



# **d'Amico International Shipping**

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## **EQUITA ROADSHOW**

Milano - October 21<sup>st</sup>, 2015



*d'Amico*  
INTERNATIONAL SHIPPING S.A.

# AGENDA.

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- Executive Summary
- Highlights
- Financial Results
- Product Tanker Market & Outlook
- Appendix





# WHY INVEST IN DIS.

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## **Product tanker market: very strong fundamentals**

- The collapse in Oil Price led to increased margins for refineries, which have pushed their production to historical high levels
- World Refining capacity has been moving away from the main consuming regions (most modern and efficient refineries are now in the Arabian Gulf), positively impacting on product tankers' ton-mile demand
- Very few ship-yards are able to build complex vessels such as product tankers and all yards have no availability for deliveries before 2018. This should structurally limit the increase in supply

## **DIS: the right play for investors seeking exposure in a booming market**

- DIS is one of the few pure product tanker players in the world
- DIS has a very young and technologically advanced fleet
- DIS has put forward an investment plan worth US\$ 755 million in the last 3 years, ordering 22 new 'Eco' design product tankers
- DIS has long term vetting approval from the main Oil Majors and it is one of the few operators benefitting from long-term contracts with Oil Majors
- DIS has strong financial ratios
- DIS Strong access to credit market

## **DIS: rewarding dividend policy**

- DIS has a pay-out ratio up to 50% of FY'15 Net Profit



# EXECUTIVE SUMMARY.

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- Following a strong start of the year, the product tanker market gained further momentum going into Q2, allowing DIS to record its best first-half result since 2008



- **Spot** – DIS generated a **Daily Average Spot Rate of US\$ 19,026 in H1'15**, a level which is 50% higher (or US\$ 6,349/day) compared to the same period last year (H1'14: US\$ 12,677). **Q2'15 was even stronger than the previous quarter**, allowing DIS to realize a **Daily Average Spot Rate of US\$ 19,533** (Q1'15: US\$ 18,503) vs. US\$ 13,144 in Q2'14
- **Coverage** – **44%** of DIS total employment days in H1'15 were 'covered' through Time-Charter contracts at an **Average Daily Rate of US\$ 15,081** (H1'14: US\$ 14,707).
- **Total TCE** – DIS achieved a **Total Daily Average Rate of US\$ 17,281 in H1'15** compared to US\$ 13,806 in H1'14
- **Financials** – On the back of a very strong product tanker market, DIS realized a **Net Profit of US\$ 30.1m in H1'15**, compared to a Net Loss of US\$ (5.5)m recorded in the same period last year. Looking at **Q2'15**, DIS recorded a **Net Profit of US\$ 18.7m** vs. US\$ 1.4m Net Profit registered in Q2'14
- **S&P** – DIS enters a new segment in the product tanker market through the order of 6 new 'ECO' design Long Range vessels (LR1 – 75,000dwt) ordered at Hyundai MIPO Dockyard Co. Ltd for a total consideration of about US\$ 44.0m each

**A very strong product tanker market has proven DIS' strategy successful**



# Highlights

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# HIGHLIGHTS. Main events

- **US\$ 667.0 m New-building plan** – In Q2'15, DIS entered into an agreement for the construction and sale of **4 new Long Range (LR1 – 75,000 DWT)** modern product tanker vessels with Hyundai MIPO Dockyard Co. Ltd – South Korea. These vessels will be built by Vinashin Shipyard Co. Ltd – Vietnam and are expected to be delivered between mid-2017 and early-2018, for a total consideration of about US\$ 44.0m each.  
DIS has been ordering a **total of 22 vessels in the last 3 years** (including 12 MRs, 4 Handys and 6 LR1s) of which 8 newbuilding vessels already delivered between 2014 and Q1'15. 13 of these newbuildings have already been fixed on TC contracts with 3 different Oil Majors and one of the world largest refining Company at very profitable rates
- **Time Charter-Out with Oil Majors** – In April 2015, DIS fixed **3 of its newbuilding vessels** (expected to be delivered between Q4'15 and Q4'16) with an Oil Major, for a profitable 3 year TC contract; at the same time, **1 further newbuilding vessel** (expected to be delivered in Q4'15) was fixed with an Oil Major, for a profitable 24 (or 30) month TC contract. In May 2015, DIS fixed **1 of its owned MR vessels** with an Oil Major for a profitable 2 year TC contract
- **Time Charter-In of newbuilding vessels** – In April 2015, DIS agreed to take **2 MR product tankers in TC-In for 8 years** (plus options for further 3 years). These vessels will be built at Onomichi Dockyard Co. Ltd – Japan and are expected to be delivered respectively in H1'17 and H1'18; at the same time, DIS agreed to take **2 further MR product tankers in TC-In for 7 years** (plus options for further 3 years). These vessels will be built at Minaminippon Shipbuilding Co. Ltd – Japan and are expected to be delivered respectively in H1'17 and H2'17. In addition to this, DIS has purchase options on all these 4 vessels.
- **DIS Warrants 2012 – 2016** – The second exercise period of the 'd'Amico International Shipping Warrants 2012 – 2016' ended on Jan 30<sup>th</sup> '15. 2,661,273 Warrants were exercised at a price of Euro 0.40 per ordinary share newly issued by DIS. After the current capital increase DIS' share capital amounts to US\$ 42,284,239.80 divided into 422,842,398 ordinary shares with no nominal value





# HIGHLIGHTS. Products tankers market

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- **Spot returns** – All product tanker markets remained firm throughout the quarter. A strengthening of demand in Q1 and the low oil prices resulting in trading opportunities, fundamentally supported returns throughout Q2. A marked improvement of gasoline demand raised utilisation rates for tankers in the Atlantic basin. Middle East and Asian markets continued to strengthen during Q2'15 as the start-up of refinery projects supported product tanker demand
- **Increase in Global Oil Product demand** – The International Energy Agency (IEA) has eased their forecast for global oil demand for 2015 in their latest monthly Oil Market Report. Oil demand growth peaked at 1.8mb/d in Q1'15 and they have toned down their expectations for growth of 1.4mb/d for the entire year or 94mb/d in total
- **Product stocks** – OECD industry inventories hit a record 2876 m/b in the middle of the last quarter, up by a steep 38.0m/b. Refined product stocks led the build and by end-month covered 30.7 days of forward demand. Global supply and demand balances suggest that the rate of global stock builds quickened rapidly to an astonishing 3.3mb/d during the second quarter
- **Rising Product Tanker demand** – Very high refinery utilization, improved product demand, led by gasoline, and increasing ton-miles is structurally supporting product tanker utilization. All Tanker markets are currently experiencing relatively robust demand at the beginning of the quarter





# FLEET PROFILE.

## DIS Fleet<sup>2</sup>

June 30<sup>th</sup>, 2015

	LR1	MR	Handy	Total	%
Owned	-	20.3	3.0	23.3	45%
Time chartered-in	-	22.5	6.0	28.5	55%
<b>TOTAL ON WATER</b>	<b>-</b>	<b>42.8</b>	<b>9.0</b>	<b>51.8</b>	<b>100%</b>
Owned	6.0	4.0	4.0	14.0	78%
Time chartered-in	-	4.0	-	4.0	22%
<b>TOTAL NEW BUILDING</b>	<b>6.0</b>	<b>8.0</b>	<b>4.0</b>	<b>18.0</b>	<b>100%</b>

- DIS controls a modern fleet of 51.8 product tankers
- Flexible and double-hull fleet – 63% IMO classed, with an average age of 7.6 years (industry average 9.4 years<sup>1</sup>)
- Fully in compliance with very stringent international industry rules
- Long term vetting approvals from the main Oil Majors
- **22<sup>3</sup> newbuildings ordered in the last 3 years** (10 MRs, 6 Handys, 6 LR1s) of which 8<sup>3</sup> vessels already delivered between 2014 and H1'15. 13 of these newbuildings have already been fixed on TC contracts with 3 different Oil Majors and one of the world largest refining Company at very profitable rates
- DIS strategy to maintain a top-quality TC coverage book, by fixing some of its 'Eco' newbuilding vessels with the main Oil Majors which currently require only these types of efficient and advanced ships. At the same time, DIS older tonnage will be concentrated on the spot market

**Well-balanced, flexible and competitive business model to maximize returns in a rapidly growing market scenario**

1. Source: Clarkson Research Services as at July'15

2. Actual number of vessels at the end of June'15

3. Including M/T High Sun, an MR vessel ordered by Hyundai Mipo Dockyard Co. Ltd. and owned by Eco Tankers Limited (in which DIS has 33% ownership)

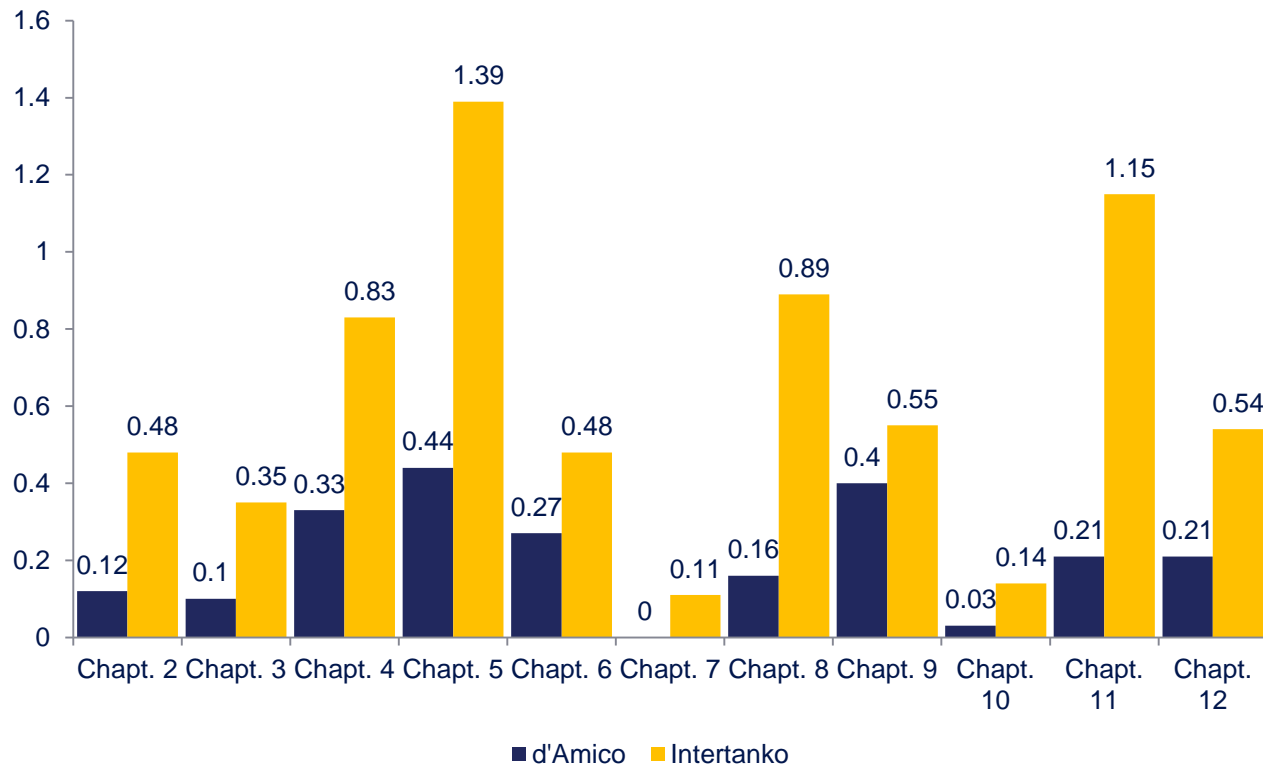




# TOP QUALITY FLEET.



Remarks Number



Chapt. 2	Certification and documentation
Chapt. 3	Crew management
Chapt. 4	Navigation
Chapt. 5	Safety Management
Chapt. 6	Pollution Prevention
Chapt. 7	Structural condition
Chapt. 8	Cargo and Ballast System
Chapt. 9	Mooring
Chapt. 10	Communications
Chapt. 11	Engine and Steering Compartments
Chapt. 12	General Appearance Condition

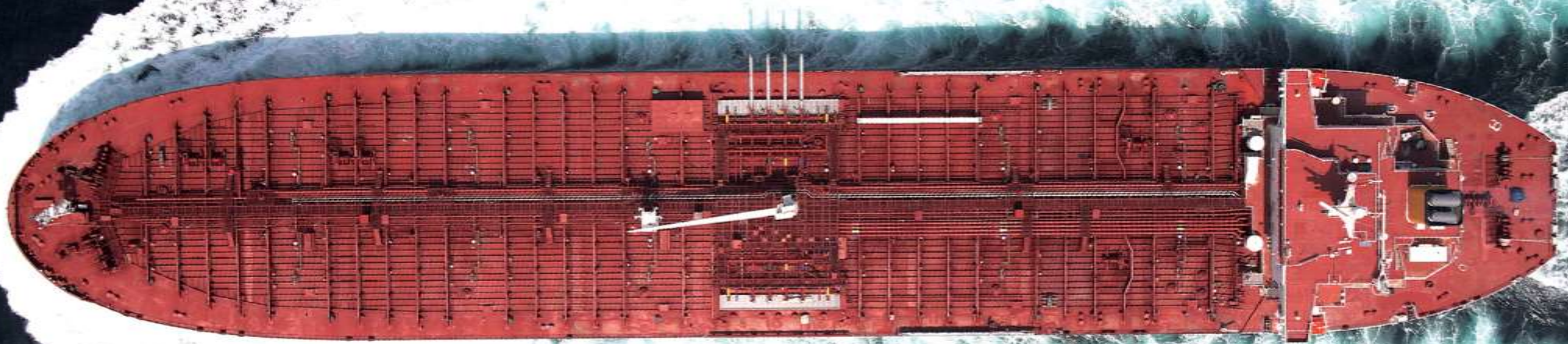
**Very low remarks level compared to Top Industry Players<sup>1</sup>**

1. Source Intertanko



# Financial Results

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# FINANCIAL RESULTS. Q2 & H1 2015 Results



(US\$ million)	Q2 2014	Q2 2015	H1 2014	H1 2015
<b>TCE Earnings</b>	<b>48.6</b>	<b>81.2</b>	<b>95.1</b>	<b>158.1</b>
<b>Profit on disposal</b>	<b>6.4</b>	<b>-</b>	<b>6.4</b>	<b>-</b>
<b>EBITDA</b>	<b>10.4</b>	<b>23.4</b>	<b>14.2</b>	<b>45.1</b>
<i>EBITDA Margin (excluding Profit on disposal)</i>	<i>8.2%</i>	<i>28.9%</i>	<i>8.3%</i>	<i>28.5%</i>
<b>EBIT</b>	<b>1.7</b>	<b>17.7</b>	<b>(2.5)</b>	<b>29.8</b>
<b>Net Profit</b>	<b>1.4</b>	<b>18.7</b>	<b>(5.5)</b>	<b>30.1</b>

- **TCE Earnings – US\$ 158.1m in H1'15** (US\$ 95.1m in H1'14) and **US\$ 81.2m in Q2'15** (US\$ 48.6m in Q2'14), benefitting from the very strong product tanker market which has now reached its highest levels since 2008. In fact, both end user demand and refinery margins have improved this year on the back of plunging oil prices and led to increased arbitrage trading. At the same time, refinery expansions in the Middle East has been very positively contributing to product tankers ton-mile demand. In this strong market scenario, DIS results were further boosted by a much larger fleet than last year (H1'15: 52.1 average vessels vs H1'14: 39.4 average vessels)
- **EBITDA – US\$ 45.1m in H1'15** (US\$ 14.2m in H1'14, including US\$ 6.4m 'profit on disposal') and **US\$ 23.4m in Q2'15** (US\$ 10.4m in Q2'14, including US\$ 6.4m 'profit on disposal'). **This level is 72% higher than the total recurring EBITDA generated in Full Year 2014<sup>1</sup>**, mainly thanks to the robust increase in TCE Earnings. **DIS EBITDA Margin was 28.1% in H1'15 vs. 8.3%<sup>1</sup> in the same period last year**
- **Net Profit – US\$ 30.1m in H1'15** (US\$ (5.5)m loss in H1'14) and **US\$ 18.7m in Q2'15** (US\$ 1.4m profit in Q2'14)

**H1'15 EBITDA is 72% greater than the total recurring FY'14 EBITDA. DIS has a very positive view on its FY'15 Results**

1. Excluding 'profit on disposal' generated in 2014



# FINANCIAL RESULTS. Key Operating Measures



Key Operating Measures	Q1 2014	Q2 2014	H1 2014	Q1 2015	Q2 2015	H1 2015
Avg. n. of vessel	39.6	39.1	39.4	52.1	52.1	52.1
Fleet contact coverage	56.1%	55.2%	55.6%	44.8%	43.7%	44.2%
<b>Daily TCE Spot (US\$/d)</b>	12,191	13,144	12,677	<b>18,503</b>	<b>19,533</b>	<b>19,026</b>
Daily TCE Covered (US\$/d)	14,770	14,645	14,707	15,010	15,153	15,081
Daily TCE Earnings (US\$/d)	13,637	13,972	13,806	16,939	17,619	17,281

- On the back of the very strong product tanker market, DIS realized a **Daily Average Spot Rate of US\$ 19,026 in H1'15**, a level which is 50% (or US\$ 6,349/day) higher than the one of H1'14 (US\$ 12,677). In particular, the second quarter of the year was even stronger than the first one, leading DIS to a **Daily Average Spot Rate of US\$ 19,533 in Q2'15**, compared to US\$ 18,503 achieved in the first quarter of the year and to US\$ 13,144 generated in Q2'14
- At the same time DIS maintained a good level of '**coverage**' (fixed TC contracts) throughout the period, securing an average of **44.2%** (H1'14: 55.6%) of its H1 revenue at an **Average Daily Fixed Rate of US\$ 15,081** (H1'14: US\$ 14,707)
- DIS **Total Daily Average TCE was US\$ 17,281** in H1'15 vs US\$ 13,806 in H1'14

**A very strong product tanker market allowed DIS to boost its spot performance in H1'15**

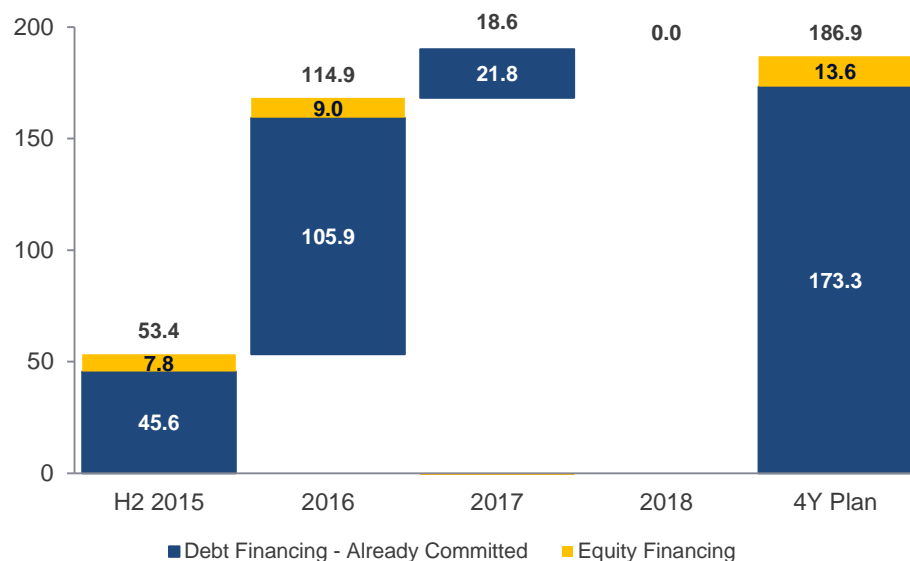






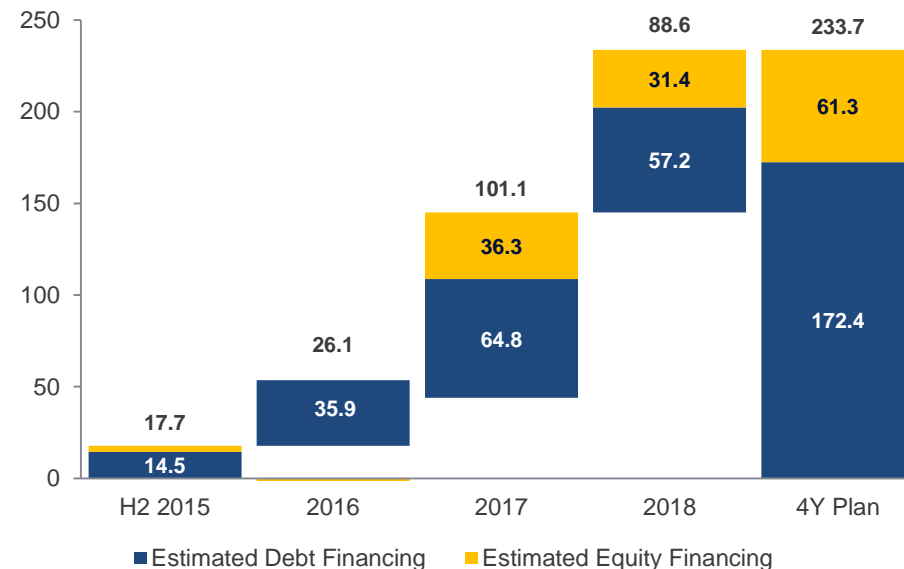
# DIS INVESTMENT PLAN.

## DIS MRs & Handys – Capex & Financing<sup>1</sup>



DIS investment plan (remaining US\$ 186.9M, excluding LR1s) is already fully financed **and equity portion almost completely funded as of today**

## DIS LR1s – Capex & Financing<sup>1</sup>



**DIS last investment in 6 LR1s** ordered in Q2'15 and Q3'15 (remaining US\$ 233.7M), will be financed with **bank debt at a leverage of approx. 65-66%**

1. Other than Yard Instalments, total CAPEX include also small miscellaneous expenses in connection with the vessel construction

# FINANCIAL RESULTS. Net Financial Position



(US\$ million)	Dec. 31 <sup>st</sup> , 2014	Jun. 30 <sup>th</sup> , 2015
Gross debt	(412.0)	(401.5)
Cash/Current fin.assets	71.1	27.5
<b>Net financial position</b>	<b>(340.9)</b>	<b>(374.0)</b>

- **NFP of US\$ (374.0)m** at the end of June'15 with US\$ 70.9m investments made in the first six months of the year and **Cash resources of US\$ 27.5m** at the end of the period
- **US\$ 70.9m investments** in H1'15 (US\$ 42.9m in Q2'15) mainly in connection with the instalments paid on the newbuilding vessels under construction at Hyundai-Mipo shipyard, including 1 ship delivered in February and the first instalments (20% of the purchase price) paid on the 4 LR1s ordered in the second quarter of the year.
- The substantial amount of CAPEX of the period was partially compensated by the significant **US\$ 30.2m Operating Cash Flow generated in H1'15** (or US\$ 5m per month on average)

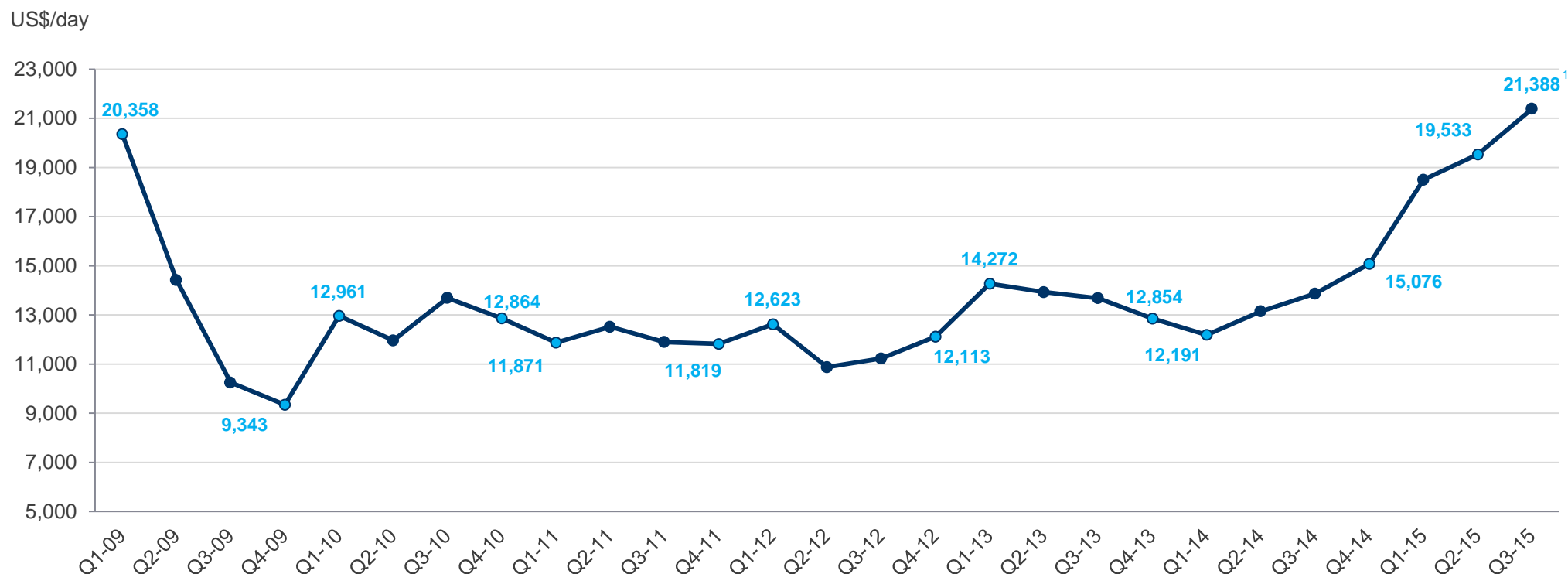
**Solid financial structure and strong generation of operating cash flow support DIS significant US\$ 667m investment plan**



# SPOT QUARTERLY EVOLUTION.



## DIS Daily TCE Spot - Quarterly Evolution



**After years of stagnation, the product tanker market rebounded in Q4'14 and is now heading to the same levels prior to 2009**

1. Q3'15 Spot Daily Rate is based on preliminary estimates



# FINANCIAL RESULTS. Net Financial Position



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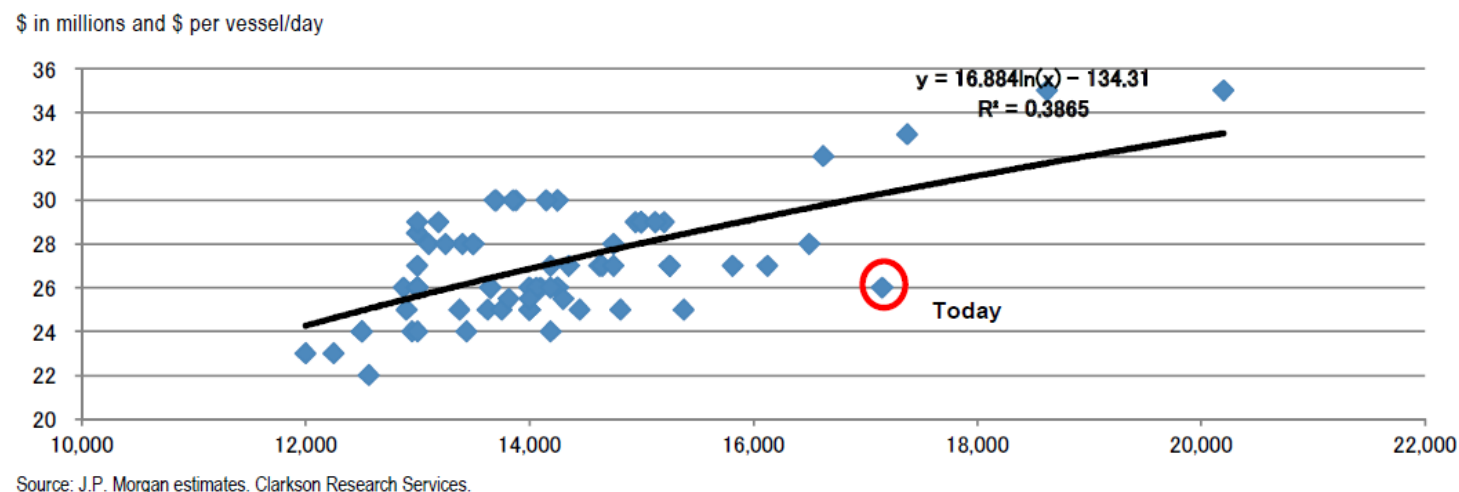
**Solid financial structure and strong generation of operating cash flow support DIS significant US\$ 755m investment plan**



# FINANCIAL RESULTS. Vessel Values



MR 5-year vessel value vs. 1-year period rates



The historical correlation between asset values and the freight market seems to be lacking right now. It is quite reasonable to expect this trend will reverse in the following months

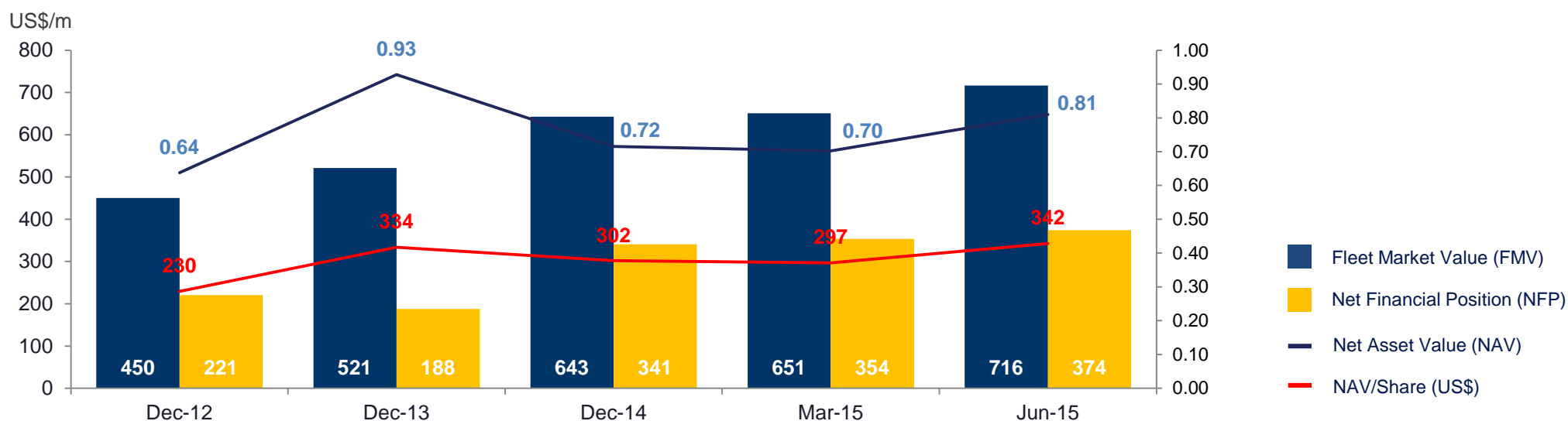


Should this occur, there is potentially a substantial upside in the intrinsic value of product tankers owners like DIS



# FINANCIAL RESULTS. Net Asset Value

## DIS' Historical NAV evolution



**DIS H1'15: NAV<sup>1</sup> of US\$ 342.4m and Fleet mkt value of US\$ 716.5m**



**A modest 6% increase in DIS Fleet value translates in US\$ 0.1 increase<sup>2</sup> in NAV/share**

1. Owned fleet market value less net debt
2. Among all the other conditions and assuming in particular no substantial change in Net Debt structure or in number of outstanding shares

# Product Tanker Market & Outlook

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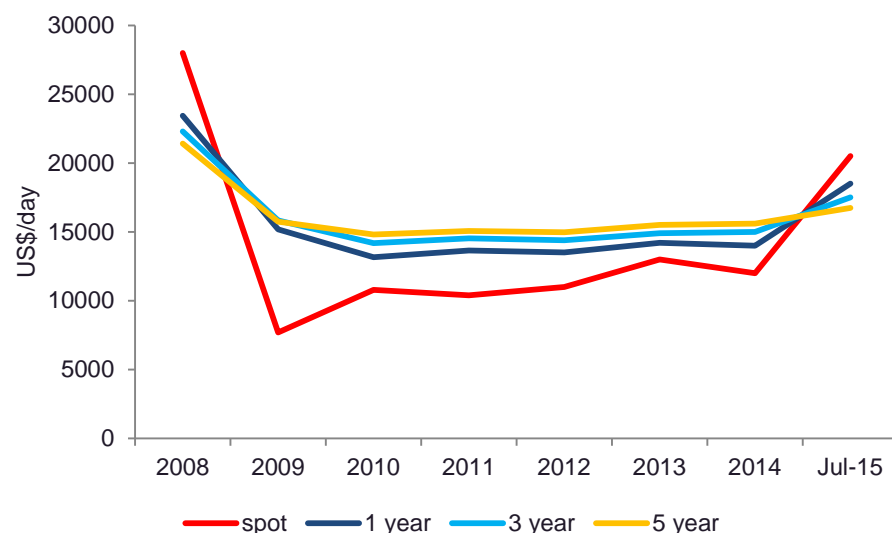
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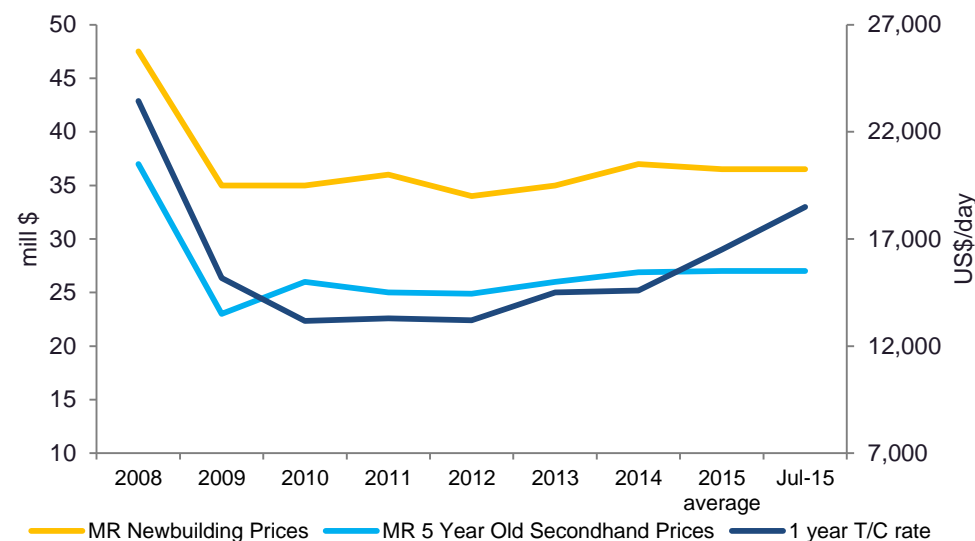
# MARKET OVERVIEW. Earnings & vessels price



Average Rates for MR<sup>1</sup> Product Tankers (US\$)



New-building/secondhand values 2008 - 2015



- The outlook for the product tanker market remains positive. Refinery margins supported by low oil price and increased refining capacity in the Middle East should stimulate refined products tanker demand through 2015
- Refinery throughput in the United States is currently 19.2mb/d and forecast to rise to 19.5mb/d by the end of 2015. The US currently exports around 2.3mb/d of products which is 7% higher year on year. Product demand in the US is also strengthening currently to around 16mb/d which is 4% higher year on year
- In Q1 the one year rate for an MR remained flat at \$15,250 per day and rose throughout Q2 to reach \$18,500 per day going into Q3. Spot earnings supported by halving of bunker prices. Despite this improvement in spot and time charter returns asset values have remained flat

1. Source: Clarkson as at Jun. '15

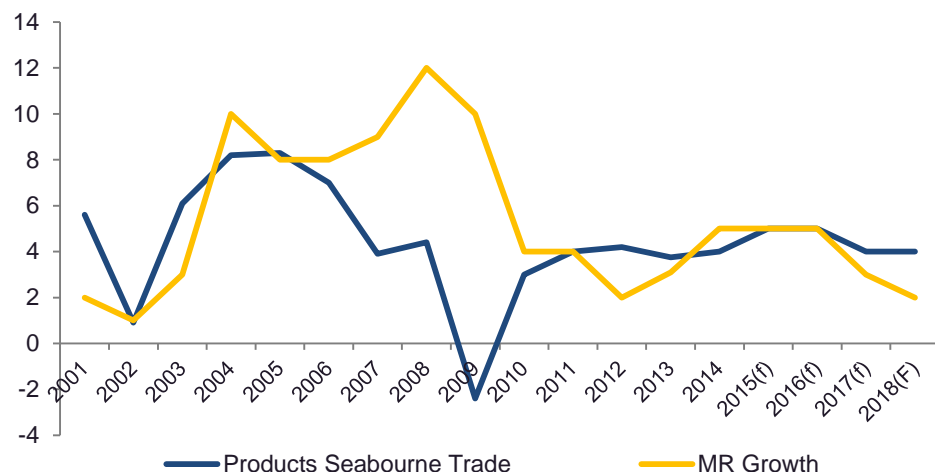




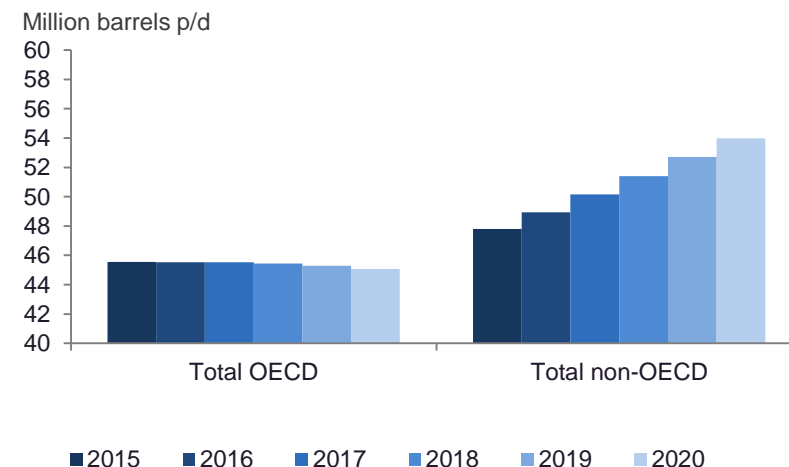
# DEMAND / SUPPLY. “Balance”



Ton-mile demand %<sup>1</sup>



Global Oil Demand<sup>2</sup> 2015 – 2020



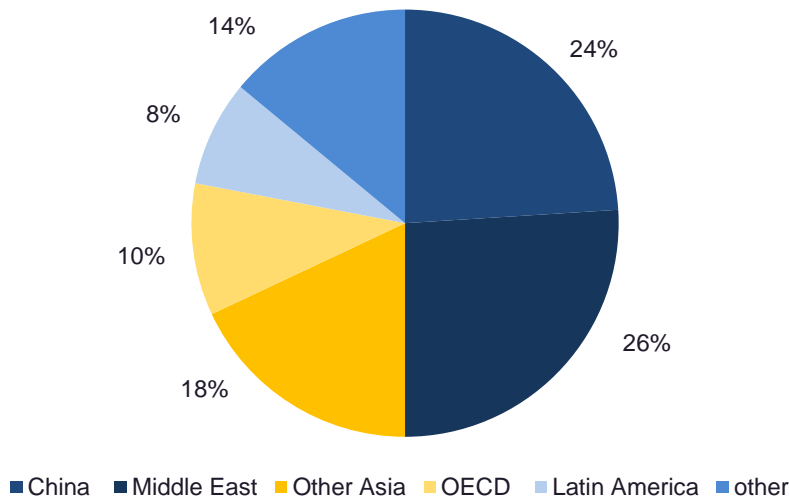
- Continued product tanker fleet growth in recent years virtually matched by demand increase – some analysts listing volume growth and tonne-mile growth of 7.28% and 14.7% respectively between 2009 and 2014
- China will export close to 250,000 b/d of diesel in the Q3 which is 30% higher than last quarter. Exports mainly stay in the Pacific region
- Australia’s dependence on imports is set to continue with further reductions in domestic refinery capacity. Traditionally they imported product from Singapore, South Korea and Japan. However they are now sourcing additional imports from the Middle East and India which is increasing the tonne-mile demand within the Asia / Pacific region
- Australia will shut an additional 100,000 b/d of refinery capacity by the end of next year which will only add to their dependence on imports of products. Sydney alone requires 80,000 b/d imports of gasoline or approximately six MRs per month

1. Source: Odin Marine, Banchemo Costa SSY, Icap, d’Amico

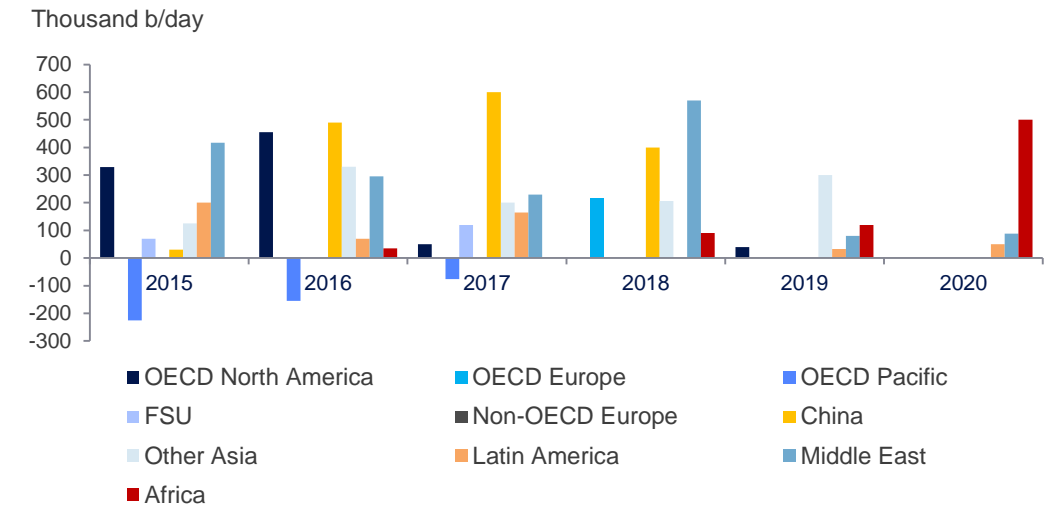
2. Source: International Energy Agency Medium-Term Oil Market Report, Jun ‘15

# GROWTH IN REFINERY CAPACITY & OIL DEMAND.

## Refinery growth



## Capacity additions 2015-2020 by region



- Global refinery crude distillation capacity is forecast to rise by 6.4 mb/d by 2020, to 102.1mb/d
- Global refinery capacity is expected to rise to 97.4mb/d between 2014 and 2016, with substantial net increases of 1.1mb/d in 2015 and 2016. The largest increases over 2015-16 take place in the US and China, each with 900,000 b/d, then in the Middle East and non-OECD Asia with 600,000 b/d and 500,000 b/d, respectively
- Announced refinery shutdowns for 2015 reduce Europe and OECD Asia Pacific capacity by 300,000 b/d and 500,000 b/d, respectively
- In Q3 global refinery throughput is forecast to increase by 700,000 b/d, setting a new record of 79.4mb/d, posting a 1.45mb/d y-o-y growth

1. Source: International Energy Agency Medium-Term Oil Market Report, Jun '15



## In order to summarize:

- Strong trend of refineries shifting towards oil production areas, especially in Asia and the Middle East, should lead to an increase in product tanker demand
- Short term time Charter have significantly improved and asset values should follow
- Ton-mile improvement should aid product tanker utilisation rates and reduce the supply of tonnage
- Increase of world oil demand still supported mainly by non-OECD countries (South America, sub-Saharan Africa, China and India)
- Reduction in new building orders and scrapping of old tonnage should help manage the net growth of the fleet
- In house Ship management enables DIS to tackle the ever increasing challenges that face the product tanker market

**DIS as a pure Product Tanker player is well positioned in the Product market to take advantage of current and future market opportunities and confirms its positive outlook on the Product Tankers market in the medium / long term**



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# Appendix

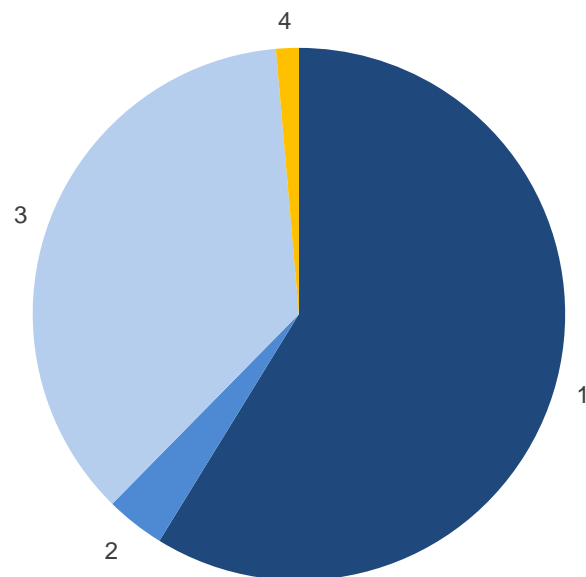
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# DIS'S SHAREHOLDINGS STRUCTURE.

## Key Information on DIS' Shares



1	d'Amico International SA	58.78%
2	Oceanic Opportunities Master Fund L.P.	3.59%
3	Market	36.25 %
4	d'Amico International Shipping S.A.	1.38 %

Listing Market	Borsa Italiana, STAR
No. of shares	422,842,398
Market Cap <sup>1</sup>	€ 304,0 million
Shares Repurchased / % of share capital	5,826,164 / 1.38%

1. Based on DIS' Share price on October 15th, 2015, of € 0,7290

# DIS'CURRENT FLEET OVERVIEW. MR Owned Fleet



Owned	Tonnage (dwt)	Year Built	Builder, Country	Interest <sup>1</sup>	IMO Classified
High Loyalty	49,990	2015	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Voyager	45,999	2014	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Fidelity	49,990	2014	Hyundai MIPO, South Korea (Vinashin)	100%	IMO II/IMO III
High Sun <sup>2</sup>	49,990	2014	Hyundai MIPO, South Korea (Vinashin)	33%	IMO II/IMO III
High Discovery	50,036	2014	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Freedom	49,990	2014	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Tide	51,768	2012	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Seas	51,678	2012	Hyundai MIPO, South Korea	100%	IMO II/IMO III
GLENDIA Melissa <sup>3</sup>	47,203	2011	Hyundai MIPO, South Korea	100%	IMO II/IMO III
GLENDIA Meryl <sup>4</sup>	47,251	2011	Hyundai MIPO, South Korea	50%	IMO II/IMO III
GLENDIA Melody <sup>3</sup>	47,238	2011	Hyundai MIPO, South Korea	100%	IMO II/IMO III
GLENDIA Melanie <sup>4</sup>	47,162	2010	Hyundai MIPO, South Korea	50%	IMO II/IMO III
GLENDIA Meredith <sup>4</sup>	46,147	2010	Hyundai MIPO, South Korea	50%	IMO II/IMO III
GLENDIA Megan <sup>3</sup>	47,147	2009	Hyundai MIPO, South Korea	100%	IMO II/IMO III
High Venture	51,087	2006	STX, South Korea	100%	IMO II/IMO III
High Prosperity	48,711	2006	Imabari, Japan	100%	-
High Presence	48,700	2005	Imabari, Japan	100%	-
High Priority	46,847	2005	Nakai Zosen, Japan	100%	-
High Progress	51,303	2005	STX, South Korea	100%	IMO II/IMO III
High Performance	51,303	2005	STX, South Korea	100%	IMO II/IMO III
High Valor	46,975	2005	STX, South Korea	100%	IMO II/IMO III
High Courage	46,975	2005	STX, South Korea	100%	IMO II/IMO III
High Endurance	46,992	2004	STX, South Korea	100%	IMO II/IMO III
High Endeavour	46,992	2004	STX, South Korea	100%	IMO II/IMO III

1. DIS' economical interest
2. Vessel owned by Eco Tankers Limited, a JV with Venice Shipping and Logistics S.p.A. in which DIS has 33% interest
3. Vessel owned by GLENDIA International Shipping Ltd. In which DIS has 50% interest and Time Chartered to d'Amico Tankers Ltd.
4. Vessel owned by GLENDIA International Shipping Ltd. In which DIS has 50% interest



# DIS'CURRENT FLEET OVERVIEW. MR TC-IN Fleet



Time charter with purchase option	Tonnage (dwt)	Year Built	Builder, Country	Interest <sup>1</sup>	IMO Classified
High Enterprise	45,800	2009	Shin Kurushima, Japan	100%	-
High Pearl	48,023	2009	Imabari, Japan	100%	-

Time charter without purchase option	Tonnage (dwt)	Year Built	Builder, Country	Interest <sup>1</sup>	IMO Classified
Carina	47,962	2010	Iwagi Zosen Co. Ltd., Japan	100%	-
High Strength <sup>2</sup>	46,800	2009	Nakai Zosen, Japan	100%	-
High Force	53,603	2009	Shin Kurushima, Japan	100%	-
High Efficiency <sup>2</sup>	46,547	2009	Nakai Zosen, Japan	100%	-
High Current	46,590	2009	Nakai Zosen, Japan	100%	-
High Beam	46,646	2009	Nakai Zosen, Japan	100%	-
High Jupiter	51,149	2008	STX, South Korea	100%	IMO II/IMO III
Freja Baltic	47,548	2008	Onimichi Dockyard, Japan	100%	-
High Glow	46,846	2006	Nakai Zosen, Japan	100%	-
Citrus Express	53,688	2006	Shin Kurushima, Japan	100%	-
Freja Hafnia	53,700	2006	Shin Kurushima, Japan	100%	-
High Power	46,874	2004	Nakai Zosen, Japan	100%	-
Baizo	44,997	2004	Onimichi Dockyard, Japan	100%	-
Port Said	45,999	2003	STX, South Korea	100%	IMO II/IMO III
Port Stanley	45,996	2003	STX, South Korea	100%	IMO II/IMO III
Port Union	46,256	2003	STX, South Korea	100%	IMO II/IMO III
Port Moody	44,999	2002	STX, South Korea	100%	IMO II/IMO III

1. DIS' economical interest

2. Vessels owned by DM Shipping Ltd. In which DIS has 51% interest and Time chartered to d'Amico Tankers Ltd





# DIS'CURRENT FLEET OVERVIEW. Handy Fleet

Owned	Tonnage (dwt)	Year Built	Builder, Country	Interest <sup>1</sup>	IMO Classified
Cielo di New York	39,990	2014	Hyundai MIPO, South Korea	100%	IMO II/IMO III
Cielo di Gaeta	39,990	2014	Hyundai MIPO, South Korea	100%	IMO II/IMO III
Cielo di Salerno	36,032	2002	STX, South Korea	100%	IMO II/IMO III

Time charter without purchase option	Tonnage (dwt)	Year Built	Builder, Country	Interest <sup>1</sup>	IMO Classified
Cielo di Guangzhou <sup>2</sup>	38,877	2006	Guangzhou, China	100%	IMO II
Cielo di Milano	40,081	2003	Shina Shipbuilding, South Korea	100%	IMO II/IMO III
Cielo di Roma	40,096	2003	Shina Shipbuilding, South Korea	100%	IMO II/IMO III
Port Stewart	38,877	2003	GSI – Guangzhou Shipyard Int. - China	100%	-
Port Russel	37,808	2002	GSI – Guangzhou Shipyard Int. – China	100%	IMO II/IMO III
Port Louis	37,791	2002	GSI – Guangzhou Shipyard Int. - China	100%	-

1. DIS' economic interest

2. Bare Boat vessel







# DIS'NEW BUILDING PROGRAM.

Owned	Estimated tonnage (dwt)	MR/Handysize	Estimated delivery date	Builder, Country	Interest <sup>1</sup>
<b>2015</b>					
410 – Tbn	50,000	MR	Oct-2015	Hyundai MIPO, South Korea (Vinashin)	100%
420 – Tbn	39,000	Handysize	Oct-2015	Hyundai MIPO, South Korea (Vinashin)	100%
<b>2016</b>					
411 – Tbn	50,000	MR	Q1-2016	Hyundai MIPO, South Korea (Vinashin)	100%
421 – Tbn	39,000	Handysize	Q2-2016	Hyundai MIPO, South Korea (Vinashin)	100%
422 – Tbn	39,000	Handysize	Q3-2016	Hyundai MIPO, South Korea (Vinashin)	100%
423 – Tbn	39,000	Handysize	Q4-2016	Hyundai MIPO, South Korea (Vinashin)	100%
424 – Tbn	50,000	MR	Q4-2016	Hyundai MIPO, South Korea (Vinashin)	100%
<b>2017</b>					
425 – Tbn	50,000	MR	Q1-2017	Hyundai MIPO, South Korea (Vinashin)	100%
S429	75,000	LR1	Q2-2017	Hyundai MIPO, South Korea (Vinashin)	100%
S430	75,000	LR1	Q3-2017	Hyundai MIPO, South Korea (Vinashin)	100%
S431	75,000	LR1	Q4-2017	Hyundai MIPO, South Korea (Vinashin)	100%
<b>2018</b>					
S432	75,000	LR1	Q1-2018	Hyundai MIPO, South Korea (Vinashin)	100%
S433	75,000	LR1	Q2-2018	Hyundai MIPO, South Korea (Vinashin)	100%
S434	75,000	LR1	Q3-2018	Hyundai MIPO, South Korea (Vinashin)	100%

Time charter with purchase option	Estimated tonnage (dwt)	MR/Handysize	Estimated delivery date	Builder, Country	Interest <sup>1</sup>
<b>2017</b>					
TBN	50,000	MR	H1-2017	Minaminippon Shipbuilding, Japan	100%
TBN	50,000	MR	H2-2017	Minaminippon Shipbuilding, Japan	100%
TBN	50,000	MR	H2-2017	Onomichi Dockyard, Japan	100%
<b>2018</b>					
TBN	50,000	MR	H1-2018	Onomichi Dockyard, Japan	100%
TBN	50,000	MR	H1-2018	TBA, Japan	100%
TBN	50,000	MR	H1-2018	TBA, Japan	100%

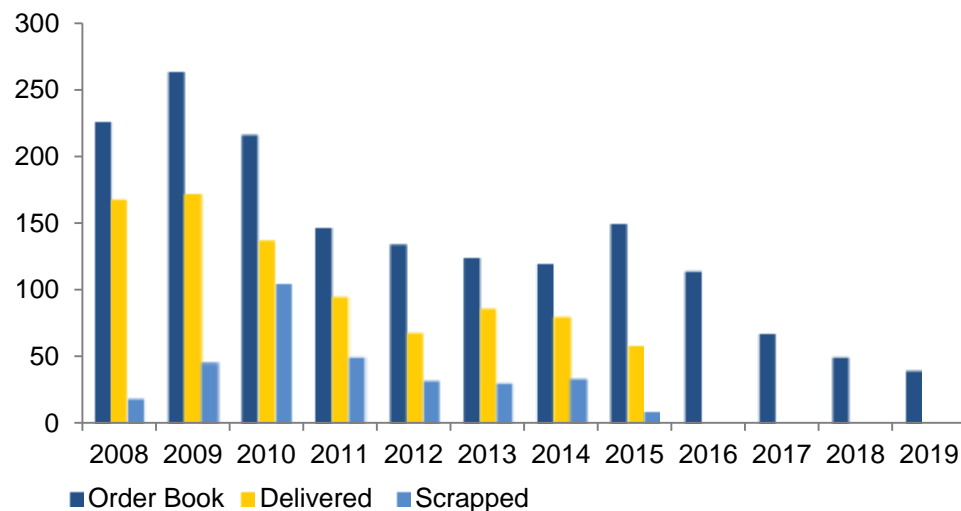
1. DIS' economical interest



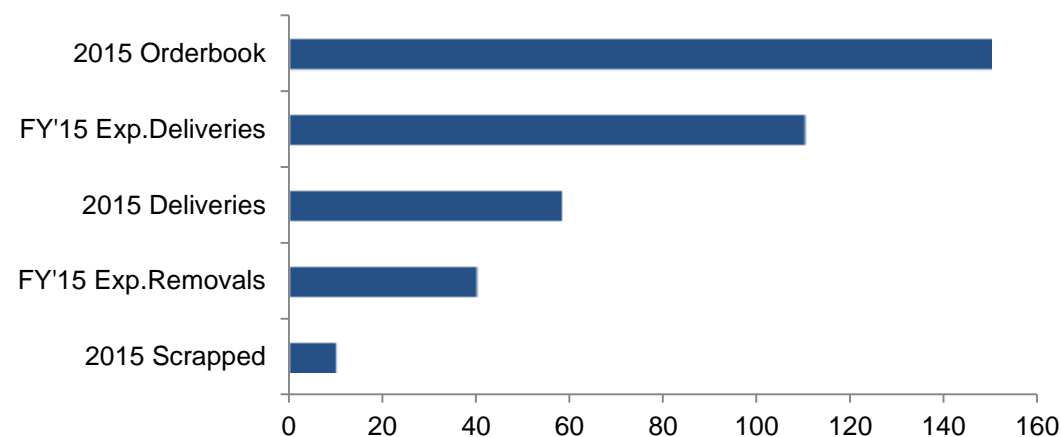
# SUPPLY. Slippage & net fleet growth

- According to various reports there are between 140 and 200 MR and Handy Tankers that on paper are to be delivered in 2015
- 58 tankers were delivered in the first half of the year, and 10 ships were permanently removed. So based on the current delivery rate it is unlikely that the forecasted deliveries will be met
- Slippage, cancellations and order changes have reduced deliveries by at around 32% over the last five years

## Net MR<sup>1</sup> fleet growth 2008 - 2019



## Order book vs. deliveries - MR<sup>1</sup> Tankers



1. MR product tankers ranging from 25,000 to 55,000 dwt. Source: Clarkson, ICAP, SSY, Braemar and Gibson search  
2. MR product tanker fleet Source Clarkson

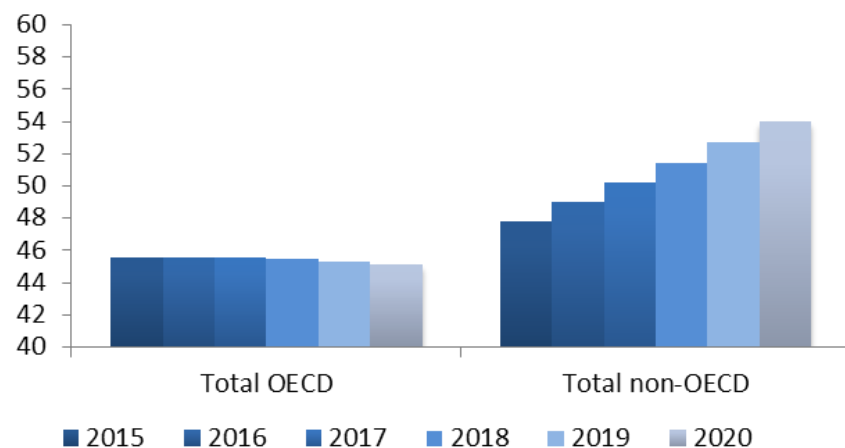


# DEMAND. Growth

- Growth in refined product demand continues albeit at a modest pace. Global oil product demand is forecast to average 95.2 million b/d in 2016, a rise of 1.2 million b/d. The global gain stems almost entirely from additional non-OECD demand
- Total non-OECD oil product demand rose by around 2% in the first half of 2015, or just below 1 million b/d led by robust gains in gasoline and to a lesser extent middle distillates.
- The forecast for second half of 2015 is much the same, equating to non-OECD oil demand growth of approximately 2.1% on the year as a whole, as demand averages 47.9 million b/d in 2015.

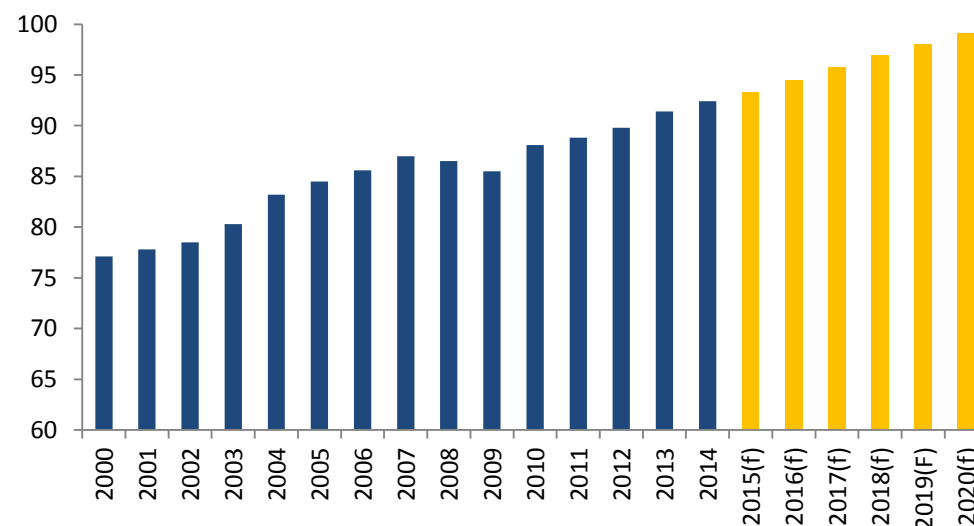
## Global Oil Demand<sup>1</sup> 2015 – 2020

Million barrels p/d



## Global Oil Demand Growth<sup>1</sup> 2000 - 2020

Million barrels p/d



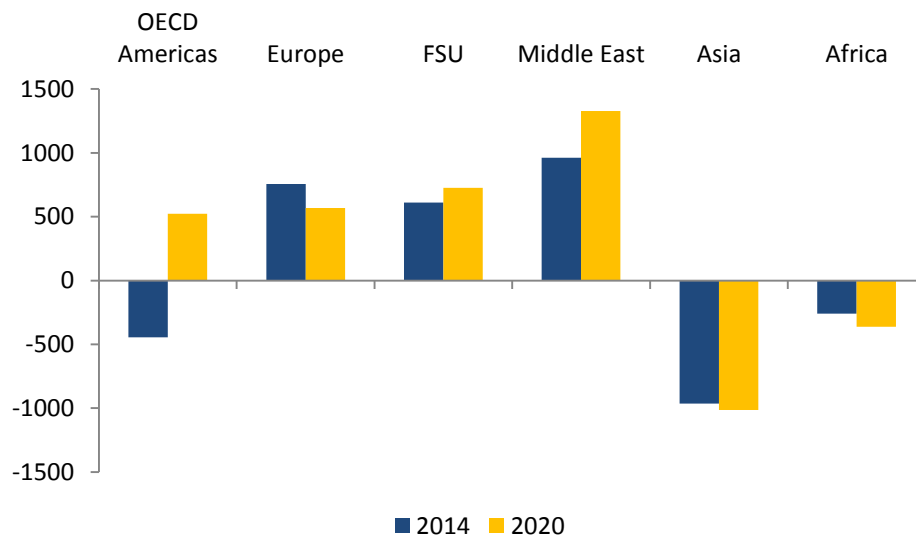
1. Source: International Energy Agency Medium-Term Oil Market Report, Jun '15

# GLOBAL PRODUCT SUPPLY BALANCES. 2015-2020

- Product supply balances between regions will increase in importance to the product tanker market over the next five years. Europe's deficit in distillates is set to increase to b/d to 1.6 mb/d by 2019. In contrast USA exports of Gasoline and naphtha are expected to rise to 1.3 mb/d and Distillates to 1.37 mb/d by 2019
- US gasoline and naphtha surplus expected to rise to 520,000 b/d . Gasoil and Jet surplus will stay at over 1m bpd. Meanwhile Middle Eastern surplus is expected to increase strongly until domestic demand growth catches up with refining expansions
- FSU will look to export more of its growing product surplus whilst China is allowing higher export quotas to its refineries to cope with surplus capacity

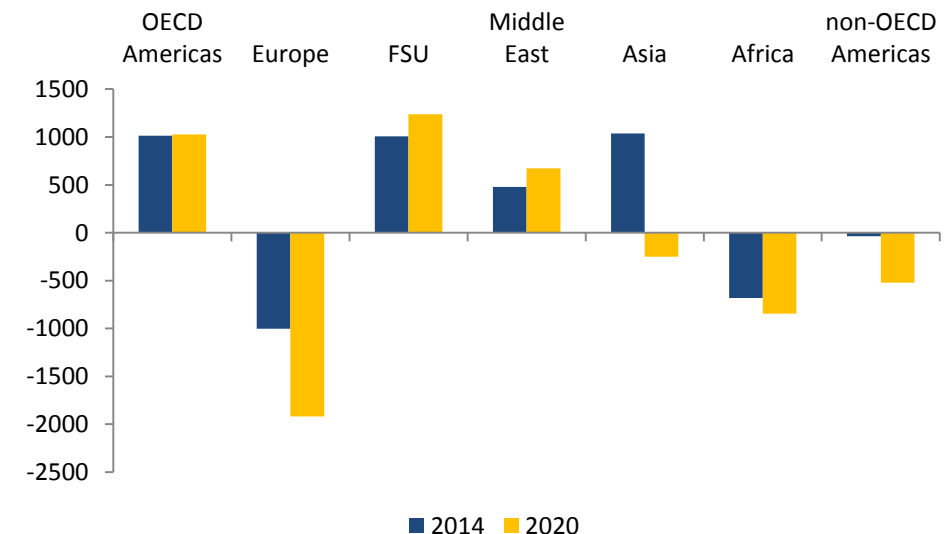
## Supply balances gasoline / naphtha

(thousand barrels per day)



## Supply balances gasoil / kerosene

(thousand barrels per day)



Thank you!

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Q&A



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