



PRESS RELEASE

The Board of Directors of d'Amico International Shipping S.A. approves FY 2017 Results: 'In 2017 DIS' recorded a Net loss of US\$ (38.1) million or US\$ (27.2) million excluding an impairment registered on three vessels held for sale.

Such result is attributable to the challenging product tanker market experienced in the year, whose negative effects were minimized thanks to DIS' prudent commercial strategy. The Company maintains a positive market outlook for 2018 and 2019, with all the main fundamentals pointing in the right direction'

FULL YEAR 2017 RESULTS

- Time charter equivalent (TCE) earnings - US\$ 257.4 million
- EBITDA - US\$ 36.8 million (14.3% on TCE)
- Net result - US\$ (38.1) million
- Cash flow from operating activities - US\$ (11.3) million
- Net debt - US\$ 510.2 million as at 31 December 2017

FOURTH QUARTER 2017 RESULTS

- Time charter equivalent (TCE) earnings – US\$ 63.3 million
- EBITDA - US\$ 3.2 million (5.1% on TCE)
- Net result - US\$ (24.5) million

Luxembourg - March 01st, 2018 – 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 2017 full year financial statutory and consolidated results.

MANAGEMENT COMMENTARY

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

"2017 was a rather challenging year for the product tanker market and this led d'Amico International Shipping to post a net loss of US\$ (38.1) million in the period, or US\$ (27.2) million excluding an impairment we registered at year-end on three vessels we are planning to sell in 2018.

DIS' daily spot average was of US\$ 12,026 in 2017 vs. US\$ 13,302 achieved in the previous year. Such variance is due to a much weaker than expected market in the first half of the year relative to the same period of 2016 (H1'17: US\$ 12,492 vs. H1'16: US\$ 16,848), partially compensated by a stronger second-half of 2017 compared with the same period of last year (H2'17: US\$ 11,638 vs. H2'16: US\$ 10,111). At the same time, we had 33% time-charter coverage during the year at an average daily rate of US\$ 15,433. This allowed us to achieve a total blended daily TCE (spot and time-charter) of US\$ 13,150, which is a rather satisfactory level in this market scenario, proving once again that our prudent strategy of covering part of our fleet through long-term contracts allows us to mitigate considerably the effects of the negative cycles. It is difficult to forecast the exact timing of the recovery but, as our peers and segment analysts, I am firmly convinced the product tanker market is finally heading towards a positive cycle. In fact, all the fundamentals are pointing in the right direction, with all the variables aligned for rate improvements. In particular, a strong oil consumption is expected for 2018, also on the back of the estimated growth in global economic activity. This will obviously contribute to a more robust demand for the seaborne



transportation of refined products. The global refining industry has undergone a structural shift over the last years with refining capacity moving far from some of the key consuming centers and towards some of the main points of extraction, mainly in the Middle East. This trend has been driving ton-mile demand for product tankers and is expected to continue with new export oriented refinery capacity coming on line. The high level of product inventories, which has been depressing demand for the last two years, seems to be finally coming to a more manageable level. All these positive factors should support demand and are coupled with a very limited supply growth expected for the coming years. In particular, the net fleet growth (newbuilding deliveries less scrapping) in the market segments in which DIS operates, is expected to be of only 2.1% for 2018 and of 1.7% for 2019. These are amongst the lowest growth rates in 15 years.

I believe DIS' investment and commercial strategy, will allow our Company to benefit in full from the expected market rebound. By January 2019, DIS will have completed its long-term investment plan and will position itself on the market with one of the youngest and most versatile product tanker fleets, to meet the requirements of our top-quality customer base. We will continue to work to keep our Company competitive and amongst the leaders of our industry with the objective of maximising returns and rewarding our Shareholders for their trust"

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

"During a year negatively impacted by a soft freight market, DIS aimed to constantly strengthen its balance sheet and liquidity position, so as to complete its large US\$ 755 million newbuilding plan launched in 2012. In this respect, in 2017 DIS raised US\$66.2 million in equity capital and generated US\$40.5 million in net proceeds from sale-leaseback transactions and vessel sales, with a further US\$20.6 million in net cash from such transactions following the delivery of two vessels in early 2018. In detail: i) We finalised a share capital increase, which was fully subscribed and generated proceeds of US\$ 37.8 million in Q2'17; ii) In Dec'17, at the end of DIS' First Additional Exercise Period, 84,454,853 warrants were exercised at the price of € 0.283 per ordinary share, generating proceeds for DIS of US\$ 28.4 million; iii) We sold and time-chartered back 2 vessels in Q1'17 and 1 vessel in Q4'17 generating net cash upfront of US\$ 12.1m, we sold and bareboat chartered back 3 additional MR vessels in Q2, Q3 and Q4'17, generating over US\$ 28.4 million in net cash upon disposal. In addition, in Q4'17 we agreed the sale and time-charter back of 1 vessel and the sale and bareboat back of a further ship, which will generate total net cash proceeds of US\$ 20.6m in Q1'18. As at year-end 2017, DIS had remaining CAPEX of US\$ 155.1 million, 69.4% of which will be covered with bank debt, already secured as of today. As at December 31 2017, DIS had a net financial position of US\$ (510.2) million, a healthy level corresponding to 66.6% of the fleet's market value"

FINANCIAL REVIEW

SUMMARY OF THE RESULTS IN THE FOURTH QUARTER AND TWELVE MONTHS OF 2017

The IMF in their January 2018 'Global Economic outlook' stated that world economic activity continues to firm up. Global output is estimated to have grown by 3.7% in 2017, which is 0.1% point faster than projected in the fall and half a percentage point higher than in 2016. The pickup in growth has been broad based, with notable upside surprises in Europe and Asia. Global growth forecasts for 2018 and 2019 have been revised upward by 0.2 percentage points to 3.9%. The revision reflects increased global growth momentum and the expected impact of the recently approved U.S. tax policy changes.

Rates were weak in 2017 for product tankers as the market was depressed by still high global product inventories, low trading activity and supply disruptions in the Atlantic during the hurricane season.



OECD commercial product stocks fell in Q4 by a large 52 million barrels to reach 1.42 billion barrels. Since peaking in August 2016 at 1.58 billion barrels, stocks drew by an impressive 160 million barrels (10%) and were at year-end only slightly above the five-year average.

Instead of seeing the usual seasonal slowdown, global refining throughput in Q4 2017 surged to a new record high of 81.5 million b/d, posting the largest year-on-year growth since Q3 2015. December throughput, likely to finalise as the highest month yet, is expected to be up 2 million b/d from September. Throughput growth came from three major sources: the US, China and India. In the US, refinery intake recovered from Q3 2017 outages, returning to above 17 million b/d in December. Throughput dropped elsewhere in the Atlantic Basin in Q4 2017, with all the remaining net growth in global refinery runs coming from East of Suez. Chinese throughput hit a new record in November, with monthly rates just under 12 million b/d as new refining capacity ramped up, while as expected in December it dropped to 11.5 million b/d. India increased runs to a quarterly record of over 5 million b/d.

Spot chartering activity in the US Gulf has been robust after the disruption of hurricane Harvey, with product flows from the US Gulf growing again pushing spot fixtures in Q4 2017 up 5% year-on-year for loading in the that region for discharge in Latin America. The regional improvement was nonetheless not sufficient to support a significant improvement in charter rates.

The one-year time-charter rate is always the best indicator of spot market expectations. This rate improved throughout 2017, but failed to sustain its upward momentum towards the end of Q4 and in January 2018. One year TC rates for conventional MRs are as at January 2018 currently estimated between US\$13,500-US\$13,750 per day and for eco MR vessels between US\$14,750 and US\$15,000 per day.

DIS' Net Result was negative for US\$ (38.1) million in full-year 2017 vs. a Net Loss of US\$ (12.8) million posted in 2016.

The variance compared with the previous year is largely due to a weaker freight market in 2017. In fact, **DIS' daily spot rate was US\$ 12,026 in the full-year 2017** vs. 13,302 in the full-year 2016. At the same time, 33% of DIS' total employment days in 2017, were covered through 'time-charter' contracts at an average daily rate of US\$ 15,433 (2016: 45.9% coverage at an average daily rate of US\$ 15,989). Such good 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. DIS' total daily average rate (which includes both spot and time-charter contracts) was US\$ 13,150 in the full-year 2017 compared with US\$ 14,534 achieved in the previous year.

2017 results were also negatively impacted by US\$ 10.9 million impairment booked on three vessels, which are currently under 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.

In 2017, DIS had **US\$ 148.1 million in 'capital expenditures'**. This figure is mainly in relation to DIS' newbuilding plan and includes the acquisition of three leased assets for a total of US\$ 68.0 million in the period, following three sale and lease back contracts which generated a positive net cash effect of a total US\$ 28.4 million in the period (US\$ 11.2 million in Q2, US\$ 10.7 million in Q3 2017, US\$ 6.5 million in Q4 2017). Since 2012, DIS has ordered a total of **22 'Eco design' product tankers¹** (10 MR, 6 Handy-size and 6 LR1 vessels), of which 17¹ vessels have been already delivered as at the end of 2017. This corresponds to an overall **investment plan** of approximately **US\$ 755.0 million** and is in line with the Group's strategy

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.)



to modernize its fleet through new-buildings with an eco-design. In addition, DIS has already fixed the majority of its new-building vessels on long-term time-charter contracts with three oil-majors and a leading refining company, all at profitable levels.

In Q2 2017, DIS launched a share capital increase issuing preferential subscription rights of for up to 140,250,109 new shares with up to 140,250,109 warrants issued simultaneously at an issuance price of EUR 0.249 per new share. The offering was fully subscribed and generated proceeds of US\$ 37.8 million in May 2017, strengthening the Group's balance sheet and liquidity position.

In December 2017, at the end of the first additional exercise period for 'd'Amico International Shipping Warrants 2017-2022', 84,454,853 Warrants were exercised at the price of Euro 0.283 per ordinary share, generating further proceeds of US\$ 28.4 million.

OPERATING PERFORMANCE

Time charter equivalent earnings were US\$ 257.4 million in 2017 vs. US\$ 261.4 million in 2016. The variance compared with last year is due to the weaker product tanker market experienced in 2017.

In particular, DIS realized a **Daily Average Spot Rate of US\$ 12,026 in 2017** compared with US\$ 13,302 achieved in the previous year. This variance is due to the much weaker market experienced in H1 2017 relative to the first semester of 2016 (H1 2017: US\$ 12,492 vs. H1 2016: US\$16,848) partially compensated by a stronger second-half of 2017 compared with the same period of the previous year (H2 2017: US\$ 11,638 vs. H2 2016: US\$ 10,111)

Following its strategy, in 2017 DIS maintained a **high level of 'coverage'** (fixed contracts), securing an average of **33%** (2016: 45.9%) of its available vessel days at a **Daily Average Fixed Rate of US\$ 15,433** (2016: US\$ 15,989). 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\$ 13,150 in 2017 vs. 14,534 in 2016.

DIS TCE daily rates (US dollars)	2016					2017				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Spot	18,076	15,560	10,101	10 120	13 302	13,363	11,763	11,960	11,299	12,026
Fixed	15,706	16,059	16,106	16 085	15 989	15,908	15,078	15,681	15,003	15,433
Average	16,970	15,803	12,904	12 601	14 534	14,412	12,851	12,977	12,459	13,150

EBITDA was **US\$ 36.8 million in 2017** compared with US\$ 55.0 million achieved in 2016. The reduction relative to last year, is mainly due to lower 'TCE Earnings' achieved in 2017. **DIS' EBITDA Margin was 14.3% in 2017** compared with 21.0% in 2016.

Depreciation and Impairment amounted to US\$ 48.3 million in 2017 vs. US\$ 44.9 million in 2016. The total amount for 2017 includes an impairment of US\$ 10.9 million (2016 included an impairment of US\$ 6.6 million) booked on three vessels, which are currently under sale negotiations. In fact, based on IFRS 5 these three ships were classified as 'assets held for sale' and the difference between their appraised market value and their book value was charged to the 2017 profit and loss.

EBIT was negative for US\$ (11.4) million in 2017 compared to a positive result of US\$ 10.1 million posted in 2016.



Net financial charges were US\$ 28.4 million in 2017 vs. US\$ 24.1 million in 2016. The amount comprises the interest expenses due on DIS' loan facilities, actual expenses on interest rate swaps and amortization of financial fees.

The **Net Result for 2017 was US\$ (38.1) million** compared with a Net Loss of US\$ (12.8) million posted in 2016.

CASH FLOW AND NET INDEBTEDNESS

DIS' **Net Cash Flow for 2017 was negative for US\$ (2.5) million vs. US\$ (20.1) million in 2016**. During the year, gross capital expenditures for US\$ 148.1 million, were partially compensated by US\$ 105.0 million proceeds from disposal and US\$ 51.7 million positive financing cash flow.

Cash flow from operating activities was negative for US\$ (11.3) million in 2017 vs. positive for US\$ 55.7 million in 2016. The lower result achieved in 2017 was due mainly to the weaker freight markets compared to 2016.

DIS' **Net debt as at December 31, 2017** amounted to **US\$ 510.2 million** compared to US\$ 527.8 million at the end of 2016. The net debt/fleet market value ratio was of 66.6% as at December 31, 2017 vs. 70.4% as at December 31, 2016.

SIGNIFICANT EVENTS OF THE PERIOD

In 2017, the main events for the d'Amico International Shipping Group were the following:

Amendments to the bylaws of d'Amico International Shipping S.A. ("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 set the authorised share capital, including the existing issued share capital of the Company at a total amount of one hundred million US dollars (US\$ 100,000,000) enabling the Board of Directors to increase the share capital of the Company within the next five years with a view to strengthen the Company's share capital and financial flexibility.

On March 3 2017 the Extraordinary General Meeting of Shareholders of d'Amico International Shipping S.A. (the "Company") resolved to:

- To approve the proposed amendment to the articles of association of the Company as proposed by the Board of Directors in the explanatory report published on 30 January 2017 and available to the Shareholders on the Company's website (<https://en.damicointernationalshipping.com/>);
- To set the authorised corporate capital, including the issued share capital, at a total amount of USD 100 million, divided into one billion shares with no nominal value and to renew, for a period of five years, the authorisation of the Board of Directors to increase the capital in one or several tranches within the limits of the amended authorised capital, as well as the authorisation of the Board of Directors to limit or cancel, in full or partially, the preferential subscription right of existing shareholders.



On March 3 2017, the Board of Directors of the Company – exercising the powers delegated by the Extraordinary General Meeting of Shareholders as described above – has on the basis of this authorization resolved:

- To prepare the launch of a public rights offering, in Luxembourg and Italy, addressed to the shareholders of the Company that would result in an increase of the share capital of the Company, through the issuance of new shares with no par value and with the same rights (including, but not limited to the right of dividend) as the shares existing at the time of the issuance, up to a USD equivalent of a maximum of € 35 million (including share premium); the new shares would be offered to the Company's existing shareholders as holders of preferential subscription rights (the "Preferential Subscription Rights") for the subscription to new shares of the Company (the "New Shares") together with free warrants – exercisable over a five years' time horizon – to be issued simultaneously (the "Warrants"). The Warrants would give right to warrants holders to subscribe to additional shares with no nominal value and with the same rights (including, but not limited to the right to dividends) attached thereto as to the existing shares (the "Warrant Shares") (the "Rights Offering").
- the Warrants, if duly exercised according to their terms and conditions, result in an increase in the share capital of the Company, within the limits of the authorized capital, up to a USD equivalent of a maximum of € 60 million (including share premium), through the issuance of Warrant Shares with no par value and regular dividend and incorporating the same rights of the shares existing at the time of the issuance.

'DIS controlling shareholder will guarantee 100% of the capital increase': On April 10 2017, d'Amico International S.A. ("DAM") the controlling shareholder of d'Amico International Shipping S.A., confirmed its unconditional and irrevocable undertaking to exercise all the preferential subscription rights which it is entitled to receive under the offering and to subscribe for and to fully and timely pay up the corresponding number of new shares with warrants issued simultaneously, as set out in the undertaking letter dated on 30 January 2017. Following the press release issued by DIS on March 3, 2017 and the relevant DIS Board of Directors resolution of the same day, DAM further irrevocably undertook and committed to subscribe to any share that will not be subscribed in the private placement and on the same terms, notably as to pricing, as will be proposed in the rights offering and the private placement.

The Board of d'Amico International Shipping S.A. approves the rights issue terms and conditions. On April 18 2017 the Board of Directors of d'Amico International Shipping S.A., exercising the powers delegated by the Extraordinary General Meeting of Shareholders of 3 March 2017, has resolved:

- to approve a rights issue addressed to the shareholders of the Company which consists of (i) an offering by the Company with preferential subscription rights (the "Preferential Subscription Rights") of new shares of the Company (the "New Shares") with warrants issued simultaneously (the "Warrants") to be exercised into shares (the "Warrant Shares"), (the "Rights Offering") and (ii) in case the Preferential Subscription Rights are only partially exercised during the Rights Offering, a private placement whereby the Board of Directors will place any New Shares that were not subscribed in the Rights Offering and with cancellation in this second round of offering of any preferential subscription right (the "Private Placement", together with the Rights Offering, the "Offering");
- to approve an increase of the share capital of the Company, within the limits of the authorised capital, of up to a maximum of the USD equivalent of € 34,922,277 (including share premium), through the issuance of up to 140,250,109 New Shares, that will generally in all respects rank pari-passu with the existing shares, at an issuance price per New Share of € 0.249 (the "Issuance



- Price”), in the ratio of 1 New Share for every 3 Preferential Subscription Rights exercised (the “Ratio”) and with attached up to 140,250,109 free Warrants issued simultaneously in the ratio of 1 Warrant for every 3 Preferential Subscription Rights exercised;
- to approve a further increase of the share capital of the Company, within the limits of the authorised capital, of up to a maximum of the USD equivalent of € 59,606,296 (including share premium), through the issuance – in one or more tranches – of up to 140,250,109 Warrant Shares upon exercise of the Warrants, that will generally in all respects rank pari-passu with the shares in issue on the relevant exercise date.

The Board of Directors has decided to proceed with the Offering to strengthen the Company’s balance sheet. The Offering has been structured to reward shareholders with a medium to long-term investment horizon, with the long maturity of the Warrants, providing to the investors the possibility of benefiting from an expected recovery in the highly cyclical product tankers market.

The Warrants confer certain rights and can be exercised under the Warrant terms and conditions. Based on the Warrant Terms and Conditions, the holders of Warrants will have the right to subscribe to Warrant Shares in the ratio of 1 Warrant Share for every 1 Warrant exercised based on the following exercise prices and exercised during the following periods:

- € 0.315, for the Warrants exercised in all the banking days in June 2018;
- € 0.340, for the Warrants exercised in all the banking days in June 2019;
- € 0.367, for the Warrants exercised in all the banking days in June 2020;
- € 0.395, for the Warrants exercised in all the banking days in June 2021;
- € 0.425, for the Warrants exercised in all the banking days in June 2022.

d’Amico International S.A. announced the results of the right issue - approximately 99.2% take up during the rights subscription period – gross proceeds of the USD equivalent of approximately € 34.7 million

On 18 May 2017 – d’Amico International Shipping S.A. announced that, in connection with its offering with preferential subscription rights (the “Preferential Subscription Rights”) of up to 140,250,109 new shares (the “New Shares”) with up to 140,250,109 warrants issued simultaneously (the “Warrants”, which will be named “d’Amico International Shipping Warrants 2017 – 2022”) at an issuance price of € 0.249 per New Share (the “Issuance Price”), it has received subscriptions, through the exercise of Preferential Subscription Rights, for 139,156,784 New Shares with 139,156,784 Warrants issued simultaneously through the exercise of Preferential Subscription Rights. This represents a take up of approximately 99.2%.

Results of Rights Subscription Period

A total of 417,470,352 Preferential Subscription Rights representing approximately 99.2% of the total number of Preferential Subscription Rights were exercised during the exercise period for the Preferential Subscription Rights which started on 24 April 2017 and ended on 18 May 2017 (the “Rights Subscription Period”). Given the ratio of 1 New Shares with 1 Warrant issued simultaneously for 3 Preferential Subscription Rights the Company will issue 139,156,784 New Shares with 139,156,784 free Warrants issued simultaneously, to be exercised into shares (the “Warrant Shares”), to the subscribers who subscribed the New Shares during the Rights Subscription Period. The New Shares are negotiated on Mercato Telematico Azionario under ISIN code LU0290697514, which is the ISIN code for the DIS shares.

Warrants

Trading on the Mercato Telematico Azionario of Borsa Italiana of the related Warrants commenced by the end of May under ISIN code LU1588548724.



The Board of Directors of d'Amico International Shipping S.A. announced the results of the private placement and the final results of rights issue. Capital Increase 100% subscribed and gross proceeds of the offering equal to the USD equivalent of € 34.9 million.

On 23 May 2017, In connection with its offering with preferential subscription rights (the "Preferential Subscription Rights") of up to 140,250,109 new shares (the "New Shares") with up to 140,250,109 free warrants issued simultaneously (the "Warrants") at an issuance price of € 0.249 per New Share (the "Issuance Price"), d'Amico International Shipping S.A. announced that, following the private placement of the unsubscribed New Shares (the "Private Placement"), all the remaining 1,093,325 New Shares have been subscribed (representing an additional capital increase - including share premium - of the USD equivalent of approximately € 272,238) with 1,093,325 Warrants issued simultaneously. The take up at the Private Placement, together with the take up of approximately 99.2% during the rights subscription period which started on 24 April 2017 and ended on 18 May 2017 (the "Rights Subscription Period"), represents a total take up of 100% for the rights issue offering as a whole. The Company's capital will amount to USD 56,876,046.50 divided into 568,760,465 shares with no nominal value.

The Board of Directors of d'Amico International Shipping S.A. also approved the opening of additional warrants exercise periods.

On 9th November 2017, the Board of Directors of d'Amico International Shipping S.A., resolved to exercise the right set out in article 3.2 of the "Warrant DIS 2017 - 2022" Regulation, ISIN code LU1588548724 (the "Warrants") and to establish 5 additional exercise periods of one consecutive calendar month each (the "Additional Exercise Periods") defining for each new exercise window the strike price, as provided in article 4.2 of the Warrants Regulation, as follows (based also on the press release issued on 22nd November 2017 "DIS amends the dates for the Warrants' additional exercise periods"):

- € 0.283, for Warrants exercised on all the Banking Days from 27th November to 27th December 2017;
- € 0.328 for Warrants exercised on all the Banking Days from 27th November to 27th December 2018;
- € 0.354 for Warrants exercised on all the Banking Days from 27th November to 27th December 2019;
- € 0.381 for Warrants exercised on all the Banking Days from 27th November to 27th December 2020;
- € 0.410 for Warrants exercised on all the Banking Days from 27th November to 27th December 2021.

DIS' Board of Directors, taking into account the highly volatile nature of DIS' business, as well as the repercussions that this may sometimes have on the its stock price, also during the course of the year, considered appropriate to set, in addition to the 5 regular annual exercise periods in June (starting from June 2018), 5 additional exercise periods, so as to: (i) increase the liquidity of the Warrants for the benefit of its holders; (ii) maximize for the benefit of the Warrants holders, the optional component of the instrument and consequently their value (iii) provide additional financial flexibility to the Warrants holders, which can exercise the instruments twice during a 12 months period; (iv) increase, from the point of view of DIS, the probability of the Warrants being subscribed – which should result in more equity being raised; (v) in essence, maximize for both Warrant holders and DIS, the effectiveness of the instrument. The Warrant Regulation is available on DIS' website at investorrelations.damicointernationalshipping.com

DIS' controlling shareholder confirms its positive medium-term view on the sector and will exercise 100% of its warrants during the first additional exercise period.

On 27th November 2017, d'Amico International S.A., the controlling shareholder of d'Amico International Shipping S.A. , consistently with its positive medium-term view for DIS' business and its financial commitment to subscribe all of the new shares offered in the Company's last capital increase earlier this year, has informed DIS of its unconditional and irrevocable undertaking to exercise all its 84,339,337 warrants (the "Warrants") for a total amount equal to € 23,868,032.37, during the first additional exercise



period (November 27th – December 27th 2017), as set out in the press release issued by DIS on November 24 2017, and to fully and timely pay up the corresponding new ordinary shares of DIS issued simultaneously, admitted to trading on the MTA market organized and managed by Borsa Italiana S.p.A., without par value and with the same rights and features as DIS' ordinary shares outstanding at the issue date, in the ratio of one (1) ordinary DIS share for one (1) Warrant exercised.

- **Results of d'Amico International Shipping Warrants 2017-2022** During this First Additional Exercise Period no. 84,454,853 Warrants were exercised at the price of € 0.283 per ordinary share, resulting in the subscription of no. 84,454,853 Warrant Shares. Following such subscription, DIS' share capital will amount to US\$65,321,531.80, represented by 653.215.318 ordinary shares without nominal value. In accordance with the Terms and Conditions of the Warrants, the Warrant Shares were issued on the 28th of December 2017.
- **'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. The sale of the two vessels generated US\$5.2 million in cash after commissions and following the reimbursement of the vessels' existing bank loans.

In May 2017, d'Amico Tankers d.a.c. signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of the MT High Fidelity, a 49,990 dwt medium-range product tanker vessel, built in 2014 by Hyundai-Vinashin Shipyard Co. Ltd. for a consideration of US\$ 27.0 million. This transaction allowed d'Amico Tankers to generate around US\$ 11.2 million in cash, net of commissions and reimbursement of the vessel's existing loan, contributing to the liquidity required to complete DIS' fleet renewal program and allowing the Group to benefit from the anticipated market recovery. In addition, through this transaction d'Amico Tankers will maintain full control of the Vessel, since a 10-year bareboat charter agreement was also concluded with the buyer, with a purchase obligation at the end of the 10th year of the charter period. Furthermore, d'Amico Tankers has the option to repurchase the Vessel, starting from the third anniversary of her sale at a competitive cost of funds.

In July 2017, d'Amico Tankers d.a.c. signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of the MT High Discovery, a 49,990 dwt medium-range product tanker vessel, built in 2014 by Hyundai-Vinashin Shipyard Co. Ltd. for a consideration of US\$ 28.0 million. This transaction allowed d'Amico Tankers to generate around US\$ 10.7 million in cash, net of commissions and reimbursement of the vessel's existing loan, contributing to the liquidity required to complete DIS' fleet renewal program and allowing the Group to benefit from the anticipated market recovery. In addition, through this transaction d'Amico Tankers will maintain full control of the Vessel, since a 10-year bareboat charter agreement was also concluded with the buyer, with a purchase obligation at the end of the 10th year of the charter period. Furthermore, d'Amico Tankers has the option to repurchase the Vessel, starting from the third anniversary of her sale at a competitive cost of funds.

In September 2017, d'Amico Tankers d.a.c. signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of the MT High Priority, a 46,847 dwt medium-range product tanker vessel, built in 2005 by Nakai Zosen (Japan) for a consideration of US\$ 13.0 million. This transaction allowed d'Amico Tankers to generate around US\$ 6.5 million in cash, net of commissions and reimbursement of the vessel's existing loan, contributing to the liquidity



required to complete DIS' fleet renewal program. In addition, through this transaction d'Amico Tankers will maintain full control of the Vessel, since a 5-year bareboat charter agreement was also concluded with the buyer, with a purchase obligation at the end of the 5th year of the charter period. Furthermore, d'Amico Tankers has the option to repurchase the Vessel, starting from the second anniversary of her sale at a competitive cost of funds. In October 2017, following delivery of the M/T High Priority to its new owners, d'Amico Tankers d.a.c. bareboat-chartered-in the vessel for a 5 year period.

In October 2017, d'Amico Tankers d.a.c. signed a memorandum of agreement for the sale of MT High Prosperity, a 48,700 dwt medium-range product tanker vessels, built in 2006 by Imabari Shipbuilding Co. Ltd. (Japan) for a consideration of US\$ 14.245 million. This transaction generated a positive net cash effect of around US\$ 6.9 million for d'Amico Tankers in Q4 2017, net of commissions and reimbursement of the vessel's existing loan, contributing to the liquidity required to complete DIS' fleet renewal program. At the same time, d'Amico Tankers will maintain the commercial employment of the vessels having also concluded with the buyer a 6 years' time-charter agreement at a competitive rate.

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

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

- **'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.

In October 2017, d'Amico Tankers d.a.c. extended a time charter contract with an oil major due to expire in Q3 for another year.

In October 2017, d'Amico Tankers d.a.c. fixed one of its newbuilding LR1 vessels, delivered in November 2017, for a 6 months period with an option for additional 6 months, to a leading trading house, at a profitable rate.

In November 2017, d'Amico Tankers d.a.c. extended a time charter contract with an oil major due to expire in Q4 for another year.



- **'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 reduced rate.

In March 2017, d'Amico Tankers d.a.c. agreed to time-charter-in the M/T High Sun, an MR vessel built in 2014 and owned by Eco Tankers Limited (in which DIS has 33% interest) for an 18 month period. The vessel was delivered to d'Amico Tankers d.a.c. in May 2017.

In May 2017, the contract on M/T Freja Baltic, an MR vessel built in 2008, was extended for a further 1 year at a reduced rate.

In June 2017, d'Amico Tankers d.a.c. time-chartered-in the M/T Silver Express, an MR vessel built in 2009 for a 12 month period.

In June 2017, d'Amico Tankers d.a.c. time-chartered-in the M/T Crimson Jade, a newbuilding MR vessel built in Minaminippon Shipbuilding (Japan), for a 7 year period with options to extend the contract.

In June 2017, the time-charter-in contract on M/T Port Russel, a Handy vessel built in 2002, with d'Amico Tankers ended and the vessel was redelivered to her Owners.

In July 2017, the contract on M/T High Force, an MR vessel built in 2009, was extended for a further 1 year (with an option for an additional 3 months), starting from September 2017, at a reduced rate.

In August 2017, the time-charter-in contract on M/T Port Moody, an MR vessel built in 2002, with d'Amico Tankers ended and the vessel was redelivered to her Owners.

In October 2017, the contracts on M/T High Beam and M/T High Current, two MR vessels built in 2009 and time-chartered-in by d'Amico Tankers d.a.c. since 2014, were extended for a further 1 year, at a reduced rate.

In November 2017, the time-charter-in contract on M/T Port Union, an MR vessel built in 2003, with d'Amico Tankers ended and the vessel was redelivered to her Owners.

In November 2017, d'Amico Tankers d.a.c. time-chartered-in M/T High Adventurer, a newbuilding MR vessel built in Onomichi Dockyard (Japan), for a 8 year period with options to extend the contract.

In December 2017, the time-charter-in contract on M/T Port Stanley, an MR vessel built in 2003, with d'Amico Tankers ended and the vessel was redelivered to her Owners.

- **Newbuilding vessels:** In January 2017, M/T High Challenge, an 'Eco' new-building MR product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to the Group.

In February 2017, d'Amico Tankers agreed with Hyundai Mipo Dockyard Co. Ltd. – South Korea – to postpone the delivery of its first newbuilding LR1 from April 2017 to October 2017. This agreement follows a specific request of an oil major and a key customer of the Group, 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.



In November 2017, M/T Cielo Bianco, an 'Eco' new-building LR1 product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to the Group.

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 a 12 month period effective from the end of Q1 2017. Three of these vessels are currently time-chartered to d'Amico Tankers d.a.c. and three vessels to the Glencore Group.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

D'AMICO TANKERS D.A.C.:

- **'Second-Hand Owned Vessels':** in February 2018, the vessels M/T High Presence and M/T High Freedom were delivered to their new owners. From their respective dates of delivery the vessels were chartered back to d'Amico Tankers d.a.c., through a 10 year bareboat contract for the M/T High Freedom and a 6 year time-charter contract for the M/T High Presence.
- **'Time Charter-In' Fleet:** In January 2018, the contract on M/T Carina, an MR vessel built in 2010 and time-chartered-in by d'Amico Tankers d.a.c. since 2013, was extended for further 2 year period starting from May 2018, at a reduced rate.

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

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

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

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

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



D'AMICO INTERNATIONAL SHIPPING:

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

	As at 31 December 2017				As at 1 March 2018			
	LR1	MR	Handysize	Total	LR1	MR	Handysize	Total
Owned	1.0	18.0	8.0	27.0	2.0	16.0	8.0	26.0
Bareboat chartered*	0.0	3.0	0.0	3.0	0.0	4.0	0.0	4.0
Long-term time chartered	0.0	11.5	1.0	12.5	0.0	12.5	1.0	13.5
Short-term time chartered	0.0	12.0	1.0	13.0	0.0	11.0	1.0	12.0
Total	1.0	44.5	10.0	55.5	2.0	43.5	10.0	55.5

* with purchase obligation

BUSINESS OUTLOOK

Going into Q1 2018 the supply / demand balance in the Atlantic has improved after it was thrown into disarray following the hurricanes which hit the region. The export of products out of the United States has rebounded from the low point in September and is back to around 5 million b/d. The rebalancing of tonnage supply and demand resulted in an improvement in charter rates throughout most of Q4, before starting to move sideways in the last part of the quarter and so far in Q1 2018.

In the Atlantic basin, the key positive in January and early February 2018 has been the severe weather which resulted in port delays briefly reducing the list of available ships. In the Eastern hemisphere in the start of 2018, the Asian refiners came back online after maintenance, resulting in an improvement in the market.

The IEA has recently slightly revised upwards its projections for oil demand growth in 2018 to 1.4 million b/d (down from the 2017 expansion of 1.6 million b/d), based on the IMF's more optimistic estimated GDP growth figures for 2018.

The product tanker market should continue improving as fleet supply growth decelerates and trade expands driven by: 1) strong oil demand, 2) rising US exports and 3) high refining margins and utilisation in the US, driving an increase in exports towards the Caribbean and Latin America 4) the lower product inventories which after strong drawdowns over the last 18 months are now close to the 5 year averages 5) the sharp rise expected by the EIA in US shale oil output in 2018 of 1.8 million b/d, contributing to a forecasted non-OPEC oil output growth of 2.4 million b/d, which should limit further increases and could eventually lead to a drop in oil prices.

Ship prices and the one-year time-charter rates have been moving gradually higher throughout 2017, with charterers taking period contracts at rates above the spot market, indicating the improving outlook for the sector.



OTHER RESOLUTIONS

2017 CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT AND CONVENING OF THE ANNUAL SHAREHOLDER'S MEETING

The Board of Directors considered and approved the 2017 Company's report on Corporate Governance and ownership structure and further decided to convene the Company's Annual General Shareholders' Meeting on the 18th day of April 2018 called to resolve, among other things, on i) the approval of the statutory and consolidated financial statements as at 31st December 2017 and on ii) the appointment of the new members of the Board of Directors.

REPORT ON 2017 REMUNERATIONS AND 2018 GENERAL REMUNERATION POLICY

The Board of Directors resolved to approve the Company's Report on 2017 Remunerations containing the 2018 General Remuneration Policy regarding executive directors of the Company and its key management personnel (as per recommendation of the Company's Nomination & Remuneration Committee).

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'17 Results has been notably prepared in accordance with provisions of Art. 3 of the Luxembourg Law dated 11 January 2008, as amended and/or supplemented from time to time, which transposed Directive 2004/109/EC of the European Parliament and of Council of 15 December 2004 in the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market. The integral document pertaining thereto will be deposited and available within the terms prescribed by the applicable laws and regulations at the Company's registered office and website (<http://investorrelations.damicointernationalshipping.com/>). The document is also filed through eMarketSDIR and STORAGEat Borsa Italiana S.p.A. and at Commissione Nazionale per le Società e la Borsa (CONSOB) and with the Commission de Surveillance du Secteur Financier (CSSF) and Société de la Bourse de Luxembourg S.A. in its quality of Company's storage Officially Appointed Mechanism.



d'Amico
INTERNATIONAL SHIPPING S.A.

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

d'Amico International Shipping S.A

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ANNEX

CONSOLIDATED STATEMENT OF INCOME

<i>US\$ Thousand</i>	2017	2016
Revenue	390 971	347 110
Voyage costs	(133 534)	(85 724)
Time charter equivalent earnings	257 437	261 386
Time charter hire costs	(126 664)	(117 198)
Other direct operating costs	(80 370)	(73 509)
General and administrative costs	(15 482)	(15 690)
Result from disposal of vessels	1 917	-
EBITDA *	36 838	54 989
Depreciation and impairment	(48 266)	(44 855)
EBIT *	(11 428)	10 134
Financial income	2 419	1 767
Financial (charges)	(28 379)	(24 134)
Profit share of equity accounted investee	85	230
Profit/ (loss) before tax	(37 303)	(12 003)
Tax	(780)	(835)
Net profit / (loss)	(38 083)	(12 838)
Basic earnings per share in US\$(1)	(0.075)	(0.031)

*see Alternative Performance Measures on page 21

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>US\$ Thousand</i>	2017	2016
Profit / (loss) for the period	(38 083)	(12 838)
<i>Items that can subsequently be reclassified into Profit or Loss</i>		
Movement of valuation of Cash flow hedges	2 456	1 689
Movement in conversion reserve	253	(247)
Total comprehensive result for the period	(35 374)	(11 396)
<i>The net result is entirely attributable to the equity holders of the Group</i>		
Basic comprehensive income / (loss) per share in US\$(1)	(0.070)	(0.027)

- (1) Basic earnings per share (e.p.s.) in 2017 was calculated on an average number of 508,653,542 outstanding shares, while in 2016 e.p.s. was calculated on an average number of 420,295,298 outstanding shares. There was no dilution effect in 2017 earnings per share, while diluted e.p.s. in 2016 was US\$(0.030).



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>US\$ Thousand</i>	As at 31 December 2017	As at 31 December 2016
ASSETS		
Property, plant and equipment	792 851	810 728
Investment in jointly controlled entities	3 269	3 261
Other Non-current financial assets	27 632	23 066
Total non-current assets	823 752	837 055
Assets held for sale	77 750	66 352
Inventories	15 495	12 857
Receivables and other current assets	66 200	41 213
Other current financial assets	344	95
Cash and cash equivalents	29 694	31 632
Total current assets	189 483	152 149
Total assets	1 013 235	989 204
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	65 322	42 851
Retained earnings	26 389	64 472
Other reserves	302 721	256 043
Total shareholders' equity	394 432	363 366
Banks and other lenders	357 544	427 304
Liabilities from financial leases	63 144	-
Other non-current financial liabilities	5 469	8 420
Total non-current liabilities	426 157	435 724
Banks and other lenders	128 488	124 975
Liabilities from financial leases	3 267	-
Amount due to parent company	-	10 001
Payables and other current liabilities	50 811	43 059
Other current financial liabilities	10 043	11 885
Current tax payable	37	194
Total current liabilities	192 646	190 114
Total shareholders' equity and liabilities	1 013 235	989 204



CONSOLIDATED STATEMENT OF CASH FLOWS

<i>US\$ Thousand</i>	2017	2016
Profit / (loss) for the period	(38 083)	(12 838)
Depreciation, amortisation and impairment	48 266	44 855
Current and deferred income tax	780	835
Financial charges (income)	25 260	22 619
Fair value gains on foreign currency retranslation	700	(254)
Profit on disposal of fixed assets	(1 917)	-
Profit share of equity-accounted investment	(85)	(230)
Cash flow from operating activities before changes in working capital	34 921	54 987
Movement in inventories	(2 639)	(2 581)
Movement in amounts receivable	(25 220)	14 549
Movement in amounts payable	5 650	9 928
Taxes paid	(675)	(1 428)
Net interest (paid)	(23 620)	(17 872)
Movement in other financial liabilities	-	(2 065)
Movement in share option reserve	275	149
Net cash flow from operating activities	(11 308)	55 667
Acquisition of fixed assets	(148 102)	(151 198)
Proceeds from disposal of fixed assets	105 001	-
Disposal of equity-accounted investee ETL	132	1 238
Dividend from equity-accounted investee ETL	116	330
Movement in financing to equity accounted investee	-	433
Net cash flow from investing activities	(42 853)	(149 197)
Share capital increase	66 164	2 921
Other changes in shareholders' equity	252	(247)
Treasury shares	-	(609)
Dividends paid	-	(12 412)
Parent company financing	(10 001)	10 000
Movement in other financial payable	(2 000)	(1 000)
Bank loan repayments	(127 258)	(195 852)
Bank loan draw-downs	58 098	270 606
Inception of a financial lease	68 000	-
Repayments of financial lease	(1 589)	-
Net cash flow from financing activities	51 666	73 407
Net increase / (decrease) in cash and cash equivalents	(2 495)	(20 123)
Cash and cash equivalents net of bank overdrafts at the beginning of the year	20 164	40 287
Cash and cash equivalents net of bank overdrafts at the end of the year	17 669	20 164
Cash and cash equivalents	29 694	31 632
Bank overdrafts	(12 025)	(11 468)



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*

ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

Time charter equivalent earnings

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

EBITDA and EBITDA Margin

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

EBIT and EBIT Margin

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

Gross CAPEX

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

Net Indebtedness

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

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

Available vessel days

Total theoretical number of days a vessel is available for sailing during a period. It provides an indication of the Group's fleet earnings potential during a period, which takes into account the date of delivery to



and redelivery from the Group of the vessels in its fleet (please refer also to the Key figures, other operating measures).

Coverage

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

Daily spot rate or daily TC rate

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

Off-hire

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

Time charter equivalent earnings per day

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

Vessels equivalent

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

OTHER DEFINITIONS

Bareboat charter

Is a contract type under which the ship owner is usually paid monthly in advance charter hire at an agreed daily rate for a specified period of time, during which the charterer is responsible for the technical management of the vessel, including crewing, and therefore also for its operating expenses (please refer to note 7). A bareboat charter is also known as a "demise charter" or a "time charter by demise".

Charter

Is a contract for the hire of a vessel for a specified period of time or to carry cargo from a loading port to a discharging port. The contract for a charter is commonly called a charter party and there are three main types of such contracts, a bareboat charter party, a voyage charter party and time charter party (refer to definitions in this section).

Contract of affreightment (COA)



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

Disponent Owner

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

Fixed-rate contracts

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

Spot charter or Voyage charter

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

Time charter

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