



PRESS RELEASE

The Board of Directors of d'Amico International Shipping S.A. approves FY 2016 Results: CHALLENGING MARKET SCENARIO EXPERIENCED IN THE SECOND PART OF THE YEAR LED TO FULL YEAR 2016 EBITDA OF US\$ 55.0 MILLION (21% MARGIN), ADJUSTED NET RESULT OF US\$ (6.2) MILLION (EXCLUDING US\$ 6.6 MILLION IMPAIRMENT ON 'ASSETS HELD FOR SALE'), OPERATING CASH FLOW OF US\$ 55.7 MILLION AND NET ASSET VALUE OF US\$ 222.0 MILLION (NAV/SHARE EURO 0.49)

FULL YEAR 2016 RESULTS

- Time charter equivalent (TCE) earnings - US\$ 261.4 million
- EBITDA - US\$ 55.0 million (21.4% on TCE)
- Adjusted Net result - US\$ (6.2) million
- Net result - US\$ (12.8) million
- Cash flow from operating activities - US\$ 55.7 million
- Net debt - US\$ 527.8 million

FOURTH QUARTER 2016 RESULTS

- Time charter equivalent (TCE) earnings – US\$58.4 million
- EBITDA - US\$ 6.9 million (11.8% on TCE)
- Net result - US\$ (18.9) million
- Cash flow from operating activities - US\$ (2.3) million

Luxembourg - March 02nd, 2017 – The Board of Directors of d'Amico International Shipping S.A. (Borsa Italiana: DIS), a leading international marine transportation company operating in the product tankers market (the “Company” or “d'Amico International Shipping”), announces today the approval of the draft of the 2016 full year financial statutory and consolidated results.

MANAGEMENT COMMENTARY

Marco Fiori, Chief Executive Officer of d'Amico International Shipping commented:

DIS' Net Result was negative for US\$ 12.8 million in the full-year 2016, including US\$ 6.6 million impairment on 'assets held for sale'. Such negative result was due to the soft market scenario we experienced in the second half of the year, when rates hit historically low levels. The substantial level of inventories built up in the previous months and in 2015 together with a relatively high influx of newbuildings coming into the market in 2016, put downward pressure on freight rates.

However, DIS maintains a very positive view on the product tanker market in the medium-term. I am a strong believer that our industry has very strong underlying fundamentals, which will benefit us in the years to come. On the demand side, we are expecting a good level of growth on the back of the trend of refineries moving away from main consuming regions, which will increase ton-mile demand. On the supply side, we have a historically low fleet growth expected over the next two years, with the current MRs orderbook close to its 20 years' low and very limited ordering activity at the moment. At the same time, the new environmental rules, which are gradually coming in place, will lead to a further reduction on the supply side, benefitting owners of very young fleets like ourselves.



I am rather satisfied about the way DIS managed to minimize the negative impacts of this market correction. On the one hand, we benefitted from our traditional high level of 'time charter-out' coverage (46% of its available vessel days at a daily average fixed rate of US\$ 15,214) which provided a good hedge against the spot market volatility; on the other hand, we gradually shrank our short-term 'time charter-in' fleet during the year, reducing our market exposure. I think this proves DIS has been implementing a successful chartering strategy and has a flexible cost platform, which we can quickly adapt to changes in market conditions. In addition to the above, we are very active on the sale market. We recently announced the disposal of two of our oldest ships and we are currently working on other similar deals. In most cases, we will charter back for a few years the vessels we intend to sell, positioning ourselves to keep our tonnage capacity in an expected strengthening market whilst increasing at the same time our liquidity and financial flexibility.

As at the end of 2016, our Company had a Net Asset Value (NAV) of US\$ 222 million which translates into a NAV per share of Euro 0.49 which is almost 50% higher than the current stock price.'

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

'The product tanker market was rather challenging in the second part of 2016 but thanks to our prudent commercial strategy we managed to limit our loss to US\$ 12.8 million or US\$ 6.2 million, excluding the impairment we booked on 5 vessels 'held for sale'. DIS was able to achieve a FY 2016 EBITDA of US\$ 55.0 million, which represents a 21% margin on TCE Earnings. Such good level of EBITDA, led DIS to generate a positive operating cash flow of US\$ 55.7 million during the year.

At the same time, DIS continued the implementation of its US\$ 755 million investment plan in 22 newbuildings, with US\$ 151 million invested in 2016, mainly in connection with 5 new vessels delivered from the yards. The remaining investment plan amounts to US\$ 223.4 million and 74% will be financed with bank debt, already fully secured as of today.'

FINANCIAL REVIEW

SUMMARY OF THE RESULTS IN THE FOURTH QUARTER AND TWELVE MONTHS OF 2016

The IMF said in their January 2017 update that after a subdued global growth in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging markets and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming U.S. administration and its global ramifications. The IEA in their most recent February 2017 report, revised upwards for the third consecutive month 2016 oil demand growth, to 1.6 million b/d. Although oil demand growth is still forecast to decelerate in 2017 to 1.4 million b/d, recent improvements in industrial activity are providing some support.

Oil product stocks are still at historically high levels. OECD industry refined product stocks, however, after rising in the first part of the year and peaking in August at 1.58 billion barrels, started falling thereafter reaching 1.50 billion barrels in December 2016, recording an overall decline in the period of around 80 million barrels (-5.1%). OECD Refined product stocks are still significantly higher than in December 2014, when they are amounted to 1.40 billion barrels, but are at back to levels last seen at the end of 2015 (1.50 billion barrels).

In Q1 2016, freight markets were mixed. In the first two months of the year the market still benefited from the buoyant markets at the end of 2015. However, as the oil prices started rising in February and refining margins declined, refinery throughput dropped. At the end of Q2 and beginning of Q3 a pick-up in refining activity was not enough to compensate for the fast pace of vessel deliveries. As refineries went



into maintenance refinery throughput fell again with the freight market following suit. In Q4 2016 product freight rates West of Suez improved, reflecting the return of many refineries from maintenance and open arbitrage windows for several oil product markets. In this period freight on the UK Continent-US Atlantic Coast route strengthened significantly. Rates at the end of December were 55% higher than the beginning of the month. They continued to improve into January with arbitrage opportunities to export gasoline from Europe to the US. However, freight on the US Gulf Coast-UK Continent route fell in December with below-normal shipments of diesel linked to an oversupply situation in Europe. December naphtha shipments from the Middle East also improved. The Asian naphtha market was buoyant in early January, leading to increasing activity and higher freight rates. Freight on the Middle East - Singapore route also rose in January with generally higher demand for oil products linked to colder temperatures.

DIS' Net Result was negative for US\$ (12.8) million in full-year 2016, mainly due to the weak product tanker market experienced in Q3 and at the beginning of Q4. This result compares with a US\$ 54.5 million Net Profit posted in 2015.

The variance compared with the previous year is largely due to a much weaker freight market in 2016. In fact, DIS' daily spot rate was US\$ 13,302 in the full-year 2016 vs. US\$ 18,814 achieved in the prior year. At the same time, 45.9% of DIS' total employment days in 2016, were covered through 'time charter' contracts at an average daily rate of US\$ 15,989, which represents approximately the same percentage as the previous year but at a higher average rate (full-year 2015: 46.0% coverage at an average daily rate of US\$ 15,214). Such high level of time charter coverage is one of the pillars of DIS' commercial strategy and allows it to mitigate the effects of spot market volatility, securing a certain level of earnings and cash generation. In fact, DIS' total daily average rate (which includes both spot and time charter contracts) was US\$ 14,534 in 2016 compared with US\$ 17,159 achieved in the previous year.

In comparison with the previous year, 2016 results were also negatively impacted by: i) US\$ 6.6 million impairment booked in 2016 on three vessels, which are currently under advanced sale negotiations. In fact, based on IFRS 5 these three vessels were classified as 'assets held for sale' and the difference between their appraised market value and their book value was charged to the current year profit and loss; ii) US\$ 5.8 million positive Result on disposal achieved in 2015, following the sale of one of DIS' owned vessels last year; iii) US\$ 7.5 million extraordinary positive result generated in 2015 from the Company's treasury and risk management.

These negative variances year-on-year, were partially compensated with a more efficient cost structure, with significant savings achieved on 'Time charter hire' costs (partially due to fewer TC-In vessels managed during the period) and on daily 'Other direct operating cost'.

This explains why DIS was able to achieve a FY 2016 EBITDA of US\$ 55.0 million and an 'EBITDA Margin on TCE Earnings' of 21%, despite the weak spot market characterizing a significant part of the second-half of the year (full-year 2015: US\$ 97.1 million and EBITDA margin of 31.3%). Such level of EBITDA together with an efficient management of the working capital, led DIS to generate a positive operating cash flow of US\$ 55.7 million in FY 2016 (US\$ 68.5 million in FY 2015).

In 2016, DIS had **US\$ 151.2 million in 'capital expenditures'**, mainly in relation to its new-building plan. Since 2012, DIS has ordered a total of **22 'Eco design' product tankers**¹ (10 MR, 6 Handy-size and 6 LR1 vessels), of which 15¹ vessels have been already delivered as at the end of the year. This corresponds to an overall **investment plan** of approximately **US\$ 755.0 million** and is in line with the Company's strategy to modernize its fleet through new-buildings with an eco-design.

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.)



The remaining investment plan amounts to US\$ 223.4 million and 74% will be financed with bank debt, already fully secured as of today. In addition, DIS has already fixed 14 of its new-building vessels on long-term time-charter contracts with three oil-majors and a leading refining company, all at profitable levels.

OPERATING PERFORMANCE

Time charter equivalent earnings were US\$ 261.4 million in 2016 vs. US\$ 310.7 million in 2015. The variance compared with last year is due to the softer product tanker market of 2016.

In particular, DIS realized a **Daily Average Spot Rate of US\$ 13,302 in 2016** compared with US\$ 18,814 achieved in the previous year. After a very positive first quarter of the year (Q1 2016: US\$ 18,076), the spot market softened in the second quarter (Q2 2016: US\$ 15,560) and hit historically low levels between September and November, with DIS achieving a Daily average Spot Rate of US\$ 10,101 in Q3 2016 and US\$ 10,120 in the last quarter of the year. The market started firming up again in the last part of Q4 and going into January 2017.

Following its strategy, in 2016 DIS maintained a **high level of 'coverage'** (fixed contracts), securing an average of **45.9%** (2015: 46.0%) of its available vessel days at a **Daily Average Fixed Rate of US\$ 15,989** (2015: US\$ 15,214). In addition to securing revenue and supporting the operating cash flow generation, these contracts enabled DIS to strengthen its historical relationships with the main oil majors, which is one the pillars of its commercial strategy.

DIS' Total Daily Average TCE (Spot and Time Charter) was **US\$ 14,534 in 2016** vs. US\$ 17,159 in 2015.

DIS TCE daily rates (US dollars)	2015					2016				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Spot	18 503	19 533	21 219	15 673	18 814	18,076	15,560	10,101	10 120	13 302
Fixed	15 010	15 153	15 220	15 461	15 214	15,706	16,059	16,106	16 085	15 989
Average	16 939	17 619	18 411	15 570	17 159	16,970	15,803	12,904	12 601	14 534

EBITDA was **US\$ 55.0 million in 2016** compared with US\$ 97.1 million achieved in 2015 (of which US\$ 5.8 million related to gain on disposal). The reduction relative to last year, is mainly due to lower 'TCE Earnings', partially compensated by lower 'Time charter hire costs'. Consequently, **DIS' EBITDA Margin was 21.0% in 2016** compared with 31.3% in 2015.

EBIT was positive for US\$ 10.1 million in 2016 compared to US\$ 63.8 million in 2015.

Net financial charges were negative, amounting to US\$ (22.4) million in full-year 2016 vs. US\$ (8.0) million in 2015. Last year's amount included a US\$ 7.5 million positive impact arising from the Company's treasury and risk management activity (mainly on foreign exchange, bunker costs and pre-hedge interest rate swaps (IRS) agreements).

The **Net Result** for 2016 was US\$ (12.8) million compared with a Net Profit of US\$ 54.5 million posted in the same period of 2015 (2015 was the most profitable year for DIS since 2008).

CASH FLOW AND NET INDEBTEDNESS

DIS' **Net Cash Flow for 2016 was negative for US\$ 20.1 million**, mainly due to US\$ 151.2 million gross capital expenditures, partially compensated by US\$ 55.7 million positive operating cash flow and US\$ 73.4 million positive financing cash flow.



Cash flow from operating activities was positive for US\$ 55.7 million in 2016 vs. US\$ 68.5 million in 2015. Taking into account a very different market scenario relative to the previous year, 2016 positive operative cash flow was also the result of a prudent management of the working capital in addition to a still healthy level of EBITDA.

DIS' **Net debt** as at December 31 2016 amounted to US\$ 527.8 million vs. US\$ 422.5 million at the end of 2015. The increase compared to the previous year is mainly due to the implementation of DIS' US\$ 755.0 million newbuilding plan, with total investments of US\$ 151.2 million made in 2016.

Expecting more favourable market conditions in the near future our controlling shareholder d'Amico International SA, has decided – consistently with the past practice - to provide full financial support to the current activity of the Company including for, but not limited to, the completion of the fleet management program. This will allow the company to finalize its asset disposal program renewal its results.

SIGNIFICANT EVENTS OF THE PERIOD

D'AMICO INTERNATIONAL SHIPPING:

- **Results of d'Amico International Shipping Warrants 2012-2016 – Third and Final Exercise Period ended in January 2016:** In February 2016 – d'Amico International Shipping S.A. announced that the third and final exercise period of the “d'Amico International Shipping Warrants 2012 – 2016” (ISIN code LU0849020044) had ended on 29 January, 2016. During this third and final exercise period 17,003,874 warrants, reaching a conversion rate in the third period of 80%, were exercised at the price of € 0.46 per ordinary share. In accordance with the terms and conditions of the Warrant Regulations, DIS issued on the 8th of February 2016, based on the warrants ratio of one (1) warrant Share for every three (3) warrants exercised, no. 5,667,958 Warrant Shares with same rights (including that to dividends) and features of DIS ordinary outstanding shares at the issue date. In accordance with the Warrant Regulations, warrants which were not exercised during the recently ended third and last exercise period automatically lapsed. After the capital increase occurred at the end of the third and final exercise period, DIS' share capital now amounts to US\$ 42,851,035.60 divided into 428,510,356 ordinary shares without unit value.
- **Buyback program:** In accordance with the authorization issued by the Shareholders' meeting of 29 March 2011 and following the Board of Directors resolution of 5 July 2011, d'Amico International Shipping S.A. - disclosed that during the period between January 11 and March 11 2016, it repurchased on the regulated market managed by Borsa Italiana S.p.A., 1,180,000 own shares, representing 0.275% of the outstanding share capital of the Company, at the average price of €0.467, for a total consideration of €551,116. The five years period for the execution of the repurchase of DIS own shares expired on 29 March, 2016. At the end of the authorized period the Company held 7,760,027 own shares (including those repurchased during previously authorized periods) without nominal value corresponding to 1.81% of the Company's current share capital (the “Treasury Stock”). In May 2016, the Board of Directors of d'Amico International Shipping S.A., resolved to start the new buy-back program pursuant to the authorization issued by the annual general meeting of shareholders held on 20 April 2016 and no buy back was performed so far, the Company's own shares still amounting to 7,760,027.
- **Long-Term Incentive Plan:** In March 2016, the Board of Directors of d'Amico International Shipping S.A. approved, with prior recommendation of the Nomination and Remuneration Committee, the guidelines of a long-term incentive plan called "Stock Option Plan DIS 2016/2019", submitted and



approved by the Annual Shareholders' General Meeting on 20 April 2016. The Incentive Plan is designed for directors, employees and contractors of DIS (or its subsidiaries) that were selected among those persons who hold important roles or serve relevant functions in, or for, the Company and for whom it is justified an action that reinforces loyalty and greater involvement with a view to long-term value creation. The Incentive Plan is based on the free allocation of options, not-transferable, which grant the beneficiaries the right to (i) acquire treasury shares of the Company or (ii) subscribe newly issued shares of the Company in the ratio of one share for each exercised option, or (iii) at the choice of the Board of Directors, receive a payment equal to the difference between (a) the market value of each share at its exercise date (corresponding to the arithmetic average of the official price of DIS shares on the month before the exercise date) and (b) the exercise price of each share. The exercise price of the options which was determined based on the arithmetic average of the closing prices of the share in the last thirty days before the date of approval of the Plan by the Annual Shareholders' General Meeting and is equivalent to €0.452823 per share. The exercise of the options by the beneficiaries is subject to the achievement of certain quantitative objectives (stock market performance of the shares and financial results in terms of cumulative operating profit (EBIT) during the period 2016-2018). The exercise of the options may take place — if the abovementioned quantitative targets have been achieved — within the period between 1 June 2019 and 31 May 2020 (or such other period as may be determined by the Board of Directors). The maximum number of options dedicated to the Plan is 8,500,000 for the purchase/subscription of a maximum number of 8,500,000 shares of the Company. The number of Options granted as at 30 June 2016 was of 7,970,000. If all options were exercised and the Company decided to meet all the requests received by granting the right to subscribe newly issued shares, the overall increase of 8,500,000 shares would result in a dilution of the share capital of 1.945%.

- **Annual General Shareholders' Meeting:** On 20 April 2016 the Annual General Shareholders' meeting of d'Amico International Shipping S.A. approved the 2015 statutory and consolidated financial statements of the Company and resolved the payment of a dividend of US\$ 0.0295 gross per issued share to be paid out of the distributable reserves including the share premium reserve.

The Annual General Shareholders' meeting of DIS further resolved the following: to grant discharge to the members of the Board of Directors for the proper exercise of their mandate for the fiscal year ended 31 December 2015, in accordance with applicable Luxembourg laws; to approve the aggregate fixed gross amount of the Directors' fees (tantièmes) for the 2016 fiscal year and acknowledge the Company's 2016 general remuneration policy as described in section I of the 2015 Board of Directors' report on remuneration; to approve the stock option plan of the Company as illustrated in the Information Document and related report of the Board of Directors both approved on 3 March 2016 and available on the Company's web site; to authorise the renewal of the authorization to the Board of Directors of the Company to effect on one or several occasions – for the purposes illustrated in the report of the board of directors, as available on the Company website, and according to all applicable laws and regulations – repurchases and disposals of Company shares on a regulated market on which the Company shares are admitted for trading, or by such other means resolved by the Board of Directors during a period of five (5) years from the date of the current Annual General Shareholders' meeting, up to 42,851,356 ordinary shares of the Company, within a price range from: i) a price per share not lower than 10% below the shares' official price reported in the trading session on the day before carrying out each individual transaction; to ii) a price per share no higher than 10% above the shares' official price reported in the trading session on the day before carrying out each individual transaction.

- **Dividend Payment:** On 25 May 2016, d'Amico International Shipping S.A. paid to its shareholders a gross dividend of US\$ 0.0295 per issued share (US\$ 0.025075 net of the maximum applicable 15% withholding tax) for a gross total of US\$ 12.6 million with related coupon n. 4 detachment date occurred on 23 May 2016 and record date on 24 May 2016 (no dividend were paid with reference to



the 7,760,027 shares repurchased by the Company, since treasury shares do not carry a dividend right).

D'AMICO TANKERS D.A.C.:

- **Newbuilding Vessels:** In January 2016, M/T High Trust, an 'Eco' newbuilding MR (Medium Range – 50,000 dwt) product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to d'Amico Tankers d.a.c. Starting from March 2016, the Vessel is employed with one of the main oil-majors on a 3 years' time charter contract, at a profitable daily rate.

In May 2016, M/T Cielo di Capri, an 'Eco' newbuilding Handy-size (39,000 dwt) product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to d'Amico Tankers d.a.c. Starting from May 2016, the Vessel is employed with one of the main oil-majors on a 24-35 months' time charter contract, at a profitable daily rate.

In July 2016, M/T Cielo di Hanoi, an 'Eco' newbuilding Handy-size (39,000 dwt) product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to d'Amico Tankers d.a.c.

In October 2016, M/T Cielo di Salerno, an 'Eco' newbuilding Handy-size (39,000 dwt) product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to d'Amico Tankers d.a.c.

In November 2016, High Wind, an 'Eco' newbuilding MR (Medium Range – 50,000 dwt) product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to d'Amico Tankers d.a.c. Starting from December 2016, the Vessel is employed with one of the main oil-majors on a 3 years' time charter contract, at a profitable daily rate.

- **'Second-Hand Owned Vessels':** in March 2016, d'Amico Tankers d.a.c. purchased M/T Cielo di Milano, a 40,081 dwt Handy-size product tanker, built in 2003 by Shina Shipbuilding shipyard (South Korea), from d'Amico Shipping Italia S.p.A., for a consideration of US\$ 14.0 million. Such consideration was determined according to a market value estimate by a specialized independent company; moreover, since it is considered as "operation with related parties" it was approved by the Board of Directors and evaluated by the Control and Risk committee in accordance with company procedures. M/T Cielo di Milano was delivered to d'Amico Tankers d.a.c. in July 2016.
- **New financing:** In March 2016, d'Amico Tankers d.a.c. (Ireland) has secured a new US\$ 250 million Term Loan Facility (the "Facility") at very attractive terms with a pool of nine primary financial institutions: Crédit Agricole Corporate and Investment Bank, Nordea Bank, ING Bank, Banca IMI, Commonwealth Bank of Australia, Skandinaviska Enskilda Banken (SEB), The Governor and Company of the Bank of Ireland, Crédit Industriel et Commercial, DnB. The purpose of this new Facility is to: i) refinance 8 existing vessels (all built between 2004 and 2006) extending their current debt maturity from 2017 to 2021; and ii) provide financing for 6 newbuilding vessels. The Facility has a very competitive interest rate and a final maturity of five years from the drawdown date for the existing vessels and from the delivery date for the newbuilding vessels. The covenants and other conditions are consistent with the d'Amico Tankers d.a.c.'s existing credit facilities, duly guaranteed by the Company. As of today and following this last Facility, d'Amico Tankers d.a.c. has already secured 100% of its long-term debt requirements for the US\$ 755.0 million investment plan started in 2012.



- **'Time Charter-Out' Fleet:** In January 2016, d'Amico Tankers d.a.c. extended a time charter contract with an oil major due to expire in February 2016 for another year, at a very profitable rate. In the same month, d'Amico Tankers d.a.c. extended another time charter contract with a leading refining company due to expire in January 2016 for another year, at a very profitable rate.

In November 2016, d'Amico Tankers d.a.c. fixed one of its MR chartered-in vessels with an Oil Major, for 1 year Time Charter contract at a profitable rate.

In December 2016, d'Amico Tankers d.a.c. extended a time charter contract with a leading refining company and due expire in February 2017 for an additional 3 years.

- **'Time Charter-In' Fleet:** In January 2016, M/T Baizo, an MR vessel built in 2004 and time-chartered-in by d'Amico Tankers d.a.c. since 2014, was redelivered back to her Owners.

In February 2016, M/T Cielo di Roma, a Handy-size vessel built in 2003 and time-chartered-in by d'Amico Tankers d.a.c. since 2014, was redelivered back to her Owners.

In February 2016, the contract on M/T Carina, an MR vessel built in 2010 and time-chartered-in by d'Amico Tankers d.a.c. for 3 years since 2013, was extended for a further 2 year period with an option for an additional year.

In March 2016, M/T Port Louis, a Handy-size vessel built in 2002 and time-chartered-in by d'Amico Tankers d.a.c. since 2014, was redelivered back to her Owners.

In March 2016, the contracts on: M/T Port Moody (MR vessel built in 2002), M/T Port Said (MR vessel built in 2003), M/T Port Union (MR vessel built in 2003), M/T Port Stanley (MR vessel built in 2003), M/T Port Russel (Handy-size vessel built in 2002) and M/T Port Stewart (Handy-size vessel built in 2003), all time chartered-in by d'Amico Tankers since Q3/Q4 2014 were extended until 2017/2018.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

D'AMICO INTERNATIONAL SHIPPING:

- **Amendments to the bylaws of the Company and increase in the authorized share capital:** In January 2017 – d'Amico International Shipping S.A. announced that further to recent, important changes to the Luxembourg law of 10 August 1915 on commercial companies by the law of 10 August 2016 (the "Company Law"), governing law of d'Amico International Shipping S.A., the board of directors of the Company (the "Board of Directors") resolved to convene an extraordinary general meeting of shareholders to be held on 3 March 2017 (the "EGM") to modify the articles of association of the Company in order to align its provisions with the amended Luxembourg Company Law, and at the same time take the opportunity to increase the authorised share capital, enabling the Board of Directors to increase the share capital of the Company within the next five years.

Considering the near-term challenges posed by the adverse product tankers market conditions, a capital increase could take place to strengthen the Company's balance sheet.

The Company's majority shareholder, d'Amico International S.A., currently holding 249,738,038 shares in the Company (amounting to 58.28% of the Company's total share capital) has confirmed



to undertake to vote in favour of the amendments to be made to the articles of association of the Company at the EGM and - confirming his positive view on the product tanker market in the medium-term - to subscribe from time to time, under the terms and conditions to be determined by the Company, for any new share or other financial instrument to be offered in any future capital increase at least pro-rata to its existing shareholding by exercising the preferential subscription rights which could be granted to it.

D'AMICO TANKERS D.A.C.:

- **New-building vessels:** In January 2017, M/T High Challenge, an 'Eco' new-building MR (Medium Range – 50,000 dwt) product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to the Company.
- **Newbuilding Vessels:** In February 2017, d'Amico Tankers agreed with Hyundai Mipo Dockyard Co. Ltd. – South Korea to postpone the delivery of its first newbuilding LR1 (Long Range – 75,000 dwt) from April 2017 to October 2017. This agreement follows a specific request of an oil major and a key customer of the Company, which will take the vessel on a 18 month TC contract upon her delivery from Hyundai Vinashin Shipyard Co. Ltd. – Vietnam. At the same time, the estimated delivery dates of the remaining 5 LR1s under construction at Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, have also been slightly delayed by approximately 2 months compared to the original schedule.
- **'Second-Hand Owned Vessels':** in January 2017, d'Amico Tankers d.a.c. sold MT High Endurance and MT High Endeavour, two 46,992 dwt medium-range product tanker vessels, built in 2004 by STX, South Korea (the "Vessels"), to Sea World Tankers a client of Sea World Management SAM (the "Buyer"), for a consideration of US\$ 13.5 million each. At the same time, d'Amico Tankers will maintain the commercial employment of the Vessels having also concluded with the Buyer a 4 years time charter agreement at an attractive rate.
- **'Time Charter-Out' Fleet:** In February 2017, d'Amico Tankers d.a.c. extended a time charter contract with an oil major due to expire in Q1 for another year, at a profitable rate.
- **'Time Charter-In' Fleet:** In February 2017, the contract on M/T High Enterprise, an MR vessel built in 2009 and time-chartered-in by d'Amico Tankers d.a.c. since then, was extended for a further 1 year period at a very attractive rate.

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

	As at 31 December 2016			As at 3 March 2017		
	MR	Handy-size	Total	MR	Handy-size	Total
Owned	23.3	8.0	31.3	22.3	8.0	30.3
Time chartered	18.5	3.0	21.5	20.5	3.0	23.5
Total	41.8	11.0	52.8	42.8	11.0	53.8



GLENDIA INTERNATIONAL SHIPPING D.A.C.:

- **'Time Charter-Out' Fleet:** In February 2017, GLENDIA International Shipping d.a.c. reduced the time charter out rates on its 6 owned MR vessels for 12 month period effective from the end of Q1 2017. Three of these vessels are currently time-chartered to d'Amico Tankers and three vessels to the Glencore Group.

BUSINESS OUTLOOK

Freight rates have now corrected from the improved levels at the end of 2016 and beginning of this year, back to the Q3 levels of last year. IEA's forecast for refinery throughput in Q1 2017 was revised down in January 2017 by 260,000 b/d, corresponding to only 80,000 b/d year on year growth. After peaking in August 2016, OECD industry refined product stocks have fallen significantly, by around 80 million bpd or 5.1%. They remain, however, elevated by historical standards and further drawdowns are still necessary to set the stage for healthier growth in demand for the seaborne transportation of such products. In this respect, a prolonged refinery maintenance in the spring could contribute to a further reduction in inventories.

OTHER RESOLUTIONS

2016 CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT AND SHAREHOLDER MEETING CONVENING

The Board of Directors considered and approved the 2016 Company's report on Corporate Governance and ownership structure and further decided to convene the Company's Annual General Shareholders' Meeting on the 19th day of April 2017 called to resolve, among other things, on i) the approval of the statutory and consolidated financial statements as at 31st December 2016, ii) the appointment of the members of the Board of Directors and iii) the appointment of the external independent auditor.

REPORT ON 2016 REMUNERATIONS

The Board of Directors resolved to approve the Company's report on 2016 remunerations containing the 2017 General Remuneration Policy regarding executive directors of the Company and key management personnel of the Company and its operative fully owned subsidiaries (as per recommendation of the Company's Nomination & Remuneration Committee).

APPROVAL OF AN UPDATED VERSION OF SOME SPECIAL PARTS OF THE ORGANIZATIONAL MANAGEMENT AND CONTROL MODEL ADOPTED BY THE COMPANY PURSUANT TO ARTICLE 6 OF THE ITALIAN LEGISLATIVE DECREE 231/2001.

CONFERENCE CALL

At 2.00pm CET, 8.00am EST today a conference call will be held with the financial community during which the Group's economic and financial results will be discussed. It is possible to connect to the call by dialing the following numbers: from Italy + 39 02 8058811, from UK +44 808 23 89 561, from US +1 866 63 203 28. The presentation slides can be downloaded before the conference call from the Investor Relations page on DIS web site: <http://investorrelations.damicointernationalshipping.com/>



This Press release relating to FY'16 Results has been prepared in accordance with provisions of Art. 3 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 integral document pertaining thereto will be deposited and available within the terms prescribed by the applicable laws and regulations at the Company's registered office and website (<http://investorrelations.damicointernationalshipping.com/>). The document is also filed through SDIR-NIS at Borsa Italiana S.p.A. and at Commissione Nazionale per le Società e la Borsa (CONSOB) and with the Commission de Surveillance du Secteur Financier (CSSF) and Société de la Bourse de Luxembourg S.A. in its quality of Company's storage Officially Appointed Mechanism.

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

d'Amico International Shipping S.A

Anna Franchin - Investor Relations Manager

Tel: +35 2 2626292901

Tel: +37 7 93105472

E-mail: ir@damicointernationalshipping.com

Capital Link

New York - Tel. +1 (212) 661-7566

London - Tel. +44 (0) 20 7614-2950

E-Mail: damicotankers@capitallink.com

Media Relations

Havas PR Milan

Marco Fusco

Tel.: +39 02 85457029 – Mob.: +39 345.6538145

E-Mail: marco.fusco@havaspr.com

Antonio Buoizzi

Tel.: +39 320.0624418

E-Mail: antonio.buoizzi@havaspr.com



ANNEX

CONSOLIDATED STATEMENT OF INCOME

<i>US\$ Thousand</i>	2016	2015
Revenue	347 110	414 877
Voyage costs	(85 724)	(104 166)
Time charter equivalent earnings	261 386	310 711
Time charter hire costs	(117 198)	(138 758)
Other direct operating costs	(73 509)	(65 847)
General and administrative costs	(15 690)	(15 141)
Other operating income	-	328
Result from disposal of vessels	-	5 839
EBITDA	54 989	97 132
Depreciation and impairment	(44 855)	(33 332)
EBIT	10 134	63 800
Net financial income	1 767	9 138
Net financial (charges)	(24 134)	(17 153)
Profit share of equity accounted investee	230	339
Profit/ (loss) before tax	(12 003)	56 124
Tax	(835)	(1 651)
Net profit / (loss)	(12 838)	54 473
Earnings per share in US\$⁽¹⁾	(0.031)	0.132

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>US\$ Thousand</i>	2016	2015
Profit / (loss) for the period	(12 838)	54 473
<i>Items that can subsequently be reclassified into Profit or Loss</i>		
Movement of valuation of Cash flow hedges	1 689	(3 764)
Movement in conversion reserve	(247)	(149)
Total comprehensive result for the period	(11 396)	50 560
<i>The net result is entirely attributable to the equity holders of the Company</i>		
Comprehensive income / (loss) per share in US\$ ⁽¹⁾	(0.027)	0.123

(1) Earnings per share (e.p.s.) were calculated on an average number of outstanding shares equal to 420,295,298 in 2016, while in 2015 e.p.s. were calculated on a number of 417,331,931 average outstanding shares. Diluted e.p.s. in 2016 were (0.030) while diluted earnings per share, including conversion of warrants, amounted to US\$ 0.132 in 2015.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>US\$ Thousand</i>	As at 31 December 2016	As at 31 December 2015
ASSETS		
Tangible assets	810 728	770 738
Investment in jointly controlled entities	3 261	4 504
Other Non-current financial assets	23 066	22 589
Total non-current assets	837 055	797 831
Assets held for sale	66 352	-
Inventories	12 857	10 276
Receivables and other current assets	41 213	55 334
Other Current financial assets	95	1 038
Cash and cash equivalents	31 632	45 485
Total current assets	152 149	112 133
Total assets	989 204	909 964
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	42 851	42 284
Retained earnings	64 472	77 310
Other reserves	256 043	265 119
Total shareholders' equity	363 366	384 713
Banks and other lenders	427 304	381 017
Other non-current financial liabilities	8 420	15 320
Total non-current liabilities	435 724	396 337
Banks and other lenders	124 975	86 775
Amount due to parent company	10 001	-
Payables and other current liabilities	43 059	33 233
Other current financial liabilities	11 885	8 547
Current tax payable	194	359
Total current liabilities	190 114	128 914
Total shareholders' equity and liabilities	989 204	909 964



CONSOLIDATED STATEMENT OF CASH FLOWS

<i>US\$ Thousand</i>	2016	2015
Profit / (loss) for the period	(12 838)	54 473
Depreciation, amortisation and impairment	44 855	33 332
Current and deferred income tax	835	1 650
Financial charges (income)	22 619	7 528
Fair value gains on foreign currency retranslation	(254)	484
Profit on disposal of vessels	-	(5 839)
Profit share of equity-accounted investment	(230)	(340)
Cash flow from operating activities before changes in working capital	54 987	91 288
Movement in inventories	(2 581)	2 145
Movement in amounts receivable	14 549	(6 534)
Movement in amounts payable	9 928	(2 560)
Taxes paid	(1 428)	(1 166)
Net interest (paid)	(17 872)	(15 551)
Movement in other financial liabilities	(2 065)	795
Movement in share option reserve	149	-
Net cash flow from operating activities	55 667	68 495
Acquisition of fixed assets	(151 198)	(164 420)
Disposal of fixed assets	-	12 848
Disposal of equity-accounted investee ETL	1 238	-
Dividend from equity-accounted investee ETL	330	198
Movement in other financial receivable	433	-
Net cash flow from investing activities	(149 197)	(151 374)
Share capital increase	2 921	405
Other changes in shareholders' equity	(247)	(151)
Treasury shares	(609)	(1 156)
Dividends paid	(12 412)	-
Parent company financing	10 000	-
Movement in other financial payable	(1 000)	4 000
Bank loan repayments	(195 852)	(62 881)
Bank loan draw-downs	270 606	114 566
Net cash flow from financing activities	73 407	54 783
Net increase / (decrease) in cash and cash equivalents	(20 123)	(28 096)
Cash and cash equivalents net of bank overdrafts at the beginning of the year	40 287	68 383
Cash and cash equivalents net of bank overdrafts at the end of the year	20 164	40 287
Cash and cash equivalents	31 632	45 485
Bank overdrafts	(11 468)	(5 198)
		405
Share capital increase	2 921	



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

*Carlos Balestra di Mottola
Chief Financial Officer*