



## **PRESS RELEASE**

**The Board of Directors of d'Amico International Shipping S.A. approved FY 2011 Results:  
DIS MANAGED A DIFFICULT PRODUCT TANKER ENVIRONMENT IN 2011.  
EBITDA OF US\$ 31.0 MILLION AND NET LOSS OF US\$ 21.0 MILLION. GOOD OPERATING CASH  
FLOW GENERATION AND CONFIRMED ITS STRONG FINANCIAL POSITION**

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### ***FY 2011 RESULTS***

- Time charter equivalent earnings (TCE) - US\$ 187.0 million
  - Gross Operating Profit/EBITDA - US\$ 31.0 million (16.6% on TCE)
  - Operating loss/EBIT - US\$ 6.0 million
  - Net Loss - US\$ 21.0 million
  - Operating Cash Flow - US\$ 29.0 million
  - Net debt - US\$ 239.6 million
  - EPS - US\$ (0.140)
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**Luxembourg, 23 February 2012** – The Board of Directors of d'Amico International Shipping S.A. (Borsa Italiana: DIS) (the Company or the Group), a leading international marine transportation company operating in the product tanker market, today examined and approved the 2011 full year statutory and consolidated financial results.

### **MANAGEMENT COMMENTARY**

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

*'2011 was characterized by a tough macro-economic scenario which affected also the Product Tanker industry. DIS spot performance was substantially stable across all 2011 quarters, with the exception of a temporary spike in Q2'11. Slightly better market conditions were registered towards the end of the period.*

*DIS reaffirms its balanced business model as the most efficient way to manage the challenging Product Tanker market with a firm focus on the longer term.*

*The Company maintained a high cover ratio throughout the year, supporting the cash flow generation and pursuing the goal of strengthening its historical relationships with the main Oil Majors, a key pillar of our commercial strategy.*

*This strategy allowed DIS to maximize its 2011 results and to generate operating cash flow even in such complex market conditions.*



*The strong reputation, the solid financial position and the primary market role allow DIS to always look at external opportunities, such as M&A, selected assets acquisitions or charters at the right time.*

*d'Amico International Shipping has a conservative outlook for the beginning of 2012, mainly due to the world macro-economic uncertainties. However, the medium and long-term view of the Product Tanker industry continues to be positive, particularly for the MR segment. On the supply side, a limited MR net growth is expected in the years to come. At the same time, the shifting of refining capacity occurring outside the OECD will lead to an improved ton mile demand and to better utilization rates.'*

## **FINANCIAL REVIEW**

### ***SUMMARY OF THE RESULTS IN 2011***

The ever changing economic environment characterized the year. 2011 was peppered with natural disasters, geo-political unrest and poor economic news. European sovereign debt issues strongly affected 2011, together with the prolonged uncertain geo-political situation in North Africa and the Middle East. Oil Product demand for 2011 was continually being revised downward as GDP growth was also reduced. Exceptionally poor refining margins in OECD Northern Hemisphere have extended the list of refineries being sold or even permanently closed. The disruption of supply of petroleum products continues with no real substantial improvement in returns for Product Tankers. Better utilization rates of the Medium Range and Handy size product tankers have led to no large fluctuations in freight rates due to the large modern fleet of tankers in this segment. The slight improvement in Oil demand growth has been supported almost entirely by emerging economies. However said emerging economies registered a certain slowdown mainly due to some inflationary pressure.

DIS 2011 figures reflected the not favourable industry environment, resulting in a net loss of US\$ 21.0 million compared to US\$ 20.5 million of net loss posted in 2010. This result was driven by the TCE Earnings and mainly by the spot market trend.

Despite the weak 2011 product tanker market, DIS positive operating cash flow confirmed again the strong financial position of the Company. The operating cash flow generated in 2011 was US\$ 29.0 million. This certainly represents a very positive achievement, especially after three years of the tankers industry negative cycle. The significant percentage of fixed contract coverage (48.1% on average in 2011) and the competitive market positioning supported the very solid financial position. At the same time a well-balanced business model allows DIS to take full advantage of any market upside.



## OPERATING PERFORMANCE

**Time charter equivalent earnings** were US\$ 187.0 million in 2011 compared US\$ 199.3 million of the previous year. According to its strategy, DIS maintained a high level of 'coverage' (fixed contracts) throughout 2011, securing an average of 48.1% of its revenues. The lower level of the average fixed daily rate in 2011 is simply due to the contracts signed during 2010 and 2011, providing daily rates which reflect the current market conditions. Other than securing revenue and supporting the operating cash flow generation, those contracts pursue the objective of strengthening DIS historical relationships with the main oil majors, which is one the pillars of its commercial strategy.

As shown in the table below, the decrease in 2011 daily returns (US\$ 14,265) compared to 2010 (US\$ 15,291), was mainly due to the aforesaid 'erosion' of the average fixed rate (2011: US\$ 16,607 vs. 2010: US\$ 18,034). Spot returns were substantially stable across the quarters of the year apart from a peak registered in Q2 (May and June in particular); whilst on a full year basis the daily spot average was around 6% lower than 2010 (US\$ 12,022 vs. US\$ 12,854).

The table below shows the DIS TC-rates comparable trend in 2010 and 2011:

DIS TCE daily rates (US dollars)	2010					2011				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Spot	12,961	11,960	13,690	12,864	12,854	11,871	12,516	11,894	11,819	12,022
Fixed	19,023	18,416	17,464	17,136	18,034	16,932	16,854	16,517	16,082	16,607
Average	15,901	15,260	15,336	14,809	15,291	14,328	14,687	14,164	13,869	14,265

**Gross operating profit (EBITDA)** for 2011 amounted to US\$ 31.0 million. Excluding the US\$ 3.3 million 'capital gain', 2011 EBITDA was US\$ 27.7 million vs. US\$ 30.4 million in 2010. This result was mainly due to the lower daily average TCE Earnings. This caused the slight reduction of the 2011 EBITDA margin on TCE Earnings: 14.8% in 2011 vs. 15.3% in 2010.

The **Operating result (EBIT)** for the year was US\$ 6.1 million negative vs. the operating loss of US\$ 2.0 million booked in the previous year. This variance is mainly a consequence of the lower performance registered at TCE earnings level and of the increase of the depreciation charges.

The **Net loss** for 2011 was US\$ 21.0 million compared to the net loss of US\$ 20.5 million in 2010.

## CASH FLOW AND NET INDEBTEDNESS

The net cash flow for the year ended at 31 December 2011 was US\$ 17.3 million negative. Net of the amount of US\$ 6.6 million relating to the short term financing investments, the net outflow was limited to US\$ 10.6 million. The 2011 cash flow was positively influenced also by the cash-in of the proceeds arising from the already disclosed sale of one previously chartered-in vessel.



**Cash flow from operating activities** for the year was of US\$ 29.0 million (cash flow of US\$ 2.4 million in 2010). This favourable result was supported by the positive working capital trend, including the amount of US\$ 5.0 million received in connection with the contract renegotiation carried out with the new owners of four DIS chartered-in vessels.

	Q1	Q2	Q3	Q4	FY
<i>(US Dollars)</i>					
Operating cash flow	16 948	1 475	12 329	(1 760)	28 992

**Net debt** as at 31 December 2011 amounted to US\$ 239.6 million vs. US\$ 231.0 million at the end of the previous year. The slight increase compared to the end of 2010 was mainly due to the loan and instalments in connection with the vessel under construction.

## SIGNIFICANT EVENTS OF THE PERIOD

### **CONTROLLED FLEET – D’AMICO TANKERS LIMITED**

The following changes occurred in the Fleet controlled by d’Amico Tankers Limited in 2011:

- At the beginning of the year, d’Amico Tankers Limited renewed for two more years, plus option to extend for one additional year, three time charter-out contracts with a main oil-major. At the same time d’Amico Tankers concluded a further one year time charter-out contract with another oil-major;
- During the year the following chartered-in vessels were redelivered back to their Owners: M/T Cielo di Napoli (February), M/T High Glory (April), M/T Uzava (July), M/T Handytankers Liberty (October).

### **CONTROLLED FLEET – GLENDA INTERNATIONAL SHIPPING LIMITED**

- January 2011 – M/T GLENDA Melody, a medium range owned vessel, was delivered to GLENDA International Shipping Limited;
- February 2011 – M/T GLENDA Meryl and M/T GLENDA Melissa, two medium range owned vessels, were delivered to GLENDA International Shipping Limited, completing the JV new-building plan.

### **ACQUISITION AND SUBSEQUENT SALE OF THE MEDIUM RANGE PRODUCT TANKER VESSEL M/T HIGH CENTURY**

In June 2011 d’Amico Tankers Limited, the fully owned operating subsidiary of d’Amico International Shipping S.A., agreed the purchase of the Medium Range (MR) double hulled Product Tanker vessel M/T High Century (48,676 dwt.), built in 2006 by Imabari Shipbuilding Co. Ltd, Japan, at the price of US\$ 23.8 million. d’Amico Tankers Limited negotiated the Vessel acquisition for a lower price compared to its current market value. The Vessel had been chartered in by d’Amico Tankers since 2006. The time charter-in contract included a purchase



option, which was not exercised earlier this year as it was not 'in the money'. The Vessel was delivered to d'Amico Tankers early in July 2011. In September 2011 d'Amico Tankers Limited agreed to resell the Vessel, at the price of US\$ 28 million. The net gain on disposal was about US\$ 3.3 million. The Vessel was delivered to the new owners at the end of October 2011.

***ACQUISITION AGREEMENT ON THE SECOND-HAND HANDY-SIZE PRODUCT TANKER VESSEL M/T FABRIZIA D'AMATO***

d'Amico Tankers Limited resolved to purchase the handy-size M/T Fabrizia D'Amato, a 40,081 dwt. double-hull product chemical tanker vessel, owned by D'Amato Shipping S.r.l. Italy, built in 2004 by Shin-A Shipbuilding Co. Ltd, South Korea, subject to the Tribunal's final decision ('provvedimento definitivo') within a time limit. The agreed purchase price for this vessel was US\$ 24.5 million. As a result of excessive delays occurred in the expected Vessel's delivery and following the other postponements announced respectively on 11 July and 2 August 2011, on 4 October 2011 d'Amico Tankers Limited did not agree to postpone further the purchase of the Vessel, despite the request of the owner. Therefore in accordance with the relevant Memorandum of Agreement ('MOA') and availing itself of the rights arising from it, d'Amico Tankers decided appealing to the ineffectiveness of the MOA and of the sale of the Vessel therein contemplated.

***NEW US\$ 48 MILLION LOAN FACILITY***

In July 2011 d'Amico Tankers Limited, the operating subsidiary of d'Amico International Shipping S.A., signed a term loan facility of US\$ 48.0 million with a club deal between Crédit Agricole Corporate and Investment Bank and DnB NOR Bank ASA. The facility will be used to finance the two 52,000 DWT, MR Product Tankers / Chemicals vessels, bearing hull n. 2307 and n. 2308, already ordered and currently under construction at Hyundai Mipo Dockyard Co. Ltd - South Korea, whose delivery is expected in March and April 2012 respectively. The loan amount largely covers the remaining instalments to be paid to the Shipyard for the two New-buildings whose aggregate amount is of US\$ 56.0 million.

The loan agreement provides a maturity of seven years from the New-buildings delivery and a highly competitive interest rate.



### **BUY-BACK PROGRAMME**

In July 2011 the Board of Directors of d'Amico International Shipping S.A. resolved to start the buy-back program pursuant to the authorization issued by the Annual General Meeting of shareholders held on 29 March 2011.

As per Board of Directors resolution the program is aimed at purchasing DIS ordinary Own Shares for the constitution of a 'treasury stock' available eventually as means of payment, sale, exchange, transfer, contribution, pledge, assignment or other action of disposal within the framework of transactions linked to the Company's and its subsidiaries operation and of any projects constituting an effective opportunity of investment in line with the policies of the Company such as agreements with strategic partners, acquisition of shareholdings or shares' packages or other transactions of extraordinary finance that imply the allocation or assignment of Own Shares (like merger, demerger, issuance of convertible debentures or warrant, etc.) and more widely for any purpose as may be permitted under applicable laws and regulations in force. The buy-back program shall be carried out using the available reserves and/or distributable earnings within a minimum price of Euro 0.50 per share and a maximum price of Euro 3.50 per share for a total consideration in the range comprised within Euro 7.5 million and Euro 52.0 million.

During the period going from 6<sup>th</sup> July and 14<sup>th</sup> October 2011, d'Amico International Shipping S.A. repurchased, on the regulated market managed by Borsa Italiana S.p.A., nr. 700,000 own shares, representing the 0.46682% of the outstanding share capital of the Company, at the average price of Euro 0.69, for a total consideration of Euro 483,253. As at 31<sup>st</sup> December 2011, d'Amico International Shipping S.A. holds nr. 5,090,495 own shares, representing the 3.3948 % of the outstanding share capital.

### **SUBSEQUENT EVENTS AND BUSINESS OUTLOOK**

#### **CONTROLLED FLEET**

In January 2012, M/T Freja Hafnia, a medium range vessel built in 2006, was delivered to d'Amico Tankers Limited for a 1 year time charter period.

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

	As at 31 December 2011			As at 23 February 2012		
	MR	Handysize	Total	MR	Handysize	Total
Owned	16.0	3.0	19.0	16.0	3.0	19.0
Time chartered	13.0	3.0	16.0	14.0	3.0	17.0
Chartered through pools	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>29.0</b>	<b>6.0</b>	<b>35.0</b>	<b>30.0</b>	<b>6.0</b>	<b>36.0</b>



## ***BUSINESS OUTLOOK***

Going into 2012 refinery closures would appear to be fundamentally changing the perceived demand for Product Tankers in the future. Extremely poor margins and returns have led to refinery closures primarily in the OECD countries in North America and Europe. Should the largest refiner within Europe not find a buyer for its five refineries, same might be permanently closed removing around 600,000 barrels per day of refining capacity. However the newer more economical refineries are situated in the emerging economies and they should be very well placed to meet demand as and when it increases. This would lead to better tanker utilization rates and to an improved tonne mile demand in the short but more importantly in the longer term. The International Monetary Fund (IMF) revised global growth figures are negative for shipping. In an update of its 'World Economic Outlook', the IMF sharply cut its forecast for global growth in 2012 and further trimmed 2013 projections on the back of stalling global recovery and Euro area debt crisis. The IMF expectations of GDP growth for 2012 is now seen at 3.3% vs. the 4% rate projected in its September Outlook. In addition, the International Energy Agency (IEA) has reduced its estimated increase of 'oil product demand' for 2012 down to 1.1 million barrels per day (a reduction of 200,000 barrels per day). The IEA estimated 'global oil demand' is revised down with lower than expected 4Q11 readings in the non-OECD and a downward adjustment to global GDP growth assumptions. Oil stocks are below the five year average because of supply disruption, however this has had no real effect on charter rates as even demand improve was not significant in 2011. Demand / Supply balance is fragile and any slight change either way can have a marked effect.

The short term view is fairly bearish under the current economic conditions. Concerns over the actual European sovereign debt issues and a short term slowdown of the emerging economies prevail. The longer term view is still positive thanks to estimated better utilization rates, albeit expectations for substantial demand improvement are still fragile. Also, high prices of oil and commodities could moderate growth. Therefore d'Amico International Shipping is necessarily maintaining a fairly prudent approach going into the following quarters.

The key drivers that should affect the product tanker freight markets and d'Amico International Shipping performances are (i) Global oil demand and worldwide GDP growth and (ii) the large modern fleet delivered in recent years.

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 below in more details:

### ***Product Tanker Demand***

- Oil Product demand growth is and will be dominated by Non-OECD countries despite a minor downgrading in GDP growth;
- Refining capacity of about 700,000 barrels per day in OECD is earmarked to be removed in 2012 and in the actual climate 3.8 million barrels per day of current refining capacity have been identified as possibly being eliminated from 2012 to 2016;
- This closure of refineries predominately in the West and new refineries being built mainly in Asia and the Middle East will have an effect on crude tanker demand due to



the reduction in sailings time. The effect for product carriers is likely to be the opposite as the excess refinery capacity in Asia will lead to increased long-haul exports in the longer term;

- Tonne mile demand is expected to increase by just below 5% from 2011 to 2015 which should exceed the net growth in the MR Product tanker fleet (25-55,000 deadweight segment);
- United States currently exports on average 2.75 million barrels per day of petroleum products which is almost triple what they were exporting ten years ago. Mexico is currently the largest importer with about 500,000 barrels per day;
- Despite strong domestic demand growth (6.7% year on year), India refining base is expected to increase to 4.6 million Barrels per day by 2015 from the current 3.7 million barrels per day. This excess refining capacity will boost exports of oil products. Their export of petroleum product is currently 5 million tonnes per year.

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

- The large delivery years for product tankers are fundamentally behind us. No significant levels of new orders together with scrapping, have resulted in a reduction of the 'net-increase' trend from its peak of 2008;
- There is still a certain amount of speculation that financing may not be fully in place for the ships that are still to be delivered;
- This reduction in expected deliveries in recent years has been helped by cancellations, conversions and slippage in 2009/2010 ran at 25-30% and an estimated 36% in 2011;
- Scrapping is removing single hull ships and older ships, about 1.9 million tonnes deadweight have been permanently removed from the fleet within the 25-55,000 deadweight segments in 2011. This will continue in the next few years as about 1.6 million tonnes still has to be removed by 2015 under the IMO Marpol Phase out;
- A gradual increase in utilization rates, slow steaming and port congestion is having a positive effect on supply. As demand improves we would expect utilization rates to exceed 80% on average between 2013 and 2015 up from the low of 75% in 2008;
- Longer haul product exports from emerging markets are effectively reducing the available supply of tonnage and they are expected to increase;
- The Oil price traded between US dollar 100.00 to its peak of US dollar 125.00 after the events in the first half of the year which has maintained bunker prices at their historic highs which has resulted in the continued practice of Owners choosing to slow steam their Ships and use weather routing to manage these additional costs.

## **OTHER RESOLUTIONS**

### ***STATUTORY 2011 RESULTS ALLOCATION***

The Board of Directors proposes to carry forward the statutory net loss of the Company amounting to US\$ 2,769,191.00 subject to the approval of the next Annual General Shareholders' Meeting of the Company.



## **2011 CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT AND ANNUAL SHAREHOLDERS MEETING CONVENING**

The Board of Directors considered and approved the 2011 Company's Report on Corporate Governance and Ownership Structure that will be at shareholders disposal in due time according to what prescribed by the applicable laws and regulations.

The Board of Directors further decided to convene the Company's Annual General Shareholders' Meeting on April 04<sup>th</sup>, 2012 called to resolve, among other things, on the approval of the statutory and consolidated Financial Statements as at 31st December 2011.

## **REPORT ON 2011 REMUNERATIONS AND 2012 GENERAL REMUNERATION POLICY**

Upon proposal of the Nomination & Remuneration Committee, the Board of Directors further resolved to approve the Report on 2011 Remuneration and the 2012 General Remuneration Policy regarding executive directors of the Company and Key Management Personnel of the Company and its operating, fully owned subsidiaries in line with the recommendations of the Corporate Governance Code issued by Borsa Italiana S.p.A. The documents will be at shareholders disposal in due time according to what prescribed by the applicable laws and regulations.

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## **CONFERENCE CALL**

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

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The FY 2011 financial report has been prepared in accordance with provisions of Art. 3 of the Luxembourg Law dated 11 January 2008, which transposed Directive 2004/109/EC of the European Parliament and of Council of 15 December 2004 in the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market. The document will be deposited and available within the terms prescribed by the applicable laws and regulations at the Company's registered office and website ([www.damicointernationalshipping.com](http://www.damicointernationalshipping.com)), at Borsa Italiana S.p.A., at Commissione Nazionale per le Società e la Borsa (CONSOB), at Commission de Surveillance du Secteur Financier (CSSF) and at Société de la Bourse de Luxembourg S.A. in its quality of OAM.



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

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## **Investor Relations**

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## ANNEXES

### CONSOLIDATED INCOME STATEMENT

<i>US\$ Thousand</i>	<b>2011</b>	<b>2010</b>
Revenue	291 721	305 592
Voyage costs	(104 716)	(106 249)
<b>Time charter equivalent earnings</b>	<b>187 005</b>	<b>199 343</b>
Time charter hire costs	(89 761)	(102 314)
Other direct operating costs	(53 403)	(53 367)
General and administrative costs	(19 330)	(18 778)
Other operating income	3 205	5 557
Result from disposal of vessels	3 286	-
<b>Gross operating profit</b>	<b>31 002</b>	<b>30 441</b>
Depreciation	(37 050)	(32 467)
<b>Operating profit / (loss)</b>	<b>(6 048)</b>	<b>(2 026)</b>
Net financial income (charges)	(14 329)	(19 018)
<b>Profit/ (loss) before tax</b>	<b>(20 377)</b>	<b>(21 044)</b>
Income taxes	(636)	513
<b>Net profit / (loss)</b>	<b>(21 013)</b>	<b>(20 531)</b>
<b>Earnings per share<sup>(1)</sup></b>	<b>(0.140)</b>	<b>(0.137)</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>US\$ Thousand</i>	<b>2011</b>	<b>2010</b>
Profit / (loss) for the period	(21 013)	(20 531)
Cash flow hedges	4 136	437
<b>Total comprehensive result for the period</b>	<b>(16 877)</b>	<b>(20 094)</b>
<b>Earnings / (loss) per share<sup>(1)</sup></b>	<b>(0.113)</b>	<b>(0.134)</b>

*The total comprehensive income is entirely attributable to the equity holders of the Company*

(1) There are no dilutive instruments, thus no diluted earnings per share has been presented. The figures are presented in US\$.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>US\$ Thousand</i>	As at 31 December 2011	As at 31 December 2010
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible assets	547 634	544 283
<b>Total non-current assets</b>	<b>547 634</b>	<b>544 283</b>
<b>Current assets</b>		
Inventories	17 522	21 172
Receivables and other current assets	39 617	67 547
Current financial assets	14 396	8 250
Cash and cash equivalents	51 068	68 266
<b>Total current assets</b>	<b>122 603</b>	<b>165 235</b>
<b>Total assets</b>	<b>670 237</b>	<b>709 518</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	149 950	149 950
Retained earnings	118 433	139 446
Other reserves	47 098	43 710
<b>Total shareholders' equity</b>	<b>315 481</b>	<b>333 106</b>
<b>Non-current liabilities</b>		
Banks and other lenders	282 492	284 658
<b>Total non-current liabilities</b>	<b>282 492</b>	<b>284 658</b>
<b>Current liabilities</b>		
Banks and other lenders	14 864	11 065
Payables and other current liabilities	49 678	68 855
Other current financial liabilities	7 673	11 754
Current taxes payable	49	80
<b>Total current liabilities</b>	<b>72 264</b>	<b>91 754</b>
<b>Total shareholders' equity and liabilities</b>	<b>670 237</b>	<b>709 518</b>



## CONSOLIDATED STATEMENT OF CASH FLOW

<i>US\$ Thousand</i>	<b>2011</b>	<b>2010</b>
<b>Profit / (loss) for the period</b>	<b>(21 013)</b>	<b>(20 531)</b>
Depreciation and amortisation	37 050	32 467
Current and deferred income tax	636	(513)
Financial charges	10 878	11 195
Fair value gains on foreign currency retranslation	2 865	7 823
Profit on disposal of vessels	(3 286)	-
Other non-cash items	641	29
<b>Cash flow from operating activities before changes in working capital</b>	<b>27 771</b>	<b>30 470</b>
Movement in inventories	3 650	(6 054)
Movement in amounts receivable	27 930	(28 817)
Movement in amounts payable	(19 177)	18 684
Taxes paid	(656)	(1 077)
Interest paid	(10 526)	(10 775)
<b>Net cash flow from operating activities</b>	<b>28 992</b>	<b>2 431</b>
Acquisition of fixed assets	(64 700)	(56 583)
Disposal/cancellation of fixed assets	27 395	2 521
<b>Net cash flow from investing activities</b>	<b>(37 305)</b>	<b>(54 062)</b>
Other changes in shareholders' equity	-	(300)
Treasury shares	(676)	-
Movement in other financial receivable	(20)	56 332
Movement in other financial payable	-	(12 324)
Movement in other financial assets	(6 600)	(8 250)
Bank loan repayments	(54 875)	(48 480)
Bank loan draw-downs	53 173	40 570
<b>Net cash flow from financing activities</b>	<b>(8 998)</b>	<b>27 548</b>
<b>Change in cash balance</b>	<b>(17 311)</b>	<b>(24 083)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(17 311)</b>	<b>(24 083)</b>
Cash and cash equivalents at the beginning of the year	68 266	92 243
Exchange gain (loss) on cash and cash equivalents	113	106
<b>Cash and cash equivalents at the end of the year</b>	<b>51 068</b>	<b>68 266</b>



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

*Alberto Mussini*  
Chief Financial Officer