

## d'Amico International Shipping S.A.

### Interim Management Statements – First Quarter 2010

**Luxembourg, 29 April 2010** - The Board of Directors of d'Amico International Shipping S.A. approves the Q1 2010 Results.

***'The Q1 2010 Net loss of US\$ 3.4 million reflects the improved scenario, while DIS, which over performed the market trend, is maintaining its strong financial position, generating positive operating cash flow'***

Q1 produced better returns for d'Amico International Shipping (DIS) compared to the previous nine months, which had been characterized by the collapse of Product demand on the back of the Global Economic downturn. The Spot market, which bottomed out in the course of the previous year, performed relatively well in Q1, generating average returns higher than the last three quarters of 2009. Fundamentally this was a result of improving Economic news coupled with very cold winter conditions across the Northern Hemisphere which saw an increase in demand for Oil products.

As occurred in the previous year, confirming its efficient chartering strategy and flexible business model DIS over performed the spot market rates trend in the same period. In the near term challenging scenario, DIS, thanks to its significant percentage of fixed contract coverage (47.5% for Q1 2010), strong market positioning and strategic partnerships, has been able to minimize the loss for the period, generating a positive operating cash flow and maintaining a strong financial position.

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#### FIRST QUARTER 2010 RESULTS

- Time charter equivalent (TCE) earnings of US 51.1 million, (US\$ 54.2 in 2009)
  - Gross Operating Profit/EBITDA of US\$ 7.2 million (US\$ 15.5 million in 2009)
  - Net loss of US\$ 3.4 million (Net profit of 8.7 million in 2009)
  - Cash Flow from Operating Activities of US\$ 2.0 million (US\$ 21.4 million in 2009)
  - Net debt of US\$ 173.8 million
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#### SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD

**GLENDIA International Shipping Limited – The publication of the last arbitration award in the dispute between GLENDIA and SLS Shipbuilding Co. Ltd.**

It has been published the Award relating to the last remaining arbitration between GLENDIA International Shipping Ltd ("GLENDIA"), the joint venture company with Glencore Group and SLS Shipbuilding Co. Ltd of Tongyeong, Korea over the termination of the new building contract relating to the 51,000 DWT product/chemical tanker vessel bearing hull n° S513 (the "Contract"). The Award confirms that the contract was validly cancelled by GLENDIA, and that GLENDIA is entitled to obtain a full refund of all instalments paid under the Contract, amounting to US\$ 24.3 million, plus interest.

#### OUTLOOK

The oil product demand forecast has been revised upwards by the IEA for 2010 mainly due to better than previously expected demand growth. This event, coupled with the support from positive GDP growth, would indicate that the improvement of the economy, albeit slowly, has started again and it seems that the worst environment is over. The product tanker market segment will be characterized by significant challenges and therefore, d'Amico International Shipping still has a cautious approach going into Q2 and into the following quarters, but there is a perspective of a better operating environment in 2010; it seems that the majority of world economies have moved out of the recession. The key drivers that should influence the product tanker freight markets and d'Amico International Shipping performances are (i) Global oil demand and worldwide GDP growth and (ii) the influx of new buildings scheduled to come in 2010.

*Today at 14.30 hours (CEST), DIS will hold a telephone conference. The participants should dial the following numbers: Italy: + 39 02 8058811 from the UK + 44 203 147 47 96, from the US + 1 866 63 203 28. The presentation slides can be downloaded before the conference call from the Investor Relations page on the DIS web site: [www.damicointernationalshipping.com](http://www.damicointernationalshipping.com). Further information: Investor Relation Manager, Anna Franchin, tel. +352 2626229 01*

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This press release relating to the first quarter 2010 results, which have not been audited, represents the interim management statements prepared in accordance with provisions of Art. 5 of the Luxembourg Law dated 11 January 2008, which transposed Directive 2004/109/EC of the European Parliament and of Council of 15 December 2004 in the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

This document is deposited and available at the Company's registered office, at Borsa Italiana S.p.A., at Consob, at CSSF, on [www.damicointernationalshipping.com](http://www.damicointernationalshipping.com) and at Société de la Bourse de Luxembourg S.A. (O.A.M.).

d'Amico International Shipping S.A.

Registered office at 25C Boulevard Royal, Luxembourg

Share capital US\$149,949,907 as at 31 March 2010

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## KEY FIGURES

### FINANCIALS

<i>US\$ Thousand</i>	<b>Q1 2010</b>	<b>Q1 2009</b>
Time charter equivalent (TCE) earnings	51 113	54 198
Gross operating result / EBITDA	7 184	15 522
<i>as % of margin on TCE</i>	<i>14.06%</i>	<i>28.64%</i>
Operating result/ EBIT	(835)	6 794
<i>as % of margin on TCE</i>	<i>(1.63%)</i>	<i>12.54%</i>
Net profit/(loss)	(3 452)	8 602
<i>as % of margin on TCE</i>	<i>(6.75%)</i>	<i>15.87%</i>
Earnings/ (loss) per share	US\$ (0.023)	US\$ 0.0574
Operating cash flow	1 990	21 493
Gross CAPEX	(7 413)	(12 453)
	<b>As at 31 March 2010</b>	<b>As at 31 December 2009</b>
Total assets	684 989	725 140
Net financial indebtedness	173 835	171 360
Shareholders' equity	349 856	354 560

### OTHER OPERATING MEASURES

	<b>Q1 2010</b>	<b>Q1 2009</b>
<b>Daily operating measures</b> - TCE earnings per employment day (US\$) <sup>1</sup>	15 901	19 375
<b>Fleet development</b> - Total vessel equivalent	41.5	36.0
- Owned	16.8	15.0
- Chartered	20.0	16.1
- Chartered thorough pools	4.7	5.0
Off-hire days/ available vessel days <sup>2</sup> (%)	2.4%	2.5%
Fixed rate contract/ available vessel days <sup>3</sup> (coverage %)	47.5%	56%

<sup>1</sup> This figure represents time charter ("TC") equivalent earnings for vessels employed on the spot market and time charter contracts, divided by the number of on-hire days, net of commissions charged by external brokers and commercial managers. Calculations exclude vessels chartered through the pools, since distributions paid on these vessels are net of charter expenses, and would therefore require pro-forma adjustments to make it comparable to the remaining vessels.

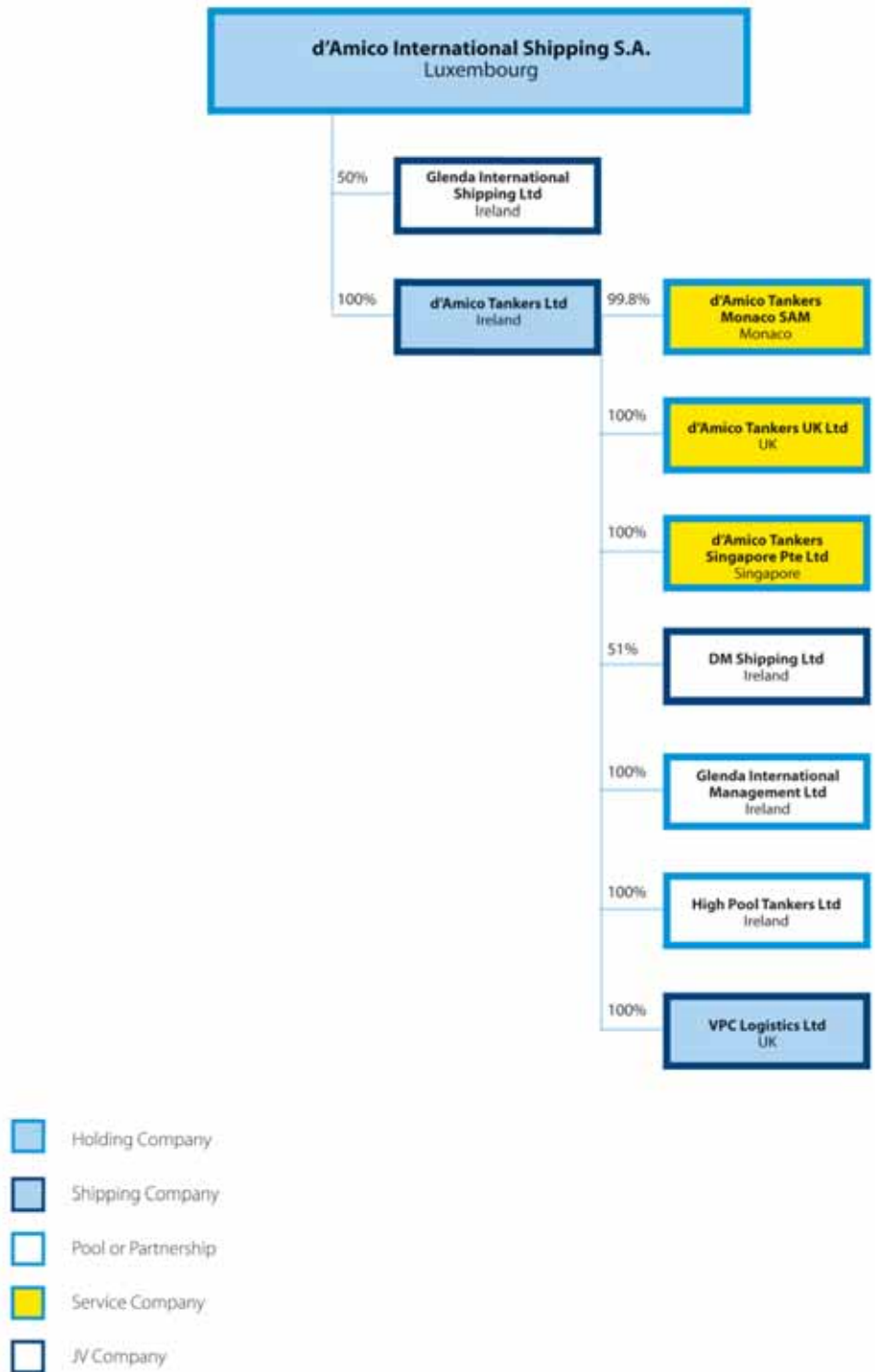
<sup>2</sup> This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days, which is defined as the number of vessel days between delivery and redelivery for the period being considered.

<sup>3</sup> 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, divided by the number of available vessel days, defined as the number of days between delivery and redelivery for all of our vessels, for the period being considered.

# d'AMICO INTERNATIONAL SHIPPING GROUP

## GROUP STRUCTURE

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



d'Amico International Shipping S.A. (DIS, the Group or d'Amico International Shipping) is an international marine transportation group, part of the d'Amico Group that traces its origins to 1936. d'Amico International Shipping operates, through its fully owned subsidiary d'Amico Tankers Limited (Ireland), a fleet with an average age of approximately 4.7 years, compared to an average in the product tankers industry of 9.2 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, such as ExxonMobil, Total, Shell, Petrobras, PDVSA, ENOC, Glencore and Vitol. All the vessels are compliant with IMO (International Maritime Organization) regulations, including MARPOL (the International Convention for the Prevention of Pollution from Ships), including requirements of major oil 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); 66.7% of the DIS fleet as at 31 March 2010 was IMO Classed, allowing the Group to transport a large range of products.

## FLEET

The following tables set forth information about the DIS fleet as at 31 March 2010, which consists of **40.50 vessels**:

<b>MR fleet</b>				
<b>Name of vessel</b>	<b>Dwt</b>	<b>Year built</b>	<b>Builder, Country</b>	<b>IMO classed</b>
<b>Owned</b>				
GLENDAMeredith <sup>2</sup>	47,147	2010	Hyundai Mipo, South Korea	IMO III
High Strength <sup>1</sup>	46,800	2009	Nakai Zosen, Japan	-
High Efficiency <sup>1</sup>	46,547	2009	Nakai Zosen, Japan	-
GLENDAMegan <sup>2</sup>	47,147	2009	Hyundai Mipo, South Korea	IMO III
High Venture	51,087	2006	STX, South Korea	IMO III
High Presence	48,700	2005	Imabari, Japan	-
High Priority	46,847	2005	Nakai Zosen, Japan	-
High Progress	51,303	2005	STX, South Korea	IMO III
High Performance	51,303	2005	STX, South Korea	IMO III
High Valor	46,975	2005	STX, South Korea	IMO III
High Courage	46,975	2005	STX, South Korea	IMO III
High Endurance	46,992	2004	STX, South Korea	IMO III
High Endeavour	46,992	2004	STX, South Korea	IMO III
High Challenge	46,475	1999	STX, South Korea	IMO III
High Spirit	46,473	1999	STX, South Korea	IMO III
High Wind	46,471	1999	STX, South Korea	IMO III
<b>Time chartered with purchase option</b>				
High Enterprise	45,800	2009	Shin Kurushima, Japan	IMO III
High Pearl	48,023	2009	Imabari, Japan	-
High Prosperity	48,711	2006	Imabari, Japan	-
High Century	48,676	2006	Imabari, Japan	-
High Nefeli	45,976	2003	STX, South Korea	IMO III

<sup>1</sup> High Efficiency and High Strength are owned by DM Shipping (in which DIS has a 51% interest) and are time chartered to d'Amico Tankers Limited.

<sup>2</sup> GLENDAMegan and GLENDAMeredith are owned by GLENDAMInternational Shipping, in which DIS has a 50% interest.

**Time chartered without purchase option**

High Force	53,603	2009	Shin Kurushima, Japan	-
High Saturn	51,149	2008	STX, South Korea	IMO III
High Mars	51,149	2008	STX, South Korea	IMO III
High Mercury	51,149	2008	STX, South Korea	IMO III
High Jupiter	51,149	2008	STX, South Korea	IMO III
High Glory	45,700	2006	Minami Nippon, Japan	-
High Glow	46,846	2006	Nakai Zosen, Japan	-
High Trader	45,879	2004	Shin Kurushima, Japan	-
High Energy	46,874	2004	Nakai Zosen, Japan	-
High Power	46,874	2004	Nakai Zosen, Japan	-

**Handysize fleet**

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
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**Owned**

Cielo di Salerno	36,032	2002	STX, South Korea	IMO III
Cielo di Parigi	36,032	2001	STX, South Korea	IMO III
Cielo di Londra	35,985	2001	STX, South Korea	IMO III

**Bare Boat without purchase option**

Cielo di Guangzhou	38,877	2006	Guangzhou, China	-
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**Time chartered without purchase option**

Cielo di Roma	40,081	2003	Shina, South Korea	IMO III
Cielo di Milano	40,096	2003	Shina, South Korea	IMO III
Cielo di Napoli	40,083	2002	Shina, South Korea	IMO III

**Handysize chartered through pools fleet**

Name of vessel	Dwt	Year built	Builder, Country	Interest	IMO classed
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**Time chartered without purchase option**

Handytanker Liberty	34,620	2006	Dalian, China	100%	IMO III
Elbtank Denmark <sup>1</sup>	37,274	2002	Hyundai, South Korea	50%	IMO III
Handytankers Marvel	38,603	2008	Guangzhou, China	100%	IMO III

**Time chartered with purchase option**

Malbec	38,499	2008	Guangzhou, China	100%	IMO III
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<sup>1</sup> Elbtank Denmark was previously named Orontes

## Fleet Employment and Partnership

	<i>DIS' No. of Vessels</i>	<i>Total Pool Vessels</i>
Direct employment	10.0	n/a
GLENDIA Int. Shipping - Direct TC <sup>1</sup>	0.5	n/a
Handytankers Pool	7.5	99.0
High Pool (MR vessels) <sup>2</sup>	8.0	11.0
GLENDIA Int. Mgmt (MR vessels) <sup>3</sup>	14.5	40.0
<b>Total</b>	<b>40.5</b>	<b>150.0</b>

As at 31 March 2010, d'Amico International Shipping directly employed seven MRs ('Medium Range') and three handysize vessels, through long-term time charter contracts with Exxon and Glencore. The Group employs a significant portion of its controlled vessels through partnership arrangements, enabling it to deploy a fleet of vessels with significant scale and geographic coverage. Through these partnerships DIS provides a comprehensive service to its customers, enhancing the geographic exposure to advantageous business opportunities, resulting in greater flexibility in deploying the fleet.

*Handytankers Pool* – a pool together with A.P. Moller-Maersk, Chemicalien Seetransport, Seearland Shipping Management and Motia Compagnia di Navigazione S.p.A. It operated 99 vessels as at 31 March 2010.

*High Pool Tankers Limited* – a pool with Nissho Shipping Co. Limited (Japan) and Mitsubishi Corporation. It operated 11 MR product tankers as at 31 March 2010. d'Amico International Shipping, through d'Amico Tankers Limited, is exclusively responsible for the Pool's commercial management, in particular chartering, vessel operations and administration.

*GLENDIA International Management Limited* – a commercial agreement with Glencore/ST Shipping to trade vessels under a single brand name, 'GLENDIA'. As at 31 March 2010, GLENDIA International Management Limited operated 40 MR product tankers.

In addition to the pools and commercial agreements, DIS also established two joint ventures for the combined control of vessels, with key strategic partners. The first one, DM Shipping Ltd, allows d'Amico International Shipping to broaden the scope of its relationship with the Mitsubishi Group. The first of the two originally ordered MR vessels was delivered at the end of July 2009, while the second vessel was delivered at the end of October 2009. The DM Shipping vessels are chartered to d'Amico Tankers Ltd and employed in High Pool Tankers. The other joint venture, GLENDIA International Shipping, reinforces the commercial partnership with the Glencore Group. The first MR product / chemical tanker vessel was delivered in August 2009 and the second one in February 2010. The joint venture order book currently includes additional 4 new MR product / chemical tankers to be delivered between November 2010 and February 2011. The vessels will be operated through GLENDIA International Management Ltd.

d'Amico International Shipping is part of the d'Amico Group, one of the world's leading privately-owned marine transportation companies with over 70 years of experience in the shipping business, whose ultimate parent company is d'Amico Società di Navigazione S.p.A. (Italy). Today, the entire d'Amico Group controls 76.5 owned and chartered-in vessels, of which 40.5 are vessels part of the DIS fleet, operating in the product tanker market, while the remaining 36 are dry-bulk vessels controlled by d'Amico Dry Limited and d'Amico Shipping Italia S.p.A. d'Amico International Shipping benefits from a strong brand name and an established reputation in the international market 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 all safety, quality and technical products and services to DIS' vessels, including crewing and insurance arrangements.

<sup>1</sup> GIS Vessels traded Spot are included in GLENDIA International Management Spot Pool.

<sup>2</sup> Including 2 DM Shipping Vessels

<sup>3</sup> Total number of Vessels in GLENDIA International Management includes 4 High Pool Vessels traded Spot and commercially managed by GLENDIA



## FINANCIAL REVIEW

### SUMMARY OF THE RESULTS IN THE FIRST QUARTER OF 2010

Q1 produced better returns for d'Amico International Shipping (DIS) compared to the previous nine months, which had been characterized by the collapse of Product demand on the back of the Global Economic downturn. The Spot market, which bottomed out in the course of the previous year, performed relatively well in Q1, generating average returns which were higher than the last three quarters of 2009. Fundamentally this was a result of improving Economic news coupled with very cold winter conditions across the Northern Hemisphere, driving an increase in demand for Oil products.

Refinery utilization rates and profit margins have improved from their levels at the end of 2009. Despite this fact, refinery closures continue predominately in developed economies. Stocks of petroleum products have been drawn down throughout the quarter but still at levels above the average for the last five years.

The Time charter equivalent (TCE) earnings for Q1 were of US\$ 51.1 million (US\$ 54.2 million in Q1 2009), resulting in an average daily TCE of US\$ 15,901, lower compared the same quarter last year (US\$ 19,375), but showing signs of recovery with respect to the bottom reached in Q3 (US\$ 13,879) and Q4 of 2009 (US\$ 14,279). The Q1 2010 Gross Operating Profit (EBITDA) was of US\$ 7.2 million (margin of 14.1% on Time charter earnings) supporting the EBITDA level of US\$ 15.5 million. Net loss for the first quarter 2010 was of US\$ 3.5 million, while Net profit in Q1 2009, in a different operating environment, was of US\$ 8.6 million. In the near-term challenging scenario DIS, thanks to its significant percentage of fixed contract coverage and strong market positioning, has been able to minimize the loss for the period and generated a positive operating cash flow, maintaining a strong financial position.

### OPERATING PERFORMANCE

<i>US\$ Thousand</i>	<b>Q1 2010</b>	<b>Q1 2009</b>
Revenue	72 236	71 431
Voyage costs	(21 123)	(17 233)
<b>Time charter equivalent earnings</b>	<b>51 113</b>	<b>54 198</b>
Time charter hire costs	(25 506)	(23 299)
Other direct operating costs	(14 069)	(11 284)
General and administrative costs	(4 580)	(4 959)
Other operating Income	226	866
<b>Gross operating result / EBITDA</b>	<b>7 184</b>	<b>15 522</b>
Depreciation	(8 019)	(8 728)
<b>Operating result / EBIT</b>	<b>(835)</b>	<b>6 794</b>
Net financial income (charges)	(2 280)	1 964
<b>Profit / (loss) before tax</b>	<b>(3 115)</b>	<b>8 758</b>
Income taxes	(337)	(156)
<b>Net profit / (loss)</b>	<b>(3 452)</b>	<b>8 602</b>

**Revenues** in Q1 2010 amounted to US\$ 72.2 million (US\$ 71.4 million in Q1 2009). The increase in the gross revenue was driven by the fleet increase, together with the higher spot exposure in 2010 compared to the same period of 2009. The turnover related to an average of 41.5 vessels operated (36.0 vessels in Q1 2009). The percentage of off-hire to available days in Q1 2010 was 2.4% (2.5% in Q1 last year). The difference is the result of the timing of dry-docks.

The increase in **Voyage costs** in Q1 2010 (US\$ 21.1 million) compared to the Q1 2009 (US\$ 17.2 million) was mainly due to the above mentioned fleet evolution and employment way.

**Time charter equivalent earnings** of US\$ 51.1 million in Q1 2010 (US\$ 54.2 million in Q1 2009) reflect, other than the fleet increase, the softer product tanker demand compared with the beginning of the previous year, which was not affected yet by the lack of cargo demand which started at the end of Q1 2009. Positively however, the first quarter of 2010, supported by the generally improved economic scenario, has been characterized by the recovery of the spot market with respect to the flat and weak trend of the last 9 months of 2009. Q1 rates are disclosed as follows:

<u>DIS TCE daily rates</u>	<u>Q1</u>
<i>(US Dollars)</i>	
Spot	12,961
Fixed	19,023
Average	15,901

As occurred in the previous year, confirming its flexible business model, strong market positioning and strategic partnerships, DIS over performed the spot market rates trend in the same period. As part of its policy, DIS strategically secured a significant amount of revenue at good and stable levels of profitability (US\$ 19,023 daily average TCE rate for the quarter). The contract coverage for Q1 2010 was of 47.5% (55.0% in same quarter last year).

**Time charter hire costs** relating to chartered-in vessels amounted to US\$ 25.5 million in Q1 2010 (US\$ 23.3 million in Q1 2009). The increase, following the delivery of new vessels in 2009, was driven by the higher number of chartered-in ships (20.0 on average in the first quarter this year with respect to 16.1 in the same quarter last year). The average daily cost for the chartered-in vessels remained stable. In accordance with the pool distribution rules, the costs for the 4.7 vessels chartered through the pools and operated on average in Q1 2010, are shown under Time charter equivalents earnings.

**Other direct operating costs** amounted to US\$ 14.1 million in Q1 2010 (US\$ 11.3 million in Q1 2009). The variance in these costs, which comprises crew, technical, luboil and insurance expenses and which relates essentially to the operation of owned vessels, has been driven by the fleet increase. The daily costs, taking into consideration that the trend over the year is not always comparable given specific events, do not show a relevant raise compared to the previous year. The quality of the fleet is a crucial part of the d'Amico mission and strategy. In order to maintain the highest quality of the vessels, operating costs are constantly monitored, focusing on crew with appropriate skills, SQE standards (Safety, Quality & Environment) and by remaining in compliance with stringent market regulations.

The trend in **General and administrative costs**, which positively influenced the 2009 results, is continuing in the current year. These costs were of US\$ 4.6 million in Q1 2010, resulted in a decrease of 8% compared to the Q1 2009 (US\$ 4.9 million). The balance mainly includes on-shore personnel costs, consultancies, travel.

**Other operating income** amounted to US\$ 0.2 million in Q1 2010 (US\$ 0.9 million in Q1 2009). The 2009 balance comprises, other than chartering commissions from third parties vessels operated through pools, also a compensation relating to a claim.

The **Gross operating profit (EBITDA)** for Q1 2010 was of US\$ 7.2 million (US\$ 15.5 million in Q1 2009). This represents a margin of 14.1% on Time charter equivalent earnings, which is lower in comparison to the Q1 2009 (28.5%), but definitively improved with respect to the two last quarters of 2009, when the EBITDA margin was of 9.7% in Q3 and 5.2% in Q4. The positive trend for the beginning of the current year was driven by a generally more supported operating environment, better market conditions and, consequently, the reduction of the pressure on rates which significantly affected the previous quarters.

Following a review of the estimated useful life of vessels from 17 to 20 years, which has been based on the d'Amico fleet characteristics, conditions, employment and benchmarking with the market segment, the **Depreciation** charge amounted to US\$ 8.0 million in Q1 2010 (US\$ 8.8 million in 2009). The decrease driven by the change of the estimated useful life was partially off-set by the increase in the number of the owned vessels.

The **Operating result (EBIT)** for Q1 2010 was close to the break-even level (Loss of US\$ 0.8 million), compared to an operating profit of US\$ 6.8 million in the same quarter last year. The improved performance realized in Q1 2010, with respect to the last quarters of 2009, substantially absorbed the depreciation charges.

**Net financial charges** totalled US\$ 2.3 million in Q1 2010 (net income of US\$ 1.1 million in Q1 2009). The first quarter balance is made up of US\$ 2.7 million of interests on bank loans, net of US\$ 0.4 million of financial income relating to the exchange rate effect arising on the conversion of the loans denominated in JPY. The net financial income realized in Q1 2009 relates to bareboat fees and to Exchange rate gains. DIS' current strong financial position allowed the company to keep stable the interests on the outstanding debts compared to the previous year.

The Company's **Loss before tax** for Q1 2010 was of US\$ 3.1 million (profit of US\$ 8.8 million in Q1 2009).

**Income taxes** amounted to US\$ 0.3 million in Q1 2010 (US\$ 0.2 million in Q1 2009). Other than the tonnage tax applicable to the key operating subsidiary d'Amico Tankers Limited, the balance is made up of certain items and compensations not eligible for tonnage tax.

The **Net loss** of US\$ 3.5 million, compared to a net profit of US\$ 8.6 million in Q1 2009, reflects the improved conditions at the beginning of 2010, which were still not stable and strong enough to generate a net profit.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

<i>(US\$ Thousand)</i>	<b>As at 30 March 2010</b>	<b>As at 31 December 2009</b>
<b>ASSETS</b>		
Non current assets	519 617	522 717
Current assets	165 372	202 423
<b>Total assets</b>	<b>684 989</b>	<b>725 140</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Shareholders' equity	349 856	353 499
Non current liabilities	244 766	261 220
Current liabilities	90 367	110 421
<b>Total liabilities and shareholders' equity</b>	<b>684 989</b>	<b>725 140</b>

**Non current assets** essentially relate to the DIS product tanker fleet, shown at cost less depreciation. Since October 2008 and until January 2010, following the worldwide economic recession and the consequent lack of demand for product tanker, a significant decrease in the vessels estimated market value occurred. In the same period, the shipping industry also experienced a significant decline in the number of transactions, involving both second-hand vessels and new orders, affecting the market valuation of vessels. During the first months of 2010 there has been an increase in 'sale & purchase' activity and, in connection with the freight rates recovery, no further decrease in the vessels valuation has been noted. According to the valuation report provided by a primary broker at the beginning of April 2010, the estimated market value of the DIS owned fleet, including the portions relating to the new buildings under construction, is of US\$ 450.0 million, compared to a net book value for the fleet of US\$ 518.9 million. Similarly to 2009 previous periods, and also considering that the gap between net book value and estimated market value has now been reduced, there was no need to account for vessels write down (impairment).

Gross **Capital expenditure** for the year was US\$ 7.4 million. This expenditure relates to the instalments paid to the shipyards for vessels under construction for GLENDA International Shipping Ltd (joint venture company). Also included in capitalised costs are dry-docks relating to owned vessels.

**Current assets** as at 31 March 2010 of US\$ 165.4 million include cash on hands (US\$ 86.8 million) and short term financial receivables (US\$ 12.9 million) relating to the instalments to be paid back in connection with the cancellation of the last of the four SLS shipyard product tankers (ordered by the joint controlled company GLENDA International Shipping) for which the positive arbitration outcome has been published in April 2010. The balance for the same item as at 31 December 2009 of US\$ 56.3 million referred to receivables due in connection also with the other three vessels, which have been cashed-in during the Q1 2010. Current assets also include working capital items (trade receivables and inventories), for a total amount of US\$ 65.7 million (US\$ 53.8 million at the end of the previous year). The increase with respect to December 2009, excluding timing effects, has been driven by the increase in the number of vessels operated by the fully consolidated pool companies (Glenda International Management Ltd and High Pool Tankers Ltd) and to the larger percentage of spot voyages.

**Noncurrent liabilities** consist of the long-term portion of debt due to banks, disclosed under the following section (Net Indebtedness).

The balance of **Current liabilities**, other than the debt due to banks and other lenders (see the following section), includes working capital items (trade payable and other liabilities), for a total amount of US\$ 61.6 million (US\$ 51.7 million as at 31 December 2009). Similarly to current assets, the increase of trade payables has been essentially driven, other than the timing of payments, by the increase of vessels managed by the pool companies and the consequent increase of payable due to third parties pool partners.

The **Shareholders' equity** balance at 31 March 2010 was of US\$ 349.9 million (US\$ 353.5 million as at 31 December 2009). The variance with the previous year was essentially due to the net loss incurred in the first quarter of the current year.

## NET INDEBTEDNESS

Net debt as at 31 March 2010 amounted to US\$ 173.8 million, stable with respect to the position at the end of the previous year (US\$ 171.4 million). The ratio of net debt to shareholder's equity was of 0.50, in line with the ratio of 0.48 at 31 December 2009.

<i>US\$ Thousand</i>	<b>As at 31 March 2010</b>	<b>As at 31 December 2009</b>
<b>Liquidity</b>		
Cash and cash equivalents	86 772	92 243
<b>Current financial receivables</b>		
From third parties	12 886	56 332
<b>Total current financial assets</b>	<b>99 658</b>	<b>148 575</b>
<b>Bank loans – current</b>	16 132	44 984
<b>Other lenders</b>	-	1 541
<b>Other current financial liabilities</b>		
Due to third parties (IRS fair value)	12 595	12 191
<b>Total current financial debt</b>	<b>28 727</b>	<b>58 716</b>
<b>Net current financial debt</b>	<b>(70 931)</b>	<b>(89 859)</b>
<b>Bank loans non-current</b>	<b>244 766</b>	<b>250 436</b>
<b>Other non-current financial liabilities</b>		
Due to third parties	-	10 783
<b>Total non current financial debt</b>	<b>244 766</b>	<b>261 220</b>
<b>Net financial indebtedness</b>	<b>173 835</b>	<b>171 360</b>

Confirming its strong financial position as at 31 March 2010, DIS had US\$ 86.8 million of *Cash and cash equivalents*. As disclosed in the previous period financial reports, the significant cash resources give DIS the capacity to manage

in an efficient way the shipping market current trend and volatility, also sustaining the equity shares of the capital expenditures already committed relating to the new building plan over the following years.

*Current financial receivables* of US\$ 12.9 million consist of the amount of the instalments paid to the SLS shipyard in connection with the last of the four vessels originally ordered by GLENDA International Shipping, the joint venture between DIS and Glencore Group. As a result of the just published positive outcome relating to the cancellation of this vessel, those instalments, including interests, are expected to be paid back in Q2 2010. The total outstanding bank debt (*Bank loans*) as at 31 March 2010 amounted to US\$ 260.9 million (US\$ 295.4 million as at 31 December 2009), of which US\$ 16.1 million is due short term. The DIS debt structure is currently based on the two facilities granted to d'Amico Tankers Limited (Ireland), the key operating company of the Group: (i) Calyon 10 years revolving facility (syndicated by other banking institutions) of US\$ 149.0 million; (ii) Mizuho syndicated loan facility of US\$ 30.4 million. DIS debts comprise as well the share of the loans existing at the two joint ventures level, GLENDA International Shipping Ltd and DM Shipping Ltd, proportionally consolidated in DIS accounts: (i) Commerzbank AG Global Shipping of US\$ 7.3 million relating to the last of the four SLS vessels, which has been cancelled by GLENDA International Shipping Ltd. This debt is entirely shown under current liabilities as it will be repaid as soon as the instalments originally paid to the shipyard by GLENDA International Shipping Limited will be reimbursed as a result of the cancellation, probably in Q2 2010. During the first quarter, following the positive outcome of the arbitration relating to the first three vessels and the consequent instalments repayment, the outstanding Commerzbank loan as at 31 December 2009 of US\$ 34.0 million was repaid for the portion related to those three vessels; (ii) Commerzbank AG Global Shipping and Credit Suisse loans of US\$ 45.3 million for the Glenda International Shipping Ltd Hyundai-Mipo new-building vessels, of which two have been already delivered; (iii) Mitsubishi UFJ Lease loan of US\$ 28.9 million in connection with the financing of the DM Shipping Ltd two vessels delivered in 2009.

Net debt also includes, under Other current financial liabilities, US\$ 12.6 million of negative valuation of derivatives hedging instruments (interests swaps agreements – IRS. The amount of US\$ 12.3 million shown as at 31 December 2009 under other lenders and due from GLENDA International Shipping to ST Shipping (repayment of vessel instalments), has been settled as part of the agreement finalized in February 2010 and disclosed under Significant events of first quarter, relating to transfer to d'Amico Tankers Limited and to ST Shipping and Transport Pte. Limited – Singapore of, respectively, the 2 Hyundai class M/R Product/Chemical tanker vessels and the 2 Hyundai 74,000 dwt class Product/Oil tanker vessels.

## CASH FLOW

Net cash flow for the period ended on 31 March 2010 amounted to the negative balance of US\$ 5.5 million, slightly decreasing cash and cash equivalents to US\$ 86.7 million as at 31 March 2010 from US\$ 92.2 million as at 31 December 2009.

<i>US\$ Thousand</i>	<b>Q1 2010</b>	<b>Q1 2009</b>
Cash flow from operating activities	1 990	21 493
Cash flow from investing activities	(4 891)	(12 948)
Cash flow from financing activities	(2 619)	1 105
<b>Change in cash balance</b>	<b>(5 520)</b>	<b>9 651</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(5 520)</b>	<b>9 651</b>
Cash & cash equivalents at the beginning of the period	92 243	41 482
Exchange gain / (loss) on cash and cash equivalents	49	-
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>86 772</b>	<b>51 133</b>

**Cash flow from operating activities** for Q1 2010 was of US\$ 2.0 million (US\$ 21.5 million in Q1 2009). Following the operating cash burning which occurred in the second half of 2009, the first quarter of the current year showed a recovery of the operating environment, allowing DIS to generate cash.

The net **Cash flow from investing activities** of US\$ 4.9 million (outflow) is made up of gross capital expenditures in connection with the instalments paid for the new building plan, as well as dry-docks expenses, for the total amount of US\$ 7.4 million. The balance for the period is net of US\$ 2.5 million arising from the transfer of the vessels from GLENDA International Shipping to the d'Amico Tankers Limited and ST Shipping and Transport Pte. Limited.

**Cash flow from financing activities** in Q1 2010 amounted to net outflow of US\$ 2.6 million. The cash flow from financing activities, other than bank debts reimbursements, comprises the effect of the cash-in of the refund guarantee relating to the instalments already paid to SLS shipyard in connection with three of the four new buildings cancellation (US\$ 43.4 million), net of the repayment to the bank of the loan on those vessels (US\$ 34.0 million).

## SIGNIFICANT EVENTS OF THE FIRST QUARTER

### CONTROLLED FLEET – d'AMICO TANKERS LIMITED

During Q1 2010 the following changes occurred in the Fleet controlled by d'Amico Tankers Limited:

- February 2010 – As part of the reorganization process carried out by Handytankers Pool on the vessels chartered through the Pool itself, d'Amico Tankers: (i) Took 100% interest for a period of 4 years on M/T Handytankers Marvel a handysize vessel, chartered by Handytankers Pool; (ii) Changed its previous 33% interest on M/T Handytankers Liberty into 100% interest and (iii) Ended its 50% interest on M/T Handytankers Spirit, its 33% interest on M/T Handytankers Unity, its 25% interest on M/T Handytankers Miracle, M/T Handytankers Magic, M/T Melody;
- March 2010 – As part of the reorganization process carried out by Handytankers Pool on the vessels chartered through the Pool itself, d'Amico Tankers ended its 50% interest on M/T Tevere, M/T Fox, M/T Torm Ohio.

### CONTROLLED FLEET – GLENDA INTERNATIONAL SHIPPING LIMITED

- February 2010 – M/T *GLENDA Meredith*, a medium range owned vessel, was delivered to GLENDA International Shipping Limited, in which DIS has a 50% interest.

### GLENDA INTERNATIONAL SHIPPING LIMITED – THE PUBLICATION OF THREE ARBITRATION AWARDS IN THE DISPUTE BETWEEN GLENDA AND SLS SHIPBUILDING CO. LTD. AND RELATED CASH-IN OF THE REFUND GUARANTEE FOR ALL THE INSTALMENTS

On 2 February 2010 d'Amico International Shipping S.A. announced the publication in London of the Tribunals' awards in three of the four arbitrations between GLENDA International Shipping Ltd ("GLENDA"), the joint venture company between the Glencore Group and DIS, and SLS Shipbuilding Co. Ltd of Tongyeong, Korea ("SLS Shipyard") over the termination of the new building contracts relating to the 51,000 DWT product/chemical tanker vessels bearing hull n° S510, n° S511 and n°S512, (the "Contracts"), duly executed on 7 December 2006 and novated to GLENDA on 19 November 2007. The Tribunals found that the three new building contracts were effectively cancelled by GLENDA, and that GLENDA was entitled to obtain a refund of all installments paid under the respective shipbuilding contracts.

DIS further announced, on 3 March 2010, that Kookmin Bank of South Korea, in its position as guarantor of SLS Shipbuilding Co. Ltd of Tongyeong Korea and following to the relevant published arbitration awards, refunded GLENDA all installments paid on GLENDA's behalf under the those terminated new shipbuilding contracts referred to hull n° S510, n° S511 and n° S512. The total refund, including interests, amounts to US\$ 87.4 million. Net of the repayment to the financing bank, the equity reimbursed to GLENDA was of about US\$ 33.9 million.

## GLENDIA INTERNATIONAL SHIPPING LIMITED - THE TRANSFER OF 2 HYUNDAI MR PRODUCT / CHEMICAL VESSELS OWNED BY GLENDIA TO D'AMICO TANKERS LIMITED AND 2 HYUNDAI LR1 PRODUCT / OIL TANKERS VESSELS ALSO OWNED BY GLENDIA TO ST SHIPPING TRANSPORT PTE. LTD

On 3 March 2010 d'Amico International Shipping S.A. announced that GLENDIA International Shipping Limited ("GLENDIA"), the joint venture company between the Glencore Group and DIS, transfers: (i) all of its rights and obligations in respect of the 2 Hyundai class M/R Product/Chemical tanker vessels bearing hull n° 2164 and hull n°2188 (the "Tanker Vessels") to d'Amico Tankers Limited - Ireland, the DIS fully owned operating subsidiary and; (ii) all of its rights and obligations in respect of the 2 Hyundai 74,000 dwt class Product/Oil tanker vessels bearing hull n°2292 and hull n° 2293 to ST Shipping and Transport Pte. Limited - Singapore. The cost for the Tanker Vessels transferred to d'Amico Tankers Limited has been reduced from US\$ 50.5 million to an average of US\$ 45.7million per Tanker Vessel with a total, still outstanding, capital commitment amounting to US\$ 56.2 million. It was further agreed with Hyundai Mipo Dockyard Co. Limited – Korea to increase the deadweight of the Tanker Vessels from 46,000 to 52,000 and, at the same time, it has also been agreed the postponement, at no extra costs, of their respective delivery date from March 2011 to the first quarter of 2012.

## SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

### CONTROLLED FLEET

- At the beginning of April 2010 *M/T Dauntless*, a medium range vessel, was time chartered by GLENDIA International Shipping Limited, in which DIS has a 50% interest, for a 2 years period.
- On 21 April 2010 *M/T Cielo di Roma*, a handy size chartered vessel, was delivered back to her Owners.
- On 23 April 2010 *M/T High Trader*, a medium range chartered vessel, was delivered back to her Owners.

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

	As at 31 March 2010			As at 29 April 2010		
	MR	Handysize	Total	MR	Handysize	Total
Owned	14.02	3.00	17.02	14.02	3.00	17.02
Time chartered	15.98	4.00	19.98	15.48	3.00	18.48
Chartered through pools	-	3.50	3.50	-	3.50 <sup>1</sup>	3.50
<b>Total</b>	<b>30.00</b>	<b>10.50</b>	<b>40.50</b>	<b>29.50</b>	<b>9.50</b>	<b>39.00</b>

### d'AMICO TANKERS LIMITED – THE CONCLUSION OF THREE TIME CHARTER DEALS WITH AN OIL MAJOR

On 14 April 2010 d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland), signed Time Charter agreements with one of the main Oil Majors, on three of its vessels. Three vessels were fixed with Exxon Mobil (of which two renewals), plus option for further period. These Time Charters were fixed at levels which will generate a positive operating cash flow, increasing at the same time DIS coverage (revenue generated by fixed contracts).

<sup>1</sup> By May 2010, at the end of a reorganization process in the Handytankers pool, DIS will reduce its vessels "Chartered through pools" to 3 vessels.

## GLENDIA INTERNATIONAL SHIPPING LIMITED – THE PUBLICATION OF THE LAST ARBITRATION AWARD IN THE DISPUTE BETWEEN GLENDIA AND SLS SHIPBUILDING CO. LTD.

It has been published the Award relating to the last remaining arbitration between GLENDIA International Shipping Ltd (“GLENDIA”), the joint venture company with Glencore Group and SLS Shipbuilding Co. Ltd of Tongyeong, Korea (“SLS Shipyard”) over the termination of the new building contract relating to the 51,000 DWT product/chemical tanker vessel bearing hull n° S513 (the “Contract”), duly executed on 7 December 2006 and novated to GLENDIA on 19 November 2007.

The Award confirms that the Contract was validly cancelled by GLENDIA, and that GLENDIA is entitled to obtain a full refund of all installments paid under the Contract, amounting to US\$ 24.3 million plus interest at an annual rate of 3% from the date on which the instalments were paid until payment. Following the publication of the Award, GLENDIA is now entitled to seek payment of the amounts due to it from Kookmin Bank of South Korea, under the terms of a Refund Guarantee provided by the bank. Of the total amount due to GLENDIA of US\$ 24.3 million plus interest at 3% per annum until payment, it is anticipated that US\$ 9.7 million will be reimbursed to GLENDIA, representing that part of the Contract purchase price that was financed by GLENDIA as equity, with the balance of US\$ 14.6 million due to be repaid to financing bank.

### BUSINESS OUTLOOK

The oil product forward demand forecast has been revised upward by the IEA for 2010 mainly due to better than previously expected demand growth. This event, coupled with the support from positive GDP growth, would indicate that the improvement of the economy, albeit slowly, has started again and it seems that the worst environment is over. The product tanker market segment will be characterized by significant challenges and, therefore, d’Amico International Shipping still has a cautious approach going into Q2 and the following quarters, but there are prospects for a better operating environment in 2010 as it would appear that the majority of world economies have moved out of the recession. The key drivers that should influence the product tanker freight markets and d’Amico International Shipping performances are (i) Global oil demand and worldwide GDP growth and (ii) the influx of new buildings scheduled to come in 2010. The factors that could mitigate and partially off-set the current scenario for the Product Tanker demand and supply in the longer term are disclosed in more details below:

#### **Product Tanker Demand**

- The IEA have revised upwards global oil demand by 1.7 million barrels per day for 2010 versus the previous year. Growth continues to be driven by non-OECD countries, most notably in China. China announced the biggest jump in GDP growth in the first quarter since early 2007.
- China is still in an early stage of developing an oil consuming nation compared to other developed Asian nations. China’s 1.3 billion population consumed 5.7 barrels of oil per ‘000 capita in 2008 while South Korea’s 40 million population consumed 42.9 barrels per ‘000 capita. So there is great potential for a huge upswing in Product demand.
- Significant events have always had an impact on Product Tanker demand. The Earthquake in Chile closed two out of the countries three refineries which drove up demand for imported clean petroleum products.
- Refinery closures and reduced output are still occurring, predominately within the OECD. Total has announced that it intends to cut its capacity by 500,000 barrels per day by 2011 due to poor margins and a cost saving. Despite this gloomy news new complex and competitive refineries are coming on line in non-OECD nations. Asia and the Middle East added 1,600,000 barrels per day capacity last year. This low-cost capacity in Asia will increasingly force a rationalisation of old high-cost capacity in the west, structurally favouring more long haul products trade. So as tonne mile demand increases this should have a positive effect on product tanker demand. The tonne mile demand is increasing and expected to grow 3% within 2010 according to RS Platou.
- Product dislocation is still a factor within the Product Tanker market. The IEA reported that Argentina imported gasoline for the first time in over thirty years. Argentina is traditionally a net exporter of gasoline.
- There is still expected further long haul seaborne growth in other commodities such as palm oil and vegetable oil. These products can only be carried on IMO classified vessels which should increase demand for these types of vessels.



- A further tightening of vetting and screening procedures from oil companies, favouring modern, double hull vessels operated by owners with full in-house ship-management and crewing.

### ***Product Tanker Supply***

- The number of ships that are due to be delivered in 2010 is still significant. However there is still speculation on exactly how many will actually be delivered. According to a selection of leading broking houses the number of ships in the 25-55,000 deadweight segments that will be delivered in 2010 is between 145 and 217 ships. The difference is significant and considerably lower than the 265 estimate six months ago. The reason for downsizing is that there was roughly 25 percent slippage, some cancellations and conversions last year. The consensus is that not all these ships will be delivered this year as there should be further cancellations, slippage and conversion to other ships types this year.
- There is a small number of Ships in the 25-55,000 deadweight segment that were due to be delivered in Q4 2009 that still have not arrived in the first quarter of this year. A small percentage has been cancelled but in the most part delayed for much later delivery. In this respect the question whether or not financing has been secured for these forward deliveries is significant.
- This year is the deadline for IMO phase out of the remaining single hull vessels from international trade. Close to one million deadweight of tonnage within the 25-55,000 deadweight segment has been removed from trading in the first quarter. Scrapping so far this year corresponds to the total amount of scrapping seen in 2009. Should scrapping maintain its current pace we expect the net increase in Product Tankers to be relatively small. If the phase out is completely adhered to the Net fleet increase in all Tankers will be about 2%.
- There are two other factors that even today positively reduce the supply of Tankers. Firstly despite the increased investment in New Tankers there has not been any significant investment in Port Infrastructure that has led to increased Port stays and delays and thus reduced Supply. The fact that a large number of Owners have introduced slow steaming due to high Bunker prices has also reduced the supply of Ships.

The above factors are those which could affect the future development and performances. The previous section 'Financial review' discloses the financial position of the Group, its cash flows and net debt. d'Amico other than the relevant 'cash on hands' balance, has significant financial resources available through its credit lines. In addition, a significant portion of the revenue has been secured and the expected fixed contract coverage percentage for 2010 should be in the range of 45% on average. This coverage mainly comes from time charter out contracts. These resources and the balanced business development model consequently allow the Company directors to believe that, despite the current uncertain worldwide economic outlook, DIS is well positioned to appropriately manage its business risks.

**d' AMICO INTERNATIONAL SHIPPING GROUP**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2010**

**CONSOLIDATED INCOME STATEMENT**

<i>US\$ Thousand</i>	<b>Q1 2010</b>	<b>Q1 2009</b>
Revenue	72 236	71 431
Voyage costs	(21 123)	(17 233)
<b>Time charter equivalent earnings</b>	<b>51 113</b>	<b>54 198</b>
Time charter hire costs	(25 506)	(23 299)
Other direct operating costs	(14 069)	(11 284)
General and administrative costs	(4 580)	(4 959)
Other operating income	226	866
<b>Gross operating result</b>	<b>7 184</b>	<b>15 522</b>
Depreciation	(8 019)	(8 728)
<b>Operating result</b>	<b>(835)</b>	<b>6 794</b>
Net financial income (charges)	(2 280)	1 964
<b>Profit / (loss) before tax</b>	<b>(3 115)</b>	<b>8 758</b>
Income taxes	(337)	(156)
<b>Net profit / (loss)</b>	<b>(3 452)</b>	<b>8 602</b>
<i>The net profit is entirely attributable to the equity holders of the company</i>		
<b>Earnings / (loss) per share</b>	<b>(0.023)</b>	<b>0.0574</b>
<b>Diluted earnings / (loss) per share<sup>1</sup></b>	<b>(0.023)</b>	<b>0.0564</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>US\$ Thousand</i>	<b>Q1 2010</b>	<b>Q1 2009</b>
Profit / (loss) for the period	(3 452)	8 602
Cash flow hedges	(405)	976
<b>Total comprehensive income for the period</b>	<b>(3 857)</b>	<b>9 578</b>
<b>Earnings / (loss) per share</b>	<b>(0.0257)</b>	<b>0.0639</b>
<b>Diluted earnings / (loss) per share<sup>1</sup></b>	<b>(0.0253)</b>	<b>0.0628</b>

<sup>1</sup> Diluted earnings per share have been calculated assuming the issue of the total number of new shares provided by the share option plan (2,631,774)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>US\$ Thousand</i>	As at 31 March 2010	As at 31 December 2009
<b>ASSETS</b>		
<b>Non current assets</b>		
Tangible assets	519 617	522 717
Financial fixed assets	-	-
<b>Total non current assets</b>	<b>519 617</b>	<b>522 717</b>
<b>Current assets</b>		
Inventories	17 338	15 118
Receivables and other current assets	48 376	38 730
Current financial receivables	12 886	56 332
Cash and cash equivalents	86 772	92 243
<b>Total current assets</b>	<b>165 372</b>	<b>202 423</b>
<b>Total assets</b>	<b>684 989</b>	<b>725 140</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	149 950	149 950
Retained earnings	152 137	155 589
Other reserves	47 769	47 960
<b>Total shareholders' equity</b>	<b>349 856</b>	<b>353 499</b>
<b>Non current liabilities</b>		
Banks and other lenders	244 766	261 220
<b>Total non current liabilities</b>	<b>244 766</b>	<b>261 220</b>
<b>Current liabilities</b>		
Banks and other lenders	16 132	46 524
Payables and other current liabilities	60 132	50 172
Other current financial liabilities	12 595	12 191
Current taxes payable	1 508	1 534
<b>Total current liabilities</b>	<b>90 367</b>	<b>110 421</b>
<b>Total shareholders' equity and liabilities</b>	<b>684 989</b>	<b>725 140</b>

## CONSOLIDATED STATEMENT OF CASH FLOW

<i>US\$ Thousand</i>	<b>Q1 2010</b>	<b>Q1 2009</b>
<b>Profit / (loss) for the period</b>	<b>(3 452)</b>	<b>8 602</b>
Depreciation and amortisation	8 019	8 728
Current and deferred income tax	337	156
Financial charges	2 844	835
Result on disposal of fixed assets	-	-
Fair value gains on foreign currency retranslation	(564)	(2 799)
Other non-cash items	(27)	12
<b>Cash flow from operating activities before changes in working capital</b>	<b>7 157</b>	<b>15 534</b>
Movement in inventories	(2 220)	(2 780)
Movement in amounts receivable	(9 646)	(1 299)
Movement in amounts payable	9 960	11 139
Taxes paid	(307)	(175)
Interest paid	(2 954)	(926)
<b>Net cash flow from operating activities</b>	<b>1 990</b>	<b>21 493</b>
Acquisition of fixed assets	(7 413)	(12 948)
Disposal/cancellation of fixed assets	2 522	-
<b>Net cash flow from investing activities</b>	<b>(4 891)</b>	<b>(12 948)</b>
Other changes in shareholders' equity	214	(6 636)
Movement in other financial receivable	43 446	6 578
Movement in other financial payable	(12 324)	-
Treasury Shares	-	-
Bank loan repayments	(33 955)	(3 722)
Bank loan draw-downs	-	4 885
Dividend paid	-	-
<b>Net cash flow from financing activities</b>	<b>(2 619)</b>	<b>1 105</b>
<b>Change in cash balance</b>	<b>(5 520)</b>	<b>9 651</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(5 520)</b>	<b>9 651</b>
Cash and cash equivalents at the beginning of the period	92 243	41 482
Exchange gain (loss) on cash and cash equivalents	49	-
<b>Cash and cash equivalents at the end of the period</b>	<b>86 772</b>	<b>51 133</b>

## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>US\$ Thousand</i>	Share capital	Retained earnings	Other Reserves <i>Other</i>	Cash-Flow hedge	Total
<b>Balance as at 1 January 2010</b>	<b>149 950</b>	<b>155 589</b>	<b>60 150</b>	<b>(12 190)</b>	<b>353 499</b>
Dividend paid	-	-	-	-	-
Other changes	-	-	214	-	214
Total comprehensive income	-	(3 452)	-	(405)	(3 857)
<b>Balance as at 31 March 2010</b>	<b>149 950</b>	<b>152 137</b>	<b>60 364</b>	<b>(12 595)</b>	<b>349 856</b>

<i>US\$ Thousand</i>	Share capital	Retained earnings	Other Reserves <i>Other</i>	Cash Flow hedge	Total
<b>Balance as at 1 January 2009</b>	<b>149 950</b>	<b>195 661</b>	<b>58 773</b>	<b>(16 545)</b>	<b>387 839</b>
Prior year adjustment	-	(7 261)	-	-	(7 261)
<b>Restated balance as at 1 January 2009</b>	<b>149 950</b>	<b>188 829</b>	<b>58 773</b>	<b>(16 545)</b>	<b>380 578</b>
Dividend paid	-	-	-	-	-
Other changes	-	-	-	624	624
Treasury Shares	-	-	-	-	-
Total comprehensive income	-	8 602	976	-	9578
<b>Balance as at 31 March 2009</b>	<b>149 950</b>	<b>197 431</b>	<b>58 968</b>	<b>(15 969)</b>	<b>390 780</b>

## NOTES

The financial statements have been prepared in accordance with provisions of Art. 5 of the Luxembourg Law dated 11 January 2008, which transposed Directive 2004/109/EC of the European Parliament and of Council of 15 December 2004 in the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

The d'Amico International Shipping Group has adopted International Financial Reporting Standards (IFRS – International Financial Reporting Standards and IAS – International Accounting Standards) as issued by the 'IASB' (International Accounting Standards Board) and endorsed 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'.

This report has been prepared in accordance with IAS 34 - *Interim Financial Reporting* applying the same accounting principles and policies used in the preparation of the consolidated financial statements at 31 December 2009 with particular regard to material changes in respect of these statements.

The d'Amico International Shipping Group has adequate resources to continue in operational existence for the foreseeable future; accordingly, the financial statements have been prepared on a going concern basis.

The financial statements are expressed in U.S. Dollars, being the functional currency of the Company and its principal subsidiaries.

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### 1. ACCOUNTING POLICIES

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The financial statements present the results of the parent company, d'Amico International Shipping SA, and its subsidiaries for the period ended 31 March 2010. The accounting policies have been consistently applied.

The Company - according to the provisions of article 36, paragraph 1, letter b) and c) and paragraph 2, of the Consob Regulation in force implementing the provisions on Markets, although the above provisions are not applicable to the Company - obtained from its controlled subsidiaries established and regulated under the law of non-European Union countries and considered relevant as per the Consob Regulation in force implementing the provisions on Issuers both the relevant articles of association and the composition and powers of their controlling bodies. Moreover, the Company duly assessed that the above mentioned companies have adopted an internal audit system adequate for the regular submission to the management and to the auditors of the Company of the economic and financial data necessary for the compilation of the consolidated financial statements of the Company and so that the Company's auditor can perform its annual and interim audit of the accounts of the Company.

#### *Basis of Consolidation*

The financial statements present the consolidated results of the parent company, d'Amico International Shipping SA, and its subsidiaries for the year ended 31 March 2010.

#### *Critical Accounting Judgments and Key Estimates*

The preparation of the financial statements requires Management to make accounting estimates and in some cases assumptions in the application of accounting principles. The Directors' 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.

## Segment Information

d'Amico International Shipping only operates in one business segment: Product Tankers. With reference to geographical area, the Group only has one geographical segment, considering the global market as a whole, and the fact that individual vessels deployment is not limited to a specific area of the world. As a result, no geographical segment information is needed

## Accounting principles

There are no new International Financial Reporting Standards or IFRICs applicable to this quarterly financial report with respect to those applied for 31 December 2009 year end.

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## 2. COMMITMENTS AND CONTINGENCIES

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### Capital commitments

As at 31 December 2009, the Group's capital commitments amounted to US\$ 114.1 million, of which payments over the next 12 months amounted to US\$ 58.0 million.

<i>US\$ Million</i>	<b>As at 31 March 2010</b>	<b>As at 31 December 2009</b>
Within one year	58.0	79.1
Between 1 – 3 years	56.1	49.2
Between 3 – 5 years	-	-
More than 5 years	-	-
	<hr/> <b>114.1</b>	<hr/> <b>128.3</b>

Capital commitments relate to the payments within one year of US\$ 58.0 million for four Hyundai-Mipo dockyard 46,000 dwt Product/chemical tanker vessels bought by GLENDA International Shipping Ltd. and medium term payments of US\$ 56.1 million relating to the two Hyundai-Mipo dockyard 52,000 dwt Product/chemical tanker vessels initially bought by GLENDA International Shipping and then transferred to d'Amico Tankers Limited in March this year.

On behalf of the Board

Paolo d'Amico  
Chairman

Marco Fiori  
Chief Executive Officer

The manager responsible for preparing the company's financial reports, Alberto Mussini, in his capacity of 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.

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## CONTACTS

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