



## **PRESS RELEASE**

### **The Board of Directors of d'Amico International Shipping S.A. approves Q3 & 9M 2016 Results: DIS' ACHIEVED A NET PROFIT OF US\$ 6.1 MILLION IN THE FIRST NINE MONTHS OF 2016 AND AN OPERATING CASH FLOW OF US\$ 57.9 MILLION**

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#### **THIRD QUARTER 2016 RESULTS**

- Time charter equivalent (TCE) earnings - US 58.5 million in Q3'16 (US\$ 85.0 million in Q3'15)
- EBITDA - US\$ 7.9 million in Q3'16 (13.5% on TCE) (US\$ 29.7 million in Q3'15)
- Net Result - US\$ (7.6) million in Q3'16 (US\$ 14.7 million in Q3'15)
- Cash Flow from Operating Activities - US\$ 17.9 million in Q3'16 (US\$ 9.3 million in Q3'15)

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#### **NINE MONTHS 2016 RESULTS**

- Time charter equivalent (TCE) Earnings - US\$ 202.9 million in the first 9M of 2016 (US\$ 243.1 million in 9M'15)
- EBITDA - US\$ 48.1 million (23.7% on TCE) in the first 9M of 2016 (US\$ 74.8 million in 9M'15)
- Net Result - US\$ 6.1 million in the first 9M of 2016 (US\$ 44.8 million in 9M'15)
- Cash Flow from Operating Activities - US\$ 57.9 million in the first 9M of 2016 (US\$ 39.5 million in 9M'15)
- Net debt - US\$ 485.6 million at the end of September 2016

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**Luxembourg - November 09<sup>th</sup>, 2016** – The Board of Directors of d'Amico International Shipping S.A. (Borsa Italiana: DIS) (the Company, d'Amico International Shipping or the Group), a leading international marine transportation company operating in the product tanker market, today examined and approved Q3 and 9M 2016 Financial Results.

#### **MANAGEMENT COMMENTARY**

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

*'I am rather satisfied about the US\$ 6.1 million Net Profit posted by DIS in the first nine months of the year, considering the very challenging market scenario experienced in the third quarter. In fact, following a strong Q1, the spot market softened in the second quarter and hit historically low levels in the following three months. The relative oil price stability has been putting pressure on refinery margins with the consequent decline in their throughput and has been leading to a greater utilization of petroleum product inventories. In addition to this, a large number of newbuildings has hit the market in the first nine months of the current year, increasing the global tonnage supply.*

*DIS has somewhat limited the negative impacts of this market correction, thanks in particular to its traditionally high level of time charter-out coverage (47% of its available vessel days at a daily average fixed rate of US\$ 15,959) which allow us to mitigate the effects of spot market volatility, securing a certain level of earnings and cash generation.*

*Despite this short-term market volatility, I believe the product tanker market has still strong underlying fundamentals. I refer in particular to the trend of refineries moving away from main consuming regions, which will increase the ton-mile demand, and to a historically low fleet growth expected for the years to come, with virtually no new ordering activity. Meanwhile, we are also expecting a gradual improvement in market conditions already in the following two quarters, which should benefit from a cold winter season expected in the Western hemisphere'.*



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

*'Despite a challenging market in the third quarter of the year, DIS achieved a net profit of US\$ 6.1 million YTD. The Company also generated substantial operating cash flow of US\$ 57.9 million in the first nine months of the year.*

*DIS continued implementing its ambitious US\$ 755 million investment plan in 22 newbuildings, with US\$ 106 million in capital expenditures in the first 9 months of 2016 and an additional 3 new vessels delivered from the yards. The remaining investment plan amounts to US\$ 265.5 million and 84% will be financed with bank debt, already fully secured as of today'.*

## **FINANCIAL REVIEW**

### **SUMMARY OF THE RESULTS IN THE THIRD QUARTER AND NINE MONTHS OF 2016**

The IMF said in their October report that global growth is projected to slow to 3.1% in 2016 before recovering to 3.4% in 2017. The forecast, revised down by 0.1% for 2016 and 2017 relative to April, reflects a more subdued outlook for advanced economies following the June U.K. vote in favour of leaving the European Union (Brexit) and weaker than expected growth in the United States. The IEA said in their recent report that World oil demand will grow by 1.2 million b/d in 2016, with a similar expansion expected in 2017. Growth continues to slow, dropping from a five-year high in Q3 2015 to a four-year low in Q3 2016 due to vanishing OECD growth and a marked deceleration in China. The potential for colder weather should see growth rebound somewhat in Q4 2016 (+1.4 million b/d).

Stocks continued to build throughout the first half of Q3. OECD Oil product inventories built by 18.7 million barrels in Q3 to reach a historical high in August as OECD refinery throughput rose. However in OECD Europe gasoline stocks drew in line with higher exports to the US and West Africa, bringing industry stockpiles to 95 million barrels by the end of August, their lowest level since December 2015. Stocks of middle distillates were almost unchanged on the month of September as they drew by 700,000 barrels to 321 million barrels. At the end of August, global refined product holdings covered 42.8 days of forward demand, a rise of 0.2 days on end-July. Reports concerning refined products held in independent storage in Northwest Europe suggest that stocks fell for most product categories in September. Gasoline and naphtha stocks fell due to higher exports to West Africa, while for diesel, gasoil and jet fuel lower imports were to blame.

Q3 Product freight rates were extremely subdued across all regions. The MEG market was depressed on the lack of demand for Naphtha in the Asian markets. In Q3, China exported roughly 800,000 barrels per day of petroleum products. Despite the strong export figures for products from China there was and is a very ready supply of ships to easily meet the demand.

In the Western Hemisphere, there were considerable volumes transported but rates also remained depressed due to the large supply of tonnage. Hurricane Mathew and the outage of the Colonial pipeline did lend some support to rates, but the positive effect was short lived. The UK – US Atlantic coast route also found support from the outage and the addition of extra export cargoes from the USA and Europe to West Africa.

The one year perceived Time charter rate is always the best indicator of spot market expectations. In Q3 2016, the one-year rate for an MR went from US\$ 14,500 to US\$ 13,500 per day.

Due to the relatively weak product tanker market in Q3 2016, DIS' Net Result was negative for US\$ (7.5) million in the third quarter of the year, leading to a **Net Profit of US\$ 6.1 million for the first 9 months of**



**2016.** This result compares with a US\$ 14.7 million Net Profit posted in the same quarter last year and US\$ 44.8 million Net profit recorded in the first 9 months 2015.

The variance compared with the previous year is largely due to the weaker tanker market especially in Q3 2016.

In fact, **DIS' daily spot rate was US\$ 14,528 in the first 9 months 2016** vs. US\$ 19,739 achieved in the same period last year, whilst Q3'16 Spot Rate was of US\$ 10,101 compared with US\$ 21,219 in Q3 2015.

At the same time, 47.3% of DIS' total employment days in the first 9 months 2016, were covered through 'time charter' contracts at an average daily rate of US\$ 15,959, a higher percentage and average rate compared with the same period last year (9 months 2015: 45.1% coverage at an average daily rate of US\$ 15,129). Such high level of time charter coverage is one of the pillars of DIS' commercial strategy and allows it to mitigate the effects of spot market volatility, securing a certain level of earnings and cash generation. In fact, DIS' total daily average rate (which includes both spot and time charter contracts) was US\$ 15,206 in the first nine months of the current year compared with US\$ 17,660 in H1 2015.

Despite the weak spot market in 2016 and in particular in Q3, DIS achieved an **EBITDA of US\$ 48.1 million in the first 9 months of the year** and an **'EBITDA Margin on TCE Earnings' of 23.7%** (9 months 2015: US\$ 74.8 million and 30.8% margin). Such a good level of EBITDA together with a good trend in working capital led to a **positive operating cash flow of US\$ 57.9 million in the first 9 months 2016.**

In the first nine months of the year, DIS had **US\$ 106.6 million in 'capital expenditures'**, mainly in relation to its newbuilding plan. Since 2012, DIS has ordered a total of **22 'Eco design' product tankers<sup>1</sup>** (10 MR, 6 Handysize and 6 LR1 vessels), of which 13<sup>2</sup> vessels have been already delivered as at the end of September 2016. This corresponds to an overall **investment plan** of approximately **US\$ 755.0 million** and is in line with the Company's strategy to modernize its fleet through newbuildings with an eco-design. In addition, DIS has already fixed 14 of its newbuilding vessels on long-term time-charter contracts with three oil-majors and a leading refining company, all at profitable levels.

#### **OPERATING PERFORMANCE**

**Time charter equivalent earnings** were US\$ 58.5 million in Q3 2016 (US\$ 85.0 million in Q3 2015) and US\$ 203.0 million in the first 9 months 2016 (US\$ 243.1 million in 9 months 2015). The variance compared with last year is due to the softer product tanker market of the first 9 months 2016 and partially to the lower number of vessels operated in 2016.

In particular, DIS realized a **Daily Average Spot Rate of US\$ 14,528 in the first 9 months of 2016** compared with US\$ 19,739 in the first 9 months of 2015. After a very positive first quarter of the year (Q1 2016: US\$ 18,076), the spot market softened in the second quarter (Q2 2016: US\$ 15,560) and hit historically low levels in the following three months, with DIS achieving a Daily average Spot Rate of US\$ 10,101 in Q3 2016, compared with US\$ 21,219 recorded in the same quarter of 2015.

Following its strategy, during the first nine months of 2016 DIS maintained a **high level of 'coverage'** (fixed contracts), securing an average of **47.3%** (9 months 2015: 45.1%) of its available vessel days at a **Daily Average Fixed Rate of US\$ 15,959** (9 months 2015: US\$ 15,129). In addition to securing revenue and supporting the operating cash flow generation, these contracts enable DIS to strengthen its historical relationships with the main oil majors, which is one the pillars of its commercial strategy.

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<sup>1</sup> Including M/T High Sun, an MR vessel ordered at Hyundai Mipo Dockyard Co. Ltd. and owned by Eco Tankers Limited (in which DIS has 33% interest, in JV with Venice Shipping and Logistics S.p.A.)



**DIS' Total Daily Average TCE (Spot and Time Charter) was US\$ 12,904 in Q3 2016** (US\$ 18,411 in Q3 2015) and **US\$ 15,206 in the first 9 months of 2016** (US\$ 17,660 in 9 months 2015).

DIS TCE daily rates (US dollars)	2015					2016			
	Q1	Q2	Q3	9m	Q4	Q1	Q2	Q3	9m
Spot	18,503	19,533	21,219	<b>19,739</b>	15,673	18,076	15,560	10,101	<b>14,528</b>
Fixed	15,010	15,153	15,220	<b>15,129</b>	15,461	15,706	16,059	16,106	<b>15,959</b>
Average	16,939	17,619	18,411	<b>17,660</b>	15,570	16,970	15,803	12,904	<b>15,206</b>

**EBITDA was US\$ 7.9 million in Q3 2016 and US\$ 48.1 million in the first nine months of 2016**, compared with US\$ 29.7 million in Q3 2015 and US\$ 74.8 million in the first 9 months of 2015. The decreased compared with last year, is mainly due to the lower 'TCE Earnings' and higher 'Other direct operating costs', partially compensated by lower 'Time charter hire costs'. Consequently, **DIS' EBITDA Margin was 13.5% in Q3 2016 and 23.7% in the first 9 months of 2016** compared with 34.5% in Q3 2015 and 30.8% in the first 9 months of 2015.

**EBIT was negative for US\$ (1.8) million in Q3 2016** (positive for US\$ 21.8 million in Q3 2015) and **positive for US\$ 20.1 million in the first 9 months of 2016** (positive for US\$ 51.6 million in 9 months 2015).

The **Net Result for Q3 2016 was US\$ (7.5) million** compared with a Net Profit of US\$ 14.7 million, whilst **in the first 9 months of 2016 it was positive for US\$ 6.1 million** compared with a Net Profit of US\$ 44.8 million posted in the same period of 2015.

#### **CASH FLOW AND NET INDEBTEDNESS**

**DIS' Net Cash Flow for the first 9 months of 2016 was negative for US\$ 10.7 million**, mainly due to US\$ 106.6 million gross capital expenditures, partially compensated by US\$ 57.9 million positive operating cash flow and US\$ 38.0 million positive financing cash flow.

**Cash flow from operating activities** was positive for US\$ 17.9 million in Q3 2016 (US\$ 9.3 million in Q3 2015) and **positive for US\$ 57.9 million in the first 9 months of 2016** (US\$ 39.5 million in 9 months 2015).

**DIS' Net debt as at September 30 2016 amounted to US\$ 485.6 million** vs. US\$ 422.5 at the end of 2015. The increase compared with the previous year is mainly attributable to the implementation of DIS' **US\$ 755.0 million newbuilding plan**, with total investments of US\$ 106.6 million in the first 9 months of 2016.

#### **SIGNIFICANT EVENTS IN THE PERIOD**

The main events for the d'Amico International Shipping Group in the first 9 months of 2016 were the following:

#### **D'AMICO INTERNATIONAL SHIPPING:**

- **Results of d'Amico International Shipping Warrants 2012-2016 – Third and Final Exercise Period ended in January 2016:** In February 2016 – d'Amico International Shipping S.A. ("DIS") announced that the Third and Final Exercise Period of the "d'Amico International Shipping Warrants 2012 – 2016" (ISIN code LU0849020044) had ended on 29 January, 2016. During this Third and Final Exercise Period 17,003,874 Warrants, reaching a conversion rate in the third period of 80%, were exercised at the price of Euro 0.46 per ordinary share. In accordance with



the terms and conditions of the Warrant Regulations, DIS issued on the 8th of February 2016, based on the Warrants Ratio of one (1) Warrant Share for every three (3) Warrants exercised, no. 5,667,958 Warrant Shares with same rights (including that to dividends) and features of DIS ordinary outstanding shares at the issue date. In accordance with the Warrant Regulations, warrants which were not exercised during the recently ended Third and Last Exercise Period automatically lapsed. After the capital increase occurred at the end of the Third and Final Exercise Period, DIS' share capital now amounts to US\$ 42,851,035.60 divided into 428,510,356 ordinary shares without unit value.

- **Buyback program:** In accordance with the authorization issued by the Shareholders' meeting of 29 March 2011 and following the Board of Directors resolution of 5 July 2011, d'Amico International Shipping S.A. - as provided by the Consob Resolution n. 16839 of 19 March 2009 and of article 4.4, therein recalled, of the Commission Regulation (CE) n. 2273/2003 of 22 December 2003 - disclosed that during the period between January 11 and March 11 2016, it repurchased on the regulated market managed by Borsa Italiana S.p.A., nr.1,180,000 own shares, representing 0.275% of the outstanding share capital of the Company, at the average price of €0.467, for a total consideration of €551,116.

The five years period for the execution of the repurchase of DIS own shares expired on 29 March, 2016. At the end of the authorized period the Company held n° 7,760,027 own shares (including those repurchased during previously authorized periods) without nominal value corresponding to 1.81% of the Company's current share capital (the "Treasury Stock"). In May 2016, the Board of Directors of d'Amico International Shipping S.A., resolved to start the new buy-back program pursuant to the authorization issued by the annual general meeting of shareholders held on 20 April 2016 and no buy back was performed so far, the Company's own shares still being n° 7,760,027.

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



received by granting the right to subscribe newly issued shares, the overall increase of 8,500,000 shares would result in a dilution of the share capital of 1.945%.

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

The Annual General Shareholders' meeting of DIS further resolved the following: to grant discharge to the members of the Board of Directors for the proper exercise of their mandate for the fiscal year ended 31 December 2015, in accordance with applicable Luxembourg laws; to approve the aggregate fixed gross amount of the Directors' fees (tantièmes) for the 2016 fiscal year and acknowledge the Company's 2016 general remuneration policy as described in section I of the 2015 Board of Directors' report on remuneration drafted in compliance with article 123-ter, clause 6, of Italian Legislative Decree 58/98; to approve the stock option plan of the Company as illustrated in the Information Document and related report of the Board of Directors both approved on 3 March 2016 and available on the Company's web site; to authorise the renewal of the authorization to the Board of Directors of the Company to effect on one or several occasions – for the purposes illustrated in the report of the board of directors, as available on the Company website, and according to all applicable laws and regulations – repurchases and disposals of Company shares on a regulated market on which the Company shares are admitted for trading, or by such other means resolved by the Board of Directors during a period of five (5) years from the date of the current Annual General Shareholders' meeting, up to 42,851,356 ordinary shares of the Company, within a price range from: i) a price per share not lower than 10% below the shares' official price reported in the trading session on the day before carrying out each individual transaction; to ii) a price per share no higher than 10% above the shares' official price reported in the trading session on the day before carrying out each individual transaction.

- **Dividend Payment:** On 25 May 2016, d'Amico International Shipping S.A. paid to its shareholders a gross dividend of US\$ 0.0295 per issued share (US\$ 0.025075 net of the maximum applicable 15% withholding tax) for a gross total of US\$ 12.4 million with related coupon n. 4 detachment date occurring on 23 May 2016 and record date on 24 May 2016 (no dividend was paid with reference to the 7,760,027 shares repurchased by the Company, treasury shares not carrying a dividend right).

#### ***D'AMICO TANKERS d.a.c.:***

- **Newbuilding Vessels:** In January 2016, M/T High Trust, an 'Eco' newbuilding MR (Medium Range – 50,000 dwt) product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to d'Amico Tankers d.a.c. Starting from March 2016, the Vessel is employed with one of the main oil-majors on a 3 years' time charter contract, at a profitable daily rate.  
In May 2016, M/T Cielo di Capri, an 'Eco' newbuilding Handysize (39,000 dwt) product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to d'Amico Tankers d.a.c. Starting from May 2016, the Vessel is employed with one of the main oil-majors on a 24-35 months' time charter contract, at a profitable daily rate.  
In July 2016, M/T Cielo di Hanoi, an 'Eco' newbuilding Handysize (39,000 dwt) product tanker built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, was delivered to d'Amico Tankers d.a.c.



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- **'Second-Hand Owned Vessels':** in March 2016, d'Amico Tankers d.a.c. purchased M/T Cielo di Milano, a 40,081 dwt handysize product tanker, built in 2003 by Shina Shipbuilding shipyard (South Korea), from d'Amico Shipping Italia S.p.A., for a consideration of US\$ 14.0 million. Such consideration was determined according to a market value estimate by a specialized independent company; moreover, since it is considered as "operation with related parties" it was approved by the Board of Directors and evaluated by the Control and Risk committee in accordance with company procedures. M/T Cielo di Milano was delivered to d'Amico Tankers d.a.c. in July 2016.
- **New financing:** In March 2016, d'Amico Tankers d.a.c. (Ireland) has secured a new US\$ 250 million Term Loan Facility at very attractive terms with a pool of nine primary financial institutions: Crédit Agricole Corporate and Investment Bank, Nordea Bank, ING Bank, Banca IMI, Commonwealth Bank of Australia, Skandinaviska Enskilda Banken (SEB), The Governor and Company of the Bank of Ireland, Crédit Industriel et Commercial, DnB. The purpose of this new Facility is to: i) refinance 8 existing vessels (all built between 2004 and 2006) extending their current debt maturity from 2017 to 2021; and ii) provide financing for 6 newbuilding vessels. The Facility has a very competitive interest rate and a final maturity of five years from the drawdown date for the existing vessels and from the delivery date for the newbuilding vessels. The covenants and other conditions are consistent with the d'Amico Tankers d.a.c.'s existing credit facilities, duly guaranteed by the Company. As of today and following this last loan facility, d'Amico Tankers d.a.c. has already secured 100% of its long-term debt requirements for the US\$ 755.0 million investment plan started in 2012.
- **'Time Charter-Out' Fleet:** In January 2016, d'Amico Tankers d.a.c. extended a time charter contract with a main oil major due to expire in February 2016 for another year, at a very profitable rate. In the same month, d'Amico Tankers d.a.c. extended another time charter contract with a leading refining company due to expire in January 2016 for another year, at a very profitable rate.
- **'Time Charter-In' Fleet:** In January 2016, M/T Baizo, an MR vessel built in 2004 and time-chartered-in by d'Amico Tankers d.a.c. since 2014, was redelivered back to her Owners.

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

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

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

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



## SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

### *D'AMICO TANKERS d.a.c.:*

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

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

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

	As at 30 September 2016			As at 9 November 2016		
	MR	Handysize	Total	MR	Handysize	Total
Owned	22.3	7.0	29.3	23.3	8.0	31.3
Time chartered	18.5	3.0	21.5	18.5	3.0	21.5
Total	40.8	10.0	50.8	41.8	11.0	52.8

### **BUSINESS OUTLOOK**

Refinery maintenance and expected weather conditions are key to demand expectations going into Q4 2016. Refinery maintenance is coming into full swing. Refinery runs in the US Gulf region are considerably down and stocks have built at just 25,000 b/d compared to 400,000 b/d in Q3. Higher stocks are likely to extend maintenance period that was delayed last year as demand for products was exceptionally high in Q4 2015. Colder weather is forecast for Q4 and has already improved demand for gasoil for heating purposes. Low water levels along the Rhine River and high gasoil demand are drawing stocks in North-West Europe. Total product stocks in Europe drew by 2.4 million barrels. Stocks are 21% lower than the same period last year as at the end of September 2016.

### **OTHER RESOLUTIONS**

The Board of Directors of d'Amico International Shipping S.A. also approved the Company's 2017 financial calendar which is available on the Company's website ([www.damicointernationalshipping.com](http://www.damicointernationalshipping.com)) and filed with Borsa Italiana S.p.A..

The approved third 2016 Interim management statement is deposited and available within the terms prescribed by the applicable laws and regulations at the Company's registered office and on its website ([www.damicointernationalshipping.com](http://www.damicointernationalshipping.com)). This document is also filed with Borsa Italiana S.p.A., Commissione Nazionale per le Società e la Borsa (CONSOB), Société de la Bourse de Luxembourg S.A. in its quality of OAM and Commission de Surveillance du Secteur Financier (CSSF).

Registered office at 25C Boulevard Royal, Luxembourg  
Share capital US\$ 42.851.035,60 as at 30 September 2016





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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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*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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## ANNEXES

### CONSOLIDATED INTERIM INCOME STATEMENT

Q3 2016	Q3 2015	US\$ Thousand	9 MONTHS 2016	9 MONTHS 2015
81 082	111 661	Revenue	260,973	323 776
(22 609)	(26 669)	Voyage costs	(58,021)	(80 659)
<b>58 473</b>	<b>84 992</b>	<b>Time charter equivalent earnings</b>	<b>202,952</b>	<b>243 117</b>
(29 036)	(35 087)	Time charter hire costs	(89,888)	(107 249)
(17 569)	(16 270)	Other direct operating costs	(52,844)	(50 233)
(3 961)	(3 985)	General and administrative costs	(12,157)	(11 097)
-	75	Other operating income	-	268
<b>7 907</b>	<b>29 725</b>	<b>EBITDA</b>	<b>48,063</b>	<b>74 806</b>
(9 712)	(7 897)	Depreciation and impairment	(27,923)	(23 223)
<b>(21 805)</b>	<b>21 828</b>	<b>EBIT</b>	<b>20,140</b>	<b>51 583</b>
523	6 357	Net financial income	3,745	10 912
(6 198)	(13 456)	Net financial (charges)	(17,488)	(16 581)
102	94	Profit share of equity method investees	167	271
<b>(7 378)</b>	<b>14 823</b>	<b>Profit / (loss) before tax</b>	<b>6,564</b>	<b>46 185</b>
(129)	(100)	Income tax	(480)	(1 412)
<b>(7 507)</b>	<b>14 723</b>	<b>Net profit / (loss)</b>	<b>6,084</b>	<b>44 773</b>

*The net result is attributable to the equity holders of the Company*

<b>(0.018)</b>	<b>0.038</b>	<b>Earnings /(loss) per share (US\$) <sup>2</sup></b>	<b>0.014</b>	<b>0.105</b>
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### CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Q3 2016	Q3 2015	US\$ Thousand	9 MONTHS 2016	9 MONTHS 2015
<b>(7 507)</b>	14 723	Profit / (loss) for the period	<b>6,084</b>	44 773
<i>Items that can subsequently be reclassified into Profit or Loss</i>				
3 140	(6 154)	Cash flow hedges	(7 381)	(6 866)
<b>(4 367)</b>	<b>8 569</b>	<b>Total comprehensive result for the period</b>	<b>(1 297)</b>	<b>37 907</b>
<i>The net result is entirely attributable to the equity holders of the Company</i>				
(0.010)	0.021	Earnings / (loss) per share <sup>1</sup>	(0.003)	0.091

<sup>2</sup> In the third quarter and 9 months of 2016 the earnings per share have been calculated on an average number of outstanding shares equal to 420,750,329 and 420,170,291 respectively, while in the third quarter and 9 months of 2015 it was calculated on an average number of outstanding shares of 417,384,069 and 417,264,279 respectively.



## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

<i>US\$ Thousand</i>	As at 30 September 2016	As at 31 December 2015
<b>ASSETS</b>		
Tangible assets	849 430	770 738
Investment accounted for using the equity method	3 022	4 504
Other non-current financial assets	26 092	22 589
<b>Total non-current assets</b>	<b>878 544</b>	<b>797 831</b>
Inventories	11 926	10 276
Receivables and other current assets	35 218	55 334
Other Current financial assets	204	1 038
Cash and cash equivalents	34 787	45 485
<b>Total current assets</b>	<b>82 135</b>	<b>112 133</b>
<b>Total assets</b>	<b>960 679</b>	<b>909 964</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Share capital	42 851	42 284
Retained earnings	84 637	77 310
Other reserves	245 889	265 119
<b>Total shareholders' equity</b>	<b>373 377</b>	<b>384 713</b>
Banks and other lenders	436 754	381 017
Other non-current financial liabilities	19 346	15 320
<b>Total non-current liabilities</b>	<b>456 100</b>	<b>396 337</b>
Banks and other lenders	80 203	86 775
Payables and other current liabilities	40 334	33 233
Other current financial liabilities	10 343	8 547
Current tax payable	322	359
<b>Total current liabilities</b>	<b>131 202</b>	<b>128 914</b>
<b>Total shareholders' equity and liabilities</b>	<b>960 679</b>	<b>804 518</b>



## CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

Q3 2016	Q3 2015	US\$ Thousand	9 MONTHS 2016	9 MONTHS 2015
<b>(7 507)</b>	<b>14 723</b>	<b>Profit (loss) for the period</b>	<b>6 084</b>	<b>44 773</b>
9 712	7 897	Depreciation, amortisation and write-down	27 923	23 223
129	100	Current and deferred income tax	480	1 412
5 709	5 998	Financial charges (income)	16 776	6 015
(36)	1 116	Fair value gains on foreign currency retranslation	(3 035)	(331)
-	(94)	Result on disposal of vessels	-	(271)
(102)		Share of profit of associate	(167)	
	(14)	Other non-cash items		(15)
<b>7 905</b>	<b>29 276</b>	<b>Cash flow from operating activities before changes in working capital</b>	<b>48 061</b>	<b>74 806</b>
(1 739)	1 489	Movement in inventories	(1 650)	930
2 197	(3 730)	Movement in amounts receivable	20 116	(13 899)
14 182	(4 781)	Movement in amounts payable	7 128	(1 989)
(92)	(99)	Taxes paid	(810)	(527)
(4 560)	(13 302)	Net interest and other financial income (paid) received	(14 917)	(19 816)
<b>17 893</b>	<b>9 303</b>	<b>Net cash flow from operating activities</b>	<b>57 928</b>	<b>39 505</b>
(42 877)	(8 777)	Net acquisition of fixed assets	(106 621)	(79 671)
<b>(42 877)</b>	<b>(8 777)</b>	<b>Net cash flow from investing activities</b>	<b>(106 621)</b>	<b>(79 671)</b>
-	-	Share capital increase	2 921	405
140	-	Other changes in Shareholders' equity	1 019	-
-	-	Dividend paid	(12 412)	-
32	-	Movement in other financial receivables	404	-
-	-	Movement in other financial payable	(1 000)	-
(28 040)	2 328	Bank loan repayments	(145 077)	(50 756)
55 126	10 748	Bank loan draw-downs	192 140	61 534
<b>27 258</b>	<b>12 491</b>	<b>Net cash flow from financing activities</b>	<b>37 995</b>	<b>10 889</b>
<b>2 274</b>	<b>13 017</b>	<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(10 698)</b>	<b>(29 277)</b>
32 513	26 089	Cash and cash equivalents at the beginning of the period	45 485	68 383
<b>34 787</b>	<b>39 106</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>34 787</b>	<b>39 106</b>

The manager responsible for preparing the company's financial reports, Mr Carlos Balestra di Mottola, in his capacity of Chief Financial Officer of d'Amico International Shipping SA (the "Company"), declares 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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Carlos Balestra di Mottola  
Chief Financial Officer