d’Amico International Shipping S.A.
Half-Yearly / Second Quarter 2014 Financial Report

This document is available on www.damicointernationalshipping.com
d’Amico International Shipping S.A.
Registered office at 25C Boulevard Royal, Luxembourg
Share capital US$ 42,195,530.70 as at 30 June 2014

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BOARD OF DIRECTORS AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman
Paolo d'Amico

Chief Executive Officer
Marco Fiori

Directors
Cesare d'Amico
Massimo Castrogiovanni
Stas Andrzej Jozwiak
Giovanni Battista Nunziante
John Joseph Danilovich
Heinz Peter Barandun
Giovanni Barberis

INDEPENDENT AUDITORS

PricewaterhouseCoopers, Societé Coopérative

KEY FIGURES

FINANCIALS

Q2 2014	Q2 2013 ([1])	*US$ Thousand*	H1 2014	H1 2013([1])
48 649	49 212	Time charter equivalent (TCE) earnings	95 099	99 329
10 391	21 797	EBITDA	14 198	32 460
21.36%	*44.29%*	*as % of margin on TCE*	*14.93%*	*32.68%*
1 727	14 324	EBIT	(2 513)	17 306
3.55%	*29.19%*	*as % of margin on TCE*	*(2.64)%*	*17.42%*
1 385	14 521	Net profit / (loss)	(5 451)	17 701
2.85%	*28.29%*	*as % of margin on TCE*	*(5.73)%*	*17.82%*
(0.003)	0.0386	Earnings / (loss) per share	(0.013)	0.0464
6 623	(3 385)	Operating cash flow	8 554	9 831
(44 893)	(37 580)	Gross CAPEX	(137 613)	(36 022)
			As at 30 June 2014	**As at 31 December 2013(1)**
		Total assets	713 454	598 921
		Net financial indebtedness	280 645	187 585
		Shareholders' Equity	340 118	322 578

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs and the reclassification within equity of the ineffective part of the cash-flow hedge. See also Note 1 in the Notes to the Group interim report.

OTHER OPERATING MEASURES

Q2 2014	Q2 2013 ([2])		H1 2014	H1 2013[2]
13 972	14 427	**Daily operating measures** - TCE earnings per employment day (US$)[3]	13 806	14 616
39.1	38.6	**Fleet development** - Total vessel equivalent	39.4	38.6
20.2	17.8	- Owned	19.9	18.9
18.9	20.8	- Chartered	19.5	19.7
1.8%	2.9%	Off-hire days/ available vessel days[4] (%)	2.6%	2.6%
55.2%	41.5%	Fixed rate contract/ available vessel days[5] (coverage %)	55.6%	40.6%

[1] Following application of the new IFRS 10 and IFRS 11 and the reclassification within equity of the ineffective part of the cash-flow hedge, figures previously reported for Q2 2013, half year 2013 and year-end 2013 have been restated. Compared to figures previously reported, on a half-yearly basis, the net profit was reduced US$ 5.4 million, the operating cash-flow was reduced US$ 4.5 million, total assets were reduced US$ 16.5 million, Shareholders'equity increased US$ 5.9 million. See also Note 1 in the Notes to the Group interim report.

[2] Following application of the new IFRS 10 and IFRS 11, 'Other Operating Measures' previously reported for Q1 2013 and year end 2013 have been restated. Compared to the figures previously reported, Owned vessels decreased by 1 ship and Chartered vessels increased by 1 ship

[3] This figure represents time charter ("TC") equivalent earnings for vessels employed on the spot market and time charter contracts net of commissions. Calculations exclude vessels chartered through the pools.

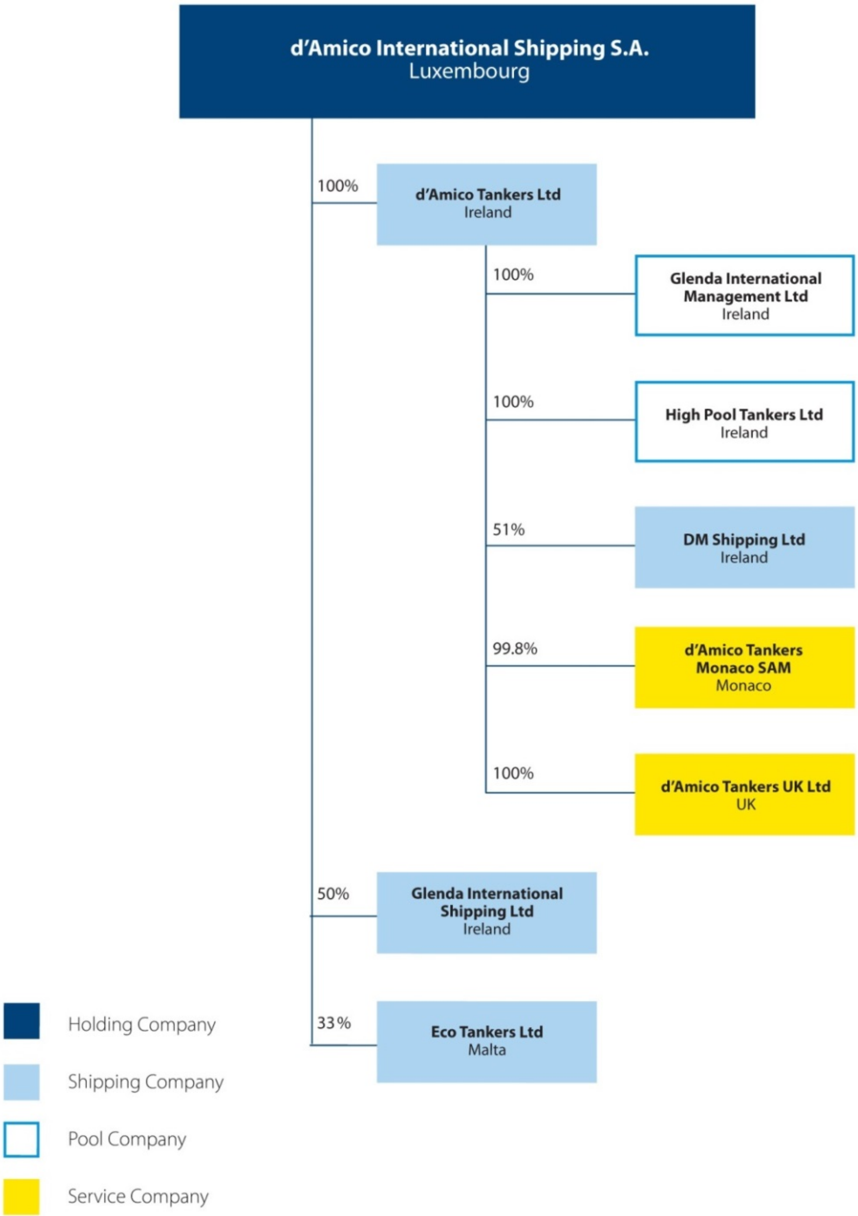
[4] This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

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

INTERIM MANAGEMENT REPORT

GROUP STRUCTURE

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



Note: from 1 January 2014 DM Shipping Ltd.(Ireland) and Eco Tankers Ltd (Malta) are consolidated following the equity method, as a consequence of the application of new IFRS 10 and IFRS 11 (see note n.1 to the interim financial statements).

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 5.9 years, compared to an average in the product tankers industry of 9.3 years (source: Clarkson). All DIS vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to major oil companies and trading houses. All the vessels are compliant with IMO (International Maritime Organization) regulations, including MARPOL (the International Convention for the Prevention of Pollution from Ships), with the requirements of oil-majors and energy-related companies and other relevant international standards. Based on MARPOL/IMO rules, cargoes such as palm oil, vegetable oil and other chemicals can only be transported by vessels that meet certain requirements (IMO Classed). As at June 30 2014, around 66% of the DIS fleet was IMO Classed, allowing the Group to transport a large range of products.

Fleet

The following tables set forth information about the DIS fleet as at June 30 2014, which consists of **38.8** vessels.

MR fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
Owned				
High Sun[1]	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Discovery	50,036	2014	Hyundai Mipo, South Korea	IMO II/III
High Freedom	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Tide	51,768	2012	Hyundai Mipo, South Korea	IMO II/III
High Seas	51,678	2012	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melissa[2]	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meryl[3]	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melody[2]	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melanie[3]	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meredith[3]	46,147	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Megan[2]	47,147	2009	Hyundai Mipo, South Korea	IMO II/III
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] Vessel owned by Eco Tankers Limited (in which DIS has 33% interest)
[2] Vessels owned by GLENDA International Shipping Limited (in which DIS has 50% interest) and time chartered to d'Amico Tankers Limited
[3] Vessels owned by GLENDA International Shipping Limited (in which DIS has 50% interest)

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 Strength[1]	46,800	2009	Nakai Zosen, Japan	-
High Force	53,603	2009	Shin Kurushima, Japan	-
High Efficiency[1]	46,547	2009	Nakai Zosen, 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	-
Baizo	44,997	2004	Onimichi Dockyard, Japan	-

Handysize fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
Owned				
Cielo di New York	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Gaeta	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Salerno	36,032	2002	STX, South Korea	IMO II/III
Time chartered with purchase option				
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

Fleet Employment and Partnership

	DIS' No. of Vessels	*Total Pool Vessels*
Direct employment	30.8	-
High Pool (MR vessels)	8.0	12.0
Total	**38.8**	**12.0**

As at June 30 2014, d'Amico International Shipping directly employed 30.8 Vessels: 16.8 MRs ('Medium Range') and 2 Handy-size vessels on fixed term contract, whilst 9 MRs and 3 Handy-size vessels are currently employed on the spot market. In addition to this, the Group employs a significant portion of its controlled vessels through

[1] Vessels owned by DM Shipping Limited (in which DIS has 51% interest) and time chartered to d'Amico Tankers Limited
[2] Bare-boat charter contract

partnership arrangements.

High Pool Tankers Limited – a Pool with JX Shipping Co. Limited, Japan and Mitsubishi Corporation. It operated 12 MR product tankers as at June 30 2014. 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.

GLENDA International Shipping Limited, a 50/50 joint venture with the Glencore Group. The Company owns 6 MR vessels built and delivered between August 2009 and February 2011. Following a reorganization process in 2013, the activity previously carried out by GLENDA International Management Limited (a Pool with the Glencore Group) has been concentrated on the aforesaid joint venture. In fact, Glenda International Shipping has currently three vessels time-chartered to d'Amico Tankers and three vessels to the Glencore Group.

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 78.8 owned and chartered-in vessels, of which 38.8 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 operates from Luxembourg, Ireland, UK, Monaco, Singapore and the USA. As at June 30 2014, the Group employed 508 seagoing personnel and 32 onshore personnel.

FINANCIAL REVIEW

SUMMARY OF THE RESULTS IN THE SECOND QUARTER AND FIRST HALF OF 2014

As Macroeconomics conditions improve, global oil demand growth is forecast to accelerate to 1.4 million b/d in 2015 from 1.2 million b/d in 2014. The estimate of 2014 demand has been trimmed by 130,000 b/d to 92.7 million b/d following weaker than expected mid-year economic data, with the impetus for growth coming from advanced economies. The International Energy Agency (IEA) has stated that they forecast Global oil demand will grow by 1.3% per annum from 91.4 million b/d in 2013 to 99.1 million b/d in 2019. For the first time, non-OECD economies will in the next five years consume more oil than those of the OECD.

Global demand in Q2 2014 was weaker than expected, led by China, Germany, Italy and Iraq. As a result, the prospects for H2 2014 were dampened, with global macroeconomic conditions still expected to improve, but at a slower pace.

Product tanker markets have weakened during the second quarter of the year, as US refined product exports have declined down to 3.1 million b/d during Q2, which equates to a drop of 500,000 b/d from Q1 levels, curtailing products tanker demand growth. The world refinery capacity offline peaked at 8.0 million b/d in early April again affecting the product Tanker demand. Global refinery capacity offline then gradually dropped in early July. Distillate exports from the United States are recovering but still a marked 200,000 b/d below end-2013/early-2014 levels. Despite high volumes of European gasoline being shipped to the US in the wake of steep inventory draws, there was no real positive movement in rates due to a plentiful supply of tonnage. Rates on voyages east of Suez generally weakened over the quarter as traded volumes diminished.

General sentiment in the short term has not really improved with the pro-longed flat spot market. The perceived rate assessment for a one year Charter for an MR Product tanker has gone from US$ 14,750 per day in January 2014 to US$ 13,500 per day in early July. There has been an increase in time charter activity. It is believed that only around 104 contracts of over six months have been concluded in H1 2014. This is most likely a question of taking coverage rather than being exposed to the spot market in the short term. At the same time, the average time charter rates for longer period are better reflecting a positive longer term sentiment. For example the three year time charter rate is currently assessed at around US$ 15,250 per day.

DIS registered a **Net Loss** of **US$ 5.5 million** in the **first half of 2014** and a **Net Profit** of **US$ 1.4 million** in the **second quarter of the year** (including US$ 6.4 million *'result from disposal of vessels'* generated in April 2014). This compares to a Net Profit of US$ 17.7 million in H1 2013 and a Net Profit of US$ 13.9 million in Q2 2013 (including US$ 13.9 million *'result from disposal of vessels'*).

H1 2014 results were clearly affected by the weaker than expected product tanker market experienced in the first part of the current year, mainly due to two seasonal effects: (i) the harsh winter in the US which increased domestic consumption of oil products, thus penalizing export and seaborne transportation, and (ii) the closure of several refineries in the US Gulf for maintenance, which took longer than expected and led to a further fall in US exports.

However DIS shares the positive view of several shipping analysts on the positive medium term perspective for the industry. DIS firmly believes that the positive market fundamentals remain unchanged and are mainly driven by the US becoming a net exporter of oil-products, together with the shift of the world refining capacity towards the Middle/Far-East, increasing tonne-mile demand.

In this challenging scenario, DIS was able to generate a **Daily Average Spot Return of US$ 12,677 in H1 2014** and **US$ 13,144 in Q2**, which is almost **US$ 1,000 per day higher than the first quarter of the year** and around US$ 300 per day better than Q4 2013. This compares to Clarkson's '2014 YTD Clean MR Average Earnings' of US$ 9,650, at the end of June. The spot market showed clear signs of recovery in the month of June especially in the US Gulf, and it is gaining further momentum going into Q3.

Also, DIS was able to mitigate the short-term weakness of the market, thanks to a high ***'coverage ratio'*** **of 55.6%** at an average daily rate of **US$ 14,707**. Such good level of coverage, benefiting also from 4 newbuilding vessels delivered in Q1 and time charter out to two Oil Majors at profitable levels, clearly contributed to the **strong US$**

8.6 million operating cash flow generated in the first six months of the year (of which US$ 6.6 million realized in Q2). In fact, time charter hires are paid monthly in advance and have a very positive effect on working capital.

DIS had **'capital expenditures'** of **US$ 137.6 million in H1 2014**, mainly in relation to its newbuilding plan. As of today DIS has ordered a total of 16 'Eco design' product tankers[1] (10 MR and 6 Handysize vessels), of which 5[1] vessels were already delivered in H1 2014 and 2 further ships are expected to delivered in the course of the current year. This corresponds to an overall **investment plan** of approximately **US$ 490.7 million** and reaffirms the Company's strategy to modernize its fleet through newbuildings with eco-innovative design. Such strategy is also in line with the clear objective of the 2012 share capital increase of maintaining DIS strong financial structure while implementing a significant growth plan. Half of DIS newbuilding orderbook has already been fixed on long-term Time Charter Contracts with two Oil-majors and a leading refining company, all at profitable levels.

At the same time, DIS continued the fleet renewal program also through the sale of its oldest vessels. In April 2014, DIS finalized the sale of the Handysize product tanker vessel M/T Cielo di Parigi, built in 2001 by Daedong Shipbuilding South Korea for the amount of US$ 13.6 million and with a net ***'result from disposal'*** **of US$ 6.4 million**.

In light of its confirmed positive outlook on the product tanker market, DIS is seeking further growth by **expanding also its TC-In fleet** every time the opportunity arises. In July 2014, DIS agreed to take in Time Charter a fleet in excess of 7 vessels, with extending options, and expected delivery Q3 2014.

According to new International Financial Reporting Standards (IFRS 10, 11, 12), effective January 1 2014, DIS investments in two jointly controlled entities (DM Shipping Limited and Eco Tankers Limited) are treated as Joint Venture and the equity method of accounting will be applied, instead of the previous proportional consolidation method. Based on this, 2013 figures have been restated in order to have a fair comparison with the current year.

[1] 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 33% interest, in JV with Venice Shipping and Logistics S.p.A.)

OPERATING PERFORMANCE

Q2 2014	Q2 2013 (1)	*US$ Thousand*	H1 2014	H1 2013 (1)
72 278	76 297	Revenue	141 151	155 772
(23 629)	(27 085)	Voyage costs	(46 052)	(56 443)
48 649	**49 212**	**Time charter equivalent earnings**	**95 099**	**99 329**
(25 535)	(23 553)	Time charter hire costs	(49 657)	(46 277)
(14 785)	(13 486)	Other direct operating costs	(29 133)	(27 438)
(4 507)	(4 557)	General and administrative costs	(8 876)	(7 458)
218	234	Other operating income	414	357
6 351	13 947	Result from disposal of vessels	6 351	13 947
10 391	**21 797**	**EBITDA**	**14 198**	**32 460**
(8 663)	(7 473)	Depreciation	(16 711)	(15 155)
1 727	**14 324**	**EBIT**	**(2 513)**	**17 305**
(123)	(1)	Net financial income (charges)	(2 580)	1 497
1 604	**14 323**	**Profit / (loss) before tax**	**(5 093)**	**18 802**
(296)	(442)	Income taxes	(432)	(1 101)
77	-	Profit of the JV	74	-
1 385	**13 881**	**Net profit / (loss)**	**(5 451)**	**17 701**

(1) Following application of the new IFRS 10 and IFRS 11 and the reclassification within equity of the ineffective part of the cash-flow hedge, figures previously reported for Q2 2013 and HY1 have been restated. Compared to figures previously reported, the net profit was reduced US$ 5.4 million and US$ 1.6 million for H1 2013 and Q2 2013 respectively. See also Note 1 in the Notes to the Group interim report.

Revenue was US$ 141.2 million in H1 2014 (US$ 155.8 million in H1 2013) and US$ 72.3 million in Q2 2014 (US$ 76.3 million in Q2 2013). The decrease in gross revenues compared to the same period of last year was mainly due to a substantial increase of the 'coverage' percentage (fixed contracts) in 2014, which is naturally compensated by a decrease in 'voyage costs' (see below); In fact, TC coverage generates only net Revenues and no Voyage Costs. The off-hire days percentage in H1 2014 (2.6%) was in line with the same period of the previous year.

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$ 46.1 million in H1 2014 and US$ 23.6 million in the second quarter of the year (US$ 56.4 million and US$ 27.1 million respectively in the same periods of 2013). Such decrease is mainly in relation to the higher level of 'coverage' compared to last year (see above comment for 'Revenue').

Time charter equivalent earnings were US$ 95.1 million in H1 2014 (US$ 99.3 million in H1 2013) and US$ 48.6 million in Q2 2014 (US$ 49.2 million in Q2 2013). As shown in the table below, the decrease in H1 2014 TCE Earnings compared to the same period last year was mainly driven by lower daily spot returns (H1 2014: US$ 12,677 vs. H1 2013: US$ 14,102), on the back of a weaker than expected market experienced in the first part of the current year.

Looking at the quarterly evolution of the spot results, DIS performed at a daily average of **US$ 13,144** in **Q2 2014,** still 6% lower than US$ 13,929 realized in the same quarter last year, but clearly improved compared to the previous two quarters (increase of $953 per day compared to Q1 2014 and increase of US$ 302 per day compared to Q4 2013).

At the same time and according to its strategy, DIS maintained a considerable level of 'coverage' (fixed contracts) throughout H1 2014, securing an average of 55.6% of its revenue at an Average Daily Fixed Rate of US$ 14,707.

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)	2013					2014		
	Q1	*Q2*	***H1***	*Q3*	*Q4*	*Q1*	*Q2*	***H1***
Spot	14,272	13,929	**14,102**	13,678	12,842	12,191	13,144	**12,677**
Fixed	15,620	15,127	**15,367**	14,832	14,809	14,770	14,645	**14,707**
Average	14,808	14,427	**14,616**	14,277	13,924	13,637	13,972	**13,806**

Time charter hire costs relate to the chartered-in vessels and amounted to US$ 49.7 million in H1 2014 and US$ 25.5 million in Q2 2014 (US$ 46.3 million in H1 2013 and US$ 23.6 million in Q2 2013). The increase compared to the same period of last year is due to some short-term TC-In activity aimed at taking advantage of some opportunities arising on the spot market.

Other direct operating costs mainly consist of crew, technical, luboil and insurance expenses relating to the operation of owned vessels. These costs were US$ 29.1 million in H1 2014 (US$ 27.4 million in H1 2013) and US$ 14.8 million in Q2 2014 (US$ 13.5 million in Q2 2013). The increase in absolute values in H1 2014 compared to the previous year, was partially related to some timing effects during the year and to the slight fleet growth (39.4 vessels in H1 2014 vs. 38.6 in H1 2013), while daily costs are very much in line. The operating costs are constantly monitored, while focusing on crew with appropriate skills, high SQE (Safety, Quality & Environment) standards and remaining in full compliance with very stringent market regulations. Maintaining a 'high quality' profile of the fleet represents an essential part of the d'Amico vision and strategy.

The ***General and administrative costs*** were US$ 8.9 million in H1 2014 (US$ 7.5 million in H1 2013) and US$ 4.5 million in Q2 2014 (US$ 4.6 million in Q2 2013). These costs mainly relate to on-shore personnel, together with premises costs, consultancies, travel and others. The trend compared to the same period of last year, is mainly related to the increased commercial activity carried out by DIS in Singapore and especially in the USA. As previously mentioned, DIS firmly believes that the USA will represent the key driver for the product tanker industry and this explains its growing commercial focus on this area. Part of the overall variance is also in connection with the variable part of salaries, in relation to the year 2013.

Other operating income amounted to US$ 0.4 million in H1 2014 and US$ 0.2 million in Q2 2014, in line with the previous year. This amount refers to chartering commissions received from third parties vessels operated through pools.

Result on disposal of vessel. In the second quarter of the year, DIS sold 1 Handy vessel built in 2001, reducing the average age of the fleet and realizing a net gain on disposal of US$ 6.4 million. In the same period last year, DIS sold 3 vessels, generating a capital gain of US$ 13.9 million.

EBITDA amounted to US$ 14.2 million in the first half of the current year and US$ 10.4 million in Q2 2014, compared to US$ 32.5 million in H1 2013 and US$ 21.8 million in Q2 2013. Such variance is mainly due to the different capital gains realized in the two years (H1 and Q2 2014: US$ 6.4 million vs. H1 and Q2 2013: US$ 13.9 million) and to the relatively weak product tanker market experienced in the first months of 2014, as disclosed above. Excluding said capital gains, EBITDA was US$ 7.8 million in H1 2014 (US$ 18.5 million in H1 2013) and US$ 4.0 million in Q2 2014 (US$ 7.8 million in Q2 2013).

Depreciation amounted to US$ 16.7 million in H1 2014 vs. US$ 15.2 million in H1 2013 and US$ 8.7 million in Q2 2014 vs. 7.5 million in Q2 2013. The slight increase is mainly due to the delivery of 4 newbuilding owned vessels at the beginning of the first quarter of the year.

EBIT for the first six months of the year was negative for US$ 2.5 million, compared to the operating profit of US$ 17.3 million booked in the same period last year. Q2 2014 EBIT was positive for US$ 1.7 million vs. US$ 14.3 million in the same period last year.

Net financial charges were negative for US$ 2.6 million in H1 2014 (US$ 1.5 million positive result in H1 2013) and negative for US$ 0.1 million in Q2 2014 (close to zero in Q2 2013). The variance compared to the previous year is mainly due to the stronger treasury performance realized in H1 2013 and to the increased debt following the delivery of 4 newbuilding vessels in the course of H1 2014.

The Company's ***Loss before tax*** for H1 2014 was US$ 5.1 million (profit of US$ 18.8 million in H1 2013) and profit of US$ 1.6 million Q2 2014 (profit of U$ 14.3 million in Q2 2013).

Income taxes amounted to US$ 0.4 million in H1 2014 (US$ 1.1 million in H1 2013) and to US$ 0.3 million in Q2 2014 (US$ 0.4 million in Q2 2013). The decrease in H1 2014 compared to the same period of last year, is due to the taxation of some 2013 financial income which is subject to the standard corporate tax rate of 12.5% and not included in the tonnage tax scheme.

The ***Net Loss*** for H1 2014 was US$ 5.5 million compared to a Net Profit of US$ 17.7 million in H1 2013, while Q2 2014 Net result was positive for US$ 1.4 million compared to US$ 13.9 million posted in Q2 2013.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(US$ Thousand)	**As at 30 June 2014**	**As at 31 December 2013 (1)**
ASSETS		
Non current assets	634 659	519 537
Current assets	78 795	79 384
Total assets	**713 454**	**598 921**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	340 118	322 578
Non-current liabilities	312 492	222 651
Current liabilities	60 844	53 692
Total liabilities and shareholders' equity	**713 454**	**598 921**

(1) Following application of the new IFRS 10 and IFRS 11 and the reclassification within equity of the ineffective part of the cash-flow hedge, figures previously reported for year end 2013 have been restated. Compared to figures previously reported, non-current assets were reduced US$ 10.5 million, current assets were reduced US$ 6.5 million, shareholders' equity increased US$ 5.9 million, non-current liabilities decreased US$ 14.2 million, current liabilities were reduced US$8.7 million.

Non-current assets mainly relate to the DIS owned vessels net book value and it includes also the portion relating to the newbuildings under construction. According to the valuation report provided by a primary broker, the estimated market value of the DIS owned fleet at the end of the period was of US$ 628.2 million compared to a net book value of US$ 606.3 million as at June 30, 2014.

Gross Capital expenditures were US$ 137.6 million in the first six months of the year and US$ 44.9 million in the second quarter. This amount mainly comprises the instalments paid on the newbuiding 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 June 30 2014 were US$ 78.8 million. Other than the working capital items, inventories and trade receivables amounting to US$ 11.5 million and US$ 34.9 million respectively, current assets include cash on hand of US$ 30.8 million and current financial assets of US$ 1.6 million.

Non-current liabilities were US$ 312.5 million at the end of June 2014 and mainly 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$ 36.7 million, essentially relating to trade and other payables.

The **Shareholders' equity** balance as at June 30, 2014 was of US$ 340.1 million (US$ 322.6 million as at December 31 2013). The variance with the previous year is primarily due to the First Exercise Period of the 'd'Amico International Shipping Warrants 2012 – 2016' (ISIN code LU0849020044) ended on January 31 2014. Number 186,226,599 Warrants were exercised at a price of Euro 0.36 per ordinary share newly issued by DIS for a total counter-value of EUR 22.3 million (equal to around US$ 30.5 million). After the current capital increase DIS' share capital amounts to USD 42,195,530.70 divided into 421,955,307 ordinary shares with no nominal value.

NET INDEBTEDNESS

Consolidated Net debt as at June 30 2014 amounted to US$ 280.6 million vs. US$ 187.6 million at the end of 2013.

US$ Thousand	**As at 30 June 2014**	**As at 31 December 2013** (1)
Liquidity		
Cash and cash equivalents	30 824	33 170
Current financial assets	1 633	1 333
Total current financial assets	**32 457**	**34 503**
Bank loans – current	17 143	13 368
Other current financial liabilities		
Due to third parties	6 660	8 612
Total current financial debt	**23 803**	**21 980**
Net current financial debt	**(8 654)**	**(12 523)**
Other non-current financial assets	23 193	22 543
Total non-current financial assets	**23 193**	**22 543**
Bank loans non-current	309 829	222 651
Other non-current financial liabilities		
Due to third parties	2 663	-
Total non-current financial debt	**289 299**	**222 651**
Net financial indebtedness	**280 645**	**187 585**

(1) Following application of the new IFRS 10 and IFRS 11, figures previously reported for year end 2013 have been restated: net financial indebtedness was reduced US$ 37.0 million.

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$ 32.5 million at the end of June 2014.

Non-Current Financial Assets shows: DIS (DTL) shareholder loan to 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.

The total outstanding bank debt (*Bank loans*) as at June 30, 2014 amounted to US$ 327.0 million, of which US$ 17.1 million are due within one year. DIS debt structure is based on the following main 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$ 119.2 million; (ii) Mizuho syndicated loan facility of US$ 12.3 million; (iii) Crédit Agricole and DnB NOR Bank 7 years term loan facility to finance two MR vessels built and delivered in H1 2012 for total US$ 39.2 million; (iv) Danish Ship Finance 6 years term loan facility to finance the purchase of the second-hand vessel M/T High Prosperity in H1 2012, for US$ 10.6 million. In addition to this, DIS debt comprises also: (i) loan facilities and bank fees due on some financed newbuilding vessels (of which 4 vessels were delivered in the first three months of the current year) for a total outstanding debt of US$ 77.3 million at the end of June 2014; and (ii) the portion of the bank loans of its joint venture 'GLENDA International Shipping Limited' with Commerzbank AG Global Shipping and Credit Suisse for US$ 64.2 million, to finance the 6 Glenda International Shipping Limited vessels, delivered between 2009 and 2011.

Other current financial liabilities includes the negative valuation of derivatives hedging instruments (essentially interest rate swap agreements – IRS) and some deferred incomes on option premiums, for total US$ 6.7 million.

CASH FLOW

DIS net cash flow for H1 2014 was negative US$ 1.9 million due to US$ 137.6 million gross capital expenditures, partially compensated by the proceeds from the sale of 1 vessel and by US$ 114.4 million positive net financing cash flow.

Q2 2014	Q2 2013 (1)	*US$ Thousand*	H1 2014	H1 2013 (1)
6 623	(3 385)	Cash flow from operating activities	8 554	9 831
(31 848)	24 172	Cash flow from investing activities	(124 832)	(983)
7 737	(29 556)	Cash flow from financing activities	114 424	(50 065)
(17 488)	**(8 769)**	**Change in cash balance**	**(1 854)**	**(41 217)**
48 982	83 480	Cash and cash equivalents at the beginning of the period	33 170	115 657
(670)	(816)	Exchange gain/(loss) on cash and cash equivalents	(492)	(545)
30 824	**73 895**	**Cash and cash equivalents at the end of the period**	**30 824**	**73 895**

(1) Following application of the new IFRS 10 and IFRS 11 and the reclassification within equity of the ineffective part of the cash-flow hedge, figures previously reported for year end 2013 have been restated: the cash-flow from operating activities was reduced US$ 4.5 million, the cash-flow from financing activities increased by US$ 5.3 million; net cash-flow decreased US$ 1.2 million

Cash flow from operating activities in the first six months of the current year was US$ 8.6 million positive (of which US$ 6.6 million were generated in Q2). This strong cash generation was mainly driven by an efficient management of the working capital and by the good level of TC coverage (TC Hires are received monthly in advance, with a very positive effect on working capital), benefitting also from 4 newbuilding vessels delivered in the period and TC-Out at profitable levels. This result compares to US$ 9.8 million operating cash flow realized in H1 2013 (negative for US$ 3.4 million in Q2 2013). The variance compared to the first half last year is directly related to the decrease in the EBITDA performance, caused by a relatively weak product tanker market experienced especially in the first months of 2014.

The net ***Cash flow from investing activities*** was US$ 124.8 million (outflow) in H1 2014 and it was made up of the capital expenditures in connection with the installments paid on the newbuiding vessels under construction at Hyundai-Mipo, as well as dry-dock expenses. The total net amount of investing cash flow includes also US$ 13.8 million net proceeds from the disposal of 1 vessel, occurred in the second quarter of the year.

Cash flow from financing activities was positive for US$ 114.4 million in H1 2014. This figure mainly includes: (i) US$ 30.5 million arising from the First Exercise Period of the 'd'Amico International Shipping Warrants 2012 – 2016' (ISIN code LU0849020044) ended on January 31 2014, in which 186,226,599 Warrants were exercised at a price of Euro 0.36 per ordinary share newly issued by DIS for a total counter-value of EUR 22.3 million (equal to around US$ 30.5 million); (ii) US$ 94.5 million bank loan drawdown in relation to the 4 newbuilding vessels delivered in Q1 2014; (iii) US$ 7.8 million scheduled bank debt; (iv) paid dividends for US$ 6.8 million.

SIGNIFICANT EVENTS OF THE FIRST SEMESTER

In H1 2014 the following main events occurred in the activity of d'Amico International Shipping Group:

d'Amico International Shipping:

- **Results of d'Amico International Shipping Warrants 2012-2016 – First Exercise Period ended in January 2014: In February 2014,** d'Amico International Shipping S.A. ("DIS") announced that the First Exercise Period of the "d'Amico International Shipping Warrants 2012 – 2016" (ISIN code LU0849020044) ended on January 31st 2014. 186,226,599 Warrants were exercised at a price of Euro 0.36 per ordinary share newly issued by DIS and admitted to trading on the MTA market of Borsa Italiana SpA each as a "Warrant Share" for a total counter-value of Euro 22.347.191,88 (equal to US$ 30,477,100). In accordance with the terms and conditions of the Warrant Regulations and based on the Warrants Ratio of one (1) Warrant Share for every three (3) Warrants exercised, today DIS has issued and allotted 62,075,533 Warrant Shares - with same rights (including that to dividends) and features of DIS ordinary outstanding shares at the issue date - to those Warrant holders who validly exercised their Warrants during the First Exercise Period. The ISIN code of the Warrant Shares will coincide with the ISIN Code of DIS's outstanding shares being LU0290697514. After the capital increase occurred at the end of the first exercise period DIS' share capital now amounts to USD 42,195,530.70 divided into 421,955,307 ordinary shares with no nominal value. The bylaws as amended and all the set of documentation pertaining to the current capital increase occurred on this day will be deposited and available within the terms prescribed by the applicable laws and regulations at the Company's registered office and on its website (www.damicointernationalshipping.com), at Borsa Italiana S.p.A., at Commissione Nazionale per le Società e la Borsa (CONSOB) and filed with the Commission de Surveillance du Secteur Financier (CSSF) being Bourse de Luxembourg its OAM (Officially Appointed Mechanism). In accordance with the Warrant Regulations, the holders of the Warrants which were not exercised during the First Exercise Period will have the right to exercise their Warrants and subscribe to Warrant Shares based on the same Warrants Ratio, at the following exercise prices and in the following exercise periods:
  - EUR 0.40, for the Warrants exercised on all the trading days in January 2015;
  - EUR 0.46, for the Warrants exercised on all the trading days in January 2016.

  DIS recalls that from December 1st 2013 to December 31st 2015, the Board of Directors – under the conditions set by the article 3 of the Warrant Regulations – may set additional exercise periods that in any case shall be timely disclosed to the public. It should be noted that the Warrant Regulations are available on DIS' website www.damicointernationalshipping.com, in the section dedicated to capital increase as an attachment to the prospectus dated November 6th 2012.

- **Accelerated Bookbuilding Procedure:** In March 2014 d'Amico International Shipping S.A., announces that its majority shareholder, d'Amico International S.A. sold through a *private placement* an equity stake of its DIS' ordinary shares. The operation (the 'Placement') constitutes an *accelerated bookbuilding procedure* addressed to qualified institutional investors in Italy and institutional investors abroad. Through this operation d'Amico International S.A. sold n. 42.195.531 of DIS' ordinary shares equal to 10% of the capital shares at the price of 0.695 euro. The operation was led both by Banca IMI S.p.A. and EQUITA S.I.M. S.p.A., who acted as *Joint Global Coordinators and Joint Bookrunners*.

d'Amico Tankers Limited:

- **'Time Charter-In' Fleet:** In January 2014, M/T High Power, an MR vessel built in 2004 and Time Chartered-In by d'Amico Tankers Limited since then was redelivered back to her Owners. The Owners are currently employing such vessel in the Pool managed by High Pool Tankers Limited.

  In January 2014, M/T Baizo, an MR vessel built in 2004, was delivered to d'Amico Tankers Limited for 3 years' Time Charter period, with an option for further 2 years.

  In February 2014, d'Amico Tankers Limited exercised the option to extend until July 2015 its contract on M/T High Glow, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since then.

  In March 2014, M/T Ocean Leo, an MR vessel built in 2010 and Time Chartered-In by d'Amico Tankers Limited since December 2013, was redelivered back to her Owners.

In May 2014, M/T Eastern Force, an MR vessel built in 2009 and Time Chartered-In by d'Amico Tankers Limited since April 2012, was redelivered back to her Owners.

In May 2014, d'Amico Tankers Limited extended its contract on M/T Citrus Express, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since April 2013, from the original expiry date of June 2014 to September 2015.

- **'Time Charter-Out' Fleet:** In May 2014, an MR Vessel owned by d'Amico Tankers, completed her 1 year Time Charter contract with a commodity trader and she is currently employed on the spot market.

- **Newbuilding Vessels:** In January 2014, two 'Eco' newbuilding product tankers under construction at Hyundai Mipo Dockyard Co. Ltd. – South Korea, M/T Cielo di Gaeta (Handysize - 40,000 dwt) and M/T High Freedom (Medium Range - 50,000 dwt), were delivered to d'Amico Tankers Limited. Both vessels began their 5 year Time charter contract with a main Oil-Major.

  In February 2014, two additional 'Eco' newbuilding product tankers under construction at Hyundai Mipo Dockyard Co. Ltd. – South Korea, M/T Cielo di New York (Handysize - 40,000 dwt) and M/T High Discovery (Medium Range - 50,000 dwt), were delivered to d'Amico Tankers Limited. Both vessels were Time chartered for respectively 5 and 3 years to two different Oil-majors.

  In February 2014, d'Amico Tankers Limited (Ireland), signed a new Time Charter agreement on one of its new vessels (Hull n. S409) under construction at Hyundai Mipo Dockyard Co. Ltd. – South Korea, and expected to be delivered in Q3 2014. This contract was signed with a leading refining company, for a period of 2 years at a very profitable daily rate.

  In March 2014, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland), and Hudson Partners LLC (CT, USA) have decided to not implement the agreed Letter of Intent (ref. Press Release issued on May 16th, 2013) for the novation of the contract related to the construction of a new 'Eco design' product/chemical tanker vessel (Hull S410 - 50,000 dwt Medium Range, the 'Vessel'), ordered in May 2013 at Hyundai Mipo Dockyard Co. Ltd. – South Korea, expected to be delivered in Q4, 2015. This transaction was driven by the strong demand by Oil Majors, confirming the positive outlook on the market, for such type of ships and therefore the need to increase DIS' core owned fleet. To finalize this transaction d'Amico Tankers Limited and Hudson Partners have agreed to set the value of the vessel at US$ 35.5 million.

  In April 2014, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland), entered into a contract for the construction of two additional new product/chemical tanker vessels (50.000 dwt Medium Range) with Hyundai Mipo Dockyard Co. Ltd. – South Korea, expected to be delivered respectively at the end of 2016 and in early 2017, for a consideration of US$ 36.6 million each. Through this last order, DIS increased its orderbook to 15.3 'Eco' design newbuilding product tankers, which corresponds to an overall investment plan of approximately **US$ 490.7 million**. All these newbuilding vessels are the latest IMO II MR design with the highest fuel efficiency, leading to a fuel saving of approximately 6 -7 T /day compare to the average consumption of world existing MR fleet and ensuring a reduced environmental impact.

- **Vessel Sale:** In March 2014, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland), agreed with clients of Sea World Management, SAM of Monaco, the sale of the Handysize product tanker vessel M/T Cielo di Parigi, built in 2001 by Daedong Shipbuilding – South Korea, for the amount of US$ 13.6 million. The Vessel was delivered to her new owners in April 2014 and a *'Result from disposal'* of US$ 6.4 million was booked in Q2.

Eco Tankers Limited:

- **Newbuilding Vessels:** In February 2014, Eco Tankers Limited (Malta) signed a new Time Charter agreement on its new vessel (Hull n. S408) under construction at Hyundai Mipo Dockyard Co. Ltd. – South Korea, and delivered in Q2 2014. This contract was signed with a leading refining company, for a period of 3 years at a profitable daily rate.

SIGNIFICANT EVENTS SINCE THE END OF THE SEMESTER AND BUSINESS OUTLOOK

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

- **'Time Charter-Out' Fleet:** In July 2014, an MR vessel owned by d'Amico Tankers Limited completed her long Time Charter contract with an oil-major. The vessel was then fixed, at profitable levels, on a new Time Charter contract with another important oil company for 3 months firm period, with an option for further 9 months.

  In July 2014, d'Amico Tankers Limited renewed, for one more year and at higher levels, an existing Time Charter contract on one MR owned vessel with an important oil company. The original contract was due to expire in the month July.

  In July 2014, an MR vessel owned by GLENDA International Shipping and chartered-in by d'Amico Tankers Limited, completed her 1 year Time Charter with an oil-major.

- **'Time Charter-In' Fleet:** In July 2014, M/T Marvel, a Handysize vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since 2010, was redelivered back to her Owners.

  In July 2014, M/T Freja Baltic, an MR vessel built in 2008, was delivered to d'Amico Tankers Limited for 1 year Time Charter contract.

  In July 2014, d'Amico Tankers agreed to take M/T Future Prosperity, an MR vessel built in 2010, for one year Time Charter contract and expected delivery in mid-August 2014.

  In July 2014, d'Amico Tankers Limited agreed to take 7 vessels (3 Handysize and 4 MR product tankers) for one year time charter contract, with extending options between 6 and 12 further months, and expected delivery between August and September 2014.

	As at 30 June 2014			As at 30 July 2014		
	MR	Handysize	Total	MR	Handysize	Total
Owned	17.3	3.0	20.3	17.3	3.0	20.3
Time chartered	16.5	2.0	18.5	17.5	1.0	18.5
Total	33.8	5.0	38.8	34.8	4.0	38.8

Business Outlook

Global oil demand growth forecast is fundamentally unchanged from the end of Q1 2014, albeit slightly revised as geopolitical tensions persist. Aside from a brief spike in oil prices in June over concerns in Iraq and Libya not yet back on stream, oil markets have been relatively stable.
On a product demand basis, gasoil/diesel is set to lead demand growth, followed by gasoline, while demand for residual fuel oil and 'other products' is seen to contract.

Globally, the refinery capacity offline continued its gradual decline in July, ending at 4.4 million b/d, with about 26% of it resulting from unforeseen events. Asia Pacific drove the global decrease, revealing that a significant amount of capacity returned to operation. A further 1.6 million b/d of global capacity is set to come back online over the rest of July and going into August.

In the US, crude refinery input has surged by 850,000 b/d in July to a nine year record high of 16.25 million b/d. It is likely to remain very high over the summer, given ongoing attractive margins and hardly any maintenance planned. The US is most likely to increase distillate exports and reduce imports of gasoline blending components, while Russia is also expected to have plenty of distillate to export.

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

- The refining industry continues to undergo a massive expansion and restructuring through to 2019. The industry plan to add an additional 7.7 million b/d capacity in the next five years with half of this expansion coming from non-OECD countries. In the OECD 4.8 million b/d capacity has been closed since 2008
- In the Middle East the expansion is focused primarily on increased domestic demand, however the additional 2.2 million b/d will outstrip any increase in demand and additional capacity will be geared to exports
- Product supply balances between regions will increase in importance to the product tanker market over the next five years. Europe deficit in distillates is set to increase from 1 million b/d to 1.5 million b/d by 2019. In contrast USA and the FSU surplus will rise to 1.4 million b/d and 1.2 million b/d respectively and will look to Europe as an export market
- OECD Americas region is expected to see net products export rise from 1.3 million barrels per day in 2013 to staggering 3.5 million barrels per day in 2019. About 75% of the increase will come from light ends, including naphtha and gasoline, while middle distillate surplus could rise by around 300,000 b/d
- FSU distillate exports will rise to about 1.2 million b/d by 2019 up from 600,000 b/d in 2008
- Africa gasoline imports will rise in line with demand growth and will reach 600,000 b/d in 2019 up from 400,000 b/d in 2013. This makes it a potential export market for the gasoline surplus in Europe
- Increased naphtha demand for the petrochemical sector and lower refinery output in OECD Asia, capacity is cut, will see net imports rise to 1.5 million b/d in 2019, from 1 million b/d at the end of 2013
- The Global Shipping industry accounts for about 5.3% of total Global oil demand. Historically fuel oil has dominated this sector, however due to tighter environmental standards there will be a demand shift to use gasoil within designated Emission Control Areas in North Europe and the United states. As Europe has a gasoil deficit of about 1 million b/d it will have to increase imports
- The slowing of the Chinese economy has led to a reduction in planned increased refinery capacity. However they will still add an impressive 2.4 million b/d refinery capacity. In 2013 and going into 2014 demand slowed leaving the country with excess supply turning them into a net exporter of products

Product Tanker supply

- There has been very strong ordering of MR tankers over the last couple of years, however there is a certain amount of speculation of exactly how many orders have been placed and the reports range from 300 up to 400 for delivery in the next 3 years. Ordering has slowed somewhat in the first half of 2014 as investors are now looking at other shipping segments
- The order book for delivery for this year ranges from 90 to 150, however based on historical figures for the last couple of years we would expect the order book for 2014 to be towards the lower end
- About 45 MR Product tankers have been delivered in H1 2014. About 20 MR tankers were permanently removed, with an average age of 24 years
- Despite the fact that the MR fleet has a relatively young average age of 9 years there are 319 ships over the age of 15 years of which 166 are over 20 years old and 66 over 25 years old
- The longer term interest for Time charter has almost exclusively focused on the modern fuel efficient vessels. The decrease in interest on the on older tonnage may prompt Owners to consider the trading life of their ships and bring about the lowering of the scrap age. Time charter rates for new buildings for the Palm oil voyages from Asia to Europe exceed those for older ships by $2,000 per day
- The global refinery map is constantly changing and bringing about product supply imbalances between regions. This should fundamentally lead to longer haul voyages effectively reducing the supply of tonnage
- 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 of tonnage

d'AMICO INTERNATIONAL SHIPPING GROUP
CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2014

CONSOLIDATED INTERIM INCOME STATEMENT

Q2 2014	Q2 2013(1)	*US$ Thousand*	Note	H1 2014	H1 2013(1)
72 278	76 297	Revenue	(2)	141 151	155 772
(23 629)	(27 085)	Voyage costs	(3)	(46 052)	(56 443)
48 649	**49 212**	**Time charter equivalent earnings**	(4)	**95 099**	**99 329**
(25 535)	(23 553)	Time charter hire costs	(5)	(49 657)	(46 277)
(14 785)	(13 486)	Other direct operating costs	(6)	(29 133)	(27 438
(4 507)	(4 557)	General and administrative costs	(7)	(8 876)	(7 458)
218	234	Other operating income	(8)	414	357
6 351	13 947	Result from disposal of vessels	(9)	6 351	13 947
10 391	**21 797**	**EBITDA**		**14 198**	**32 460**
(8 663)	(7 473)	Depreciation	(12)	(16 711)	(15 155)
1 727	**14 324**	**EBIT**		**(2 513)**	**17 305**
(123)	(1)	Net financial income (charges)	(10)	(2 580)	1 497
1 604	**14 323**	**Profit / (loss) before tax**		**(5 093)**	**18 802**
(296)	(442)	Income taxes	(11)	(432)	(1 101)
77	-	Profit of the JV		74	-
1 385	**13 881**	**Net profit / (loss)**		**(5 451)**	**17 701**
The net result is attributable to the equity holders of the Company					
(0.003)	**0.0386**	**Earnings /(loss) per share in US$ (2)**		**(0.013)**	**0.0464**

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Q2 2014	Q2 2013(1)	*US$ Thousand*	H1 2014	H1 2013(1)
1 385	13 881	Profit / (loss) for the period	(5 451)	17 701
		Items that can subsequently be reclassified into Profit or Loss		
(2 253)	1 680	Cash flow hedges	(545)	2 062
(868)	**15 561**	**Total comprehensive income for the period**	**(5 996)**	**19 763**
		The net result is entirely attributable to the equity holders of the Company		
(0.002)	0.0439	Earnings / comprehensive income per share in US$ **(2)**	(0.014)	0.0549

([1]) Adjusted for the effects of the first-time retrospective application of new IFRSs and the reclassification within equity of the ineffective part of the cash-flow hedge. Reference for further details should be made to the section "Accounting principles adopted from 1st of January 2014" within Note 1 in the Notes to the Group interim report.

([2]))Earnings per share(e.p.s.) have been calculated on a number of shares equal to 421.955.307 in the second quarter and first half of the year 2014, while in the second quarter and first half of 2013 e.p.s. were calculated on a number of 359.879.774 shares. Diluted earnings per share - including Warrant shares – would be US$ 0.054 and US$ 0.043 in HY1 2013 and Q2 2013 respectively as far as Net Profit is concerned, and US$ 0.046 and US$ 0.036 in HY1 2013 and Q2 2013 respectively as far as Comprehensive Result.

Consolidated Interim Statement of Financial Position

US$ Thousand	Note	As at 30 June 2014	As at 31 December 2013 ([1])	As at 1 January 2013([1])
ASSETS				
Tangible assets	(12)	607 283	493 861	464 485
Investment in jointly controlled entities	(13)	4 183	3 133	-
Other Non-current financial assets	(14)	23 193	22 543	26 418
Total non-current assets		**634 659**	**519 537**	**490 953**
Inventories	(15)	11 483	13 354	18 662
Receivables and other current assets	(16)	34 855	31 527	36 273
Other Current financial assets	(14)	1 633	1 333	757
Cash and cash equivalents	(17)	30 824	33 170	115 657
Total current assets		**78 795**	**79 384**	**171 349**
Total assets		**713 454**	**598 921**	**662 302**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	(18)	42 196	35 988	35 988
Retained earnings	(18)	20 719	33 132	21 291
Other reserves	(18)	277 203	253 458	251 422
Total shareholders' equity		**340 118**	**322 578**	**308 701**
Banks and other lenders	(19)	309 829	222 651	263 908
Other non-current financial liabilities	(21)	2 663	-	4 523
Total non-current liabilities		**312 492**	**222 651**	**268 431**
Banks and other lenders	(19)	17 143	13 368	25 175
Payables and other current liabilities	(20)	36 678	30 726	37 213
Shareholder loan		-	-	20 000
Other current financial liabilities	(21)	6 660	8 612	2 178
Current tax payable	(22)	363	986	553
Total current liabilities		**60 844**	**53 692**	**85 119**
Total shareholders' equity and liabilities		**713 454**	**598 921**	**662 302**

([1]) Adjusted for the effects of the first-time retrospective application of new IFRSs and the reclassification within equity of the ineffective part of the cash-flow hedge. Reference for further details should be made to the section "Accounting principles adopted from 1st of January 2014" within Note 1 in the Notes to the Group interim report.

30 July 2014
On behalf of the Board

Paolo d'Amico
Chairman

Marco Fiori
Chief Executive Officer

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Q2 2014	Q2 2013(1)	*US$ Thousand*	H1 2014	H1 2013(1)
1 385	**14 520**	**Profit (loss) for the period**	**(5 451)**	**17 701**
8 663	7 473	Depreciation, amortisation and write-down	16 711	15 155
296	442	Current and deferred income tax	432	1 101
(30)	2 245	Financial charges (income)	2 533	1 268
99	(789)	Fair value gains on foreign currency retranslation	47	(2 721)
(6 351)	(13 947)	Result on disposal of vessels	(6 351)	(13 947)
55	204	Other non-cash items	-	138
4 117	**10 148**	**Cash flow from operating activities before changes in working capital**	**7 921**	**18 695**
298	2 494	Movement in inventories	1 871	7 544
3 671	2 465	Movement in amounts receivable	(3 328)	315
3 497	(15 114)	Movement in amounts payable	7 874	(13 096)
(1 886)	(1 021)	Taxes paid	(2 284)	(1 029)
(3 074)	(2 357)	Interest and other financial income received	(3 500)	(2 598)
6 623	**(3 385)**	**Net cash flow from operating activities**	**8 554**	**9 831**
(44 893)	(10 867)	Net acquisition of fixed assets	(137 613)	(36 022)
13 830	35 040	Proceeds from disposal of fixed assets	13 830	35 040
(785)	(1)	Investment in associate	(1 049)	(1)
(31 848)	**24 172**	**Net cash flow from investing activities**	**(124 832)**	**(983)**
-	-	Share capital increase	30 477	-
(6 849)	-	Dividend paid	(6 849)	-
-	1 051	Movement in other financial receivables	-	3 676
-	-	Movement in other financial payable	-	(20 000)
4 100	-	Bank overdraft	4 100	-
(3 014)	(30 607)	Bank loan repayments	(7 804)	(33 741)
13 500	-	Bank loan draw-downs	94 500	-
7 737	**(29 556)**	**Net cash flow from financing activities**	**114 424**	**(50 065)**
(17 488)	**(8 769)**	**Net increase/ (decrease) in cash and cash equivalents**	**(1 854)**	**(41 217)**
48 982	83 480	Cash and cash equivalents at the beginning of the period	33 170	115 657
(670)	(816)	Exchange gain (loss) on cash and cash equivalents	(492)	(545)
30 824	**73 895**	**Cash and cash equivalents at the end of the period**	**30 824**	**73 895**

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs and the reclassification within equity of the ineffective part of the cash-flow hedge. Reference for further details should be made to the section "Accounting principles adopted from 1st of January 2014" within Note 1 in the Notes to the Group interim report.

INTERIM STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

US$ Thousand	Share capital	Retained earnings	Other Reserves *Other*	Other Reserves *Cash-Flow hedge*	Total
Balance as at 1 January 2014	**35 988**	**31 292**	**252 354**	**(2 937)**	**316 697**
Reclassification of cash-flow hedge ineffectiveness	-	(5 692)	-	4 151	(1 541)
Adjustment for retrospective application of new IFRS standards	-	7 532	(110)	-	7 422
Balance as at 1 January 2014 Adjusted (1)	**35 988**	**33 132**	**252 244**	**1 214**	**322 578**
Capital increase	6 208	-	24 269	-	30 477
Dividend paid (US$ 0.0165 per share)	-	(6 962)	-	-	(6 962)
Other changes (consolidation reserve)			21		21
Total comprehensive income		(5 451)		(545)	(5 996)
Balance as at 30 June 2014	**42 196**	**20 719**	**276 534**	**669**	**340 118**

US$ Thousand	Share capital	Retained earnings	Other Reserves *Other*	Other Reserves *Cash-Flow hedge*	Total
Balance as at 1 January 2013	**35 988**	**12 439**	**252 437**	**(6 656)**	**294 208**
Reclassification of cash-flow hedge ineffectiveness	-	(5 692)	-	5 692	-
Adjustment for retrospective application of new IFRS standards	-	14 544	(51)	-	14 493
Balance as at 1 January 2013 Adjusted (1)	**35 988**	**21 291**	**252 386**	**(964)**	**308 701**
Other changes (consolidation reserve)	-	-	80	-	80
Total comprehensive income	-	17 701	-	2 062	19 763
Balance as at 30 June 2013 Adjusted (1)	**35 988**	**38 992**	**252 466**	**1 098**	**328 544**

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs and the reclassification within equity of the ineffective part of the cash-flow hedge. Reference for further details should be made to the section "Accounting principles adopted from 1st of January 2014" within Note 1 in the Notes to the Group interim report.

NOTES

d’Amico International Shipping S.A. (the “Company”, DIS) a Sociéte Anonyme, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg. The financial statements have been prepared in accordance with provisions of Art. 4 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 June 2014. The accounting policies used in the presentation of the interim report on the same as those adopted in the 2013 annual report apart from what disclosed further below.

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 June 2014.

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 Management’s 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.

Measurement of Fair Values.
For significant fair value measurement, quoted prices or broker information are obtained to support the valuations and valuation adjustments together with unobservable inputs are reviewed regularly for the classification of such valuations in the appropriate level of fair value. In the measurement of fair values market data are used to the farthest possible extent.

Three levels of inputs to the fair value valuation techniques are used to measure the fair values:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs are other than quoted prices included within Level 1 that are observable directly or indirectly for the asset or the liability;
- Level 3 inputs are not observable from market data.

The key sources of estimation uncertainty were the same as 31 December 2013. Further information about fair value calculation is found in Notes 12, 14, 21 and 23.

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 (Fleet globally deployed).

Accounting principles

The accounting policies adopted are consistent with those of the previous financial year, except as described in the following paragraphs.

Accounting principles adopted from 1st of January 2014

IFRS 10, IFRS 11 and IFRS 12 are effective for accounting periods beginning on or after 1 January 2014 as adopted by the EU. The new standards are to be applied retrospectively.

IFRS 10 "Consolidated Financial Statements" establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The new standard provides extensive guidance on applying the principle of control, which then governs the consolidation of an entity. The standard sets out the accounting requirements for the preparation of consolidated financial statements, which for d'Amico International Shipping remain unchanged from those that are required by the current IAS 27, 'Consolidated and Separate Financial Statements'. As a result of applying IFRS 10, d'Amico International Shipping Group has adjusted its accounting policies to reflect the revised definition of "control".

IFRS 11 "Joint Arrangements" applies to all entities that are a party to a joint arrangement and replaces IAS 31 'Interests in Joint Ventures'. The accounting treatment is dependent on the type of joint arrangement, which is determined by considering the rights and obligations of the investor. On application of IFRS 11, IAS 28 is amended and retitled to 'Investment in Associates and Joint Ventures'. As a result, certain line items previously proportionally consolidated are impacted. When the Group share of losses of a joint venture equals or exceeds its interest in it, it does not recognise further losses on its interest unless there is a legal or constructive obligation. In the case of d'Amico International Shipping, retained earnings *at the beginning of the earliest comparative period* have been adjusted having a net positive effect of US$ 14.5 million. Whenever any significant change in the main assumptions of any joint arrangement occurs, the assessment will be re-performed to ensure the correct treatment.

To comply with the application of IFRS 11, the Group assessed its control on structure, legal form, terms of the contractual arrangements and other facts and circumstances of the joint arrangements; as a result, Glenda International Shipping (GIS) and High Pool Tankers Limited (HPT), will be treated as joint operations and consolidated line-by-line; while the investment in DM Shipping (DMS) and Eco Tankers Ltd. (ETL), the principal object of which is the construction and the operation of vessels, that were previously included in a proportional consolidation, will be treated as a Joint Venture and the equity method of accounting will be applied, having the parties jointly controlling the arrangement the right to its net assets. In the case of DM Shipping, the key issue is that the co-shareholders are also the principal customer of the companies and the charter hire is the principal driver of variable returns of the company. In the other instance – Eco Tankers Limited - DIS exerts binding management authority assuming responsibility for its operation.

IFRS 12 "Disclosures of Interests in Other Entities" requires disclosure of information on the nature of, and risks associated with, interests in other entities; and the effects of those interests on the primary financial statements.

Upon further review, a US$ 5.7 million reclassification within the post of Net Equity – crediting the Cash-Flow Hedging reserve from Retained Earnings - on January 1, 2013 was performed: it concerned the valuation of an interest rate swap that was closed and renegotiated in 2011, in order to make such assessment consistent with the current accounting procedures.

That change, together with the retrospective application of IFRS 10, IFRS 11 and IFRS 12, resulted in the following adjustments being made to the figures for the prior-year periods disclosed in the Statement of Profit or Loss and Other comprehensive income, the Statement of financial position and the Statement of cash-flow. The effect of the earnings per share was immaterial:

CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

US$ Thousand	Q2 2013 as reported	Adjustment April to June 2013	Q2 2013 Adjusted	H1 2013 as reported	Adjustment January to June 2013	H1 2013 Adjusted
Revenue	76 297	-	76 297	155 772	-	155 772
Voyage costs	(27 085)	-	(27 085)	(56 443)	-	(56 443)
Time charter equivalent earnings	**49 212**	**-**	**49 212**	**99 329**	**-**	**99 329**
Time charter hire costs	(22 114)	(1 439)	(23 553)	(43 396)	(2 881)	(46 277)
Other direct operating costs	(14 087)	901	(13 486)	(28 591)	1 153	(27 438)
General and administrative costs	(4 518)	(39)	(4 557)	(7 441)	(17)	(7 458)
Other operating income	170	64	234	293	64	357
Result from disposal of vessels	13 947	-	13 947	13 947	-	13 947
EBITDA	**22 610**	**(813)**	**21 797**	**34 141**	**(1 681)**	**32 460**
Depreciation	(7 925)	452	(7 473)	(16 053)	898	(15 155)
EBIT	**14 685**	**(361)**	**14 324**	**18 088**	**(783)**	**17 305**
Net financial income (charges)	1 269	(1 270)	(1)	6 117	(4 620)	1 497
Profit / (loss) before tax	**15 954**	**(1 631)**	**14 323**	**24 205**	**(5 403)**	**18 802**
Income taxes	(443)	1	(442)	(1 104)	3	(1 101)
Net profit / (loss)	**15 511**	**(1 630)**	**13 881**	**23 101**	**(5 400)**	**17 701**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

US$ Thousand	Q2 2013 as reported	Adjustment April to June 2013	Q2 2013 Adjusted	H1 2013 as reported	Adjustment January to June 2013	H1 2013 Adjusted
Profit or loss for the period	**15 511**	**(1 630)**	**13 881**	**23 101**	**(5 400)**	**17 701**
Items that can subsequently be reclassified into Profit or Loss						
Cash-flow hedges	2 280	(600)	1 680	3 042	(980)	2 062
Total comprehensive income	**17 791**	**(2 230)**	**15 561**	**26 143**	**(6 380)**	**19 763**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ Thousand	31 December 2013 as reported	Adjustment 31 December 2013	31 December 2013 Adjusted
ASSETS			
Tangible assets	529 362	(35 501)	493 861
Investments in associates	-	3 133	3 133
Other Non-current financial assets	686	21 857	22 543
Total non-current assets	**530 048**	**(10 511)**	**519 537**
Inventories	15 029	(1 675)	13 354
Receivables and other current assets	34 812	(3 283)	31 527
Other current financial assets	1 333	-	1 333
Cash and cash equivalents	34 684	(1 514)	33 170
Total current assets	**85 858**	**(6 472)**	**79 384**
TOTAL ASSETS	**615 906**	**(16 985)**	**598 921**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	35 988	-	35 988
Retained earnings	31 292	1 840	33 132
Other reserves	249 417	4 041	253 458
Total shareholders' equity	**316 697**	**5 881**	**322 578**
Banks and other lenders	236 842	(14 191)	222 651
Total non-current liabilities	**236 842**	**(14 191)**	**222 651**
Current liabilities			
Banks and other lenders	15 881	(2 513)	13 368
Payables and other current liabilities	36 888	(6 182)	30 726
Other current financial liabilities	8 612	-	8 612
Current tax payable	986	-	986
Total current liabilities	**62 367**	**(8 695)**	**53 692**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**615 906**	**(16 985)**	**598 921**

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

US$ Thousand	Q2 2013 as reported	Adjustment April to June 2013	Q2 2013 Adjusted	H1 2013 as reported	Adjustment January to June 2013	H1 2013 Adjusted
Cash flow from operating activities	(1 809)	(1 576)	(3 385)	14 327	(4 496)	9 831
Cash flow from investing activities	24 172	-	24 172	(983)	-	(983)
Cash flow from financing activities	(31 411)	1 855	(29 556)	(55 335)	5 270	(50 065)
Change in cash balance	**(9 048)**	**279**	**(8 769)**	**(41 991)**	**774**	**(41 217)**
Cash and cash equivalents	84 945	(1 465)	83 480	117 617	(1 960)	115 657
Exchange gain/(loss) on cash and cash	(816)	-	(816)	(545)	-	(545)
Cash and cash equivalents at the end of the period	**75 081**	**(1 186)**	**73 895**	**75 081**	**(1 187)**	**73 895**

2. REVENUE

US$ Thousand	**Q2 2014**	**Q2 2013 (1)**	**H1 2014**	**H1 2013 (1)**
Revenue	72 278	76 297	141 151	155 772

(1) Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group interim report.

Revenue represents vessel income comprising time charter hire, freight, demurrage and income from participation in vessel pools.

3. VOYAGE COSTS

US$ Thousand	**Q2 2014**	**Q2 2013 (1)**	**H1 2014**	**H1 2013 (1)**
Bunkers (fuel)	(17 150)	(20 554)	(35 326)	(42 181)
Commissions	(804)	(1 233)	(1 584)	(2 969)
Port charges	(5 309)	(5 567)	(8 415)	(11 145)
Other	(366)	269	(727)	(148)
Total	(23 629)	(27 085)	(46 052)	(56 443)

(1) Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group interim report.

Voyage costs are operating costs resulting from the employment, direct or through its partnerships of the DIS fleet, in voyages undertaken in the spot market and under Contracts of Affreightment. Time charter contracts are net of voyage costs.

4. TIME CHARTER EQUIVALENT EARNINGS

US$ Thousand	**Q2 2014**	**Q2 2013 (1)**	**H1 2014**	**H1 2013 (1)**
Time charter equivalent earnings	48 649	49 212	95 099	99 329

(1) Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group interim report.

Time charter equivalent earnings represent revenue less voyage costs. In the first half of 2014 about 56% of the Time Charter Equivalent earnings came from fixed contracts (contracts longer than 12 months) (HY1 2013: 40.6%).

5. TIME CHARTER HIRE COSTS

US$ Thousand	**Q2 2014**	**Q2 2013 (1)**	**H1 2014**	**H1 2013 (1)**
Time charter hire costs	(25 535)	(23 553)	(49 657)	(46 277)

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Time charter hire costs represent the cost of chartering-in vessels from third parties.

6. Other direct operating costs

US$ Thousand	Q2 2014	Q2 2013 ([1])	H1 2014	H1 2013 ([1])
Crew costs	(7 246)	(6 624)	(13 810)	(13 338)
Technical expenses	(4 228)	(4 229)	(8 296)	(8 308)
Luboil	(598)	(562)	(1 153)	(1 180)
Technical and quality management	(1 964)	(1 087)	(3 943)	(2 150)
Other costs	(749)	(984)	(1 931)	(2 462)
Total	(14 785)	(13 486)	(29 133)	(27 438)

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Other direct operating costs include crew costs, technical expenses, lubricating oils, technical and quality management fees and sundry expenses originating from the operation of the vessel, including insurance costs.

Personnel

As at 30 June 2014 d'Amico International Shipping SA and its subsidiaries had 540 employees, of which 508 seagoing personnel and 32 on-shore. Onshore personnel costs are included under general and administrative costs. The Group has no liabilities with regard to pensions and other post-retirement benefits.

7. General and administrative costs

US$ Thousand	Q2 2014	Q2 2013 ([1])	H1 2014	H1 2013 ([1])
Personnel	(2 184)	(1 794)	(4 256)	(3 194)
Other general and administrative costs	(2 323)	(2 763)	(4 620)	(4 264)
Total	(4 507)	(4 557)	(8 876)	(7 458)

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Personnel costs relate to on-shore personnel salaries.

The other general and administrative costs comprise consultancy, office rental fees, and other sundry expenses originating from the operation of d'Amico International Shipping Group companies. They include intra-group management fees on brand and trademark, IT, Legal and Internal Audit services for US$ 2.1 million.

8. Other operating income

US$ Thousand	Q2 2014	Q2 2013 ([1])	H1 2014	H1 2013 ([1])
Other operating income	218	234	414	357

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Other operating income represents chartering commissions earned for services provided by Group personnel to third parties customers.

9. RESULT ON DISPOSAL OF VESSELS

US$ Thousand	Q2 2014	Q2 2013	H1 2014	H1 2013
Result on disposal of vessels	6 351	13 947	6 351	13 947

[(1)] Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group interim report.

The amount of US$ 6.4 million booked in the second quarter of 2014 shows the profit on sale of the Handysize vessel Cielo di Parigi; 2013 amount relate to the sale of the vessels Cielo di Londra, High Challenge and High Spirit during the second quarter of that period.

10. NET FINANCIAL INCOME (CHARGES)

US$ Thousand	Q2 2014	Q2 2013 ([1])	H1 2014	H1 2013 ([1])
Income				
Loans and receivables:				
Interest Income – Banks	11	153	33	185
Realised on financial activities	3 058	595	4 378	3 216
At fair value through income statement:				
Gains on derivative instruments	-	1 796	-	2 063
Exchange differences	549	994	957	-
Total Financial Income	3 618	3 538	5 368	5 465
Charges				
Financial liabilities measured at amortised cost:				
Interest expense	(1 929)	(1 910)	(4 144)	(2 155)
At fair value through income statement:				
Derivative instruments	(1 614)	(159)	(3 059)	(159)
Exchange differences	-	-	-	(1 321)
Financial fees	(198)	(134)	(745)	(333)
Available for sale financial assets				
Current financial assets	-	-	-	-
Total financial charges	(3 741)	(2 203)	(7 948)	(3 968)
Net Financial Charges	(123)	(1)	(2 580)	1 497

[(1)] Adjusted for the effects of the first-time retrospective application of new IFRSs and the reclassification within equity of the ineffective part of the cash-flow hedge. See also Note 1 in the Notes to the Group interim report.

The details of financial income and charges have been expanded to allow the readers of the financial statements focus on details.

The total financial income in H1 and Q2 2014 is mainly composed of income premiums and realized gains on forward exchange contracts; minor amounts represent realised foreign exchange gains on payables together with unrealised exchange gain on the conversion into US$ of the loans denominated in Japanese Yen. Total financial charges arise mainly from the interest expenses on bank loans financing the vessels and from the fair value valuation of interest rate swap contracts (for further details see note 24); minor amounts represent financial fees paid on the bank loans. The Group systematically monitors its exposure to the foreign exchange and interest rate risk, in order to detect potential negative effects in advance.

11. INCOME TAXES

US$ Thousand	Q2 2014	Q2 2013 ([1])	H1 2014	H1 2013 ([1])
Current income taxes	(296)	(442)	(432)	(1 101)

[(1)] Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Effective from 1 January 2007, d'Amico Tankers Limited qualified to be taxed under the Tonnage Tax regime in Ireland; DM Shipping Limited obtained the ruling commencing 1 January 2009 and Glenda International Shipping in 2010.

The tax liability under the tonnage tax regime is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the controlled fleet. The 2014 tonnage tax provision for d'Amico Tankers Limited and Glenda International Shipping amounts to US$ 0.3 million. The income tax charges relate to activities, which are not eligible for tonnage tax and are taxed at 12.5% or 25%.

12. TANGIBLE ASSETS

US$ Thousand	Fleet	Dry-dock	Other assets	Total
At 1 January 2014 ([1])				
Cost or valuation	726 502	6 552	1 779	734 833
Accumulated depreciation and impairment	(236 779)	(3 104)	(1 089)	(240 972)
Net book amount ([1])	**489 723**	**3 448**	**690**	**493 861**
Period ended 30 June 2014				
Opening net book amount	489 723	3 448	690	493 861
Additions	134 717	2 154	2	136 873
Disposals at cost	(25 031)	-	-	(25 031)
Depreciation and impairment write-back	18 288	-	-	18 288
Exchange differences	-	-	2	2
Depreciation charge	(15 201)	(1 409)	(101)	(16 711)
Closing net book amount	**602 496**	**4 193**	**593**	**607 282**
At 30 June 2014				
Cost or valuation	836 188	8 706	1 784	846 678
Accumulated depreciation and impairment	(233 692)	(4 513)	(1 190)	(239 395)
Net book amount	**602 496**	**4 193**	**594**	**607 283**

[(1)] Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

The following table shows, for comparison purposes, the changes in the fixed assets in the first half of 2013.

US$ Thousand	**Fleet**	**Dry-dock**	**Other assets**	**Total**
At 1 January 2013				
Cost or valuation	720 458	11 212	1 822	733 492
Accumulated depreciation and impairment	(263 005)	(4 887)	(945)	(268 837)
Net book amount	**457 453**	**6 325**	**877**	**464 655**
Period ended 30 June 2013				
Opening net book amount	457 453	6 325	877	464 655
Additions	35 478	519	24	36 021
Disposals at cost	(72 173)	(4 980)	(48)	(77 201)
Depreciation and impairment write-back	52 848	3 028	52	55 928
Exchange differences	-	-	(75)	(75)
Depreciation charge	(13 000)	(2 008)	(93)	(15 101)
Closing net book amount ([1])	**460 563**	**2 884**	**737**	**464 227**
At 30 June 2013				
Cost or valuation	683 763	6 751	1 744	692 258
Accumulated depreciation and impairment	(222 899)	(3 867)	(1 007)	(227 773)
Net book amount ([1])	**460 863**	**2 884**	**737**	**464 485**

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Tangible fixed assets are comprised of the following:

FLEET

Fleet includes the purchase costs for owned vessels, and payments to yards for vessels under construction. Additions in 2014 relate to the instalments paid on the recently ordered Eco vessels, four of which have been delivered to d'Amico Tankers Ltd. in the first six months of the year: M/T High Freedom and M/T High Discovery and two M/T Handysize Cielo di Gaeta and Cielo di New York and to the instalments for the construction of new vessels as per the Fleet renewal programme formerly disclosed in the report on operations (hulls #2385, #2386, #2407, #2408). Capitalized instalments at Group level for HY1 2014 amount to US$ 134.7 million (HY1 2013: US$ 35.4 million); no interest was capitalized in the first six months of 2014 (no interest capitalized in H1 2013). Mortgages are secured on all the vessels owned by the Group - for further details see note 12.

The total market value of the Group Fleet, including the market value of instalments paid for vessels under construction, taking into account the percentage of ownership, according to a valuation report provided by an independent ship broker at the end of June 2014, is of US$ 628.2 million.

Measurement of Fair Value – Valuation technique – Impairment testing

The fair value measurement for the Fleet has been categorised as Level 2 based on the information given on the valuation techniques in note n.1. In particular, the valuation method applied by the brokers considers recent prices achieved for similar tonnage (recent vessel sales): this supports the active market criteria and therefore the level 2 determination appears appropriate. The disclosures envisaged for Level 3 categories of fair value are not applicable to the current measurement.

The Fleet fair value measurement (value-in-use) is ***non-recurring***, any time events clue that the Fleet market value could be impaired; the recoverable amount is defined as the higher of an asset's fair value less costs to sell and its value in use, represented by the net present value of the cash flow from its remaining useful life. In the assessment, the estimated future cash flows from its remaining useful life are discounted to their present value.

For impairment test purposes, the management estimates take into consideration the market information available, including reported sales of similar vessels, as well as past experience and future expectations, and have been based on the following ***key assumptions*** assuming the Company as a going concern:

(i) Earnings: under contracts concluded and the estimate of future rates;
(ii) Useful economic life of 20 years;
(iii) Estimated economic value at end of life based on current rates;
(iv) Costs reflect the current d'Amico structure;
(v) The figures have been discounted based on a rate of 6.0%, which represents the current and expected profile of the Company's required weighted average cost of capital based on the current cost of financing and required of return on equity.

At the reporting date both desk top brokers valuations and the values in use calculation are higher than the net book value of the vessels. Moreover, Management considers that the availability of new fuel efficient product tanker designs will positively impact the results of existing vessels; based on the assessment of the recoverable amount and considering the future value in use, the Management of the Group does not consider an impairment adjustment as necessary for the Fleet, since valuations provided by independent brokers increased from the closing of prior financial year.

DRY-DOCK

Dry-docks include expenditure for the fleet's dry docking programme and disposal of amortized dry docks; a total of two vessels went through a dry-dock in the period.

OTHER ASSETS

Other assets mainly include fixtures, fittings, office equipment.

13. INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

US$ Thousand	As at 30 June 2014	As at 31 December 2013 ([1])	As at 1 January 2013 ([1])
Investments at equity	4 183	3 132	-

[(1)] Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

At 30 June 2014 Investments accounted for using the equity method amount to US$ 4.2 million in the 33% of the capital of Eco Tankers Ltd. (Malta) (31 December 2013: US$ 3.1 million); for further details please refer to note n.1.

14. OTHER FINANCIAL ASSETS

US$ Thousand	As at 30 June 2014			As at 31 December 2013 ([1])			As at 1 January 2013 ([1])		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Long-term financing DMS	23 193	-	23 193	21 857	-	21 857	26 468	-	26 468
Fair value of derivative instruments	-	1 633	1 633	686	1 333	2 019	-	757	26 468
Total	23 193	1 633	24 826	22 543	1 333	27 009	26 468	757	27 225

The non-current amount of US$ 23.2 million in 2014 represents the equivalent of JP¥ 2.4 billion Long-term financing and accrued interest to the jointly controlled entity DMS, with the purpose of initial financing of its owned vessels. On 31 December 2013 the financing amount was US$ 22.5 million (equivalent of JP¥ 2.3 billion equivalent).

The current amount of US$ 1.6 million in 2014 represents the fair value of derivative instruments hedging the administrative expenses currency exposure (31 December 2013: current amount of US$ 1.3 million and non-current amount of US$ 0.7 million).

15. INVENTORIES

US$ Thousand	As at 30 June 2014	As at 31 December 2013 ([1])	As at 1 January 2013 ([1])
Inventories	11 483	13 354	18 662

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Inventories represent stocks of Intermediate Fuel Oil (IFO), Marine Diesel Oil (MDO) and Lube-oil on board vessels.

16. RECEIVABLES AND OTHER CURRENT ASSETS

US$ Thousand	As at 30 June 2014	As at 31 December 2013 ([1])	As at 1 January 2013 ([1])
Trade receivables	28 887	28 891	27 151
Other debtors	4 695	2 182	262
Prepayments and accrued income	1 273	454	8 860
Total	34 855	31 527	36 273

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Receivables, as at 30 June 2014, include trade receivables amounting to US$ 29.3 million, net of the allowance for credit losses of US$ 2.2 million. Other current assets mainly consist of prepayments and accrued income amounting to US$5.5 million.

17. CASH AND CASH EQUIVALENTS

US$ Thousand	As at 30 June 2014	As at 31 December 2013 ([1])	As at 1 January 2013 ([1])
Cash and cash equivalents	30 824	33 170	115 657

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Cash and cash equivalents is mainly represented by short-term deposits and includes approximately US$ 3.9 million of cash held by High Pool Tankers Ltd which is distributed to other pool participants in July (consolidated amount at 70%). The balance includes US$ 1.8 million secured in connection with the Mizuho facility.

18. SHAREHOLDERS' EQUITY

Changes in first half 2014 Shareholders' equity items are detailed in the relevant statement.

Share capital

At 30 June 2014 the share capital of d'Amico International Shipping amounted to US$ 42,195,530.70, corresponding to 421,955,307 ordinary shares with no nominal value.

In the month of February, following the exercise of the warrants attached to the shares issued at the moment of 2012 capital increase, at the ratio of one share for every three warrants and according to the Prospectus dated 6 November 2012, n. 62,075,533 new ordinary shares were issued at a price of €UR 0.36 each. After the current capital increase DIS' share capital amounts to US$ 42,195,530.70 divided into 421,955,307 ordinary shares with no nominal value.

Retained earnings

As at 30 June 2014 the item includes previous year and current net results and deductions for dividends distributed. Following retrospective application of new IFRS 11, retained earnings have been adjusted at the beginning of the earliest comparative period with elimination of negative equity of a jointly controlled entity that is not anymore consolidated line-by-line; more-over, in 2014 a reclassification between cash-flow hedge reserve and retained earnings has been performed in relation to the 2011 ineffective part of the hedge (reference should be further made to note n.1).

Other reserves

The other reserves include the following items:

US$ Thousand	**As at 30 June 2014**	**As at 31 December 2013(1)**	**As at 1 January 2013 (1)**
Share premium reserve	293 327	269 058	269 098
Treasury shares	(16 356)	(16 356)	(16 356)
Hedging reserve	669	1 214	(964)
Other reserves	(436)	(458)	(356)
Total	277 204	253 458	251 422

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs and the reclassification within equity of the ineffective part of the cash-flow hedge. See also Note 1 in the Notes to the Group interim report.

Share premium reserve

The share premium reserve arose in first instance as a result of the Group's IPO and related increase of share capital (May 2007) and lately as a result of the further capital increases occurred in December 2012 and in February 2014.

Treasury shares

Treasury shares at 30 June 2014 consist of 5,090,495 ordinary shares (YE 2013: 5,090,495) for an amount of US$ 16.4million (2013: US$ 16.4 million), corresponding to 1.20% of the outstanding shares at the financial position date (YE 2013: 1.41%). These shares were acquired in 2007 and 2008 and during the second half of 2011, following the approval of the Buy-back programme.

Hedging reserve

The fair value reserve arose as a result of the valuation of the Interest Rate Swap agreements connected to some of the bank facilities to their fair value of US$ 670 thousand (asset). It has been adjusted in 2014 following a reclassification between cash-flow hedge reserve and retained earnings (please refer also to note n.1). Details of the fair value of the derivative financial instruments are set out in note 23.

19. BANKS AND OTHER LENDERS

US$ Thousand	As at 30 June 2014	As at 31 December 2013 ([1])	As at 1 January 2013 ([1])
Non-current liabilities			
Banks and other lenders	309 829	222 651	263 908
Current liabilities			
Banks and other lenders	17 143	13 368	25 175
Total	326 972	236 019	289 083

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

The total bank debt increased by US$ 90.9 million, in connection with the drawdown of facilities related to New Buildings delivered during the period (cfr. Note n.12) for a total amount of US$ 81.0 million and to the use of available facilities for US$ 17.6 million netted by repayments on existing loans for US$ 7.8 million.

20. PAYABLES AND OTHER CURRENT LIABILITIES

US$ Thousand	As at 30 June 2014	As at 31 December 2013 ([1])	As at 1 January 2013 ([1])
Trade payables	23 549	19 679	23 263
Other creditors	8 637	6 577	12 273
Accruals & deferred income	4 492	4 470	1 678
Total	36 678	30 726	37 214

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Payables and other current liabilities as at 30 June 2014, mainly include trade payables, of which an amount of US$ 3.1 million relates to the related party, Rudder SAM (bunkers).

21. OTHER FINANCIAL LIABILITIES

US$ Thousand	As at 30 June 2014			As at 31 December 2013 ([1])			As at 1 January 2013 ([1])		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Other financial liabilities	-	4 955	4 955	-	7 075	7 075	-	45	45
Fair value of derivative instruments	2 663	1 645	4 308	-	1 537	1 537	4 523	2 133	6 656
Total Other financial liabilities	2 663	6 600	9 263	-	8 612	8 612	4 523	2 178	6 701

(1) Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group interim report.

The balance on 30 June 2014 mainly represents other financial liabilities relating to deferred income on premiums received from foreign exchange derivative contracts and accrued commitment fees together with the fair value of the Interest Rate Swap hedging instruments. The derivatives instruments fair values calculation techniques and disclosure about financial market risk are shown in note 23.

22. CURRENT TAX LIABILITIES

US$ Thousand	As at 30 June 2014	As at 31 December 2013 ([1])	As at 1 January 2013 ([1])
Current tax liabilities	363	986	553

(1) Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group interim report.

The balance at 30 June 2014 mainly reflects the income taxes and tonnage taxes payable by the subsidiaries.

23. RISK MANAGEMENT

Uncertainty about future global economic trends continues. The shipping industry is highly sensitive to market fluctuations, which can determine significant changes in freight rates and tonnage prices. Furthermore, as a multinational Group that has operations throughout the world, it is primarily exposed to the market risk of changes in foreign currency exchange rates, being the US$ functional currency and the majority of its transactions are denominated in US$, and fluctuation in interest rates.

The overall risk management is part of the d'Amico International Shipping strategy, aiming to reduce the DIS's earnings exposure to cyclical fluctuations.

These half-year condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements and for detailed description of this information they should be read in conjunction with the Group's annual financial statements as at 31 December 2013, note n.24; DIS risk situation as described has not changed significantly in the six months to 30 June 2014.There have been no changes in the risk management policies since the year end.

FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Fair value risk and valuation techniques

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash-flow analysis is performed. *Foreign currency forward contracts* are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts. *Interest rates swaps* are measured at the present value of the future cash-flow estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair value of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash-flow analysis. Loans in JPY are reflected at amortized cost.
- The fair value of financial instruments accounts for the counterparty risk (financial assets) and the entity's own credit risk (liabilities).

Accounting classification and fair values

The following table shows the carrying amounts and the fair values of financial assets and liabilities, together with their levels within the fair value hierarchy at 30 June 2014.

	30 June 2014					
US$ Thousand	Loans and receivables	Derivative instruments	Total	Fair Value Level 1	Fair Value Level 2	Total
Assets						
Non-current financial assets	-	-	-	-	-	-
Receivables and other current assets	34 855	-	34 855	-	-	-
Other current financial assets	-	1 633	-	-	1 633	1 633
Cash and cash equivalents	30 824	-	30 824	-	-	-
Liabilities						
Banks and other lenders	326 972	-	326 972	-	-	-
Other non-current financial liabilities		2 663		-	2 663	2 663
Payables and other current liabilities	36 678	-	36 678	-	-	-
Other current financial liabilities	4 955	1 645	6 600	-	1 645	1 645
Current tax payable	363	-	363	-	-	-

The following table presents the Group’s assets and liabilities that are measured at fair value at 31 December 2013.

	31 December 2013 (1)					
US$ Thousand	Loans and receivables	Derivative instruments	Total	Fair Value Level 1	Fair Value Level 2	Total
Assets						
Non-current financial assets	-	686	686	-	686	686
Receivables and other current assets	31 527	-	31 527	-	-	-
Other current financial assets	-	1 333	1 333	-	1 333	1 333
Cash and cash equivalents	33 170	-	33 170	-	-	-
Liabilities						
Banks and other lenders	235 019	-	235 019	-	-	-
Payables and other current liabilities	30 726	-	30 726	-	-	-
Other current financial liabilities	7 075	1 537	8 612	-	1 537	1 537
Current tax payable	986	-	986	-	-	-

(1)The restatement of YE 2013 values following the first-time retrospective application of new IFRS had no effect on the derivative instruments representation.

The Level 2 financial instruments in above table refer to derivative instruments (interest rate swaps and forward currency contracts) and its fair value of is obtained through valuations provided by the corresponding bank at the end of the period. Counterparties are financial institutions which are rated from A+ to BB+; taking this into consideration, no adjustments for non-performance risk are deemed necessary.
The fair value of short-term trade receivables and payables is not disclosed as their carrying amount is reasonably approximate to their fair value.

The carrying amount of financial assets represents the maximum credit exposure.

The realised gains on 30 June 2014 are US$ 4.4 million and the unrealised losses amount to US$3.1 million.

24. RELATED PARTY TRANSACTIONS

Pursuant to IAS 24, the Company related parties are entities and individuals capable of exercising control, joint control or significant influence over DIS and its subsidiaries, companies belonging to the d'Amico Group, and joint ventures of d'Amico International Shipping. More-over, members of the DIS Board of Directors, and executives with strategic responsibilities and their families are also considered related parties.

DIS carries out transactions with related parties, including its immediate parent company d'Amico International S.A. a company incorporated in Luxembourg, its ultimate Italian parent company, d'Amico Società di Navigazione S.p.A (DSN) and certain of DSN's subsidiaries (d'Amico Group).

During the first six months of 2014 the most significant financial transactions included a management service agreement (for technical, crewing and IT services) with d'Amico Group companies, a brand fee with d'Amico Società di Navigazione S.p.A., a personnel service agreement with d'Amico Shipping Singapore and d'Amico Shipping USA for a total cost amounting to US$ 1.5 million and purchase of Intermediate Fuel Oil and Marine Diesel Oil, from Rudder SAM, a d'Amico Group controlled company, amounting to US$ 35.3 million, included in the bunker cost of the year.

Pursuant to Consob Resolution No. 15519 of 27 July 2006, the effects of related party transactions on the Group's consolidated income statement for the first six months of 2014 and 2013 – not elsewhere disclosed in the present report - are the following:

	H1 2014		**H1 2013 ([1])**	
US$ Thousand	**Total**	**Of which related parties**	**Total**	**Of which related parties**
Revenue	141 151	-	155 772	-
Voyage costs	(46 052)	(36 749)	(56 443)	(47 875)
Time charter hire costs	(49 657)	(3 790)	(46 277)	-
Other direct operating costs	(29 133)	(3 638)	(27 438)	(3 143)
General and administrative costs	(8 876)	(3 133)	(7 458)	(2 351)
Other operating income	414	-	357	110
Result on disposal of vessels	6 351	(20)	13 947	(60)
Net financial income (charges)	(2 580)	(81)	488	-

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

The effects of related party transactions on the Group's consolidated balance sheets as at 30 June 2014 and 31 December 2013 not elsewhere disclosed in the present report, are the following:

	As at 30 June 2014		As at 31 December 2013 ([1])	
US$ Thousand	Total	Of which related parties	Total	Of which related parties
ASSETS				
Non-current assets				
Tangible assets	607 283	-	493 861	-
Investment in jointly controlled entities	4 183	-	3 132	-
Other Non-current financial assets	23 193	23 193	22 543	22 543
Current assets				
Inventories	11 483	-	13 354	-
Receivables and other current assets	34 855	1 533	31 527	1 827
Current financial assets	1 633	-	1 333	-
Cash and cash equivalents	30 824	-	33 170	-
LIABILITIES				
Non-current liabilities				
Banks and other lenders	309 829	-	222 651	-
Other non-current financial liabilities	2 663		-	-
Current liabilities				
Banks and other lenders	17 143	-	13 368	-
Payables and other current liabilities	36 678	10 348	30 726	11 807
Other financial current liabilities	6 660		8 612	2 143
Current taxes payable	363	-	986	-

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

25. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at June 30 2014, the Group's capital commitments amounted to US$ 263.1 million, of which payments over the next 12 months amounted to US$ 90.6 million.

US$ Million	As at 30 June 2014	As at 31 December 2013 ([1])
Within one year	90.6	154.1
Between 1 – 3 years	172.5	156.3
Between 3 – 5 years	0.0	-
More than 5 years	0.0	-
	263.1	310.4

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

Capital commitments relate to the payment for: 4 Hyundai-Mipo dockyard 40,000 dwt Product/chemical tanker newbuilding vessels, 7 Hyundai-Mipo dockyard 50,000 dwt Product/chemical tanker newbuilding vessels. All DIS newbuilding vessels are expected to be delivered between 2014 and January 2017.

Operating leases – chartered in vessels

As at June 30 2014, the Group's minimum operating lease rental commitments amounted to US$ 178.7 million, of which payments over the next 12 months amounted to US$ 75.2 million.

US$ Million	**As at 30 June 2014**	**As at 31 December 2013 ([1])**
Within one year	75.2	71.5
Between 1 – 3 years	70.4	88.3
Between 3 – 5 years	30.7	39.1
More than 5 years	2.4	13.2
	178.7	212.1

(1) Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group interim report.

As at June 30 2014, d'Amico Tankers Limited operated 18.5 vessel equivalents on time charter-in contracts as lessee. These had an average remaining contract period of 1.9 years at that time (2.9 years including optional periods). Some of the charter-in contracts include options to purchase vessels in the future.

Purchase options

Some of the charter-in contracts include options to purchase vessels. Exercise of these options is at the discretion of the Company based on the conditions prevailing at the date of the option.

Ongoing disputes

The Group is currently involved in a number of on-going commercial disputes concerning both our owned and chartered vessels. The majority are cargo contamination claims. The disputes are mostly covered by the P&I Club insurance therefore no significant financial exposure is expected.

Tonnage tax deferred taxation

Effective from 1 January 2007, d'Amico Tankers Limited qualified to be taxed under the Tonnage Tax regime in Ireland; DM Shipping Limited obtained the ruling commencing 1 January 2009 and Glenda International Shipping in 2010. The regime includes provision whereby a proportion of capital allowances previously claimed by the company may be subject to tax in the event that vessels are sold and not replaced within the specified time limit or the Company fails to comply with the on-going requirements to remain within the regime.

No provision has been made for deferred taxation as no liability is reasonably expected to arise.

26. D'AMICO INTERNATIONAL SHIPPING GROUP'S COMPANIES

The table below shows the complete list of Group main companies, and for each of these companies d'Amico International Shipping's percentage ownership, its method of consolidation, registered office, share capital and currency.

Name	Registered Office	Share Capital	Currency	Interest %	Consolidation Method
d'Amico International Shipping S.A.	Luxembourg	42 195	USD		
d'Amico Tankers Limited	Dublin / Ireland	100 001	EUR	100.0%	Integral
High Pool Tankers Limited	Dublin / Ireland	2	EUR	68.5%	Proportional
Glenda International Management Ltd	Dublin / Ireland	2	EUR	100.0%	Integral
Glenda International Shipping Ltd	Dublin / Ireland	202	USD	50.0%	Proportional
DM Shipping Ltd	Dublin / Ireland	100 000	USD	51.0%	Equity
Eco Tankers Limited	Malta	50 000	USD	33.0%	Equity
d'Amico Tankers Monaco SAM	Monaco	150 000	EUR	100.0%	Integral
d'Amico Tankers UK Ltd	London / UK	50 000	USD	100.0%	Integral

The consolidation area in H1 2014 does not differ with respect to the 2013 consolidated accounts; nevertheless following the application, from 1 January 2014, of the IFRS 10 and 11, the consolidation method of High Pool Tankers Limited changed from Integral to Proportional and as far as the two joint ventures are concerned (DM Shipping Limited and Eco Tankers Limited), from Proportional to Equity method (ref. Note n.1 to the consolidated financial statements).

30 July 2014

On behalf of the Board

Paolo d'Amico
Chairman

Marco Fiori
Chief Executive Officer

Report on review of the condensed consolidated interim financial information

To the Shareholders of
d'Amico International Shipping S.A.

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of d'Amico International Shipping S.A. ("DIS") as of 30 June 2014 and the related consolidated interim income statement, consolidated interim statement of comprehensive income, interim statement of changes in consolidated shareholders' equity and consolidated interim statement of cash flows for the six-month period then ended. The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim financial reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, "Interim financial reporting" as adopted by the European Union.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 30 July 2014

Philippe Duren