

## d'Amico International Shipping S.A.

### Interim Management Statements – First Quarter 2013

**Luxembourg, May 07<sup>th</sup> 2013** - The Board of Directors of d'Amico International Shipping S.A. approves the Q1 2013 Results.

**BEST QUARTERLY RESULT IN ALMOST 4 YEARS FOR DIS, 2<sup>nd</sup> CONSECUTIVE QUARTERLY PROFIT OF US\$ 7.6 MILLION WITH AN EBITDA MARGIN OF 23% AND A STRONG OPERATING CASH FLOW GENERATION OF US\$16.1 MILLION, CONFIRMING THE RAPIDLY GROWING PRODUCT TANKER MARKET SCENARIO**

#### **FIRST QUARTER 2013 RESULTS**

- Time charter equivalent (TCE) Earnings - US\$ 50.1 million
- EBITDA - US\$ 11.5 million – 23% of margin on TCE Earnings
- Net Profit - US\$ 7.6 million
- Shareholders Equity – US\$ 301.8 million
- Net debt - US\$ 225.6 million
- Cash Flow from Operating Activities - US\$ 16.1 million

*'A strong recovery in the product tanker market was noted in the first quarter of 2013, with average earnings reaching levels not achieved since Q1 2009. Such market rebound allowed DIS to register a Net Profit of US\$ 7.6 million in Q1 2013. This is the second consecutive quarterly profit for DIS and the best quarterly result in almost 4 years.*

*Time charter equivalent earnings were considerably higher compared to the same period of last year. The daily average spot return of US\$ 14.272 achieved in the period was the best spot market result for DIS in 15 consecutive quarters.*

*The excellent trend registered at TCE Earnings level combined with significant cost efficiencies achieved during the period, led to a substantial increase in DIS operating profitability, with a strong 23% EBITDA margin on TCE Earnings achieved in Q1 2013, ten points ahead of the same period of last year.*

*The strong EBITDA performance together with a positive trend in working capital led to a significant generation of operating cash flow in the first quarter of the year, for total US\$ 16.1 million.*

*DIS has a very positive outlook on the medium/long term market perspectives and in coherence with such view we entered into contracts for the construction of two additional new "ECO" product/chemical tanker vessels, at the end of Q1 2013. This deal represents DIS' 8<sup>th</sup> vessel ordering in the last 6 months and reaffirms the Company's strategy to modernize its fleet through new buildings with eco innovative design. Thanks to this transaction DIS has further two options at Hyundai Mipo Dockyard Co. Ltd at very attractive price. This new order is also in coherence with the clear objective of the 2012 share capital increase of maintaining DIS strong financial structure while implementing a significant investment and growth plan. These vessels will be extremely efficient in fuel consumption and technically advanced. Besides the timing of the delivery of these new-buildings perfectly matches our positive market outlook. During 2012, two of the new-building vessels were fixed for five years in Time-Charter with one of the main Oil Majors, upon their delivery from the yard and at levels which will generate a profit, increasing at the same time DIS coverage.*

*In May, we agreed the sale of the Handysize product tanker vessel M/T Cielo di Londra, built in 2001 at the price of US\$ 12.250 million. This sale will reduce the average age of DIS Fleet and will generate a profit on disposal in Q2 of about US\$ 4.5 million, confirming DIS conservative fleet valuation.*

*d'Amico International Shipping as a pure Product Tanker player is well positioned in the rapidly growing Product market to take advantage of current and future market opportunities and confirms its positive outlook on the Product Tankers market in the medium term with spot rates and asset values expected to rise.'*

## OUTLOOK

We are very positive on the medium-term perspectives of the product tanker industry.

The tonne-mile demand and vessel utilization is expected to grow substantially in the years to come. In fact, the current strong trend of refineries shifting towards oil production areas, especially in Asia and the Middle East, will consolidate in the next few years and the increase of World oil demand will be supported mainly by non-OECD countries, China and India in particular.

According to the International Energy Agency, over the next five years China and India will take a leading role as products exporting countries. More products will be exported from the US and many EU refineries will shut down due to poor margins. The US has transformed itself from the World's top product importer to the second largest exporter. US product exports have averaged 3.1 million barrels per day in 2012 compared to 2.9 million in 2011 and just 1 million in 2005 and estimations are close to 4 million barrels per day by 2016. All these factors will generate a substantial increase in long-haul journeys for product tankers.

On the supply side, the effects of the current substantial orderbook of new-buildings are expected to be offset by the significant growth estimated on tonne-mile demand. In fact, the MR sector net growth is expected to only run at between 2% and 4% on average until 2016. Therefore it should remain well below the projected growth in seaborne product trade in the same period.

Considering all these factors and also according to several market researches, we expect spot rates will increase in the medium term and asset values will follow the same trend.

## OTHER RESOLUTIONS

### Novation of a Newbuilding contract on S408

The Board of Directors of DIS approved upon positive opinion of the Control and Risk Committee today the main terms and conditions in order to establish a Joint Venture Agreement with Venice and Shipping Logistics S.p.A. ("VSL"), a company participated among others by DIS ultimate parent company, d'Amico Società di Navigazione S.p.A. The Joint Venture aim is to take over one MR product tanker vessel, Hull No S408 (a "Ship") to be built by Hyundai Mipo Dockyard Co. LTD (South Korea), with delivery in 2014 and already ordered by d'Amico Tankers Limited in March 2013 as previously announced on the March 12th 2013. The Ship will be owned by a joint venture corporate vehicle ("NewCo"), to be incorporated in Malta. The stated capital of NewCo will be owned as follows: (i) 67% by VSL and (ii) 33% by DIS. NewCo will directly enter into agreements at arms' length market conditions with companies controlled, directly or indirectly, by d'Amico Società di Navigazione S.p.A., for the commercial, operational and technical management of the Ship as well as administrative management of NewCo and newbuilding supervision of the Ship.

DIS and VSL agree that the Ship will be employed either through time-charter, voyage charter contracts or through a pool managed by DIS or one of its Affiliates. This deal pursues DIS objective to continue to grow in its sector and to increase the total number of vessels under DIS direct commercial management through solid relationships and joint ventures with important market players. DIS has more than 12 years of successful experience in commercially managing third party vessels through Pool agreements and therefore wants to maximize market consolidation by capitalizing on such accumulated expertise.

*Today at 14.00 hours (CEST) DIS will hold a telephone conference. The participants should dial the following numbers: Italy: + 39 02 8058811 from the UK +44 1 212818003, from the US +1 718 7058794. The presentation slides can be downloaded before the conference call from the Investor Relations page on the DIS web site: [www.damicointernationalshipping.com](http://www.damicointernationalshipping.com). Further information: Investor Relations Manager, Anna Franchin, tel. +352 26262929*

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This press release relating to the first quarter 2013 results, which have not been audited, represents the interim management statements prepared in accordance with provisions of Art. 5 of the Luxembourg Law dated 11 January 2008, which transposed Directive 2004/109/EC of the European Parliament and of Council of 15 December 2004 in the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

This document is deposited and available at the Company's registered office, at Borsaitaliana S.p.A., at Consob, at CSSF, on [www.damicointernationalshipping.com](http://www.damicointernationalshipping.com) and at Société de la Bourse de Luxembourg S.A. (O.A.M.).

d'Amico International Shipping S.A.

Registered office at 25C Boulevard Royal, Luxembourg

Share capital US\$ 35,987,977.40 as at 31 March 2013

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## CONTENTS

<b>BOARD OF DIRECTORS AND CONTROL BODIES .....</b>	<b>4</b>
<b>KEY FIGURES .....</b>	<b>5</b>
<b>REPORT ON OPERATIONS.....</b>	<b>6</b>
<b>GROUP STRUCTURE .....</b>	<b>6</b>
<b>D'AMICO INTERNATIONAL SHIPPING GROUP .....</b>	<b>7</b>
<b>FINANCIAL REVIEW OF THE GROUP.....</b>	<b>10</b>
<b>SIGNIFICANT EVENTS OF THE FIRST QUARTER .....</b>	<b>15</b>
<b>SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK .....</b>	<b>16</b>
<b>D' AMICO INTERNATIONAL SHIPPING GROUP INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2013 .....</b>	<b>19</b>
<b>CONSOLIDATED INCOME STATEMENT .....</b>	<b>19</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....</b>	<b>19</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....</b>	<b>20</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOW .....</b>	<b>21</b>
<b>STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY .....</b>	<b>22</b>
<b>NOTES .....</b>	<b>23</b>

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## BOARD OF DIRECTORS AND CONTROL BODIES

### BOARD OF DIRECTORS

#### *Chairman*

Paolo d'Amico<sup>(1)</sup>

#### *Chief Executive Officer*

Marco Fiori<sup>(1)</sup>

#### *Directors*

Cesare d'Amico<sup>(1)</sup>

Massimo Castrogiovanni<sup>(2)</sup>

Stas Andrzej Jozwiak<sup>(3)</sup>

Giovanni Battista Nunziante

John Joseph Danilovich<sup>(2)</sup>

Heinz Peter Barandun<sup>(2)</sup>

Giovanni Barberis

(1) *Member of the Executive Committee*

(2) *Independent Director*

(3) *Lead Independent Director*

### INDEPENDENT AUDITORS

Moore Stephens Audit SARL

## KEY FIGURES

### FINANCIALS

<i>US\$ Thousand</i>	<b>Q1 2013</b>	<b>Q1 2012</b>
Time charter equivalent (TCE) earnings	50 117	44 467
EBITDA	11 530	5 771
<i>as % of margin on TCE</i>	<i>23.01%</i>	<i>12.98%</i>
EBIT	3 402	(3 196)
<i>as % of margin on TCE</i>	<i>6.79%</i>	<i>(7.19)%</i>
Net profit/(loss)	7 590	(1 459)
<i>as % of margin on TCE</i>	<i>15.14%</i>	<i>(3.28)%</i>
Earnings/ (loss) per share	US\$ 0.021	US\$ (0.010)
Operating cash flow	16 136	(2 548)
Gross CAPEX	(25 155)	(32 796)
	<b>As at 31 March 2013</b>	<b>As at 31 December 2012</b>
Total assets	656 865	676 895
Net financial indebtedness	225 639	220 706
Shareholders' equity	301 819	294 208

### OTHER OPERATING MEASURES

	<b>Q1 2013</b>	<b>Q1 2012</b>
<b>Daily operating measures</b> - TCE earnings per employment day (US\$) <sup>1</sup>	14 808	13 904
<b>Fleet development</b> - Total vessel equivalent	38.5	36.7
- Owned	21.0	19.0
- Chartered	17.5	17.7
Off-hire days/ available vessel days <sup>2</sup> (%)	2.3%	4.1%
Fixed rate contract/ available vessel days <sup>3</sup> (coverage %)	39.8%	38.3%

<sup>1</sup>This figure represents time charter ("TC") equivalent earnings for vessels employed on the spot market and time charter contracts net of commissions. Calculations exclude vessels chartered through the pools..

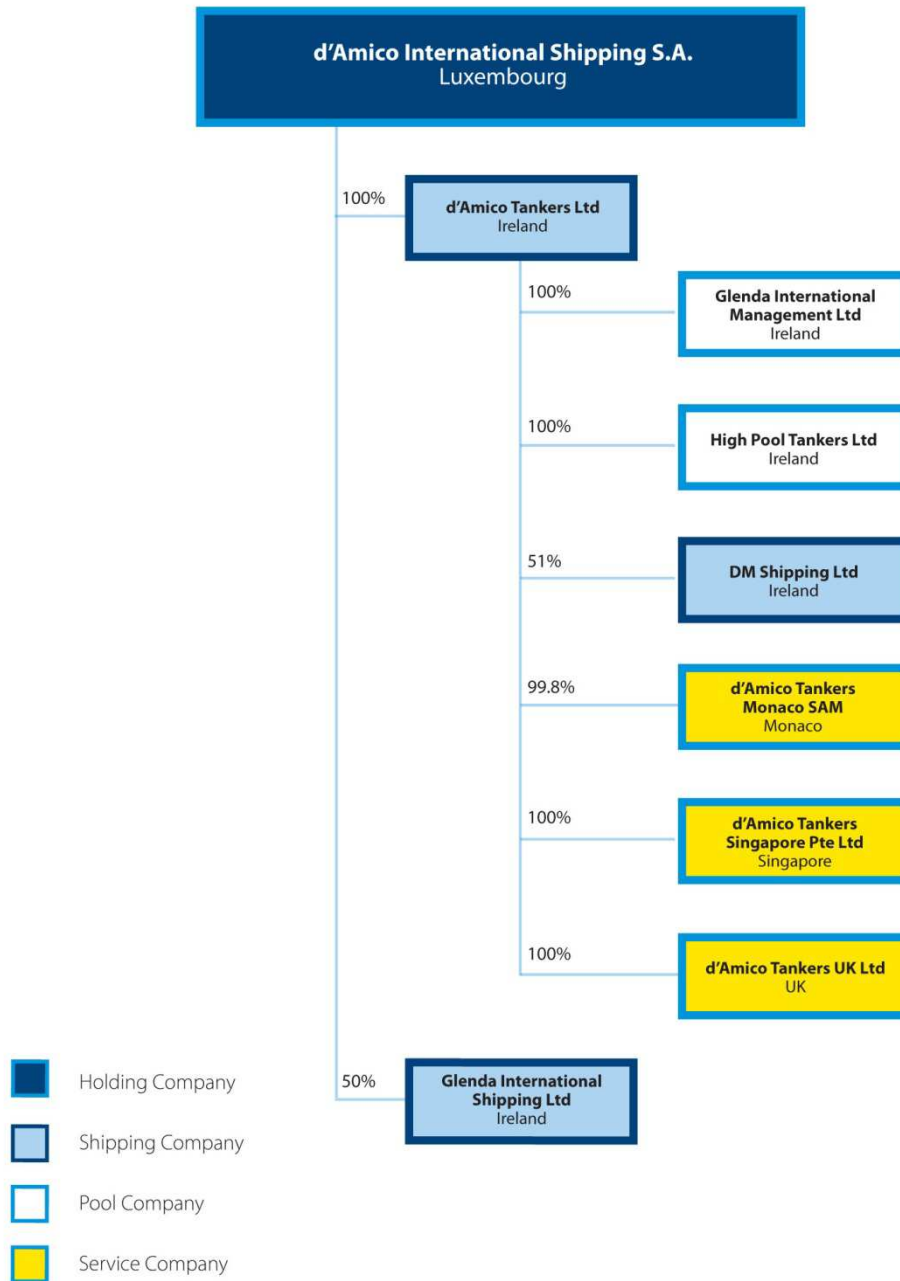
<sup>2</sup> This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

<sup>3</sup> Fixed rate contract days/available vessel days (coverage ratio): this figure represents how many vessel days were employed on time charter contracts, inclusive of off-hire days.

REPORT ON OPERATIONS

GROUP STRUCTURE

Set out below is d'Amico International Shipping Group structure:



d'Amico Tankers Singapore Pte.Ltd under liquidation

## D'AMICO INTERNATIONAL SHIPPING GROUP

d'Amico International Shipping S.A. (DIS, the Group or d'Amico International Shipping) is an international marine transportation company, part of the d'Amico Group that traces its origins to 1936. d'Amico International Shipping operates, mainly through its fully owned subsidiary d'Amico Tankers Limited (Ireland), a fleet with an average age of approximately 6.3 years, compared to an average in the product tankers industry of 9.3 years (source: Clarkson). All DIS vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to major oil companies and trading houses. All the vessels are compliant with IMO (International Maritime Organization) regulations, including MARPOL (the International Convention for the Prevention of Pollution from Ships), with the requirements of oil-majors and energy-related companies and other relevant international standards. Based on MARPOL/IMO rules, cargoes such as palm oil, vegetable oil and other chemicals can only be transported by vessels that meet certain requirements (IMO Classed). As at March 31 2013, 66% of the DIS fleet was IMO Classed, allowing the Group to transport a large range of products.

### Fleet

The following tables set forth information about the DIS fleet as at 31 March 2013, which consists of **39.5 vessels**:

<b>MR fleet</b>				
<b>Name of vessel</b>	<b>Dwt</b>	<b>Year built</b>	<b>Builder, Country</b>	<b>IMO classed</b>
<b>Owned</b>				
High Tide	51,768	2012	Hyundai Mipo, South Korea	IMO II/III
High Seas	51,678	2012	Hyundai Mipo, South Korea	IMO II/III
GLEND A Melissa <sup>1</sup>	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLEND A Meryl <sup>2</sup>	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLEND A Melody <sup>1</sup>	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLEND A Melanie <sup>2</sup>	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
GLEND A Meredith <sup>2</sup>	46,147	2010	Hyundai Mipo, South Korea	IMO II/III
High Strength <sup>3</sup>	46,800	2009	Nakai Zosen, Japan	-
GLEND A Megan <sup>1</sup>	47,147	2009	Hyundai Mipo, South Korea	IMO II/III
High Efficiency <sup>3</sup>	46,547	2009	Nakai Zosen, Japan	-
High Venture	51,087	2006	STX, South Korea	IMO II/III
High Prosperity	48,711	2006	Imabari, Japan	-
High Presence	48,700	2005	Imabari, Japan	-
High Priority	46,847	2005	Nakai Zosen, Japan	-
High Progress	51,303	2005	STX, South Korea	IMO II/III
High Performance	51,303	2005	STX, South Korea	IMO II/III
High Valor	46,975	2005	STX, South Korea	IMO II/III
High Courage	46,975	2005	STX, South Korea	IMO II/III
High Endurance	46,992	2004	STX, South Korea	IMO II/III
High Endeavour	46,992	2004	STX, South Korea	IMO II/III
High Challenge	46,475	1999	STX, South Korea	IMO II/III
High Spirit	46,473	1999	STX, South Korea	IMO II/III

<sup>1</sup> Vessels owned by GLEND A International Shipping Limited (in which DIS has 50% interest) and time chartered to d'Amico Tankers Limited

<sup>2</sup> Vessels owned by GLEND A International Shipping Limited (in which DIS has 50% interest)

<sup>3</sup> Vessels owned by DM Shipping Limited (in which DIS has 51% interest) and time chartered to d'Amico Tankers Limited

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
<b>Time chartered with purchase option</b>				
High Enterprise	45,800	2009	Shin Kurushima, Japan	-
High Pearl	48,023	2009	Imabari, Japan	-
<b>Time chartered without purchase option</b>				
High Force	53,603	2009	Shin Kurushima, Japan	-
Eastern Force	48,056	2009	Imabari, Japan	-
High Saturn	51,149	2008	STX, South Korea	IMO II/III
High Mars	51,149	2008	STX, South Korea	IMO II/III
High Mercury	51,149	2008	STX, South Korea	IMO II/III
High Jupiter	51,149	2008	STX, South Korea	IMO II/III
Hallinden <sup>4</sup>	45,990	2008	Shin Kurushima, Japan	-
Freja Hafnia	53,700	2006	Shin Kurushima, Japan	-
High Glow	46,846	2006	Nakai Zosen, Japan	-
High Energy	46,874	2004	Nakai Zosen, Japan	-
High Power	46,874	2004	Nakai Zosen, Japan	-

#### Handysize fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
<b>Owned</b>				
Cielo di Salerno	36,032	2002	STX, South Korea	IMO II/III
Cielo di Parigi	36,032	2001	STX, South Korea	IMO II/III
Cielo di Londra	35,985	2001	STX, South Korea	IMO II/III
<b>Time chartered with purchase option</b>				
Malbec	38,499	2008	Guangzhou, China	IMO II/III
Marvel	38,435	2008	Guangzhou, China	IMO II/III
<b>Time chartered without purchase option</b>				
Cielo di Guangzhou <sup>5</sup>	38,877	2006	Guangzhou, China	IMO II

<sup>4</sup> In February 2013 the vessel changed owners and name from previous 'Torm Hellerup'

<sup>5</sup> Bare-boat charter contract



## ***Fleet Employment and Partnership***

	<i>DIS' No. of Vessels</i>	<i>Total Pool Vessels</i>
Direct employment	30.0	-
High Pool (MR vessels)	9.0	12.0
GLENDIA Int. Mgmt (MR vessels)	0.5	1.0
<b>Total</b>	<b>39.5</b>	

As at March 31 2013, d'Amico International Shipping directly employed 30 Vessels: 12 MRs ('Medium Range') on fixed term contract, whilst 12 MRs and 6 Handy-size vessels are currently employed on the spot market. The Group still employs a significant portion of its controlled vessels through partnership arrangements, even if lower compared to the previous periods:

*High Pool Tankers Limited* – a Pool with JX Shipping Co. Limited, Japan (originated from the merger between Nissho Shipping Co. Limited and Yuyo Steamship Co. Limited) and Mitsubishi Corporation. It operated 12 MR product tankers as at March 31 2013. d'Amico International Shipping, through d'Amico Tankers Limited, is exclusively responsible for the Pool's commercial management, in particular chartering, vessel operations and administration.

*GLENDIA International Management Limited* – a Pool with ST Shipping (Glencore Group). Following a Pool reorganization, GLENDIA International Management Limited operated only 1 MR product tanker at the end of March 2013, owned by *GLENDIA International Shipping Limited*, a 50/50 joint venture company with the Glencore Group. This joint venture Company owns 6 MR vessels, delivered between August 2009 and February 2011.

DIS also established another joint venture agreement, *DM Shipping Limited*, with Mitsubishi Group. The Company owns two MR vessels, delivered in 2009.

d'Amico International Shipping is part of the d'Amico Group, one of the world's leading privately-owned marine transportation companies with over 70 years of experience in the shipping business, whose ultimate parent company is d'Amico Società di Navigazione S.p.A. (Italy). Today, the entire d'Amico Group controls 79.5 owned and chartered-in vessels, of which 39.5 are part of the DIS fleet, operating in the product tanker market, while the remaining 40 vessels are mainly dry-bulk carriers controlled by d'Amico Dry Limited and d'Amico Shipping Italia S.p.A. d'Amico International Shipping benefits from a strong brand name and a well-established reputation in the international markets due to the long operating history of the d'Amico Group. In addition, it benefits from the expertise of the d'Amico Group, which provides support for technical management services, as well as safety, quality and technical products and services to DIS' vessels, including crewing and insurance arrangements.

d'Amico International Shipping has offices in Luxembourg, Dublin, London, Monaco and Singapore. As at March 31 2013, the group employed 520 seagoing personnel and 32 onshore personnel.

## FINANCIAL REVIEW OF THE GROUP

### Summary of the results in the first quarter of 2013

The Global economic prospects have improved again but the road to recovery in advanced economies remains bumpy. Global financial conditions appeared to improve throughout the last quarter. Over the past six months, advanced economy policymakers have successfully defused two of the biggest short-term threats to the global recovery, the threat of a euro area breakup and a sharp fiscal contraction in the United States caused by a plunge off the “fiscal cliff.” Growth in a number of major emerging market economies in 2012 has been lower than forecast, but activity has once again picked up. The IMF, in their recent World Economic outlook, expects World output growth to reach 3.5% in 2013 and 4% in 2014.

Overall, product tanker spot earnings in the fourth quarter of 2012 and Q1 2013 improved with average earnings for the quarter reaching levels that have not been achieved since the early part of 2009. The Product Tanker demand improved on the back of a more balanced demand / supply and continued demand in South America and sub Saharan Africa. Refinery closures and improved demand in Australia resulted in the Far Eastern markets remaining firm.

General sentiment has improved as the Product tanker period market became very active in the first quarter, as more charterers sought to take period coverage. Time Charter business is a very good barometer of sentiment and as activity has accelerated we can see the drastic improvement in positive sentiment for the Product tanker sector.

The strong recovery of the product tanker market in the first quarter of 2013, allowed DIS to realize a Net Profit of US\$ 7.6 million in the same period. This is the second consecutive quarterly profit for DIS and the best quarterly result in almost 4 years.

The very positive trend registered at TCE Earnings level combined with the cost efficiencies achieved during the period, led to a substantial increase in DIS operating profitability. In fact, EBITDA was of US\$ 11.5 million in Q1 2013 vs. US\$ 5.8 million realized in the same quarter of last year and a strong 23% ‘EBITDA margin on TCE Earnings’ was achieved in Q1 2013 compared to 13% in the same period of last year.

The improved EBITDA performance together with a positive trend in working capital resulted in a significant generation of operating cash flow of US\$ 16.1 million in Q1 2013 compared to US\$ 2.5 million operating cash outflow in the same quarter of last year.

DIS Q1 2013 Net Result benefited also from a strong treasury performance and the gain arising from the US Dollar conversion of the Japanese Yen denominated debt.

At the end of Q1 2013, DIS ordered two additional fuel efficient ‘Eco’ new-building product/chemical tankers (50,000 dwt Medium Range) at Hyundai Mipo Dockyard Co. Ltd. – South Korea, at a very attractive price and expected to be delivered in 2014. This deal represents DIS’ 8<sup>th</sup> vessel ordering in the last 6 months and reaffirms the Company’s strategy to modernize its fleet through new buildings with eco innovative design. This new order is also in coherence with the clear objective of the 2012 share capital increase of maintaining DIS strong financial structure while implementing a significant investment and growth plan.

## Operating Performance

<i>US\$ Thousand</i>	<b>Q1 2013</b>	<b>Q1 2012</b>
Revenue	79 475	77 711
Voyage costs	(29 358)	(33 244)
<b>Time charter equivalent earnings</b>	<b>50 117</b>	<b>44 467</b>
Time charter hire costs	(21 282)	(22 433)
Other direct operating costs	(14 504)	(12 987)
General and administrative costs	(2 923)	(3 872)
Other operating Income	123	596
<b>Gross operating result / EBITDA</b>	<b>11 531</b>	<b>5 771</b>
Depreciation	(8 128)	(8 967)
<b>Operating result / EBIT</b>	<b>3 402</b>	<b>(3 196)</b>
Net financial income (charges)	4 848	1 883
<b>Profit / (loss) before tax</b>	<b>8 251</b>	<b>(1 313)</b>
Income taxes	(661)	(146)
<b>Net profit / (loss)</b>	<b>7 590</b>	<b>(1 459)</b>

**Revenue** in Q1 2013 was US\$ 79.5 million compared to US\$ 77.7 million realized in Q1 2012. The increase in gross revenues compared to the same period of 2012 was mainly due to the much better product tanker market scenario in 2013 together with a higher average number of vessels in the period (Q1 2013: 38.5 vs. Q1 2012: 36.7). The off-hire days percentage in Q1 2013 (2.3%) was lower than the same period of the previous year (4.1%), mainly due to the timing of dry-docks.

**Voyage costs** reflected the vessel employment mix, in the form of spot and time charter contracts. These costs, which occur only for the vessel employed on the spot market, amounted to US\$ 29.4 million in 2013 vs. US\$ 33.2 million in Q1 2012. Such decrease is mainly in relation to the higher volume of *short time charters* performed in Q1 2013 compared to the same period of last year and partially to a spike in bunker prices occurred in Q1 2012.

**Time charter equivalent earnings** were US\$ 50.1 million in Q1 2013, considerably higher compared to US\$ 44.5 million in the same period of last year.

As shown in the table below, the increase of TCE Earnings compared to the previous year was clearly driven by the surge in DIS Average Daily Spot Return, on the back of solid product tanker rates experienced in the first quarter of the current year. The **Daily Average Spot Return** of **US\$ 14,272** achieved in Q1 2013 (Q1 2012: US\$ 12,623), was the best spot market result for DIS in 15 consecutive quarters.

At the same time and according to its strategy, DIS maintained a considerable level of 'coverage' (fixed contracts) throughout Q1 2013, securing an average of 39.8% of its revenue at an Average Daily Fixed Rate of US\$ 15,620. Other than securing revenue and supporting the operating cash flow generation, these contracts pursue the objective of strengthening DIS historical relationships with the main oil majors, which is one the pillars of its commercial strategy.

<i>DIS TCE daily rates</i>	<i>Q1 2012</i>	<i>Q2 2012</i>	<i>Q3 2012</i>	<i>Q4 2012</i>	<i>Q1 2013</i>
<i>(US Dollars)</i>					
Spot	12,623	10,872	11,226	12,113	14,272
Fixed	15,972	15,956	15,819	15,728	15,620
<b>Average</b>	<b>13,904</b>	<b>12,753</b>	<b>12,887</b>	<b>13,344</b>	<b>14,808</b>

**Time charter hire costs** relate to the chartered-in vessels and amounted to US\$ 21.3 million in Q1 2013 vs. US\$ 22.4 million in Q1 2012. The average number of chartered-in vessels was substantially stable compared to the same period of last year (Q1 2013: 17.5 vs. Q1 2012: 17.7). However the daily cost for the chartered-in fleet slightly decreased compared to Q1 2012, thanks to the expiration of some old contracts replaced with new ones at better market conditions.

**Other direct operating costs** mainly consist of crew, technical, luboil and insurance expenses relating to the operation of owned vessels. These costs were US\$ 14.5 million in Q1 2013 vs. US\$ 13.0 million in Q1 2012. The increase in absolute values compared to the previous year, was only related to the fleet growth (21.0 owned vessels in Q1 2013 vs. 19.0 in Q1 2012), while daily costs are substantially in line. The operating costs are constantly monitored, while focusing on crew with appropriate skills, high SQE (Safety, Quality & Environment) standards and remaining in full compliance with very stringent market regulations. Maintaining a 'high quality' profile of the fleet represents an essential part of the d'Amico vision and strategy.

The **General and administrative costs** were US\$ 2.9 million in Q1 2013 vs. US\$ 3.9 million in the same period of last year. These costs mainly relate to on-shore personnel, together with premises costs, consultancies, travel and others. The positive trend (25% reduction) is mainly explained by the accurate cost management activity carried out by DIS, focused '*inter alia*' on the ashore personnel cost saving targets.

**Other operating income** amounted to US\$ 0.1 million in Q1 2013 (US\$ 0.6 million in Q1 2012). The balance refers to chartering commissions from third parties vessels operated through pools.

**EBITDA** for Q1 2013 amounted to US\$ 11.5 million vs. US\$ 5.8 million in Q1 2012. As disclosed above, this result was mainly driven by the increase in TCE Earnings combined with a positive performance achieved also on the cost side. Therefore Q1 2013 EBITDA margin on TCE Earnings was 23% compared to 13% in Q1 2012.

**Depreciation** and impairment amounted to US\$ 8.1 million in Q1 2013 vs. US\$ 9.0 million in Q1 2012. The depreciation charges decrease compared to last year was mainly due to the write down of the fleet net book value carried out in 2012.

**EBIT** for the first three months of the year was positive for US\$ 3.4 million, compared to the operating loss of US\$ 3.2 million booked in the same period of last year.

**Net financial charges** were positive for US\$ 4.8 million in Q1 2013 vs. US\$ 1.9 million in Q1 2012. DIS derived the aforesaid gain mainly on the US Dollar conversion of the loans denominated in Japanese Yen (Q1 2013: US\$ 3.9 million vs. Q1 2012: US\$ 3.2 million) and on the strong treasury performance realized in the period (Q1 2013: US\$ 2.9 million vs. Q1 2012: US\$ 0.5 million). The Group exposure to the Yen is constantly monitored and actively managed by an adequate financial policy.

The Company's **Profit before tax** for Q1 2013 was US\$ 8.3 million vs. a loss of US\$ 1.3 million posted in Q1 2012.

**Income taxes** amounted to US\$ 0.7 million in Q1 2013 compared to US\$ 0.1 million in the same quarter of last year.

The **Net Profit** for Q1 2013 was US\$ 7.6 million compared to a Net Loss of US\$ 1.5 million in Q1 2012.

## Consolidated Statement of Financial Position

<i>(US\$ Thousand)</i>	As at 31 March 2013	As at 31 December 2012
<b>ASSETS</b>		
Non current assets	515 251	498 922
Current assets	141 614	177 973
<b>Total assets</b>	<b>656 865</b>	<b>676 895</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Shareholders' equity	301 819	294 208
Non-current liabilities	279 416	288 787
Current liabilities	75 630	93 900
<b>Total liabilities and shareholders' equity</b>	<b>656 865</b>	<b>676 895</b>

**Non-current assets** mainly relate to the DIS owned vessels net book value. According to the valuation report provided by a primary broker, the estimated market value of the DIS owned fleet including the portions relating to the newbuildings under construction is of US\$ 466.4 million as at March 31 2013, compared to a net book value of US\$ 514.4 million.

**Gross Capital expenditures** in 2013 were US\$ 25.2 million. This amount mainly comprises the installments paid on the eight newbuilding vessels recently ordered and under construction at Hyundai-Mipo. Dry-dock costs pertaining to owned vessels are also included in capitalized costs.

**Current assets** as at 31 March 2013 were US\$ 141.6 million. Other than the working capital items, inventories and trade receivables amounting to US\$ 15.0 million and US\$ 41.7 million respectively, current assets include cash on hand of US\$ 84.9 million.

**Non-current liabilities** (US\$ 279.4 million) consist of the long-term portion of debt due to banks, disclosed under the following section (Net Indebtedness).

The balance of **Current liabilities**, other than the debt due to banks and other lenders (see the following section), includes the working capital items amounting to US\$ 43.3 million, essentially relating to trade and other payables.

The **Shareholders' equity** balance as at March 31 2013 was of US\$ 301.8 million (US\$ 294.2 million as at December 31 2012). The variance with the previous year was primarily due to the Net Profit realized in the first quarter of the current year.

## Net Indebtedness

Net debt as at March 31 2013 amounted to US\$ 225.6 million vs. US\$ 220.7 million at the end of 2012. The ratio of net debt to shareholders equity was of 0.75 at the end of the first quarter of the year.

<i>US\$ Thousand</i>	<b>As at 31 March 2013</b>	<b>As at 31 December 2012</b>
<b>Liquidity</b>		
Cash and cash equivalents	84 945	117 617
<b>Current financial assets</b>	-	757
<b>Total current financial assets</b>	<b>84 945</b>	<b>118 374</b>
<b>Bank loans – current</b>	28 933	28 160
<b>Other current financial liabilities</b>		
Due to third parties	2 236	22 133
<b>Total current financial debt</b>	<b>31 169</b>	<b>50 293</b>
<b>Net current financial debt</b>	<b>(53 776)</b>	<b>(68 081)</b>
<b>Bank loans non-current</b>	275 599	284 264
<b>Other non-current financial liabilities</b>		
Due to third parties	3 817	4 523
<b>Total non-current financial debt</b>	<b>279 416</b>	<b>288 787</b>
<b>Net financial indebtedness</b>	<b>225 640</b>	<b>220 706</b>

*Cash and cash equivalents* is US\$ 84.9 million at the end of March 2013. The proceeds raised through the Share Capital increase, allow DIS to maintain a strong financial structure throughout its significant investment plan.

The total outstanding bank debt (*Bank loans*) as at March 31 2013 amounted to US\$ 304.5 million, of which US\$ 28.9 million is due within one year. DIS debt structure is based on the following facilities granted to d'Amico Tankers Limited (Ireland), the key operating company of the Group: (i) Crédit Agricole 10 years revolving facility (syndicated by other banking institutions) of US\$ 139.2 million; (ii) Mizuho syndicated loan facility of US\$ 18.2 million; (iii) Crédit Agricole and DnB NOR Bank seven years term loan facility to finance the two newbuilding MR vessels delivered in H1 2012 for total US\$ 43.2 million; (iv) Danish Ship Finance 18 months term loan facility to finance the purchase of the second-hand vessel M/T High Prosperity, purchased in H1 2012, for US\$ 11.4 million. DIS debt also comprises of the share of the loans existing at the two joint ventures level, GLENDA International Shipping Ltd and DM Shipping Ltd: (i) Commerzbank AG Global Shipping and Credit Suisse loans of US\$ 71.9 million for the six Glenda International Shipping Ltd vessels, delivered between 2009 and 2011; (ii) Mitsubishi UFJ Lease loan of US\$ 20.6 million for the financing of the two DM Shipping Ltd vessels delivered in 2009.

In Q1 2013, DIS fully reimbursed the US\$ 20 million subordinated loan granted by its parent company d'Amico International S.A. in September 2012 and previously shown under *Other current financial liabilities*. Further, US\$ 6.1 million of negative valuation of derivatives hedging instruments (essentially interest rate swap agreements – IRS) are shown under *Other Financial Liabilities*.

## Cash Flow

DIS net cash flow for Q1 2013 was negative for US\$ 32.9 million due to US\$ 25.2 million Gross Capital Expenditures and US\$ 20.0 million subordinated loan reimbursement.

<i>US\$ Thousand</i>	<b>Q1 2013</b>	<b>Q1 2012</b>
Cash flow from operating activities	16 136	(2 547)
Cash flow from investing activities	(25 155)	(32 796)
Cash flow from financing activities	(23 924)	29 226
<b>Change in cash balance</b>	<b>(32 943)</b>	<b>(6 117)</b>
Net decrease in cash and cash equivalents	(32 943)	(6 117)
Cash and cash equivalents at the beginning of the period	117 617	51 068
Exchange gain/(loss) on cash and cash equivalents	271	(202)
<b>Cash and cash equivalents at the end of the period</b>	<b>84 945</b>	<b>44 749</b>

**Cash flow from operating activities** in the first three months of the current year was positive for US\$ 16.1 million (Q1 2012: cash outflow of US\$ 2.5 million). Such significant cash flow generation was the result of the good EBITDA performance, as previously disclosed, together with a positive trend in working capital.

The net **Cash flow from investing activities** of US\$ 25.2 million (outflow) in Q1 2013 and it was made up of the capital expenditures in connection with the installments paid on the eight newbuilding vessels recently ordered and under construction at Hyundai-Mipo, as well as dry-dock expenses.

**Cash flow from financing activities** was negative for US\$ 23.9 million in Q1 2013 and it includes US\$ 20 million full repayment of the subordinated loan granted in Q3 2012 by DIS' parent company d'Amico International S.A., together with the scheduled bank debt repayments for total US\$ 3.9 million.

## SIGNIFICANT EVENTS OF THE FIRST QUARTER

During the first quarter of 2013 the following main events occurred in the activity of d'Amico International Shipping Group:

### **d'Amico Tankers Limited:**

- **Order of two more 'Eco' design Product Tankers:** in March 2013, d'Amico International Shipping S.A., announced that its operating subsidiary d'Amico Tankers Limited (Ireland), will enter into contracts for the construction of two additional new product/chemical tanker vessels (Hulls S408 and S409 - 50,000 dwt Medium Range) with Hyundai Mipo Dockyard Co. Ltd. – Korea, expected to be delivered at the end of H1 2014, for a consideration of less than US\$ 29.0 million each. d'Amico Tankers Limited was also offered with an option for two further vessels, under similar terms and conditions, to be exercised by April 2013. The above two newbuildings vessels are the latest IMO II MR design with the highest fuel efficiency. The design is the utmost HMD concept of hull shape and propulsion efficiency leading to a fuel saving of 6 -7 T /day compare to the average consumption of world existing MR fleet. The vessels will have an attained Energy Design Index (EEDI) falling already well within the IMO phase-in 3 requirement due for vessels to be built after Jan 1st 2025, being of 31,5% lower than the current IMO reference line.
- **'Time Charter-Out' Fleet:** In March 2013 d'Amico Tankers Limited renewed for two more years three Time Charter-Out contracts with a main oil-major, which were due to expire in the course of 2013. These contracts further consolidate DIS historical relationships with the oil-majors and were renewed at levels which will generate a positive operating cash flow.

- **'Time Charter-In' Fleet:** In January 2013, M/T High Nefeli, a Medium Range (MR) vessel built in 2003 and Time Chartered-In by d'Amico Tankers Limited since 2003 was redelivered back to her Owners.

Also, in January 2013, the contract on M/T Freja Hafnia, a Medium Range (MR) vessel built in 2006 and delivered to d'Amico Tankers Limited in January 2012 for a 1 year time charter period, was extended until January 2015.

In February 2013, M/T Torm Hellerup, a Medium Range (MR) vessel built in 2008 and delivered to d'Amico Tankers Limited in May 2012 for a 1 year time charter period, with an option for a further 1 year, changed name into M/T Hallinden, upon change in her ownership.

In February 2013, the contract on M/T Eastern Force, a Medium Range (MR) vessel built in 2009 and delivered to d'Amico Tankers Limited in April 2012 for a 1 year time charter period, was extended until April 2014, with an option for a further 1 year time charter period.

#### GLENDA International Shipping Limited:

**'Time Charter-Out' Fleet:** In March 2013 GLENDA International Shipping Limited, a 50/50 joint venture company between DIS and the Glencore Group, withdrew 5 of its 6 owned vessels from the Pool managed by GLENDA International Management Limited and Time Charter-out 3 vessels to d'Amico Tankers Limited and 2 vessels to ST Shipping (Glencore Group).

### SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

#### d'Amico Tankers Limited:

- **Vessel Sale:** In May 2013, d'Amico Tankers Limited agreed the sale of the Handysize product tanker vessel M/T Cielo di Londra, built in 2001 by STX, South Korea at the price of US\$ 12.3 million. This sale will reduce the average age of DIS Fleet and will generate a profit on disposal in Q2 of about US\$ 4.5 million, confirming DIS conservative fleet valuation. The Vessel is expected to be delivered to the new owners in Q2 and the effect of the transaction will be recognized in the financial statements at that time.
- **'Time Charter-In' Fleet:** In April 2013, M/T Citrus Express, a Medium Range (MR) vessel built in 2006, was delivered to d'Amico Tankers Limited for a 1 year time charter period.

In April 2013, M/T Carina, a Medium Range (MR) vessel built in 2010, was delivered to d'Amico Tankers Limited for 3 years' time charter period.

#### GLENDA International Shipping Limited:

**'Time Charter-Out' Fleet:** In April 2013 GLENDA International Shipping Limited, a 50/50 joint venture company with the Glencore Group, withdrew its 6<sup>th</sup> vessel from the Pool managed by GLENDA International Management Limited and Time Charter-out same to ST Shipping (Glencore Group).

The profile of d'Amico International Shipping's vessels on the water is summarized as follows.

	As at 31 March 2013			As at 7 May 2013		
	MR	Handysize	Total	MR	Handysize	Total
Owned	18.0	3.0	21.0	18.0	3.0	21.0
Time chartered	15.5	3.0	18.5	17.5	3.0	20.5
Total	33.5	6.0	39.5	35.5	5.0	41.5



## Business Outlook

Annual demand growth is now projected at 795,000 b/d (0.9%). A weak macroeconomic environment is expected to keep demand growth relatively subdued for the remainder of the year.

Going into Q2, planned Refinery maintenance draws to a close and Product supply should come back on line. Markets should remain relatively firm provided demand does not have any major correction.

Gasoline and other imports into the United States have continued to contract and have decreased demand for Product tankers into the United States eastern seaboard. However this has been more than offset by the continued growth in exports from the United States Gulf that has maintained utilisation rates.

Overall European refining margins, averaged at US Dollars 5.46 a barrel in end of Q1, compared with US Dollars 22.83 a barrel in the United States, where refiners enjoy significantly lower crude prices. This fact makes the US products prices very competitive in the Global trading market.

Despite Chinese domestic product demand having receded, their diesel exports rose to the highest level in almost three years in March and gasoline shipments climbed to a one-year high.

The short term view is bearish under the continued uncertain economic conditions. Despite signs of improvement, weak macroeconomic conditions are forecast to keep global oil demand growth marginal. Concerns over the current European economies still prevail. The longer term view is positive but any substantial improvement in demand is unlikely and the current Economic environment could easily moderate any growth potential. However this being said, d'Amico International Shipping maintains a cautious approach going into this quarter.

The key drivers that should affect the product tanker freight markets and d'Amico International Shipping performance are (1) Global oil demand (2) worldwide GDP growth and (3) the large modern fleet. The factors that could mitigate and partially off-set the current scenario for the Product Tanker demand and supply in the longer term are disclosed in more details below:

### ***Product Tanker Demand***

- Product Tanker demand is not being driven by any marked increase in actual Oil Product demand but the actual distance the products are moving (tonne mile). As most of the new refineries are situated close to the well head the products are being transported greater distances.
- India alone exported 125,000 barrels per day to Europe and 70,000 barrels per day to Latin America in 2012 and is set to increase in coming years
- Chinese refinery crude distillation capacity will increase by close to two and a half million barrels per day by 2016. This expansion will exceed domestic demand forecast. This will result in excess Product capacity and continued exports.
- New capacity in Latin America and Africa will fall short of any projected growth and thus will require imports in the foreseeable future.
- OECD refinery rationalisation is still going on with close to 2 million barrels per day capacity under review for closure or sale.
- The US has transformed itself from the world's top product importer to its second largest product exporter, surpassed only by Russia. US product exports have averaged 3.1 million barrels per day in 2012, compared with 2.9 in 2011 and just 1 million barrels per day in 2005. Exports are forecast to grow to close to 4 million barrels per day by 2016.
- Forward demand projection remains firm as Time Charter activity is growing with some 45 contracts concluded year to date in the MR segment (29,999-50,000 deadweight).

### ***Product Tanker supply***

- The forward order book has been boosted by the additional orders placed in 2012 and some speculation that 60 new buildings have been contracted this year alone.

- This substantial ordering has raised concerns in this sector however this is offset by projected tonne mile growth.
- Slippage, cancellations and conversions should continue to be a significant factor in the new buildings. The average slippage has been around 35% over the last 5 years.
- The Order book on paper for 2013 according to various broking sources could range between 86 and 134 Ships, however based on experience over the last five years we would expect actual deliveries to be at the lower end of the range.
- Close to 30 ships have been delivered this year of which 15 were delivered in January. This coupled with 10 ships been removed adds up to a manageable supply growth.
- The MR Sector net growth should still only run at between 2% and 4% on average till 2016. Therefore it should remain below the projected growth in seaborne Product trade in the same period.
- Obtaining suitable financing is still a major factor and is not that readily available. There is still a certain amount of speculation that all the ships ordered will be delivered.
- A gradual increase in utilization rates, slow steaming and port congestion is having a positive effect on supply. As demand improves we would expect utilization rates to on average exceed 80% between 2013 and 2015 up from the low of 75% in 2008.
- Crude runs are constantly been revised downwards and longer haul product exports from emerging markets are effectively reducing the available supply of tonnage and are expected to increase.

**D' AMICO INTERNATIONAL SHIPPING GROUP**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2013**

**CONSOLIDATED INCOME STATEMENT**

<i>US\$ Thousand</i>	<b>Q1 2013</b>	<b>Q1 2012</b>
Revenue	79 475	77 711
Voyage costs	(29 358)	(33 244)
<b>Time charter equivalent earnings</b>	<b>50 117</b>	<b>44 467</b>
Time charter hire costs	(21 282)	(22 433)
Other direct operating costs	(14 504)	(12 987)
General and administrative costs	(2 923)	(3 872)
Other operating income	123	596
<b>EBITDA</b>	<b>11 531</b>	<b>5 771</b>
Depreciation	(8 128)	(8 967)
<b>EBIT</b>	<b>3 403</b>	<b>(3 196)</b>
Net financial income (charges)	4 848	1 883
<b>Profit / (loss) before tax</b>	<b>8 251</b>	<b>(1 313)</b>
Income taxes	(661)	(146)
<b>Net profit / (loss)</b>	<b>7 590</b>	<b>(1 459)</b>
<i>The net result is entirely attributable to the equity holders of the Company</i>		
<b>Earnings / (loss) per share</b>	<b>0.021</b>	<b>(0.0097)</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>US\$ Thousand</i>	<b>Q1 2013</b>	<b>Q1 2012</b>
Profit / (loss) for the period	7 590	(1 459)
Cash flow hedges	762	397
<b>Total comprehensive income for the period</b>	<b>8 352</b>	<b>(1 062)</b>
<b>Earnings / (loss) per share</b>	<b>0.023</b>	<b>(0.007)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>US\$ Thousand</i>	As at 31 March 2013	As at 31 December 2012
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible assets	515 251	498 922
<b>Total non-current assets</b>	<b>515 251</b>	<b>498 922</b>
<b>Current assets</b>		
Inventories	14 999	20 221
Receivables and other current assets	41 670	39 378
Current financial assets	-	757
Cash and cash equivalents	84 945	117 617
<b>Total current assets</b>	<b>141 614</b>	<b>177 973</b>
<b>Total assets</b>	<b>656 865</b>	<b>676 895</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	35 988	35 988
Retained earnings	20 029	12 439
Other reserves	245 802	245 781
<b>Total shareholders' equity</b>	<b>301 819</b>	<b>294 208</b>
<b>Non-current liabilities</b>		
Banks and other lenders	275 599	284 264
Other non-current financial liabilities	3 817	4 523
<b>Total non-current liabilities</b>	<b>279 416</b>	<b>288 787</b>
<b>Current liabilities</b>		
Banks and other lenders	28 933	28 160
Amounts due to parent company	-	20 000
Payables and other current liabilities	43 273	43 009
Other current financial liabilities	2 236	2 178
Current taxes payable	1 188	553
<b>Total current liabilities</b>	<b>75 630</b>	<b>93 900</b>
<b>Total shareholders' equity and liabilities</b>	<b>656 865</b>	<b>676 895</b>

## CONSOLIDATED STATEMENT OF CASH FLOW

<i>US\$ Thousand</i>	<b>Q1 2013</b>	<b>Q1 2012</b>
<b>Profit / (loss) for the period</b>	<b>7 590</b>	<b>(1 459)</b>
Depreciation and amortisation	8 128	8 967
Current and deferred income tax	661	146
Financial charges	(978)	1 853
Fair value gains on foreign currency retranslation	(3 871)	(3 174)
Other non-cash items	(43)	(562)
<b>Cash flow from operating activities before changes in working capital</b>	<b>11 487</b>	<b>5 771</b>
Movement in inventories	5 222	(911)
Movement in amounts receivable	(2 292)	(3 496)
Movement in amounts payable	1 968	(3 145)
Taxes paid	(8)	(54)
Net financial charges paid	(241)	(712)
<b>Net cash flow from operating activities</b>	<b>16 136</b>	<b>(2 547)</b>
Acquisition of fixed assets	(25 155)	(32 796)
<b>Net cash flow from investing activities</b>	<b>(25 155)</b>	<b>(32 796)</b>
Movement in other financial assets	-	5 798
Movement in other financial payable	(20 000)	-
Bank loan repayments	(3 924)	(3 685)
Bank loan draw-downs	-	27 113
<b>Net cash flow from financing activities</b>	<b>(23 924)</b>	<b>29 226</b>
<b>Change in cash balance</b>	<b>(32 943)</b>	<b>(6 117)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(32 943)</b>	<b>(6 117)</b>
Cash and cash equivalents at the beginning of the period	117 617	51 068
Exchange gain (loss) on cash and cash equivalents	271	(202)
<b>Cash and cash equivalents at the end of the period</b>	<b>84 945</b>	<b>44 749</b>

## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>US\$ Thousand</i>	Share capital	Retained earnings	Other Reserves <i>Other</i>	Cash-Flow hedge	Total
<b>Balance as at 1 January 2013</b>	<b>35 988</b>	<b>12 439</b>	<b>252 437</b>	<b>(6 656)</b>	<b>294 208</b>
Other changes	-	-	(741)	-	(741)
Total comprehensive income	-	7 590	-	762	8 352
<b>Balance as at 31 March 2013</b>	<b>35 988</b>	<b>20 029</b>		<b>(5 894)</b>	<b>301 819</b>

<i>US\$ Thousand</i>	Share capital	Retained earnings	Other Reserves <i>Other</i>	Cash-Flow hedge	Total
<b>Balance as at 1 January 2012</b>	<b>149 950</b>	<b>118 433</b>	<b>54 715</b>	<b>(7 617)</b>	<b>315 481</b>
Other changes	-	-	8	-	8
Total comprehensive income	-	(1 459)	-	397	(1 062)
<b>Balance as at 31 March 2012</b>	<b>149 950</b>	<b>117 483</b>	<b>54 723</b>	<b>(7 220)</b>	<b>314 427</b>

## NOTES

The financial statements have been prepared in accordance with provisions of Art. 5 of the Luxembourg Law dated 11 January 2008, which transposed Directive 2004/109/EC of the European Parliament and of Council of 15 December 2004 in the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

The d'Amico International Shipping Group has adopted International Financial Reporting Standards (IFRS – International Financial Reporting Standards and IAS – International Accounting Standards) as issued by the 'IASB' (International Accounting Standards Board) and adopted by the European Union. The designation 'IFRS' also includes all 'IAS', as well as all interpretations of the International Financial Reporting Interpretations Committee 'IFRIC', formerly the Standing Interpretations Committee SIC as adopted by the European Union.

The d'Amico International Shipping Group has adequate resources to continue in operational existence for the foreseeable future; accordingly, the financial statements have been prepared on a going concern basis.

The financial statements are expressed in U.S. Dollars, being the functional currency of the Company and its principal subsidiaries.

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### 1. ACCOUNTING POLICIES

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The financial statements present the results of the parent company, d'Amico International Shipping SA, and its subsidiaries for the period ended 31 March 2013. The accounting policies have been consistently applied.

The Company - according to the provisions of article 36, paragraph 1, letter b) and c) and paragraph 2, of the Consob Regulation in force implementing the provisions on Markets, although the above provisions are not applicable to the Company - obtained from its controlled subsidiaries established and regulated under the law of non-European Union countries and considered relevant as per the Consob Regulation in force implementing the provisions on Issuers both the relevant articles of association and the composition and powers of their controlling bodies. Moreover, the Company duly assessed that the above mentioned companies have adopted an internal audit system adequate for the regular submission to the management and to the auditors of the Company of the economic and financial data necessary for the compilation of the consolidated financial statements of the Company and so that the Company's auditor can perform its annual and interim audit of the accounts of the Company.

#### Basis of Consolidation

The financial statements present the consolidated results of the parent company, d'Amico International Shipping SA, and its subsidiaries for the year ended 31 March 2013.

#### Critical Accounting Judgments and Key Estimates

The preparation of the financial statements requires Directors to make accounting estimates and in some cases assumptions in the application of accounting principles. The Directors' decisions are based on historical experience as well as on expectations associated with the realisation of future events, considered reasonable under the circumstances. Critical accounting estimates and judgments are exercised in all areas of the business.

#### Segment Information

d'Amico International Shipping only operates in one business segment: Product Tankers. With reference to geographical area, the Group only has one geographical segment, considering the global market as a whole, and the fact that individual vessels deployment is not limited to a specific area of the world.

## Accounting principles

There are no new International Financial Reporting Standards or IFRICs applicable to this quarterly financial report with respect to those applied for 31 December 2012 year end.

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## 2. COMMITMENTS AND CONTINGENCIES

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### Capital commitments

As at March 31 2013, the Group's capital commitments amounted to US\$ 211.6 million, of which payments over the next 12 months amounted to US\$ 120.3 million.

<i>US\$ Million</i>	<b>As at 31 March 2013</b>	<b>As at 31 December 2012</b>
Within one year	120.3	37.6
Between 1 – 3 years	91.3	141.3
Between 3 – 5 years	-	-
More than 5 years	-	-
	<hr/> <b>211.6</b>	<hr/> <b>178.9</b>

Capital commitments relate to the payment for: 2 Hyundai-Mipo dockyard 40,000 dwt Product/chemical tanker new-building vessels, 4 Hyundai-Mipo dockyard 50,000 dwt Product/chemical tanker new-building vessels and for further 2 Hyundai-Vinashin dockyard 50,000 dwt Product/chemical tanker new-building vessels, whose delivery is expected in 2014.

7 May 2013

On behalf of the Board

*Paolo d'Amico*  
Chairman

*Marco Fiori*  
Chief Executive Officer

The manager responsible for preparing the company's financial reports, Giovanni Barberis, in his capacity of Chief Financial Officer of the Company, declares that the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the Company.

*Giovanni Barberis*  
Chief Financial Officer



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## CONTACTS

### Investor Relations

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