2015 Annual Report

d'Amico International Shipping S.A.

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2015 Annual Report

CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS

Year ended 31 December 2015

d’Amico International Shipping S.A.
Registered office at 25C Boulevard Royal, Luxembourg
Share Capital US$ 42,284,239.80 as at 31 December 2015

Contents

LETTER TO SHAREHOLDERS

Dear Shareholders,

2015 was an extremely rewarding year for DIS and I am very pleased to present our Company's Annual Report. Thanks to a strong market scenario and to our successful commercial strategy, we were able to report a Net Profit of US$ 54.5 million in the full year 2015, which represents our best result in seven years.

In order to enable our investors to fully benefit from DIS' strong results, we announced a dividend of approximately US$ 12.6 million, which corresponds to a pay-out ratio of 23% of net earnings.

The very favourable product tanker market allowed DIS to achieve a daily spot rate of US$ 18,814 for FY 2015, marking a 37% increase year-on-year. Spot rates were particularly strong in the first three quarters of the year and eased early in the fourth quarter mainly due to the refinery maintenance in the US Gulf, which resulted in a temporary drop in volumes. Then the spot market picked up again in the latter part of the fourth quarter and confirmed a good level of strength going into early 2016.

I firmly believe the product tanker market has very good fundamentals and we have a positive outlook for the years to come. The low oil price environment has been leading to an increase in the World consumption of petroleum products and has strengthen margins for refineries, which have pushed their production to historically high levels. In addition to this, the World refining capacity has been moving away from the main consuming regions, mainly due to a substantial refinery expansion in the Middle East. I am convinced that our market and our Company will continue to benefit from an increasing growth in the ton-mile demand driven by such refineries dislocation. Meanwhile, product tanker supply growth is expected to be limited, with a relatively low number of newbuilding vessels due to come into the market in the next three years. Very few ship-yards are able to build complex vessels such as product tankers and there is currently almost no availability for deliveries before 2018. This should structurally limit the increase in supply.

In this positive market environment, I think DIS has planned a very well-timed growth, ordering 22 newbuildings in the last three years at historically low prices and for a total investment of US$ 755 million (of which US$ 164.4 million made in 2015). 11 of these new vessels have been already delivered between 2014 and January 2016 whilst 14 vessels have been fixed on TC contracts with three different Oil Majors and one of the World largest refining company at very profitable rates. These long-term contracts clearly highlights the strong reputation our Company has been able to build during the years with large customers and key industry players, thanks to the top-quality of our modern fleet and to our top-tier sea and shore staff.

Between the second and third quarter of the year, we entered a new segment of our market, by ordering 6 new LR1 (Long Range – 75,000 DWT) modern product tankers at Hyundai MIPO Dockyard Co. Ltd – South Korea. These vessels will be built by Hyundai Vinashin Shipyard Co. Ltd – Vietnam and are expected to be delivered between Q2 2017 and Q3 2018, for a total consideration of about US$ 44.0 million each.

I am convinced that our successful growth and commercial strategy, our financial strength and flexibility, together with a modern and well-maintained fleet, will allow DIS to take full advantage of the favourable market outlook, generating positive returns and increasing value for you, Shareholders.

Thank you for your continued support and trust.

Paolo d'Amico, Chairman of the Board of Directors

BOARD OF DIRECTORS AND AUDITORS

Board of Directors

Chairman
Paolo d'Amico

Chief Executive Officer
Marco Fiori

Directors
Cesare d'Amico
Massimo Castrogiovanni[1]
Stas Andrzej Jozwiak[2]
Giovanni Battista Nunziante
Heinz Peter Barandun[1]
John Joseph Danilovich[1]
Giovanni Barberis Chief Financial Officer

[1] Independent Director
[2] Lead Independent Director

Indipendent Auditors

PricewaterhouseCoopers, Societé Coopérative

KEY FIGURES

Financials

US$ thousand	2015	2014
Time charter equivalent (TCE) earnings	310,711	212,477
EBITDA	97,132	32,761
as % of margin on TCE	31.26%	15.42%
EBIT	63,800	(1,980)
as % of margin on TCE	20.53%	(0.93)%
Net profit / (loss)	54,473	(10,565)
as % of margin on TCE	17.53%	(4.97)%
Earnings / (loss) per share (US$)	0.129	(0.025)
Operating cash flow	68,495	22,846
Gross capital expenditure (CapEx)	(164,420)	(194,811)
	As at 31 December 2015	**As at 31 December 2014**
Total assets	909,964	804,518
Net financial indebtedness	422,547	340,949
Shareholders' equity	384,713	334,905

Other operating measures

	2015	2014
Daily operating measures TCE earnings per employment day (US$)[1]	17,159	14,271
Fleet development Total vessel equivalent		
- Owned	23.3	20.4
- Chartered	28.0	21.5
Off-hire days/ available vessel days[2](%)	3.3%	2.2%
Fixed rate contract/ available vessel days[3](coverage %)	46.0%	51.0%

[1] This figure represents time charter ("TC") equivalent earnings for vessels employed on the spot market and time charter contracts net of commissions. Calculations exclude vessels chartered through the pools.

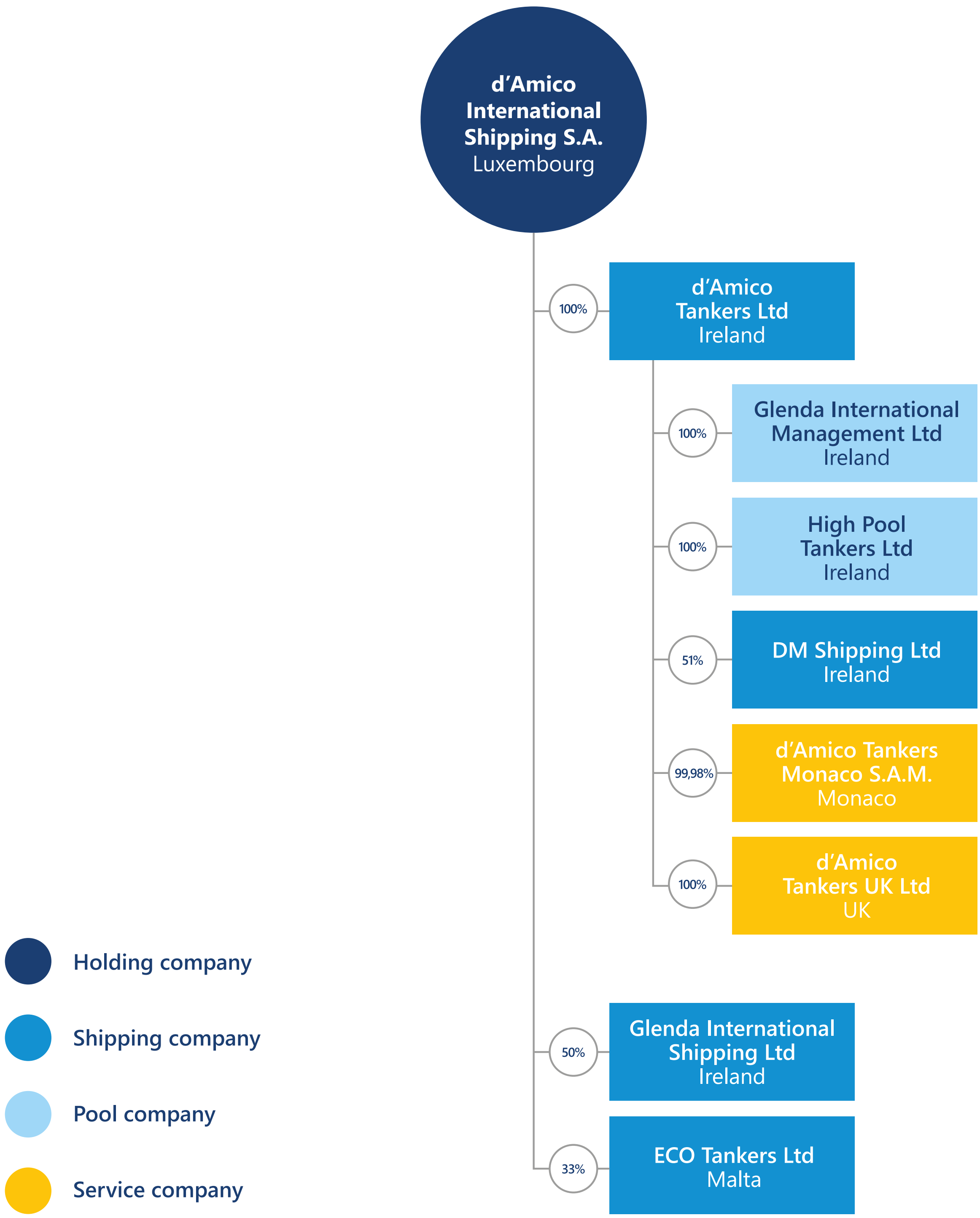
[2] This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

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

d'AMICO INTERNATIONAL SHIPPING CONSOLIDATED MANAGEMENT REPORT

Group structure

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



d’Amico International Shipping Group

d’Amico International Shipping S.A. (DIS, the Group or d’Amico International Shipping) is an international marine transportation company, part of the d’Amico Group that traces its origins to 1936. d’Amico International Shipping operates, mainly through its fully owned subsidiary d’Amico Tankers Limited (Ireland), a fleet with an average age of approximately 7.8 years, compared to an average in the product tankers industry of 10 years (source: Clarkson). All DIS vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to major oil companies and trading houses. All the vessels are compliant with IMO (International Maritime Organization) regulations, including MARPOL (the International Convention for the Prevention of Pollution from Ships), with the requirements of oil-majors and energy-related companies and other relevant international standards. Based on MARPOL/IMO rules, cargoes such as palm oil, vegetable oil and other chemicals can only be transported by vessels that meet certain requirements (IMO Classed). As at December 31 2015, 64% of the DIS fleet 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 December 31, 2015, which consists of 50.8 vessels (December 31 2014: 52)

MR fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
Owned				
High Trader	49,990	2015	Hyundai Mipo, South Korea	IMO II/III
High Loyalty	49,990	2015	Hyundai Mipo, South Korea	IMO II/III
High Voyager	45,999	2014	Hyundai Mipo, South Korea	IMO II/III
High Fidelity	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Sun [1]	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Discovery	50,036	2014	Hyundai Mipo, South Korea	IMO II/III
High Freedom	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Tide	51,768	2012	Hyundai Mipo, South Korea	IMO II/III
High Seas	51,678	2012	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melissa [2]	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meryl [3]	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melody [2]	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melanie [3]	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meredith [3]	46,147	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Megan [2]	47,147	2009	Hyundai Mipo, South Korea	IMO II/III
High Prosperity	48,711	2006	Imabari, Japan	-
High Venture	51,087	2006	STX, South Korea	IMO II/III
High Presence	48,700	2005	Imabari, Japan	-
High Performance	51,303	2005	STX, South Korea	IMO II/III
High Progress	51,303	2005	STX, South Korea	IMO II/III
High Valor	46,975	2005	STX, South Korea	IMO II/III
High Courage	46,975	2005	STX, South Korea	IMO II/III
High Priority	46,847	2005	Nakai Zosen, Japan	-
High Endeavour	46,992	2004	STX, South Korea	IMO II/III
High Endurance	46,992	2004	STX, South Korea	IMO II/III

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

[2] Vessels owned by GLENDA International Shipping Limited (in which DIS has 50% interest) and time chartered to d’Amico Tankers Limited

[3] Vessels owned by GLENDA International Shipping Limited (in which DIS has 50% interest)

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
Time chartered with purchase option				
High Pearl	48,023	2009	Imabari, Japan	-
High Enterprise	45,800	2009	Shin Kurushima, Japan	-
Time chartered without purchase option				
Carina	47,962	2010	Iwagi Zosen, Japan	-
High Strength [1]	46,800	2009	Nakai Zosen, Japan	-
High Force	53,603	2009	Shin Kurushima, Japan	-
High Efficiency [1]	46,547	2009	Nakai Zosen, Japan	-
High Current	46,590	2009	Nakai Zosen, Japan	-
High Beam	46,646	2009	Nakai Zosen, Japan	-
Freja Baltic	47,548	2008	Onimichi Dockyard, Japan	-
High Glow	46,846	2006	Nakai Zosen, Japan	-
Citrus Express	53,688	2006	Shin Kurushima, Japan	-
Freja Hafnia	53,700	2006	Shin Kurushima, Japan	-
High Power	46,874	2004	Nakai Zosen, Japan	-
Baizo	44,997	2004	Onimichi Dockyard, Japan	-
Port Said	45,999	2003	STX, South Korea	IMO II/III
Port Stanley	45,996	2003	STX, South Korea	IMO II/III
Port Union	46,256	2003	STX, South Korea	IMO II/III
Port Moody	44,999	2002	STX, South Korea	IMO II/III

Handysize fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
Owned				
Cielo di Ulsan	39,060	2015	Hyundai Mipo, South Korea	IMO II/III
Cielo di New York	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Gaeta	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Guangzhou [2]	38,877	2006	Guangzhou, China	IMO II
Time chartered without purchase option				
Cielo di Milano	40,081	2003	Shina Shipbuilding Co., South Korea	IMO II/III
Port Stewart	38,877	2003	Guanzhou, China	-
Cielo di Roma	40,096	2003	Shina Shipbuilding Co., South Korea	IMO II/III
Port Russel	37,808	2002	Guanzhou, China	IMO II/III
Port Louis	37,791	2002	Guanzhou, China	-
SW Cap Ferrat I [3]	36,032	2002	STX, South Korea	IMO II/III

[1] Vessels owned by DM Shipping Limited (in which DIS has 51% interest) and time chartered to d'Amico Tankers Limited

[2] Vessel previously in bare-boat charter contract to d'Amico Tankers and then purchased in December 2015

[3] Ex-Cielo di Salerno sold by d'Amico Tankers in December 2015 and taken back in time charter

Fleet employment and Partnership

As at December 31 2015, d'Amico International Shipping directly employed 50.8 Vessels: 21.8 MRs ('Medium Range') and 3 Handy-size vessels on fixed term contract, whilst 19 MRs and 7 Handy-size vessels are currently employed on the spot market. In addition to this, the Group employs a portion of its controlled vessels through some partnership arrangements.

High Pool Tankers Limited – a Pool with JX Ocean Co. Limited, Japan and Mitsubishi Corporation. Following a reorganization process completed at the beginning of July 2015, all the Pool vessels (11 MR product tankers as at December 31 2014) were delivered to d'Amico Tankers Limited, which is now operating them directly on the market.

GLENDA International Shipping Limited, a 50/50 jointly controlled entity with the Glencore Group. The JV Company owns 6 MR vessels built between August 2009 and February 2011. Following a reorganization process in 2013, the activity previously carried out by GLENDA International Management Limited (a Pool with the Glencore Group) has been concentrated on the aforesaid joint venture. As a result of this process, Glenda International Shipping has currently three vessels time-chartered to d'Amico Tankers and three vessels to the Glencore Group.

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

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

d'Amico International Shipping is part of the d'Amico Group (d'Amico), one of the world's leading privately-owned marine transportation companies with over 70 years of experience in the shipping business, whose ultimate parent company is d'Amico Società di Navigazione S.p.A. (Italy). At the closing of the period, the entire d'Amico Group controls 95.5 owned and chartered-in vessels, of which 50.8 are part of the DIS fleet, operating in the product tanker market, while the remaining 44.7 vessels are mainly dry-bulk carriers controlled by other companies of the d'Amico Group. d'Amico International Shipping benefits from a strong brand name and a well-established reputation in the international markets due to the long operating history of the d'Amico Group. In addition, it benefits from the expertise of the d'Amico Group, which provides support for technical management services, as well as safety, quality and technical products and services to DIS' vessels, including crewing and insurance arrangements.

d'Amico International Shipping operates from Luxembourg, Ireland, UK, Monaco, Singapore and the USA. As at December 31 2015, the Group employed 613 seagoing personnel and 35 onshore personnel.

The Product Tankers Industry

Product tankers have coated tanks and primarily carry a range of refined petroleum products, typically gasoline, jet fuel, kerosene, fuel oil, and naphtha. Provided they are classified to IMO II/III they can also carry easy chemicals and edible oils. The seaborne movement of refined oil products between different world regions addresses demand and supply imbalances, mainly caused by the lack of resources or refining capacity in consuming countries. Additional 'arbitrage' also occurs, taking advantage of differences in price and specific product demand between refining centres.

Within the product tanker industry, d'Amico International Shipping operates in the Medium Range segment, which comprises vessels ranging from 25,000 dwt to 55,000 dwt. This specific vessel size allows the greatest flexibility in terms of trade routes and port access.

Product tanker class (dwt)	Short range (SR) 10,000 – 25,000	Medium range (MR) 25,000 – 55,000	Long range (LR) 55,000 – 120,000
Characteristics	Trades in specialised market regionally	Access to more ports than larger vessels	Better economies of scale over longer haul voyages
	Focused primarily on the distribution side	Better economies of scale over medium and longer distances versus small vessels	
Voyages	Only short	Short and long	Short and long
Flexibility	Low	High	High
Arbitrage Voyages	No	Yes	Yes
% world fleet [1]	19%	43%	38%

[1] Source: Clarksons Research, as of January 1 2016. Percentage of total product tankers (4,831 vessels) excludes vessels with stainless steel tanks.

Shareholders information

d'Amico International Shipping Investor Relations (IR) team ran a structured program aimed at promoting an ongoing dialogue with institutional investors, shareholders and the markets to ensure systematic dissemination of exhaustive, complete, and timely information on its activities, strictly in accordance with legal requirements and on the basis of corporate governance standards and recommendations from relevant organizations, with the sole limitation imposed by the confidential nature of certain information.

The financial results were presented on a quarterly basis through public conference calls which can be widely accessed, including through the Investor Relations website, which has been improved in order to offer the best level of information to Investors. During the year the IR team kept in constant contact with the financial community to discuss company performance and results through meetings, conference calls, presentations at broker conferences and at the relevant events that Borsa Italiana (STAR Segment) organizes. Participation in road-shows with shareholders and investors focused on the major financial markets, and on new potential areas of interest, where investor profiles matched the Group's structural characteristics and strategic outlook.

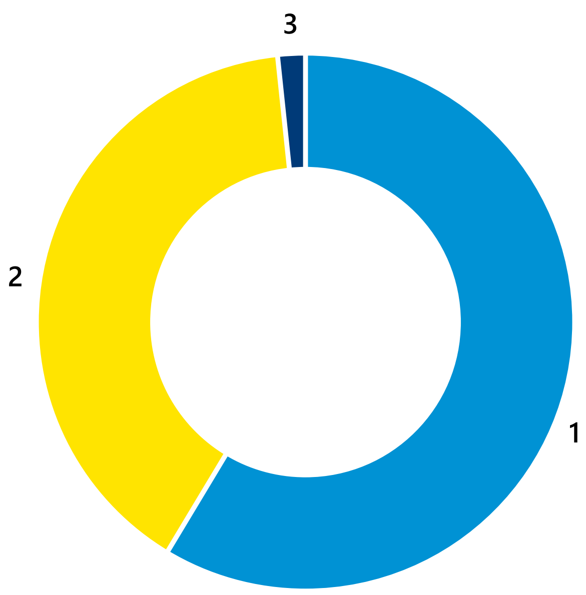
More information are available on the Group's institutional website **www.damicointernationalshipping.com**. The Investor Relations section provides share information, historical financial data, press releases, institutional presentations, periodic publications and analyst coverage.

d'Amico International Shipping shareholders may also contact: **ir@damicointernationalshipping.com**.

Shareholders

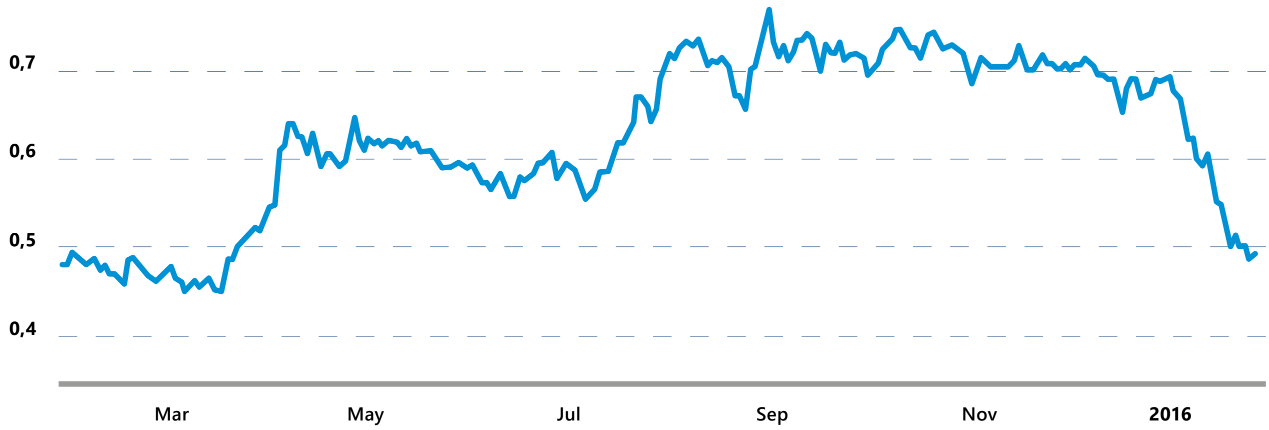
d'Amico International Shipping S.A. share capital consists of 422,842,398 ordinary shares. The shares are issued to bearer and listed on Borsa Italiana SpA in the STAR segment.

As at 31.12.2015, based on the latest shareholdings communicated by investors and after the share capital increase occurred during Q1 2015, in accordance with applicable rules and Art.6 of the Company's Articles of Association, the following individuals and institutions have holdings of d'Amico International Shipping's total ordinary outstanding shares:



1.	**d'Amico International SA**	**58.78 %**
2.	**Market**	**39.66 %**
3.	**d'Amico International Shipping S.A. (own shares)**	**1.56 %**

2015 Share price performance



After a substantially flat market in the first six months of the year, the scenario changed completely in the second half of the year, following the steep decline in oil prices and the increased trading activity. In this environment, in HY'15, DIS spot rates achieved the highest levels since 2008. In 2015, DIS' share price is increased from €0.46 at the beginning of January to € 0.68 at the end of 2015 (+47%). The market capitalization of the Company was Euro 287.5 million at the end of 2015. The average daily volumes during the year were 1.8 million shares.

Financial calendar

The 2016 Company's Financial Calendar is the following:

2015 Annual Financial Statements	March	Thursday 03
Annual General Meeting	April	Wednesday 20
2016 First Interim Management Statements	May	Wednesday 04
2016 Half Yearly Report	July	Thursday 28
2016 Third Interim Management Statements	November	Wednesday 09

Results of d’Amico International Shipping Warrants 2012-2016 Third exercise period ended in January 2016

In February 2016, d’Amico International Shipping S.A. (“DIS”) announced that the Third exercise period of the “d’Amico International Shipping Warrants 2012 – 2016” (ISIN code LU0849020044) has ended on January 29th 2016. During this Third exercise period n. 17.003.874 Warrants were exercised at a price of Euro 0.46 per ordinary share without nominal value issued by DIS and admitted to trading on the MTA market of Borsa Italiana SpA each as a “Warrant Share”. In accordance with the terms and conditions of the Warrant Regulations, DIS issued on February 8, 2016, based on the Warrants Ratio of one (1) Warrant Share for every three (3) Warrants exercised, n.5.667.958 Warrant Shares with same rights (including that to dividends) and features of DIS ordinary outstanding shares at the issue date - to those Warrant holders who validly exercised their Warrants during the Second Exercise Period. The ISIN code of the Warrant Shares will coincide with the ISIN Code of DIS’s outstanding shares being LU0290697514. After the capital increase occurred at the end of the Third exercise period DIS’ share capital now amounts to US$ 42,851,035.60 divided into n.428,510,356 ordinary shares without unitary value.

Human Resources

As at 31 December 2015, the Group employed a workforce of 613 seagoing personnel and 35 onshore personnel. Also in 2015 the Group has invested in the human capital in order to keep a competitive advantage in the market and to guarantee an adequate workforce in terms of both quality and quantity. Thus HR policies and initiatives have been addressed to reinforce the organizational climate and therefore the company's result.

38% of the delivered training hours have been focused on the consolidation of management and core technical skills. The group has launched a corporate leadership program for the development of the individual accountability in the company. The people performance management is a key process feeding the organizational and individual development, and further professional growth.

A continuous attention is dedicated to the retention and development of the key staff for the management of the fleet with an overall average job retention rate of 96% for the 2015.

The Group has renovated the effort on internal communication in order to ensure the involvement of the entire population in the company life. Initiatives and tools have been set in order to build an internal network for the improvement of the information flow. A link has been built between internal and external communication initiatives with the staff members playing the role of key communicators of the internal activities to the external environment. Seagoing personnel are one of the key elements in the safe and efficient operation of the fleet. The crewing policy implemented by the Group, which boasts years of experience in the sector, aims to promote on-board safety and environmental protection, while also maintaining conditions of crew efficiency and reliability.

The Group achieves these objectives on the basis of main pillars of a meticulous selection process, engagement and retention system, thorough training and a permanent monitoring and assessment system.

Access to highly qualified personnel also requires an effective recruitment programme. In order to meet these needs fully, the Group has developed a personnel selection strategy that has resulted in the implementation of initiatives such as the consolidation of a base of operations in the Indian market located in Mumbai. The Indian market has an established track record as a provider of a quality English-speaking crew. The Group also has a representation in Manila with the aim of ensuring access to the important Philippine market. Competitive challenges constantly require productivity gains and the development of the latest know-how.

Through continuous training programs, the d'Amico group ensures that the staff meets the highest standards of professionalism essential to their duties, supports the development of its talents, and reinforces its retention policy. Assessment conducted by Masters and Chief Engineers as well as Superintendents and Managers is a mean to capture the development of seafarers' full potential and improve the human performance.

Among our seafarers, we believe in «home grown officers» that live up to d'Amico's Core Values. In order to achieve that, the starting point is to have a strong Cadet Strategy that underpins our Global Manning Strategy. Seafarers' career development in-fact starts at the very beginning and also it is d'Amico choice to co-operate with Nautical Institutes to cooperate for the education of cadets, who are the future officers of the Group Fleet.

As part of initiatives aimed at supporting educational institutions, d'Amico Società di Navigazione, holding company of the Group, along with other Italian institutional partners, has consolidated its direct effort in an advanced technical education school - ITS Fondazione G. Caboto - for the training of specialized technical staff.

Ship Management

All d'Amico vessels are built in accordance with international industry standards and are continuously monitored in order to ensure their compliance with IMO (International Maritime Organization) regulations, and other international standards. Indeed, every year DIS product tankers are required to pass the following external examinations:

- Inspection and monitoring of compliance with International Rules and Regulation by the flag state;
- Port-state controls, which are inspections of foreign ships in national ports to verify that the condition of the ship and its equipment complies with the requirements of international conventions and that the ship is manned and operated in compliance with these rules;
- 'Vetting inspections' by major oil and energy-related companies.

Pursuant to a ship management agreement, d'Amico Società di Navigazione S.p.A., d'Amico Group's ultimate parent company, with the cooperation and under the supervision of d'Amico Tankers Limited (Ireland), is responsible for the technical management of d'Amico International Shipping Group's owned and bareboat chartered vessels.

d'Amico Società di Navigazione S.p.A. gives its assistance to arrange insurance cover for the fleet and operates the Tanker Management and Self-Assessment programme (TMSA), launched in 2004 by the OCIMF (Oil Companies International Marine Forum), and the Safety Quality and Environment (SQE) Management System. The ship manager's responsibilities include those of performing general vessel maintenance, ensuring compliance with regulatory and classification society's requirement, satisfying oil majors vetting procedures, supervising the maintenance and promoting the efficiency of vessels, arranging and supervising dry-docks and repairs, purchasing supplies and spare parts, and appointing supervisors and technical consultants.

The Group continues promoting safety on-board and respect for the environment, aiming to eliminate incidents such as groundings, fires, collisions, and petroleum spills. In this respect, d'Amico International Shipping has adopted the TMSA programme since 2005 and SQE system since 2003. Although not compulsory, the TMSA programme is recommended by major oil companies as a means of encouraging ship operators to measure, evaluate and improve their safety management systems against key listed performance indicators. In addition, the programme establishes best practices to solve problems and to optimize safety and environmental performance. Electronic tools to control and measure key performance indicators for different areas of technical management system have been implemented and the TMSA review is carried out every six months. The assessment results are the starting point for a continuous improvement plan aimed at achieving and guaranteeing high standards in safety and respect for the environment.

Since before the introduction of the TMSA programme, d'Amico International Shipping has been promoting internal SQE (Safety, Quality and Environmental) management procedures and operating an integrated SQE system on all its vessels, in conformity with the quality and environmental standards ISO 9001:2008 and ISO 14001:2004 established by the International Organisation for Standardization, and was certified by the international classification society RINA S.p.A. (Registro Italiano Navale) in 2003.

In particular, in respect of ISO 14001 and in order to demonstrate its vessels compliance and engagement regarding environmental aspects, d'Amico Società di Navigazione honors its commitment to protect people and the environment by tracking and analyzing energy consumption on our vessels, using lessons learned and General guidelines and procedure, to improve energy efficiency while reducing emissions.

In order to guarantee the safety of the crew, the d'Amico Management System includes also the certification in compliance with the international standard OHSAS 18001, with the aim to improve health and safety on board vessels and in any work environment. Through the regular use of a detailed risk assessment any dangerous situation is properly evaluated and proper preventive measures are implemented.

Regarding the crew the certification MLC (ILO Maritime Labour Convention 2006) that wants to guarantee the respect of the crew under contractual, health, and safety aspects has been completed. It is d'Amico Società di Navigazione Shipping Policy that we always operate our vessels and conduct our marine operations as efficiently as possible, consistent with safe and reliable operations. Increased energy efficiency remains the cheapest and most abundant form of new energy available today.

The Ship Energy Efficiency Management Plan in line with the guideline of IMO on ship efficiency has been implemented on board of all vessels by the beginning of 2013 to optimize operational processes and improve profitability through the efficient use of people and assets. It is a resource guide for all personnel to increase energy efficiency in our vessel systems and operational processes.

d'Amico Management is committed to:

- Increasing energy efficiency
- Reducing emissions
- Investing in clean, energy efficient technologies where financially viable.
- Reducing environmental impacts arising from consumption of energy.
- Raising staff awareness and commitment to reduce energy consumption.

The performances are analyzed within the annual SQE (Safety, Quality and Environment) System Management Review.

In this regard, d'Amico Società di Navigazione, has also carried out a process to obtain the certification ISO 50001, the international standard, that recognize Management Systems aimed to guarantee the Energy Efficiency. The process will be completed during the final step of the periodical ISO audit performed by RINA on the d'Amico Management System.

During the year d'Amico Società di Navigazione has also implemented all the procedures and practices in order to be in compliance with new ILO convention, the Maritime Labour Convention 2006 that wants to guarantee the respect of the crew under contractual, health, and safety aspects.

In 2014, d'Amico Società di Navigazione, has also obtained by RINA, for the Integrated Management System the certification ISO 50001, the international standard, that recognizes Management Systems aimed to guarantee the Energy Efficiency.

Operational Risk

Technical and Operational Risks

The Group is exposed to operating costs risk arising from the variable costs of vessel operations. The key areas of operating cost risk are Crew Costs, Bunkers, Dry dock and repair costs and Insurance. The Risk management includes the following strategies: (i) The crew policy is coordinated through the support of d'Amico Group, to have synergies and economies of scale, making reference to the d'Amico expertise in crewing (training school, company specialised in this kind of service), looking on the opportunities available in different area to keep the high crew quality, but controlling the costs; the Safety & Quality Department (SQE), whose focus is to ensure that the vessels and its staff comply fully with external requirements such as regulatory Oil Major Companies requirements and certifications, etc; (ii) Dry dock contracts – The technical management, which also includes dry-dock, is also coordinated through the support of d'Amico Group, allowing economies of scale when dry docks have to be arranged and related level of cost/quality have to be measured. Similarly happens for repair costs. The policy to keep a young fleet also helps to minimize the risk; (iii) The insurance plan provides coverage for a wide range of risks which may arise from the ship ownership and ship's liability and the Company environment and may expose the same to financial losses. With regard to the vessels' operation and transportation of cargos the coverage includes personal injury, environmental damage and pollution, third-party casualty and liability, hull and engine damage, total loss, war risks and piracy risks; (iv) Piracy risks is a major issue both in the Gulf of Aden and Indian Ocean area and in the Gulf of Guinea economic zone north of Lat 3 North (including Nigeria, Togo and Benin). A double set of countermeasures has been established in order to: (a) Minimize the risk during the transit in the Gulf of Aden area and make the navigation safer; (b) Check the suitability of the insurance structure currently in force and arrange proper coverage to ensure that the events arising out from the particular situation are duly covered. Some precautions to be applied by the vessels as well as some external contacts/assistance to be managed from the office have been implemented. A detailed analysis of the situation has allowed the Company, together with the d'Amico Group, to prepare guidelines to be followed by any vessel while in the risk zone. Moreover, in order to get as much information as possible and be kept updated on the issue, the monitoring of the websites dedicated to the piracy problem is done. As to the potential insurance issue, on the basis of a risk assessment the Company ascertained that the main risks inherent to piracy are duly covered through: (a) Loss of hire insurance, which covers the Company for the loss of income resulting from physical damages to the vessel caused by a piracy attack (risk covered under the Hull & Machinery policy , according to what provided at clause 6.5 "Perils" of the Institute Time Clauses Hulls, 1/10/83, where piracy is one of the named perils); (b) Kidnap and Ransom insurance, which covers the perils of kidnap, wrongful detention, hijacking; (c) Piracy Loss of hire, which covers the payment of hire due during the period of detention by pirates; (d) Third parties liabilities – included in the P&I cover.

Fraud risk

The Group is exposed to fraud risk resulting from the significant volume and value of transactions processed. To minimise the risk the DIS/DTL have the following risk management strategies: (i) Limits of powers and authority set for all individuals (e.g. power of attorneys restricted in object, limit amount for transactions); (ii) Controls over bank signatories (e.g. four eyes' principle for specific transactions); (iii) Controls over tendering process; (iv) The Internal Audit function is operating, together with the Audit Committee; (v) The Company, due to Stock market in Star segment rules of Borsa Italiana, on 3rd May 2007, applies the Italian D.Lgs. 8 June 2001, n.231, which introduced the administrative liability of the company and of other bodies for specific types of Crime committed by its directors or employees. Legislative Decree 231/2001 provides that companies are liable for those crimes committed in the interests or for the benefit of the same by subjects holding a so called "top level" role. The Decree provides for the implementation of a compliance program that aims to develop an organic and structured system of procedures, rules and controls to be implemented both preventively (ex-ante) and subsequently (ex post), in order to reduce and prevent in a material way the risk of commission of the different types of Crimes. DIS, on 12 March 2008, has formally adopted this Model of Organization and now is implementing specific operating procedures in order to prevent the commission of Crime.

Corporate Social Responsibility

d'Amico Group is firmly committed not only to strict compliance with the applicable regulations in force and to operational, safety and environmental procedures but also to contribute to sustainable development.
For this reason, in recent years it has implemented a newly drafted Corporate Social Responsibility strategy. Monitored on an ongoing basis, this strategy reflects the extent to which d'Amico Group understands and appreciates the environmental and social aspects of its business and is an expression of the full range of the energies and resources that it employs in protecting the environment and helping those in need.

d'Amico has always been involved in backing aid efforts and events in support of the protection of human life, scientific research and reconstruction in the wake of natural disasters.
At d'Amico, one of the most important principles is to promote the education and professional development of the employees and to provide them with vocational guidance. Moreover, by funding a variety of projects at various level of education, d'Amico helps to pave the way for students to successfully start out on their careers and to progress in their chosen field. d'Amico supports also the training of the younger generation by offering scholarships to the most deserving students for prestigious masters and post-diploma courses.
d'Amico has always been ready to support and sponsor culture and art in all its forms on a worldwide scale since the business was in its early days in order to promote greater public awareness of social, cultural, economic and environmental topics. The links with the various local communities that it works with around the world, its desire to promote the Made in Italy brand across the globe and its cultural background prompt a strong interest in the preservation of artistic, historical and cultural heritage.

At d'Amico, to protect and respect the environment is one of the missions. The core aspect of d'Amico business gravitates towards the environment and, in particular, the sea, and one of its priorities is to care for the oceans. d'Amico's involvement in a variety of projects means that it can focus its efforts on protecting the marine environment from pollution and excessive exploitation. In recognition of the importance of d'Amico role here, the Group adopts and actively encourage responsible behaviour in relation to the environment.
d'Amico Group processes and procedures are often far more restrictive than the regulations in force in all countries. The strategies and policies on safety, on safeguard of human life, and on protection and respect of the environment are translated in an Integrated Management System for Occupational and Safety, Quality, Environment and Energy.

The Integrated Management System, developed on a process-based approach, allows setting up a unified implementation of the management system, yet at the same time the company takes into account the specific individual needs of the various sectors and exploiting the possible synergies to their best advantage.
Continual monitoring, scrupulous internal inspections, a detailed analysis of the collected data and a rapid implementation of corrective actions of improvement have enabled to continually enhance the corporate performance in terms of safety, customer satisfaction and environmental protection.

d'Amico Group has specific and strict procedures to face any emergencies and to contain the risk of pollution as quickly as possible.
This system, in compliance with the ISM Code (International Safety Management Code), has been certified according the international standards ISO 9001, 14001, 50001 and OHSAS 18001, has a statement confirming the use of the ISO 26000 as reference document to integrate social responsibility and received the RINA Best 4 Plus certificate, which acknowledges the compliance with all applied standards.

Financial review of the Group

Summary of the results in the fourth quarter and twelve months of 2015

IMF recently reported in their World Economic Outlook update (WEO): Global growth is currently estimated at 3.1% in 2015, and is projected at 3.4% in 2016 and 3.6% in 2017. The pickup in global activity is projected to be more gradual in their last WEO report especially in emerging markets and in developing economies. The slowdown and rebalancing of the Chinese economy, lower commodity prices and strains in some large emerging market economies is varied and in many instances challenging.

The International Energy Agency (IEA) estimated demand growth in 2015 to be 1.7 million b/d down 100,000 b/d from their previous estimate. This adjustment commenced in Q4 2015 on notable slowdowns in Europe, Japan, the US and China. The exceptionally mild temperatures in December in Japan, the US and Europe, alongside weaker economic sentiment in China, Brazil, Russia and other commodity-dependent economies, saw year-on-year oil demand growth flip from a near five-year high of 2.2 million b/d in Q3 2015 to 1.0 million b/d in Q4 15.

Oil prices remained low, stocks refused to follow seasonal draw and persistent over supply resulted in Brent trading down to US$ 35 per barrel in mid-December. The constant over supply, high stocks and a plethora of negative news resulted in spot prices dipping below US$ 30 per barrel in January. Spot prices for Petroleum products followed crude but did not fall as far in percentage terms.

Overall in 2015 the Product tanker market has been at its best in eight years primarily driven by improved ton-mile demand, expansion of the Middle East refineries and the low oil price environment. Some analysts had estimated that based on data for the first nine months the ton-mile growth for 2015 could be as high as 7%. Saudi Arabian Petroleum product exports now account for 15% of all liquid exports from the Kingdom up from 5% in 2010. Global Product demand was almost entirely dominated by gasoline demand with shipments up 13%.

However in Q4 2015 Product tanker markets started to ease from the robust levels experienced in the first nine months of the year. Stocks started to build and demand softened. Demand in the US declined after the end of the 'driving season', arbitrage opportunities diminished and volumes were reduced as refinery maintenance increased which put pressure on rates. In the East, refinery utilisation declined as refineries went into maintenance resulting in a downturn in exports which resulted in rates coming off. As US refinery maintenance eased towards the end of the year we saw some improvement in the US export market with export level settling at 3.8 million b/d in December.

China's product exports grew by 62.4% to reach 1.1 million b/d between November 2014 and December 2015, transforming China into a consistent net products exporter. China's new status could be attributed to the exceptionally strong net diesel export volumes which grew by three folds since 2014 to 226,000 b/d. This level also marks the Country's second highest diesel export peak since 2009.

The perceived rate assessment for a 1 year Charter for an MR Product tanker basically reflected spot market returns by the end of the year. The 1 year rate is always the best indicator of the spot market expectations. In Q1 2015 the 1 year rate for an MR remained flat at $15,250 per day and rose throughout Q2 and Q3 to reach $18,500 / $19,000 per day going in Q4. By the end of the year it had settled at around $18,000 per day and has come off in Q1 2016 to $17,000 / $17,500 per day.

In 2015, thanks to the very favourable product tanker market scenario, **DIS recorded its best annual result since 2008 with a Net Profit of US$ 54.5 million** compared with a Net Loss of US$ 10.6 million posted in 2014.

In fact, **DIS daily spot rate was US$ 18,814 in Full-Year 2015**, a level which is US$ 5,059/day higher than last year (US$ 13,755). In particular, product tanker spot rates were very strong in the first three quarters of the year (DIS 9 months 2015 daily spot average: US$ 19,739) but eased in Q4 mainly due to seasonality and refinery maintenance in the US Gulf. In this environment, DIS achieved a daily spot average of US$ 15,673 in Q4 2015 vs. 15,076 in the same period last year. However the market started firming up again in the last part of Q4 and going into 2016.

At the same time, 46% of DIS total employment days in 2015, were covered through 'time charter' contracts at an average daily rate of US$ 15,214. Therefore DIS' 2015 total Daily Average Rate (which includes both the spot and the time charter activity) was US$ 17,159, which represents the Company's **best TCE result in seven years**.

On the back of the very positive TCE performance together with a cost efficient operating platform, DIS posted an **EBITDA of US$ 97.1 million** which is almost **three times higher** than the amount achieved in 2014 (US$ 32.8 million). At the same time, DIS' **Recurring EBITDA**[1] was US$ 91.3 million in 2015 compared with US$ 26.3 million recorded in the previous year, which corresponds to **247% increase year-on-year**. Consequently, DIS' '**EBITDA margin on TCE Earnings**' rose from 15.4% in 2014 to a **robust 31.3% in 2015** (and from 12.4% in 2014 to 29.4% in 2015, excluding 'Results on disposal of vessels' generated in the two periods).

Such solid improvement in EBITDA led also to **positive operating cash flow of US$ 68.5 million in 2015** (US$ 29.0 million in Q4), three times higher than the US$ 22.8 million generated in the previous year.

In 2015, DIS had **US$ 164.4 million 'capital expenditures'** (US$ 84.7 million in Q4), mainly in relation to its newbuilding plan. In Q2 and Q3 2015, DIS has further expanded its investment plan through the order of 6 'Eco design' LR1 (Long Range – 75,000 dwt) product tankers, expected to be delivered by Hyundai Mipo Dockyard Co. Ltd. (South Korea) between Q2 2017 and Q3 2018, for a total consideration of about US$ 44.0 million each.

As of today, DIS has ordered a total of **22 'Eco design' product tankers**[2] (10 MR, 6 Handysize and 6 LR1 vessels), of which 102 vessels have been already delivered as at the end of December 2015. This corresponds to an overall **investment plan** of approximately **US$ 755.0 million** and reaffirms the Company's strategy to modernize its fleet through newbuildings with eco-innovative design. Further, DIS has already fixed 13 of its newbuilding vessels on long-term Time Charter contracts with three Oil-majors and a leading refining company, all at profitable levels.

[1] Excluding the 'Result on disposal of vessels' generated in 2014 (US$ 6.5 million) and in 2015 (US$ 5.8 million)

[2] 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.)

Operating performance

US$ thousand	2015	2014
Revenue	414,877	315,304
Voyage costs	(104,166)	(102,827)
Time charter equivalent earnings	**310,711**	**212,477**
Time charter hire costs	(138,758)	(110,228)
Other direct operating costs	(65,847)	(60,037)
General and administrative costs	(15,141)	(16,762)
Other operating Income	328	823
Result from disposal of vessels	5,839,	6,488
EBITDA	**97,132**	**32,761**
Depreciation and impairment	(33,332)	(34,741)
EBIT	**63,800**	**(1,980)**
Net financial income (charges)	(8,015)	(7,865)
Share of profit (loss) of equity accounted investee	339	219
Profit / (loss) before tax	**56,124**	**(9,626)**
Taxes	(1,651)	(939)
Net profit / (loss)	**54,473**	**(10,565)**

Revenue was US$ 414.9 million in 2015 compared to US$ 315.3 million realized in the previous year. The 32% increase in gross revenues compared to the previous year was mainly a consequence of the strong product tanker market of 2015. In addition to this, the Company operated on average a larger number of vessels in 2015 compared to the previous year (2015: 51.3 vs. 2014: 41.9). The off-hire days percentage in 2015 (3.3%) was higher than the previous year (2.2%) due to the timing of dry-docks.

Voyage costs reflected the vessel employment mix, in the form of spot and time charter contracts. These costs, which occur only for the vessel employed on the spot market, amounted to US$ 104.2 million in 2015 compared with US$ 102.8 million recorded in 2014.

Time charter equivalent earnings were US$ 310.7 million in 2015 vs. US$ 212.5 million in 2014, benefitting from the very strong product tanker market which characterized 2015.

In-fact, DIS realized a **Daily Average Spot Rate of US$ 18,814 in 2015** compared with US$ 13,755 achieved in the previous year. The product tanker market was particularly strong in the first 9 months of the year (DIS 9 months 2015 daily spot average: US$ 19,739) but eased in Q4 mainly due to seasonality and refinery maintenance in the US Gulf (DIS Q4 2015 daily spot average: US$ 15,673). However the market started firming up again in the last part of Q4 and going into 2016.

At the same time and according to its strategy, DIS maintained a **high level of coverage** (fixed contracts) throughout the year, securing an average of **46%** (2014: 51.0%) of its revenue at a **Daily Average Fixed Rate of US$ 15,214** (2014: US$ 14,765). Other than securing revenue and supporting the operating cash flow generation, these contracts pursue the objective of strengthening DIS historical relationships with the main oil majors, which is one the pillars of its commercial strategy.

Therefore, **DIS Total Daily Average TCE (Spot and Time Charter)** was **US$ 17,159 in 2015** vs. US$ 14,271 in 2014. This result represents **DIS' best TCE performance in seven years**.

DIS TCE daily rates (US$)	**2014**					**2015**				
	Q1	Q2	Q3	Q4	**FY**	Q1	Q2	Q3	Q4	**FY**
Spot	12,191	13,144	13,867	15,076	**13,755**	18,503	19,533	21,219	15,673	**18,814**
Fixed	14,770	14,645	14,762	14,879	**14,765**	15,010	15,153	15,220	15,461	**15,214**
Average	13,637	13,972	14,296	14,985	**14,271**	16,939	17,619	18,411	15,570	**17,159**

Time charter hire costs relate to the chartered-in vessels and amount to US$ 138.8 million in 2015 vs. US$ 110.2 million in 2014. The increase compared to the same period last year is due to a higher average number of chartered-in vessels (2015: 28.0 vs. 2014: 21.5). The number of chartered-in vessels increased substantially in the second part of 2014, following the 13 vessels delivered to DIS in the period. All these contracts have been made at historically attractive levels, reducing the average daily cost of DIS TC-In fleet and contributing to the increase in the Company's margins in 2015.

Other direct operating costs mainly consist of crew, technical and luboil relating to the operation of owned vessels together with insurance expenses for both owned and chartered-in vessels. These costs were US$ 65.8 million in 2015 vs. US$ 60.0 million in 2014. The increase in absolute values compared to the previous year, is mainly due to the larger number of owned vessels in 2015, following the delivery of 9[1] 'eco-design' newbuilding tankers in the last two years. The operating costs are constantly monitored, while focusing on crew with appropriate skills, high SQE (Safety, Quality & Environment) standards and remaining in full compliance with very stringent market regulations. Maintaining a 'high quality' profile of the fleet represents an essential part of the d'Amico vision and strategy.

The ***General and administrative costs*** were US$ 15.1 million in 2015 vs. US$ 16.8 million in 2014. These costs mainly relate to on-shore personnel, together with premises costs, consultancies, travel expenses and others. The positive trend in 2015 (10% reduction year-on-year) is mainly explained by the cost management activity implemented by DIS and benefitted also from the weakening of the Euro against the US Dollar.

Other operating income amounted to US$ 0.3 million in 2015 vs. US$ 0.8 million in 2014. This amount refers to chartering commissions from third parties vessels operated through pools, which have decreased in terms of number of ships.

Result on disposal of vessel. In the last quarter of the year, DIS sold M/T Cielo di Salerno (a 2002-built Handysize vessel) realizing a net gain on disposal of US$ 5.8 million. In 2014, DIS sold another Handysize vessel generating a capital gain of US$ 6.5 million.

EBITDA was US$ 97.1 million in 2015 and almost three times higher than the amount achieved in 2014 (US$ 32.8 million). Excluding 'Results on disposal of vessels', DIS achieved a 'Recurring EBITDA' of US$ 91.3 million in 2015 vs. US$ 26.3 million recorded last year, which equates to a 247% improvement compared to the year before. Such result was mainly driven by the substantial increase in TCE Earnings on the back of the very strong product tanker market experienced in the year, and partially by a positive cost trend achieved in the

[1] Excluding 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.)

period. DIS' '**EBITDA margin on TCE Earnings**' was **31.3% in 2015** (29.4% excluding the 'Result on disposal of vessel') vs. 15.4% in 2014 (12.4% excluding 'Results on disposal of vessels').

Depreciation amount was US$ 33.3 million in 2015 vs. US$ 34.7 million in 2014.Such decrease compared to the previous year is mainly due to the fact that the Company has changed the depreciation policy of its vessels from 20 to 25 years, in line with today's general industry practice, partially offset by the increase in the amortisation of the new vessels acquired in 2015 for a total amount of US$ 5.1 million.

EBIT was **positive for US$ 63.8 million in 2015** compared to the operating loss of US$ 2.0 million booked in 2014.

Net financial income (charges) were negative for US$ 8.0 million in 2015 vs. US$ 7.9 million in 2014. The total amount includes US$ 15.6 million Loan Interest charges (US$ 12.1 million in 2014), which are close to 3.3% of the total outstanding bank debt at the end of 2015. Such negative amount was partially off-set by the positive impact arising from the Company's risk management activity (mainly on Foreign Exchange, Bunker costs and Interest Rates).

DIS registered a ***Profit before tax*** of US$ 56.1 million in 2015 vs. US$ 9.9 million loss in 2014.

Income taxes were US$ 1.7 million in 2015 vs. US$ 0.9 million in 2014. The increase in 2015 compared to the previous year is due to the taxation of some 2015 financial incomes which are subject to the standard corporate tax rate of 12.5% and not included in the tonnage tax scheme.

The ***Net Profit*** for **2015 was US$ 54.5 million** compared with a Net Loss of US$ 10.6 million posted in the same period of 2014. 2015 was the most profitable year for DIS since 2008.

Consolidated Statement of Financial Position

US$ thousand	As at 31 December 2015	As at 31 December 2014
ASSETS		
Non-current assets	797,831	672,172
Current assets	112,133	132,346
Total assets	**909,964**	**804,518**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	384,713	334,905
Non-current liabilities	396,337	354,611
Current liabilities	128,914	115,002
Total liabilities and shareholders' equity	**909,964**	**804,518**

Non-current assets mainly relate to the DIS owned vessels net book value and it includes also the portion relating to the newbuildings under construction. The balance at the end of 2015 is higher than the previous year, mainly due to the yard instalments paid on DIS newbuilding program during the year (including the last instalments due in connection with the delivery of 3 newbuilding vessels in Q1 and Q4 2015, together with the first instalments paid on 6 LR1 newbuilding vessels ordered during the year). According to the valuation report provided by a primary broker, the estimated market value of DIS owned fleet as at December 31 2015 was of US$ 796.7 million.

Gross Capital expenditures were US$ 164.4 million 2015 (of which US$ 84.7 million in Q4). This amount mainly comprises the instalments paid on the newbuiding vessels under construction at Hyundai-Mipo. Dry-dock costs pertaining to owned vessels are also included in capitalized costs.

Current assets as at December 31, 2015 were US$ 112.1 million. Other than the working capital items (inventories and trade receivables amounting to US$ 10.3 million and US$ 55.3 million respectively), current assets include 'Cash and cash equivalent' of US$ 45.5 million and current financial receivables of US$ 1.0 million.

Non-current liabilities were US$ 396.3 million at the end of December 31, 2015 and mainly 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 the working capital items amounting to US$ 33.2 million (essentially relating to trade and other payables) and US$ 8.5 million of financial liabilities.

The **Shareholders' equity** balance as at December 31, 2015 was of US$ 384.7 million (US$ 334.9 million as at December 31 2014). The variance with the previous year is primarily due to the Net Profit generated in the current year and the cash flow hedge valuation.

Net Indebtedness

DIS' Net debt as at December 31, 2015 amounted to US$ 422.5 million vs. US$ 340.9 at the end of 2014. The increase compared to the previous year is mainly due to the implementation of DIS' **US$ 755.0 million newbuilding plan**, with total investments of US$ 164.4 million made in the 2015.

US$ thousand	As at 31 December 2015	As at 31 December 2014
Liquidity - Cash and cash equivalents	45,485	68,383
Current financial assets	1,038	2,741
Total current financial assets	**46,523**	**71,124**
Bank loans and other lenders– current	86,775	58,978
Other current financial liabilities – 3rd p.ties	8,547	19,141
Total current financial debt	**95,322**	**78,119**
Net current financial debt	**48,799**	**6,995**
Other non-current financial assets	22,589	20,657
Total non-current financial assets	**22,589**	**20,657**
Bank loans non-current	381,017	351,430
Other non-current financial liabilities – 3rd p.ties	15,320	3,181
Total non-current financial debt	**396,337**	**354,611**
Net non-current financial debt	**373,748**	**333,953**
Net financial indebtedness	**422,547**	**340,949**

The balance of ***total current financial assets*** (***Cash and cash equivalents*** together with some short-term financial receivables) was of US$ 46.5 million at the end of 2015.

Total non-current financial assets mainly shows DIS (through d'Amico Tankers Limited) shareholder loan to DM Shipping Limited, a 51/49 joint venture company with the Mitsubishi Group. The Company owns 2 MR vessels, built and delivered respectively in July and October 2009.

The total outstanding bank debt (***Bank loans***) as at December 31, 2015 amounted to US$ 467.8 million, of which US$ 86.8 million are due within one year. Other than some short term credit lines, DIS debt structure is mainly based on the following long-term facilities granted to d'Amico Tankers Limited (Ireland), the key operating company of the Group: (i) Crédit Agricole-CIB 10 years revolving facility (syndicated by other banking institutions) of US$ 86.4 million; (ii) Intesa loan facility of US$ 60.0 million; (iii) Crédit Agricole-CIB and DnB NOR Bank 7 years term loan facility to finance two MR vessels built and delivered in 2012 for total US$ 34.7 million; (iv) Danish Ship Finance 6 years term loan facility to finance the purchase of the second-hand vessel M/T High Prosperity in 2012, for US$ 9.2 million; (v) ING Bank 6 years term loan facility to finance two MR vessels built in 2005 for total US$ 17.1 million; (vi) Crédit Agricole-CIB 6 years term loan facility to finance two MR vessels built in 2014 for total US$ 36.0 million; (vii) Danish Ship Finance 7 years term loan facility to finance two MR vessels built in 2014 and 2015 for total US$ 36.4 million; (viii) DnB NOR Bank 6 years term loan facility to finance 2 Handysize and 1 MR vessels built in 2014 for total US$ 54.7 million; (ix) IMI (Intesa Group) 7 years term loan facility to finance 1 Handysize vessel built in 2015 for total US$ 22.5 million; (x) Skandinaviska Enskilda Banken (SEB) 6 years term loan facility to finance 1 MR vessel built in 2015 for total US$ 22.3 million; (xi) Crédit Agricole CIB 4 years term loan facility to finance 1 Handysize vessel built in 2006 and purchased in 2015 for total US$ 9.5 million. In addition to this, DIS debt comprises also: (i) loan facilities and bank fees due on some financed newbuilding vessels under construction for a total outstanding debt of US$ 11.6 million at the end of 2015; and (ii) the portion of the bank loans of its joint venture 'GLENDA International Shipping Limited' with Commerzbank AG Global Shipping and Credit Suisse for US$ 56.2 million, to finance the 6 Glenda International Shipping Limited vessels, delivered between 2009 and 2011.

Other non-current financial liabilities includes the negative valuation of derivatives hedging instruments (mainly interest rate swap agreements) and some deferred incomes on option premiums, for total US$ 15.3 million.

Cash Flow

DIS **Net cash flow for 2015 was negative for US$ 22.9 million**, mainly due to US$ 164.4 million gross capital expenditures, partially compensated by US$ 12.8 million proceeds from the disposal of 1 vessel in Q4 2015, by US$ 60.2 million positive financing cash flow and by US$ 68.5 million positive operating cash flow.

US$ thousand	**2015**	**2014**
Cash flow from operating activities	68,495	22,846
Cash flow from investing activities	(151,572)	(182,537)
Cash flow from financing activities	60,179	194,904
Change in cash balance	**(22,898)**	**35,213**
Cash and cash equivalents at the beginning of the period	68,383	33,170
Cash and cash equivalents at the end of the period	**45,485**	**68,383**

Cash flow from operating activities was **positive for US$ 68.5 million in 2015** vs. US$ 22.8 million in 2014 and US$ 29.0 million in Q4 2015 vs. US$ 15.7 million in the same quarter last year. The significant variance compared to the previous year, is directly related to the **substantial improvement in the EBITDA performance** occurred in 2015.

The net ***Cash flow from investing activities*** was US$ 151.6 million (outflow) in 2015. This amount was mainly made up of the capital expenditures in connection with the instalments paid on the newbuiding vessels under construction at Hyundai-Mipo, the purchase of the 2006-built Handysize product tanker M/T Cielo di Guangzhou in Q4 2015 (previously in bareboat charter contract to d'Amico Tankers Limited), as well as dry-dock expenses.

The total net amount of investing cash flow includes also US$ 12.8 million net proceeds from the disposal of the 2002-built Handysize product tanker M/T Cielo di Salerno, occurred in the last quarter of the year.

Cash flow from financing activities was positive for US$ 60.2 million in 2015. This figure mainly includes: (i) US$ 0.4 million arising from the Second Exercise Period of the 'd'Amico International Shipping Warrants 2012 – 2016' (ISIN code LU0849020044) ended on January 31 2015, in which 2,661,273 Warrants were exercised at a price of Euro 0.40 per ordinary share newly issued by DIS; (ii) US$ 1.2 million investment in DIS' buyback program; (iii) US$ 4.0 million positive movement in 'other financial receivables/payables' made of US$ 6.0 million credit provided to d'Amico Tankers Limited by the sellers of of M/T Cielo di Guangzhou and US$ 2.0 million credit provided by d'Amico Tankers Limited to the buyers of M/T Cielo di Salerno; (iv) US$ 119.8 million bank loan drawdown mainly in relation to the financing of two 2005-built ships, of the 2006-built ship purchased in Q4 2015, of the three newbuilding vessels delivered in 2015, together with the pre-delivery financing of two LR1 vessels ordered in Q2 2015; (iii) US$ 62.9 million bank debt repayments.

Quarterly results

Fourth quarter results

US$ thousand	Q4 2015	Q4 2014
Revenue	91,101	95,996
Voyage costs	(23,507)	(30,916)
Time charter equivalent earnings	**67,594**	**65,080**
Time charter hire costs	(31,509)	(33,325)
Other direct operating costs	(15,614)	(15,538)
General and administrative costs	(4,044)	(3,871)
Other operating income	60,	186
Result from disposal of vessels	5,839	-
EBITDA	**22,326**	**12,532**
Depreciation	(10,109)	(8,591)
EBIT	**12,217**	**3,941**
Net financial income (charges)	(2,346)	(9,860)
Share of profit (loss) of equity accounted investee	68	80
Profit / (loss) before tax	**9,939**	**(5,839)**
Income taxes	(239)	442
Net profit / (loss)	**9,700**	**(5,397)**

Market and key operating measures review by quarter

	Q1	Q2	Q3	Q4	FY
Total vessel equivalent					
2015	**52.1**	**52.1**	**50.8**	**50.3**	**51.3**
2014	39.6	39.1	40.7	48.0	41.9
Off-hire days/available vessel days (%)					
2015	**3.1%**	**2.8%**	**1.2%**	**6.3%**	**3.3%**
2014	3.4%	1.8%	2.4%	1.6%	2.2%
TCE earnings per employment day (US$)					
2015	**16,939**	**17,619**	**18,411**	**15,570**	**17,159**
2014	13,637	13,972	14,296	14,985	14,271

Financials by quarter

The 2015 quarterly financials substantially reflect the trend in freight markets.

US$ thousand	Q1	Q2	Q3	Q4	FY
Revenue	102,002	110,113	111,661	91,101	414,877
Voyage costs	(25,034)	(28,956)	(26,669)	(23,507)	(104,166)
Time charter equivalent earnings	**76,968**	**81,157**	**84,992**	**67,594**	**310,711**
Time charter hire costs	(34,779)	(37,383)	(35,087)	(31,509)	(138,758)
Other direct operating costs	(17,241)	(16,722)	(16,270)	(15,614)	(65,847)
General and administrative costs	(3,434)	(3,678)	(3,985)	(4,044)	(15,141)
Other operating Income	135	58	75	60,	328
Result from disposal of vessels	-	-	-	5,839	5,839
EBITDA	**21,649**	**23,432**	**29,725**	**22,326**	**97,132**
Depreciation and impairment	(9,628)	(5,698)	(7,897)	(10,109)	(33,332)
EBIT	**12,021**	**17,734**	**21,828**	**12,217**	**63,800**
Net financial income (charges)	(47)	1,477	(7,099)	(2,346)	(8,015)
Share of profit (loss) of equity accounted investee	85	92	94	68	339
Profit / (loss) before tax	**12,059**	**19,303**	**14,823**	**9,939**	**56,124**
Income taxes	(699)	(613)	(100)	(239)	(1,651)
Net profit / (loss)	**11,360**	**18,690**	**14,723**	**9,700**	**54,473**

The following table shows the Net Debt at the end of the fourth quarter 2015 compared with the figures at end of the third quarter of the same year:

US$ thousand	As at 31 December 2015	As at 30 September 2014
Cash and cash equivalents	45,485	39,106
Current financial assets	1,038	10,238
Current financial debt	(86,775)	(79,366)
Other current financial liabilities	(8,547)	(7,259)
Non-current financial assets	22,589	20,617
Non-current financial debt	(381,017)	(342,230)
Other non-current financial liabilities	(15,320)	(14,760)
Net financial indebtedness	**(422,547)**	**(373,654)**

Significant events of the Year

In 2015 the following main events occurred in the activity of d'Amico International Shipping Group:

d'Amico International Shipping:

- **Results of d'Amico International Shipping Warrants 2012-2016 – Second exercise period ended in January 2015:** On January 30 2015 ended the Second exercise period of the "d'Amico International Shipping Warrants 2012 – 2016" (ISIN code LU0849020044) . During this period 2,661,273 Warrants were exercised at a price of Euro 0.40 per ordinary share without nominal value issued by DIS and admitted to trading on the MTA market of Borsa Italiana SpA each as a "Warrant Share". In accordance with the terms and conditions of the Warrant Regulations, DIS issued on February 6th 2015, based on the Warrants Ratio of one (1) Warrant Share for every three (3) Warrants exercised, 887.091 Warrant Shares with same rights (including that to dividends) and features of DIS ordinary outstanding shares at the issue date - to those Warrant holders who validly exercised their Warrants during the Second exercise period. The ISIN code of the Warrant Shares coincides with the ISIN Code of DIS's outstanding shares being LU0290697514. After the capital increase DIS' share capital amounts to US$ 42,284,239.80 divided into 422,842,398 ordinary shares without unitary 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 – repurchased on the regulated market managed by Borsa Italiana S.p.A. during the period July to December 2015, nr. 1,489,532 own shares, representing the 0.4% of the outstanding share capital of the Company, at the average price of Euro 0.70 for a total consideration of Euro 1,042,973.

d'Amico Tankers Limited:

- **Newbuilding Vessels:** In February 2015, one 'Eco' newbuilding product tanker built at Hyundai Mipo Dockyard Co. Ltd. – South Korea, M/T High Loyalty (Medium Range - 50,000 dwt), was delivered to d'Amico Tankers Limited. In May 2015, the Vessel was delivered to one of the main Oil-Major for a period of 5 year Time Charter contract, at a profitable daily rate.

  In April 2015, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited, entered into an agreement for the construction and sale of two new Long Range (LR1 – 75,000 DWT) modern product tanker vessels with Hyundai MIPO Dockyard Co. Ltd – South Korea. These vessels will be built by Vinashin Shipyard Co. Ltd – Vietnam and are expected to be delivered in April and August 2017, for a total consideration of about US$ 44.0 million each.

  In June 2015, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited ordered the purchase, and the subsequent execution of the relevant shipbuilding contracts for the construction of two additional new Long Range (LR1 – 75,000 DWT) modern product tanker vessels with Hyundai Mipo Dockyard Co. Ltd. – South Korea. These Vessels will be built by Hyundai Vinashin Shipyard Co. Ltd – Vietnam and are expected to be delivered in Q4 2017 and Q1 2018 respectively, for a total consideration of about US$ 44.0 million each.

  In September 2015, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited entered into an agreement for the construction and sale of two new Long Range (LR1 – 75,000 DWT) modern product tanker vessels (the "Vessels") with Hyundai Mipo Dockyard Co. Ltd. – South Korea. These Vessels will be built by Hyundai Vinashin Shipyard Co. Ltd – Vietnam and are expected to be delivered in Q2 2018 and Q3 2018 respectively, for a total consideration of about US$ 44.0 million each.

In October 2015, two 'Eco' newbuilding product tankers built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, were delivered to d'Amico Tankers Limited:

- M/T Cielo di Ulsan (Handysize – 39,000 dwt), was delivered to d'Amico Tankers Limited on October 12 2015. The Vessel is currently employed with one of the main Oil-Majors for a period of 24-30 month Time Charter contract, at a profitable daily rate;

- M/T High Trader (Medium Range - 50,000 dwt), was delivered to d'Amico Tankers Limited on October 29 2015. Starting from November 2015, the Vessel will be employed with one of the main Oil-Majors for a period of 3 year Time Charter contract, at a profitable daily rate

- **'Second-hand owned Vessels':** in December 2015, d'Amico Tankers Limited sold M/T Cielo di Salerno, a 36,032 dwt handysize product tanker, built in 2002 by STX (South Korea), to SW Cap Ferrat Shipping LLC (Marshall Island), for a consideration of US$ 13.0 million. At the same time, d'Amico Tankers will maintain the commercial employment of the Vessel having also concluded with the Buyer a 3 year time charter agreement at an attractive rate.

  In December 2015, d'Amico Tankers Limited purchased M/T Cielo di Guangzhou, a 38,877 dwt handysize product tanker, built in 2006 by Guangzhou International Shipyard (China), from Solar Shipping srl (Italy), for a consideration of US$ 14.0 million. Prior to this deal, the Vessel had been in bare-boat charter contract with d'Amico Tankers since 2006.

- **'Time Charter-out' Fleet:** In April 2015, d'Amico Tankers Limited fixed three of its 'Eco' MR newbuilding vessels with one of the main Oil Majors, for 3 year Time charter contracts at profitable rates. The three vessels are: High Trader (delivered in October 2015), High Trust (delivered in January 2016) and Hull S424 (expected to be delivered in Q4'16).

  In April 2015, d'Amico Tankers Limited fixed one of its 'Eco' Handy newbuilding vessels with one of the main Oil Majors, for 24 to 30 month Time charter contract at a profitable rate. The vessel was delivered in Q4 2015.

  In May 2015, d'Amico Tankers Limited fixed one of its MR owned vessels with a main Oil Major, for 2 year Time Charter contract at a profitable rate.

  In July 2015, d'Amico Tankers Limited fixed the first of the six LR1 newbuilding vessels ordered in 2015 at Hyundai MIPO Dockyard Co. Ltd – South Korea, with one of the main Oil-Majors for 18 month Time charter contract at a profitable rate. Following this last deal, d'Amico has already secured Time charter coverage on 13 of its total 22 Newbuilding vessels (of which 10 vessels already delivered as at the end of December 2015). All these contracts were made with Oil Majors and leading refining companies at very profitable rates. In August 2015, d'Amico Tankers Limited extended a Time charter contract with a main Oil Major due to expire in September for another year at a very profitable rate.

  In November 2015, d'Amico Taners Limited fixed one of its 'Eco' Handy newbuilding vessels with one of the main Oil Majors, for 24 to 35 month Time Charter contract at a profitable rate. The Vessel is currently under construction and expected to be delivered in Q2 2016.

- **'Time Charter-in' Fleet:** In April 2015, d'Amico Tankers Limited agreed to take 2 MR (50,000 dwt) newbuilding product tanker vessels in Time charter-in for 8 years, plus options to extend the contract for further 3 years. These vessels will be built at Onomichi Dockyard Co., Ltd – Japan and are expected to be delivered respectively in the second half of 2017 and in the first half of 2018. In addition to this, d'Amico Tankers Limited has options to purchase the two vessels, starting from the 4th year of the Time charter contract.

In April 2015, d'Amico Tankers Limited agreed to take 2 further MR (50,000 dwt) newbuilding product tanker vessels in Time charter-in for 7 years, plus options to extend the contract for further 3 years. These vessels will be built at Minaminippon Shipbuilding Co., Ltd – Japan and are expected to be delivered respectively in the first half and in the second half of 2017. In addition to this, d'Amico Tankers Limited has options to purchase the two vessels, starting from the 4th year of the Time charter contract.

In May 2015, M/T High Power, an MR vessel built in 2004 and previously employed in High Pool Tankers, was delivered to d'Amico Tankers Limited for 3 year Time Charter contract.

In May 2015, M/T High Saturn, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since then, was redelivered back to her Owners.

In June 2015, M/T High Mars, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since then, was redelivered back to her Owners.

In August 2015, M/T High Mercury, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since then, was redelivered back to her Owners.

In August 2015, the contract on M/T Freja Baltic, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since 2014, was extended for a further 2 year period.

In August 2015, the contract on M/T High Glow, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers since then, was extended for a further 3 year period.

In September 2015, M/T Future Prosperity, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since 2014, was redelivered back to her Owners.

During Q3 2015, 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 Louis (Handysize vessel built in 2002), 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 all extended for a further 1 year period

In October 2015, M/T High Jupiter, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since then, was redelivered back to her Owners.

In October 2015, the contract on M/T Freja Hafnia, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since 2012 was extended for further 3 year period starting from January 2016.

In October 2015, the contract on M/T Citrus Express, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since 2013, was extended for further 3 year period starting from November 2015.

In October 2015, d'Amico Tankers Limited agreed to take 2 further MR (50,000 dwt) newbuilding product tanker vessels in Time charter-in for 8 years. These vessels will be built at Japan Marine United Corporation – Japan and are expected to be delivered in the first half of 2018. In addition to this, d'Amico Tankers Limited has options to purchase the two vessels, starting from the 4th year of the Time charter contract.

Significant events since the end of the Period and Business Outlook

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) has ended on January 29th, 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, every three exercised warrants, without nominal value which will be issued by DIS and admitted to trading on the MTA market of Borsa Italiana SpA, each as a "Warrant Share". Totally, the program was exercised at 98% of the total warrants issued. 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 to those Warrant holders who validly exercised their Warrants during the Third and Final Exercise Period. The ISIN code of the Warrant Shares will coincide with the ISIN Code of DIS's outstanding shares being LU0290697514. The DIS current capital increase is expected equal to €2,607,260.68. In accordance with the Warrant Regulations, warrants which were not exercised during the recently ended Third and Last Exercise Period will automatically lapse. 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 11th and February 12th repurchased, on the regulated market managed by Borsa Italiana S.p.A., nr. 780,000 own shares, representing the 0.182% of the outstanding share capital of the Company, at the average price of Euro 0.4676, for a total consideration of Euro 364,696.

d'Amico Tankers Limited:

- **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 Limited. Starting from March 2016, the Vessel will be employed with one of the main Oil-Majors for 3 year Time Charter contract, at a profitable daily rate.

- **'Time Charter-out' Fleet:** In January 2016, d'Amico Tankers Limited 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 Limited 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 Limited 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 Limited for 3 years since 2013, was extended for further 2 year period with an option for an additional year.

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

	As at 31 December 2015			As at 03 March 2016		
	MR	Handysize	**Total**	MR	Handysize	**Total**
Owned	21.3	4.0	**25.3**	22.3	4.0	**26.3**
Time chartered	19.5	6.0	**25.5**	18.5	6.0	**24.5**
Total	**40.8**	**10.0**	**50.8**	**40.8**	**10.0**	**50.8**

Business Outlook

All Product Tanker markets are experiencing varying degrees of demand at the beginning of the First Quarter of 2016. Global refinery runs fell by 1.3 million b/d in January to 79.8 million b/d, as the onset of seasonal maintenance in the US and weakening refinery margins reduced runs. Global refinery throughputs nevertheless stand more than 1.7 million b/d above a year earlier, with gains particularly strong in the US and the Middle East. OECD refined Product stocks have built unseasonably and stand at 1,500 million barrels in December which is close to 100 million barrels higher than the same month the year before. This amounts to 32.3 days of forward cover and preliminary data indicates that inventories have continued building into Q1. High Stocks and reduced refinery runs have put pressure on the product tanker rates across the Globe with the exception of the US as their refinery maintenance is coming to an end.

Chinese State-owned refineries have applied for more gasoil export quotas this year, going forward diesel exports could gain further strength as diesel constitutes more than 40% of Chinese refinery output. Furthermore, Sinopec recently offered financial incentives to its refining subsidiaries to export the product in order to maintain high refinery runs, whilst teapot refineries are in the midst of attaining their rights to begin exporting petroleum products as well. The Government's decision to temporarily freeze its fuels pricing mechanism could also lead to greater product exports as refiners will be looking to the export market to cash in on higher margins, whilst domestic prices are kept artificially flat.

The key drivers that should affect the product tanker freight markets and d'Amico International Shipping performance are (i) Global oil demand (ii) worldwide GDP growth and (iii) the large modern fleet. 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 demand outlook for 2016 looks softer as downgrades to the macroeconomic outlook and expectations that crude oil prices will not repeat the heavy declines seen in 2015, filter through. At an estimated 1.17 million b/d in 2016, global demand growth returns to its long-term trend, taking projected average demand up to 95.6 million b/d;
- Total OECD product demand fell in Q4 by 75,000 b/d after very positive gains in the first nine months. NON-OECD demand climbed by 2.3% throughout the year and is expected to show the same rate of growth for 2016. Demand growth for Gasoline led the growth followed by gasoil, jet/kerosene, and naphtha, respectively;
- Global refinery runs are expected to remain stable in Q1 16, to 79.5 million b/d. Annual growth remains relatively high at 1.3 million b/d. Unlike in Q4 15, the non-OECD region is responsible for all of this increase – with, in turn, half of this claimed by the Middle East;

- Increasing ton-mile, positive refining margins and higher runs have positively boosted Product tanker demand. Product tanker fleet utilisation should reach 90% for 2015;

- On paper an additional 1.6 million b/d of new refining capacity is expected to come on line in 2016, primarily led by Asia and the Middle East;

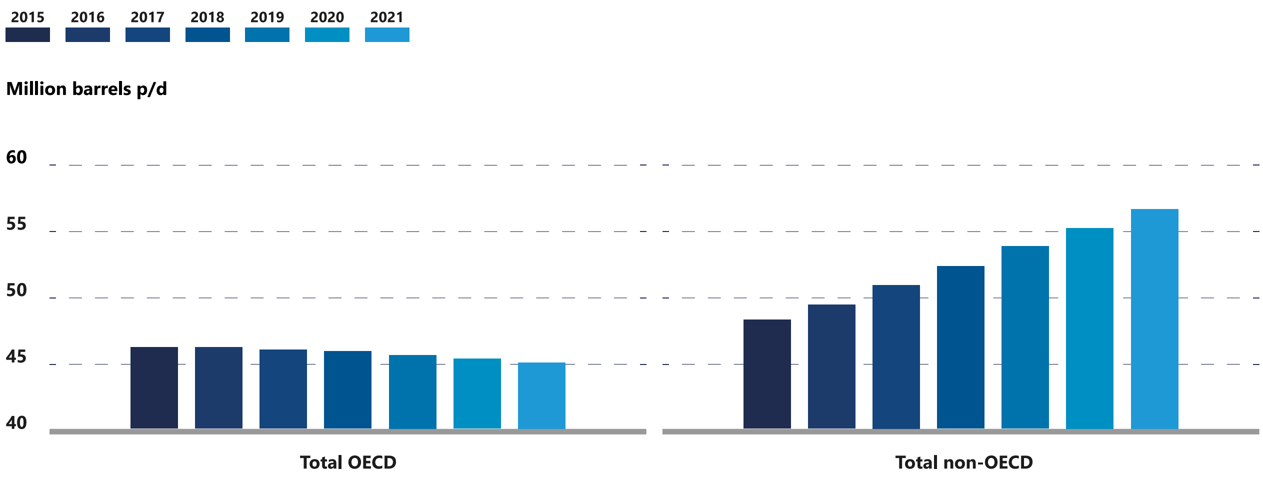
- China and the Middle East, which today represent 24% of global refining capacity, are accountable for 55% of the IEA's growth forecasts till 2017. Expansion in the Middle East is most likely be skewed towards exports;

- Since the commissioning of India IOC's Paradip refinery back in April 2015, it is announced that the 300,000 b/d plant will start commercial production around the end of March 2016. With India as Asia's largest product exporter, we can expect to see a growth in the Country's crude demand accompanied by a possible shift in products exports volume;

- The new refinery was designed to process heavier crudes such as sour Mideast grades and even Mexico's Maya crude, when at fully capacity the refinery is expected to produce 115,000 b/d of gasoil, 80,000 b/d of gasoline and 40,000 b/d of jet fuel;

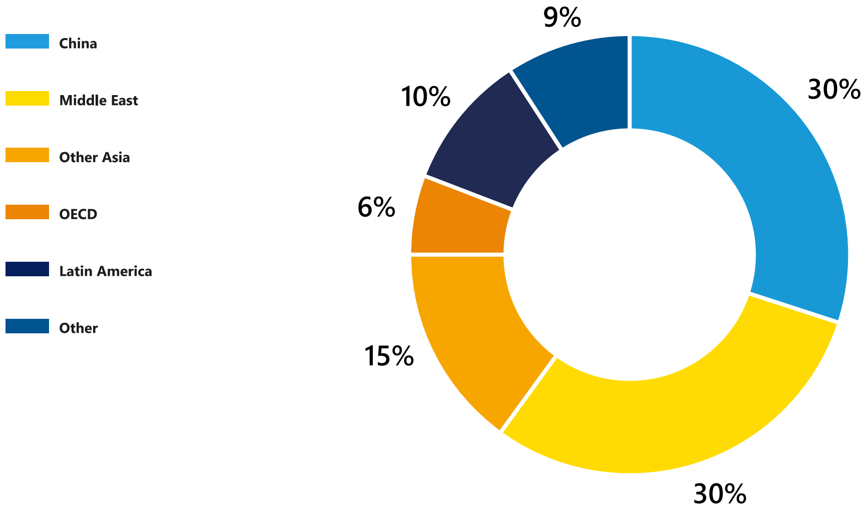
- Seaborne trade thrives on the existence of mismatches. In the oil products sector these can be all of geographical, type of product produced/demanded, quality and price. The global refinery map is constantly changing and bringing about product supply imbalances between regions. This could fundamentally lead to longer haul voyages effectively reducing the supply of tonnage. As these mismatches grow then the Product Tanker demand will increase.

Global Oil Demand[1] 2015 – 2020

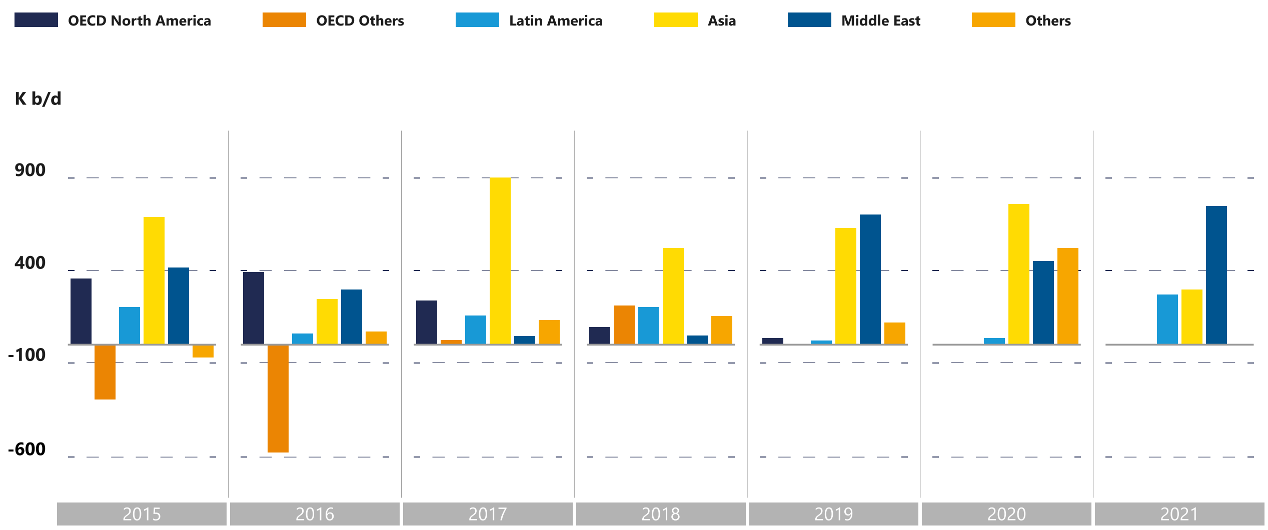


[1] Source: International Energy Agency Medium-Term Oil Market Report, Feb '16

Refinery growth 2016-2021



Capacity additions 2016-2021 by region

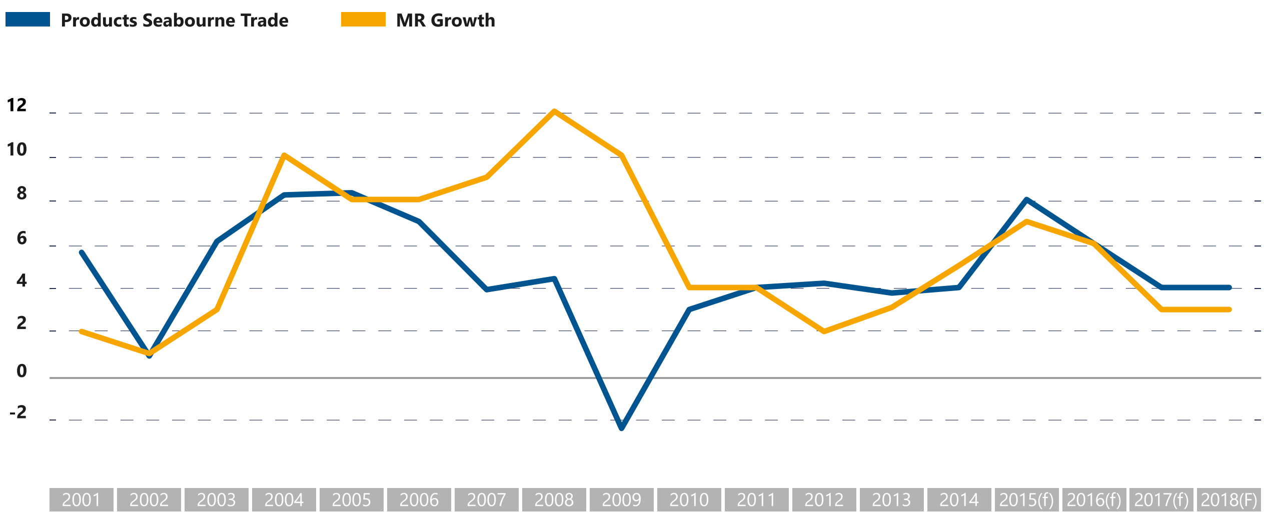


Product Tanker Supply

- The order book for MR tankers that were “scheduled” to be delivered in 2015 was - according to various reports - between 140 and 200. Deliveries were substantial but below expected figure with about 130 deliveries, and 18 ships were permanently removed;
- As with 2015, 2016 is scheduled to have a relatively large amount of new-buildings. On paper the amount destined to be built this year is between 110 and 160 ships in the MR sector. However after 2016 the net growth in tonnage is slowing down;
- Slippage, cancellations and order changes have reduced deliveries by about 30% over the last five years;

- Analysts have forecasted that the ton-mile growth continues to outpace growth in carrying capacity and that any additional tonnage should be absorbed;
- The order book of MR Tankers has been strong in recent months bringing the total ordered in 2015 to 81 ships. This is a concern but considerably lower than the 204 ships ordered in 2013;
- On average MR tankers are scrapped after 22-25 years. There are 201 ships older than twenty years of age or 10% of the existing fleet;
- Port delays and increasing length of voyages have been a factor in trading product tankers and are effectively reducing the ready supply of tonnage.

Ton-mile Demand %[1]



[1] Source: Odin Marine, Banchero Costa SSY, HRP, DNB, d'Amico

Corporate Governance and Ownership Structure

The Company is organized and governed in compliance with the applicable Luxembourg laws and regulations on companies and, to the extent possible, with the recommendations of the Borsa Italiana Corporate Governance Code (available at the Borsa Italiana website at **http://www.borsaitaliana.it/comitato-corporate-governance/codice/2014clean.pdf**) not being obliged to comply with the corporate governance regime of the Luxembourg Stock Exchange. Furthermore, due to its incorporation in Luxembourg and listing on the Italian Market, the Company is subject both to the transparency obligations established by the Luxembourg Law of 11th January 2008 and to those established by the Italians laws and regulations as applicable from time to time.

In accordance with article 123-bis of Legislative Decree No. 58/98 and in line with the recommendations of the Borsa Italiana Corporate Governance Code, the Company provides a complete disclosure of its Ownership Structure and Corporate Governance system at December 31, 2015 in the 2015 Corporate Governance and Ownership Structure Report (the "Report"). A specific paragraph of the Report is dedicated to the takeover bids' legislation as applicable to the Company including, among others, all information required by article 11 of the Luxembourg law of 19 May 2006 and subsequent amendments and/or supplements which implements the Directive 2004/25/EC of 21 April 2004 on takeover bids (the "Takeover Law")[1]. The Report is available to everyone at the registered office of the Company and on its website (**www.damicointernationalshipping.com**) in the Corporate Governance/ Information Document section which contains other documents regarding the Company's Corporate Governance System. Moreover it is filed with Borsa Italiana S.p.A. through the SDIR/NIS system, Commissione Nazionale per le Società e la Borsa (CONSOB), Commission de Surveillance du Secteur Financier (CSSF) and Société de la Bourse de Luxembourg S.A. in its quality of Official Appointed Mechanism for the central storage of regulated information (hereinafter, the "OAM").

[1] The Company falls within the ambit of the Takeover Law. By application of its article 4, paragraph 2, clause b) and pursuant to article 100-ter of the TUF, the authority competent to supervise a takeover bid on the shares of the Company will be the Italian regulating authority, CONSOB. Italian law is the governing law as to (i) the price of the bid; (ii) the procedure of the bid and, in particular, the information on the offerors' decision to make a bid; (iii) the contents of the offer document and (iv) the disclosure of the bid. The Luxembourg regulating authority, the Commission de Surveillance du Secteur Financier (CSSF) will in turn be competent (and Luxembourg law will be applicable) pursuant to the Takeover Law and the CSSF Circular 06/258 in respect of matters relating to the information to be provided to the employees of the Company and in matters relating to company law, in particular the percentage of voting rights which confers control and any derogation from the obligation to launch a bid, as well as the conditions under which the Board of Directors of the Company may undertake any action which might result in the frustration of the bid.

The Company is also subject to the Luxembourg law of 21 July 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a regulated market or which have been subject to a public offer and the CSSF Circular 12/545 if any individual or legal entity, acting alone or in concert with another, becomes the owner directly or indirectly of a number of Shares representing at least 95% of the voting share capital and 95% of the voting rights of the Company.

The Articles of Association do not make any reference to the takeover bid procedure, therefore, the Takeover Law is deemed directly and entirely applicable, according to which:

- the shareholders of the Company may resolve, even before a takeover bid has been made public, to impose on the Board of Directors to submit to their prior approval the adoption of any defensive action by the Board of Directors which may result in the frustration of the takeover bid. Absent such a resolution, as the case is, the Board of Directors may be free to take defensive actions without the prior approval of the shareholders (defensive actions);
- the shareholders of the Company may resolve that any transfer restrictions applicable to their securities as well as any restrictions on voting rights and/or any exceptional voting right entitlements shall cease to be enforceable upon a takeover bid (breakthrough rule).

d'AMICO INTERNATIONAL SHIPPING GROUP
CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2015

Consolidated Income Statement

US$ thousand	Note	2015	2014
Revenue	(3)	414,877	315,304
Voyage costs	(4)	(104,166)	(102,827)
Time charter equivalent earnings	**(5)**	**310,711**	**212,477**
Time charter hire costs	(6)	(138,758)	(110,228)
Other direct operating costs	(7)	(65,847)	(60,037)
General and administrative costs	(8)	(15,141)	(16,762)
Other operating income	(9)	328	823
Result from disposal of vessels	(10)	5,839	6,488
EBITDA		**97,132**	**32,761**
Depreciation and impairment	(14)	(33,332)	(34,741)
EBIT		**63,800**	**(1,980)**
Net financial income	(11)	9,138	19,059
Net financial (charges)	(11)	(17,153)	(26,924)
Profit share of equity accounted investee	(12)	339	219
Profit / (loss) before tax		**56,124**	**(9,626)**
Taxes	(13)	(1,651)	(939)
Net profit / (loss)		**54,473**	**(10,565)**
The net result is entirely attributable to the equity holders of the Company			
Earnings per share in US$[1]		**0.129**	**(0.025)**

Consolidated Statement of Other Comprehensive Income

US$ thousand	2015	2014
Profit / (loss) for the period	54,473	(10,565)
Items that can subsequently be reclassified into Profit or Loss		
Movement of valuation of Cash flow hedges	(3,764)	(631)
Total comprehensive result for the period	**50,709**	**(11,196)**
The net result is entirely attributable to the equity holders of the Company		
Comprehensive income / (loss) per share in US$[1]	0.120	(0.027)

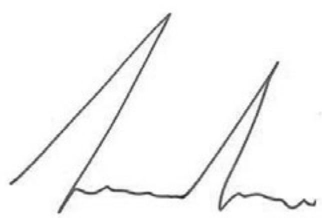
[1] Earnings per share (e.p.s.) were calculated on an average number of shares equal to 422,752,474 in 2015, while in 2014 e.p.s. were calculated on a number of 414,812,369 shares. Diluted earnings per share - including Warrant shares – would be US$ 0.127 in 2015 as far as Net Profit is concerned, and US$ 0.118 as far as Comprehensive Result (in 2014: diluted earnings per share including Warrant shares would have been $ (0.0246) of Net profit and $ (0.026) of Comprehensive income).

Consolidated Statement of Financial position

US$ thousand	Note	As at 31 December 2015	As at 31 December 2014
ASSETS			
Tangible assets	(14)	770,738	647,167
Investment in jointly controlled entities	(15)	4,504	4,348
Other Non-current financial receivable	(16)	22,589	20,657
Total non-current assets		**797,831,**	**672,172**
Inventories	(17)	10,276	12,422
Receivables and other current assets	(18)	55,334	48,800
Other Current financial assets	(16)	1,038	2,741
Cash and cash equivalents	(19)	45,485	68,383
Total current assets		**112,133**	**132,346**
Total assets		**909,964**	**804,518**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	(20)	42,284	42,196
Retained earnings	(20)	77,310	22,837
Other reserves	(20)	265,119	269,872
Total shareholders' equity		**384,713**	**334,905**
Banks and other lenders	(21)	381,017	351,430
Other non-current financial liabilities	(23)	15,320	3,181
Total non-current liabilities		**396,337**	**354,611**
Banks and other lenders	(21)	86,775	58,978
Payables and other current liabilities	(22)	33,233	36,348
Other current financial liabilities	(23)	8,547	19,141
Current tax payable	(24)	359	535
Total current liabilities		**128,914**	**115,002**
Total shareholders' equity and liabilities		**909,964**	**804,518**

The financial statements on pages 40 to 82 were authorized for issue by the Board of Directors on its behalf on March 3, 2016

Paolo d'Amico, Chairman



Marco Fiori, Chief Executive Officer

Consolidated Statement of Cash Flows

US$ thousand	2015	2014
Profit / (loss) for the period	**54,473**	**(10,565)**
Depreciation, amortisation and impairment	33,332	34,741
Current and deferred income tax	1,650	939
Financial charges	7,528	6,531
Fair value gains on foreign currency retranslation	484	1,679
Profit on disposal of vessels	(5,839)	(6,488)
Profit share of equity-accounted investment	(340)	(219)
Other non-cash items		(344)
Cash flow from operating activities before changes in working capital	**91,288**	**26,493**
Movement in inventories	2,145	932
Movement in amounts receivable	(6,534)	(17,273)
Movement in amounts payable	(2,560)	7,020
Taxes paid	(1,166)	(3,190)
Net interest received (paid)	(14,678)	8,864
Net cash flow from operating activities	**68,495**	**22,846**
Acquisition of fixed assets	(164,420)	(194,811)
Disposal of fixed assets	12,848	13,323
Investment in jointly controlled entities / subsidiaries	-	(1,049)
Net cash flow from investing activities	**(151,572)**	**(182,537)**
Share capital increase	405	30,477
Dividends paid	-	(6,868)
Treasury shares	(1,156)	-
Other changes in shareholders' equity	47	-
Net movement in other financial receivable and payable	4,000	(1,517)
Bank loan repayments	(62,881)	(52,410)
Bank loan draw-downs	119,,764	225,222
Net cash flow from financing activities	**60,179**	**194,904**
Net increase / (decrease) in cash and cash equivalents	**(22,898)**	**35,213**
Cash and cash equivalents at the beginning of the year	68,383	33,170
Cash and cash equivalents at the end of the year	**45,485**	**68,383**

Consolidated Statement of Changes in Shareholders' Equity

US$ thousand	Share Capital	Retained Earnings	Other Reserves		Total
			Other	Cash-Flow hedge	
Balance as at 1 January 2015	**42,196**	**22,837**	**269,289**	**583**	**334,905**
Capital increase	88	-	317	-	405
Treasury shares	-	-	(1,156)	-	(1,156)
Other changes (consolidation reserve)	-	-	(150)	-	(150)
Total comprehensive income	-	54,473	-	(3,764)	50,709
Balance as at 31 December 2015	**42,284**	**77,310**	**268,300**	**(3,181)**	**384,713**

US$ thousand	Share Capital	Retained earnings	Other Reserves		Total
			Other	Cash-Flow hedge	
Balance as at 1 January 2014	**35,988**	**31,292**	**252,354**	**(2,937)**	**316,697**
Reclassification of cash-flow hedge ineffectiveness	-	(5,692)	-	4,151	(1,541)
Adjustment for retrospective application of new IFRS standards	-	7,532	(91)	-	7,441
Reclassification	-	7,137	(7,137)	-	-
Balance as at 1 January 2014 Adjusted[1]	**35,988**	**40,269**	**245,126**	**1,214**	**322,597**
Capital increase	6,208	-	24,269	-	30,477
Dividend paid (US$ 0.0165 per share)	-	(6,867)	-	-	(6,867)
Other changes (consolidation reserve)	-	-	(106)	-	(106)
Total comprehensive income	-	(10,565)	-	(631)	(11,196)
Balance as at 31 December 2014	**42,196**	**22,837**	**269,289**	**583**	**334,905**

The following notes form an integral part of the annual consolidated financial statements.

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs, the reclassification within equity of the ineffective part of the cash-flow and the reclassification within equity related to a different presentation of previous years' results . Reference for further details should be made to the section "Accounting principles adopted from 1st of January 2014" within Note 1 in the Notes to the 2014 Group report.

Notes

d'Amico International Shipping S.A. (the "Company", DIS) a Sociéte Anonyme, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg. The financial statements have 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 financial statements d'Amico International Shipping Group are prepared in accordance with International Financial Reporting Standards (IFRS – International Financial Reporting Standards and IAS – International Accounting Standards) as issued by the 'IASB' (International Accounting Standards Board) and adopted by the European Union. The designation 'IFRS' also includes all 'IAS', as well as all interpretations of the International Financial Reporting Interpretations Committee 'IFRIC', formerly the Standing Interpretations Committee SIC as adopted by the European Union. The consolidated financial statements are prepared on the basis of historic cost convention, with the exception of certain financial assets and labilities, which are stated at fair value through profit or loss.

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 presented in U.S. Dollars, being the functional currency of the Company and its principal subsidiaries.

1. ACCOUNTING POLICIES

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

Basis of Consolidation

The financial statements present the consolidated results of the parent company, d'Amico International Shipping S.A., and its subsidiaries for the year ended 31 December 2015.

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases.

The assets and liabilities of the parent and subsidiary companies are consolidated on a line-by-line basis and the carrying value of the investments held by the parent company and other consolidated subsidiaries is eliminated against shareholders' equity. Intra-group balances and transactions, and gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements, as well as unrealized gains and losses from intra-group operations. Non-controlling interests and net profit attributable to minorities, if any, are listed separately from the Group's equity, on the basis of the percentage of net Group assets they possess.

Joint Arrangements

Jointly controlled entities are enterprises over whose activities the Group has joint control, as defined in IFRS11 – Joint Arrangements. The accounting treatment is dependent on the type of joint arrangement, which is determined by considering the rights and obligations of the investor. The consolidated financial statements include the assets and liabilities, revenue and costs of joint operations on a proportional basis, based on the Group's share; the joint ventures are accounted for using the equity method: the Group's share of the investee's profit or loss is recognized in the Consolidated income statement; distributions received from an investee reduce the carrying amount of the investment; post-acquisition movements in Other comprehensive income/(loss) are recognized in Other comprehensive income/(loss) with a corresponding adjustment to the carrying amount of the investment.

When the Group's share of the losses of a joint venture or associate exceeds the Group's interest in that joint venture or associate, the Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit / (loss) of associates in the income statement.

Foreign currencies

Most of the Group's revenues and costs are denominated in U.S. dollars, which is the functional currency of the Company. Transactions during the year in currencies other than U.S. dollars have been translated at the appropriate rate ruling at the time of the transactions. Monetary assets and liabilities denominated in currencies other than the U.S. dollar have been translated into U.S. dollars at the rate ruling at the financial position date. All exchange differences have been accounted for in the income statement.

In the consolidated financial statements, the income statements of subsidiaries, which do not report in U.S. dollars, are translated at the average exchange rate for the period, whereas statement of financial position items are translated at the exchange rates at the financial position date. Exchange differences arising on the translation of financial statements into U.S. dollars are recognized directly in the statement of income.

Critical accounting judgments and key estimates

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

Vessel carrying values.
The carrying value of vessels may significantly differ from their market value. It is affected by the Management's assessment of the remaining useful lives of the vessels, their residual value and indicators of impairment. If the carrying value of vessels exceeds the recoverable amount then an impairment charge is recognized.

Demurrage revenues.
Demurrage revenues are recognized as part of the voyage upon delivery of service, in accordance with the terms and conditions of the charter parties, based on an estimate of the amount earned during the period on uncompleted voyages.

Voyage expenses.
Voyage expenses on uncompleted voyages are estimated based on the historically recognised average expenses of the Company standard completed voyages.

Tax liabilities.
The tax liabilities are calculated based on our tax situation as affected by the regulatory frameworks of the jurisdiction in which we operate. The liability for tax may be affected by changes in the treatment or assessment of trading income, freight tax, tonnage tax and value added tax.

Measurement of Fair Values.
The 'fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal / most advantageous market at the measurement date at the current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of financial instruments is represented by market quotations or, in their absence, by the value resulting from the adoption of suitable financial valuation models which take into account all the factors adopted by the market operators and the prices obtained in similar actual transactions in the market.

For significant fair value measurement, quoted prices or broker information are obtained to support the valuations and valuation adjustments together with unobservable inputs are reviewed regularly for the classification of such valuations in the appropriate level of fair value. In the measurement of fair values market data are used to the farthest possible extent.

Three levels of inputs to the fair value valuation techniques are used to measure the fair values:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs are other than quoted prices included within Level 1 that are observable directly or indirectly for the asset or the liability;
- Level 3 inputs are not observable from market data.

When the inputs used to measure the fair value of an asset or a liability belong to different categories, the fair value measurement is categorised entirely in its lowest and most significant fair value hierarchy. The transfer between levels of fair value hierarchy is recognised at the end of the reporting period during which the change has occurred.

Some of the following accounting policies require the measurement of fair values for financial and non-financial assets and liabilities. Further information about fair value calculation is found in Note 25.

Revenue recognition

All freight revenues from vessels are recognized on a percentage of completion basis. The discharge to discharge basis is used in determining percentage of completion for all spot voyages and voyages servicing contracts of affreightment (COAs). Under this method, the freight revenue is recognized over the period from the departure of a vessel from its original discharge port to departure from the next discharge port. The departure date is defined as the date of the most recent discharge, and the voyage ends at the date of the next discharge ('discharge to discharge').

For voyages in progress at the end of a reporting period the Group recognizes a percentage of the estimated revenue for the voyage equal to the percentage of the estimated duration of the voyage completed at the financial position date. The estimate of revenue is based on the expected duration and destination of the voyage. Revenues from time charter contracts are recognized at pro-rata temporal basis over the rental periods of such charters, as service is performed.

Participation in Pools
d'Amico International Shipping generates a significant portion of its revenue through pools. The total pool revenue is generated from vessels contributed to pools in which the Group participates, deriving from spot voyages, COAs and time charter contracts.

The pool companies are considered as jointly controlled operations and the Group's share of the income statement and statement of financial position in the respective pools is accounted for by recognizing the related interests share, based on participation in the pool. The Group's share of the revenues in the pools is dependent on the number of days the Group's vessels have been available for the pools in relation to the total available pool earning days during the period, as adjusted by share of pool points, where applicable.

Demurrage revenues
Freight contracts contain conditions regarding the amount of time available for loading and discharging of the vessel. Demurrage revenues, recognized upon delivery of service in accordance with the terms and conditions of the charter parties, represent the compensation estimated for the additional time incurred for discharging a vessel. These revenues are accounted for net of any provision made in respect of demurrage claims where full recovery is not anticipated.

Voyage costs and other direct operating costs

Voyage costs (Port expenses, bunker fuel consumption and commissions) are incurred in connection with the employment of the fleet on the spot market and under COAs (contracts of affreightment). Voyage expenses are recognized as incurred.

Time Charter hire rates paid for chartering in vessels are charged to the income statement on an accruals basis. Vessel operating costs such as crew, repairs, spares, stores, insurance, commercial fees and technical fees are charged to the income statement as incurred. The cost of lubricants is based on the consumption in the period.

General and administrative costs

Administrative expenses, which comprise administrative staff costs, management costs, office expenses and other expenses relating to administration, are expensed as incurred.

Financial income and charges

Financial income and charges include interest, realized and unrealized exchange rate differences relating to transactions in currencies other than the functional currency, and other financial income and charges, including value adjustments of certain financial instruments not accounted for as hedging instruments. Interest is recognized in accordance with the accrual basis of accounting using the effective interest method.

Taxation

The current taxation of the holding company d'Amico International Shipping S.A. and certain subsidiaries (service companies) is based on taxable income for the year using local tax rates that have been enacted at the financial position date. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not subject to tax or are not deductible.

The key operating company of the Group, d'Amico Tankers Limited (Ireland) as well as DM Shipping Limited (Ireland) and Glenda International Shipping (Ireland) are taxed under the Irish Tonnage Tax regime in respect of all eligible activities.

Under the tonnage tax regime, the tax liability is not calculated on the basis of income and expenses as under the normal corporate taxation, but is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the controlled fleet. The tonnage tax charge is included within the income tax charge in the Consolidated Income Statement. For all of the Irish activities, which fall outside tonnage tax, income tax expense represents the tax charge based on the result for the year adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates enacted or substantially enacted at the financial position date.

Deferred tax, if any, represents tax the group is expecting to pay or recover on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the calculation of taxable profit. It is accounted for using the financial position liability method. Liabilities relating to deferred tax are generally recognized for all taxable temporary differences. Assets relating to deferred tax are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. The carrying amounts of deferred tax assets are reviewed at each financial position date and reduced in the event that it is not considered probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the applicable tax rates during the period when liability is settled or the asset realized. It is charged or credited in the income statement, unless it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also accounted for in other comprehensive income.

Fixed assets (Fleet)

Vessels

The owned vessels are measured in the statement of financial position at cost less accumulated depreciation and any impairment loss. Cost includes the acquisition cost of the vessels as well as other costs which are directly attributable to the acquisition or construction of the vessel, including interest expenses incurred during the period of construction based on the loans obtained for the vessels.

Depreciation is calculated on a straight-line basis to the estimated residual value over the estimated useful life of the major components of the vessels. The vessels contracted by the group are estimated to have a useful economic life normally of 25 years, depending on the specifications and expected kind of employment. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the current market scrap value per ton, which is reassessed every year. The vessel tank coatings are depreciated over ten years and the dry dock element is depreciated over the period to the expected next dry dock. The remaining useful economic life is estimated at the date of acquisition or delivery from the shipyard and is periodically reassessed.

Vessels in the course of construction (new buildings) are shown at cost less any identified impairment losses. Costs relating to new buildings include instalment payments made to date, and other vessel costs incurred during the construction period including capitalized interest. Depreciation commences upon vessel delivery.

In making their judgement for the recognition of gains or losses incurred on the disposal of vessels, management considers the detailed criteria set out in IAS 18 and, in particular, whether the Group had transferred to the buyer the related significant risks and rewards of ownership, can measure reliably the sale price net of costs relating to the disposal and the carrying amount of the vessel, it is probable that the economic benefits associated with the transaction will flow to the Group and the Group does not retain continuing managerial involvement to the degree associated with ownership or effective control.

DIS Fleet is considered as a single cash generating unit (CGU): an asset's cash-generating unit is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identification of an asset's cash-generating unit involves judgement.

- DIS management has identified one Cash Generating Unit: A single vessel does not generate cash net inflows that are largely independent of those from other vessels because vessels are mostly of the same type and similar age and have similar customer base / counterparts. The Group employs a significant portion of its controlled vessels through partnership arrangements. All of those vessels are under the collective exclusive responsibility of DIS's corporate function for vessel commercial management, in particular with regard to chartering, vessel operations and administration. Therefore, vessels could reasonably be replaced one each other for the purpose of commercial commitments. All DIS vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to major oil companies and trading houses. All the vessels are compliant with IMO (International Maritime Organization) regulations, including MARPOL (the International Convention for the Prevention of Pollution from Ships), with the requirements of oil-majors and energy-related companies and other relevant international standards. Based on MARPOL/IMO rules, cargoes such as palm oil, vegetable oil and other chemicals can only be transported by vessels that meet certain requirements (IMO Classed). As of December 31 2015, more than 60% of the DIS fleet was IMO Classed, allowing the Group to transport a large range of products.

- DIS's internal management reporting, on the basis of which the company makes strategic decisions, is designed so as to measure the performance of the tanker fleet as a whole rather than that of individual vessels.

Dry-docking costs

To comply with industry certification or governmental requirements, the vessels are required to undergo planned major inspections or classification (dry-docking) for major repairs and maintenance, which cannot be carried out while the vessels are operating. The vessels' dry-dock takes place approximately every 5 years depending on the nature of work and external requirements, with an Intermediate Water Survey (IWS) each 1.5 years. The costs of dry-docking, which may include some related costs, are capitalized and depreciated on a straight-line basis over the period to the next dry-docking. If the next dry-docking of a vessel is performed in less than 30 months from the last dry-docking date, the balance on the original dry-dock is written off.

For new buildings and other vessels acquired, the initial dry-docking asset is segregated and capitalized separately. The cost of such assets is estimated based on the expected costs related to the first dry-docking.

Impairment of assets

The values of the entire fleet, considered as a single cash-generating unit, is reviewed on a non-recurring basis considering market conditions. The carrying amount of the CGU is tested for impairment whenever events or changes in circumstance indicate that the carrying amount might not be recoverable. If any such indication exists, the recoverable amount of the CGU is estimated in order to determine the extent of the impairment. Recoverable amount is normally defined as the higher of the fair value less costs of disposal of all the vessels and their value in use, that is, the net present value of the cash flows from the remaining useful lives of the vessels. In assessing the value in use, the estimated future cash flows are discounted to their present value. An impairment charge is recorded when the carrying amount exceeds its recoverable amount and is determined to be other than a temporary difference. The impairment is then allocated to each single vessel on a pro-rata basis, based on the carrying amount of each vessel in the CGU with the limit of the higher of fair value less cost of disposal and value in use.

The cash flows are determined by applying various assumptions regarding future revenues net of commissions, operating expenses, scheduled dry-docking, expected off-hire and scrap values. Specifically, in estimating future charter rates, management takes into consideration rates currently in effect for existing time charters and estimated daily time charter equivalent rates for each vessel class for the unfixed days over the estimated remaining lives of each of the vessels. The estimated daily time charter equivalent rates used for unfixed days are based on a combination of internally forecasted rates that are consistent with forecasts provided to senior management and to board members, and the trailing 10-year historical average market earnings, based on average data published by maritime researchers. The internally forecasted rates are applied to short-term estimations, whilst the 10-year historical average is used for long-term estimations. Recognizing that rates tend to be cyclical, and subject to significant volatility based on factors beyond our control, management believes the use of estimates based on the combination of internally forecasted rates and 10-year historical average rates calculated as of the reporting date to be reasonable.

Estimated outflows for operating expenses and dry-docking requirements are based on historical and budgeted costs. Utilization is based on historical levels achieved and estimates of a residual value are consistent with scrap rates used in management's evaluation of scrap value.

Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate at the time they were made, such assumptions are highly subjective and likely to change, possibly materially, in the future. There can be no assurance as to how long charter rates and vessel values will remain at their current levels or whether they will improve by a significant degree. If charter rates were to be at depressed levels, future assessments of vessel impairment would be adversely affected.

At each reporting date management assess whether there is any indication that an impairment loss recognised in a previous period either no longer exists or has decreased. If there is such an indication the group estimates the recoverable amount of the cash generating unit and, in case of a positive difference with the carrying amount, a reversal of the impairment is recognised. The reversal is limited to the value that would have been recognised had the original impairment not occurred. A possible trigger event for the reversal of the impairment recognised in previous years is the gain arising from the sale of the vessels to which that impairment was allocated.

Operating leases (Charter Agreements)

The charter-in and charter-out agreements relating to the vessels, where substantially all the risks and rewards of ownership are not transferred to the lessee, are treated as operating leases, and lease payments and income are recognized to the income statement on a straight-line basis over the lease term. The obligation for the remaining lease period relating to the charter-in contracts is disclosed as a commitment in the notes to the financial statements.

Inventories

Inventories relate to Intermediate Fuel Oil (IFO), Marine Diesel Oil (MDO) and Luboil on board vessels. IFO and MDO inventories of fuel and luboils on board the vessels are shown at cost calculated using the first-in first-out method.

Financial instruments

Financial instruments, i.e. contracts giving rise to financial assets and financial liabilities or equity instruments of another entity, as defined in IAS 32 (Financial Instruments: Presentation), are recognized at their fair value when the Group becomes party to the contractual provisions of the instrument (trade date). Liabilities are classified in accordance with the substance of the contractual arrangement from which they arise and the relevant definitions of a financial liability. For contracts negotiated at market price, the fair value of the instrument is equivalent to the purchase cost (nominal value of the transaction). The external costs and income from transactions directly attributable to the negotiation, such as intermediation costs, are included during initial recognition of the instrument, unless measured at fair value. The measurement of financial assets is performed, depending on the characteristics of the instrument, at fair value or on the basis of amortized cost. Financial liabilities are measured on the basis of amortized cost. The measurement at fair value is applied only to any financial liabilities held for trading and to the derivative financial instruments. The measurement on the basis of amortized cost involves the recognition of the asset or liability at the value initially measured, deducting any redemption of equity, increased or decreased by overall depreciation, applying the effective interest method, on any difference between the initial value and that at maturity. These amounts shall in any case be adjusted following a decrease of value or an irrecoverable condition. The effective interest rate is the rate that reduces at source the future contractual cash flows to the net amount of the financial asset or liability. The calculation also includes the external expenses and income directly assigned during initial recognition of the financial instrument.

The accounting policies adopted for specific assets and liabilities are disclosed below.

Trade and other receivables
Receivables arising from outstanding freight are initially measured at their nominal value (representative of the fair value of the transaction) and are subsequently measured at amortized cost, net of write-downs for impairment and allowance for credit losses. Impairment is recognized in the income statement when there is objective evidence that the asset is impaired. Such write-downs are calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the asset original effective interest rate. Particularly with regard to short-term trade receivables, considering the short period of time, the measurement at amortized cost is equivalent to the nominal value, less write-downs for impairment.

Allowances for credit losses are made when management considers the full recovery of a receivable to be in doubt. If management considers the amounts non-recoverable then they are written off to the income statement.

Cash and cash equivalents
Cash and cash equivalents include cash in-hand, current accounts and deposits held on demand with banks, and other short-term highly-liquid investments readily convertible to a known amount of cash within six months from inception and are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at fair value, corresponding to their nominal value, or at cost plus interest charges, if any.

Banks and other lenders
Interest-bearing bank loans relating to the financing of the vessels and overdrafts are recorded on the basis of the amounts received net of transaction costs and are subsequently measured at amortized cost, using the effective interest rate method, with the difference between the loan proceeds and the nominal value being recognized in the income statement over the term of the loan.

Trade and other payables
Trade and other payables are measured at amortized cost which, considering the characteristics and maturity of such payables, is generally equivalent to the nominal value.

Derivative instruments
Derivative financial instruments are primarily used to hedge the exposure to interest rate risks (interest rate swap) and currency fluctuations. Forward currency contracts used to partially hedge exposure on the vessel purchase options (denominated in Japanese yen), in accordance with IAS 39 (derivative financial instruments) qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which the hedge is designated. All derivative financial instruments are measured in accordance with IAS 39 at fair value. They are initially recognized at fair value

and subsequently stated at fair value as other receivables or other liabilities respectively. When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

Cash flow hedge - These are derivatives to hedge exposure to fluctuations in future cash flows arising in particular from risks relating to changing interest rates on loans or currency risks relating to Yen loans and commitments (G&A expensed denominated in EUR). Changes in the fair value of the 'effective' portion of the hedge are recognized in other comprehensive income while the ineffective portion is recognized in the income statement. Hedge effectiveness, i.e. its ability to adequately offset fluctuations caused by the hedged risk, is periodically tested, in particular analysing correlation between the 'fair value' or the cash flows of the hedged item and those of the hedging instrument.

Fair value hedge - Hedging instruments fall within this classification when used to hedge changes in the fair value of an asset or liability that are attributable to a specific risk. Changes of value related both to the hedged item, in relation to changes caused by the underlying risk, and to the hedging instrument are recognized to the income statement. Any difference, representing the partial ineffectiveness of the hedge, therefore corresponds to the net financial effect.

With regard to financial instruments that do not qualify for hedge accounting, changes arising from the fair value assessment of the derivative are recognized in the income statement.

The fair value measurement of the derivative instruments is recurring, at each closing date.

Provisions for risks and charges

Provisions for risks and charges are recognized when the Group has a present obligation as a result of a past event and it is likely that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the financial position date and are discounted to present values where the effect is material.

Treasury shares

Treasury shares, following the buy-back program, are recognized at cost and are presented as a deduction from equity (under separate item of equity). The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

Dividends

Dividends payable are reported as a movement in equity in the period in which they are approved by shareholders' meeting.

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, making the product tankers business a single segment.

New accounting principles

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

Accounting principles adopted from 1 January 2015

No new accounting principles were applied in 2015, only the amendments to the existing IFRS standards were taken into consideration.

Accounting principles, amendments and interpretations not yet effective

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

IFRS 15 – *Revenue from contract with customers*, was issued in May 2014 by the IASB, with the aim of bringing together the rules actually existing in various standards and to set-up a frame of basic principles to be applied to all categories of transactions including revenues, basically requiring a company to recognize revenue upon the transfer of control of goods or services to a customer at an amount reflecting the consideration expected to be received, in five steps. The guidance requires as well additional disclosure about the nature, amount, timing and certainty of revenues and cash-flows arising from contracts with customers. The standard will be effective from January 2018, although early adoption is permitted. IFRS 15 is not expected to have a significant impact on the net assets, financial position and results of operations of DIS Group, but will have a significant impact on the disclosures to be presented in the financial statements.

IFRS 9 – *Financial Instruments* was issued in July 2014 an it's not yet endorsed by the EU; it should be applied retrospectively in financial years from 1 January 2018; the enhancements introduced will replace the rules for the recognition and measurement of financial instruments as set out in IAS 39. In more detail, financial assets will be divided in two categories: the ones measured at amortised cost and those measured at fair value, the first group comprising those financial assets for which the contractual terms give rise on specific dates to cash-flows that are solely payment of principal and interest and for which the business model is to hold them for collecting the contractual cash-flows; the second group will include all other financial assets (fair value measurement). While the rules applied to financial liabilities are mostly the same as set out in IAS 39, amended guidance is introduced on the classification through other comprehensive income of modification in the fair value of certain debt instruments, depending on the own credit risk, that is the changes in the amount of fair values of the liability will be split into the amount of the change that is attributable to the changes in the credit risk of the liability – to be presented in other comprehensive income – and the remaining amount of the change in the fair value of the liability, which shall be presented in the statement of profit or loss.

2. CAPITAL DISCLOSURE

The d'Amico International Shipping Group ('DIS') objectives in managing capital are:

- To safeguard the Group's ability to continue as a going concern, so it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by operating the vessel in the spot/time charter contracts market balancing the level of the commercial risk.

The capital of the Group was established at the beginning of 2007 as part of the IPO process, taking into consideration the risks affecting d'Amico International Shipping and the industry where the Group operates. During the month of December 2012 and in February 2014 the capital of the Company was increased, consistent with its strategy of supporting the path of continuous growth and expansion within the traditional market of its operating companies.

In addition to the equity, the Group has various bank facilities and credit lines (see Note 21).

The capital structure is reviewed during the year and - if needed - adjusted depending on the Group capital requirements, changes in the general economic conditions and industry risk characteristics. The Group monitors its capital on the basis of the 'assets cover ratio' being the drawdown amounts on its facilities over the fair market value of the vessels owned (see further details in Notes 14 and 21).

3. REVENUE

US$ thousand	2015	2014
Revenue	**414,877**	**315,304**

Revenue represents vessel income comprising time charter hire, freight, demurrage and income from participation in vessel pools. Revenues earned from external customers in the rest of the world in 2015 arise mainly from the European Economic Area, followed by the Far East and North America. Only one customer is generating more than 10% of the Group revenues, reaching US$ 46.1 million in 2015; in 2014 the same customer totalled US$ 49.2 million.

4. VOYAGE COSTS

US$ thousand	2015	2014
Bunkers (fuel)	(57,112)	(77,271)
Commissions payable	(8,436)	(3,480)
Port charges	(34,805)	(20,274)
Other	(3,813)	(1,802)
Total	**(104,166)**	**(102,827)**

Voyage costs are operating costs resulting from the employment, direct or through our partnerships, of the vessels of the fleet, in voyages undertaken in the spot market and under Contracts of Affreightment. Time Charter contracts are net of voyage costs.

5. TIME CHARTER EQUIVALENT EARNINGS

US$ thousand	2015	2014
Time charter equivalent earnings	**310,711**	**212,477**

Time Charter Equivalent earnings represent revenue less voyage costs. In 2015 about 40.9% of the Time Charter Equivalent earnings came from fixed contracts longer than 12 months (53.6% in 2014).

6. TIME CHARTER HIRE COSTS

US$ thousand	2015	2014
Time charter hire costs	**(138,758)**	**(110,228)**

Time charter hire costs represent the cost of chartering-in vessels from third parties.

7. OTHER DIRECT OPERATING COSTS

US$ thousand	2015	2014
Crew costs	(33,678)	(29,112)
Technical expenses	(12,747)	(11,256)
Luboil	(2,959)	(2,469)
Technical and quality management	(5,183)	(4,672)
Insurance	(6,503)	(5,833)
Other direct operating costs	(4,777)	(6,695)
Total	**(65,847)**	**(60,037)**

Other direct operating costs include crew costs, technical expenses, technical and quality management fees, insurance costs and sundry expenses originating from the operation of the owned vessel.

Personnel

As at 31 December 2015, d'Amico International Shipping S.A. and its subsidiaries employed 613 seagoing personnel and 35 on-shore personnel. Onshore personnel costs are included under general and administrative costs. The Group has no liabilities with regard to pensions and other post-retirement benefits.

8. GENERAL AND ADMINISTRATIVE COSTS

US$ thousand	2015	2014
Personnel	(6,280)	(7,963)
Other general and administrative costs	(8,861)	(8,799)
Total	**(15,141)**	**(16,762)**

Personnel costs relate to on-shore personnel salaries. Personnel costs also comprises the amount of US$ 1.5million (2014: US$ 1.8 million) relating to directors fees and an amount of US$ 1.3 million for senior managers including the CEO and other managers with strategic responsibilities.

The other general and administrative costs comprise consultancy, office rental fees, and other sundry expenses originating from the operation of the Group companies. They include infra-group management fees on brand and trademark, IT, Personnel, Legal and Internal Audit services for US$ 1.1 million and fees paid to the Auditors for the consolidated accounts amounting at US$ 175 thousand.

9. OTHER OPERATING INCOME

US$ thousand	2015	2014
Other operating income	**328**	**823**

Other operating income represents chartering commissions earned for services provided by Group personnel to non-related external clients.

10. RESULT FROM DISPOSAL OF VESSELS

US$ thousand	2015	2014
Profit on disposal of vessel	**5,839**	**6,488**

In the month of December 2015 the handysize vessel Cielo di Salerno was sold for a consideration of US$ 13.0 million gross of the disposal costs. The amount in 2014 relates to the sale of the M/T Cielo di Parigi in the month of June.

11. NET FINANCIAL INCOME (CHARGES)

US$ thousand	2015	2014
Loans and receivables:		
Interest Income - Banks	173	187
Realized on financial activities	7,318	18,131
At fair value through income statement:		
Other financial income	219	741
Forward contracts, IRS and options valuation	1,428	-
Total financial income	**9,138**	**19,059**
Financial liabilities measured at amortised cost:		
Interest expense	(13,760)	(10,585)
Realized on financial activities		
At fair value through income statement:		
IRS valuations	(1,422)	(14,639)
Financial fees	(1,971)	(1,700)
Total financial charges	**(17,153)**	**(26,924)**
Net financial (charges) income	**(8,015)**	**(7,865)**

Financial income comprises realized interest income on bank accounts and on the financing granted to the joint venture DM Shipping; it includes unrealized profits on financial risk management activity amounting to US$ 1.4 million.

Financial charges include interest expense on bank loans; net foreign exchange loss under other financial charge is mainly realized on commercial balances in 2015 (2014: realized gain). Unrealized amounts – valuations - refer to derivative instruments arrangements amounting to US$ 1.4 million (2014: US$ 14.6 million) and fees due to banks in connection with the bank loans. No other financial charges have been recorded (2014: idem).

12. PROFIT SHARE OF EQUITY ACCOUNTED INVESTEES

The result from investment mainly consists of DIS share of the profit and loss of the investee accounted for at equity method (see further below detailed disclosure); the investment in the JV Eco Tankers Limited for 2015 amounted to US$ 0.3 million; for the same period in 2014 it was of US$ 0.2 million. For more details about the main financial data of the investee, refer to note n. 15 and n. 28.

DM Shipping Limited is a joint arrangement between d'Amico Tankers Ltd. and Mitsubishi Corporation. The arrangement between the two partners establish that the assets brought to DM Shipping Limited are acquired by the company itself which is also liable for all the debts and obligations of the arrangement. The parties have no rights, title or ownership in those assets or obligations for the liabilities of the arrangement. Therefore DM Shipping Limited qualifies as a joint venture in accordance with IFRS 11 and it has been accounted for using the equity method.

Eco Tankers Limited is a joint arrangement between d'Amico International Shipping and Venice Shipping and Logistics; it is considered to be a joint venture for the same reasons as the ones indicated for DM Shipping Ltd.

13. TAXES

Effective from 1 January 2007, d'Amico Tankers Limited qualified to be taxed under the Tonnage Tax regime in Ireland; DM Shipping Limited obtained the ruling commencing 1 January 2009 and Glenda International Shipping in 2010.

The tax liability under the tonnage tax regime is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the controlled fleet. The 2015 tonnage tax provision for d'Amico Tankers Limited and Glenda International Shipping amounted to US$ 0.2 million. Certain minor activities will not fall within the tonnage tax regime and are subject to standard rates of local corporation tax (currently 12.5% on trading income, and 25% on passive income, with non-tonnage tax capital gains being taxable at the rate of 22%). These activities will also give rise to deferred tax assets and liabilities. Items of other comprehensive income are taxed depending on the tax regime they fall within.

The holding company, d'Amico International Shipping SA had, at the end of 2015, accumulated tax losses to be carried forward of approximately Euro 46.2 million (US$ 50.3 million). The Luxembourg corporate income theoretical tax rate is of 30%. No deferred tax asset has been accounted for as management do not foresee taxable profits against which the accumulated losses could be offset. The holding company is subject to the Luxembourg Net Wealth Tax regime; for 2015 the calculated net assets generated a tax charge of US$ 0.3 million (2014: 0.2 million).

US$ thousand	**2015**	**2014**
Current tax:		
Taxation at corporate tax rates	(1,124)	(508)
Tonnage Tax	(232)	(218)
Net Wealth Tax	(296)	(214)
Total current tax	**(1,652)**	**(940)**
Profit before tax	**56,124**	**(9,845)**
Theoretical income tax (tax rate 12,50%)	(7,016)	1,231
Tax effects of:		
- result for which the Irish Tonnage Tax is applicable	5,891	(1,739)
Taxation at corporate tax rates	**(1,124)**	**(508)**

14. TANGIBLE ASSETS

US$ thousand	Fleet on water	Vessels under construction	Dry-dock	Other assets	Total
At 1 January 2015[1]					
Cost or valuation	752,222	77,180	9,397	1,999	840,798
Accumulated depreciation	(187,170)	-	(5,100)	(1,361)	(193,631)
Net book amount	**565,052**	**77,180**	**4,297**	**638**	**647,167**
Period ended 31 December 2015					
Opening net book amount	565,052	77,180	4,297	638	647,167
Additions	14,142	137,437	12,831	10	164,420
Vessel delivered	94,521	(94,521)	-	-	-
Disposals at cost	(29,738)	-	(514)	-	(30,252)
Depreciation and impairment write-back	22,620	-	-	-	22,620
Depreciation charge	(29,356)	-	(3,726)	(250)	(33,332)
Exchange differences	-	-	-	115	115
Closing net book amount	**637,241**	**120,096**	**12,888**	**513**	**770,738**
At 31 December 2015					
Cost or valuation	831,147	120,096	21,714	2,073	975,031
Accumulated depreciation	(193,905)	-	(8,826)	(1,561)	(204,903)
Net book amount	**637,241**	**120,096**	**12,888**	**512**	**770,738**

The following table shows, for comparison purposes, the changes in the fixed assets in 2014.

US$ thousand	Fleet on water	Vessels under construction	Dry-dock	Other assets	Total
At 1 January 2014 [1]					
Cost or valuation	573,152	90,621	6,552	1,778	672,103
Accumulated depreciation	(174,049)	-	(3,104)	(1,089)	(178,242)
Net book amount	**399,103**	**90,621**	**3,448**	**689**	**493,861**
Period ended 31 December 2014					
Opening net book amount	399,103	90,621	3,448	689	493,861
Additions	-	190,660	3,913	225	208,240
Vessel delivered	204,101	(204,101)	-	-	(13,441)
Disposals at cost	(25,032)	-	(1,068)	-	(26,100)
Depreciation and impairment write-back	18,025	-	1,068	-	19,093
Depreciation charge	(31,146)	-	(3,064)	(271)	(34,481)
Exchange differences	-	-	-	(5)	(5)
Closing net book amount	**565,052**	**77,180**	**4,297**	**638**	**647,167**
At 31 December 2014					
Cost or valuation	752,222	77,180	9,397	1,999	840,798
Accumulated depreciation	(187,170)	-	(5,100)	(1,361)	(193,631)
Net book amount	**565,052**	**77,180**	**4,297**	**638**	**647,167**

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs. See also Note 1 in the Notes to the Group report.

Fleet

Fleet includes the purchase costs for owned vessels, and payments to yards for vessels under construction. Additions include instalments of US$ 69.0 million on 3 vessels that were delivered during 2015 and instalments of US$ 62.0 million on a further twelve vessels in the course of construction expected to be delivered between 2016 and 2018. Additions include also the purchase of the Handysize vessel Cielo di Guangzhou, previously bare-boat chartered by the Company. Capitalized instalments at Group level for 2015 were US$ 14.1 million. Mortgages are secured on all the vessels owned by the Group - for further details see note 21.

With effect from 1 January 2015, management has changed its estimate of the vessels' expected useful lives from 20 years to 25 years as well as the residual value. The reason for the change in useful lives is that experience shows that vessels types similar to d'Amico International Shipping ones are usually not scrapped before 25-30 years. Furthermore, the majority of the companies which DIS usually compares itself with also apply useful lives of 25 years. The change in residual value is based on the decreasing market price of scrap steel. The total effect of the changed estimates in the period positively affects EBIT by US$ 6.3 million under the item Depreciation and Impairment and the item Tangible Assets in the statement of financial position with a corresponding amount.

The total fair value of the Group Fleet amounts to US$ 1,182.5 million and includes also the vessels of the JV Eco Tankers Ltd and DM Shipping Ltd and Joint operation Glenda International Shipping Ltd consolidated respectively at equity and proportional method.

Measurement of fair value – Valuation technique – Impairment testing

The fair value measurement for the Fleet has been categorised as Level 2 based on the information given on the valuation techniques in note n.1. The disclosures envisaged for Level 3 categories of fair value are not applicable to the current measurement.

The Fleet fair value measurement (value-in-use) is **non-recurring**, any time events clue that the Fleet market value could be impaired; the recoverable amount is defined as the higher of an asset's fair value less costs to sell and its value in use, represented by the net present value of the cash flow from its remaining useful life. In the assessment, the estimated future cash flows from its remaining useful life are discounted to their present value. This year, in accordance with IAS 36, management has considered whether there are any internal or external impairment indicators that would require them to perform a full impairment analysis at 31 December 2015. Based on their assessment which factored in the up to date trading performance of the business and updated market valuation of the vessels (the market value of the vessels progressively increased by 16% - 22% from 2012 to 2015), management has not identified any impairment indicators at the end of the financial year 2015. A new value calculation of the CGU has been carried out in order to assess the need for any reversal of the impairment recognised in the previous years.

For impairment test purposes, the Management estimates take into consideration the market information available, including reported sales of similar vessels, as well as future expectations, and have been based on the following key assumptions: (i) Earnings: under contracts concluded and the estimate of future rates; (ii) Useful economic life of 25 years; (iii) Estimated economic value at end of life based on current rates (iv) Costs reflect the current d'Amico structure; (v) The figures have been discounted based at a rate of 7.6%, which represents the current and expected profile of the Company's required weighted average cost of capital based on the current cost of financing and required of return on equity, in line with the sector worldwide rates . Compared to the impairment test carried out for the 2014 financial statements purposes, the freight rate scenario has been updated with a ten-year average rates reflecting the cyclicality of the market. Management notes that the calculations are particularly sensitive to changes in the key assumptions of future hire rates and discount rate.

Given the specificity of the market and the factors influencing the cash-flows, there is a high sensitivity to changes in all key assumptions. All other things remaining equal, the sensitivities have been assessed as follows: a movement in the future tanker hire rates of US$ 500 per day in the long-term forecast, would result in a movement in the value in use calculation on the Fleet of US$ 51.5 million; an increase of 1% in the discount factor would result in a movement in the value in use calculation of the fleet of US$ 87.9 million.

At the reporting date management has not identified any impairment indicator, and as disclosed in the accounting policies, there was no need for further impairment. However the management performs the value in use calculation in order to prove if there are the condition for a reversal of the impairment booked in previous years. The value of the cash generate unit is higher than the carrying amount by US$ 1.1 million. Despite the improved performance, given the current volatility and to some degree the uncertainty as to what will happen to oil production and pricing and their impact on the demand for Tankers, based also on the results of the value in use computation, management does not consider that the original impairment indicators have reversed to support the release of the historical impairment. Moreover, Management considers that the availability of new fuel efficient product tanker designs will positively impact the results of existing vessels; they confirm keeping close monitoring the market values in 2016 and carefully considering the remaining impairment position.

Dry-dock

Dry-docks include expenditure for the fleet's dry docking programme and disposal of amortized dry docks; a total of eighteen vessels dry-docked in the year.

Other assets

Other assets mainly include fixtures, fittings, office equipment.

15. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

US$ thousand	As at 31 December 2015	As at 31 December 2014
Eco Tankers Limited	4,504	4,348
DM Shipping Limited	-	-
Investments at equity	**4,504**	**4,348**

The following table reconciles the value of the investment at the beginning of the year with the closing period.

US$ thousand	2015	2014
At 1 January	**4,348**	**3,133**
Share of profit	339	219
Capital increase	-	1,049
Dividend distributed	(198)	-
Other movements	15	(53)
At 31 December	**4,504**	**4,348**

At 31 December 2015 Investments accounted for using the equity method amount to US$ 4.5 million equal to the 33% of the capital of Eco Tankers Ltd. (Malta) (31 December 2014: US$ 4.3 million); for further details please refer to notes n.1, n. 12 and n. 28.

16. OTHER FINANCIAL ASSETS

	As at 31 December 2015			As at 31 December 2014		
	Non-current	Current	Total	Non-current	Current	Total
Long-term financing DM Shipping ("DMS")	20,589	-	20,589	20,657	-	20,657
Financial receivable	2,000	600	2,600	-	-	-
Fair value of derivative in-struments	-	438	438	-	2,741	2,741
Total	**22,589**	**1,038**	**23,627**	**20,657**	**2,741**	**23,398**

The non-current amount of US$22.6 million in 2015 is composed by $ 2.0 million financial receivable contractual amount from the sale of the vessel Cielo di Salerno together with $ 20.6 million representing the equivalent of JP¥ 2.4 billion Long-term financing and accrued interest to the jointly controlled entity DMS, with the purpose of initial financing of its owned vessels. On 31 December 2014 the financing amount was US$ 20.6 million (equivalent of JP¥ 2.4 billion).

The current amount of US$ 1.0 million in 2015 includes the receivable amount of US$ 0.6 million from the related party d'Amico Finance in respect of Financial Products (Fx) settled in December 2015 and traded on behalf of d'Amico Tankers and the fair value of FX Exposure amount US$ 0.4 million (31 December 2014: amount of US$ 2.7 entirely within the 12 months for financial instruments hedging the bunker exposure).

17. INVENTORIES

US$ thousand	As at 31 December 2015	As at 31 December 2014
Inventories	**10,276**	**12,422**

Inventories represent stocks of Intermediate Fuel Oil (IFO), Marine Diesel Oil (MDO) and luboils on board vessels. The amounts expensed during the period are detailed in note 4 and 7.

18. RECEIVABLES AND OTHER CURRENT ASSETS

US$ thousand	As at 31 December 2015	As at 31 December 2014
Trade receivables	34,217	31,129,
Other debtors	396	1,453
Prepayments and accrued income	20,721	16,218
Total	**55,334**	**48,800**

Receivables, as at 31 December 2015, include trade receivables amounting to US$ 34.2 million, net of allowance for credit losses of US$ 0.5 million (2014: US$ 1.4 million). Other current assets principally consist of prepayments and accrued income amounting to US$ 20.7 million and other debtors of US$ 0.4 million.

The ageing of trade receivables is disclosed below.

US$ thousand	As at 31 December 2015	As at 31 December 2014
0-60 days	23,558	27,870
61-90 days	4,631	2,248
91-120 days	6,028	1,011
Total	**34,217**	**31,129**

Amounts due over 90 days mainly represent demurrage receivable. The management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk.

Information about the Group's exposure to credit risk and impairment losses for trade and other receivables is included in note 25.

19. CASH AND CASH EQUIVALENTS

US$ thousand	As at 31 December 2015	As at 31 December 2014
Cash and cash equivalents	**45,485**	**68,383**

Cash and cash equivalents is mostly represented by short term deposits and includes approximately US$ 0.5 million of cash held by Pool company (High Pool Tankers Ltd) which were distributed to other pool participants in January 2016. The balance includes also US$ 11.2 million secured in connection with the derivative instruments margin call deposit.

20. SHAREHOLDERS' EQUITY

Changes in 2015 Shareholders' equity items are detailed in the relevant statement.

Share capital

At 31 December 2015 the share capital of d'Amico International Shipping amounted to US$ 42,284,239.80 corresponding to 422,842,398 ordinary shares with no nominal value.

In the month of February 2015, following the exercise of the warrants attached to the shares issued at the moment of 2012 capital increase, at the ratio of one share for every three warrants and according to the Prospectus dated 6 November 2012, n. 887,091 new ordinary shares were issued at a price of €UR 0.40 each.

Retained earnings

As at 31 December 2015 the item includes previous year and current net results and deductions for dividends distributed. Following retrospective application of new IFRS 11, retained earnings have been adjusted at the beginning of the earliest comparative period with elimination of negative equity of a jointly controlled entity that is not anymore consolidated line-by-line, but with the equity method.

Other reserves

The other reserves include the following items:

US$ thousand	As at 31 December 2015	As at 31 December 2014
Share premium reserve	282,958	282,643
Treasury shares	(17,513)	(16,356)
Hedging reserve	(3,181)	583
Other / Translational reserve	2,854	3,002
Total	**265,119**	**269,872**

Share premium reserve

The share premium reserve arose in first instance as a result of the Group's IPO and related increase of share capital (May 2007) and lately as a result of the further capital increases occurred in December 2012, in February 2014 and in February 2015.

Treasury shares

Treasury shares at the end of 2015 consist of 6,580,027 ordinary shares (2014: 5,090,495) for an amount of US$ 17.5 million (2014: US$ 16.4 million), corresponding to 1.56% of the outstanding share capital at the financial position date (2014: 1.21%). These shares were principally acquired in 2007 and 2008, during the second half of 2011 and the second half of 2015 as part of the authorised Buy-back programme.

Hedging reserve

The fair value reserve arose as a result of the movement in the fair value of the Interest Rate Swap agreements connected to some of the bank facilities. Details of the fair value of the derivative financial instruments are set out in note 25.

Translational reserve

The reserve is the result of the conversion into US$ of the shareholders 'equity of the Group companies having functional currency denominated into currencies different from US$.

21. BANKS AND OTHER LENDERS

US$ thousand	As at 31 December 2015	As at 31 December 2014
Non-current liabilities		
Banks and other lenders	381,016	351,430
Current liabilities		
Banks and other lenders	86,775	58,978
Total	**467,791**	**410,408**

The balance comprises the following debts:

Crédit Agricole Corporate & Investment Bank (former Calyon) facility / d'Amico Tankers Limited

The debt due as at 31 December 2015 relates, for an outstanding amount of US$ 86.4 million to the original US$ 350.0 million revolving loan facility negotiated by d'Amico Tanker Limited with Credit Agricole CIB and other banks (Intesa Sanpaolo S.p.A., Fortis Bank, Nederland, N.V., The Governor and the Company of the Bank of Ireland, Norddeutsche Landesbank Girozentrale, and Scotiabank Ireland Limited). The key terms and conditions of the facility are the following: the principal amount available through the ten year facility period at any given time is reduced by US$ 15.5 million every six months down to a final reduction of US$ 40.0 million at maturity (2017). The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 66.6%. Interest is payable at a rate of LIBOR plus 0.65%, if the asset cover ratio of d'Amico Tankers Limited and its consolidated subsidiaries is below 50%, and LIBOR plus 0.95%, if such ratio is equal to or higher than 50%. In addition, the maximum amount that the borrower can draw-down also depends on its EBITDA to financial costs ratio. The following standard covenants are also in place: (i) cash available, including undrawn credit lines of more than 12 months, must be at least US$ 25.0 million (ii) net worth, which is defined as book equity plus subordinated shareholder loans, as recorded in the statement of financial position, must not be less than US$ 100.0 million and (iii) equity to asset ratio must not be lower than 35.0%. The facility is secured through a guarantee by the parent Company, d'Amico International Shipping S.A., and provides mortgages on eight of the Company's owned vessels. Based on the above, the year end results were in compliance with the requirements.

Crédit Agricole Corporate & Investment Bank & DNB NOR Bank ASA facility / d'Amico Tankers Limited
The debt due to banks and other lenders as at 31 December 2015 relates, for an outstanding amount of US$ 34.7 million, relating to the US$ 48.0 million loan facility negotiated by d'Amico Tankers Limited with Credit Agricole CIB and DNB NOR Bank ASA (shared *pari passu* between both entities) signed on the 26 July 2011 to finance two new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull 2307 (M/T High Seas) and Hull 2308 (M/T High Tide) - delivered respectively end of March and end of April 2012. The principal amount available through the seven year facility period will be repaid with 28 consecutive quarterly instalments, down to a balloon of US$ 12.8 million per vessel. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 65%. Interest is payable at a rate of LIBOR plus 2.10%. The loan also includes covenants: (i) cash available, including undrawn credit lines of more than 12 months, must be at least US$ 25.0 million (ii) net worth, which is defined as book equity plus subordinated shareholder loans, as recorded in the statement of financial position, must not be less than US$ 100.0 million and (iii) equity to asset ratio must not be lower than 35.0%. Based on the above, the level on loan to value at the end of the year was 54.4% and therefore in compliance with the requirements. The facility is secured through a guarantee by the parent Company, d'Amico International Shipping S.A., and provides mortgages on the two Company's owned financed vessels.

Danish Ship Finance A/S facility 31.5 Mln / d'Amico Tankers Limited
The outstanding amount at 31 December 2015 of US$ 9.2 million (US$ 8.7 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.5 million) relates to the facility granted by Danish Ship Finance A/S to d'Amico Tankers Limited to re-finance the M/T High Prosperity purchased in May 2012. The principal amount will be repaid with 12 consecutive semi-yearly instalments, down to a balloon of US$ 4.6 million in one instalment at maturity, 6 years from drawdown. . The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 80%; the mentioned ratio was 16.7% at the end of December and therefore in compliance with the requirements. Interest is payable at a rate of USD LIBOR plus 2.75%. The facility is secured by a guarantee from the parent Company, d'Amico International Shipping S.A., and provides mortgages on the Company's owned financed vessel.

Danish Ship Finance A/S facility 39 Mln / d'Amico Tankers Limited
The outstanding amount at 31 December 2015 of US$ 36.4 million (US$ 35.9 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.45 million) relates to the facility granted

by Danish Ship Finance A/S to d'Amico Tankers Limited to finance the purchase of a new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull 2407 (M/T High Freedom), delivered in January 2014 and to finance the purchase of a new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull 2388 (M/T High Loyalty), delivered in February 2015 . For both the financing, starting from the date of drawdown, the principal amounts will be repaid with 14 consecutive semi-yearly instalments, down to a balloon of US$ 10.4 million in one instalment at maturity, 7 years from drawdown. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 80% the mentioned ratio was 50.6% at the end of December and therefore in compliance with the requirements. Interest is payable at a rate of USD LIBOR plus 2.35%. The facility is secured by a guarantee from the parent Company, d'Amico International Shipping S.A., and provides mortgages on the Company's owned financed vessel.

Commerzbank – Crédit Suisse loan / Glenda International Shipping Limited
The consolidated amount of US$ 56.2 million refers to the DIS Group share of the facility granted by Commerzbank AG Global Shipping and Crédit Suisse to Glenda International Shipping Ltd for the construction of six MR Product Tankers (Hyundai Mipo Dockyard Co. Ltd – Korea). This agreement involves single-vessel loans with a ten-year maturity from vessel delivery, for a total initial amount of up to US$ 195.0 million (67% of the contract price to be paid for the vessels) and an interest cost referenced to the US dollar LIBOR plus a spread varying from 90 to 110 basis points. Collateral mainly refers to first-priority mortgages on the vessels. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 76.9%; the mentioned ratio was 65.5% at the end of December and therefore in compliance with the requirements.

DNB / d'Amico Tankers Limited
The outstanding amount at 31 December 2015 of US$ 54.7 million (US$ 53.8 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.9 million) relates to the facility granted by DNB Bank ASA to d'Amico Tankers signed on the 16th August 2013 to finance three new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull 2385 (M/T Cielo di Gaeta), Hull 2386 (M/T Cielo di New York) and Hull 2387 (High Voyager) - delivered respectively in January 2014, February 2014 and November 2014. This agreement involves single-vessel loans with a six years maturity from vessel delivery, for a total initial amount of up to US$ 60.7 million. Each principal amount will be repaid with 24 consecutive quarterly instalments, 6 years from drawdown. Interest is payable at a rate of USD LIBOR plus 3.0%. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 74.1%; the mentioned ratio was 53.9% at the end of December and therefore in compliance with the requirements, and the facility is secured by a guarantee from the parent Company, d'Amico International Shipping S.A., and provides mortgages on the Company's owned financed vessel.

Credit Agricole CIB - ABN Amro Bank NV / d'Amico Tankers Limited
The outstanding amount at 31 December 2015 of US$ 36.1 Million (US$ 35.7 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.4 million), relating to the US$ 40.0 million loan facility negotiated by d'Amico Tankers Limited with Credit Agricole CIB and ABN Amro Bank NV (shared pari passu between both entities) signed on the 20 December 2013 to finance two new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull 2408 (M/T High Discovery) and Hull S-409 (M/T High Fidelity) - delivered respectively end of February and August 2014. The principal amount available through the six years facility period will be repaid with 24 consecutive quarterly instalments, down to a balloon of US$ 25.5 million. Interest is payable at a rate of

LIBOR plus 2.90%. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 80% the mentioned ratio was 52.1% at the end of December and therefore in compliance with the requirements.

Banca Intesa - d'Amico Tankers Limited / d'Amico Tankers Limited

The outstanding amount at 31 December 2015 (US$ 59.4 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.6 million), concerns the US$ 75.0 million five-years loan facility negotiated by d'Amico Tankers Limited with Banca Intesa and signed on December 2014, with the purpose of financing its corporate activities. The principal amount available through the facility will be repaid with 10 consecutive Semi-Annually instalments. Interest is payable at a rate of LIBOR plus 2.25%. The facility is secured by a guarantee from the parent Company, d'Amico SpA. The facility is subject to the following terms and conditions: i) The ratio between the value of the net Financial position and the Ships Market value should be lower than 75%;ii) the ratio between the Net Worth and the Asset Book Value should be higher than 35%; iii) cash available, including undrawn credit lines, must be at least US$ 25.0 million (iv) net worth, which is defined as book equity plus subordinated shareholder loans, as recorded in the statement of financial position, must not be less than US$ 100.0 million.

Banca Intesa / d'Amico Tankers Limited

The outstanding amount at 31 December 2015 is related to the US$ 10.0 million uncommitted short term facility signed on September 2014 for general company purposes. The amount was drawdown on 26th of September 2014 for a period of three months. The facility is secured by a "lettre de patronage" from the parent Company, d'Amico International Shipping S.A.

ING Bank N.V. – London Branch / d'Amico Tankers Limited

The outstanding amount at 31 December 2015 of US$ 17.1 Million (US$ 16.9 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.2 million), relating to the US$ 20.0 million loan facility negotiated by d'Amico Tankers Limited with ING Bank signed on the 2nd of December 2014 to refinance two vessels (High Presence and High Priority). The principal amount available through the six years facility period will be repaid with 24 consecutive quarterly instalments, down to a balloon of US$ 6.2 million. Interest is payable at a rate of LIBOR plus 2.05%. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 76.9%; the mentioned ratio was 45.1% at the end of December and therefore in compliance with the requirements.

MPS Capital Service / d'Amico Tankers Limited

The outstanding amount at 31 December 2015 of US$ 11.5 Million (US$ 10.7 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.8 million), relating to the US$ 58.0 million loan facility negotiated by d'Amico Tankers Limited with MPS Capital Service signed on the 1st of July 2015 to finance two new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull S-429 and Hull S-430 - to be delivered in 2017. The principal amount available through facility for each vessel will be repaid with ten consecutive half yearly instalments, down to a balloon of US$ 19.4 million. Interest is payable at a rate of LIBOR plus 2.25%. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 80%.

SEB - Skandinaviska Enskilda Banken AB / d'Amico Tankers Limited

The outstanding amount at 31 December 2015 of US$ 22.3 Million (US$ 22 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.3 million), relating to the US$ 23.07 Million loan facility negotiated by d'Amico Tankers Limited with Skandinaviska Enskilda Banken AB signed on the 1st of August 2014 to finance a new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull S-410 delivered in 2015. The principal amount available through facility will be repaid with 24 consecutive quarterly instalments, down to a balloon of US$ 13.8 million. Interest is payable at a rate of LIBOR plus 2.45%. %. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 76.9%; the mentioned ratio was 62.0% at the end of December and therefore in compliance with the requirements, and the facility is secured by a guarantee from the parent Company, d'Amico International Shipping S.A., and provides mortgages on the Company's owned financed vessel.

Credit Agricole CIB / d'Amico Tankers Limited

The outstanding amount at 31 December 2015 of US$ 9.5 Million (US$ 9.4 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.1 million), relating to the US$ 9.5 million loan facility negotiated by d'Amico Tankers Limited with Credit Agricole CIB signed on the 24th of June 2015 to finance the purchase of the vessels Cielo di Guangzhou. The principal amount available through the four years facility period will be repaid with 16 consecutive quarterly instalments, down to a balloon of US$ 5.5 million. Interest is payable at a rate of LIBOR plus 2.10%. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 74.1%; the mentioned ratio was 66.7% at the end of December and therefore in compliance with the requirements.

Banca IMI SpA / d'Amico Tankers Limited

The outstanding amount at 31 December 2015 of US$ 22.5 Million (US$ 21.8 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.7 million), relating to the US$ 45.08 Million loan facility negotiated by d'Amico Tankers Limited with Banca IMI SpA signed on the 16th of May 2015 to finance two new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull S-420 (Cielo di Ulsan) delivered on October 2015 and Hull S-421 (Cielo di Capri) to be delivered in 2016. The principal amount available through facility for each vessel will be repaid with 14 consecutive Half Year instalments, down to a balloon of US$ 12.3 million per vessel. Interest is payable at a rate of LIBOR plus 2.65%. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), must not be higher than 75%. The mentioned ratio was 34.7% at the end of December and therefore in compliance with the requirements, and the facility is secured by a guarantee from the parent Company, d'Amico International Shipping S.A., and provides mortgages on the Company's owned financed vessel

Banca Passadore / d'Amico International Shipping S.A.

The outstanding amount for € 2.1 Million at 31 December 2015 refers to the uncommitted short-term facility signed on 30th of July 2014 for general company purpose.

Cassa Lombarda / d'Amico International Shipping S.A.

The outstanding amount for € 2 Million at 31 December 2015 refers to the bank overdraft for general company purpose, fully repaid in January 2016.

22. PAYABLES AND OTHER CURRENT LIABILITIES

US$ thousand	As at 31 December 2015	As at 31 December 2014
Trade payables	24,628	32,045
Other creditors	1,422	908
Accruals & deferred income	7,183	3,395
Total	**33,233**	**36,348**

Payables and other current liabilities as at 31 December 2015, include mainly trade payables. The Group has financial risk management policies in place to ensure all payables are settled within agreed terms; further information is disclosed in the note n.25.

23. OTHER FINANCIAL LIABILITIES

US$ thousand	As at 31 December 2015			As at 31 December 2014		
	Non-current	Current	Total	Non-current	Current	Total
Other financial liabilities	4,000	4,242	8,242	-	4,915	4,915
Fair value of derivative instruments	11,320	4,305	15,625	3,181	14,226	17,407
Total Other financial liabilities	**15,320**	**8,547**	**23,867**	**3,181**	**19,141**	**22,322**

The balance at the end of 2015 mainly represents the fair value of the Interest Rate Swap derivatives hedging instruments, together with prepaid premium income received on foreign exchange and bunker derivative contracts, financial interest on bank loans and bank fees accrued at the reporting date and the. The derivatives instruments fair values calculation techniques and disclosure about financial market risk and credit risk are shown in note 25.

24.CURRENT TAX PAYABLE

US$ thousand	As at 31 December 2015	As at 31 December 2014
Current tax liabilities	**359**	**535**

The balance at the end of 2015 mainly reflects the income taxes and tonnage taxes payable at year end by the subsidiaries and the net wealth tax payable by the holding company.

25. RISK MANAGEMENT

The Group is exposed to a variety of risks connected with its international operations: taking new risks means also taking advantage of new opportunities, achievements and rewards, therefore the risk management is part of the d'Amico International Shipping strategy, with the aim of maximising the chances of earning targets and strategic objectives being met in a sustainable way. The shipping industry is highly sensitive to market fluctuations, which can determine significant changes in freight rates and tonnage prices. The overall risk management aim is to reduce the DIS's earnings exposure to cyclical fluctuations.

During the budget process, the Group identifies the customary market levels in the analysis of all its implied risks, in order to take systematically the necessary action to smoothen out, neutralize or hedge its exposures during the year, according to the market conditions, in line with its business projections. Specific risk control policies and guidelines are in place to measure the Group's aggregate trading limit and Delta Variance on a daily basis. Duties are distributed between its back- and front offices, in order to properly monitor compliance with internal control procedures. This section provides qualitative and quantitative disclosure on the effect that those risks may have on the Group.

The Internal Control and Risk Management Committee – established within the Board of Directors – develops and monitors the Group's risk management policies, reporting regularly to the Board on its activities, within the frame of its Corporate Governance structure.

The Group adopted an Internal Control and Risk Management System aimed at identifying, measuring, managing and monitoring the main risks. The System contributes to ensuring the safeguarding of corporate assets, the efficiency and effectiveness of management procedures, the reliability of financial information and the compliance with laws and regulations, including the by-laws and internal procedures.

Market risk

DIS and its subsidiaries are exposed to market risk principally in respect of vessels trading on the spot market earning market rates. In particular, when chartering-in vessels hire rates may be too high to turn out profitable and, conversely, when chartering-out vessels the hire rates may be too low to ensure an adequate return. The following risk management strategies are applied: (i)The Group aims to have a fixed contract coverage between 40-60%, thus ensuring the exposure to the spot market does not exceed 60%, depending on the market conditions, the trend of rates and expectations; (ii) The vessel trade partially in Pools to reduce the impact of specific risk affecting an individual vessel; (iii) The vessel trade on a worldwide basis to reduce the effect of different market conditions and rates of different routes between the Eastern and Western hemisphere the Group does not normally use derivative financial instruments to manage their exposure to vessel spot market rates.

Financial markets risk

As a multinational Group that has operations throughout the world, it is primarily exposed to the market risk of changes in foreign currency exchange rates and fluctuation in interest rates.

Currency risk

DIS uses US$ as functional currency and the majority of its transactions are denominated in US Dollars. The Group is exposed to currency risk in respect of transactions denominated in currencies other than U.S. Dollars, principally Euros and Japanese Yen.

The Group monitors its exposure to currency risk on a regular basis. Management does not consider the Group has significant exposure to foreign exchange risk from operational activities side, as principally the entire Group's revenues and most part of the operating costs are denominated in United States Dollars. The Company has a risk connected to the JPY exchange rate fluctuations exposure as far as the borrowings side, as a result of the 'Mizuho Facility' (denominated in JPY) and for a number of vessel purchase options denominated in Yen. The Group systematically identifies and monitors its exposure to foreign currency fluctuation and imbalances, in order to detect potential negative effects in advance and take the necessary mitigating action, hedging its foreign currency exposure, when appropriate, to be kept within an acceptable level. In particular, the exchange rate exposure on forecasted financing and commercial flows is hedged by currency swaps, forward contracts and currency options, subject to specific risk policies and guidelines and internal control procedures (for further details see following part dedicated to derivative instruments). Counterparties to these agreements are major financial institutions; certain transactions could also have as counterpart d'Amico Finance Limited (a d'Amico Group company).

The foreign exchange risk is relating to cash flows not denominated in U.S. Dollars, mainly administrative expenses and operating costs denominated in Euros. For 2015, these payments amounted to equivalent US$ 30.0 million, representing the 9.22% of total operational, administrative, financial and fiscal expenses, of which 6.9% related to Euro transactions. Other significant currencies included British Pounds (1.23%) and Singapore Dollars (0.8%).

US$ thousand		**2015**		**2014**	
	Variation %	% +	% -	% +	% -
US$ / Ccy	**10%**	**3,003**	**(3,003)**	**(3,323)**	**3,323**

Within the frame of a sensitivity analysis, a 10% fluctuation in the U.S. Dollar exchange rate against all other currencies would have resulted in a variation of +/- US$ 3.0 million in the result of the Group for the year (US$ +/-3.2 million in 2014). The overall Group's sensitivity to currency risk has not changed significantly from prior year.

Interest rate risk

The Group is exposed to interest rate risk arising from the fact that its bank deposits and its credit facilities necessary to the funding of new-buildings and vessel purchases earn/pay interest at a variable rate. The risk is managed by the Group by the use of interest rate swaps contract and the hedging activity is regularly evaluated to ensure a cost-effective strategy is applied.

The risk management strategies provide that: (i) A portion of the DIS/DTL facilities is fixed using Interest rate swap (IRS) agreements. Some of the agreements are classified as a hedge for accounting purposes (IAS39) and the effective portion of the gain or loss on the hedging instrument will be recognised under comprehensive income. Management consider that by fixing a proportion of the loan interest this will improve the visibility of future interest costs, at a level considered appropriate for the business and allowing DIS/DTL to reduce the risk of significant fluctuations in interest rates. To comply with the on-going requirements of hedge accounting the effectiveness of the hedge is reviewed and confirmed on a quarterly basis; (ii) Management continuously review interest rates available in the market to ensure the facilities are competitive. Other agreements are not classified as hedge in the frame of IFRS principles, the variance of fair value is accounted for in profit and loss account.

Interest rate sensitivity

US$ thousand	**2015**		**2014**	
	+1% Increase	-1% Decrease	+1% Increase	-1% Decrease
Interest rate cost	(1,355)	1,355	(1,430)	1,430
Interest rate swap / net assets	14,281	(14,841)	8,057	(7,181)
Interest rate swap / (P&L)	919	(979)	1,786	(1,786)

With all other variables remaining constant, an increase in the level of interest rates of 100 basis points would have given rise to an increase in the net financial charges by US$ 1.4 million (US$ 1.4 million in 2014) while a reduction in interest rates of 100 basis points would have decreased the net financial charges by US$ 1.4 million (US$ 1.4 million in 2014). At 31 December 2015, had interest rates been 1% higher/lower, with all other variables held constant, then the valuation of the swaps would have increased by US$ 15.2 million and decrease by US$ 15.8 million respectively.

Financial instruments – Fair values and Risk Management

Fair value risk and valuation techniques

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash-flow analysis is performed. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts. Interest rates swaps are measured at the present value of the future cash-flow estimated and discounted based on the applicable yield curves derived from quoted interest rates.

- The fair value of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash-flow analysis. Loans in JPY are reflected at amortized cost.

- The fair value of financial instruments is accounting for the risk of counterparty (financial assets) and the entity's own credit risk (liabilities).

Accounting classification and fair values

The following table shows the carrying amounts and the fair values of financial assets and liabilities, together with their levels within the fair value hierarchy.

31 December 2015

US$ thousand	Loans and receivables	Derivative instruments	Total	Fair Value Level 1	Fair Value Level 2	Total
ASSETS						
Non-current financial assets	22,589	-	22,589	-	-	-
Receivables and other current assets	55,334	-	55,334	-	-	-
Other current financial assets	600	438	1,038		438	438
Cash and cash equivalents	45,842	-	45,842	-	-	-
LIABILITIES						
Banks and other lenders	467,791	-	467,791	-	-	-
Other non-current financial liabilities	4,000	11,320	15,320		11,320	11,320
Payables and other current liabilities	33,233	-	33,233	-	-	-
Other current financial liabilities	4,242	4,305	8,547		4,305	4,305
Current tax payable	359	-	359	-	-	-

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2014.

31 December 2014

US$ thousand	Loans and receivables	Derivative instruments	Total	Fair Value Level 1	Fair Value Level 2	Total
ASSETS						
Non-current financial assets	20,657	-	20,657	-	-	-
Receivables and other current assets	48,800	-	48,800	-	-	-
Other current financial assets	-	2,741	2,741	-	2,741	2,741
Cash and cash equivalents	68,383	-	68,383	-	-	-
LIABILITIES						
Banks and other lenders	410,408	-	410,408	-	-	-
Other non-current financial liabilities	-	3,181	3,181	-	3,181	3,181
Payables and other current liabilities	36,348	-	36,348	-	-	-
Other current financial liabilities	4,915	14,226	19,141	-	14,226	14,226
Current tax payable	535	-	535	-	-	-

The Level 2 financial instruments in above table refer to derivative instruments and its fair value of is obtained through valuations provided by the corresponding bank at the end of the period. Counterparties are financial institutions which are rated from A+ to BB+; taking this into consideration, no adjustments for non-performance risk are deemed necessary.

The fair value of short-term trade receivables and payables is not disclosed as their carrying amount is reasonably approximate to their fair value. The carrying value of assets and liabilities not measured at fair value approximates their fair value.
The carrying amount of financial assets represents the maximum credit exposure.
The realised losses on 31 December 2015 are US$ 7.3 million while the unrealised gains are US$ 1.4 million and the unrealised losses amount to US$1.4 million.

Derivative instruments

Interest rate swaps

At the end of 2015 d'Amico Tankers Ltd has in place twenty-four interest rate swap contracts (IRS). One of these was re-negotiated in 2011 for an amount of US$ 50.0 million, with termination due in 2016; they hedge the risks relating to interest rates on the existing Crédit Agricole CIB revolving facility. Four interest rate swap contracts (IRS) were negotiated in 2012 to hedge the risk relating to interest rates on the Crédit Agricole CIB / DnB NOR facility of US$ 48.0 million with termination due in 2019. Two IRS was entered in 2013 to hedge the risk relating to interest rates on the Danish Ship Finance facility of US$ 31.5 million with termination due in 2019 (High Prosperity) and 2022 (High Trust).During 2014 further ten IRS started in relation to new vessel financing on seven New Buildings which were delivered during the years 2014 and 2015 with termination date between 2020 and 2022. During 2015 DTL acquired a further Seven IRS in relation to new Buildings financing of which two were delivered in 2015 and five relate to deliveries to take place in 2016 with termination date between 2022 and 2024. The hedges are deemed highly effective and the unrealised gain / loss is dealt with in other comprehensive income.

Forward currency contracts

During 2015 d'Amico Tankers Limited entered into foreign exchange derivative contracts to hedge the risk of vessels technical expenses and administrative cost exposure denominated in Euro, Japanese Yen, Singapore Dollar and British Pounds. They are carried at fair value through the income statement. In 2015, the realised gains are US$ 7.6 million and the unrealised profit amounted to US$ 1.3 Million.

Bunker derivatives

During 2015 d'Amico Tankers Limited entered into bunker swaps and derivatives contracts to hedge the risk of potential rising bunker costs. As these were done against the average periodic bunker consumption, they are carried at fair value through the income statement. In 2015, the net realised profit is US$ 0.7 million while the fair value of outstanding contracts at December 31, 2015, had a negative valuation of US$ 0.9 million.

The following table sets out the accounting impact of the accounting impact of the derivatives in 2015 and 2014 that are subject to the previously mentioned agreements:

US$ thousand	**2015**		**2014**	
	Profit&Loss	Equity	Profit&Loss	Equity
Interest rate swaps / hedge accounting	(145)	(3,180)	-	583
Interest rate swaps / financial hedge	61	-	(1,194)	-
Currency / financial hedge	(8,908)	-	(1,372)	-
Bunker / financial hedge	1,669	-	(9,715)	-
Total	**(7,323)**	**(3,180)**	**(12,281)**	**583**

The outstanding derivative instruments fair value at the end of the year is shown under Other Current financial assets and Other current/Non-current financial liabilities.

Measurement of fair value

The fair value measurement for the IRS and for the forward currency contracts has been categorised within Level 2, in that their fair value measurement is derived from inputs other than quoted prices that are observable (cfr.note 1). The disclosures envisaged for Level 3 categories of fair value are not applicable to the current measurement.

The fair value of existing derivative instruments and hedging instrument is recurrent, at each closing date.
The derivatives are entered into with banks and financial institution counterparties, which are rated A to BBB (S&P).

Credit risk

The Group is exposed to credit risk resulting from the possible non-performance of any of its counterparties, primarily customers, agents, joint venture partners and financial institutions. The Group normally deals only with creditworthy counterparties and its exposure is continuously monitored, looking also at the default risk of the industry and country in which customers operate, with the aim to limit its exposure to events of delayed payments, that is the Group has financial risk management policies in place to ensure all payables are settled within agreed terms. To minimise the credit risk DIS/DTL have the following risk management strategies: (i) The customer's portfolio is essentially made up of a large base of oil majors, chemical multinational companies. The outstanding receivables are reviewed on a timely basis. The recovery of demurrage claims and charter expenses is followed by a dedicated team. Historically DIS has not experienced significant losses on trade receivables; (ii) Suppliers: as far as services received are concerned (e.g. crew availability/management, technical services) and bunker, the payments are scheduled to minimise credit risk. As far as yards delivering the ships under construction, advance payments are covered by appropriate bank guarantee for the success of the deal; (iii) The relationships with agents are managed through an in-house team with significant experience. Commencing in 2007, the Group also refers, for the payments to be made to the port agents, to DA Desk, a professional and external organisation specialised in ensuring an effective and timely execution of the commercial transactions; (iv) Pool partners: the responsibility for management of credit risks remains with the Group; (v) Banks: the policy of the Company is to have relationships only with large banks with strong credit ratings, specialised in shipping and with first class reputation; (vi) Group reviews total exposure under agreements and establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The top 10 customers in 2015 represented approximately 58% of the revenue of the Company during the year (2014: 56%). At the end of the reporting period 59% of the total trade receivables were due from the Group's ten largest customers (2014: 53%). DIS companies primarily deal with Oil Majors. In consideration of their credit standard, counterparty risks mainly refer to demurrage receivables and expenses incurred on their behalf. Both are monitored and written down on an individual basis. . The total specific allowance for trade and other receivables losses at 31 December 2015 amounted to US$ 0.5 million (2014: US$ 1.4 million). The Group believes that the unimpaired amounts that are past due more than 30 days are still collectible in full, based on historic payment behaviour and analysis of customer credit risk (counterparty default).

The Group has significant cash deposits with Calyon Bank, which has a rating of A (S&P), and ABN-AMRO with a rating of A (S&P), DNB with a rating of A+ (S&P).
The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

The Group is exposed to liquidity risk from the possible mismatch between cash requirements - principally for vessel purchase and credit facility repayments - and Group cash flows.

As part of its financial planning process DIS manages the liquidity risk by targeting its capital structure in a way to balance the significant credit lines and funds currently available together with the cash to be generated by the operating activities, to allow the Company to maintain a level of liquidity adequate to the Group's needs, at the same time optimizing the opportunity cost of maintaining liquidity reserves and achieving an efficient balance in terms of maturity and composition of the financing. The Group capital structure is set within the limits established by the Company's Board of Directors and Management regularly reviews group facilities and cash requirements.

In spite of on-going tough credit market conditions, the Company has succeeded in maintaining access to a wide range of funding at competitive rates through financial institutions and in the capital market (see also note 21).

The following tables detail for the years 2015 and 2014 respectively the Group's remaining contractual maturity for its bank liabilities with agreed repayment periods. The tables have been drawn-up on the basis of undiscounted cash-flows on the earliest date in which the Group can be required to pay.

US$ thousand	**As at 31 December 2015**				
	< 1 y	1-2 y	2-5 y	> 5 y	Total
Total Banks and other lenders	**86,775**	**97,154**	**229,746**	**54,117**	**467,792**

US$ thousand	**As at 31 December 2014** (1)				
	< 1 y	1-2 y	2-5 y	> 5 y	Total
Total Banks and other lenders	**58,977**	**62,700**	**200,617**	**88,114**	**410,408**

Except for these financial liabilities, it is not expected that the cash-flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

26. RELATED PARTY TRANSACTIONS

Pursuant to IAS 24, the Company related parties are entities and individuals capable of exercising control, joint control or significant influence over DIS and its subsidiaries, companies belonging to the d'Amico Group, and joint ventures of d'Amico International Shipping. More-over, members of the DIS Board of Directors, and executives with strategic responsibilities and their families are also considered related parties.

DIS carries out transactions with related parties, including its immediate parent company d'Amico International S.A. a company incorporated in Luxembourg, its ultimate Italian parent company, d'Amico Società di Navigazione S.p.A (DSN) and certain of DSN's subsidiaries (d'Amico Group).

During 2015 the most significant financial transactions included a management service agreement (for technical, crewing and IT services) with d'Amico Group companies, a brand fee with d'Amico Società di Navigazione S.p.A., a personnel, service agreement with d'Amico Shipping Singapore and d'Amico Shipping USA for a total cost amounting to US$ 5.2 million and purchase of Intermediate Fuel Oil and Marine Diesel Oil, from Rudder SAM, a d'Amico Group controlled company, amounting to US$ 57.1 million, included in the bunker cost of the year.

Related party transactions and outstanding balances between d'Amico International Shipping S.A. and its subsidiaries (intra-group related party transactions) are disclosed in the statutory financial statements.

The effects of related party transactions on the Group's consolidated income statements not elsewhere disclosed in the present report for 2015 and 2014 are the following:

US$ thousand	2015		2014	
	Total	Of which related parties	Total	Of which related parties
Revenue	414,877	5,274	315,304	3,408
Voyage costs	(104,166)	-	(102,827)	(85,138)
Time charter hire costs	(138,758)	(20,936)	(110,228)	(1,064)
Other direct operating costs	(65,847)	(6,514)	(60,037)	(6,076)
General and administrative costs	(15,141)	(4,474)	(16,762)	(1,054)
Other operating income	328	-	823	-
Result from disposal of vessels	5,839	-	6,488	-
Net financial income (charges)	(8,015)	-	(7,865)	-

The effects of related party transactions on the Group's consolidated statement of financial position not elsewhere disclosed in the present financial report as at 31 December 2015, 31 December 2014 and 1 January 2014 are the following:

US$ thousand	As at 31 December 2015		As at 31 December 2014	
	Total	Of which related parties	Total	Of which related parties
ASSETS				
Non-current assets				
Tangible assets	770 738	-	647 167	-
Investment in jointly controlled entities	4,504	-	4,348	-
Non-current financial assets	22,589	20,589	20,657	20,657
Current assets				
Inventories	10,276	-	12,422	-
Receivables and other current assets	55,334	1,031	48,800	-
Current financial assets	1,038	-	2,741	-
Cash and cash equivalents	45,485	-	68,383	-
LIABILITIES				
Non-current liabilities				
Banks and other lenders	381,017	-	351,430	-
Other non-current financial liabilities	15,320	-	3,181	-
Current liabilities				
Banks and other lenders	86,775	-	58,978	-
Payables and other current liabilities	33,323	3,655	36,348	7,470
Other financial current liabilities	8,547	-	19,141	-
Current taxes payable	359	-	535	-

The effects, by legal entity, of related party transactions on the Group's consolidated Income Statement for the 2015 not disclosed elsewhere in this report are the following:

US$ thousand	d'Amico International Shipping	d'Amico Shipping Italia SpA	DM Shipping Ltd	d'Amico Società di Nav SpA	d'Amico Shipping Singapore	d'Amico Shipping USA	Compagnia Generale Telemar
	(consolidated)						
Revenue	414,877						
of which							
Freight out	5,274	-	-	-	5,274	-	-
Time charter hire costs	(138,758)						
of which							
Vessel charter agreements	(20,936)	(9,594)	(11,342)	-	-	-	-
Other direct operating costs	(65,847)						
of which							
Management agreements	(4,697)	-	-	(4,697)	-	-	-
Technical expenses	(1,817)	-	-	-	-	-	(1,817)
General and Administrative costs	(15,141)						
of which							
Serv.agreement/Consultancy	(4,474)	-	-	(1,022)	(2,282)	(1,170)	-
Total		**(9,594)**	**(11,342)**	**(5,719)**	**2,992**	**(1,170)**	**(1,817)**

The following table shows the effects, by legal entity, of related party transactions on the Group's consolidated income statement for the year 2014:

US$ thousand	d'Amico International Shipping	d'Amico Shipping Italia SpA	Rudder SAM	d'Amico Società di Nav SpA	d'Amico Shipping Singapore	Compagnia Generale Telemar
	(consolidated)					
Revenue	315,304					
of which						
Freight out	3,408	-	-	-	3,408	-
Voyage costs	(102,827)					
of which						
Bunker	(85,138)	-	(85,138)	-	-	-
Time charter hire costs	(110,228)					
of which						
Vessel charter agreements	(1,064)	(1,064)	-	-	-	-
Other direct operating costs	**(60,037)**					
of which						
Management agreements	(4,146)	-	-	(4,146)	-	-
Technical expenses	(1,930)	-	-	-	-	(1,930)
General and Administrative costs	**(16,762)**					
of which						
Serv.agreement/Consultancy	(1,054)	-	-	(1,054)	-	-
Total		**(1,064)**	**(85,138)**	**(5,200)**	**3,408**	**(1,930)**

The effect, by legal entity, of related party transactions on the Group's consolidated Statement of Financial Position as at 31 December 2015 are as follows:

US$ thousand	d'Amico International Shipping S.A.	Sirius Ship Management	Rudder SAM	DM Shipping Ltd
	(consolidated)			
Receivables and other current assets	55,334			
of which related party	1,031	1,031	-	-
Other financial assets	20,589			
of which related party	20,589	-	-	20,589
Payables and other current liabilities	33,233			
of which related party	3,655	-	3,655	-
Total		**1,031**	**3,655**	**20,589**

The effect, by legal entity, of related party transactions on the Group's combined Statement of Financial Position as at 31 December 2014 were the following:

US$ thousand	d'Amico International Shipping S.A.	Rudder SAM	d'Amico Societa' di Navigaz. SpA	Compagnia Generale Telemar	DM Shipping Ltd
	(consolidated)				
Other financial assets	20,657				
of which related party	20,657	-	-	-	20,657
Payables and other current liabilities	44,470				
of which related party	7,470	3,291	2,330,	1,849	-
Total		**(3,291)**	**(2,330)**	**(1,849)**	**20,657**

27. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at December 31, 2015, the Group's capital commitments amounted to US$ 341.9 million, of which payments over the next 12 months amounted to US$ 126.9 million.

US$ Million	As at 31 December 2015	As at 31 December 2014
Within one year	126.9	78.3
Between 1 – 3 years	215.0	131.9
Between 3 – 5 years	-	-
More than 5 years	-	-
Total	**341.9**	**210.2**

Capital commitments relate to the payment for: 3 Hyundai-Mipo dockyard 39,000 dwt Product/chemical tanker newbuilding vessels, 3 Hyundai-Mipo dockyard 50,000 dwt Product/chemical tanker newbuilding vessels and 6 Hyundai-Mipo dockyard 75,000 dwt Product/chemical tanker newbuilding vessels. All DIS newbuilding vessels are expected to be delivered between Q2 2016 and Q3 2018.

Operating leases – chartered in vessels

As at December 31 2015, the Group's minimum operating lease rental commitments amounted to US$ 488.5 million, of which payments over the next 12 months amounted to US$ 102.0 million.

US$ Million	As at 31 December 2015	As at 31 December 2014
Within one year	102.0	117.6
Between 1 – 3 years	151.0	84.4
Between 3 – 5 years	78.1	23.0
More than 5 years	157.4	-
Total	**488.5**	**225.0**

As at December 31 2015, the Group operated 25.5 vessel equivalents on time charter-in contracts as lessee. The existing time charters had an average remaining contract period of 1.7 years at the end of December 2015 (1.9 years including optional periods). Further, 6 additional MR (50,000 dwt) Product/chemical tanker newbuilding vessels are expected to be delivered in time charter to d'Amico Tankers between 2017 and H1 2018, with an average contract period of 7.7 years (9.7 years including optional periods).

Purchase options

Some of the charter-in contracts include options to purchase vessels. Exercise of these options is at the discretion of the Company based on the conditions prevailing at the date of the option.

Operating leases – other

Other operating leases primarily consist of contracts regarding office space. The minimum lease payments under these contracts are as follows:

US$ Million	As at 31 December 2015	As at 31 December 2014
Within one year	0.8	0.9
Between 1 – 3 years	1.2	1.4
Between 3 – 5 years	0.8	0.9
More than 5 years	2.1	2.6
Total	**4.9**	**5.8**

On-going disputes

The Group is currently involved in a number of on-going commercial disputes concerning both our owned and chartered vessels. The majority are cargo contamination claims. The disputes are mostly covered by the P&I Club insurance therefore no significant financial exposure is expected.

Tonnage tax deferred taxation

Effective from 1 January 2007 (renewed effective 1 December 2010), d'Amico Tankers Limited qualified to be taxed under the Tonnage Tax regime in Ireland; DM Shipping Limited obtained the ruling commencing 1 January 2009 and Glenda International Shipping in 2010. The election under tonnage tax runs for 10 years and includes provision whereby a proportion of capital allowances previously claimed by the company may be subject to tax in the event that vessels are sold and not replaced within the specified time limit or the Company fails to comply with the on-going requirements to remain within the regime.

No provision has been made for deferred taxation as no liability is reasonably expected to arise.

28. d'AMICO INTERNATIONAL SHIPPING GROUP'S COMPANIES

The table below shows the complete list of Group companies, and for each of these companies d'Amico International Shipping's percentage ownership, its method of consolidation, registered office, share capital and currency.

Name	Registered Office	Share Capital	Currency	Interest %	Consolidation Method
d'Amico International Shipping S.A.	Luxembourg	42,284.240	USD	n.a.	Integral
d'Amico Tankers Limited	Dublin / Ireland	100,001	EUR	100.0%	Integral
High Pool Tankers Limited	Dublin / Ireland	2	EUR	91.58%	Proportional
Glenda International Management Ltd	Dublin / Ireland	2	EUR	100.0%	Integral
Glenda International Shipping Ltd	Dublin / Ireland	202	USD	50.0%	Proportional
DM Shipping Ltd	Dublin / Ireland	100,000	USD	51.0%	Equity
d'Amico Tankers Monaco SAM	Monaco	150,000	EUR	100.0%	Integral
d'Amico Tankers UK Ltd	London / UK	50,000	USD	100.0%	Integral
Eco Tankers Limited	Malta	65,162	USD	33.0%	Equity

The consolidation area in 2015 does not differ with respect to the 2014 consolidated accounts.

Interest in jointly controlled entities

The Group has the following significant interests in jointly controlled entities:

- 50% equity share in the ownership, with equivalent voting power, of Glenda International Shipping Ltd (Ireland), a jointly controlled entity with Glencore Group.
- 51% equity share in the ownership, with 50% voting power, of DM Shipping Ltd (Ireland), a jointly controlled entity with Mitsubishi Group.
- 33% equity share in the ownership, with 50% voting power, of Eco Tankers Limited (Malta), a jointly controlled entity with the shipping investment fund Venice Shipping & Logistics.

There was no change in the Group's ownership or voting interests in these joint ventures for the reported years.

The jointly controlled entities have been consolidated following the consolidation method specified in the previous table, within the consolidated financial statements, based on the following amounts expressed in US$ thousands:

US$ thousand	Revenue	Net Result	Total Assets	Net Equity
Year ended 31 December 2015				
Glenda International Shipping Ltd	29,435	1,548	230,604	115,303
DM Shipping Ltd	11,326	3,298	59,848	(1,029)
Eco Tankers Limited	6,023	1,030	30,291	13,436
Year ended 31 December 2014				
Glenda International Shipping Ltd	30,217	0.1	241,852	116,797
DM Shipping Ltd	10,748	8,134	62,455	(4,327)
Eco Tankers Limited	3,851	666	31,594	12,963

d'AMICO INTERNATIONAL SHIPPING S.A.
MANAGEMENT REPORT
AND STATUTORY FINANCIAL STATEMENTS
Year ended 31 December 2015

This document is available on **www.damicointernationalshipping.com**

d'Amico International Shipping S.A.
RCS LUXEMBOURG B 124 790
25C Boulevard Royal, Luxembourg
Share capital US$ 42,284,239.80 as at 31 December 2015

Management report

d'Amico International Shipping S.A. (the "Company", DIS) a company with limited liability, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg.

The object of the Company is the investment in enterprises operating in the shipping industry, including the relevant services and facilities, as well as the administration, management, control and development of such participating interest. Its principal activity is to act as the holding company for d'Amico Tankers Limited and its subsidiaries and Glenda International Shipping Ltd.

On 3 May 2007 d'Amico International Shipping S.A. completed its initial public offering (IPO) of shares, which are listed on the Milan (Italy) Stock Exchange. During the month of December 2012 and the month of February 2014 and February 2015 the capital of the Company was increased with the aim of financing the subsidiaries' fleet expansion.

Financial review of d'Amico International Shipping S.A.

Operating performance

The loss for 2015 financial period of the Company was US$ 11.0 million. The Company's Income Statement is summarized in the following table.

US$ thousand	31 December 2015	31 December 2014
Investment income (dividends)	598	850
Investment loss (loss in value)	(10,000)	-
Personnel costs	(227)	(298)
Other general and administrative costs	(2,105)	(2,544)
Financial income (charges)	767	422
Net Profit / (Loss)	**(10,967)**	**(1,570)**

Investment income (dividend) of US$ 0.6 million was received in 2015.
Costs are essentially made up of general and administrative expenses and personnel costs.

Statement of Financial Position

US$ thousand	31 December 2015	31 December 2014
Non-current assets	244,726	256,249
Current assets	69,353	73,228
Total assets	**314,079**	**329,477**
Shareholders' Equity	309,455	321,173
Current Liabilities	4,624	8,304
Total liabilities and shareholders' equity	**314,079**	**329,477**

The Company's Non-current Assets of US$ 244.7 million include:

- the investment in d'Amico Tankers Limited (DTL)— the key operating subsidiary of the Group - with a book value of US$ 178.9 million
- GLENDA International Shipping Ltd— (GIS), book value of US$ 61.6 million — the Joint Operation company with Glencore Group

- the investment in Eco Tankers Limited, a 33% JV with Venice Shipping and Logistics with a book value of US$ 4.2 million.

Current assets are mainly represented by US$ 68.8 million financial receivables from the subsidiary d'Amico Tankers Limited.

Significant events of the Year

In 2015 the following main events occurred in the activity of d'Amico International Shipping Group:

d'Amico International Shipping:

- **Results of d'Amico International Shipping Warrants 2012-2016 – Second Exercise Period ended in January 2015:** On January 30th 2015 ended the Second Exercise Period of the "d'Amico International Shipping Warrants 2012 – 2016" (ISIN code LU0849020044) . During this Period 2,661,273 Warrants were exercised at a price of Euro 0.40 per ordinary share without nominal value issued by DIS and admitted to trading on the MTA market of Borsa Italiana SpA each as a "Warrant Share". In accordance with the terms and conditions of the Warrant Regulations, DIS issued on February 6th 2015, based on the Warrants Ratio of one (1) Warrant Share for every three (3) Warrants exercised, 887.091 Warrant Shares with same rights (including that to dividends) and features of DIS ordinary outstanding shares at the issue date - to those Warrant holders who validly exercised their Warrants during the Second Exercise Period. The ISIN code of the Warrant Shares coincides with the ISIN Code of DIS's outstanding shares being LU0290697514. After the capital increase DIS' share capital amounts to US$ 42,284,239.80 divided into 422,842,398 ordinary shares without unitary 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 – repurchased on the regulated market managed by Borsa Italiana S.p.A. during the period July to December 2015, nr. 1,489,532 own shares, representing the 0. 4% of the outstanding share capital of the Company, at the average price of Euro 0.70 for a total consideration of Euro 1,042,973.

d'Amico Tankers Limited:

- **Newbuilding Vessels:** In February 2015, one 'Eco' newbuilding product tanker built at Hyundai Mipo Dockyard Co. Ltd. – South Korea, M/T High Loyalty (Medium Range - 50,000 dwt), was delivered to d'Amico Tankers Limited. In May 2015, the Vessel was delivered to one of the main Oil-Major for a period of 5 year Time Charter contract, at a profitable daily rate.

  In April 2015, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited, entered into an agreement for the construction and sale of two new Long Range (LR1 – 75,000 DWT) modern product tanker vessels with Hyundai MIPO Dockyard Co. Ltd – South Korea. These vessels will be built by Vinashin Shipyard Co. Ltd – Vietnam and are expected to be delivered in April and August 2017, for a total consideration of about US$ 44.0 million each.

  In June 2015, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited ordered the purchase, and the subsequent execution of the relevant shipbuilding contracts for the construction of two additional new Long Range (LR1 – 75,000 DWT) modern product tanker vessels with Hyundai Mipo Dockyard Co. Ltd. – South Korea. These Vessels will be built by Hyundai Vinashin Shipyard Co. Ltd – Vietnam and are expected to be delivered in Q4 2017 and Q1 2018 respectively, for a total consideration of about US$ 44.0 million each.

  In September 2015, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited entered into an agreement for the construction and sale of two new Long Range (LR1 – 75,000 DWT) modern product tanker vessels (the "Vessels") with Hyundai Mipo Dockyard Co. Ltd. – South Korea. These Vessels will be built by Hyundai Vinashin Shipyard Co. Ltd – Vietnam and are expected to be delivered in Q2 2018 and Q3 2018 respectively, for a total consideration of about US$ 44.0 million each.

In October 2015, two 'Eco' newbuilding product tankers built by Hyundai Mipo Dockyard Co. Ltd. – South Korea at their Hyundai Vinashin Shipyard Co. Ltd. – Vietnam, were delivered to d'Amico Tankers Limited:

- M/T Cielo di Ulsan (Handysize – 39,000 dwt), was delivered to d'Amico Tankers Limited on October 12 2015. The Vessel is currently employed with one of the main Oil-Majors for a period of 24-30 month Time Charter contract, at a profitable daily rate;
- M/T High Trader (Medium Range - 50,000 dwt), was delivered to d'Amico Tankers Limited on October 29 2015. Starting from November 2015, the Vessel will be employed with one of the main Oil-Majors for a period of 3 year Time Charter contract, at a profitable daily rate.

- **'Second-Hand Owned Vessels':** in December 2015, d'Amico Tankers Limited sold M/T Cielo di Salerno, a 36,032 dwt handysize product tanker, built in 2002 by STX (South Korea), to SW Cap Ferrat Shipping LLC (Marshall Island), for a consideration of US$ 13.0 million. At the same time, d'Amico Tankers will maintain the commercial employment of the Vessel having also concluded with the Buyer a 3 year time charter agreement at an attractive rate.

  In December 2015, d'Amico Tankers Limited purchased M/T Cielo di Guangzhou, a 38,877 dwt handysize product tanker, built in 2006 by Guangzhou International Shipyard (China), from Solar Shipping srl (Italy), for a consideration of US$ 14.0 million. Prior to this deal, the Vessel had been in bare-boat charter contract with d'Amico Tankers since 2006.

- **'Time Charter-Out' Fleet:** In April 2015, d'Amico Tankers Limited fixed three of its 'Eco' MR newbuilding vessels with one of the main Oil Majors, for 3 year Time charter contracts at profitable rates. The three vessels are: High Trader (delivered in October 2015), High Trust (delivered in January 2016) and Hull S424 (expected to be delivered in Q4'16).

  In April 2015, d'Amico Tankers Limited fixed one of its 'Eco' Handy newbuilding vessels with one of the main Oil Majors, for 24 to 30 month Time charter contract at a profitable rate. The vessel was delivered in Q4 2015.

  In May 2015, d'Amico Tankers Limited fixed one of its MR owned vessels with a main Oil Major, for 2 year Time Charter contract at a profitable rate.

  In July 2015, d'Amico Tankers Limited fixed the first of the six LR1 newbuilding vessels ordered in 2015 at Hyundai MIPO Dockyard Co. Ltd – South Korea, with one of the main Oil-Majors for 18 month Time charter contract at a profitable rate. Following these last deal, d'Amico has already secured Time charter coverage on 13 of its total 22 Newbuilding vessels (of which 10 vessels already delivered as at the end of December 2015). All these contracts were made with Oil Majors and leading refining companies at very profitable rates.

  In August 2015, d'Amico Tankers Limited extended a Time charter contract with a main Oil Major due to expire in September for another year at a very profitable rate.

- **'Time Charter-In' Fleet:** In April 2015, d'Amico Tankers Limited agreed to take 2 MR (50,000 dwt) newbuilding product tanker vessels in Time charter-in for 8 years, plus options to extend the contract for further 3 years. These vessels will be built at Onomichi Dockyard Co., Ltd – Japan and are expected to be delivered respectively in the second half of 2017 and in the first half of 2018. In addition to this, d'Amico Tankers Limited has options to purchase the two vessels, starting from the 4th year of the Time charter contract.

In April 2015, d'Amico Tankers Limited agreed to take 2 further MR (50,000 dwt) newbuilding product tanker vessels in Time charter-in for 7 years, plus options to extend the contract for further 3 years. These vessels will be built at Minaminippon Shipbuilding Co., Ltd – Japan and are expected to be delivered respectively in the first half and in the second half of 2017. In addition to this, d'Amico Tankers Limited has options to purchase the two vessels, starting from the 4th year of the Time charter contract.

In May 2015, M/T High Power, an MR vessel built in 2004 and previously employed in High Pool Tankers, was delivered to d'Amico Tankers Limited for 3 year Time Charter contract.

In May 2015, M/T High Saturn, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since then, was redelivered back to her Owners.

In June 2015, M/T High Mars, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since then, was redelivered back to her Owners.

In August 2015, M/T High Mercury, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since then, was redelivered back to her Owners.

In August 2015, the contract on M/T Freja Baltic, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since 2014, was extended for a further 2 year period.

In August 2015, the contract on M/T High Glow, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers since then, was extended for a further 3 year period.

In September 2015, M/T Future Prosperity, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since 2014, was redelivered back to her Owners.

During Q3 2015, 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 Louis (Handysize vessel built in 2002), 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 all extended for a further 1 year period.

In October 2015, M/T High Jupiter, an MR vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since then, was redelivered back to her Owners.

In October 2015, the contract on M/T Freja Hafnia, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since 2012 was extended for further 3 year period starting from January 2016.

In October 2015, the contract on M/T Citrus Express, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since 2013, was extended for further 3 year period starting from November 2015.

In October 2015, d'Amico Tankers Limited agreed to take 2 further MR (50,000 dwt) newbuilding product tanker vessels in Time charter-in for 8 years. These vessels will be built at Japan Marine United Corporation – Japan and are expected to be delivered in the first half of 2018. In addition to this, d'Amico Tankers Limited has options to purchase the two vessels, starting from the 4th year of the Time charter contract.

Significant events since the end of the Period and Business Outlook

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) has ended on January 29th, 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, every three exercised warrants, without nominal value which will be issued by DIS and admitted to trading on the MTA market of Borsa Italiana SpA, each as a "Warrant Share". Totally, the program was exercised at 98% of the total warrants issued. 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 to those Warrant holders who validly exercised their Warrants during the Third and Final Exercise Period. The ISIN code of the Warrant Shares will coincide with the ISIN Code of DIS's outstanding shares being LU0290697514. The DIS current capital increase is expected equal to €2,607,260.68. In accordance with the Warrant Regulations, warrants which were not exercised during the recently ended Third and Last Exercise Period will automatically lapse. 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 unitary 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 11th and February 12th repurchased, on the regulated market managed by Borsa Italiana S.p.A., nr. 780,000 own shares, representing the 0.182% of the outstanding share capital of the Company, at the average price of Euro 0.4676, for a total consideration of Euro 364,696.

d'Amico Tankers Limited:

- **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 Limited. Starting from March 2016, the Vessel will be employed with one of the main Oil-Majors for 3 year Time Charter contract, at a profitable daily rate.

- **'Time Charter-Out' Fleet:** In January 2016, d'Amico Tankers Limited 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 Limited 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 Limited since 2014, was redelivered back to her Owners.

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

	As at 31 December 2015			As at 03 March 2016		
	MR	Handysize	**Total**	MR	Handysize	**Total**
Owned	21.3	4.0	**25.3**	22.3	4.0	**26.3**
Time chartered	19.5	6.0	**25.5**	18.5	6.0	**24.5**
Total	**40.8**	**10.0**	**50.8**	**40.8**	**10.0**	**50.8**

Business Outlook

All Product Tanker markets are experiencing varying degrees of demand at the beginning of the First Quarter of 2016. Global refinery runs fell by 1.3 million b/d in January to 79.8 million b/d, as the onset of seasonal maintenance in the US and weakening refinery margins reduced runs. Global refinery throughputs nevertheless stand more than 1.7 million b/d above a year earlier, with gains particularly strong in the US and the Middle East. OECD refined Product stocks have built unseasonably and stand at 1,500 million barrels in December which is close to 100 million barrels higher than the same month the year before. This amounts to 32.3 days of forward cover and preliminary data indicates that inventories have continued building into Q1. High Stocks and reduced refinery runs have put pressure on the product tanker rates across the Globe with the exception of the US as their refinery maintenance is coming to an end.

Chinese State-owned refineries have applied for more gasoil export quotas this year, going forward diesel exports could gain further strength as diesel constitutes more than 40% of Chinese refinery output. Furthermore, Sinopec recently offered financial incentives to its refining subsidiaries to export the product in order to maintain high refinery runs, whilst teapot refineries are in the midst of attaining their rights to begin exporting petroleum products as well. The Government's decision to temporarily freeze its fuels pricing mechanism could also lead to greater product exports as refiners will be looking to the export market to cash in on higher margins, whilst domestic prices are kept artificially flat.

The key drivers that should affect the product tanker freight markets and d'Amico International Shipping performance are (i) Global oil demand (ii) worldwide GDP growth and (iii) the large modern fleet. 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 demand outlook for 2016 looks softer as downgrades to the macroeconomic outlook and expectations that crude oil prices will not repeat the heavy declines seen in 2015, filter through. At an estimated 1.17 million b/d in 2016, global demand growth returns to its long-term trend, taking projected average demand up to 95.6 million b/d;

- Total OECD product demand fell in Q4 by 75,000 b/d after very positive gains in the first nine months. NON-OECD demand climbed by 2.3% throughout the year and is expected to show the same rate of growth for 2016. Demand growth for Gasoline led the growth followed by gasoil, jet/kerosene, and naphtha, respectively;

- Global refinery runs are expected to remain stable in Q1 16, to 79.5 million b/d. Annual growth remains relatively high at 1.3 million b/d. Unlike in Q4 15, the non-OECD region is responsible for all of this increase – with, in turn, half of this claimed by the Middle East ;

- Increasing ton-mile, positive refining margins and higher runs have positively boosted Product tanker demand. Product tanker fleet utilisation should reach 90% for 2015;
- On paper an additional 1.6 million b/d of new refining capacity is expected to come on line in 2016, primarily led by Asia and the Middle East;
- China and the Middle East, which today represent 24% of global refining capacity, are accountable for 55% of the IEA's growth forecasts till 2017. Expansion in the Middle East is most likely be skewed towards exports;
- Since the commissioning of India IOC's Paradip refinery back in April 2015, it is announced that the 300,000 b/d plant will start commercial production around the end of March 2016. With India as Asia's largest product exporter, we can expect to see a growth in the Country's crude demand accompanied by a possible shift in products exports volume;
- The new refinery was designed to process heavier crudes such as sour Mideast grades and even Mexico's Maya crude, when at fully capacity the refinery is expected to produce 115,000 b/d of gasoil, 80,000 b/d of gasoline and 40,000 b/d of jet fuel;
- Seaborne trade thrives on the existence of mismatches. In the oil products sector these can be all of geographical, type of product produced/demanded, quality and price. The global refinery map is constantly changing and bringing about product supply imbalances between regions. This could fundamentally lead to longer haul voyages effectively reducing the supply of tonnage. As these mismatches grow then the Product Tanker demand will increase.

Product Tanker Supply

- The order book for MR tankers that were "scheduled" to be delivered in 2015 was - according to various reports - between 140 and 200. Deliveries were substantial but below expected figure with about 130 deliveries, and 18 ships were permanently removed;

- As with 2015, 2016 is scheduled to have a relatively large amount of newbuildings. On paper the amount destined to be built this year is between 110 and 160 ships in the MR sector. However after 2016 the net growth in tonnage is slowing down;

- Slippage, cancellations and order changes have reduced deliveries by about 30% over the last five years;

- Analysts have forecasted that the ton-mile growth continues to outpace growth in carrying capacity and that any additional tonnage should be absorbed;

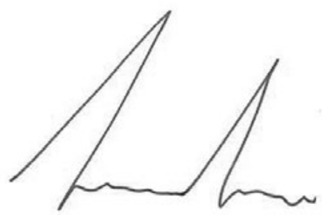
- The order book of MR Tankers has been strong in recent months bringing the total ordered in 2015 to 81 ships. This is a concern but considerably lower than the 204 ships ordered in 2013;

- On average MR tankers are scrapped after 22-25 years. There are 201 ships older than twenty years of age or 10% of the existing fleet;

- Port delays and increasing length of voyages have been a factor in trading product tankers and are effectively reducing the ready supply of tonnage.

On behalf of the Board

March 3, 2016



Paolo d'Amico, Chairman

Marco Fiori, Chief Executive Officer

d'Amico International Shipping S.A. Financial Statements and Notes

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of Income and Other Comprehensive Income

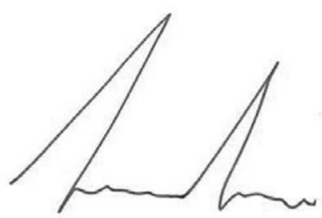
US$	Note	2015	2014
Revenue	(3)	598,000	850,000
Impairment on participation	(4)	(10,000,000)	-
General and administrative costs	(5)	(2,032,938)	(2,638,703)
Gross operating result		**(11,434,938)**	**(1,788,703)**
Depreciation	(8)	(2,953)	(6,188)
Operating result		**(11,437,891)**	**(1,794,891)**
Net financial income (charges)	(6)	767,156	422,496
Profit / (Loss) Before Tax		**(10,670,735)**	**(1,372,395)**
Tax expense	(7)	(296,477)	(197,809)
Net Profit / (Loss)		**(10,967,212)**	**(1,570,205)**
Total comprehensive income for the period		**(10,967,212)**	**(1,570,205)**

The net loss is entirely attributable to the equity holders of the Company

Statement of Financial Position

US$	Note	As at 31 December 2015	As at 31 December 2014
Non-current assets			
Tangible assets	(8)	226	3,179
Financial fixed assets	(9)	244,725,513	256,246,443
Total non-current assets		**244,725,739**	**256,249,622**
Current assets			
Receivables and other current assets	(10)	16,841	36,821
Current financial receivables	(11)	68,825,906	72,454,019
Cash and cash equivalents	(12)	511,168	737,065
Total current assets		**69,353,915**	**73,227,905**
Total assets		**314,079,654**	**329,477,527**
Shareholders' equity			
Share capital	(13)	42,284,240	42,195,531
Retained earnings	(13)	(1,382,782)	9,584,430
Other reserves	(13)	268,554,192	269,394,191
Total shareholders' equity		**309,455,650**	**321,174,152**
Current liabilities			
Bank and other lenders	(14)	4,185,066	6,076,348
Payables and other current liabilities	(15)	122,046	282,446
Other current financial liabilities	(16)	-	1,507,397
Current tax payable		316,892	437,184
Total current liabilities		**4,624,004**	**8,303,375**
Total liabilities and shareholders' equity		**314,079,654**	**329,477,527**

The financial statements on pages 83 to 109 were authorised for issue by the Board of Directors on its behalf on March 5, 2016



Paolo d'Amico, Chairman

Marco Fiori, Chief Executive Officer

Statement of Cash Flows

US$	2015	2014
(Loss) / profit for the period	**(10,967,212)**	**(1,570,205)**
Dividend	(598,000)	(850,000)
Impairment on participation	10,000,000	-
Depreciation	2,953	6,188
Current tax	296,477	197,809
Financial charges (income)	(767,156)	(422,496)
Cash flow from operating activities before changes in working capital	**(2,032,938)**	**(2,638,703)**
Movement in amounts receivable	34,631	10,439
Movement in amounts payable	(183,722)	(55,116)
Taxes (paid)	(416,769)	(4,439)
Interest and other financial result (paid) received	(14,652)	114,054
Net cash flow from operating activities	**(2,613,450)**	**(2,573,765)**
(Acquisition) disposal of investments	1,520,929	(1,049,400)
Movement in shareholders' loan	(1,520,929)	(44,105)
Investment income - Dividend	598,000	850,000
Net cash flow from investing activities	**598,000**	**(243,505)**
Share capital increase	404,868	30,477,473
Treasury shares	(1,156,158)	-
Movement in other financial receivables – loan to subsidiary	4,254,122	(27,961,910)
Movement in other financial payables – bank loan	(1,713,280)	6,472,000
Dividend Paid	-	(6,867,868)
Net cash flow from financing activities	**1,789,552**	**2,119,695**
Change in cash balance	**(225,897)**	**(697,575)**
Cash and cash equivalents at the beginning of the period	737,065	1,434,640
Net increase/ (decrease) in cash and cash equivalents	**(225,897)**	**(697,575)**
Cash and cash equivalents at the end of the period	**511,168**	**737,065**

Statement of Changes in Shareholders' Equity

US$	Share Capital	Retained Earnings	Other Reserves	Total
Balance as at 1 January 2015	**42,195,531**	**9,584,431**	**269,394,191**	**321,174,152**
Capital increase	88,709	-	316,159	404,868
Treasury shares	-	-	(1,156,158)	(1,156,158)
Total comprehensive income	-	(10,967,212)	-	(10,967,212)
Balance as at 31 December 2015	**42,284,240**	**(1,382,782)**	**268,554,192**	**309,445,650**

US$	Share Capital	Retained Earnings	Other Reserves	Total
Balance as at 1 January 2014	**35,987,977**	**18,022,504**	**245,124,272**	**299,134,753**
Capital increase	6,207,554	-	24,269,919	30,477,472
Dividend Distribution	-	(6,867,868)	-	(6,867,868)
Total comprehensive income	-	(1,570,205)	-	(1,570,205)
Balance as at 31 December 2014	**42,195,531**	**9,584,431**	**269,394,191**	**321,174,152**

The following notes form integral part of the financial statements

Notes

d'Amico International Shipping S.A. (the "Company", DIS) a company with limited liability (Sociéte Anonyme), was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg. The financial statements have 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.

d'Amico International Shipping S.A. 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 Luxembourg law of 10 December 2010, article 26. 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'.

The d'Amico International Shipping S.A. 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.

1. ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention as and in accordance with the applicable International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

Revenue recognition

It is represented by dividends income received from subsidiaries. Dividend income is recognised when the subsidiary profit is distributed to holders of equity investment, in proportion to their holdings of capital.

General and administrative costs

Administrative expenses, which comprise administrative staff costs, management costs, office expenses and other expenses relating to administration, are expensed as incurred.

Financial Income and charges

Financial income and charges include interests, which are recognized in accordance with the accrual basis of accounting, using the effective interest method.

Taxation

The current taxation is based on taxable income for the period using local tax rates that have been enacted by the reporting date. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible.

Current taxation includes also the Net Wealth Tax, calculated at 0.5% on the taxable wealth of the Company, which is its Net Worth; the company unitary value is set on 1 January each year.

Deferred tax, if any, represents tax the Company is expecting to pay or recover on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit. It is accounted for using the financial position liability method. Liabilities relating to deferred tax are generally recognised for all taxable temporary differences. Assets relating to deferred tax are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amounts of deferred tax assets are reviewed at each financial position date and reduced in the event that it is not considered probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the applicable tax rates during the period when liability is settled or the asset realised. It is charged or credited in the income statement, unless it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also accounted for in other comprehensive income.

Foreign currencies

Transactions during the year in currencies other than U.S. dollars have been translated at the appropriate rate ruling at the time of the transactions. Assets and liabilities denominated in currencies other than the U.S. dollar have been translated into U.S. dollars at the rate ruling at the financial position date. All exchange differences have been accounted for in the Statement of Comprehensive Income.

Tangible assets

The tangible assets are shown at cost less accumulated depreciation and any impairment loss. Cost includes the acquisition cost as well as other costs which are directly attributable to the acquisition. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

Financial instruments

Financial instruments, i.e. contracts giving rise to financial assets and financial liabilities or equity instruments of another entity, as defined in IAS 32 (Financial Instruments: Presentation), are recognized at their fair value when the Group becomes party to the contractual provisions of the instrument (trade date). Liabilities are classified in accordance with the substance of the contractual arrangement from which they arise and the relevant definitions of a financial liability. For contracts negotiated at market price, the fair value of the instrument is equivalent to the purchase cost (nominal value of the transaction). The external costs and income from transactions directly attributable to the negotiation, such as intermediation costs, are included during initial recognition of the instrument, unless measured at fair value. The measurement of financial assets is performed, depending on the characteristics of the instrument, at fair value or on the basis of amortized cost. Financial liabilities are measured on the basis of amortized cost. The measurement at fair value is applied only to any financial liabilities held for trading and to the derivative financial instruments. The 'fair value' is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The measurement on the basis of amortized cost involves the recognition of the asset or liability at the value initially measured, deducting any redemption of equity, increased or decreased by overall depreciation, applying the effective interest method, on any difference between the initial value and that at maturity. These amounts shall in any case be adjusted following a decrease of value or an irrecoverable condition. The effective interest rate is the rate that reduces at source the future contractual cash flows to the net amount of the financial asset or liability. The calculation also includes the external expenses and income directly assigned during initial recognition of the financial instrument.

The accounting policies adopted for specific assets and liabilities are disclosed below.

Non-current financial assets (investment in subsidiaries)

Investments in subsidiaries, jointly controlled entities and associated companies are stated at cost adjusted for any impairment losses.

Any positive difference, arising at the time of the acquisition, between the acquisition cost and the fair value of net assets acquired by the Company is therefore included in the investment carrying value. If there is any evidence that these investments have been permanently impaired, the impairment loss is recognised directly under the income statement. If the impairment loss subsequently no longer exists or is reduced, it is reversed and the reversal is recognised under income statement up to the limit of the value initially accounted for as cost of the investment.

Receivables

Receivables are initially measured at their nominal value (representative of the 'fair value' of the transaction) and are subsequently measured at amortized cost, net of write-downs for impairment and allowance for credit losses. Impairment is recognised in the income statement when there is objective evidence that the asset is impaired. Such write-downs are calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the asset original effective interest rate. Particularly with regard to short-term trade receivables, considering the short period of time, the measurement at amortized cost is equivalent to the nominal value, less write-downs for impairment.

Allowances for credit losses are made when management consider the full recovery of a receivable to be in doubt. If management considers the amounts non-recoverable then they are written off to the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, current accounts and deposits held on demand with banks, and other short-term highly liquid investments readily convertible to a known amount of cash within six months from inception and are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at fair value, corresponding to their nominal value, or at cost plus interest charges, if any.

Bank and other lenders

Short-term bank overdrafts are recorded on the basis of the amounts received net of transaction costs and are subsequently measured at amortized cost, using the effective interest rate method, with the difference between the loan proceeds and the nominal value being recognized in the income statement over the term of the loan.

Payables

Payables are measured at amortized cost which, considering the characteristics and maturity of such payables, is generally equivalent to the nominal value.

Derivative instruments

The Company does not use derivative financial instruments.

Provisions for risks and charges

Provisions for risks and charges are recognised when the Company has a present obligation as a result of a past event and it is likely that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the financial position date and are discounted to present values where the effect is material.

Treasury shares

Treasury shares, following the buy-back program, are recognized at cost and are presented as a deduction from equity (under separate item of equity). The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

Dividends

Dividends payable are reported as a movement in equity in the period in which they are approved by shareholders' meeting.

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. The key areas where this applies are listed below.

Measurement of fair values

The 'fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal / most advantageous market at the measurement date at the current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of financial instruments is represented by market quotations or, in their absence, by the value resulting from the adoption of suitable financial valuation models which take into account all the factors adopted by the market operators and the prices obtained in similar actual transactions in the market.

For significant fair value measurement, quoted prices or broker information are obtained to support the valuations and valuation adjustments together with unobservable inputs are reviewed regularly for the classification of such valuations in the appropriate level of fair value. In the measurement of fair values market data are used to the farthest possible extent.

Three levels of inputs to the fair value valuation techniques are used to measure the fair values:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs are other than quoted prices included within Level 1 that are observable directly or indirectly for the asset or the liability;
- Level 3 inputs are not observable from market data.

When the inputs used to measure the fair value of an asset or a liability belong to different categories, the fair value measurement is categorised entirely in its lowest and most significant fair value hierarchy. The transfer between levels of fair value hierarchy is recognised at the end of the reporting period during which the change has occurred.

Provision for tax liabilities

Tax liabilities are calculated on the current understanding of the Company's tax situation as impacted by Luxembourg regulatory framework.

New accounting principles

Accounting principles adopted from 1st of January 2015

The Group has consistently applied the accounting policies presented before in this note to all periods presented in these financial statements.

No new accounting principles have been applied during the year.

Accounting principles, amendments and interpretations not yet effective

At the financial position there were no Standards and Interpretations in issue, which are applicable to the Company.

2. CAPITAL DISCLOSURE

d'Amico International Shipping manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders.

The capital of the Company was established at the beginning of 2007 as part of the IPO process, taking into consideration the risks affecting d'Amico International Shipping as a company and the industry where its subsidiaries operate. During the months of December of year 2012, February 2014 and February 2015 the capital of the Company was increased consistently with its strategy of supporting the path of continuous growth and expansion within the traditional market of its operating subsidiaries, through the order of twenty-one new vessels with innovative characteristics (Eco-vessels) allowing reduced fuel consumption. It includes issued and fully paid capital, reserves and retained earnings as detailed in note 13.

The capital structure is reviewed during the year and - if needed - adjusted depending on the Company capital requirements, changes in the general economic conditions and industry risk characteristics of the participations. The Company monitors its capital on the basis of the 'assets cover ratio' of DIS Group, being the drawdown amounts on the Group facilities over the fair market value of Group owned vessels.

3. REVENUE

US$	2015	2014
Revenue	**598,000**	**850,000**

A dividend of US$ 0.6 million was received from the key operating subsidiary d'Amico Tankers Limited in the month of June (2014: US$ 0.9 million).

4. IMPAIRMENT OF PARTICIPATION

US$	2015	2014
Impairment of participation	**(10,000,000)**	**-**

The impairment recognised relates to the participation in Glenda International Shipping Ltd. Refer to note 9 for further information.

5. GENERAL AND ADMINISTRATIVE COSTS

US$	2015	2014
Wages and benefits	(227,332)	(297,653)
Other operating charges	(1,805,606)	(2,341,050)
Total General & Administrative costs	**(2,032,938)**	**(2,638,703)**

Employees

The Company employs one manager and one administrative employees (2014: one manager and two administrative employees).

The total charge for wages and salaries amounted to US$ 227,332 (2014: US$ 297,653).

Other operating charges

The amount of US$ 1,805,606 in 2015 includes professional fees and advisory costs incurred by the Company during the year as a result of being a listed entity (2014: US$ 2,341,050), of which fees accrued for the réviseur d'entreprises agréé/statutory auditor for the audit of the financial statements amount to USD 42 thousand.

Fees were paid to the Company directors for services rendered to the Company and attending the Board's meetings. A total amount of EUR 780,000 was paid, including net fees for EUR 624,000 and 20% withholding tax (2014: EUR 780.000). 2014 Variable fees accrued amount US$ 135,000 has been reversed.

6. NET FINANCIAL INCOME (CHARGES)

US$	2015	2014
Net financial income (charges)	767,156	422,496

Net financial income amount to US$ 767,156 (2014: US$ 422,496) and concerns mainly the realised interest income towards the subsidiary d'Amico Tankers Ltd of US$ 612,477 (2014: US$ 579,053).

Residual amounts are exchange financial income, and financial fees and interest expenses.

7. TAXATION

US$	2015	2014
Tax expenses	(296,477)	(197,809)

Taxation in 2015 represents the accrual on the Net Wealth Tax (2014: US$ 197,809).

As dividends received from subsidiaries falling under the participation exemption regime are not subject to the corporate income tax in Luxembourg, d'Amico International Shipping SA had, at the end of 2015, cumulated tax losses to be carried forward of approximately EUR 46.2million (US$ 50.3 million).

The Luxembourg corporate income theoretical tax rate is of 30%. No deferred tax asset has been accounted for, as management do not foresee taxable profits against which the accumulated losses could be offset.

8. TANGIBLE ASSETS

Tangible assets principally represents IT equipment for the Luxembourg office; they are depreciated at 8.33% quarterly rate over their useful lives.

US$ thousand	2015	2014
Cost		
At 1 January	18,565	18,565
Additions	-	-
Write-off	-	-
At 31 December	18,565	18,565
Depreciation		
At 1 January	15,386	9,197
Charge for the period	2,953	6,188
At 31 December	18,339	15,386
Net book value		
At 31 December	226	3,179

9. FINANCIAL FIXED ASSETS

Investment in subsidiaries

Company	Country	Ownership	Ccy	Book value as at 31 December 2014	Increase (decrease)	Book value at 31 December 2015
d'Amico Tankers Limited	IRL	100%	USD	178,921,920	-	178,921,920
Glenda International Shipping Ltd.	IRL	50%	USD	73,135,415	(11,520,929)	61,614,485
Eco Tankers Limited	Malta	33%	USD	4,189,108		4,189,108
			USD	**256,246,443**	**11,520,929**	**244,725,513**

d'Amico Tankers Limited is the key operating subsidiary of the d'Amico International Shipping Group, its result as at 31 December 2015 is a profit of US$ 52,100,743 and net equity of US$ 248,399,883.

GLENDA International Shipping Ltd (GIS) is the vehicle for the Joint Operation with Glencore Group, one of the world's largest suppliers of commodities and raw materials to industrial consumers. GIS result as at 31 December 2015 is a profit of US$ 1,547,627 and net equity of US$ 115,303,200. During the first half of 2015 the participation in GIS decreased in correspondence with the payment of the share premium for US$ 1.5 million. Furthermore d'Amico International Shipping S.A. recognised an impairment of its participation in GIS for US$ 10,000,000. Management performed an impairment test of the participation by computing the value in use of the investment in GIS that is the net present value of the cash flows from the remaining useful lives of the vessels owned by GIS. The discount rate used is 6% taking into consideration the specific positive conditions (in terms of cost of debt) for GIS.

Eco Tankers Limited, is an associate held together with the Shipping investment fund Venice Shipping & Logistics. Eco Tankers Limited result as at 31 December 2015 is USD 1,029,980 and net equity is USD 13.435,687

Investments through d'Amico Tankers Limited:

Company	Effective Interest	Country	Activity
High Pool Tankers Limited	91.58%	Ireland	Pool company
Glenda International Management Limited	100%	Ireland	Pool company
DM Shipping Limited	51%	Ireland	Shipping
d'Amico Tankers Monaco S.A.M.	100%	Monaco	Services
d'Amico Tankers UK Limited	100%	UK	Services

10. RECEIVABLES AND OTHER CURRENT ASSETS

US$	As at 31 December 2015	As at 31 December 2014
Receivables and other current assets	**16,841**	**36,821**

In 2015 and in 2014 the balance represents prepaid company expenses and other sundry debtors.

11. CURRENT FINANCIAL RECEIVABLES

US$	As at 31 December 2015	As at 31 December 2014
Current financial assets	**68,825,906**	**72,454,019**

The balance at the end of the year represents the financing to the subsidiary d'Amico Tankers Limited, which is used to fund twenty-one new Eco-tanker ships; the financing bears interest at USD LIBOR 3 months plus a margin aligned with the markets conditions; the range of rates for the 3-month USD Libor was 0.26% – 0.33 % during 2015.

12. CASH AND CASH EQUIVALENTS

US$	As at 31 December 2015	As at 31 December 2014
Cash and cash equivalents	**511,168**	**737,065**

Cash and cash equivalent is represented by cash held at the bank.

13. CAPITAL AND RESERVES

Subscribed capital

The current subscribed and fully paid-up capital of US$ 42,284,239.80 (corresponding to € 38,838,074 at the year-end exchange rate) is divided into 422,842,398 shares without nominal value.

In the month of February, following the exercise of the warrants attached to the shares issued at the moment of 2012 capital increase, at the ratio of one share for every three warrants and according to the Prospectus dated 6 November 2012, n. 887,091 new ordinary shares were issued at a price of €UR 0.40 each.

Retained earnings

The item includes previous years and current net results and deductions for dividends distributed.

Other reserves

The other reserves include the following items:

US$	As at 31 December 2015	As at 31 December 2014
Share premium reserve	282,959,082	282,642,922
Treasury shares	(17,513,186)	(16,357,027)
Legal reserve	3,108,296	3,108,296
Total	**268,554,192**	**269,394,191**

Share premium reserve

The share premium reserve arose in the years as a result of the Group's IPO and related increase of share capital in May 2007 and as a result of the second capital increase occurred at the end of 2012, in February 2014 and in February 2015. Certain costs and charges connected with the listing process and the share capital increases (mainly bank commissions and related advisory fees and charges) have been offset at each time.

Treasury shares

Treasury shares at the end of 2015 consist of 6,580,027 ordinary shares (2014: 5,090,495) for an amount of US$ 17.5 million (2014: US$ 16.4 million), corresponding to 1.56% of the outstanding share capital at the financial position date (2014: 1.41%). These shares were acquired in 2007 and 2008 and during the second half of 2011 and 2015, following the approval of the Buy-back programme.

Legal reserve

It is a legal requirement in Luxembourg and is constituted through an allocation of 5% of annual net income until this reserve equals 10% of the subscribed share capital. The reserve may not be distributed.

14. BANK AND OTHER LENDERS

US$	As at 31 December 2015	As at 31 December 2014
Bank and other lenders	**4,185,066**	**6,076,348**

The outstanding amount at 31 December 2015 refers to a partial draw-down of the € 5 million uncommitted short term facility signed on 30th of July 2014 for general company purpose at the rate of 2%, and to a bank overdraft fully repaid in January 2016.

15. PAYABLES AND OTHER CURRENT LIABILITIES

US$	As at 31 December 2015	As at 31 December 2014
Other current liabilities	**122,046**	**283,446**

The amount of current liabilities in 2015 refers to the day-to-day administrative activity of the Company (2014: US$ 283,446, included administrative expenses/consultancy fees received in connection with the capital increase).

16. OTHER CURRENT FINANCIAL LIABILITIES

US$	As at 31 December 2015	As at 31 December 2014
Other financial current liabilities	-	1,507,397

The financing received by the subsidiary Glenda International Shipping was reimbursed in May (2014: US$ 1,507,397).

17. RISK MANAGEMENT

The Company is exposed to the following financial risks connected with its operation:

Currency risk

As long as the Company functional currency is US$ and is performing its holding activity in a Euro market, it receives services for a consideration, from its directors, managers and external consultants. The Company monitors its exposure to currency risk on a regular basis and mitigates it through the availability of credit lines denominated in Euro currency.

Interest rate risk

The Group is exposed to interest rate risk arising from the fact that its bank deposits and it is party to interest bearing financial agreements which earn or bear interest at variable rates. Management identifies and monitors these risks in order to detect in advance potential negative effects and take appropriate action for mitigation.

Liquidity risk

The Company is exposed to liquidity risk from the possible mismatch between cash requirements and cash-in-flows, principally for the payment of its General and Administrative costs inherent to the holding activity and its presence in the capital market. As part of its financial planning process DIS manages the liquidity risk by targeting its capital structure in a way to balance the funds currently available together with the cash to be generated by the subsidiaries operating activities and credit lines, to allow the Company to maintain a level of liquidity adequate to its needs. The Company capital structure is set within the limits established by the Company's Board of Directors.

Financial Instruments – Fair values and Risk Management

Fair value risk and valuation techniques

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash-flow analysis is performed. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts. Interest rates swaps are measured at the present value of the future cash-flow estimated and discounted based on the applicable yield curves derived from quoted interest rates.

- The fair value of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash-flow analysis. Loans in JPY are reflected at amortized cost, a fair value measurement would give rise to a different carrying value.

- The fair value of financial instruments is accounting for the risk of counterparty (financial assets) and the entity's own credit risk (liabilities).

Accounting classification and fair values

All the financial instruments fall within the category of loans and receivables; their fair value classification is not disclosed as their carrying amount is reasonably approximate to their fair value.

18. RELATED PARTIES TRANSACTIONS

During 2015, d'Amico International Shipping had transactions with related parties, including its ultimate Italian parent company, d'Amico Società di Navigazione S.p.A (DSN) and certain of DSN's subsidiaries (d'Amico Group). These transactions have been carried out on the basis of arrangements negotiated on commercial market terms and conditions. The immediate parent company of the group is d'Amico International S.A. a company incorporated in Luxembourg.

These transactions include the receipt of a dividend and an interest bearing financial agreement with the subsidiary d'Amico Tankers Limited, management services agreements (for human resources, legal, IT, Internal Audit and Investor Relation services) with d'Amico Group companies, for a total cost amounting to US$ 244.0 thousand.

The effects, by legal entity, of related party transactions on the Company's income statement for the 2015 are the following:

US$	d'Amico International Shipping SA	d'Amico Società di Nav. SpA	d'Amico Tankers Monaco	d'Amico Tankers Limited	Directors & key management
Revenue	**598,000**				
of which					
Dividend	598,000	-	-	598,000	-
General and administrative costs	**(2,032,938)**				
of which					
Personnel cost (directors)	(684,015)	-	-	-	684,015
Services agreement	(242,774)	(107,740)	(176,068)	-	-
Net financial income (charges)	**767,156**				
of which					
Financial interest	612,477			612,477	
Total		**(107,740)**	**(176,068)**	**1,210,477**	**684,015**

The table below shows the effects, by legal entity, of related party transactions on the Company's Income Statement for the year 2014:

US$	d'Amico International Shipping SA	d'Amico Società di Nav. SpA	d'Amico Tankers Monaco	d'Amico Tankers Limited	Directors & key management
Revenue	**850,000**				
of which					
Dividend	850,000	-	-	850,000	-
General and administrative costs	**(2,638,703)**				
of which					
Personnel cost	(1,175,782)	-		-	(1,175,782)
Services agreement	(292,239)	(107,120)	(134,627)	-	-
Net financial income (charges)	**422,496**				
of which					
Financial interest	368,957	-		368,957	-
Total		**(107,120)**	**(134,627)**	**1,218,957**	**(1,175,782)**

The effect, by legal entity, of related-party transactions on the Company's Statement of Financial Position as at 31 December 2015 are as follows:

US$	d'Amico International Shipping SA	d'Amico Tankers Limited
Current financial receivable	**68,825,906**	
of which related party	68,825,906	68,825,906
Total		**68,825,906**

The effect, by legal entity, of related party transactions on the Group's combined Statement of Financial Position as at 31 December 2014 were the following:

US$ thousand	d'Amico International Shipping SA	d'Amico Tankers Limited	Glenda International Shipping Ltd
Current financial receivable	**72,454,019**		
of which related party		72,454,019	-
Other current financial liabilities	**1,507,397**		
of which related party		-	1,507,397
Total		**72,454,019**	**(1,507,397)**

19. ULTIMATE HOLDING COMPANY

The immediate parent company of d'Amico International Shipping S.A. is d'Amico International S.A., a company incorporated in Luxembourg.

The ultimate holding company controlling party is d'Amico Società di Navigazione S.p.A., incorporated in Italy.

20. GUARANTEES AND COMMITMENTS

d'Amico International Shipping has provided guarantees to its subsidiary company, d'Amico Tankers Limited, in respect of the originally US$ 350.0 million revolving loan facility at Crédit Agricole Corporate & Investment Bank, the US$ 48.0 million Crédit Agricole Corporate & Investment Bank & DNB NOR Bank ASA facility, the US$ 40.0 million Crédit Agricole Corporate & Investment Bank & ABN AMRO BANK NV facility, the US$ 31.5 million Danish Ship Finance facility, the US$ 41.6 million Century Tokyo Leasing Corporation facility, the US$ 23.075 million Skandinaviska Enskilda Banken AB facility, the US$ 20 million ING Bank London Branch facility, the US$ 60.75 million DNB NOR Bank ASA facility, the US$ 39.0 million Danish Ship Finance facility, the US$ 45.08 million Banca IMI SpA, the US$ 21.78 million Century Tokyo Leasing Corporation facility, the US$ 9.5 million Crédit Agricole Corporate & Investment Bank facility, the US$ 58.0 million MPS Capital Services Banca per le Imprese SpA and to Eco Tankers Limited with respect to the 18.7 million facility at ABN Amro. The total amount outstanding in respect of these facilities at 31 December 2015 amounted to US$ 340.6 million.

In addition, DIS guaranteed for the repayment of the outstanding loan of US$ 20.6 granted to DM Shipping Ltd by d'Amico Tankers Ltd.

A US$ 150thousand guarantee is given at the Credit Suisse account in respect of credit cards held by the members of the Executive Committee.

The manager responsible for preparing the company's financial reports, Mr. Giovanni Barberis, 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.

March 3, 2016

Giovanni Barberis, Chief Financial Officer

AUDITORS' REPORT

Audit report

To the Shareholders
d'Amico International Shipping S.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of d'Amico International Shipping S.A. (the "Company"), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated income statement, the consolidated statement of other comprehensive income, consolidated statement of changes in Shareholders' equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of d'Amico International Shipping S.A. as of 31 December 2015 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements.

The Corporate Governance statement, as published on the Company's website www.damicointernationalshipping.com, as of the date of this report is the responsibility of the Board of Directors. This statement is consistent, at the date of this report, with the consolidated financial statements and includes the information required by the law with respect to the Corporate Governance Statement

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 3 March 2016

Véronique Lefebvre

pwc

Audit report

To the Shareholders
d'Amico International Shipping S.A.

Report on the financial statements

We have audited the accompanying financial statements of d'Amico International Shipping S.A., which comprise the statement of financial position as at 31 December 2015, and the statement of income and other comprehensive income, statement of changes in Shareholders' equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

pwc

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of d'Amico International Shipping S.A. as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the financial statements.

The Corporate Governance statement, as published on the Company's website www.damicointernationalshipping.com, as of the date of this report is the responsibility of the Board of Directors. This statement is consistent, at the date of this report, with the financial statements and includes the information required by the law with respect to the Corporate Governance Statement

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 3 March 2016

Véronique Lefebvre

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