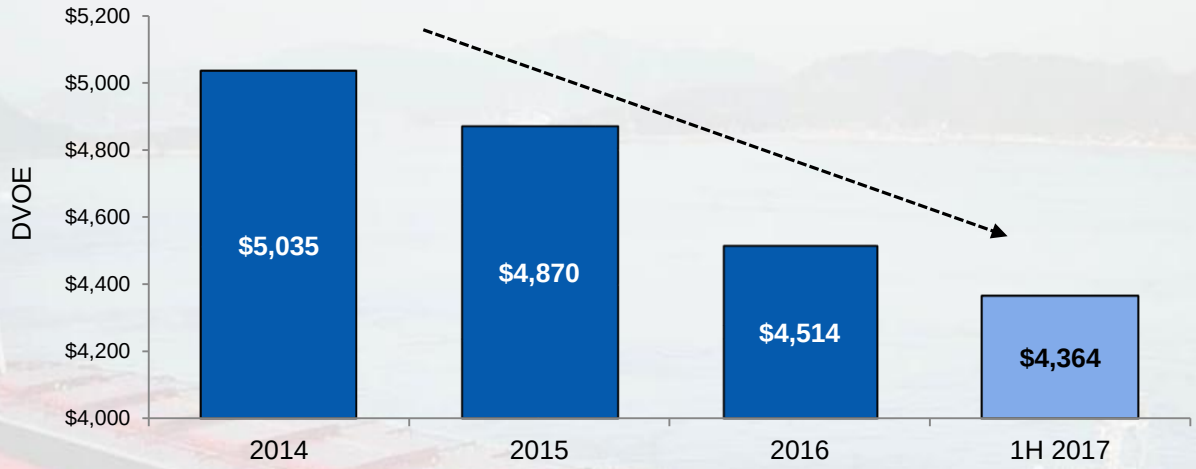
Benefits from third-party managers' economies and scalability

Maintains high quality maintenance and low cost operation



Continuous Cost Optimization

Genco's Daily Vessel Operating Expenses



- Genco has been able to consistently reduce costs since 2014 without sacrificing our high safety and maintenance standards
- Additional cost saving initiatives are expected to be implemented over the course of 2017
  - Continue to implement crew optimization cost saving measures
- Vast majority of Genco vessels currently have a high commercial Rightship rating of 4-stars or above
  - Provides maximum business flexibility for our cargo customers
- Dedicated resources towards speed and consumption optimization

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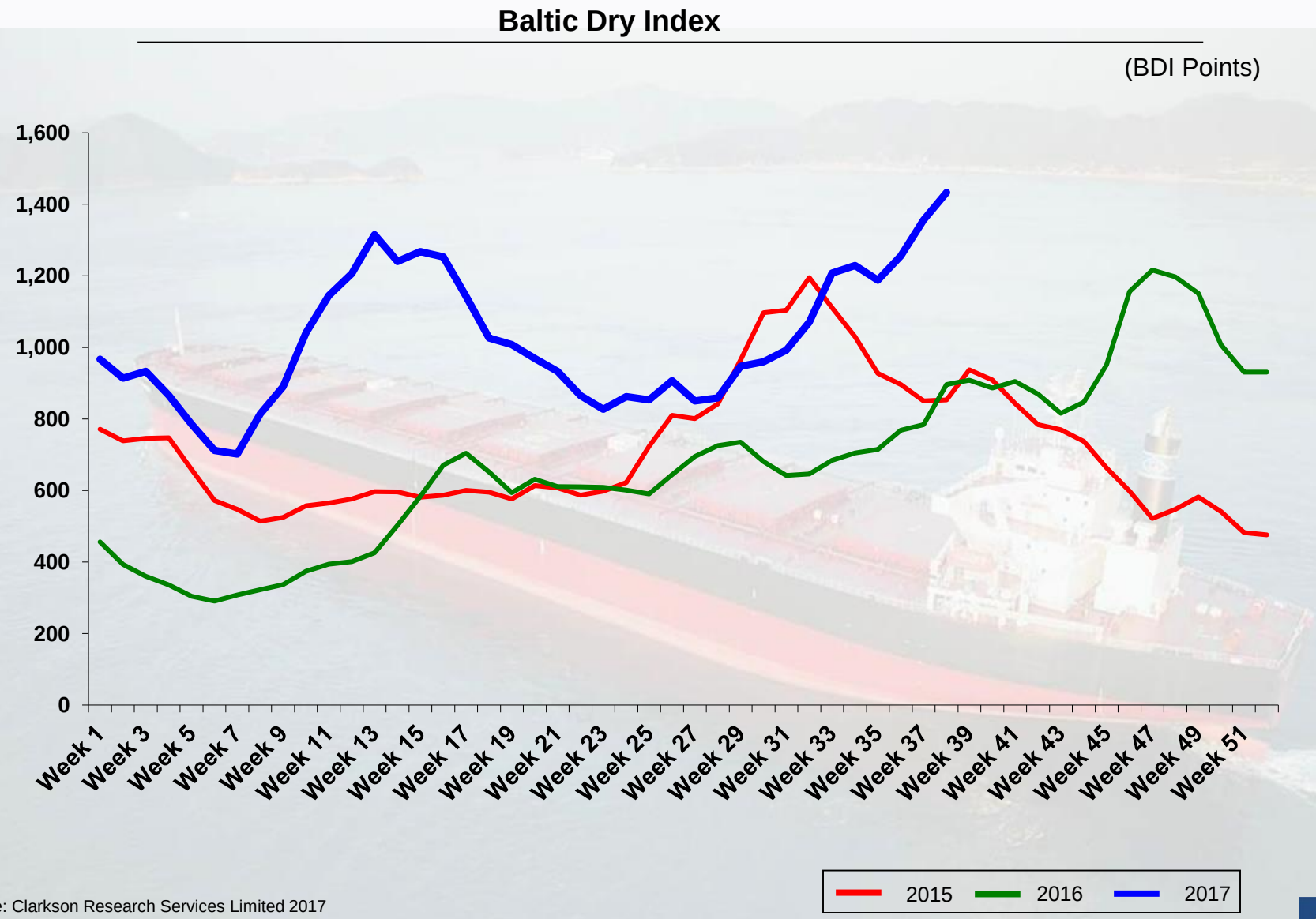
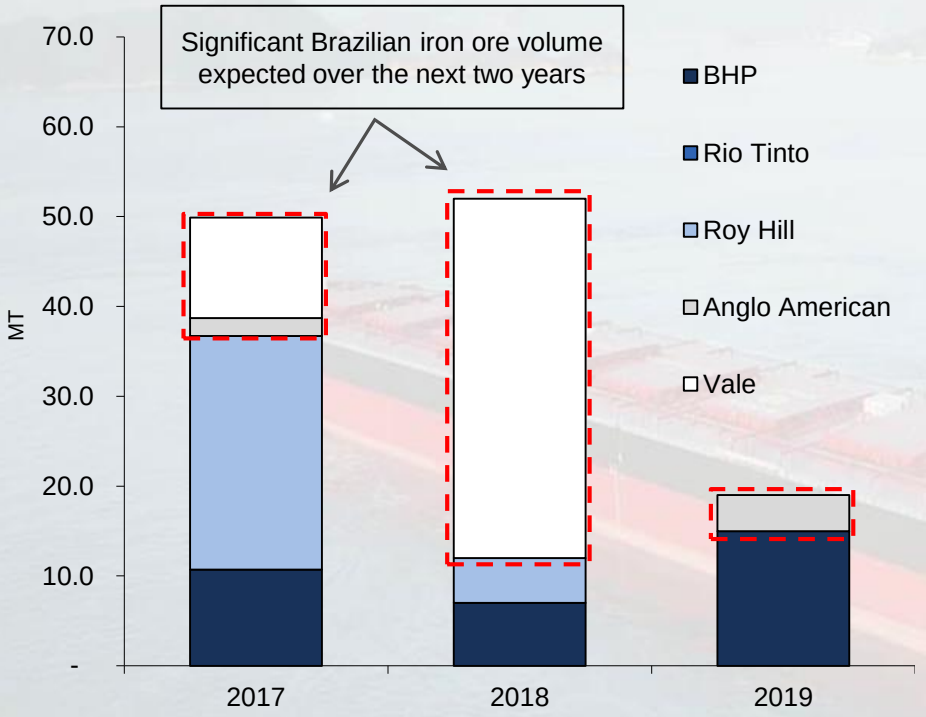
Market Update and Industry Overview



Source: Clarkson Research Services Limited 2017

Recent Market Developments

Key Iron Ore Expansion Plans[3]



Vale is expected to provide updated production guidance later in the year

Recent Developments

- Freight rates have strengthened since August primarily driven by:
  - Record steel production in China leading to heightened demand for high quality seaborne iron ore
  - Increased coal shipments to China
  - Steady growth in grain cargo flows
  - Slowing fleet growth
- Baltic Dry Index crossed the 1,500 threshold at the end of September for the first time since Q1 2014
- Iron ore prices have fallen to approximately $60 per ton after remaining over $70 per ton for several weeks
  - Seasonally higher seaborne volumes from Brazil and Australia in 2H could further impact the price of iron ore
- Chinese iron ore imports through the first eight months of 2017 have risen by 7% YOY[1]
  - Chinese iron ore port stockpiles are currently 132.2MT having declined by 8% since the July peak[2]

1) Source: Clarkson Research Services Limited 2017
2) Source: Commodore Research
3) Source: Public statements by subject companies

Major Bulks

Global Steel Production (million tons)[1]			
	8 Mos 2017	8 Mos 2016	% Variance
China	566.4	536.3	5.6%
European Union	112.7	108.0	4.3%
Japan	69.6	69.9	-0.4%
India	66.5	63.2	5.1%
South Korea	47.0	45.3	3.7%
Global Production	1,121.7	1,069.2	4.9%

Steel Production

- Chinese steel production has increased by 5.6% through August 2017 YOY[1]
  - Ex-China steel production has risen by 4.2% during the same period led by a 5.1% YOY increase in output from India
- In August, China's steel output set a record for the third consecutive month
  - Production has exceeded the 70MT threshold in each of the last six months after only occurring four times prior to 2017
  - Improved margins have incentivized greater production

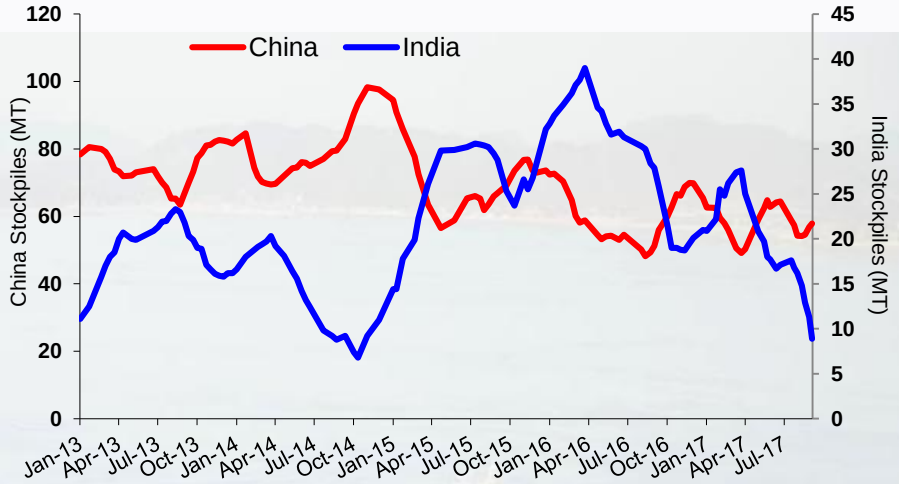
Iron Ore

- Brazilian iron ore exports have increased by 3% in the YTD[3]
  - Aided by additional shipments from Vale's new S11D iron ore mine

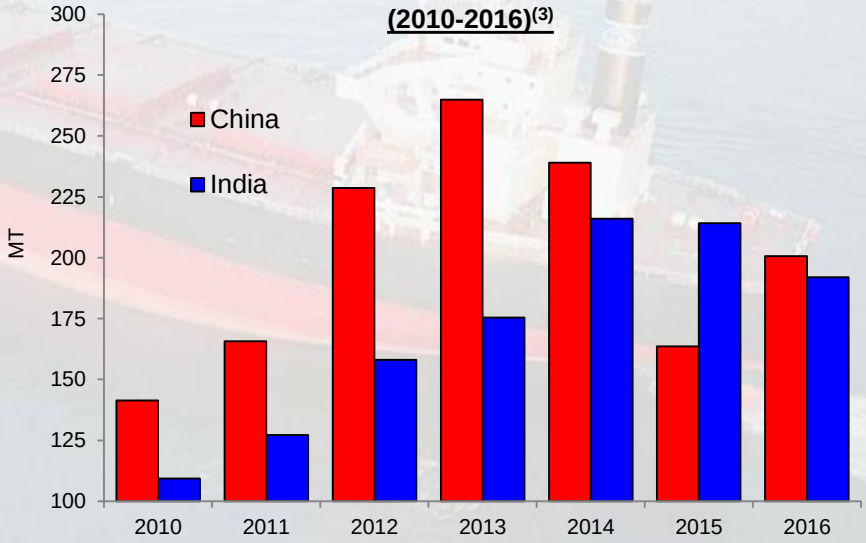
Coal

- China's coal imports increased by 14% through August 2017 YOY
  - Mining accidents at Chinese domestic coal mines continue to occur which could lead to additional mine inspections and closures[2]
- India's coal power plant stockpiles have fallen to the lowest point since November 2014

Coal Power Plant Stockpiles[2]

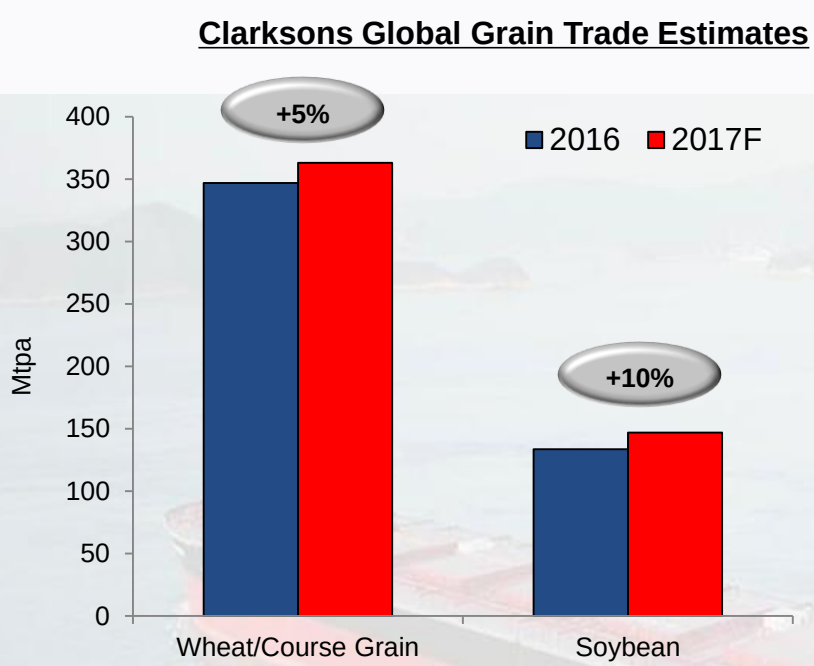


China and India Coal Imports (2010-2016)[3]



1) Source: World Steel Association
2) Source: Commodore Research
3) Source: Clarkson Research Services Limited 2017

Minor Bulks



Seaborne Wheat / Course Grain Trade (MT)			
Exporter	**2016**	**2017 (f)**	**% Variance**
Argentina	39	37	-5%
Australia	23	35	53%
Canada	25	25	1%
EU	44	41	-7%
US	87	91	4%
Others	128	134	4%
Total	**347**	**363**	**5%**

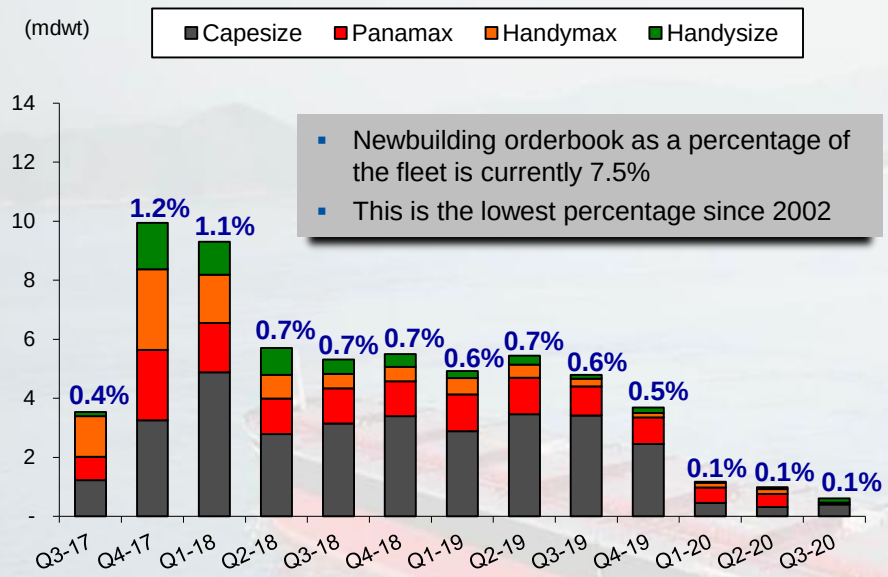
Seaborne Soybean Trade (MT)			
Exporter	**2016**	**2017 (f)**	**% Variance**
United States	58	63	10%
Brazil	52	57	10%
Argentina	9	11	25%
Paraguay	5	5	0%
Canada	4	5	5%
Uruguay	1	1	4%
Others	4	5	7%
Total	**134**	**147**	**10%**

- Onset of North American grain season to commence shortly
- Malaysia has extended its ban on bauxite mining through December 31, 2017
  - Increased bauxite shipments from Guinea are expected to add ton mile demand going forward
- SE Asia projected to drive coal demand
  - According to Clarksons, Vietnamese coal consumption is expected to increase from 40MT in 2016 to 70MT in 2020
- Chinese steel exports have declined recently due to:
  - Increased domestic demand
  - Protectionist measures taken by certain countries against inexpensive Chinese steel shipments

Source: Clarksons Research Services Limited 2017

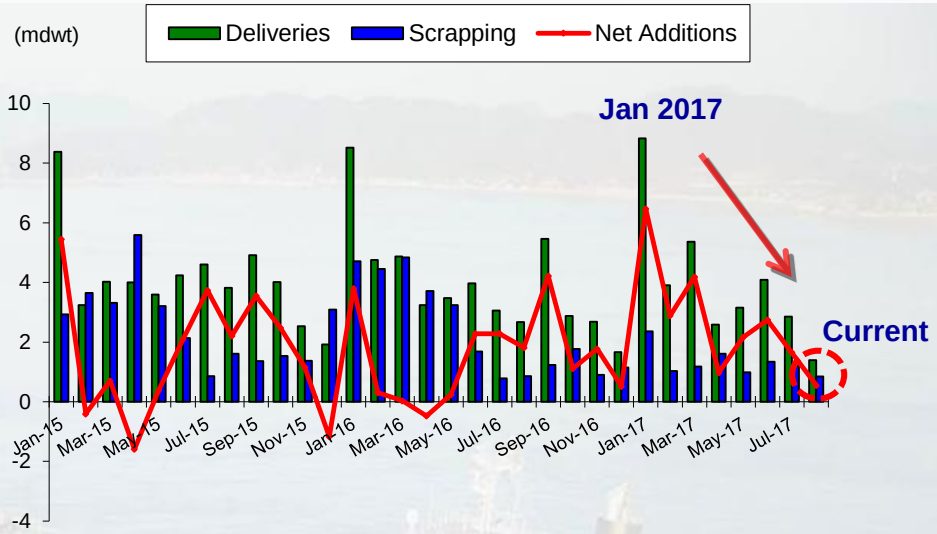
Supply Side Fundamentals

Current Drybulk Vessel Orderbook by Type



- Newbuilding orderbook as a percentage of the fleet is currently 7.5%
- This is the lowest percentage since 2002

Drybulk Vessel Deliveries vs. Scrapping



- Net fleet growth through the first eight months of 2017 was approximately 2.7%
  - Slippage rate to date remains high and is approximately 35%
  - Scrapping levels have eased due improved sentiment and freight rate environment
- Newbuilding orders in the YTD total 125 compared to 56 during all of 2016
- Approximately 9% of the fleet is greater than or equal to 20 years old on a number of vessels basis
- 24 Capesize vessels have been scrapped in 2017 to date including seven greater than 250,000 dwt
  - Currently 46 vessels trading in the drybulk fleet greater than 250,000 dwt with an average age of 24 years old, represents 4% of the Capesize fleet on a deadweight tonnage basis

Source: Clarkson Research Services Limited 2017

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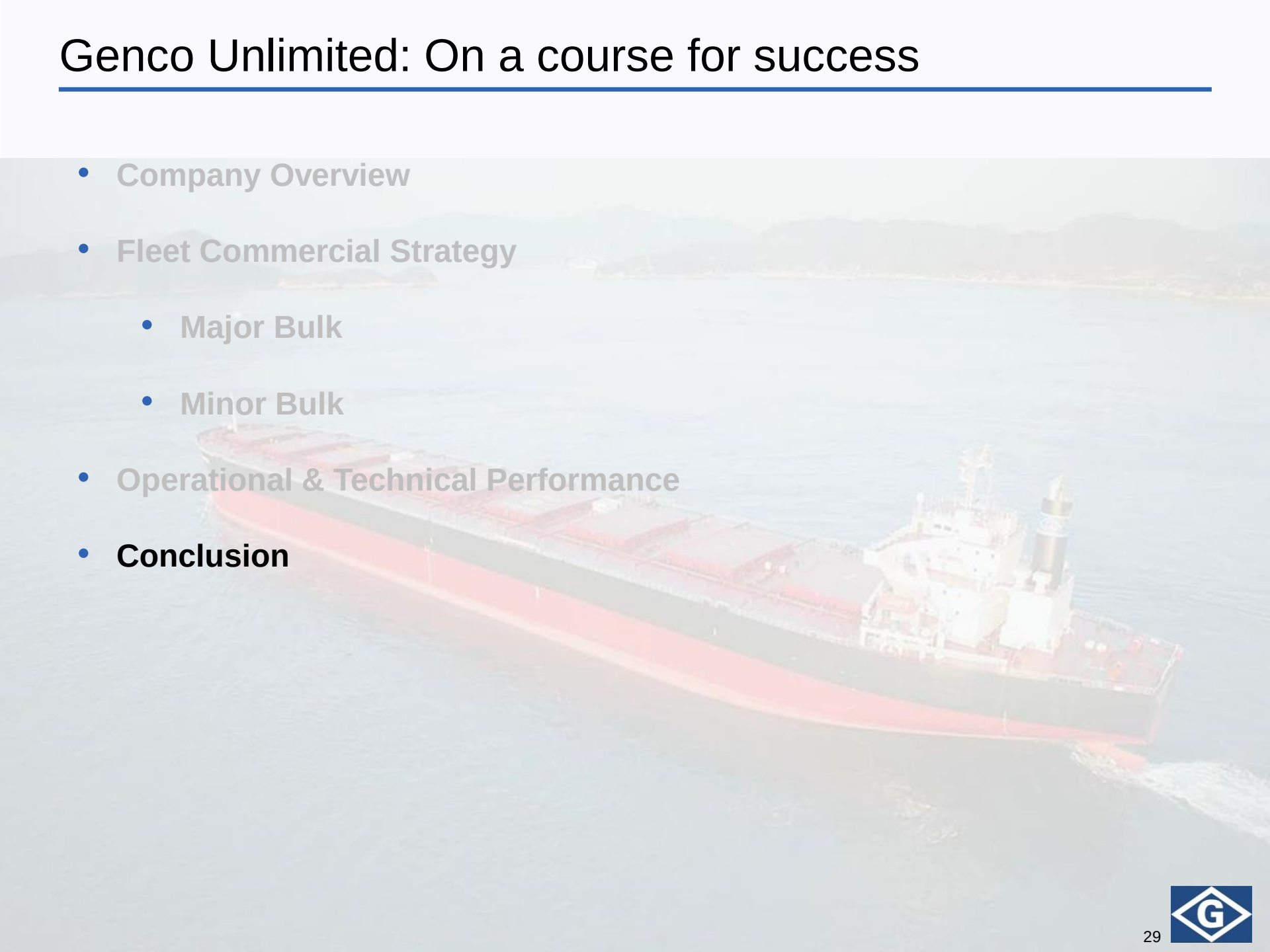

Genco Unlimited: On a course for success

Genco is in a position of strength to be a bellwether providing upside opportunity

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Continue to execute commercial strategy

- Drive revenue growth through execution of active deployment strategy and Atlantic/Pacific exposure
- Concentration on full in-house commercial platform
- Incorporating voyage charters and direct cargo liftings
- Providing logistics solution to major cargo owners
- Major bulk: Take advantage of seasonally strong 2H and strong iron ore trade growth fundamentals
- Minor bulk: Capture earnings premium of the Atlantic basin

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Strong Liquidity Position

- $181 million of cash as of June 30, 2017

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Growth potential

- Position of strength enables Genco to explore future growth potential
- Ability to act as a consolidator of the drybulk market

Appendix

Second Quarter Earnings

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
	(Dollars in thousands, except share and per share data) (unaudited)		(Dollars in thousands, except share and per share data) (unaudited)	
INCOME STATEMENT DATA:				
Revenues:				
Voyage revenues	$ 45,370	$ 31,460	$ 83,619	$ 51,590
Service revenues	-	414	-	1,225
Total revenues	45,370	31,874	83,619	52,815
Operating expenses:				
Voyage expenses	951	3,074	4,192	6,970
Vessel operating expenses	23,852	28,538	48,736	57,665
General and administrative expenses (inclusive of nonvested stock amortization expense of $1.6 million, $5.4 million, $2.3 million and $10.9 million respectively)	5,752	11,589	10,661	22,158
Technical management fees	1,871	2,264	3,852	4,550
Depreciation and amortization	18,185	19,686	36,358	40,025
Other operating income	-	(182)	-	(182)
Impairment of vessel assets	3,339	67,594	3,339	69,278
(Gain) loss on sale of vessels	(1,343)	77	(7,712)	77
Total operating expenses	52,607	132,640	99,426	200,541
Operating loss	(7,237)	(100,766)	(15,807)	(147,726)
Other (expense) income:				
Impairment of investment	-	(2,696)	-	(2,696)
Other expense	(50)	(50)	(115)	(174)
Interest income	338	33	512	95
Interest expense	(7,564)	(7,013)	(14,702)	(14,127)
Other expense	(7,276)	(9,726)	(14,305)	(16,902)
Loss before reorganization items, net	(14,513)	(110,492)	(30,112)	(164,628)
Reorganization items, net	-	(65)	-	(160)
Loss before income taxes	(14,513)	(110,557)	(30,112)	(164,788)
Income tax expense	-	(96)	-	(350)
Net loss	$ (14,513)	$ (110,653)	$ (30,112)	$ (165,138)
Net loss per share - basic	$ (0.42)	$ (15.32)	$ (0.89)	$ (22.87)
Net loss per share - diluted	$ (0.42)	$ (15.32)	$ (0.89)	$ (22.87)
Weighted average common shares outstanding - basic	34,430,766	7,221,735	33,965,835	7,220,265
Weighted average common shares outstanding - diluted	34,430,766	7,221,735	33,965,835	7,220,265

June 30, 2017 Balance Sheet

BALANCE SHEET DATA:	June 30, 2017	December 31, 2016
	(Dollars in thousands) (unaudited)	
Cash (including restricted cash)	$ 180,995	$ 169,068
Current assets	184,354	172,605
Total assets	1,541,719	1,568,960
Current liabilities (excluding current portion of long-term debt)	22,003	24,373
Current portion of long-term debt	9,576	4,576
Long-term debt (net of $10.2 million and $11.4 million of unamortized debt issuance costs at June 30, 2017 and December 31, 2016, respectively)	506,044	508,444
Shareholders' equity	1,001,868	1,029,699

	Three Months Ended		Six Months Ended	
OTHER FINANCIAL DATA:	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	(Dollars in thousands) (unaudited)		(Dollars in thousands) (unaudited)	
Net cash used in operating activities	N/A		$ (585)	$ (41,230)
Net cash provided by investing activities			17,022	3,697
Net cash used in financing activities			(2,684)	(26,879)
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net loss	$ (14,513)	$ (110,653)	$ (30,112)	$ (165,138)
+ Net interest expense	7,226	6,980	14,190	14,032
+ Income tax expense	-	96	-	350
+ Depreciation and amortization	18,185	19,686	36,358	40,025
EBITDA[(1)]	$ 10,898	$ (83,891)	$ 20,436	$ (110,731)

1) EBITDA represents net (loss) income 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 (i.e. non-GAAP measure) 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.

Second Quarter Highlights

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	(unaudited)		(unaudited)	
FLEET DATA:				
Total number of vessels at end of period	60	69	60	69
Average number of vessels (1)	60.5	69.5	61.7	69.8
Total ownership days for fleet (2)	5,505	6,326	11,167	12,696
Total available days for fleet (3)	5,264	6,146	10,650	12,321
Total operating days for fleet (4)	5,086	6,107	10,415	12,177
Fleet utilization (5)	96.6%	99.4%	97.8%	98.8%
AVERAGE DAILY RESULTS:				
Time charter equivalent (6)	$ 8,439	$ 4,618	$ 7,458	$ 3,622
Daily vessel operating expenses per vessel (7)	4,333	4,511	4,364	4,542

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as a measured by the sum of the number of days each vessel was part of our fleet during the period divided by the number of calendar days in that period.

(2) 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.

(3) We define available days as the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels 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.

(4) 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.

(5) 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.

(6) We define TCE rates as our 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.

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