PRESS RELEASE

The Board of Directors of d'Amico International Shipping S.A. approves FY 2018 Results:

'DIS REGISTERED A NET LOSS OF US$ (55.1) MILLION IN 2018, DUE TO A VERY WEAK PRODUCT TANKER MARKET. HOWEVER, ALL THE INDUSTRY FUNDAMENTALS ARE VERY STRONG AND SIGNIFICANT SIGNS OF IMPROVEMENT ARE APPARENT SINCE END OF 2018 AND GOING INTO THE NEW YEAR. REGULATORY CHANGES TO BUNKER FUELS FROM JANUARY 2020 EXPECTED TO CREATE PENT-UP DEMAND FOR OUR VESSELS ALREADY FROM THE SECOND HALF OF 2019.

DIS' FOCUS REMAINS ON STRENGTHENING ITS FINANCIAL STRUCTURE, ALSO THROUGH THE US$ EQUIVALENT OF EURO 44 MILLION SHARE CAPITAL INCREASE APPROVED TODAY AND 100% GUARANTED BY THE MAJOR SHAREHOLDER, SO AS TO BENEFIT FROM THE UPCOMING MARKET RECOVERY.'

FULL YEAR 2018 RESULTS

- Time charter equivalent (TCE) earnings - US$ 244.9 million (US$ 257.4 million in FY 2017)
- EBITDA - US$ 17.5 million (7.2% on TCE) (US$ 36.8 million in FY 2017)
- Net result - US$ (55.1) million ((US$ 38.1) million in FY 2017)
- Cash flow from operating activities - US$ 7.6 million (US$ (11.3) million in FY 2017)
- Net debt - US$ 588.7 million as at 31 December 2018 (US$ 510.2 million at the end of 2017)

FOURTH QUARTER 2018 RESULTS

- Time charter equivalent (TCE) earnings – US$ 64.2 million (US$ 63.3 million in Q4 2017)
- EBITDA - US$ 9.7 million (15.1% on TCE) (US$ 3.2 million in Q4 2017)
- Net result - US$ (13.9) million (US$ (24.5) million in Q4 2017)

Luxembourg - March 20th, 2019 – The Board of Directors of d'Amico International Shipping S.A. (Borsa Italiana: DIS), a leading international marine transportation company operating in the product tankers market (the "Company" or "d'Amico International Shipping"), resolved today to approve the draft of the 2018 full year statutory and consolidated financial results.

MANAGEMENT COMMENTARY

Paolo d'Amico, Chairman and Chief Executive Officer of d'Amico International Shipping commented:

"2018 was unfortunately one of the worst years for product tankers in the last decade. However, DIS managed to mitigate the effects of such a negative market, thanks to a prudent commercial strategy coupled with a constant focus on strengthening its financial structure.

The market was relatively weak throughout the first nine months of 2018 and hit historically low rates in the third quarter and the first month of the fourth quarter. This led our Company to post a net loss of US$ (55.1) million in the full-year 2018. However, we were very pleased to see our market rebounding to profitable levels towards the end of the year, with clear signs of improvement confirmed also at the start of 2019, relative to the prior year.

DIS' daily spot average was of US$ 10,798 in 2018 vs. US$ 12,026 achieved in the previous year. At the same time, we could count on 34.2% time-charter coverage during the year at an average daily rate of US$ 14,850. Our total blended daily TCE (spot and time-charter) was of US$ 12,184, which is a rather satisfactory level, given the weak freight markets confronted, proving once again that our prudent strategy of covering part of our fleet through long-term contracts allows us to mitigate considerably the effects of the negative cycles.

Most of the industry's analysts and players have a very positive outlook on the product tanker market and I totally share their view. On the demand side, the world product seaborne trade is expected to grow by 3% already in 2019 supported by an expected strong underlying oil consumption growth and by forecasted global refinery capacity additions of 4.9 million barrels a day between 2019 and 2021 (according to Clarksons). In particular, 2019 is expected to be characterized by one of the largest annual increases in refinery capacity in years, with an estimated additional 3.1 million barrels a day (according to Clarksons). At the same time, the net fleet growth of the segments we operate in (MRs and LR1s) is expected to be limited and below 2.0% over the next two years. In addition, the major regulatory change that will come into force in January 2020, limiting the sulphur content in bunker fuels, is widely expected to generate incremental demand for our vessels already from mid-2019.

I believe DIS' recent investments and our prudent commercial strategy, together with a very modern, versatile and high-quality fleet and organization, will allow us to benefit in full from the next expected positive shipping cycle. Our investment plan based on 22 newbuilding vessels we began to order in 2012 is now coming to an end, with the last LR1 ship expected to be delivered in Q3 2019.

At the same time, we remain intensely focused in strengthening DIS' financial structure. With this purpose, DIS' Board of Directors approved today a share capital increase amounting to the US$ equivalent of Euro 44 million, to reduce our financial leverage and improve our liquidity position. Once again, our controlling shareholder, d'Amico International S.A., which has been supporting DIS during this difficult period, through share capital increases, early exercise of its warrants and direct loans, provided its irrevocable and unconditional commitment to fully subscribe the rights offering."

Carlos Balestra di Mottola, Chief Financial Officer of d'Amico International Shipping commented:

"During a very challenging year characterized by a very tough market, we maintained a constant focus on strengthening our balance sheet and improving our liquidity position. In addition to over US$ 40 million net cash proceeds (after debt repayment) generated in 2017 through outright sales and sale and lease back transactions, we managed to raise an additional US$ 56.5 million in 2018 through similar deals, of which US$ 46.9 million arising from sale-leaseback transactions for four vessels and US$ 9.6 million from the outright sale of two vessels.

In Q1 2019, we closed sale and sale-leaseback deals, which already generated US$10.2 million in net cash for the Company and that will generate an additional US$6.2 million in net cash upon the delivery of one vessel to their new owners.

At the same time, we are now almost at the end of our newbuilding plan, with only one LR1 expected to be delivered in Q3 2019 for a total remaining capital expenditure of US$ 31.6 million (of which approximately US$ 18.8 million should be financed with committed bank debt and the rest with own funds).

From 2020, the lower investments and debt repayments, when coupled with the expected increase in freight rates, should contribute to a significant generation of free cash-flow for our shareholders, as well as a rapid deleveraging of our balance sheet.

As at December 31, 2018 DIS had 'cash and cash equivalent' of US$ 31.7 million and a net financial position of US$ (588.7) million, which represents 72.9% of DIS' fleet market value.

We went through a very challenging period for our industry and we successfully overcame all the financial difficulties that the weak freight markets generated, always respecting our bank covenants and all our stakeholders' interests. I strongly believe we are now at a real turning point for our market and I do think we have a very positive future in front of us. From this perspective, we believe it is now crucial to reduce our financial leverage and achieve a more robust capital structure, to fully benefit from the next positive cycle and create value for our shareholders. With this objective, DIS' Board of Directors approved today a share capital increase amounting to the US$ equivalent of Euro 44 million, with preferential subscription rights offered to its existing shareholders and the new shares issued at a discount to the theoretical ex-rights price (TERP) of 15%, based on DIS' reference share price on 19 March. DIS' controlling shareholder, d'Amico International SA, fully guarantees the offering, once again demonstrating its commitment to DIS and strong belief in its prospects."

FINANCIAL REVIEW

SUMMARY OF THE RESULTS IN THE FOURTH QUARTER AND TWELVE MONTHS OF 2018

Market conditions across all product tanker sectors were soft in the first nine months of 2018, largely due to existing oversupply of tonnage coupled with weaker demand trends. Rising bunker prices during the first nine months of 2018 have capped earnings during that period, contributing to more limited product arbitrage opportunities, mainly between the Atlantic and Asia, weighing on products trade growth. In Q4 2018, however, the market firmed considerably with Clarksons' raising its estimate of growth in product tanker dwt demand for the year from 2.1% to 2.3%. Among the factors contributing to weak markets in 2018 is the reduction in products imports into Southeast Asia, which fell by 8% in the full year, partially as a result of reduced arbitrage flows from the West. Declining shipments into Brazil (which fell 18% year-on-year in the January-November 2018 period) and Mexico in the first half of the year also dampened overall volume growth. Mexican imports recovered in the second half of the year and Brazilian imports from the US surged in the last quarter, rising by 54% between September and October 2018.

The one-year time-charter rate is always the best indicator of spot market expectations. As markets failed to show any signs of improvement in Q3 2018, this rate for conventional (non-eco) MRs was between US$ 12,500 and US$ 12,750 per day. The improved sentiment in Q4 raised the rate at the end of the year to around US$ 13,500 per day for conventional (non-Eco) MRs and to around US$15,000 per day for Eco MRs.

DIS' Net Result was negative for US$ (55.1) million in full-year 2018 vs. a Net Loss of US$ (38.1) million posted in 2017. This variance is mainly due to the weaker product tanker market experienced in 2018. In fact, **DIS' daily spot rate[1] was US$ 10,798 in the full-year 2018** vs. US$ 12,026 in the full-year 2017. In detail, the freight market hit historically low rates in the third quarter of the year but rebounded to profitable levels towards the end of 2018. Freight rates at the start of 2019 are showing clear signs of improvement relative to the previous year.

At the same time, 34.2% of DIS' total employment days in 2018, were covered through 'time-charter' contracts at an average daily rate of US$ 14,850 (2017: 33.0% coverage at an average daily rate of US$

[1] Daily Average TCE excludes US$ 5.4 million generated by the vessels under commercial management, as it is off-set by an equivalent amount of time charter hire costs.

15,433). Such good level of time charter coverage is one of the pillars of DIS' commercial strategy and allows it to mitigate the effects of the spot market volatility, securing a certain level of earnings and cash generation even throughout the negative cycles. DIS' total daily average rate (which includes both spot and time-charter contracts) was US$ 12,184 in the full-year 2018 compared with US$ 13,150 achieved in the previous year.

In 2018, DIS **'gross capital expenditures' amounted to US$ 101.5 million** (US$ 1.3 million in Q4 2018), mainly in relation to DIS' newbuilding plan. Since 2012, DIS has ordered a total of **22 'Eco-design' product tankers**[2] (10 MR, 6 Handy-size and 6 LR1 vessels), of which 20 vessels have been already delivered as at the end of 2018. This corresponds to an overall **investment plan** of approximately **US$ 755.0 million** and is in line with the Group's strategy to modernize its fleet through new-buildings with an eco-design. In addition, DIS has fixed the majority of its new-building vessels on long-term time-charter contracts with three oil-majors and a leading trading house, securing a good level of earnings and cash generation.

OPERATING PERFORMANCE

Time charter equivalent earnings were US$ 244.9 million in 2018 vs. US$ 257.4 million in 2017. The total amount for 2018 includes US$ 5.4 million 'time charter equivalent earnings' generated by the vessels under commercial management, which is offset by an equal amount reported under 'Time charter hire costs'.

The variance compared with last year is due to the much weaker product tanker market experienced in 2018. In fact, DIS realized a **Daily Average Spot Rate of US$ 10,798 in 2018**[3] compared with US$ 12,026 achieved in the previous year. After a very weak product tanker market in October 2018, freight rates rallied in the last part of Q4 2018, allowing DIS to achieve a Daily Average Spot Rate of US$ 11,617, slightly better than the US$ 11,299 realized in the same quarter of the prior year.

Following its strategy, in 2018 DIS maintained a **good level of 'coverage'** (fixed contracts), securing an average of **34.2%** (2017: 33.0%) of its available vessel days at a **Daily Average Fixed Rate of US$ 14,850** (2017: US$ 15,433). In addition to securing revenue and supporting the operating cash flow generation, these contracts enabled DIS to strengthen its historical relationships with the main oil majors, which is one the pillars of its commercial strategy.

DIS' Total Daily Average TCE (Spot and Time Charter)[4] was **US$ 12,184 in 2018** vs US$ 13,150 in 2017.

DIS TCE daily rates (US dollars)	2017					2018[11]				
	Q1	*Q2*	*Q3*	*Q4*	***FY***	*Q1*	*Q2*	*Q3*	*Q4*	***FY***
Spot	13,363	11,763	11,960	11,299	**12,026**	12,726	10,327	8,689	11,617	**10,798**
Fixed	15,908	15,078	15,681	15,003	**15,433**	15,001	14,867	14,716	14,831	**14,850**
Average	14,412	12,851	12,977	12,459	**13,150**	13,446	11,818	10,680	12,892	**12,184**

[2] Including M/T High Sun, an MR vessel ordered at Hyundai Mipo Dockyard Co. Ltd. and owned by Eco Tankers Limited (in which DIS has a 33% interest, in JV with Venice Shipping and Logistics S.p.A.)
[3] Daily Average TCE excludes US$ 5.4 million generated by the vessels under commercial management, as it is off-set by an equivalent amount of time charter hire costs.

[4] Daily Average TCE excludes US$ 5.4 million generated by the vessels under commercial management, as it is off-set by an equivalent amount of time charter hire costs.

EBITDA was **US$ 17.5 million in 2018** compared with US$ 36.8 million achieved in 2017. The reduction relative to last year is mainly due to lower 'TCE Earnings' achieved in 2018. **DIS' EBITDA Margin was 7.2% in 2018** compared with 14.3% in 2017.

Depreciation, impairment and impairment reversal amounted to US$ (34.8) million in 2018 vs. US$ (48.3) million in 2017. The total amount for 2017 included an impairment of US$ (10.9) million booked on three vessels, which were under sale negotiations at the time. In fact, based on IFRS 5 these three ships were classified as 'assets held for sale' and the difference between their appraised market value and their book value was charged to the 2017 profit and loss. However, the sale transaction on two of these vessels has not materialized as at the end of 2018. Therefore, DIS booked an impairment reversal of US$ 4.9 million on the two ships and their book value was reclassified from 'assets held for sale' to 'fixed assets'.

EBIT was **negative for US$ (17.3) million in 2018** compared to a negative result of US$ (11.4) million in 2017.

Net financial income was US$ 5.0 million in 2018 vs. US$ 2.4 million in 2017. The 2018 amount comprises amounts from derivative instruments totalling US$ 2.2 million due to the equity release on the IRS on the M/T High Freedom, M/T High Trust, M/T High Loyalty and M/T High Trader (following the sale and leaseback of the vessels in the period) and US$ 0.5 million representing realized profit on foreign exchange hedges. Realized amounts include also US$ 0.34 million foreign exchange gain on commercial transactions, bank interest income (funds held with financial institutions on deposit and current accounts) and interest on the financing provided to the DM Shipping joint venture. Unrealized gains of US$ 1.9 million relate to the ineffective portion (fair value) of the interest rate swaps cash-flow hedges.
Net financial charges were US$ (34.3) million in 2018 vs. US$ (28.4) million in 2017. The amount comprises the interest expenses due on DIS' bank loan facilities and financial leases, actual expenses on interest rate swaps and amortization of financial fees.

Income taxes were US$ (1.0) million in 2018 vs. US$ (0.8) million in the previous year.

The ***Net Result*** for **2018 was US$ (55.1) million** compared with a Net loss of US$ (38.1) million in 2017. The variance compared to the previous year is mainly due to the much weaker spot market experienced in 2018.

CASH FLOW AND NET INDEBTEDNESS

DIS' **Net Cash Flow for 2018 was positive, amounting to US$ 2.8 million** vs. US$ (2.5) million in 2017. During the year, gross capital expenditures of US$ 101.5 million, were partially offset by US$ 21.9 million in proceeds from disposal of vessels and US$ 74.6 million positive financing cash flow.

Cash flow from operating activities was positive, amounting to US$ 7.6 million in 2018 vs. US$ (11.3) million in 2017. The better result achieved in the first nine months of 2018 was mainly due to a reduction in working capital.

DIS' Net debt as at December 31, 2018 amounted to **US$ 588.7 million** compared to US$ 510.3 million at the end of 2017. The net debt/fleet market value ratio was of 72.9% as at December 31, 2018 vs. 66.6% as at December 31, 2017.

SIGNIFICANT EVENTS OF THE PERIOD

In 2018, the main events for the d'Amico International Shipping Group were the following:

D'AMICO TANKERS D.A.C.:

- **'Time Charter-In' and 'Commercial management' Fleet:** In January 2018, the contract on M/T Carina, an MR vessel built in 2010 and time-chartered-in by d'Amico Tankers d.a.c. since 2013, was extended for a further 2 year period starting from May 2018, at a reduced rate.

  In January 2018, the time-charter-in contract on M/T Port Said, an MR vessel built in 2003, with d'Amico Tankers ended and the vessel was redelivered to her Owners.

  In February 2018, the contract on M/T SW Cap Ferrat I, an MR vessel built in 2002 and time-chartered-in by d'Amico Tankers d.a.c. since 2015 and due to expire in December 2018, was extended for a further year, at a reduced rate.

  In April 2018, the time-charter-in contract on M/T Port Stewart, a Handy vessel built in 2003, with d'Amico Tankers ended and the vessel was redelivered to her Owners.

  In May 2018, the contract on M/T High Power, an MR vessel built in 2004 and time-chartered-in by d'Amico Tankers d.a.c. since 2015 and due to expire in May 2018, was extended for a 12 month period, at a reduced rate.

  In May 2018, d'Amico Tankers d.a.c. time-chartered-in M/T High Navigator, a newbuilding MR vessel built in Japan Marine United Co. (Japan) for a 8 year period and M/T High Explorer, a newbuilding MR vessel built in Onomichi Dockyard (Japan) for an 8 year period with options to extend the contract.

  In June 2018, d'Amico Tankers d.a.c. time-chartered-in M/T High Leader, a newbuilding MR vessel built in Japan Marine United Co. (Japan), for a 8 year period.

  In July 2018, the contract on M/T Freja Baltic, an MR vessel built in 2008 and time-chartered-in by d'Amico Tankers d.a.c. since 2014 and due to expire in August 2018, was extended for a further 2 year period, at a reduced rate.

  In August 2018, the time-charter-in contract on M/T Silver Express, an MR vessel built in 2009, with d'Amico Tankers ended and the vessel was redelivered to her Owners.

  In August 2018, the time-charter-in contracts on M/T High Beam, M/T High Current, M/T High Glow, M/T High Enterprise, M/T High Force, all expiring between August 2018 and October 2018, were extended for 1 to 3 more spot voyages. The original fixed hire rate was changed into a 'floating hire rate' based on the spot market earnings of each of the vessels. Therefore, DIS is effectively acting as commercial manager of these vessels, earning a 2% commission on all their gross revenues. As at year-end 2018 five vessels were participating in this new commercial scheme.

  In October 2018, the time-charter-in contract on M/T Citrus Express, an MR vessel built in 2006, with d'Amico Tankers ended and the vessel was redelivered to her owners. In the same month, the time-charter-in contract on M/T High Sun, an MR vessel built in 2014, with d'Amico Tankers ended and the vessel was redelivered to her owners (Eco Tankers Limited, in which DIS has a 33% shareholding).

In November 2018, the management contract on M/T High Enterprise ended and the Vessel was redelivered to her owners.

In December 2018, the time-charter-in contract on M/T High Pearl, an MR vessel built in 2009, with d'Amico Tankers ended and the vessel was redelivered to her owners.

- **'Time Charter-Out' Fleet:** In January 2018, a 3 year time-charter contract between d'Amico Tankers d.a.c. and an oil-major expired and the vessel is now employed on the spot market.

  In February 2018, d'Amico Tankers d.a.c. fixed one of its 'eco' MR vessels with an oil major for a 1 year time charter at a profitable rate.

  In March 2018, d'Amico Tankers d.a.c. extended a 6 month time charter contract with a leading trading house on one of its LR1 vessels for a 9 month period with a charterer's option for an additional 6 months, at a higher rate.

  In March 2018, d'Amico Tankers d.a.c. extended its time charter contracts with an oil major on three MR vessels. The first of these contracts was extended for 28 months at a profitable rate, with an option for a further 8 months; the second contract was extended for 12 months at a profitable rate, with an option for further 12 months; the third contract was extended for 32 months at a profitable rate, with an option for further 6 months.

  In May 2018, d'Amico Tankers d.a.c. fixed one of its newbuilding 'eco' LR1 vessels delivered in Q3 2018, with a leading trading house, for a 9 months charter contract with a charterer's option for an additional 6 months.

  In August 2018, d'Amico Tankers d.a.c. extended its time charter contract with an oil major on one of its MR vessels for 12 months starting from September 2018. At the same time, d'Amico Tankers d.a.c. fixed two of its MR vessels on a time charter contract with the same oil major for 12 months, with an option for a further 12 months.

  In October 2018, d'Amico Tankers d.a.c. extended its time charter contract with a leading trading house on one of its LR1 vessels for 9 months starting from October 2018, with an option for further 9 months.

  In November 2018, d'Amico Tankers d.a.c. fixed one of its new LR1 vessels delivered in January 2019 with an oil major for a 2-year time-charter contract at a profitable rate, with a charterer's option for one additional year. In the same month, d'Amico Tankers d.a.c. extended its time charter contract with a leading trading house on another of its LR1 vessels for 6 months starting from February 2019, at a profitable rate.

  In December 2018, d'Amico Tankers d.a.c.: i) extended its times charter contract with an oil-major on one of its MR vessels for 12 months starting from January 2019; ii) fixed two of its eco MR time-chartered-in vessels with a leading trading house for a 2-year time charter contract at a profitable rate with a charterer's option for one additional year; iii) fixed one of its eco MR owned vessels with an oil-major for a 4 year time charter contract at profitable rates.

- **Newbuilding vessels:** In January 2018, M/T Cielo di Rotterdam, an 'Eco' new-building LR1 product tanker built by Hyundai Mipo Dockyard Co. Ltd. (South Korea) at their Hyundai Vinashin Shipyard Co. Ltd. in Vietnam, was delivered to the Group.

  In January 2018, d'Amico Tankers agreed with Hyundai Mipo Dockyard Co. Ltd. (South Korea) to take delivery of the remaining LR1s under construction, as per the following approximate schedule: 1 vessel in January 2018, 2 vessels in July 2018 and the last 2 vessels in January 2019.

  In July 2018, M/T Cielo di Cagliari, an 'Eco' new-building LR1 product tanker built by Hyundai Mipo Dockyard Co. Ltd. (South Korea) at their Hyundai Vinashin Shipyard Co. Ltd. in Vietnam, was delivered to the Group.

  In August 2018, M/T Cielo Rosso, an 'Eco' new-building LR1 product tanker built by Hyundai Mipo Dockyard Co. Ltd. (South Korea) at their Hyundai Vinashin Shipyard Co. Ltd. in Vietnam, was delivered to the Group.

  In December 2018, d'Amico Tankers d.a.c. agreed with Hyundai Mipo Dockyard Co. Ltd. – South Korea – to postpone delivery of the last LR1 under construction from January 2019 to September 2019.

- **Vessel Sales:** In November 2017, d'Amico Tankers d.a.c. signed a memorandum of agreement for the sale of MT High Presence, a 48,700 dwt medium-range product tanker vessel, built in 2005 by Imabari Shipbuilding Co. Ltd. (Japan), for a consideration of US$ 14.14 million. This transaction generated at delivery of the Vessel in Q1 2018, a positive net cash effect of around US$ 7.2 million for d'Amico Tankers, net of commissions and reimbursement of the vessel's existing loan, contributing to the liquidity required to complete DIS' fleet renewal program. At the same time, d'Amico Tankers will maintain the commercial employment of the vessels having also concluded with the buyer a 6 years' time-charter agreement at a competitive rate.

  In December 2017, d'Amico Tankers d.a.c. signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of the MT High Freedom, a 49,990 dwt medium-range product tanker vessel, built in 2014 by Hyundai Mipo (South Korea), for a consideration of US$ 28.0 million. This transaction allowed d'Amico Tankers to generate around US$ 13.4 million in cash in Q1 2018, net of commissions and reimbursement of the vessel's existing loan, contributing to the liquidity required to complete DIS' fleet renewal program. In addition, through this transaction d'Amico Tankers will maintain full control of the Vessel, since a 10-year bareboat charter agreement was also concluded with the buyer, with a purchase obligation at the end of the charter period. Furthermore, d'Amico Tankers has the option to repurchase the Vessel, starting from the second anniversary of her sale at a competitive cost of funds.

  In July 2018, DIS announced that its subsidiary d'Amico Tankers d.a.c. signed a memorandum of agreement for the sale of the M/T Cielo di Milano, a 40,081 dwt handy product tanker vessel, built in 2003 by Shina Shipbuilding, South Korea for a consideration of US$ 8.025 million. This transaction allows d'Amico Tankers to generate around US$ 2.4 million in cash, net of commissions and the reimbursement of the vessel's existing loan.

  In July 2018, DIS announced that its subsidiary d'Amico Tankers d.a.c. signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of the M/T High Trust, a 49,990 dwt medium-range product tanker vessel, built in 2016 by Hyundai-Mipo, South Korea, for a consideration of US$ 29.5 million. This transaction allows d'Amico Tankers to generate at the vessel's delivery around US$ 11.9 million in cash, net of commissions and the reimbursement of the vessel's existing loan. In addition, through this transaction d'Amico Tankers will maintain full control of the vessel, since a 10-year bareboat charter agreement was also concluded with the buyer, with a purchase obligation at the end of the 10th year of the charter period. Furthermore, d'Amico Tankers has the option to repurchase the vessel, starting from the second anniversary of her sale at a competitive cost of funds.

In August 2018, DIS announced that its subsidiary d'Amico Tankers d.a.c. signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of the M/T High Loyalty, a 49,990 dwt medium-range product tanker vessel, built in 2015 by Hyundai-Mipo, South Korea for a consideration of US$ 28.5 million. This transaction allows d'Amico Tankers to generate at the vessel's delivery around US$ 13.3 million in cash, net of commissions and the reimbursement of the vessel's existing loan. In addition, through this transaction d'Amico Tankers will maintain full control of the vessel, since a 10-year bareboat charter agreement was also concluded with the buyer, with a purchase obligation at the end of the 10th year of the charter period. Furthermore, d'Amico Tankers has the option to repurchase the vessel, starting from the second anniversary of her sale at a competitive cost of funds.

In November 2018, DIS announced that its subsidiary d'Amico Tankers d.a.c. signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of the M/T High Trader, a 49,990 dwt medium-range product tanker vessel, built in 2015 by Hyundai-Mipo, South Korea for a consideration of US$ 27.0 million. This transaction allows d'Amico Tankers to generate at the vessel's delivery around US$ 8.6 million in cash, net of commissions and the reimbursement of the vessel's existing loan. In addition, through this transaction d'Amico Tankers will maintain full control of the vessel, since a 10-year bareboat charter agreement was also concluded with the buyer, with a purchase obligation at the end of the 10th year of the charter period. Furthermore, d'Amico Tankers has the option to repurchase the vessel, at any time starting from the second anniversary of her sale with three months' notice at a competitive cost of funds.

D'AMICO INTERNATIONAL SHIPPING:

- **Shareholders' Loan**: DIS has been constantly benefitting from the strong financial support of its controlling shareholder, d'Amico International S.A., which had loans outstanding to the Company of US$ 31.9 million as at the end of 2018, of which US$ 30.6 million fully subordinated to the rights and interests of any secured creditor. On June 26, 2018 ("Effective date"), d'Amico International Shipping (the "Borrower") signed a loan agreement with its controlling shareholder, d'Amico International (the "Lender") as modified by the addendum of 14 December 2018. At the request of the Borrower, the Lender has agreed to make available to the Borrower a US$ long term loan of up US$ 40,000,000 (the "Facility"). The Facility maturity date will be the day following three (3) years from the Effective Date above (the "Maturity Date"), without prejudice to any earlier Maturity Date coinciding with the end of the Reimbursement Notice Period. Each Advance under the Facility shall carry an interest rate of 3 Months US$ LIBOR plus the applicable margin agreed at 2% p.a. The Borrower has the right to prepay partially or in whole any single advance or the whole outstanding amount at any time. In this case the amount prepaid will be available for future advances. The Lender can demand that part or the total amount outstanding under the Facility be reimbursed by the Borrower at any time with a notice of one year and one day (the "Reimbursement Notice Period"). If at the same time as asking for a reimbursement of the full amount outstanding, the Lender also asks for an early termination of the facility, the Maturity Date of the Facility will be the last day of the Reimbursement Notice Period.

- **Results of d'Amico International Shipping Warrants 2017-2022:** on July 2, 2018 DIS' share capital was increased following the end of the first exercise period of the "d'Amico International Shipping Warrants 2017 – 2022" (ISIN code LU1588548724). During this first exercise period n. 518,602 Warrants were exercised at the price of Euro 0.315 per ordinary share, resulting in the subscription of no. 518,602 Warrant Shares – on the basis of a ratio of one (1) Warrant Share, for each one (1) Warrant exercised – admitted to trading on the MTA market of Borsa Italiana SpA, without nominal value and with the same rights (including that to dividends) and features as DIS' ordinary shares outstanding (the "Warrant Shares"). Following such subscription, DIS' share capital was increased at US$ 65,373,392, represented by 653,733,920 ordinary shares without nominal value.

- **Resignation of Marco Fiori, Chief Executive Officer of the Company:** on October 23, 2018 Marco Fiori, CEO and Director of d'Amico International Shipping S.A., announced to the Board of Directors his intention to resign for personal reasons, his resignation to be effective from January 1st, 2019. The Board of Directors accepted his resignation, expressing the most heartfelt thanks to him for the important contribution he has made to the company over the years and wishing him further future professional successes.

- **Appointment of Paolo d'Amico as the new Chief Executive Officer of the Company:** On November 8, 2018, d'Amico International Shipping S.A. Board of Directors granted all of the powers of the resigning CEO of DIS to Mr. Paolo d'Amico January 1, 2019.

- **Results of d'Amico International Shipping Warrants 2017-2022: on December 28, 2018 DIS' share capital** was increased following the end of the second additional exercise period of the "d'Amico International Shipping Warrants 2017 – 2022" (ISIN code LU1588548724). During this second additional exercise period n. 24,105 Warrants were exercised at the price of Euro 0.328 per ordinary share, resulting in the subscription of no. 24,105 Warrant Shares – on the basis of a ratio of one (1) Warrant Share, for each one (1) Warrant exercised – admitted to trading on the MTA market of Borsa Italiana SpA, without nominal value and with the same rights (including that to dividends) and features as DIS' ordinary shares outstanding (the "Warrant Shares"). Following such subscription, DIS' share capital was increased to US$ 65,375,802.50, represented by 653,758,025 ordinary shares without nominal value.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

D'AMICO INTERNATIONAL SHIPPING:

- **Shareholders' Extraordinary General Meeting:** On February 8, 2019, d'Amico International Shipping S.A. convened the extraordinary general meeting of shareholders of the Company to be held on 11 March 2019 ("EGM"). The board of directors of the Company (the "Board of Directors") proposed to the EGM to increase the authorised corporate capital by 750,000,000 shares to 1,750,000,000 shares with the intention, subject to the approval of the EGM and to market conditions, to execute in the weeks following the EGM a Capital Increase respecting the following conditions:

  i) amount of up to USD 60 million;
  ii) Theoretical ex-rights price ("TERP") discount of up to 25%.

- **Shareholders' Extraordinary General Meeting:** On March 11, 2019, the Extraordinary General Meeting of DIS resolved:

I) to approve the proposed reduction of the accounting value of each share of the issued share capital of the Company from its former amount of USD 0.10 per share to now USD 0.05 per share without cancellation of any shares in issue nor repayment on any share nor off-setting of any losses as proposed by the Board of Directors in the explanatory report published on 8 February 2019 and available to Shareholders in the Corporate Governance section of the Company's website (www.damicointernationalshipping.com);

II) to consequently reduce the amount of the issued share capital from its former amount of USD 65,375,802.50 to USD 32,687,901.25, allocating the amount resulting from the reduction to a special capital account (*apport en capitaux propres non rémunéré par des titres*), which is part of the premium accounts of the Company;

III) to set the authorised corporate capital, including the issued share capital, at a total amount of USD 87,500,000 divided into 1,750,000,000 shares with no nominal value, approving the related proposed amendment to DIS' Articles of Association, and

IV) to renew, with immediate effect and for a period of five years from today, the authorisation of the Board of Directors to increase the capital in one or several tranches within the limits of the amended authorised capital, as well as the authorisation of the Board of Directors to limit or cancel, in full or partially, the preferential subscription rights of the existing shareholders.

On 18th March 2019 DIS announced that during this extraordinary exercise period, no Warrants were exercised. Consequently, DIS' share capital remained unchanged at US$ 32,687,901.25 divided into 653,758,025 shares with no nominal value.

D'AMICO TANKERS D.A.C.:

- **Newbuilding vessels:** In January 2019, M/T Cielo di Houston, an 'Eco' new-building LR1 product tanker built by Hyundai Mipo Dockyard Co. Ltd. (South Korea) at their Hyundai Vinashin Shipyard Co. Ltd. in Vietnam, was delivered to the Group.

- **First Japanese Operating Lease Transacion:** In January 2019, DIS announced that its subsidiary d'Amico Tankers d.a.c. signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of the M/T Cielo di Houston, a 75,000 dwt LR1 product tanker vessel built by Hyundai-Mipo, South Korea (at their Vinashin facility in Vietnam) and delivered in January 2019. The vessel was sold for a consideration of US$ 38.6 million. This transaction allowed d'Amico Tankers to generate around US$ 10.2 million in cash, net of commissions and additional costs, relative to financing the vessel though the previously committed loan facility. In addition, through this transaction d'Amico Tankers maintained full control of the Vessel, since a 10.2-year bareboat charter agreement was also concluded with the buyer. Furthermore, d'Amico Tankers has the option to repurchase the vessel, after approximately 5 years and after approximately 7 years of the charter period, at a competitive cost of funds.

- **'Time Charter-In' and 'Commercial management' Fleet:** In January 2019, the time-charter-in contract on M/T Freja Hafnia, an MR vessel built in 2006, expired and d'Amico is now acting as commercial manager of the vessel, earning a 2% commission on her gross revenues. In the same month, the management contract on M/T High Beam ended and the Vessel was redelivered to her owners.

Between February and March 2019, the management contracts on M/T High Current, M/T High Force and M/T High Glow ended and these vessels were redelivered to their owners.

- **Vessel Sale:** In February 2019, DIS announced that DM Shipping d.a.c., a joint venture with the Mitsubishi Group, in which d'Amico Tankers d.a.c. holds a 51% participation, signed a memorandum of agreement for the sale of the M/T High Strength, a 46,800 dwt MR product tanker vessel, built in 2009 by Nakai Zosen Corporation, Japan for a consideration of US$ 16.4 million. The Vessel will continue its current time-charter out contract with d'Amico Tankers d.a.c. until October 2019. This transaction allows DM Shipping to generate around US$ 12.3 million in cash, net of commissions and reimbursement of the Vessel's existing loan.

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

	As at 31 December 2018				As at 20 March 2019 UNREVIEWED			
	LR1	**MR**	**Handysize**	**Total**	**LR1**	**MR**	**Handysize**	**Total**
Owned	4.0	13.0	7.0	24.0	4.0	13.0	7.0	24.0
Bareboat chartered*	0.0	7.0	0.0	7.0	1.0	7.0	0.0	8.0
Long-term time chartered	0.0	15.5	0.0	15.5	0.0	15.5	0.0	15.5
Short-term time chartered	0.0	2.0	1.0	3.0	0.0	1.0	1.0	2.0
Total	**4.0**	**37.5**	**8.0**	**49.5**	**5.0**	**36.5**	**8.0**	**49.5**
Commercial Agreement[5]	0.0	4.0	0.0	4.0	0.0	2.0	0.0	2.0

* with purchase obligation

BUSINESS OUTLOOK

According to the IMF in their latest World Economic Outlook ("WEO") of January 2019, the global expansion has weakened, driven by a slowdown in particular in some countries in Europe and Asia. Despite this, healthy global growth of 3.7% is estimated for 2018, in-line with their previous forecast of October 2018. The global economy is projected to grow at 3.5% in 2019 and 3.6% in 2020, 0.2 and 0.1 percentage points below last October's projections. The global growth forecast for 2019 and 2020 had already been revised downward in the last WEO, partly because of the negative effects of tariff increases enacted in the United States and China earlier that year. The further downward revision since October partly reflects carry over from softer momentum in the second half of 2018 – including in Germany following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risks have weighed on domestic demand – but also weakening financial market sentiment.

The International Energy Agency's (IEA) latest estimate for crude oil demand growth in 2018 is unchanged. Growth in Q4 2018 is estimated to have been robust, at 1.4 million b/d year-on-year, and for 2018 as a whole growth was estimated at 1.3 million b/d; China (0.44 million b/d), India (0.21 million b/d) and the US (0.54 million b/d) contributed 1.19 million b/d of the total. Growth in demand in 2019 is expected to be 1.4 million b/d, also unchanged from their last report. It is supported by lower prices and the start-up of petrochemical projects in China and the US. Slowing economic growth will, however, limit any upside.

[5] In August 2018, the time-charter-in contracts on M/T High Beam, M/T High Current, M/T High Glow, M/T High Enterprise, M/T High Force, all expiring between August 2018 and October 2018, were extended for 1 to 3 more spot voyages. The original fixed hire rate was changed into a 'floating hire rate' based on the spot market earnings of each of the vessels. Therefore, d'Amico is effectively acting as commercial manager of these vessels, earning a 2% commission on all their gross revenues.

Q1 2019 rate levels have corrected since the uptick in Q4 2018. Mainly as a result of reduced imports into West Africa and reduced exports from the United States. Month-on-month exports from the US have declined 1 million b/d by mid-February. A number of newbuilding VLCCs and Suezmaxes have been fixed for distillates from Asia to the Western hemisphere hampering arbitrage opportunities for product tankers. According to Clarksons, in the product tanker sector, dwt demand growth is projected to improve to 3.0 / 3.5% in 2019, supported by the return of some Asian arbitrage opportunities and possible inventory building.

OTHER RESOLUTIONS

2018 CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT AND CONVENING OF THE ANNUAL SHAREHOLDER'S MEETING

The Board of Directors considered and approved the 2018 Company's report on Corporate Governance and ownership structure and further decided to convene the Company's Annual General Shareholders' Meeting on the 30th day of April 2019 called to resolve, among other things, on i) the approval of the statutory and consolidated financial statements as at 31st December 2018 ii) the decrease of the number of members of the Board of Directors and iii) the approval of the Company 2019-2021 Long Term Incentive Plan.

REPORT ON 2018 REMUNERATIONS AND 2019 GENERAL REMUNERATION POLICY

The Board of Directors upon recommendation of the Company's Nomination & Remuneration Committee resolved to approve the Company's Report on 2018 Remunerations containing the 2019 General Remuneration Policy regarding executive directors of the Company and the d'Amico International Shipping Group's key management personnel

STOCK OPTION PLAN 2016

According to article 84 bis of the Consob Issuers' Regulation and to article 7 of the 2016/2019 Incentive Plan Regulation ("SOP") available on the Company's web site, the Company hereby informs that the Board of Directors - upon previous assessment of the Nomination and Remuneration Committee – today ascertained the non-achievement of one of the targets for the exercise of the options awarded to the beneficiaries of the SOP as set by the Board of Directors on 6 May 2016, being an EBIT threshold at least equal to Euro 150 million. This implies the definitive loss by the beneficiaries of the right to exercise their Options. The Company recalls that the SOP approved by the Annual General Shareholders' Meeting of the Company of 20 April 2016 set the total time horizon of the Plan at 4 years as follows:

a) 3 years vesting period from June 1st, 2016 to May 31st, 2019;

b) 1 year of exercise period from June 1st, 2019 to May 31st, 2020.

CONFERENCE CALL

At 5.35pm CET, 11.35am EST today a conference call will be held with the financial community during which the Group's economic and financial results will be discussed. It is possible to connect to the call by dialing the following numbers: from Italy + 39 02 8058811, from UK +44 808 23 89 561, from US +1 866 63 203 28. The presentation slides can be downloaded before the conference call from the Investor Relations page on DIS web site: http://investorrelations.damicointernationalshipping.com/

This Press release relating to FY'18 Results has been notably prepared in accordance with provisions of Art. 3 of the Luxembourg Law dated 11 January 2008, as amended and/or supplemented from time to time, 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 integral document pertaining thereto will be deposited and available within the terms prescribed by the applicable laws and regulations at the Company's registered office and website (http://investorrelations.damicointernationalshipping.com/). The document is also filed through eMarketSDIR and STORAGEat Borsa Italiana S.p.A. and at Commissione Nazionale per le Società e la Borsa (CONSOB) and with the Commission de Surveillance du Secteur Financier (CSSF) and Société de la Bourse de Luxembourg S.A. in its quality of Company's storage Officially Appointed Mechanism.

d’Amico International Shipping S.A. is a subsidiary of d’Amico Società di Navigazione S.p.A., one of the world’s leading privately owned marine transportation companies, and operates in the product tankers sector, comprising vessels that typically carry refined petroleum products, chemical and vegetable oils. d’Amico International Shipping S.A. controls, either through ownership or charter arrangements, a modern, high-tech and double-hulled fleet, ranging from 35,000 and 51,000 deadweight tons. The Company has a history and a long tradition of family enterprise and a worldwide presence with offices in key market maritime centres (London, Dublin, Monaco and Singapore). The company’s shares are listed on the Milan Stock Exchange under the ticker symbol ’DIS’.

d’Amico International Shipping S.A

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ANNEX

CONSOLIDATED STATEMENT OF INCOME

US$ Thousand	2018	2017
Revenue	399 046	390 971
Voyage costs	(154 176)	(133 534)
Time charter equivalent earnings*	**244 870**	**257 437**
Time charter hire costs	(129 750)	(126 664)
Other direct operating costs	(81 572)	(80 370)
General and administrative costs	(16 196)	(15 482)
Result from disposal of vessels	167	1 917
EBITDA *	**17 519**	**36 838**
Depreciation, impairment and impairment reversal	(34 844)	(48 266)
EBIT *	**(17 325)**	**(11 428)**
Financial income	5 035	2 419
Financial (charges)	(34 296)	(28 379)
Profit share of equity accounted investee	(8)	85
Impairment of financial assets	(7 526)	-
Profit/ (loss) before tax	**(54 120)**	**(37 303)**
Tax	(980)	(780)
Net profit / (loss)	**(55 100)**	**(38 083)**
Basic earnings per share in US$(1)	**(0.085)**	**(0.075)**

1. **see Alternative Performance Measures on page 21*

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

US$ Thousand	2018	2017
Profit / (loss) for the period	(55 100)	(38 083)
Movement of valuation of Cash flow hedges	(633)	2 456
Movement in conversion reserve	(136)	253
Total comprehensive result for the period	(55 869)	(35 374)
Basic comprehensive income / (loss) per share in US$(1)	(0.086)	(0.070)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ Thousand	**As at 31 December 2018**	**As at 31 December 2017**
ASSETS		
Property, plant and equipment	911 281	792 851
Investment in jointly controlled entities	3 228	3 269
Other non-current financial assets	9 655	27 632
Total non-current assets	**924 164**	**823 752**
Assets held for sale	**-**	**77 750**
Inventories	13 492	15 495
Receivables and other current assets	52 163	66 200
Other current financial assets	18 205	344
Cash and cash equivalents	31 713	29 694
Total current assets	**115 573**	**111 733**
Total assets	**1 039 737**	**1 013 235**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	65 376	65 322
Retained earnings	(30 270)	26 389
Other reserves	302 237	302 721
Total shareholders' equity	**337 343**	**394 432**
Banks and other lenders	338 622	357 544
Liabilities from financial leases	165 298	63 144
Shareholders' long-term loan	30 600	-
Other non-current financial liabilities	4 998	5 469
Total non-current liabilities	**539 518**	**426 157**
Banks and other lenders	91 238	128 488
Liabilities from financial leases	8 369	3 267
Shareholders' short-term financing	1 280	
Payables and other current liabilities	54 013	50 811
Other current financial liabilities	7 876	10 043
Current tax payable	100	37
Total current liabilities	**162 876**	**192 646**
Total shareholders' equity and liabilities	**1 039 737**	**1 013 235**

CONSOLIDATED STATEMENT OF CASH FLOWS

US$ Thousand	2018	2017
Loss for the period	**(55 100)**	**(38 083)**
Depreciation, amortisation and impairment	39 789	48 266
Current and deferred income tax	979	780
Financial charges (income)	29 523	25 260
Unrealised foreign exchange result	(261)	700
Profit share of equity-accounted investment	8	(85)
Profit on disposal of fixed assets	(168)	(1 917)
Impairment of a financial asset v/ related party	7 526	-
Reversal of impairment	(4 945)	-
Cash flow from operating activities before changes in working capital	**17 351**	**34 921**
Movement in inventories	2 003	(2 639)
Change in contract assets	(3 267)	- *
Movement in amounts receivable	16 448	(25 220)
Movement in amounts payable	984	5 650
Taxes paid	(619)	(675)
Net interest (paid)	(20 045)	(23 620)
Movement in other financial liabilities	(5 450)	-
Movement in share option reserve	182	275
Net cash flow from operating activities	**7 587**	**(11 308)**
Acquisition of fixed assets	(101 485)	(80 102)
Proceeds from disposal of fixed assets	21 856	50 532
Disposal of equity-accounted investee ETL	-	132
Dividend from equity-accounted investee ETL	83	116
Movement in financing to equity accounted investee	126	-
Net cash flow from investing activities	**(79 420)**	**(29 322)**
Share capital increase	199	66 164
Other changes in shareholders' equity	(178)	252
Shareholders' financing	31 880	(10 001)
Movement in other financial receivables	3 900	-
Movement in other financial payables	(1 533)	(2 000)
Bank loan repayments	(175 690)	(127 258)
Bank loan draw-downs	111 770	58 098
Proceeds from disposal of assets subsequently leased back	117 211	54 469
Repayments of financial lease	(12 970)	(1 589)
Net cash flow from financing activities	**74 589**	**38 135**
Net increase/(decrease) in cash and cash equivalents	**2 756**	**(2 495)**
Cash and cash equivalents net of bank overdrafts at the beginning of the year	12 363	20 164
Cash and cash equivalents net of bank overdrafts at the end of the year	**15 120**	**17 669**
Cash and cash equivalents	31 713	29 694
Bank overdrafts	(16 593)	(12 025)

*The Company avails itself from the practical expedient in IFRS 15 and does not disclose the movement in contract assets referring to comparative periods of 2017.

The manager responsible for preparing the company's financial reports, Mr. Carlos Balestra di Mottola, in his capacity of Chief Financial Officer of d'Amico International Shipping SA (the "Company") declares to the best of his knowledge, that the consolidated and statutory financial statements prepared in accordance with the applicable set of accounting standards as published in this report, give a true and fair view of the assets, liabilities, financial position and income statement of the Company and its consolidated subsidiaries and that the report on operation and the management report include a fair review of the development and performance of the business and the position of the Company and its consolidated subsidiaries, together with a description of the principal risks and uncertainties that they face.

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Carlos Balestra di Mottola
Chief Financial Officer

ALTERNATIVE PERFORMANCE MEASURES (APM)

Along with the most directly comparable IFRS measures, DIS management is regularly using Alternative Performance Measures, as they provide helpful additional information for users of its financial statements, indicating how the business has performed over the period, filling the gaps left by the reporting standards. APMs are financial and non-financial measures of historical or future financial performance, financial position or cash-flows, other than a financial measure defined or specified in the Group's applicable financial reporting framework and standards (IFRS); for this reason they might not be comparable to similarly titled measures used by other companies and are not measurements under IFRS or GAAP and thus should not be considered substitutes for the information contained in the Group's financial statements. The following section sets out the Group's definitions of used APMs:

FINANCIAL APMs (They are based on or derived from figures of the financial statements)

Time charter equivalent earnings
A shipping industry standard allowing the comparison of period-to-period net freight revenues, which are not influenced by whether the vessels were employed on Spot charters, Voyage charters or Contracts of affreightment (please see Non-Financial APM definitions below). As indicated in the Profit and Loss financial statement, it is equal to (voyage) revenues less voyage costs.

EBITDA and EBITDA Margin
EBITDA is defined as the result for the period before the impact of taxes, interest, the Group's share of the result of joint ventures and associates, depreciation and amortization. It is equivalent to the gross operating profit, which indicates the Group's revenues from sales less its cost of the services (transport) sold. EBITDA Margin is defined as EBITDA divided by Time charter equivalent earnings (as described above). DIS believes that EBITDA and EBITDA Margin are useful additional indicators investors can use to evaluate the Group's operating performance.

EBIT and EBIT Margin
EBIT is defined as the result for the period before the impact of tax, interest and the Group's share of the result of joint ventures and associates. It is equivalent to the net operating profit and the Group uses it to monitor its return after operating expenses and the cost of the use of its tangible assets. EBIT Margins is defined as operating profit as a percentage of Time charter equivalent earnings and represents for DIS a suitable measure to show the contribution of the Time-Charter Earnings in covering both fixed and variable costs.

Gross CAPEX
Gross capital expenditure, that is the expenditure for the acquisition of fixed assets as well as expenditures capitalised as a result of the intermediate or special surveys of our vessels, or of investments for the improvement of DIS vessels, as indicated under Net acquisition of fixed assets within the cash-flow from investing activities; it gives an indication about the strategic planning (expansion) of the Group (capital intensive industry).

Net Indebtedness
Comprises bank loans and other financial liabilities, less cash and cash equivalents and liquid financial assets or short-term investments available to service those debt items. The Group believes net indebtedness is relevant to investors as it is a metric on the overall debt situation of a company, indicating the absolute level of non-equity funding of the business. The relevant table in the net indebtedness section within the report on operations, reconciles net debt to the pertinent balance sheet line items.

NON-FINANCIAL APMs (not derived from figures of the financial statements)

Available vessel days
Total theoretical number of days a vessel is available for sailing during a period. It provides an indication of the Group's fleet earnings potential during a period, which takes into account the date of delivery to and redelivery from the Group of the vessels in its fleet (please refer also to the Key figures, other operating measures).

Coverage
Ratio indicating how many available vessel days are already covered by fixed rate contracts (time charter contracts or contracts of affreightment). It provides an indication of how exposed the Group is to changes in the freight market during a certain period (please refer to Time charter equivalent earnings in the Management financial review).

Daily spot rate or daily TC rate
Daily spot rate refers to daily time-charter equivalent earnings (please refer to definition below) generated by employing DIS' vessels on the spot market (or on a voyage basis) and daily TC rate refers to daily time-charter earnings generated by employing DIS' vessels on 'time-charter' contracts (please refer to the Management financial review).

Off-hire
Means the period in which a vessel is unable to perform the services for which it is immediately required under a time charter. Off-hire periods can include days spent on repairs, dry-docking and surveys, whether or not scheduled. It can help to explain changes in time-charter equivalent earnings between different periods (please refer to Revenues, in the Management financial review).

Time charter equivalent earnings per day
A measure of the average daily revenue performance of a vessel on a per voyage basis. DIS' method of calculating time charter equivalent earnings per day is consistent with industry standards and is determined by dividing voyage revenues (net of voyage expenses) by on-hire days for the relevant time period. Time charter equivalent earnings per day is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance, since it is unaffected by the changes in the mix of charter contracts (i.e. spot charters, time charters and contracts of affreightment) through which the vessels are employed. It allows a comparison of the Group's performance with industry peers and market benchmarks (please refer to Key figures).

Vessels equivalent
The number of vessels equivalent in a period is equal to the sum of the products of the total available vessel days over that period for each vessel and the participation of the Group (direct or indirect) in that vessel, divided by the number of calendar days in that period. It provides an indication of the Group's fleet size and earnings potential over a period (please refer to Key figures).

OTHER DEFINITIONS

Bareboat charter
A contract type under which the ship owner is usually paid monthly in advance charter hire at an agreed daily rate for a specified period of time, during which the charterer is responsible for the technical management of the vessel, including crewing, and therefore also for its operating expenses (please refer to note 6). A bareboat charter is also known as a "demise charter" or a "time charter by demise".

Charter
A contract for the hire of a vessel for a specified period of time or to carry cargo from a loading port to a discharging port. The contract for a charter is commonly called a charter party and there are three main

types of such contracts, a bareboat charter party, a voyage charter party and time charter party (refer to definitions in this section).

Contract of affreightment (COA)
An agreement between an owner and a charterer which obliges the owner to provide a vessel to the charterer to move specific quantities of cargo, at a fixed rate, over a stated time period but without designating specific vessels or voyage schedules, thereby providing the owner with greater operating flexibility than with voyage charters alone.

Disponent Owner
The company that operates a vessel controlling it either through a time-charter or a bareboat charter.

Fixed-rate contracts
For DIS these usually refer to revenues generated through time-charter contracts or contracts of affreightment (please refer to definitions in this section). Bareboat charter contracts are also usually fixed rate contracts but DIS controls rather than employs vessels through such contracts.

Spot charter or Voyage charter
A contract type through which an owner or disponent owner (please refer to definition in this section) is paid freight on the basis of moving cargo from a loading port to a discharging port. The charterer pays the vessel owner on a per-ton or lump-sum basis. The payment for the use of the vessel is known as freight. The disponent owner is responsible for paying both vessel operating expenses and voyage expenses. Typically, the charterer is responsible for any delay at the loading or discharging ports.

Time charter
Is a contract type through which the ship owner or disponent owner (please refer to definition within this section) is paid usually monthly in advance charter hire at an agreed daily rate for a specified period of time (usually a fixed rate contract). With such contracts the charterer is responsible for paying the voyage expenses and additional voyage insurance. A ship-owner or bareboat charterer operating its vessel on time-charter is responsible for the technical management of the vessel, including crewing, and therefore also for its operating expenses.