

d'Amico International Shipping S.A.

Interim Management Statements for the period ended 30 September 2013 – Third Quarter 2013

This document is available on www.damicointernationalshipping.com
d'Amico International Shipping S.A.
Registered office at 25C Boulevard Royal, Luxembourg
Share capital US\$35,987,977 as at 30 September 2013

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BOARD OF DIRECTORS AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman

Paolo d'Amico⁽¹⁾

Chief Executive Officer

Marco Fiori⁽¹⁾

Directors

Cesare d'Amico⁽¹⁾

Massimo Castrogiovanni⁽²⁾

Stas Andrzej Jozwiak⁽³⁾

Giovanni Battista Nunziante

John Joseph Danilovich⁽²⁾

Heinz Peter Barandun⁽²⁾

Giovanni Barberis

(1) *Member of the Executive Committee*

(2) *Independent Director*

(3) *Lead Independent Director*

INDEPENDENT AUDITORS

Moore Stephens Audit S.à.r.l.

KEY FIGURES

FINANCIALS

| Q3 2013 | Q3 2012 | US\$ Thousand | 9 MONTHS 2013 | 9 MONTHS 2012 |
|-------------|--------------|--|------------------------------------|-----------------------------------|
| 46 211 | 46 768 | Time charter equivalent (TCE) earnings | 145 540 | 135 728 |
| 5 756 | 4 585 | EBITDA | 39 897 | 13 778 |
| 12.46% | 9.80% | as % of margin on TCE | 27.41% | 10.15% |
| (2 053) | (5 408) | EBIT | 16 036 | (100 540) |
| (4.44%) | (11.57)% | as % of margin on TCE | 11.02% | (74.08)% |
| (4 654) | (9 747) | Net profit / (loss) | 18 447 | (106 982) |
| (10.07%) | (20.84)% | as % of margin on TCE | 12.67% | (78.82)% |
| US\$ (0.13) | US\$ (0.065) | Earnings / (loss) per share | US\$ 0.051 | US\$ (0.713) |
| 15 607 | (1 223) | Operating cash flow | 29 934 | (1 190) |
| (9 652) | (7 203) | Gross CAPEX | (45 674) | (77 579) |
| | | | As at 30 September 2013 | As at 31 December 2012 |
| | | Total assets | 614 412 | 676 895 |
| | | Net financial indebtedness | 199 259 | 220 706 |
| | | Shareholders' Equity | 316 478 | 294 208 |

Note: the numbers include the fleet impairment of US\$ 85.0 million in 2012 and the profit on disposal of vessel of US\$ 13.9 million in 2013.

OTHER OPERATING MEASURES

| Q3 2013 | Q3 2012 | | 9 MONTHS 2013 | 9 MONTHS 2012 |
|---------|---------|---|------------------|------------------|
| 14,277 | 12,887 | Daily operating measures - TCE earnings per employment day (US\$) ¹ | 14,507 | 13 158 |
| 36.7 | 40.3 | Fleet development - Total vessel equivalent | 37.9 | 39.0 |
| 17.8 | 22.0 | - Owned | 19.2 | 20.8 |
| 18.9 | 18.3 | - Chartered | 18.7 | 18.2 |
| 4.2% | 1.90% | Off-hire days/ available vessel days ² (%) | 3.1% | 3.4% |
| 51.9% | 36.2% | Fixed rate contract/available vessel days ³ (coverage %) | 44.3% | 37.1% |

¹This 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, if any.

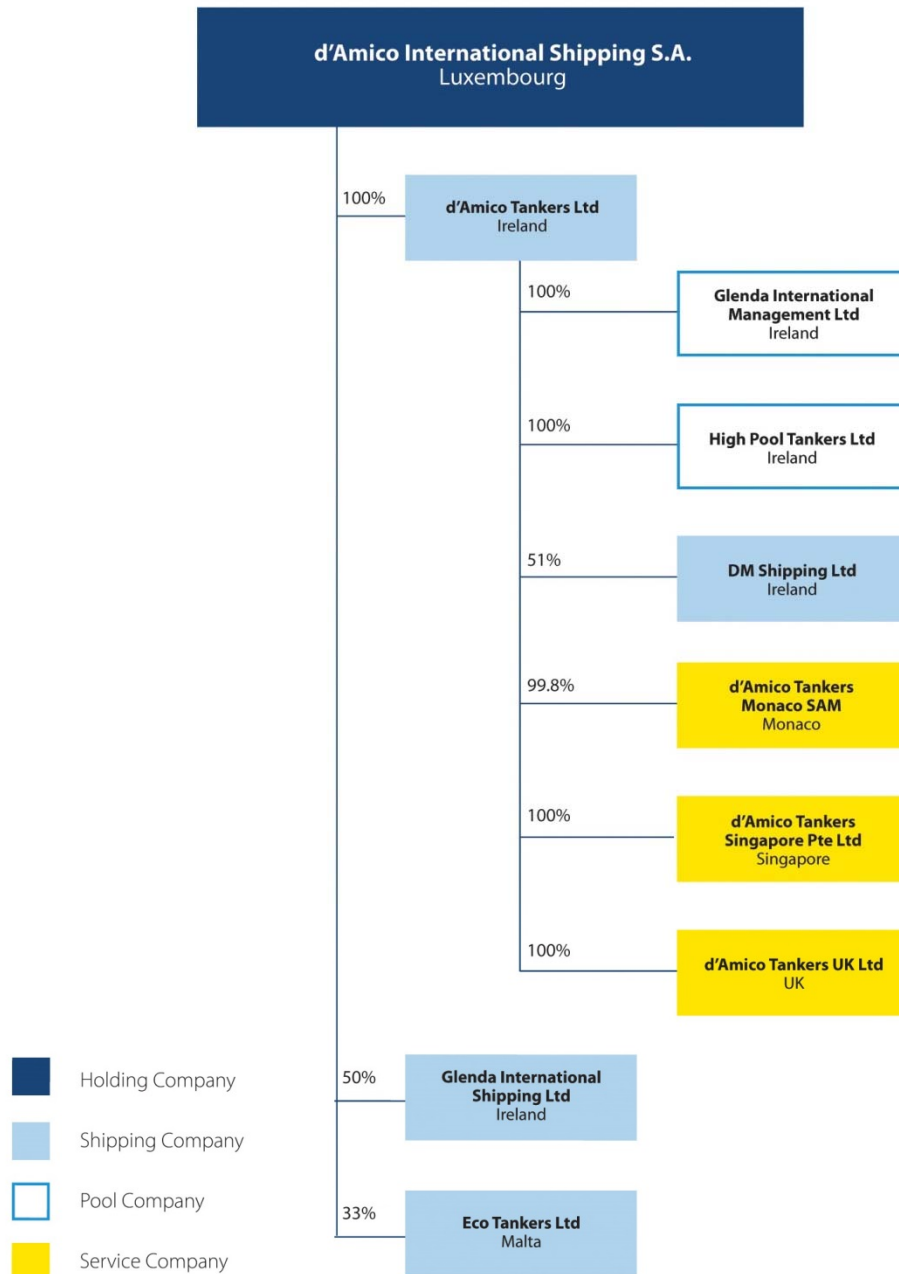
²This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

³Fixed 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.

d'AMICO INTERNATIONAL SHIPPING GROUP

GROUP STRUCTURE

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



d'Amico Tankers Singapore Ltd is being struck-off the Singapore Company Register

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 years, compared to an average in the product tankers industry of 8.9 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 September 30 2013, 62% 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 September 30 2013, which consists of **37.5** vessels (December 31, 2012: 39)

MR fleet

| Name of vessel | Dwt | Year built | Builder, Country | IMO classed |
|-------------------------------|--------|------------|---------------------------|-------------|
| Owned | | | | |
| 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 ¹ | 47,203 | 2011 | Hyundai Mipo, South Korea | IMO II/III |
| GLEND A Meryl ² | 47,251 | 2011 | Hyundai Mipo, South Korea | IMO II/III |
| GLEND A Melody ¹ | 47,238 | 2011 | Hyundai Mipo, South Korea | IMO II/III |
| GLEND A Melanie ² | 47,162 | 2010 | Hyundai Mipo, South Korea | IMO II/III |
| GLEND A Meredith ² | 46,147 | 2010 | Hyundai Mipo, South Korea | IMO II/III |
| High Strength ³ | 46,800 | 2009 | Nakai Zosen, Japan | - |
| GLEND A Megan ¹ | 47,147 | 2009 | Hyundai Mipo, South Korea | IMO II/III |
| High Efficiency ³ | 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 |

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

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

³ 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 |
|---|--------|------------|-----------------------|-------------|
| Time chartered with purchase option | | | | |
| High Enterprise | 45,800 | 2009 | Shin Kurushima, Japan | - |
| High Pearl | 48,023 | 2009 | Imabari, Japan | - |
| Time chartered without purchase option | | | | |
| Carina | 47,962 | 2010 | Iwagi Zosen, Japan | - |
| Orient Star | 45,994 | 2010 | Shin Kurushima, Japan | - |
| 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 |
| Freja Hafnia | 53,700 | 2006 | Shin Kurushima, Japan | - |
| High Glow | 46,846 | 2006 | Nakai Zosen, Japan | - |
| Citrus Express | 53,688 | 2006 | Shin Kurushima, Japan | - |
| High Power | 46,874 | 2004 | Nakai Zosen, Japan | - |

Handysize fleet

| Name of vessel | Dwt | Year built | Builder, Country | IMO classed |
|---|--------|------------|------------------|-------------|
| Owned | | | | |
| Cielo di Salerno | 36,032 | 2002 | STX, South Korea | IMO II/III |
| Cielo di Parigi ¹ | 36,032 | 2001 | STX, South Korea | IMO II/III |
| Time chartered with purchase option | | | | |
| Malbec | 38,499 | 2008 | Guangzhou, China | IMO II/III |
| Marvel | 38,435 | 2008 | Guangzhou, China | IMO II/III |
| Time chartered without purchase option | | | | |
| Cielo di Guangzhou ² | 38,877 | 2006 | Guangzhou, China | IMO II |

¹ In July 2013 d'Amico Tankers agreed the sale of the Vessel, who is expected to be delivered to the Buyer in Q4 2013

² Bare-boat charter contract

Fleet Employment and Partnership

| | <i>DIS' No. of Vessels</i> | <i>Total Pool Vessels</i> |
|------------------------|----------------------------|---------------------------|
| Direct employment | 28.5 | - |
| High Pool (MR vessels) | 9.0 | 13.0 |
| Total | 37.5 | 13.0 |

As at September 30 2013, d'Amico International Shipping directly employed 28.5 Vessels: 16.5 MRs ('Medium Range') on fixed term contract, whilst 7 MRs and 5 Handy-size vessels are currently employed on the spot market. The Group 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 13 MR product tankers as at September 30 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 Shipping Limited, a 50/50 joint venture company with the Glencore Group. The Company owns 6 MR vessels built and delivered between August 2009 and February 2011. Following a reorganization process, the activity previously carried out by GLENDIA International Management Limited (a Pool with the Glencore Group) has been concentrated directly on the aforesaid joint venture company.

DM Shipping Limited, a 51/49 joint venture company with the Mitsubishi Group. The Company owns 2 MR vessels, built and delivered respectively in July and October 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 77.5 owned and chartered-in vessels, of which 37.5 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 September 30 2013, the Group employed 441 seagoing personnel and 32 onshore personnel.

FINANCIAL REVIEW

SUMMARY OF THE RESULTS IN THE THIRD QUARTER AND NINE MONTHS OF 2013

The Global economic growth continues albeit at a slow pace. Advanced economies are growing again and at the same time emerging economies have slowed. Downside risks persist and emerging economies face challenges of slower growth coupled with tighter global financial conditions. The International Energy Agency (IEA) has stated in their October outlook that recent demand strength has raised the 2013 oil demand forecast by 90,000 barrels per day to 91 million barrels per day. They also said that demand growth is projected at 1.0 million barrels per day (or 1.1%) for 2013, increasing up to 1.1 million barrels per day in 2014 as the macroeconomic backdrop improves.

Overall, product tanker spot earnings remain subdued and showed no real signs of improving throughout the third quarter of the year. The United States export market remained the driver for the Atlantic basin but a healthy supply of tonnage coupled with weak product demand did nothing to boost the Spot market returns. US refinery runs and product exports have surged along with rising North American crude oil supplies. It was estimated that the US diesel exports reached 2 million tons at the end of the third quarter and that total US product exports reached an all-time high of 3.3 million barrels per day. Notably the gasoline imports into the United States have declined drastically from the spike in May 2013 of 1.1 million barrels per day to just 400,000 barrels per day at the end of the quarter. A similar poor picture emerged in the eastern markets as no real demand improvement coupled with a ready supply of ships.

General sentiment has shown a marked improvement in third quarter almost entirely driven by the increase in Time Charter activity. It is believed that around 120 contracts have been concluded year to date, of which around 50 were in Q3. Despite this increase in contracts charter, rates have not substantially improved. But this being said it is positive for the longer term view going into 2014.

Even though the third quarter is seasonally the weakest part of the year for the product tanker market, DIS returns were considerably higher than the same period of 2012.

The **Net Result** was negative for US\$ 4.7 million in Q3 2013 and **positive for US\$ 18.4 million in the 9 months of 2013**. This compares with a Net Loss of US\$ 9.7 million in Q3 2012 and a Net Loss of US\$ 107 million in the 9 months of 2012 (Loss of US\$ 22 million excluding the fleet value write-down booked in 2012).

The improved market scenario in 2013, combined with DIS constant focus on revenue maximization and cost control, led to a substantial increase in DIS operating profitability. In fact, **'EBITDA margin on TCE Earnings'** was **27.4% in 9 months 2013** (18% excluding the 'Result on disposal of Vessels') compared to 10% margin achieved in the same period of last year. In absolute values, 9 months 2013 EBITDA almost tripled compared to the same period of 2012 (US\$ 39.9 million vs. US\$ 13.8 million) and even excluding 'Profits on disposal', **YTD EBITDA grew by 88% compared to the prior year** (US\$ 25.9 million vs. 13.8 million).

Such solid improvement in EBITDA performance together with a good working capital trend, translated also into a **positive operating cash flow of US\$ 29.9 million in 9 months 2013**, compared to a cash burn of US\$ 1.2 million in the same period of 2012.

DIS 9 months 2013 Net Result benefited also from a good treasury performance and the gain arising from the US Dollar conversion of the Japanese Yen denominated debt.

In the first 9 months of the year, DIS ordered additional fuel efficient 'Eco' new-building product/chemical tankers (50,000 dwt Medium Range) at Hyundai Mipo Dockyard Co. Ltd. – South Korea, at very attractive prices and expected to be delivered in 2014 and 2015. In addition to this, DIS ordered 4 further 'Eco' product/chemical tankers (39,000 dwt Handysize) at Hyundai Mipo Dockyard Co. Ltd. at the end of October 2013, with expected delivery between 2015 and 2016. Therefore the Company has currently a total of 12 newbuilding product tanker agreements, which include 6 MR and 6 Handysize vessels. Also, DIS has one additional vessel on order at Hyundai Mipo Dockyard Co. Ltd, in JV with Venice Shipping and Logistics S.p.A. This corresponds to an overall investment of approximately US\$ 384 million and reaffirms the Company's strategy to modernize its fleet through new buildings with eco innovative design. Such strategy is 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.

At the same time, DIS kept implementing the fleet rejuvenation program also through the sale of its oldest vessels. Three of these ships were sold in the course of the first half of the year, generating a net 'Result on disposal' of US\$ 13.9 million.

OPERATING PERFORMANCE

| Q3 2013 | Q3 2012 | US\$ Thousand | 9 MONTHS 2013 | 9 MONTHS 2012 |
|----------------|----------------|---|------------------|------------------|
| 68 164 | 83 516 | Revenue | 223 936 | 241 126 |
| (21 953) | (36 748) | Voyage costs | (78 396) | (105 398) |
| 46 211 | 46 768 | Time charter equivalent earnings | 145 540 | 135 728 |
| (24 405) | (23 385) | Time charter hire costs | (67 801) | (69 102) |
| (12 594) | (15 203) | Other direct operating costs | (41 185) | (42 308) |
| (3 706) | (4 083) | General and administrative costs | (11 147) | (12 031) |
| 250 | 488 | Other operating Income | 543 | 1 491 |
| - | - | Profit on disposal of vessels | 13 947 | - |
| 5 756 | 4 585 | Gross operating profit / EBITDA | 39 897 | 13 778 |
| (7 809) | (9 993) | Depreciation and impairment | (23 862) | (114 318) |
| (2 053) | (5 408) | Operating result / EBIT | 16 036 | (100 540) |
| (2 615) | (4 198) | Net financial income (charges) | 3 501 | (6 038) |
| (4 668) | (9 606) | Profit / (loss) before tax | 19 537 | (106 578) |
| 14 | (141) | Income taxes | (1 090) | (404) |
| (4 654) | (9 747) | Net profit / (loss) | 18 447 | (106 982) |

Revenue was US\$ 68.2 million in Q3 2013 (US\$ 83.5 million in Q3 2012) and US\$ 223.9 million in 9 months 2013 (US\$ 241.1 million last year). The decrease in gross revenues compared to the same period of 2012 was mainly due to the increase of the 'coverage' percentage (fixed contracts) in 2013, which is naturally compensated by a decrease in 'voyage costs' (see below). The YTD off-hire days percentage in September (3.1%) was in line with the previous year (3.4%).

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\$ 22 million in Q3 2013 and US\$ 78.4 million in the first 9 months of the current year (US\$ 36.7 million and US\$ 105.4 million respectively in the same periods of 2012). Such decrease is mainly in relation to the higher level of 'coverage' compared to the same period of last year and partially to a spike in bunker prices occurred in the first months of 2012.

Time charter equivalent earnings were US\$ 46.2 million in Q3 2013 vs. US\$ 46.8 million in Q3 2012 while the amount for the first 9 months of 2013 was US\$ 145.5 million and US\$ 9.8 million higher than the same period last year (US\$ 135.7 million). As shown in the following table, 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 especially in the first half of the current year. In fact, the **Daily Average Spot Return** for DIS was **US\$ 13,984 in 9 months 2013** compared to US\$ 11,532 of the same period last year (around 21% increase). Looking at the seasonally weak third quarter, DIS performed at a daily average of **US\$ 13,678 in Q3 2013**, which is slightly lower compared to the first half the current year but still considerably higher than the

same period of 2012 (Q3 2012: US\$ 11,226). This trend seems to confirm that the product tanker market is getting momentum and even the usual negative seasonality effects tend to have a much lower impact on product tanker rates compared to the previous year.

At the same time and according to its strategy, DIS maintained a considerable level of 'coverage' (fixed contracts) throughout the first 9 months of 2013, securing an average of 44.3% of its revenue at an Average Daily Fixed Rate of US\$ 15,164.

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.

| DIS TCE daily rates (US dollars) | 2012 | | | | | 2013 | | | |
|-------------------------------------|--------|--------|--------|---------------|--------|--------|--------|--------|---------------|
| | Q1 | Q2 | Q3 | 9m | Q4 | Q1 | Q2 | Q3 | 9m |
| Spot | 12,623 | 10,872 | 11,226 | 11,532 | 12,113 | 14,272 | 13,929 | 13,678 | 13,984 |
| Fixed | 15,972 | 15,956 | 15,819 | 15,914 | 15,728 | 15,620 | 15,127 | 14,832 | 15,164 |
| Average | 13,904 | 12,753 | 12,887 | 13,158 | 13,344 | 14,808 | 14,427 | 14,277 | 14,507 |

Time charter hire costs relate to the chartered-in vessels and amount to US\$ 24.4 million in Q3 2013 and US\$ 67.8 million in 9 months 2013 (US\$ 23.4 million in Q3 2012 and US\$ 69.1 million in 9 months 2012). The average number of chartered-in vessels in 9 months 2013 was substantially in line with the same period of last year (9 months 2013: 18.7 vs. 9 months 2012: 18.2). However the daily cost for the chartered-in fleet decreased compared to last year, thanks to the expiration of some old contracts replaced with new ones at lower rates.

Other direct operating costs mainly consist of crew, technical, luboil expenses relating to the operation of owned vessels and insurance costs on owned and chartered vessels. These costs were US\$ 12.6 million in Q3 2013 vs. US\$ 15.2 million in Q3 2012 and US\$ 41.2 million in 9 months 2013 vs. US\$ 42.3 million in 9 months 2012. 2013 'daily operating costs' are substantially in line with 2012 and the decrease in absolute values occurred in the current year was partially related to some timing effects and to the decrease in the owned fleet following the sale of some of the oldest vessels. 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\$ 3.7 million in Q3 2013 (US\$ 4.1 million in Q3 2012) and US\$ 11.1 million in 9 months 2013 (US\$ 12.0 million in 9 months 2012). These costs mainly relate to on-shore personnel, together with premises costs, consultancies, travel and others. The positive trend noted in the first nine months of the year 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\$ 0.3 million in Q3 2013 (US\$ 0.5 million in Q3 2012) and US\$ 0.5 million in 9 months 2013 (US\$ 1.5 million in 9 months 2012). The balance refers to chartering commissions from third parties vessels operated through pools, which has decreased in terms of number of ships.

Result on disposal of vessel. In the first half of the year, DIS sold 2 MR product tanker vessels built in 1999 and 1 Handy vessel built in 2001, reducing the average age of the fleet and realizing a net gain on disposal of US\$ 13.9 million. In Q3 2013, DIS agreed the sale of a further Handy product tanker vessel built in 2001, which is expected to be delivered to the her new Owners in Q4 2013 and at that time an additional 'Profit on disposal' will be recognized in the accounts.

EBITDA for Q3 2013 amounted to US\$ 5.8 million (Q3 2012: US\$ 4.6 million) and US\$ 39.9 million for the 9 months of 2013, including US\$ 13.9 million on 'Result on disposal of vessels' generated in the first half of the year. Excluding said capital gain, 9 months 2013 EBITDA was US\$ 25.9 million vs. US\$ 13.8 million in the same period last year (88% growth). Therefore EBITDA margin on TCE Earnings was 12.5% in Q3 2013 vs. 9.8% in Q3 2012; while 27.4% margin was achieved in 9 months 2013 (18% excluding the 'Result on disposal of vessels')

vs. 10% in the same period last year.

Depreciation amounted to US\$ 7.8 million in Q3 2013 vs. US\$ 10.0 million in Q3 2012 and US\$ 23.9 million in 9 months 2013 vs. 29.3 million in 9 months 2012 (excluding US\$ 85 million fleet value write-down booked in 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 and partially to the sale of three owned vessels in the first half of the current year.

EBIT for the third quarter of the year was negative for US\$ 2.1 million, compared to the operating loss of US\$ 5.4 million booked in the same quarter last year. 9 months 2013 EBIT was positive US\$ 16 million vs. loss of US\$ 15.5 million in the same period last year (excluding US\$ 85 million fleet value write-down booked in 2012).

Net financial charges were negative for US\$ 2.6 million in Q3 2013 (negative for US\$ 4.2 million in Q3 2012) and positive for US\$ 3.5 million in 9 months 2013 (negative for US\$ 6.0 million in 9 months 2012). DIS derived the aforesaid gain in 2013 mainly on the US Dollar conversion of the loans denominated in Japanese Yen (9 months 2013: US\$ 4.9 million vs. 9 months 2012: US\$ 0.2 million) and on the strong treasury performance realized in the period (9 months 2013: US\$ 3.7 million vs. 9 months 2012: US\$ 0.9 million). The Group exposure to the Yen is constantly monitored and actively managed by an adequate financial policy.

The Company's **Loss before tax** for Q3 2013 was US\$ 4.7 million (loss of US\$ 9.6 million in Q3 2012), while a **Profit** of US\$ 19.5 million was recorded in 9 months 2013 (loss of US\$ 107 million in 9 months 2012).

Income taxes were close to 'zero' in Q3 2013 (US\$ 0.1 million in Q3 2012), while the 9 months 2013 amount was equal to US\$ 1.1 million (US\$ 0.4 million in 9 months 2012). The increase in 9 months 2013 compared to the same period of 2012 is due to the taxation of some financial income which is subject to the standard corporation tax and not included in the tonnage tax scheme.

The **Net Result** for Q3 2013 was negative for US\$ 4.7 million compared to a Net Loss of US\$ 9.7 million in Q3 2012, while the **Net Profit** of the first **nine months of 2013** was **US\$ 18.4 million** compared to a Net Loss of US\$ 107 million posted in the same period of 2012.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| <i>US\$ Thousand</i> | As at 30 September 2013 | As at 31 December 2012 |
|---|----------------------------|---------------------------|
| ASSETS | | |
| Non current assets | 503 624 | 498 922 |
| Current assets | 110 788 | 177 973 |
| Total assets | 614 412 | 676 895 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Shareholders' equity | 316 478 | 294 208 |
| Non-current liabilities | 236 025 | 288 787 |
| Current liabilities | 61 909 | 93 900 |
| Total liabilities and shareholders' equity | 614 412 | 676 895 |

Non-current assets mainly relate to DIS owned fleet net book value, which was of US\$ 498.9 million as at September 30 2013 and it includes also the portion relating to the newbuildings under construction. Non-current assets comprise further US\$ 3.1 million investment in Eco Tankers Limited, a JV (in which DIS has 33% interest) with Venice Shipping and Logistics S.p.A. which has one MR vessel on order at Hyundai Mipi Dockyard Co. Ltd – South Korea, expected to be delivered in 2014.

Gross Capital expenditures for the third quarter of the year were US\$ 12.8 million and US\$ 48.8 million for the entire nine months, including US\$ 3.1 million invested through Eco Tankers Limited, as disclosed above. These amounts mainly comprise the installments paid on the 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 September 30 2013 were US\$ 110.8 million. Other than the working capital items, inventories and trade receivables amounting to US\$ 13.1 million and US\$ 29.0 million respectively, current assets include cash on hand of US\$ 65.9 million and current financial assets of US\$ 2.7 million.

Non-current liabilities were US\$ 236.0 million at the end of September 2013 and 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\$ 29.3 million, essentially relating to trade and other payables.

The **Shareholders' equity** balance as at September 30 2013 was of US\$ 316.5 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 nine months of the current year.

NET INDEBTEDNESS

Net debt as at September 30 2013 amounted to US\$ 199.3 million vs. US\$ 220.7 million at the end of 2012. The ratio of net debt to shareholders equity was of 0.63 at the end of September 2013 compared to 0.75 at the end of 2012.

| <i>US\$ Thousand</i> | As at 30 September 2013 | As at 31 December 2012 |
|--|------------------------------------|-----------------------------------|
| Liquidity | | |
| Cash and cash equivalents | 65 931 | 117 617 |
| Current financial assets | 2 748 | 757 |
| Total current financial assets | 68 679 | 118 374 |
| Bank loans – current | 25 776 | 28 160 |
| Other current financial liabilities | | |
| Due to third parties | 6 137 | 22 133 |
| Total current financial debt | 31 913 | 50 293 |
| Net current financial debt | (36 766) | (68 081) |
| Bank loans non-current | 234 668 | 284 264 |
| Other non-current financial liabilities | | |
| Due to third parties | 1 357 | 4 523 |
| Total non-current financial debt | 236 025 | 288 787 |
| Net financial indebtedness | 199 259 | 220 706 |

The balance of *Total Current Financial Assets* (Cash and cash equivalents together with some short-term hedging instruments shown under *Current financial assets*) was of US\$ 68.7 million at the end of September 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 September 30 2013 amounted to US\$ 260.4 million, of which US\$ 25.8 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\$ 105.5 million; (ii) Mizuho syndicated loan facility of US\$ 15.7 million; (iii) Crédit Agricole and DnB NOR Bank seven years term loan facility to finance two MR vessels built and delivered in H1 2012 for total US\$ 41.7 million; (iv) Danish Ship Finance 18 months term loan facility to finance the purchase of the second-hand vessel M/T High Prosperity in H1 2012, for US\$ 10.6 million. DIS debt also comprises the portion of the bank loans of its two joint ventures (GLENDA International Shipping Ltd and DM Shipping Ltd): (i) Commerzbank AG Global Shipping and Credit Suisse loans of US\$ 68.4 million for the six Glenda International Shipping Ltd vessels, delivered between 2009 and 2011; (ii) Mitsubishi UFJ Lease loan of US\$ 18.6 million for the financing of the two DM Shipping Ltd vessels delivered in 2009.

In the first quarter of 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\$ 7.5 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 the period ended on September 30 2013 was negative for US\$ 51.9 million due to US\$ 48.8 million gross capital expenditures, partially compensated by the proceeds from the disposal of 3 vessels, US\$ 20.0 million subordinated loan reimbursement and US\$ 25.6 million bank loan repayment on the vessels sold.

| Q3 2013 | Q3 2012 | US\$ Thousand | 9 MONTHS 2013 | 9 MONTHS 2012 |
|----------------|---------------|---|------------------|------------------|
| 15 607 | (1 223) | Cash flow from operating activities | 29 934 | (1 190) |
| (13 473) | (7 203) | Cash flow from investing activities | (14 456) | (77 579) |
| (11 995) | 9 457 | Cash flow from financing activities | (67 330) | 69 143 |
| (9 861) | 1 031 | Change in cash balance | (51 852) | (9 627) |
| 75 081 | 40 191 | Cash & cash equivalents at the beginning of the period | 117 617 | 51 068 |
| 711 | 350 | Exchange gain (loss) on cash and cash equivalents | 166 | 131 |
| 65 931 | 41 572 | Cash & cash equivalents at the end of the period | 65 931 | 41 572 |

DIS generated strong **Cash flow from operating activities** of US\$ 29.9 million in the first 9 months of 2013, (cash burn of US\$ 1.2 million in 9 months 2012), of which US\$ 15.6 million recorded in Q3 alone (negative cash flow of US\$ 1.2 million in Q3 2013).

Such significant cash flow generation was a consequence of the solid improvement in EBITDA performance achieved in the period, together with a very good working capital trend following the vessel employment mix, in the form of spot and time charter contracts.

The net **Cash flow from investing activities** was US\$ 14.5 million (outflow) in 9 months 2013. Total capital expenditures amounted to US\$ 48.8 million in the period (due to the installments paid on the newbuilding vessels under construction at Hyundai-Mipo and to dry-dock expenses) and were partially offset by US\$ 34.4 million net proceeds from the disposal of 3 vessels.

Cash flow from financing activities was negative for US\$ 67.3 million in 9 months 2013 and, other than the scheduled bank debt repayments, it mainly includes: US\$ 25.6 million bank loan repayment on the 3 vessels sold in the period and further US\$ 6.6 million due on an additional vessel sold, whose proceed are expected in Q4 2013. In addition to this, US\$ 20 million subordinated loan granted in Q3 2012 by DIS' parent company d'Amico International S.A., were fully repaid in Q1 2013.

SIGNIFICANT EVENTS IN THE PERIOD

During the first three quarters 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), entered 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 31.5% lower than the current IMO reference line.
- **Order of two more 'Eco' design Product Tankers:** In May 2013, d'Amico International Shipping S.A. (Borsa Italiana: DIS), announced that its operating subsidiary d'Amico Tankers Limited (Ireland), exercised its purchase options, as disclosed last March 12, and entered into contracts for the construction of two additional new product/chemical tanker vessels (Hulls 410 and S411 - 50,000 dwt Medium Range, the 'Vessels') with Hyundai Mipo Dockyard Co. Ltd. – Korea, expected to be delivered in H2 2015, for a consideration of less than US\$ 30.0 million each.
The 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 the 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 31.5% lower than the current IMO reference line.
d'Amico Tankers Limited signed also a Letter of Intent agreeing with Hudson Partners LLC, an important financial institution based in Connecticut, United States the novation of one of these newbuilding contracts (vessel with Hull S410) to a special purpose vehicle guaranteed by Hudson Partners LLC for a consideration of US\$ 150,000 in addition to the purchase price. The vessel will be commercially managed by DIS and will be employed either through time-charter, voyage charter contracts or through a pool managed by DIS or one of its affiliates. The Hull S410 construction supervision will be made by a company of the d'Amico Società di Navigazione S.p.A. Group.
- **Vessel Sale:** In May 2013, d'Amico Tankers Limited agreed the sale of: (i) 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; (ii) The sale of the MR product tanker vessels M/T High Spirit and M/T High Challenge, built in 1999 by STX, South Korea at the price of US\$ 12.2 million each. These sales reduced DIS fleet average age and generated a net 'Profit on disposal' of US\$ 13.9 million in Q2 2013. In July 2013, d'Amico Tankers Limited agreed the sale of the Handysize product tanker vessel M/T Cielo di Parigi, built in 2001 by Daedong Shipbuilding South Korea at the price of US\$ 12.65 million. This sale will further reduce the average age of DIS Fleet and will generate a profit on disposal in Q4 of about US\$ 4.3 million.
- **'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.

In May 2013, one vessel owned by GLENDA International Shipping Limited and chartered-in by d'Amico Tankers Limited, was Time Chartered for 1 year period with an option for a further 1 year, to an important commodity trader at rewarding levels.

In June 2013, two vessels owned by d'Amico Tankers Limited were Time Chartered at rewarding levels and for 1 year period to respectively an important commodity trader and an important oil company.

In July 2013 one vessel owned by GLENDA International Shipping Limited and chartered-in by d'Amico Tankers Limited, was Time Chartered for 1 year period with an option for further 6 months, to a main oil-major at rewarding levels.

In September 2013, two vessels chartered-in by d'Amico Tankers Limited, were Time Chartered at rewarding levels for 1 year period to two important commodity traders.

- **'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 June 2013, d'Amico Tankers Limited redelivered M/T Hallinden back to her Owners.

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.

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.

In June 2013, M/T High Energy, a Medium Range (MR) vessel built in 2004 and Time Chartered-In by d'Amico Tankers Limited since then was redelivered back to her Owners.

In August 2013, M/T Orient Star, a Medium Range (MR) vessel built in 2010, was delivered to d'Amico Tankers Limited for a 1 year time charter period.

GLENDA International Shipping Limited:

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

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

d'Amico Tankers Limited:

- **Order of four more 'Eco' design Product Tankers:** In October 2013, d'Amico International Shipping S.A. (Borsa Italiana: DIS), an international marine transportation company, operating in the product tanker market, announced that its operating subsidiary d'Amico Tankers Limited (Ireland) has entered today in a shipbuilding contract for the purchase of four (4) additional product chemical tanker vessels (39,000 dwt Handysize) at the price of US\$ 31.2 million/each, with Hyundai Mipo Dockyard Co. Ltd. - Korea - at their HVS facility in Vietnam, for a total investment amount of US\$ 126 million. The new vessels are expected

to be delivered in November, 2015 - April, July, and October, 2016. This contract includes an option to upgrade the vessels to ice class IB at an extra cost of US\$ 963,000 per vessel.

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

| | As at 30 September 2013 | | | As at 12 November 2013 | | |
|----------------|-------------------------|------------|-------------|------------------------|------------|-------------|
| | MR | Handysize | Total | MR | Handysize | Total |
| Owned | 16.0 | 2.0 | 18.0 | 16.0 | 2.0 | 18.0 |
| Time chartered | 16.5 | 3.0 | 19.5 | 16.5 | 3.0 | 19.5 |
| Total | 32.5 | 5.0 | 37.5 | 32.5 | 5.0 | 37.5 |

Business Outlook

The IEA forecast global oil demand for 2013 to improve by 90,000 barrels per day following stronger than expected data for Q3. The improvements in the European economy support the upward revision to the demand forecast, while reports of higher than anticipated power sector usage in other regions also contributed.

FSU Total product exports now stand at 2.7 million barrels per day, 530,000 barrels per day lower than a year ago, due to apparently robust domestic demand. The drop spanned all product categories, notably fuel oil and gasoil which decreased by 180,000 barrels per day and 50,000 barrels per day, respectively.

Saudi Arabia's new 400,000 barrel per day refinery at Jubail, on the Middle East Gulf, started operations in September and by end-month shipped its first cargo of oil products.

Once the secondary units come on stream, the plant is expected to halt fuel oil shipments and instead export more light-end products such as gasoline and diesel. It is expected to yield some 260,000 barrels per day of Ultra-Low Sulphur Diesel (ULSD) and 90,000 barrels per day of gasoline. The refinery exported its first ULSD cargo in October, and is projected to increase exports going into Q4.

Mexico total products demand fell to an all-time low, ending September under the bottom of the 5-year range and a substantial 122,000 barrels per day (6.9%) down on the year. Net imports of total products dropped by a substantial 103,000 barrels per day (24.4%) in September, dipping below the 5-year average and were left 252,000 barrels per day lower on the year.

China's top refiners, Sinopec Corp and Petro China, have been granted export permits for the fourth quarter that is likely to result in a surge of diesel and gasoline exports. Sinopec received quotas totalling 3.5 million tonnes and Petro-China 2 million tonnes.

Outlook going into Q4 should be positively affected by seasonal increases in refined product consumption:

1. Distillate demand typically increases as demand for heating oil increases. According to International Energy Agency (IEA) data, typical distillate imports grow by 16% from 2Q to 4Q each year
2. Naphtha demand to Asia from the Middle East traditionally increases as Petrochemical feedstock transition to Naphtha as LPG and LNG are diverted for heating.

The key drivers that should affect the product tanker freight markets and d'Amico International Shipping performance are (i) Global oil demand (ii) worldwide GDP growth and (iii) 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

- In the first nine months of 2013 there have been at least 120 time charter contracts concluded in the MR sector compared to 57 in the whole of 2012. Positive enquiry continues into Q4.

- Yet another European refinery closure was announced this month, the 16th since the financial crisis, allowing the 'advantaged' US refiners to pick up the shortfall. US Crude runs at near record high levels. With poor domestic demand export also at near record highs.
- European refiners are suffering, due to slow domestic and United States Product demand, are looking into alternative markets. Gasoline exports to Africa have soared in recent years. In 2000 Europe exported 2 million tonnes to the sub Saharan continent which increased to in excess of 10 million tonnes a decade later.
- Africa is forecast to provide one of the fastest paces of global oil demand growth in the medium term, rising by an average of 4% per annum, 2012-2018.
- On current estimates Indonesia is set to become the biggest importer of gasoline by 2018. As refineries in Japan and Australia close this could open another market for the gasoline surplus in Europe helping tonne mile demand.
- It is forecast that demand should continue for commodities such as Vegetable and Palm oil. Annual seaborne palm oil transportation is expected to rise from 6.5 million tonnes to 7.5 million tonnes by 2016. This would require an additional 31 ships (MR Tankers) annually.
- Imminent start-up of several export-oriented refineries should cause an increase in near-term product tanker demand: Two new refineries have just started production, which could possibly result in as much as a 700,000 barrel per day increase in product tanker demand by the end of 2013. One of them the 400,000 barrel per day Saudi Aramco / Total jointly-owned Jubail refinery in Eastern Saudi Arabia, which is virtually entirely earmarked for refined product exports, is currently increasing production, and has already exported several cargoes.
- Chinese refiners have been granted export licenses for 5.5 million tonnes of refined petroleum products. The majority of the products to be exported will be diesel and gasoline of about 3 million tonnes, which translates into about 280,000 barrels per day. If these export licenses continue we could see the older Asian refineries go the same route as the European ones.

Product Tanker supply

- There have been various reports of very strong ordering in the MR sector in 2013. There is considerable speculation of exactly how many orders have been placed and the reports range from 80 to well over a hundred for delivery up to 2015.
- Based on historical figures for the last couple of years we would expect the order book for 2014 to be around 90 ships and the same for the following year.
- Despite the upward revision in the MR Sector order book we are not close to the massive delivery years of 2009-2010 and net growth should still be manageable with the projected growth in seaborne Product trade in the same period.
- Slippage and possible cancellations should still be considered a significant factor in the new buildings. The average slippage has been around 35 percent over the last 5 years.
- Close to 70 ships have been delivered this year of which 30 were delivered in Q1 2013. There have been about 27 ships permanently removed in the first half of 2013.
- Despite the fact that the MR fleet has a relatively young average age of 8.8 years¹ there are 298 ships over the age of 15 years of which 154 are over 20 years old and 53 over 25 years old.
- Port delays, slow steaming and increasing length of voyages are very much a factor in trading product Tankers and are effectively reducing the ready supply.

D' AMICO INTERNATIONAL SHIPPING GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2013

CONSOLIDATED INCOME STATEMENT

| Q3 2013 | Q3 2012 | US\$ Thousand | 9 MONTHS 2013 | 9 MONTHS 2012 |
|----------------|----------------|---|------------------|------------------|
| 68 164 | 83 516 | Revenue | 223 936 | 241 126 |
| (21 953) | (36 748) | Voyage costs | (78 396) | (105 398) |
| 46 211 | 46 768 | Time charter equivalent earnings | 145 540 | 135 728 |
| (24 405) | (23 385) | Time charter hire costs | (67 801) | (69 102) |
| (12 594) | (15 203) | Other direct operating costs | (41 185) | (42 308) |
| (3 706) | (4 083) | General and administrative costs | (11 147) | (12 031) |
| 250 | 488 | Other operating income | 543 | 1 491 |
| - | - | Profit from disposal of vessels | 13 947 | - |
| 5 756 | 4 585 | EBITDA | 39 897 | 13 778 |
| (7 809) | (9 993) | Depreciation and impairment | (23 862) | (114 318) |
| (2 053) | (5 408) | EBIT | 16 036 | (100 540) |
| (2 615) | (4 198) | Net financial income (charges) | 3 501 | (6 038) |
| (4 668) | (9 606) | Profit / (loss) before tax | 19 537 | (106 578) |
| 14 | (141) | Income tax | (1 090) | (404) |
| (4 654) | (9 747) | Net profit / (loss) | 18 447 | (106 982) |

The net profit is attributable to the equity holders of the Company

| | | | | |
|----------------|----------------|---|--------------|----------------|
| (0.012) | (0.065) | Earnings / (loss) per share (US\$) | 0.051 | (0.713) |
|----------------|----------------|---|--------------|----------------|

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| Q3 2013 | Q3 2012 | US\$ Thousand | 9 MONTHS 2013 | 9 MONTHS 2012 |
|---------|----------|---|------------------|------------------|
| (4 654) | (9 747) | Profit / (loss) for the period | 18 447 | (106 982) |
| 610 | (330) | Cash flow hedges | 3 652 | (291) |
| (4 044) | (10 077) | Total comprehensive result for the period | 22 099 | (107 273) |
| (0.011) | (0.067) | Earnings / (loss) per share | 0.061 | (0.715) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| <i>US\$ Thousand</i> | As at 30 September 2013 | As at 31 December 2012 |
|---|----------------------------|---------------------------|
| ASSETS | | |
| Non-current assets | | |
| Tangible assets | 500 484 | 498 922 |
| Financial fixed assets | 3 140 | - |
| Total non-current assets | 503 624 | 498 922 |
| Current assets | | |
| Inventories | 13 083 | 20 221 |
| Receivables and other current assets | 29 026 | 39 378 |
| Current financial assets | 2 748 | 757 |
| Cash and cash equivalents | 65 931 | 117 617 |
| Total current assets | 110 788 | 177 973 |
| Total assets | 614 412 | 675 895 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | |
| Shareholders' equity | | |
| Share capital | 35 988 | 35 988 |
| Retained earnings | 30 886 | 12 439 |
| Other reserves | 249 604 | 245 781 |
| Total shareholders' equity | 316 478 | 294 208 |
| Non-current liabilities | | |
| Banks and other lenders | 234 668 | 284 264 |
| Other non-current financial liabilities | 1 357 | 4 523 |
| Total non-current liabilities | 236 025 | 288 787 |
| Current liabilities | | |
| Banks and other lenders | 25 776 | 28 160 |
| Amount due to parent company | - | 20 000 |
| Payables and other current liabilities | 29 308 | 43 009 |
| Other current financial liabilities | 6 237 | 2 178 |
| Current tax payable | 588 | 553 |
| Total current liabilities | 61 909 | 93 900 |
| Total shareholders' equity and liabilities | 614 412 | 676 895 |

12 November 2013
On behalf of the Board

Paolo d'Amico
Chairman

Marco Fiori
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOW

| Q3 2013 | Q3 2012 | US\$ Thousand | 9 MONTHS 2013 | 9 MONTHS 2012 |
|-----------------|----------------|--|------------------|------------------|
| (4 654) | (9 747) | Profit (Loss) for the period | 18 447 | (106 982) |
| 7 809 | 9 993 | Depreciation and amortisation | 23 862 | 114 318 |
| (14) | 141 | Current and deferred income tax | 1 090 | 404 |
| 2 091 | 2 293 | Financial charges (income) | 1 423 | 6 276 |
| 514 | 1 269 | Fair value loss (gain) on foreign currency retranslation | (4 935) | (238) |
| - | - | Result on disposal of vessels | (13 947) | - |
| (1723) | 615 | Other non-cash items | 10 | (21) |
| 5 573 | 4 564 | Cash flow from operating activities before changes in working capital | 25 950 | 13 757 |
| (717) | 327 | Movement in inventories | 7 138 | (1 676) |
| 10 602 | 5 307 | Movement in amounts receivable | 10 352 | (2 110) |
| 5 454 | (9 394) | Movement in amounts payable | (7 515) | (6 480) |
| (34) | (29) | Taxes paid | (1 063) | (371) |
| (5 271) | (1 998) | Interest and other financial cost (paid) received | (4 928) | (4 310) |
| 15 607 | (1 223) | Net cash flow from operating activities | 29 934 | (1 190) |
| (9 652) | (7 203) | Acquisition of fixed assets | (45 674) | (77 579) |
| (682) | - | Proceeds from the disposal of fixed assets | 34 358 | - |
| (3 139) | - | Investment in associate | (3 140) | - |
| (13 473) | (7 203) | Net cash flow from investing activities | (14 456) | (77 579) |
| - | 2 | Other changes in shareholders' equity | - | (40) |
| - | - | Treasury shares | - | - |
| - | 1 638 | Movement in other financial assets | - | 14 396 |
| - | 12 000 | Movement in other financial payable | (20 000) | 20 000 |
| (11 995) | (4 183) | Bank loan repayments | (47 330) | (12 301) |
| - | - | Bank loan draw-downs | - | 47 088 |
| (11 995) | 9 457 | Net cash flow from financing activities | (67 330) | 69 143 |
| (9 861) | 1 031 | Net increase (decrease) in cash and cash equivalents | (51 852) | (9 627) |
| 75 081 | 40 191 | Cash and cash equivalents at the beginning of the period | 117 617 | 51 068 |
| 711 | 350 | Exchange gain (loss) on cash and cash equivalents | 166 | 131 |
| 65 931 | 41 572 | Cash and cash equivalents at the end of the period | 65 931 | 41 572 |

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

| <i>US\$ Thousand</i> | Share capital | Retained earnings | Other Reserves <i>Other</i> | Cash-Flow hedge | Total |
|--|--------------------------|------------------------------|--|----------------------------|----------------|
| Balance as at 1 January 2013 | 35 988 | 12 439 | 252 437 | (6 656) | 294 208 |
| Other changes (consolidation reserve) | - | - | 171 | - | 171 |
| Total comprehensive income | - | 18 447 | - | 3 652 | 22 099 |
| Balance as at 30 September 2013 | 35 988 | 30 886 | 252 608 | (3 004) | 316 478 |

| <i>US\$ Thousand</i> | Share capital | Retained earnings | Other Reserves <i>Other</i> | Cash-Flow hedge | Total |
|--|--------------------------|------------------------------|--|----------------------------|----------------|
| Balance as at 1 January 2012 | 149 950 | 118 433 | 54 715 | (7 617) | 315 481 |
| Other changes (consolidation reserve) | - | - | (28) | - | (28) |
| Total comprehensive income | - | (106 982) | - | (291) | (107 273) |
| Balance as at 30 September 2012 | 149 950 | 11 451 | 54 729 | (7 908) | 208 180 |

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. This interim financial information was prepared in compliance with IAS 34.

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.

1. ACCOUNTING POLICIES

The financial statements present the results of the parent company, d'Amico International Shipping SA, and its subsidiaries for the period ended 30 September 2013. The accounting policies used in the presentation of the interim report on the same as those adopted in the 2012 annual report.

Basis of Consolidation

The financial statements present the consolidated results of the parent company, d'Amico International Shipping SA, and its subsidiaries for the period ended 30 September 2013.

Critical Accounting Judgments and Key Estimates

The preparation of the financial statements requires Management 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 realization 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. As a result, no geographical segment information disclosures are necessary.

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, except IFRS 13 "Fair value measurement".

2. COMMITMENTS AND CONTINGENCIES

As at September 30 2013, the Group's capital commitments amounted to US\$ 194.2 million, of which payments over the next 12 months amounted to US\$ 68.7 million.

| <i>US\$ Million</i> | As at 30 September 2013 | As at 31 December 2012 |
|---------------------|------------------------------------|-----------------------------------|
| Within one year | 125.5 | 37.6 |
| Between 1 – 3 years | 68.7 | 141.3 |
| Between 3 – 5 years | - | - |
| More than 5 years | - | - |
| Total | <u>194.2</u> | <u>178.9</u> |

Capital commitments relate to the payment for 2 Hyundai-Mipo dockyard 40,000 dwt Product/chemical tanker newbuilding vessels and 6 Hyundai-Mipo dockyard 50,000 dwt Product/chemical tanker newbuilding vessels. DIS current newbuilding vessels are expected to be delivered between 2014 and early 2016.

On behalf of the Board

Paolo d'Amico
Chairman

Marco Fiori
Chief Executive Officer

The manager responsible, 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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