d'AMICO INTERNATIONAL SHIPPING S.A.
INTERIM MANAGEMENT STATEMENTS – FIRST QUARTER 2018

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d'Amico International Shipping S.A.
Registered office at 25C Boulevard Royal, Luxembourg
RCS B124790
Share capital US$ 65,321,531.80 as at 31 March 2018

CONTENTS

BOARD OF DIRECTORS AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman
Paolo d'Amico

Chief Executive Officer
Marco Fiori

Directors
Cesare d'Amico
Massimo Castrogiovanni
Stas Andrzej Jozwiak
John Joseph Danilovich
Heinz Peter Barandun
Carlos Balestra di Mottola, *Chief Financial Officer*

INDEPENDENT AUDITORS

Moore-Stephens Audit S.A.

KEY FIGURES

FINANCIALS

US$ Thousand	**Q1 2018**	**Q1 2017**
Time charter equivalent (TCE) earnings	66 320	66 566
EBITDA	10 086	16 508
as % of margin on TCE	*15.21%*	*24.80%*
EBIT	833	7 285
as % of margin on TCE	*1.26%*	*10.94%*
Net profit/(loss)	(3 598)	1 832
as % of margin on TCE	*(5.42)%*	*2.75%*
Basic earnings/ (loss) per share	US$ (0.006)	US$ 0.004
Operating cash flow	495	(1 396)
Gross CAPEX	(61 123)	(27 183)
	As at 31 March 2018	**As at 31 December 2017**
Total assets	1 029 501	1 013 235
Net financial indebtedness	526 241	510 285
Shareholders' equity	393 492	394 432

OTHER OPERATING MEASURES

US$ Thousand	**Q1 2018**	**Q1 2017**
Daily operating measures - TCE earnings per employment day (US$)[1]	13 446	14 412
Fleet development - Total vessel equivalent	55.1	53.3
- Owned	30.1	31.0
- Chartered	25.0	22.3
Off-hire days/ available vessel days[2] (%)	0.6%	3.7%
Fixed rate contract/ available vessel days[3] (coverage %)	31.7%	41.2%

[1] This figure represents time charter ("TC") equivalent earnings for vessels employed on the spot market and time charter contracts net of commissions. Calculations exclude vessels chartered through the pools. Please refer to the Alternative Performance Measures included further on in this report

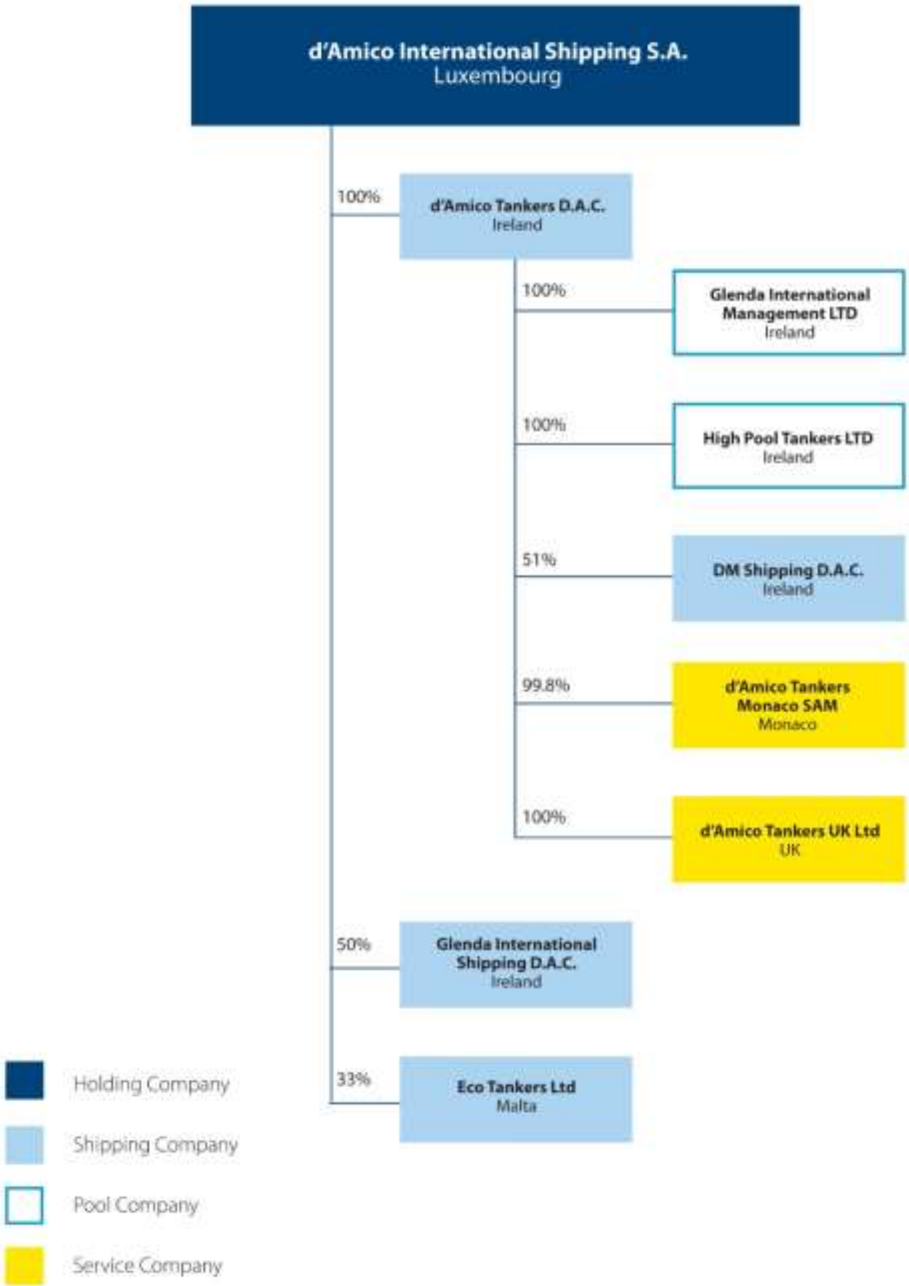
[2] This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

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

CONSOLIDATED MANAGEMENT REPORT

GROUP STRUCTURE

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



d'Amico International Shipping Group

d'Amico International Shipping S.A. (DIS, the Group or d'Amico International Shipping) is an international marine transportation company, part of the d'Amico Group, which traces its origins to 1936. d'Amico International Shipping operates, mainly through its fully owned subsidiary d'Amico Tankers d.a.c. (Ireland), controlling a fleet with an average age of approximately 7.4 years, compared to an average in the product tankers industry of 10.5 years (source: Clarkson). All DIS' vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to major oil companies and trading houses. All the vessels are compliant with IMO (International Maritime Organization) regulations, including MARPOL (the International Convention for the Prevention of Pollution from Ships), with the requirements of oil-majors and energy-related companies and other relevant international standards. Based on MARPOL/IMO rules, cargoes such as palm oil, vegetable oil and other chemicals can only be transported by vessels that meet certain requirements (IMO Classed). As at March 31, 2018, 68% of DIS' fleet was IMO Classed, allowing the Group to transport a large range of products.

d'Amico International Shipping's revenue is mainly generated from the employment, either directly or through its partnerships, of the vessels of its fleet under spot contracts and time charters, for the marine transportation of refined petroleum products. Vessels operating under fixed rate contracts, including time charters, usually provide more steady and predictable cash flows than vessels operating in the spot market. Spot contracts offer the opportunity to maximise DIS' revenue during periods of increasing market rates, although they may result in lower profit margins than time charters during periods of decreasing rates. This mix varies according to prevailing and forecasted market conditions. Income can also arise from the sale of the vessels in the Fleet.

DIS believes that it benefits from a strong brand name and an established reputation in the international market due to its long operating history and that such a reputation is important in maintaining and strengthening its long-term relationships with its partners and existing customers and developing relationships with new customers. Its partners and customers appreciate the transparency and accountability which have characterised the Group and the way in which its business has been operated from its early days. Accountability, transparency and a focus on quality are pillars of its operations and key to the DIS' success.

The quality of its fleet is preserved through scheduled maintenance programmes, by aiming for exacting standards on owned vessels and, and by chartering-in vessels from owners who meet high quality standards.

DIS' Global Footprint
DIS has a presence in Luxembourg, Dublin (Ireland), London (U.K.), Monte Carlo (Monaco), Singapore and Stamford, CT (USA). These offices are located in the key maritime centres around the world. DIS' believes that its international presence allows it to meet the needs of its international clients in different geographical areas, while the offices also strengthen the recognition of the Group's brand name worldwide. In addition, through the different opening hours of offices located in several time zones, DIS is able to continuously monitor its operations and to assist its customers.

Fleet

DIS controlled as at 31 March 2018, either through ownership or charter arrangements, a modern fleet of 55.5 product tanker (March 31, 2017: 53.8). The product tanker vessels of DIS range from approximately 36,000 to 75,000 dwt.

Since 2012 DIS ordered 22 new buildings, of which 5 were still under construction at the end of 2017. All these newbuildings are all fuel efficient and in compliance with recent environmental legislation. They can therefore cater to the high standards required by the Group's oil customers, in addition to being highly cost effective.

Operating a large fleet enhances the generation of earnings and operating efficiencies. A large fleet strengthens the Group's ability to advantageously position vessels and improves the fleet's availability and scheduling flexibility; this strength provides a competitive advantage in securing spot voyages. In particular, the scale of its operations provides it with the flexibility necessary to enable it to capitalise on favourable spot market conditions in order to maximise earnings and negotiate favourable contracts with suppliers.

The following tables sets forth information about the DIS fleet on the water as at March 31, 2018.

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
LR1 fleet				
Owned				
Cielo di Rotterdam	75,000	2018	Hyundai Mipo, South Korea	IMO II/III
Cielo Bianco	75,000	2017	Hyundai Mipo, South Korea	IMO II/III
MR fleet				
Owned				
High Challenge	50,000	2017	Hyundai Mipo, South Korea	IMO II/III
High Wind	50,000	2016	Hyundai Mipo, South Korea	IMO II/III
High Trust	49,990	2016	Hyundai Mipo, South Korea	IMO II/III
High Trader	49,990	2015	Hyundai Mipo, South Korea	IMO II/III
High Loyalty	49,990	2015	Hyundai Mipo, South Korea	IMO II/III
High Voyager	45,999	2014	Hyundai Mipo, South Korea	IMO II/III
High Tide	51,768	2012	Hyundai Mipo, South Korea	IMO II/III
High Seas	51,678	2012	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melissa[4]	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meryl[5]	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melody[4]	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melanie[5]	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meredith[5]	46,147	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Megan[4]	47,147	2009	Hyundai Mipo, South Korea	IMO II/III
High Venture	51,087	2006	STX, South Korea	IMO II/III
High Performance	51,303	2005	STX, South Korea	IMO II/III
High Progress	51,303	2005	STX, South Korea	IMO II/III
High Valor	46,975	2005	STX, South Korea	IMO II/III
High Courage	46,975	2005	STX, South Korea	IMO II/III
Bareboat with purchase options and purchase obligation				
High Freedom	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Discovery	50,036	2014	Hyundai Mipo, South Korea	IMO II/III
High Fidelity	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Priority[6]	46,847	2005	Nakai Zosen, Japan	-
TC-in long-term with purchase option				
High Adventurer	50,000	2017	Onomichi, Japan	IMO II/III
Crimson Pearl	50,000	2017	Minaminippon Shipbuilding,	IMO II/III
Crimson Jade	50,000	2017	Minaminippon Shipbuilding,	IMO II/III
TC-in long-term without purchase option				
Carina	47,962	2010	Iwagi Zosen, Japan	-
High Efficiency[7]	46,547	2009	Nakai Zosen, Japan	-
High Strength[7]	46,800	2009	Nakai Zosen, Japan	-
High Prosperity	48,711	2006	Imabari, Japan	-

[4] Vessels owned by GLENDA International Shipping d.a.c. (in which DIS has 50% interest) and time chartered to d'Amico Tankers d.a.c.
[5] Vessels owned by GLENDA International Shipping d.a.c. (in which DIS has 50% interest)
[6] Vessel sold by d'Amico Tankers d.a.c in Oct'17 and taken back in bare-boat charter contract for 5 years
[7] Vessel owned by the joint-venture DM Shipping d.a.c. (in which DIS has 51% interest) and time chartered to d'Amico Tankers d.a.c.

High SD Yihe[8]	48,700	2005	Imabari, Japan	-
SW Southport I	46,992	2004	STX, South Korea	IMO II/III
SW Tropez	46,992	2004	STX, South Korea	IMO II/III
TC-in short-term				
High Sun[9]	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Force	53,603	2009	Shin Kurushima, Japan	-
Silver Express	44,935	2009	Onomichi, Japan	-
High Pearl	48,023	2009	Imabari, Japan	-
High Current	46,590	2009	Nakai Zosen, Japan	-
High Enterprise	45,800	2009	Shin Kurushima, Japan	-
High Beam	46,646	2009	Nakai Zosen, Japan	-
Freja Baltic	47,548	2008	Onimichi Dockyard, Japan	-
Freja Hafnia	53,700	2006	Shin Kurushima, Japan	-
High Glow	46,846	2006	Nakai Zosen, Japan	-
Citrus Express	53,688	2006	Shin Kurushima, Japan	-
High Power	46,874	2004	Nakai Zosen, Japan	-
Handy-size fleet				
Owned				
Cielo di Salerno	39,043	2016	Hyundai Mipo, South Korea	IMO II/III
Cielo di Hanoi	39,043	2016	Hyundai Mipo, South Korea	IMO II/III
Cielo di Capri	39,043	2016	Hyundai Mipo, South Korea	IMO II/III
Cielo di Ulsan	39,060	2015	Hyundai Mipo, South Korea	IMO II/III
Cielo di New York	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Gaeta	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Guangzhou	38,877	2006	Guangzhou, China	IMO II
Cielo di Milano	40,081	2003	Shina Shipbuilding Co., South	IMO II
TC-in long-term without purchase option				
SW Cap Ferrat I	36,032	2002	STX, South Korea	IMO II/III
TC-in short-term				
Port Stewart	38,877	2003	Guangzhou, China	-

Fleet Employment and Partnership

As at March 31 2018, d'Amico International Shipping directly employed 55.5 Vessels: 2 LR1 ('Long Range 1'), 11.5 MRs ('Medium Range') and 4 Handy-size on term contracts at a fixed rate, whilst 32 MRs and 6 Handy-size vessels are currently employed on the spot market. In addition, the Group employs a portion of its controlled vessels through some joint ventures.

GLENDA International Shipping d.a.c., a 50/50 jointly controlled entity with the Glencore Group. The JV company owns 6 MR vessels built between August 2009 and February 2011. Glenda International Shipping has currently three vessels time-chartered to d'Amico Tankers and three vessels to the Glencore Group.

DM Shipping d.a.c., a 51/49 jointly controlled entity with the Mitsubishi Group. The JV company owns 2 MR vessels, built respectively in July and October 2009.

[8] Former High Presence sold by d'Amico Tankers d.a.c in Feb'18 and taken back in Time charter contract for 6 years

[9] Vessel owned by Eco Tankers Limited (in which DIS has 33% interest)

Eco Tankers Limited, a joint venture with Venice Shipping Logistics S.p.A., in which d'Amico International Shipping SA has a 33% shareholding. The JV company owns an eco-design MR product tanker of 50,000 dwt built at Hyundai-Vinashin Shipyard Co., Ltd and delivered in May 2014. The vessel is currently time-chartered to d'Amico Tankers d.a.c. The d'Amico Group is responsible for the commercial, technical and administrative management of the vessel.

d'Amico International Shipping is part of the d'Amico Group (d'Amico), one of the world's leading privately-owned marine transportation companies with over 70 years of experience in the shipping business, whose ultimate parent company is d'Amico Società di Navigazione S.p.A. (Italy). At the closing of the period, the entire d'Amico Group controls a wide fleet of owned and chartered-in vessels, of which 55.5 are part of the DIS fleet, operating in the product tanker market. d'Amico International Shipping benefits from a strong brand name and a well-established reputation in the international markets due to the long operating history of the d'Amico Group. In addition, it benefits from the expertise of the d'Amico Group, which provides support for technical management services, as well as safety, quality and technical products and services to DIS' vessels, including crewing and insurance arrangements.

d'Amico International Shipping operates from Luxembourg, Ireland, UK, Monaco, Singapore and the USA. As at March 31 2018, the Group employed 726 seagoing personnel and 37 onshore personnel.

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 its 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 (please refer to the Management financial review).

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.

SUMMARY OF THE RESULTS IN THE FIRST QUARTER OF 2018

Product tanker rates were weak in Q1 2018, although significantly stronger than in the last three quarter of 2017.

Fleet growth slowed markedly and was almost flat in the first quarter of 2018. In detail, by the end of March 2018 15 MRs and 6 LR1s had been delivered, while in the same period 14 MRs and 2 LR1s were sold for demolition.

Despite planned refinery maintenance, US refiners continued to operate at seasonal record levels, exporting an average of 5 million b/d over the first quarter of this year, to supply mainly Mexico and the rest of Latin America. The severe weather in the Atlantic basin in January and February and increased demand into West Africa, also contributed to vessel utilisation, but failed to boost significantly the market. The Asian markets were relatively firm for the first part of the quarter, but weakened in March. Total Saudi Arabian refined petroleum exports saw their biggest monthly increase to date in January (up 406,000 b/d month-on-month), surging to an all-time high of 1.91 million b/d, according to the Joint Organisations Data Initiative. In January, Saudi exports of diesel and gasoline reached record highs, while naphtha and kerosene shipments also stood above last year's average.

Global refinery throughput reached record levels in Q4 2017, before slowing by 400,000 b/d in Q1 2018. This is mainly due to recent maintenance cycle in the US, followed by the Middle East and Asia. Throughput should, however, improve come April and May when seasonal demand increases and stocks have to be replenished.

The one-year time-charter rate is always the best indicator of spot market expectations. As markets failed to show a marked improvement in Q1, this rate remained flat at $13,500 per day for conventional MRs, with the equivalent size eco-vessels securing a premium of around US$1,250-US$1,500 per day.

In **Q1 2018**, **DIS generated a Net Loss of US$ (3.6) million** vs. a Net Profit of US$ 1.8 million posted in the same quarter of last year. Q1 2017 benefitted from US$ 2.7 million 'profit on disposal' following the sale of two vessels and from lower 'Time charter hire costs'.

In terms of spot performance, **DIS achieved a daily spot rate of US$ 12,726 in Q1 2018**, which is only slightly below the level of Q1 2017 (US$ 13,363/day or 4.8% lower) but substantially higher compared to the last three quarters of 2017 (average of US$ 11,677/day).

At the same time, 31.7% of DIS' total employment days in Q1 2018 were covered through 'time-charter' contracts at an average daily rate of US$ 15,001 (Q1 2017: 41.2% coverage at an average daily rate of US$ 15,908). 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$ 13,446 in Q1 2018 compared with US$ 14,412 achieved in the previous year.

In the first three months of the year, DIS **'capital expenditures'' amounted to US$ 61.1 million**. This figure is mainly in relation to DIS' newbuilding plan and includes the acquisition of one leased assets for a total of US$ 28 million in the period, following a sale and lease back contract signed at the end of 2017, which generated a positive net cash effect amounting to US$ 13.7 million in the period. Since 2012, DIS has ordered a total of **22 'Eco design' product tankers**[10] (10 MR, 6 Handy-size and 6 LR1 vessels), of which 18[1] vessels have been already delivered as at the end of Q1 2018. This corresponds to an overall **investment plan** of approximately **US$ 755.0 million** and is in line with the Group's strategy 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.

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

Operating Performance

US$ Thousand	Q1 2018	Q1 2017
Revenue	103 509	91 938
Voyage costs	(37 189)	(25 372)
Time charter equivalent earnings	**66 320**	**66 566**
Time charter hire costs	(31 963)	(28 928)
Other direct operating costs	(20 549)	(19 905)
General and administrative costs	(3 960)	(3 902)
Result on disposal of vessels	238	2 677
Gross operating result / EBITDA	**10 086**	**16 508**
Depreciation	(9 253)	(9 223)
Operating result / EBIT	**833**	**7 285**
Net financial income	3 099	1 513
Net financial charges	(7 331)	(6 870)
Share of profit of associate	2	81
Profit / (loss) before tax	**(3 397)**	**2 009**
Income taxes	(201)	(177)
Net profit / (loss)	**(3 598)**	**1 832**

Revenue was US$ 103.5 million in Q1 2018 compared with US$ 91.9 million in Q1 2017. The increase in gross revenues compared with the previous year results mainly from the higher spot exposure in 2018 and the higher number of vessels operated on average by DIS in the first quarter of the year (Q1 2018: 55.1 vs. Q1 2017: 53.5). In addition, the percentage of off-hire days in Q1 2018 (0.6%) was significantly lower than the same period of the previous year (3.7%), mainly due to commercial off-hires and the timing of dry-docks.

Voyage costs reflect the mix of spot and time-charter employment contracts. These costs, which occur only for vessels employed on the spot market, amounted to US$ 37.2 million in Q1 2018 compared with US$ 25.4 million recorded in the same quarter of last year.

Time charter equivalent earnings were US$ 66.3 million in Q1 2018, substantially in line with the same quarter of last year: US$ 66.6 million). In detail, DIS realized a **Daily Average Spot Rate of US$ US$ 12,726 in Q1 2018** compared with **US$ 13,363** achieved in the same quarter of 2017. DIS' spot result of Q1 2018 represents an improvement of approximately US$ 1,000/day relative to the average of the previous three quarters.

Following its strategy, in Q1 2018 DIS maintained a **good level of 'coverage'** (fixed contracts), securing an average of **31.7%** (Q1 2017: 41.2%) of its available vessel days at a **Daily Average Fixed Rate of US$ 15,001** (Q1 2017: US$ 15,908). 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$ 13,446 in Q1 2018 vs. US$ 14,412 in Q1 2017.**

DIS TCE daily rates (US dollars)	2017					2018
	Q1	*Q2*	*Q3*	*Q4*	*FY*	***Q1***
Spot	**13,363**	11,763	11,960	11,299	12,026	**12,726**
Fixed	**15,908**	15,078	15,681	15,003	15,433	**15,001**
Average	**14,412**	12,851	12,977	12,459	13,150	**13,446**

Time charter hire costs arise from the chartered-in vessels and amounted to US$ 32.0 million in Q1 2018 vs. US$ 28.9 million in Q1 2017. In Q1 2018, DIS operated a higher number of chartered-in vessels (Q1 2018: 25.0 vs. Q1 2017: 22.3) but at a lower daily average cost relative to same quarter of last year.

Other direct operating costs mainly consist of crew, technical and luboil relating to the operation of owned vessels together with insurance expenses for both owned and chartered-in vessels. These costs were US$ 20.5 million in Q1 2018 compared to US$ 19.9 million in Q1 2017. DIS constantly monitors its operating costs, while focusing on crew with appropriate skills, high SQE (Safety, Quality & Environment) standards and full compliance with very stringent market regulations. Maintaining a 'high quality' fleet represents an essential part of d'Amico's vision and strategy.

General and administrative costs were US$ 4.0 million in 2017, substantially in line with US$ 3.9 million posted in the same period of last year. These costs relate mainly to onshore personnel, together with office costs, consultancies, travel expenses and others.

Result on disposal of vessel. In Q1 2018, DIS sold M/T High Presence (a 2005-built MR vessel) and sold and leased back M/T High Freedom (a 2014-built MR vessels). These transactions generated a total net gain on disposal of US$ 0.2 million. In Q1 2017, DIS sold the M/T High Endurance and the M/T High Endeavour (two 2004-built MR vessels), generating a total net gain on disposal of US$ 2.7 million.

EBITDA was **US$ 10.1 million in Q1 2018** compared with US$ 16.5 million achieved in Q1 2017. The reduction relative to last year, is mainly due to the slightly lower time-charter equivalent daily earnings and lower 'Result on disposal' achieved in Q1 2018. **DIS' EBITDA Margin was 15.1% in Q1 2018** compared with 24.8% in Q1 2017.

Depreciation and Impairment amounted to US$ 9.3 million in Q1 2018 vs. US$ 9.2 million in Q1 2017.

EBIT for the first three months of 2017 was positive for US$ 0.8 million compared with US$ 7.3 million for the same period of last year.

Net financial income was of US$3.1 million in Q1 2018 vs. US$ 1.5 million in Q1 2017. The 2018 amount comprises US$ 0.1 million realized bank interest income (funds held with financial institutions on deposit and current accounts) and interest on the financing provided to the DM Shipping joint venture, US$ 1.2 million positive exchange difference (primarily on the USD/JPY rate) and US$ 1.8 million unrealized gain in relation to the ineffective part of DIS' interest rate swap agreements. The variance relative to the same period of last year is due to the higher positive exchange difference on the USD/JPY rate achieved in 2018 and to the higher unrealized gain on the interest rate swap agreements.

Net financial charges were US$ 7.3 million in Q1 2018 vs. US$ 6.9 million in Q1 2017. The amount comprises the interest expenses due on DIS' bank loan facilities and financial leases, actual expenses on interest rate swaps and amortization of financial fees.

DIS recorded a ***Loss before tax*** of US$ (3.4) million in Q1 2018 vs. US$ 2.0 million profit in Q1 2017.

Income taxes amounted to US$ 0.2 million in Q1 2018, in line with the same quarter of last year.

The ***Net Result*** for **Q1 2018** was **US$ (3.6) million** compared with a Net Profit of US$ 1.8 million posted in Q1 2017.

Consolidated Statement of Financial Position

(US$ Thousand)	As at 31 March 2018	As at 31 December 2017
ASSETS		
Non current assets	850 222	823 752
Current assets	179 279	189 483
Total assets	**1 029 501**	**1 013 235**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	393 574	394 432
Non-current liabilities	452 961	426 157
Current liabilities	182 966	192 646
Total liabilities and shareholders' equity	**1 029 501**	**1 013 235**

Non-current assets mainly relates to DIS' owned vessels net book value and it includes also the portion relating to its new-buildings under construction. The balance at the end of Q1 2018 is higher than the previous year, mainly due to the yard instalments paid on DIS' new-building program during the quarter (including the last instalments due in connection with the delivery of one new-building vessel in Q1 2018). According to the valuation report provided by a primary broker, the estimated market value of DIS' owned fleet as at March 31, 2018 was of US$ 775.9 million.

Gross Capital expenditures (Capex) were US$ 61.1 million in Q1 2018 vs. US$ 27.2 million in Q1 2017. This amount for 2018, comprises mainly the instalments paid on the newbuilding vessels under construction at Hyundai-Mipo, and the US$ 28 million acquisition of M/T High Freedom, as the result of a sale and lease-back transaction.

Current assets as at March 31, 2018 amounted to US$ 179.3 million. As at the same date, in addition to the working capital items (inventories and trade receivables amounting to US$ 15.8 million and US$ 66.8 million respectively), current assets include 'cash and cash equivalent' of US$ 32.0 million, and assets held for sale of US$ 64.0 million, comprising the book value of 3 Handy vessels (M/T Cielo di Milano, M/T Cielo di Hanoi and M/T Cielo di Salerno).

Non-current liabilities were US$ 453 million as at March 31 2018 and mainly consist of the long-term portion of debt due to banks (disclosed under the Net Indebtedness section of the report) together with US$ 88.8 million in liabilities for financial leases.

The balance of ***Current liabilities***, other than the debt due to banks and other lenders (disclosed under the Net Indebtedness section of the report), includes working capital items amounting to US$ 47.6 million (essentially relating to trade and other payables), US$ 4.5 million in liabilities from financial leases and US$ 11.1 million in other current financial liabilities. The total balance of Current liabilities includes also US$ 48.7 million of outstanding debt on the three vessels classified as 'assets held for sale'.

The **Shareholders' equity** balance as at March 31 2018 was of US$ 393.6 million (US$ 394.4 million as at December 31 2017). The variance relative to the previous year is primarily due to Net Result generated in the current year and to the valuation of cash-flow hedges.

Net Indebtedness

DIS' Net debt as at March 31, 2018 amounted to **US$ 526.2 million** compared to US$ 510.2 million at the end of 2017. The net debt/fleet market value ratio was of 67.8% as at March 31, 2018 vs. 66.6% as at December 31, 2017.

US$ Thousand	**As at 31 March 2018**	**As at 31 December 2017**
Liquidity - *Cash and cash equivalents*	32 032	29 694
Current financial assets	682	344
Total current financial assets	**32 714**	**30 038**
Bank loans and other lenders– current	119 784	128 488
Shareholders' loan	-	-
Liabilities from financial lease	4 513	3 267
Other current financial liabilities – 3rd p.ties	11 060	10 043
Total current financial debt	**135 357**	**141 798**
Net current financial debt	**102 643**	**111 760**
Other non-current financial assets – third parties	6 429	5 947
Other non-current financial assets – related party DMS	22 934	21 685
Total non-current financial assets	**29 363**	**27 632**
Bank loans non-current	360 427	357 544
Liabilities from financial lease	88 846	63 144
Other non-current financial liabilities – 3rd p.ties	3 688	5 469
Total non-current financial debt	**452 961**	**426 157**
Net non-current financial debt	**423 598**	**398 525**
Net financial indebtedness	**526 241**	**510 285**

The balance of *Total Current Financial Assets* (*Cash and cash equivalents* together with some short-term financial receivables) was of US$ 32.7 million as at the end of Q1 2018.

Total Non-Current Financial Assets includes mainly DIS' (through d'Amico Tankers d.a.c.) shareholder loan to DM Shipping d.a.c., a 51/49 joint venture company with the Mitsubishi Group. The Company owns 2 MR vessels, built and delivered respectively in July and October 2009.

The total outstanding bank debt (*Bank loans*) as at March 31, 2018 amounted to US$ 480.2 million, of which US$ 119.8 million is due within one year (including also US$ 49.4 million outstanding debt on the 3 vessels classified as 'assets held for sale'). Other than some short term credit lines, DIS' debt as at March 31 2018 comprises mainly the following long-term facilities granted to d'Amico Tankers d.a.c. (Ireland), the key operating company of the Group: (i) US$ 250 million Term Loan facility granted by 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, Credit Industriel et Commercial, DnB), to refinance 8 existing vessels and provide financing for 6 new-building vessels, with an outstanding debt of US$ 122.2 million; (ii) Intesa medium-term facility with an outstanding debt of US$ 30.0 million; (iii) Crédit Agricole-CIB and DnB NOR Bank 7 years term loan facility to finance 2 MR vessels built and delivered in 2012, for a total outstanding debt of US$ 27.8 million; (iv) Danish Ship Finance 6 years term loan facility for an MR vessel built and delivered in January 2016, for an outstanding debt of US$ 17.3 million; (v) Danish Ship Finance 7 years term loan facility to finance 2 MR vessels built in 2014 and 2015, for a total outstanding debt of US$ 15.6 million; (vi) DnB NOR Bank 5 years term loan facility to finance 1 MR vessel built in 2014, for a total outstanding debt of US$ 17.3 million; (vii) ABN Amro 6 years term loan facility to finance 1 Handysize vessel built in 2014 for a total outstanding debt of US$ 16.4 million; (viii) Banca IMI (Intesa Group) 7 years term loan facility to finance 2 Handy-size vessels built respectively in 2015 and 2016 for a total outstanding debt of US$ 39.8 million; (ix) Skandinaviska Enskilda Banken (SEB) 6 years term loan facility to finance 1 MR vessel built in

2015 for a total outstanding debt of US$ 19.1 million; (x) Crédit Agricole CIB 4 years term loan facility to finance 1 Handy-size vessel built in 2006 and purchased in 2015 for a total outstanding debt of US$ 7.5 million; (xi) Monte dei Paschi di Siena 5 year term loan facility to finance 2 LR1 vessels (one delivered in November 2017 and the other under construction at Hyundai-Mipo and expected to be delivered in 2018), with an outstanding debt of US$ 37.4 million; (xii) Century Tokyo Leasing 6 years term loan facility to finance 2 Handy-size vessel delivered respectively in July and October 2016 and 1 MR vessel delivered in January 2017, with an outstanding debt of US$ 66.2 million; (xiii) ING 12 months facility to finance 1 Handy-size vessel built in 2003 and purchased in July 2016 for a total outstanding debt of US$ 5.9 million. In addition, DIS' debt comprises also: its portion of the bank loans of its joint venture 'Glenda International Shipping d.a.c.' with Credit Suisse and Cross Ocean AGG Company I (owned by Cross Ocean Partners), amounting to US$ 44.1 million, to finance the 6 Glenda International Shipping d.a.c. vessels, delivered between 2009 and 2011.

Liabilities for financial leases include the financial leases on M/T High Fidelity, M/T High Discovery, M/T High Priority, and M/T High Freedom which were sold and leased back during 2017 and the first quarter of 2018.

Other Non-current financial liabilities includes the negative fair value of derivatives hedging instruments (interest rate swap agreements), accrued interest and financial fees.

Cash Flow

DIS' **Net Cash Flow for Q1 2018 was positive for US$ 2.0 million** vs. negative for US$ (1.7) million in Q1 2017. During the first quarter of 2018, gross capital expenditures for US$ 61.1 million, were partially compensated by US$ 41.1 million in proceeds from asset disposal and US$ 21.4 million positive financing cash flow.

US$ Thousand	**Q1 2018**	**Q1 2017**
Cash flow from operating activities	495	(1 396)
Cash flow from investing activities	(19 906)	(22)
Cash flow from financing activities	21 386	(273)
Change in cash balance	**1 975**	**(1 691)**
Cash and cash equivalents net of bank overdrafts at the beginning of the period	17 669	20 164
Cash and cash equivalents at the end of the period	32 032	29 822
Bank overdrafts at the end of the period	(12 388)	(11 349)
Cash and cash equivalents net of bank overdrafts at the end of the period	**19 644**	**18 473**

Cash flow from operating activities was positive for US$ 0.5 million in Q1 2018 compared to US$ (1.4) million in Q1 2017. The better result achieved in Q1 2018 was attributable mainly to a reduction in working capital.

The net ***Cash flow from investing activities*** was negative for US$ (19.9) million in Q1 2018 (close to zero in Q1 2017). The 2018 amount comprises US$ 61.1 million in capital expenditures in connection with the installments paid on the new-building vessels under construction at Hyundai-Mipo, as well as dry-dock expenses and the US$ 28.0 million acquisition of a right of use for a leased asset (M/T High Freedom). The net investing cash flow includes US$ 41.1 million 'proceeds from the disposal of fixed assets' in relation to the sale of M/T High Presence and the sale of M/T High Freedom in Q1 2018.

Cash flow from financing activities was positive for US$ 21.4 million in Q1 2018. This figure comprises mainly: (i) US$ (31.8) million in bank debt repayments; (ii) US$ 24.8 million in bank loan drawdowns; (iii) US$ 26.9 million inception and amortization of financial leases; (iv) US$ 1.4 million movement in financial payables.

SIGNIFICANT EVENTS OF THE FIRST QUARTER

In Q1 2018, the main events for the d'Amico International Shipping Group were the following:

d'Amico Tankers d.a.c.:

- **'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 a 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, 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.

  In February 2018, d'Amico Tankers d.a.c. fixed one of its 'eco' MR vessels with an oil major for a 1 year time charter contract at a profitable rate.

  In March 2018, d'Amico Tankers d.a.c. extended a 6 month time charter contract with a leading trading house on one of its LR1 vessels for a 9 months period with a charterer's option for an additional 6 months at a higher rate.

  In March 2018, d'Amico Tankers d.a.c. extended its time charter contract with an oil major on three MR vessels. The first of these contracts was extended for 28 months at a profitable rate, with an option for further 8 months; the second contract was extended for 12 months at a profitable rate, with an option for further 12 months; the third contract was extended for 32 months at a profitable rate, with an option for further 6 months.

- **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. in Vietnam, was delivered to the Group.

  In January 2018, d'Amico Tankers agreed with Hyundai Mipo Dockyard Co. Ltd. (South Korea) to take 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.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

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

	As at 31 March 2018				As at 3 May 2018			
	LR1	**MR**	**Handysize**	**Total**	**LR1**	**MR**	**Handysize**	**Total**
Owned	2.0	16.0	8.0	26.0	2.0	16.0	8.0	26.0
Bareboat chartered*	0.0	4.0	0.0	4.0	0.0	4.0	0.0	4.0
Long-term time chartered	0.0	11.5	1.0	12.5	0.0	11.5	1.0	12.5
Short-term time chartered	0.0	12.0	1.0	13.0	0.0	12.0	0.0	12.0
Total	2.0	43.5	10.0	55.5	2.0	43.5	9.0	54.5

* with purchase obligation

Business Outlook

The IMF in their Global Economic outlook recently revised upwards their global growth forecasts for 2018 and 2019 by 0.2 percentage points, to 3.9%. The IEA forecasts that rapid economic expansion will, in turn, drive a robust expansion in the demand for oil, which is expected to grow at an average annual rate of 1.2 million b/d over the next five years.

Demand for product tankers is currently expected to continue expanding at a steady pace in 2018. Clarksons estimate demand growth of 3.4% in 2018. This growth is expected to be supported by rising exports from several areas, notably the US, Middle East and Far East, especially China and India, as refinery expansions continue to come online within these regions. According to the IEA, refinery capacity expansions should amount to 1.2 million b/d in 2018, most of it in Asia and the Middle East. Asian products imports are also projected to grow strongly, both on inter and intra-regional routes. Meanwhile, South American products imports are also expected to expand further.

Fleet growth is, however, expected to decelerate driven by regulatory changes, a reduction in the availability of bank financing and equity capital, as well as increased yard construction costs and a rationalisation in shipbuilding capacity.

The combination of a slowing fleet growth and robust expansion in the demand for product tankers is expected to lead to an improvement in freight rates and asset values.

The key drivers that should affect the product tanker freight markets and d'Amico International Shipping's performance are (i) global oil supply (ii) the crude oil price and refinery margins (iii) demand for refined products and (iv) the product tankers fleet growth rate. Some of the factors that could drive a recovery in the product tanker market in the medium-term are detailed below:

Product Tanker Demand

- The IEA forecast that over the next five years economic growth will drive an annual average increase in demand of 1.2 million b/d. By 2023, oil demand will reach 104.7 million b/d, up 6.9 million b/d from 2018;
- Asia and Pacific will be by far the fastest growing region, contributing 4.2 million b/d of the total increase in demand, with growth slowing in China and accelerating in India. The Middle East is expected to increase by 1.1 million b/d during the same period while Africa and the Americas should expand by 0.7 million b/d and 0.5 million b/d respectively. European oil demand, meanwhile, is expected to return to its long term trend of decline, posting a 0.2 million b/d decrease;
- Growth in Latin American products imports is expected to continue to find support from suppressed run rates at refineries in several countries in the region as a result of a variety of operational and maintenance issues, with throughput in Latin American refineries having declined by 1.2m bpd since 2014. Ongoing underinvestment in the refinery sectors in countries such Mexico and Brazil is expected to continue to provide a boost to products imports in the short-term. Meanwhile, North American product imports are projected to fall by 3% in 2018, largely due to the continued strength and expansion of the US refinery sector;
- Over the next five years, the transport and petrochemical sectors account for the majority of the forecasted growth, at just under one-half and just over one-third of oil demand growth, respectively;
- The International Maritime Organisation (IMO) has mandated that from 2020 vessels are to use marine fuels with less than 0.5% sulphur content outside the Emissions Control Areas (ECA), down from the current standard of 3.5%. Changes in this regulation is likely to lead to a surge in demand for ultra-low sulphur distillates and gasoil. However, since these fuels are not available in sufficient quantities in many locations, they will have to be imported. This could structurally support demand for product tankers;
- According to Clarksons total seaborne volume of petroleum products traded has been growing at a 4.1% CAGR since 2000, driven by expansion in refinery capacity and throughput. In 2018, product tanker dwt demand is projected to grow by 3.4%, with products trade anticipated to expand on several trade routes, partly as a result of expected healthy growth in non-OECD oil demand. In addition to growing oil demand, expanding refinery capacity in key countries such as the US and China is also expected to support oil products trade growth, notably on ex-USG and intra-Asian routes;

- Seaborne trade thrives on the existence of mismatches – in the oil products sector these can be in any given country driven by differences among the types of products produced and demanded, the types and quality of oil products produced by refineries, and the margins achieved by refineries due to the different prices of crude oil used, of the energy consumed and of their technological sophistication. The global refinery map is changing constantly, leading to product supply imbalances between regions. As these mismatches grow product tanker demand will increase.

Product Tanker Supply

- According to Clarksons 74 MR Product Tankers will be delivered in 2018, which coupled with expected removals equates to a modest 1.9% fleet growth. 13 LR1s are scheduled to be delivered in 2018 and with scrapping fleet growth in this segment is expected to be around 2.7%;
- By the end of March 2018 15 MRs and 6 LR1s had been delivered, while in the same period 14 MRs and 2 LR1s were sold for demolition;
- Slippage, cancellations and order changes have reduced deliveries by about 33% in 2016 and an average of 30% in the previous five years;
- On average MR tankers are scrapped around 24 years of age. According to Clarksons there are 103 ships older than twenty years of age or 5% of the existing fleet;
- Demolitions have been accelerating through 2017 and year to date, with vessels removed in the first quarter of 2018 equivalent to 53% of the vessels demolished in the whole of 2017;
- Shipyards are going through a period of uncertainty. Lack of orders and poor returns are leading to a reduction in global shipyard capacity;
- Regulatory change is expected to reduce near-term fleet growth. In particular:
    - The International Maritime Organisation's (IMO) mandate that from 2020 vessels use marine fuels with less than 0.5% sulphur content could result in older less efficient ships being removed from trading as they become uncompetitive and are forced to burn the more expensive low sulphur fuels;
    - The mandatory requirement to install water ballast tank systems at the first IOPP certificate renewal after September 2019, should drive scrapping of older tonnage, which have less time to recoup the additional investment;
- Port delays and increasing length of voyages have been a factor in trading product tankers and are effectively reducing the ready supply of tonnage.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

US$ Thousand	Q1 2018	Q1 2017
Revenue	103 509	91 938
Voyage costs	(37 189)	(25 372)
Time charter equivalent earnings	**66 320**	**66 566**
Time charter hire costs	(31 963)	(28 928)
Other direct operating costs	(20 549)	(19 905)
General and administrative costs	(3 960)	(3 902)
Result on disposal of vessels	238	2 677
EBITDA*	**10 086**	**16 508**
Depreciation	(9 253)	(9 223)
EBIT*	**833**	**7 285**
Net financial income	3 099	1 513
Net financial (charges)	(7 331)	(6 870)
Share of profit of associate	2	81
Profit / (loss) before tax	**(3 397)**	**2 009**
Income taxes	(201)	(177)
Net profit / (loss)	**(3 598)**	**1 832**
The net result is entirely attributable to the equity holders of the Company		
Basic earnings / (loss) per share ([11])	**US$ (0.006)**	**US$ 0.004**

see Alternative Performance Measures on page 10

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

US$ Thousand	Q1 2018	Q1 2017
Profit / (loss) for the period	(3 598)	1 832
Items that may be reclassified subsequently into profit or loss		
Movement of valuation of cash-flow hedges	2 616	551
Exchange differences in translating foreign operations	6	28
Total comprehensive income for the period	(988)	2 411
The net result is entirely attributable to the equity holders of the Company		
Basic earnings / (loss) per share	US$ (0.002)	US$ 0.006

[11] Basic earnings/ loss per share (e.p.s.), have been calculated on an average number of shares outstanding equal to 645,455,291 in the first quarter of 2018 and 420,750,329 in the first quarter of 2017. In Q1 2018 and in Q1 2017 diluted e.p.s. was equal to basic e.p.s..

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ Thousand	As at 31 March 2018	As at 31 December 2017
ASSETS		
Tangible assets	817 603	792 851
Investments in jointly controlled entities	3 256	3 269
Other non-current financial assets	29 363	27 632
Total non-current assets	**850 222**	**823 752**
Assets held for sale	64 000	77 750
Inventories	15 798	15 495
Receivables and other current assets	66 767	66 200
Other current financial assets	682	344
Cash and cash equivalents	32 032	29 694
Total current assets	**179 279**	**189 483**
TOTAL ASSETS	**1 029 501**	**1 013 235**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	65 322	65 322
Retained earnings	22 791	26 389
Other reserves	305 461	302 721
Total shareholders' equity	**393 574**	**394 432**
Banks and other lenders	360 427	357 544
Liabilities from financial leases	88 846	63 144
Other non-current financial liabilities	3 688	5 469
Total non-current liabilities	**452 961**	**426 157**
Banks and other lenders	119 784	128 488
Liabilities from financial leases	4 513	3 267
Other current financial liabilities	11 060	50 811
Payables and other current liabilities	47 607	10 043
Current tax payable	2	37
Total current liabilities	**182 966**	**192 646**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1 029 501**	**1 013 235**

3 May 2018

On behalf of the Board

Paolo d'Amico
Chairman

Marco Fiori
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

US$ Thousand	Q1 2018	Q1 2017
Profit / (loss) for the period	**(3 598)**	**1 832**
Depreciation and amortisation	9 253	9 223
Current and deferred income tax	201	177
Net financial charges	4 989	6 168
Unrealised foreign exchange result	(757)	(811)
Profit on disposal of fixed assets	(237)	(2 677)
Profit share of equity-accounted investment	(2)	(81)
Cash flow from operating activities before changes in working capital	**9 849**	**13 831**
Movement in inventories	(302)	(1 216)
Movement in amounts receivable	(864)	(2 777)
Movement in amounts payable	(3 770)	(5 502)
Taxes paid	64	(78)
Net interest (paid)	(5 143)	(5 690)
Movement in other financial liabilities	593	36
Movement in share option reserve	68	58
Net cash flow from operating activities	**495**	**(1 338)**
Acquisition of fixed assets	(61 123)	(27 183)
Proceeds from disposal of fixed assets	41 103	27 000
Dividend from equity accounted investee	83	132
Interest income from equity accounted investee	31	29
Net cash flow from investing activities	**(19 906)**	**(22)**
Share Capital increase	(20)	-
Other changes in shareholders’ equity	(7)	28
Net movement in other financial receivables	-	(3 200)
Net movement in other financial payables	1 440	4 137
Bank loan repayments	(31 823)	(31 103)
Bank loan draw-down	24 849	-
Inception of a financial lease	28 000	-
Repayments of financial lease	(1 053)	-
Net cash flow from financing activities	**21 386**	**(331)**
Net increase/ (decrease) in cash and cash equivalents	**1 975**	**(1 691)**
Cash and cash equivalents net of bank overdrafts at the beginning of the period	17 669	20 164
Cash and cash equivalents net of bank overdrafts at the end of the period	**19 644**	**18 473**
Cash and cash equivalents at the end of the period	32 032	29 822
Bank overdrafts at the end of the period	(12 388)	(11 349)

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

US$ Thousand	Share capital	Retained earnings	Other Reserves		Total
			Other	*Cash-Flow hedge*	
Balance as at 1 January 2018	**65 322**	**26 389**	**301 757**	**964**	**394 432**
Share option cost	-	-	68	-	68
Cost of issue	-	-	(20)	-	(20)
Total comprehensive income	-	(3 598)	(76)	2 616	(906)
Balance as at 31 March 2018	**65 322**	**(22 791)**	**301 881**	**3 580**	**393 574**

US$ Thousand	Share capital	Retained earnings	Other Reserves		Total
			Other	*Cash-Flow hedge*	
Balance as at 1 January 2017	**42 851**	**64 472**	**257 535**	**(1 492)**	**363 366**
Share option cost	-	-	58	-	58
Total comprehensive income	-	1 832	28	551	2 411
Balance as at 31 March 2017	**42 851**	**66 304**	**257 621**	**(941)**	**365 835**

NOTES

d'Amico International Shipping S.A. (the "Company", DIS) a Sociéte Anonyme, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg. The ultimate parent company of the Group is d'Amico Società di Navigazione.

The financial statements of d'Amico International Shipping Group are prepared in accordance with International Financial Reporting Standards (IFRS – International Financial Reporting Standards and IAS – International Accounting Standards) as issued by the 'IASB' (International Accounting Standards Board) and adopted by the European Union. The designation 'IFRS' also includes all 'IAS', as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC) as adopted by the European Union. The consolidated financial statements are prepared on the basis of historic cost convention, with the exception of certain financial assets and labilities, which are stated at fair value through profit or loss or Other comprehensive income for the effective portion of the hedges.

The financial statements are presented in U.S. Dollars, which is the functional currency of the Company and its principal subsidiaries.

1. ACCOUNTING POLICIES

The principal accounting policies, which have been consistently applied, are set out below.

Basis of Preparation

The financial statements present the consolidated results of the parent company, d'Amico International Shipping S.A., and its subsidiaries for the period ended March 31, 2018.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2017.

Critical Accounting Judgments and Key Estimates

The preparation of the financial statements requires Directors to make accounting estimates and in some cases assumptions in the application of accounting principles. The management's decisions are based on historical experience as well as on expectations associated with the realisation of future events, considered reasonable under the circumstances. Critical accounting estimates and judgments are exercised in all areas of the business and are reviewed on an ongoing basis.

Segment Information

d'Amico International Shipping transports refined petroleum products and vegetable oils and operates in only one business segment, Product Tankers. Furthermore, the Group only has one geographical segment, employing all of its vessels worldwide, rather than in specific geographic areas. The Company monitors, evaluates and allocates the Group's resources to one geographical and business unit, operations are run in one single currency – the US$ – and DIS regards, therefore, the product tankers business as a single segment.

Accounting principles

The accounting policies adopted are consistent with those of the previous financial year, except for those described in the following paragraphs, which have a significant impact on the Group.

Accounting principles adopted from 1st of January 2018

IFRS 15 – *Revenue from contracts with customers*, is effective for periods beginning on or after 1 January 2018. The standard has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is based around five steps in recognising revenue:

1) Identify the performance obligations in the contract;
2) Determine the transaction price;
3) Allocate the transaction price;
4) Recognise revenue when a performance obligation is satisfied;
5) The standard also provides specific principles to apply, when there is a contract modification, accounting for contract costs and accounting for refunds and warranties.

The Group has undertaken a review of its contracts and considers the main changes are likely to be the later recognition of revenue on voyage charters, with a change from a discharge to discharge basis to a load to discharge basis, and a resulting later recognition on these contracts. The effect of these changes on the retained earnings at 31 March 2018 is US$1.1m. IFRS 15 does not have a significant impact on the net assets, financial position and results of operations of DIS, although the disclosures to be presented in the financial statements result significantly impacted.

IFRS 9 – *Financial Instruments* has an effective date for accounting periods beginning on or after 1 January 2018. IFRS 9 replaces IAS 39 and deals with the recognition, measurement and derecognition of financial assets and financial liabilities, the impairment of financial assets and hedge accounting.

Financial assets are measured at amortised cost, fair value through profit and loss or fair value through other comprehensive income. A financial asset can only be measured at amortised cost when the Group has a business model to hold the asset to collect contractual cash flows and the cash flows arise on specific dates and are solely for payment of principal and interest on the principal outstanding. When the requirements for measuring the financial asset at amortised cost are met, but the business model also includes the selling of those instruments, then these financial assets are measured at fair value through other comprehensive income. All other financial assets are measured at fair value through profit or loss. The Group has considered its available-for-sale and held-to-maturity financial assets and does not believe that there is a material adjustment arising from the classification changes of IFRS 9.

Embedded derivatives within a host contract within the scope of IFRS 9 are no longer separated and the whole contract is measured at fair value through profit or loss. There are no change to the treatment of embedded derivatives in a host contract that is not a financial instrument. The Group has embedded derivatives within its contracts, although they are not financial instruments within the scope of IFRS 9 and therefore are not recognised within these financial statements.

The derecognition principles of IAS 39, 'Financial Instrument: Recognition and Measurement', have been transferred to IFRS 9, with no impact on the Group's net Assets.

The impairment model in IFRS 9 moves to one that is based on expected credit losses, rather than the IAS 39 incurred loss model. The impairment requirements apply to financial assets measured at amortised cost and fair value through other comprehensive income with expected credit losses recognised on initial recognition based on 12 months expected credit losses, or if there has been a significant increase in the credit risk of the financial asset then the impairment is based on lifetime expected losses. The Group's financial assets mainly consist of trade receivables without a significant financing element, and the Group has taken the option to apply an impairment model based on the life time expected losses for such instruments. The increase in the provision recognised in Q1 2018 under this basis is of US$ 0.1 million. Apart from cash and cash equivalents, the Group's other material financial assets not measured at fair value is the financing extended to DMS. Under IFRS9, this asset is assessed at each period end to ascertain whether the credit risk relating to it has increased significantly since initial recognition. If it has, then a provision is made for lifetime expected credit losses on it. If it has not, then only credit losses expected on defaults within 12 months of the period end are recognised. So far there has been no significant increase in credit risk on this asset and there is no expected future credit loss.

Accounting principles, amendments and interpretations not yet effective

At the financial position date the following significant Standards and Interpretations, which are applicable to the Group, were in issue but not yet effective:

IFRS 16 – *Leases* is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted, as long as IFRS 15 is also applied.

The changes for lessors, and for lessees under current finance leases, will be limited, but the standard will significantly affect the treatment by lessees of what are currently treated as operating leases. With some exceptions, lessees under current operating leases will be required to record a liability for the payments under the lease, which remains discounted at the rate implicit in the lease (or if not known, the lessee's incremental borrowing rate), and record a corresponding right of use asset (amounting to the liability plus the present value of any restoration costs and any incremental costs in entering the lease, as well as any lease payments made prior to commencement of lease, minus any lease incentives already received).

Based on existing operating lease commitments the directors estimate that at 31 March 2018 there would be recognition of an additional right of use assets of US$ 144.1 million and an additional lease liability of US$ 144.1 million.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. Commitments and Contingencies

Capital commitments

As at March 31 2018, the Group's capital commitments amounted to US$ 113.8 million.

US$ Million	**As at 31 March 2018**	**As at 31 December 2017**
Within one year	113.8	91.9
Between 1 – 3 years	-	52.5
	113.8	144.4

Capital commitments relate to the payment for 4 Hyundai-Mipo dockyard 75,000 dwt Product/chemical tanker newbuilding vessels.

3 May 2018

On behalf of the Board

Paolo d'Amico
Chairman

Marco Fiori
Chief Executive Officer

The manager responsible for preparing the company's financial reports, Carlos Balestra di Mottola, in his capacity as Chief Financial Officer of the Company, declares that the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the Company.

Carlos Balestra di Mottola
Chief Financial Officer