d'Amico International Shipping S.A.
2013 ANNUAL REPORT

d'Amico

2013 Annual Report

Consolidated And Statutory Financial Statements
Year Ended 31 December 2013

d'Amico International Shipping S.A.

Registered office at 25C Boulevard Royal, Luxembourg
Share capital US$ 35,987,977.40 as at 31 December 2013

This document is available on
www.damicointernationalshipping.com

d'Amico
International Shipping S.A.


NO SMOKING
SAFETY FIRST
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Contents

Letter to Shareholders

Dear Shareholders,

Your Company enjoyed an extremely intense and productive year in 2013, during which important operating and financial transactions have been completed.

As we had planned and hoped, average spot rates increased by over USD 2,000 during the year, from USD 11,686 in 2012 to USD 13,746 in 2013, starting the beginning of a period of strong growth that should be the cause of future satisfaction for all of us.

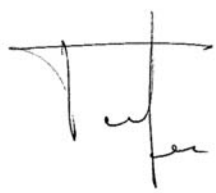
Following the eagerly awaited recovery of our segment of the market, as it has now been made clear for some time by both the increase in the above-mentioned rates and the considerable demand for our services from our top clients, such as the oil majors, an important investment project was launched as early as the end of 2012. This project, to which over USD 300 million had been committed at the end of 2013, involves orders for nine new ships, five 50,000-dwt MR vessels and four 39,000-dwt handy-size vessels. Moreover, at the date of publication of the financial statements, this project had been expanded to include three more units.

The first results have already been seen this year: the 2013 financial statements closed with a net profit of USD 18.9 million, on the basis of which we decided to distribute dividends of approximately USD 7 million gross.
All of the foremost international economic specialists have predicted an increase in charter-hires in the coming years, and the various equity brokers who specifically cover our Company are equally positive.

On the financial front, the Company, along with its majority shareholder d'Amico International SA, has completed its previously announced project to increase its free float, which is in excess of 40% at today's date, with a capitalization of approximately €300 million. This fact, along with an important communication project carried out during the year, allowed us to see a constant increase in both our share price and trading volumes, thus offering all shareholders the ability to invest and liquidate their investments with greater ease and simplicity.

During the year, we continued with the process of rejuvenating the fleet, disposing of three units from which we realized a gain of USD 13.9 million. This activity will continue over the coming years, so that we will be able to offer our clients a consistently young, efficient and technologically advanced fleet. All of the ships ordered – four of which have already been delivered in early 2014 – are "eco ships," permitting considerable financial savings and a reduction of harmful emissions.

It is thus with barely contained satisfaction that we extend our warmest greetings to all, as we invite you to follow our Company with the same attention and esteem that you have accorded us in the past.



Paolo d'Amico | Chairman of the Board of Directors

Board of Directors and Auditors

Board of Directors

Chairman
Paolo d'Amico [1]

Chief Executive Officer
Marco Fiori [1]

Directors
Cesare d'Amico [1]
Massimo Castrogiovanni [2]
Stas Andrzej Jozwiak [3]
Giovanni Battista Nunziante
Heinz Peter Barandun [2]
John Joseph Danilovich [2]
Giovanni Barberis [1]

Independent Auditors

Moore Stephens Audit S.A.R.L

[1] Member of the Executive Committee
[2] Independent Director
[3] Lead Independent Director

Key Figures

Financials

US$ Thousand	2013 (*)	2012(*)
Time charter equivalent (TCE) earnings	191,191	183,421
EBITDA	45,995	20,214
as % of margin on TCE	24.06%	11.02%
EBIT	13,721	(103,140)
as % of margin on TCE	7.18%	(56.23)%
Net profit / (loss)	18,853	(105,994)
as % of margin on TCE	9.86%	(57.79)%
Earnings / (loss) per share (US$)	0.052	(0.295)
Operating cash flow	39,104	2,372
Gross capital expenditure (CapEx)	83,826	85,066
Total assets	615,906	676,895
Net financial indebtedness (**)	224,632	220,706
Shareholders' equity	316,697	294,208

(*) Figures are shown gross of the result on disposal of vessels of US$ 13.9 million in 2013 and US$ 1.5 million in 2012 and of the fleet impairment of US$ 85.0 million in 2012

(**) Net indebtedness is defined on page 23

Other Operating Measures

	2013	2012
Daily operating measures - TCE earnings per employment day (US$) [1]	14,363	13,205
Fleet development - Total vessel equivalent	37.5	39.2
- Owned	18.7	21.0
- Chartered	18.7	18.2
Off-hire days / available vessel days [2] (%)	2.7%	3.0%
Fixed rate contract / available vessel days [3] (coverage %)	46.9%	36.3%

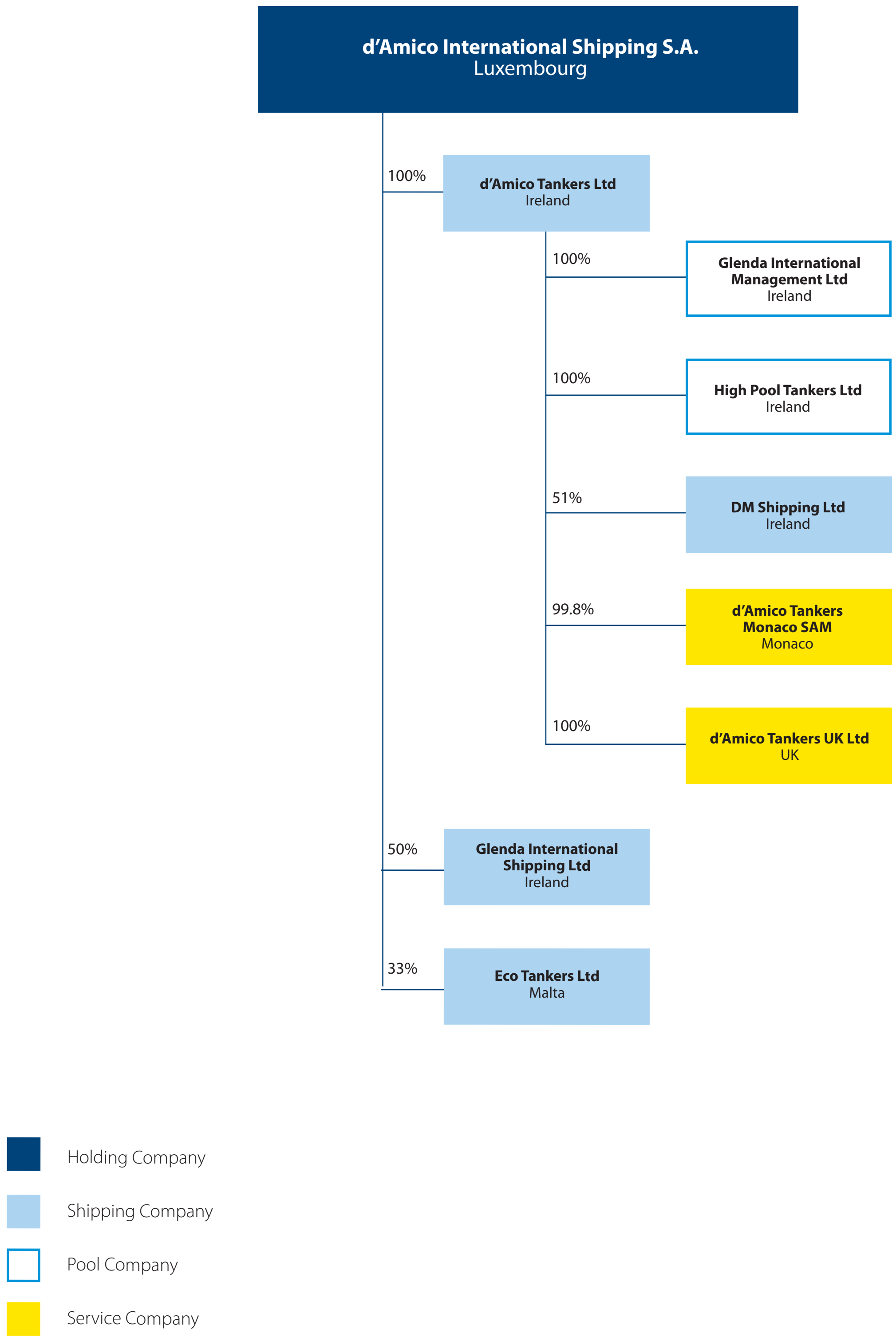
[1] This figure represents time charter ("TC") equivalent earnings for vessels employed on the spot market and time charter contracts net of commissions. Calculations exclude vessels chartered through the pools.

[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.

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 6.2 years, compared to an average in the product tankers industry of 9.7 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 2013, around 60% 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 2013, which consists of **37.5 vessels**.

MR fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
OWNED				
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 [1]	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meryl [2]	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melody [1]	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melanie [2]	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meredith [2]	46,147	2010	Hyundai Mipo, South Korea	IMO II/III
High Strength [3]	46,800	2009	Nakai Zosen, Japan	-
GLENDA Megan [1]	47,147	2009	Hyundai Mipo, South Korea	IMO II/III
High Efficiency [3]	46,547	2009	Nakai Zosen, Japan	-
High Venture	51,087	2006	STX, South Korea	IMO II/III
High Prosperity	48,711	2006	Imabari, Japan	-
High Presence	48,700	2005	Imabari, Japan	-
High Priority	46,847	2005	Nakai Zosen, Japan	-
High Progress	51,303	2005	STX, South Korea	IMO II/III
High Performance	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 Endurance	46,992	2004	STX, South Korea	IMO II/III
High Endeavour	46,992	2004	STX, South Korea	IMO II/III
TIME CHARTERED WITH PURCHASE OPTION				
High Enterprise	45,800	2009	Shin Kurushima, Japan	-
High Pearl	48,023	2009	Imabari, Japan	-
TIME CHARTERED WITHOUT PURCHASE OPTION				
Carina	47,962	2010	Iwagi Zosen, Japan	-
Orient Star	45,994	2010	Shin Kurushima, Japan	-
Ocean Leo	47,367	2010	Onimichi Dockyard, Japan	-
High Force	53,603	2009	Shin Kurushima, Japan	-
Eastern Force	48,056	2009	Imabari, Japan	-
High Saturn	51,149	2008	STX, South Korea	IMO II/III
High Mars	51,149	2008	STX, South Korea	IMO II/III
High Mercury	51,149	2008	STX, South Korea	IMO II/III
High Jupiter	51,149	2008	STX, South Korea	IMO II/III
Freja Hafnia	53,700	2006	Shin Kurushima, Japan	-
High Glow	46,846	2006	Nakai Zosen, Japan	-
Citrus Express	53,688	2006	Shin Kurushima, Japan	-
High Power	46,874	2004	Nakai Zosen, Japan	-

[1] Vessels owned by GLENDA International Shipping Limited (in which DIS has 50% interest) and time chartered to d'Amico Tankers Limited
[2] Vessels owned by GLENDA International Shipping Limited (in which DIS has 50% interest)
[3] Vessels owned by DM Shipping Limited (in which DIS has 51% interest) and time chartered to d'Amico Tankers Limited

Handysize fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
OWNED				
Cielo di Salerno	36,032	2002	STX, South Korea	IMO II/III
Cielo di Parigi	36,032	2001	STX, South Korea	IMO II/III
TIME CHARTERED WITH PURCHASE OPTION				
Marvel	38,435	2008	Guangzhou, China	IMO II/III
TIME CHARTERED WITHOUT PURCHASE OPTION				
Cielo di Guangzhou [1]	38,877	2006	Guangzhou, China	IMO II

Fleet Employment and Partnership

	DIS' No. of Vessels	Total Pool Vessels
Direct employment	27.5	-
High Pool (MR vessels)	10.0	13.0
TOTAL	**37.5**	**13.0**

As at December 31 2013, d'Amico International Shipping directly employed 27.5 Vessels: 16.5 MRs ('Medium Range') on fixed term contract, whilst 7 MRs and 4 Handy-size vessels are currently employed on the spot market. The Group employs a significant portion of its controlled vessels through partnership arrangements.

High Pool Tankers Limited – a Pool with JX Shipping Co. Limited, Japan (originated from the merger between Nissho Shipping Co. Limited and Yuyo Steamship Co. Limited) and Mitsubishi Corporation. It operated 13 MR product tankers as at December 31 2013. d'Amico International Shipping, through d'Amico Tankers Limited, is exclusively responsible for the Pool's commercial management, in particular chartering, vessel operations and administration.

GLENDA International Shipping Limited, a 50/50 joint venture with the Glencore Group. The Company owns 6 MR vessels built and delivered between August 2009 and February 2011. Following a reorganization process, the activity previously carried out by GLENDA International Management Limited (a Pool with the Glencore Group) has been concentrated on the aforesaid joint venture. In fact, 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 joint venture company with the Mitsubishi Group. The Company owns 2 MR vessels, built and delivered respectively in July and October 2009.

d'Amico International Shipping is part of the d'Amico Group, one of the world's leading privately-owned marine transportation companies with over 70 years of experience in the shipping business, whose ultimate parent company is d'Amico Società di Navigazione S.p.A. (Italy). Today, the entire d'Amico Group controls 76.5 owned and chartered-in vessels, of which 37.5 are part of the DIS fleet, operating in the product tanker market, while the remaining 39 vessels are mainly dry-bulk carriers controlled by d'Amico Dry Limited and d'Amico Shipping Italia S.p.A. d'Amico International Shipping benefits from a strong brand name and 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 2013, the Group employed 465 seagoing personnel and 32 onshore personnel.

[4] Bare-boat charter contract

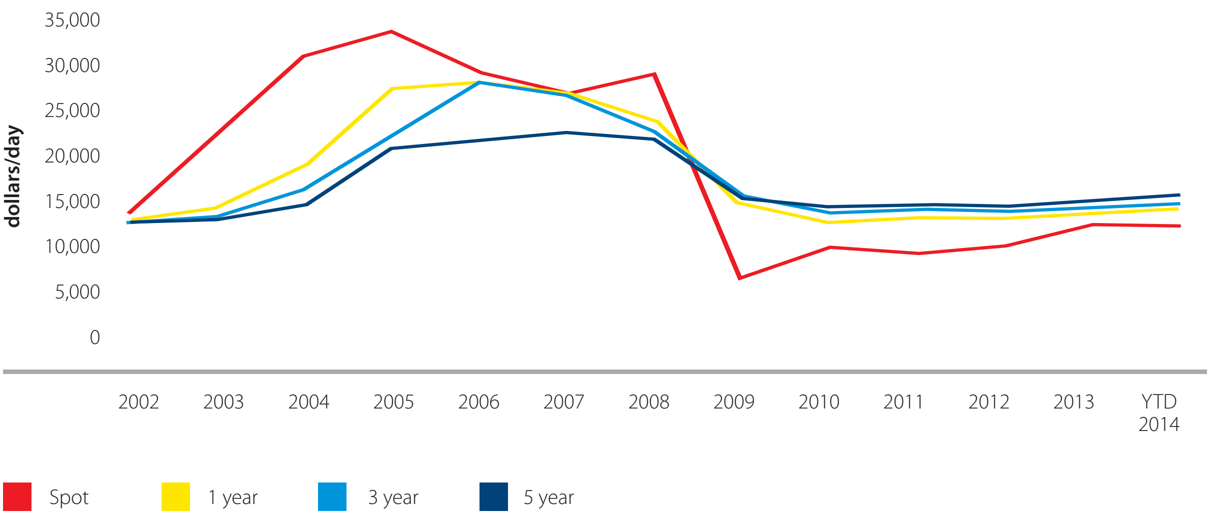
The Product Tankers Industry

Product tankers normally move refined petroleum products, typically gasoline, jet fuel, kerosene, fuel oil, naphtha and other soft chemicals and edible oils. The seaborne movement of refined oil products amongst 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 production amongst 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 Focused primarily on the distribution side	Access to more ports than larger vessels Better economies of scale over medium and longer distances versus small vessels	Better economies of scale over longer haul voyages
Voyages	Only short	Short and long	Only long
Flexibility	Low	High	Low
Arbitrage Voyages	No	Yes	No
% world fleet [1]	20%	41%	39%

Market Overview – Average Rates for MR[2] Product Tankers (US$)



[1] Source: Clarksons Research Services Limited, as of 1 January 2014. Percentage of total product tankers (4,626 vessels) excludes vessels with stainless steel tanks.
[2] Source: Clarkson as at Jan '14

Shareholders Information

Investor Relations

The year 2013 has been very important for our company: the long awaited growth in the product tanker market has finally occurred and the share capital increase resolved by the shareholders meeting at the end of 2012, aimed at financing part of the huge investment plan envisaged, has been fully and successfully completed.
During this year, d'Amico International Shipping IR Team, brought forward a wide communication plan that has resulted in major achievements for shareholders. DIS IR team ran a structured program aimed at promoting an on-going dialogue with institutional investors, shareholders and the markets to ensure systematic dissemination of exhaustive, complete, and timely information on its activities, 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 main results were the doubling of the share value and the ten-fold increase market-cap.

The financial results were presented on a quarterly basis through public conference calls which can be widely accessed, including through the Investor Relations website. 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.

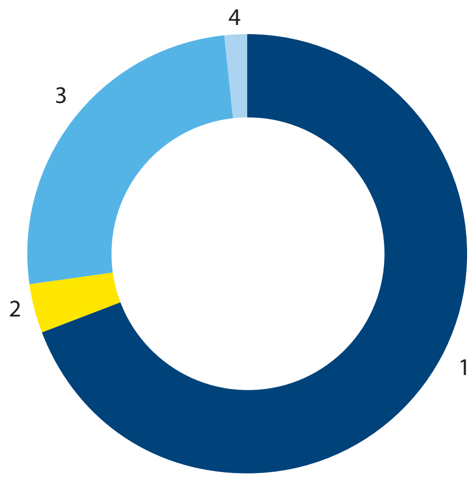
More information is available on the Group's institutional website www.damicointernationalshipping.com. The Investor Relations section provides share information, historical financial data, press releases, institutional presentations, periodic publications and analyst coverage.

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

Shareholders

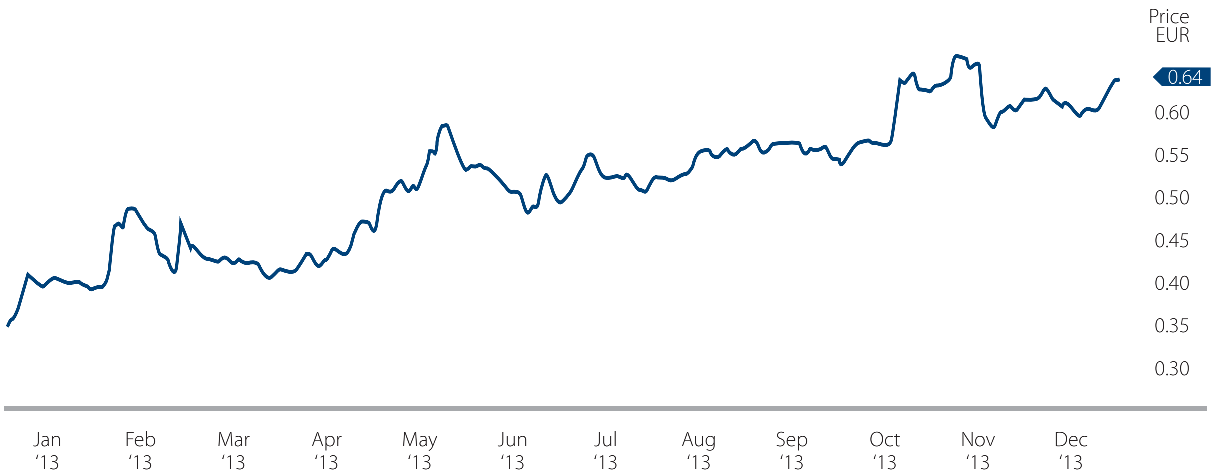
d'Amico International Shipping S.A. share capital consists of 359,879,774 ordinary shares. The shares are issued to bearer and listed on Borsa Italiana SpA in the STAR segment.

Based on the latest shareholdings communicated by investors and after the share capital increase occurred during Q4 2012, in accordance with applicable rules and Art.6 of our Articles of Association, the following individuals and institutions have holdings exceeding 2% of d'Amico International Shipping's total ordinary outstanding shares:



1	d'Amico International S.A.	**69.31%**
2	Oceanic Opportunities Master Fund L.P.	**3.59%**
3	Market	**25.69 %**
4	d'Amico International Shipping S.A.	**1.41 %**

Share Price Performance



2013 was an important year; daily average spot rates increased by about 20% compared to 2012. This growth, combined with the significant IR activity performed during the year, resulted in the doubling of the value of DIS and an increase of ten times in the market cap.

In 2013, DIS' share price increased by 97%, ending the year at Euro 0.6470, versus Euro 0.3286 at the end of 2012. The market capitalization of the Company's shares was about Euro 233 million at the end of 2013. The average daily volumes during the year were above 800 thousand shares versus 144.6 thousand shares of 2012.

Financial Calendar

The 2014 Company's Financial Calendar is the following:

2013 Annual Financial Statements
Thursday 27 February 2014

Annual General Meeting
Wednesday 02 April 2014

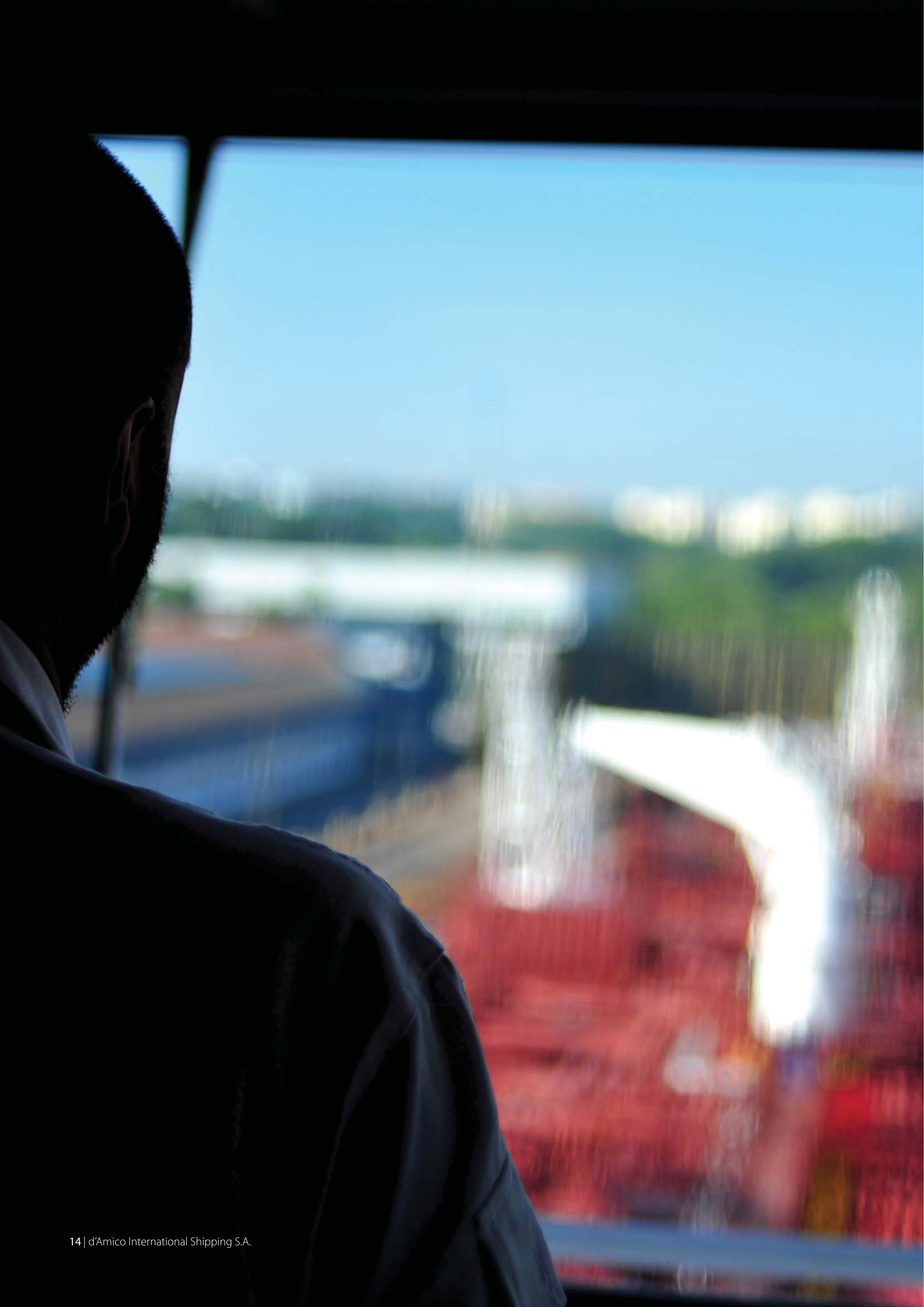
2014 First Interim Management Statements
Wednesday 07 May 2014

2014 Half Yearly Report
Wednesday 30 July 2014

2014 Third Interim Management Statements
Tuesday 11 November 2014

Dividend Policy

The dividend policy is based on the current results and estimated future liquidity requirements, taking into account the Group's development strategy, the expected future market developments and the maximization of the Shareholders' return.



Human Resources

As at 31 December 2013, the Group employed a workforce of 465 seagoing personnel and 32 onshore personnel.

The business environment creates opportunities, yet also entails significant challenges for d'Amico. Such circumstances require an active response involving constant updates to the human resource management plan.

The Group experiences a high level of personal and professional commitment, thanks to the considerable investment in human capital a key lever to pursue competitive advantage. The recently introduced HR policies focused on performance culture and individual development are being consolidated in order to develop an engaging workplace, factors affecting the organizational climate, and therefore the company's results.

Accordingly, the Group invests in people in order to create exclusive drivers of success and adopts people-management practices with a view towards honing professional skills, retaining employees and developing talent and key people with skills that have the greatest impact on core processes.

To this end, with specific regard to shore-based staff, a reward systems targeting individual performance was implemented together with compensation policies aimed at fostering an effective pay-for performance system.

Further improvement of work-life balance policies allows the Group to respond actively to employees' needs, even in areas that not directly related to, yet indirectly impact, their working lives.

The Group has been continuing its efforts in the area of learning and development, with a specific focus on high impact and initiatives aimed at reinforcing information and ensuring the entire population's involvement in company life.

With regard to the seagoing personnel, they represent 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 three main pillars: a meticulous selection process, 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 quality English-speaking crew. The Group also has 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.

Appropriate training programmes are delivered to ensure crews employed on its vessels meet the high standards of professionalism essential to their duties. In addition, the Group pursues a policy of collaboration with various naval education institutions with the aim of increasing awareness of safety and environmental issues, key priorities for d'Amico. 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 established an advanced technical education school - ITS Fondazione G. Caboto - for the training of specialized technical staff. The school offers a two-year post-secondary training, intended for persons interested in embarking upon an international career in the naval sector. The curriculum of studies, aimed at feeding a talent pool for seagoing and onshore positions, includes one year of theoretical study and one year of hands-on training, and aims to provide an excellent technical background, a thorough knowledge of d'Amico's organization, policies, expertise and vision.

Ship Management

d'Amico compliance with International Standards

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, MARPOL (the International Convention for the Prevention of Pollution from Ships) and other international standards. Indeed, every year DIS product tankers are required to pass the following external examinations:

- Inspection and monitoring of compliance with MARPOL's standards 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;
- Flag state controls in the country where a ship is registered;
- 'Vetting inspections' by major oil and energy-related companies.

IMO (International Maritime Organization) is a specialized agency of the United Nations founded in 1958 in the United Kingdom with a specific task: the development and updating of a comprehensive regulatory framework of international conventions and recommendations governing every facet of shipping, such as safety, environmental concerns, legal matters, technical co-operation, maritime security and the efficiency of shipping. Among them there are the MARPOL convention and the STCW convention on standards of training for seafarers. MARPOL 73/78 is an international frame convention for the prevention of pollution from ships ("Marpol" stands for marine pollution and 73/78 short for the years 1973 and 1978), aiming at preserving the marine ecosystem through the complete elimination of pollution by oil and other harmful substances (e.g. gasoline, jet fuel, kerosene, naphtha). It comprises 6 detailed annexes, each concerned with preventing a specific form of marine pollution from ships.

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.

In addition, 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. Safety on board and for the environment is an overarching priority of d'Amico International Shipping.

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 is committed to 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.

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:

- Reducing energy costs.
- Increasing energy efficiency.
- Reducing emissions of CO_2.
- 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.

Corporate Social Responsibility

d'Amico Group believes its social commitment is not only to closely respect the regulations and operational safety procedures but also to contribute to a sustainable development.

In the last years the d'Amico Group strategy has pursued the set-up and the continuous implementation of a Corporate Social Responsibility (CSR) strategy, which follows the Group full understanding of the importance of the environmental and social aspects. From an environmental point of view d'Amico Group has launched the newbuildings program with the objective of renewing the fleet with more efficient vessels aiming at a considerable lowering of fuel consumption and gas emissions. From a social perspective the Group continuously increases its commitment in improving the work life balance of its people. Moreover the involvement of d'Amico in social and cultural activities worldwide underlines its engagement in creating value.

The d'Amico Group CSR plans consist of principles and policies involving several functions of the company. Some of the milestones of the ship management approach are disclosed under the previous section, like the SQE / Security Quality and Environment management system. The SQE system has enabled d'Amico to set up a unified approach to the management system, yet at the same time has enabled to take into account the specific, individual needs of the various sectors and exploit the possible synergies to their best advantage. Continual monitoring, scrupulous internal inspections, a detailed analysis of the data collected and a rapid implementation of corrective actions of improvement have enabled the Group to continually enhance its corporate performance in terms of safety, customer satisfaction and environmental protection. With reference to the way the Group intends to approach the environmental principles, d'Amico is developing a 'Ship Energy Efficiency Management Plan' (energy saving programme) providing ship /company-specific measures for the management and improvement of the environmental performance of the fleet. This Management Plan includes a system of procedures and measures ashore-company level and at ship-specific level and includes the following primary aspects, having as one of the key target the reduction of CO_2 emissions:

1. Programme for Measuring and Monitoring Ship Efficiency;
2. Voyage Optimization Programme, involving speed selection optimisation, optimisation of route planning and trim;
3. Propulsion Resistance Management Programme with reference to hull and propeller resistance;
4. Machinery Optimisation Programme focusing on main Engine monitoring and optimisation, together with the optimisation of lubrication as well as other machinery and equipment;
5. Cargo Handling Optimization (cargo temperature control optimization);
6. Energy Conservation Awareness Plan, providing on board and on shore training and familiarisation of company's efficiency programme and an accommodation-specific energy conservation programme.

The energy saving programme is integrated in our Company general ship management operations to ensure all relevant information being gathered is being used and understood by the management team as a whole.

Financial Review of the Group

Global economic growth strengthened throughout the second half of 2013 mainly due to the recovery of advanced economies. For the first time since 2010, OECD demand appears to have swung back into growth in 2013. However downward revisions to growth forecasts in some economies highlight continued fragility and downside risks remain. The International Energy Agency (IEA) has stated that they forecast Global oil demand will grow by 1.3 million barrel per day in 2014, to 92.5 million barrels per day, from the 1.2 million barrel per day gain in 2013, to 91.2 million barrel per day, an acceleration supported by the likelihood of stronger macroeconomic momentum as the year progresses.

Overall, product tanker spot earnings remained flat with some improvement in the Atlantic basin supported by the American export market and lately with imports of gasoil into the US Atlantic on the back of severe weather disruptions. United States refining runs surged by 500,000 barrels per day in the second half 2013 year-on-year and recently hit eight-year highs. US product exports exceeded 4 million barrels per day in October.

East of Suez, product tanker markets generally firmed during December but then softened in early January 2014. North Asia has so far experienced a mild winter and thus demand for product imports has been limited, leaving a very ample supply of ships. Consequently, rates on the main Asian routes remain considerably below year-earlier levels.

General sentiment has shown a marked improvement in the third quarter almost entirely driven by the increase in Time Charter activity. It is believed that around 170 contracts of over one year were concluded in 2013, of which around 100 were executed in the second half of the year, which in turn had a positive effect on the one year charter rates, confirming the positive medium/long term view as we go into 2014.

DIS registered a Net Profit of US$ 18.9 million in 2013, marking its first profitable year since 2008. This compares with a Net Loss of US$ 106.0 million in 2012 (Loss of US$ 21.0 million excluding the fleet value write-down booked in 2012).

In 2013, DIS was able to achieve also its best full year performance on the spot market since 2008, with a Spot Daily TCE of US$ 13,746 and an 18% increase compared to the previous year.

The improved market scenario in 2013, combined with DIS constant focus on revenue maximization and cost control, led to a substantial increase in DIS operating profitability. In fact, 'EBITDA margin on TCE Earnings' was 24% in 2013 (17% excluding the 'Result on disposal of Vessels') compared to 11% margin achieved last year (10% excluding the 'Result on disposal of Vessel' posted in 2012). In absolute values, 2013 EBITDA rose by 128% compared to 2012 (US$ 46.0 million vs. US$ 20.2 million) and even excluding 'Profits on disposal', 2013 EBITDA grew by 71% compared to the prior year (US$ 32.0 million vs. US$ 18.7 million).

Such solid improvement in EBITDA performance together with a good working capital trend, led to positive operating cash flow of US$ 39.1 million in 2013, compared to US$ 2.4 million generated in 2012.

DIS Full Year Net Result benefited also from a good treasury performance and the gain arising from the US Dollar conversion of the Japanese Yen denominated debt.

DIS had 'capital expenditures' of US$ 83.8 million in 2013, mainly in relation to its newbuilding plan. In fact, during the year, DIS ordered 8 additional fuel efficient 'Eco' new-building product/chemical tankers (50,000 dwt Medium Range and 39,000 dwt Handysize vessels) at Hyundai Mipo Dockyard Co. Ltd. – South Korea, at attractive prices and expected to be delivered in 2014, 2015 and 2016. These last newbuilding agreements brought DIS total orderbook to 12 product tankers (6 MR and 6 Handysize vessels), of which 4 vessels were already delivered between January and February 2014. In addition to this, DIS has one further vessel on order at Hyundai Mipo Dockyard Co. Ltd, in JV with Venice Shipping and Logistics S.p.A.
This corresponds to an overall investment plan of approximately US$ 383.0 million and reaffirms the Company's strategy to modernize its fleet through newbuildings with eco-innovative design. Such strategy is in line with the clear objective of the 2012 share capital increase of maintaining DIS strong financial structure while implementing a significant investment and growth plan.

At the same time, DIS continued the fleet renewal program also through the sale of its oldest vessels. Three of these ships were sold in the course of the first half of the year, generating a net '*Result on disposal*' of US$ 13.9 million.

Operating Performance

US$ Thousand	2013	2012
Revenue	293,384	325,253
Voyage costs	(102,193)	(141,832)
TIME CHARTER EQUIVALENT EARNINGS	**191,191**	**183,421**
Time charter hire costs	(91,425)	(91,714)
Other direct operating costs	(54,219)	(57,541)
General and administrative costs	(15,442)	(17,478)
Other operating Income	1,943	2,053
Result from disposal of vessels	13,947	1,473
EBITDA	**45,995**	**20,214**
Depreciation and impairment	(32,274)	(123,354)
EBIT	**13,721**	**(103,140)**
Net financial income (charges)	7,052	(1,757)
PROFIT / (LOSS) BEFORE TAX	**20,773**	**(104,897)**
Taxes	(1, 920)	(1,097)
NET PROFIT / (LOSS)	**18,853**	**(105,994)**

Revenue was US$ 293.4 million in 2013 compared to US$ 325.3 million realized in the previous year. The decrease in gross revenues compared to 2012 was mainly due to the increase of the 'coverage' percentage (fixed contracts) in 2013, which is naturally compensated by a decrease in 'voyage costs' (see below). The off-hire days percentage in 2013 (2.7%) was in line with the previous year (3.0%).

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$ 102.2 million in 2013 vs. US$ 141.8 million in 2012. Such decrease is mainly in relation to the higher level of 'coverage' compared to last year and partially to a spike in bunker prices occurred in the early 2012.

Time charter equivalent earnings were US$ 191.2 million in 2013 vs. US$ 183.4 million in the previous year. As shown in the following table, the increase of TCE Earnings compared to the previous year was clearly driven by the surge in DIS Average Daily Spot Return, on the back of solid product tanker rates experienced for a good part of the year. In fact, the **Daily Average Spot Return** for DIS was **US$ 13,746** in 2013, which represents the best full year spot performance since 2008 and it is 18% higher compared to the previous year (US$ 11,686).

DIS TCE daily rates

(US dollars)	2013					2012				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Spot	14,272	13,929	13,678	12,842	13,746	12,623	10,872	11,226	12,113	11,686
Fixed	15,620	15,127	14,832	14,809	15,062	15,972	15,956	15,819	15,728	15,869
Average	14,808	14,427	14,277	13,924	14,363	13,904	12,753	12,887	13,344	13,205

The quarterly evolution of 2013 spot results compared to the previous year, clearly confirm that the product tanker market is gaining momentum and even the usual negative seasonality effects have less impact on product tanker rates compared to the previous years. After a strong first half of the year, returns slightly declined in the seasonally weak third quarter, while DIS Q4 spot performance was negatively impacted by some repositioning voyages from the 'Far East' to the stronger 'US Gulf' area. This repositioning strategy should benefit the first quarter of 2014.

At the same time and according to its strategy, DIS maintained a considerable level of 'coverage' (fixed contracts) throughout the year, securing an average of 46.9% of its revenue at an Average Daily Fixed Rate of US$ 15,062.

Other than securing revenue and supporting the operating cash flow generation, these contracts pursue the objective of strengthening DIS historical relationships with the key oil majors, which is one of the pillars of its commercial strategy.

Time charter hire costs relate to the chartered-in vessels and amounted to US$ 91.4 million in 2013 (US$ 91.7 million in 2012). The average number of chartered-in vessels in 2013 was substantially in line with the same period last year (2013: 18.7 vs. 2012: 18.2). However the daily cost for the chartered-in fleet decreased compared to last year, due to the expiration of certain contracts being replaced at lower rates.

Other direct operating costs mainly consist of crew, technical, luboil expenses relating to the operation of owned vessels and insurance costs on owned and chartered vessels. These costs were US$ 54.2 million in 2013 vs. US$ 57.5 million in the previous year. 2013 'daily operating costs' were substantially in line with 2012 and the decrease in absolute values occurred in the year was partially related to some timing effects and to the decrease in the owned fleet following the sale of some of the oldest vessels. 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$ 15.4 million in 2013 vs. US$ 17.5 million in the previous year. These costs mainly relate to on-shore personnel, together with premises costs, consultancies, travel and others. The positive trend in 2013 (12% reduction year on year) is mainly explained by the cost management activity implemented by DIS, focused 'inter alia' on the on-shore personnel cost saving targets.

Other operating income amounted to US$ 1.9 million in 2013 (US$ 2.1 million in 2012). The balance refers to chartering commissions from third parties vessels operated through pools, which has decreased in terms of number of ships. The total amount registered in 2013 includes also the 10% deposit (US$ 1.3 million) retained by DIS following the cancellation of the sale of an owned vessel.

Result on disposal of vessel. In the first half of 2013, DIS sold 2 MR product tanker vessels built in 1999 and 1 Handy vessel built in 2001, reducing the average age of the fleet and realizing a net gain on disposal of US$ 13.9 million.

EBITDA for 2013 amounted to US$ 46.0 million vs. US$ 20.2 million posted in 2012 (128% increase). Excluding the US$ 13.9 million 'Profits on disposal', 2013 EBITDA grew by 71% compared to the prior year (US$ 32.0 million vs. US$ 18.7 million). The 'EBITDA margin on TCE Earnings' was 24% in 2013 (17% excluding the Capital Gains) vs. 11% in 2012 (10% excluding the Capital Gains).

Depreciation amounted to US$ 32.3 million in 2013 vs. US$ 38.4 million 2012 (excluding US$ 85 million fleet value write-down booked in 2012). The depreciation charges decrease compared to last year was mainly due to the write-down of the fleet net book value performed in 2012 and partially to the sale of three owned vessels in the first half of the current year.

EBIT for the year was positive US$ 13.7 million, compared to the operating loss of US$ 18.1 million booked in the previous year (excluding US$ 85 million fleet value write-down booked in 2012).

Net financial charges were positive for US$ 7.1 million in 2013 (negative for US$ 1.8 million in 2012). DIS derived the aforesaid gain in 2013 mainly on the US Dollar conversion of the loans denominated in Japanese Yen (2013: US$ 7.2 million vs. 2012: US$ 5.3 million) and on the strong treasury performance realized in the year (2013: US$ 5.9 million vs. 2012: US$ 4.0 million). The Group exposure to the Yen is constantly monitored and actively managed.

The Company's ***Profit before tax*** for 2013 was US$ 20.8 million (loss of U$ 105.0 million in 2012).

Taxes were US$ 1.9 million in 2013, compared to US$ 1.1 million in 2012. The increase compared to 2012 is due to the taxation of financial income which is subject to the standard corporate tax rate of 12.5% and not included in the tonnage tax scheme.

The ***Net Profit*** for 2013 was **US$ 18.9 million** compared to a Net Loss of US$ 106.0 million registered in the previous year (Net Loss of US$ 21 million excluding US$ 85 million fleet value write-down booked in 2012).

Consolidated Statement of Financial Position

US$ Thousand	As at 31 December 2013	As at 31 December 2012
ASSETS		
Non-current assets	530,048	498,922
Current assets	85,858	177,973
TOTAL ASSETS	**615,906**	**676,895**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	316,697	294,208
Non-current liabilities	236,842	288,787
Current liabilities	62,367	93,900
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**615,906**	**676,895**

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. According to the valuation report provided by a primary broker, the estimated market value of the DIS owned fleet at the end of the year was of US$ 555.4 million compared to a net book value of US$ 528.7 million as at December 31 2013.

Gross Capital expenditures were US$ 83.8 million in 2013. This amount mainly comprises the installments paid on the newbuiding vessels recently ordered and under construction at Hyundai-Mipo. Dry-dock costs pertaining to owned vessels are also included in capitalized costs.

Current assets as at December 31 2013 were US$ 85.9 million. Other than the working capital items, inventories and trade receivables amounting to US$ 15.0 million and US$ 34.8 million respectively, current assets include cash on hand of US$ 34.7 million and current financial assets of US$ 1.3 million.

Non-current liabilities were US$ 236.8 million at the end of 2013 and 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$ 36.9 million, essentially relating to trade and other payables.

The **Shareholders' equity** balance as at December 31 2013 was of US$ 316.7 million (US$ 294.2 million as at December 31 2012). The variance with the previous year was primarily due to the comprehensive income in 2013.

Net Indebtedness

Net debt as at December 31, 2013 amounted to US$ 224.6 million vs. US$ 220.7 million at the end of 2012. The ratio of net debt to shareholders equity was of 0.71 at the end of December 2013 compared to 0.75 at the end of 2012.

US$ Thousand	As at 31 December 2013	As at 31 December 2012
Liquidity		
Cash and cash equivalents	34,684	117,617
Current financial assets	1,333	757
TOTAL CURRENT FINANCIAL ASSETS	**36,017**	**118,374**
Bank loans – current	15,881	28,160
Other current financial liabilities		
Due to third parties	8,612	22,133
TOTAL CURRENT FINANCIAL DEBT	**24,493**	**50,293**
NET CURRENT FINANCIAL DEBT	**(11,524)**	**(68,081)**
Non-current financial assets		
Due to third parties	686	-
TOTAL NON-CURRENT FINANCIAL ASSETS	**686**	**-**
Bank loans non-current	236,842	284,264
Other non-current financial liabilities		
Due to third parties	-	4,523
TOTAL NON-CURRENT FINANCIAL DEBT	**236,842**	**288,787**
NET NON-CURRENT FINANCIAL DEBT	**236,156**	**288,787**
NET FINANCIAL INDEBTEDNESS	**224,632**	**220,706**

The balance of *Total Current Financial Assets* (*Cash and cash equivalents* together with some short-term hedging instruments shown under *Current financial assets*) was of US$ 36.0 million at the end of 2013. The proceeds raised through the Share Capital increase, allowed to DIS to maintain a strong financial structure throughout its significant investment plan.

The total outstanding bank debt (*Bank loans*) as at December 31 2013 amounted to US$ 252.7 million, of which US$ 15.9 million is due within one year. DIS debt structure is based on the following facilities granted to d'Amico Tankers Limited (Ireland), the key operating company of the Group: (i) Crédit Agricole 10 years revolving facility (syndicated by other banking institutions) of US$ 105.5 million; (ii) Mizuho syndicated loan facility of US$ 13.6 million; (iii) Crédit Agricole and DnB NOR Bank seven years term loan facility to finance two MR vessels built and delivered in H1 2012 for total US$ 40.9 million; (iv) Danish Ship Finance 18 months term loan facility to finance the purchase of the second-hand vessel M/T High Prosperity in H1 2012, for US$ 11.2 million. DIS debt comprises also bank fees due on some financed newbuilding vessels, together with the portion of the bank loans of its two joint ventures (GLENDA International Shipping Ltd and DM Shipping Ltd): (i) Commerzbank AG Global Shipping and Credit Suisse loans of US$ 66.9 million for the six Glenda International Shipping Ltd vessels, delivered between 2009 and 2011; (ii) Mitsubishi UFJ Lease loan of US$ 16.7 million for the financing of the two DM Shipping Ltd vessels delivered in 2009.

In the first quarter of 2013, DIS fully reimbursed the US$ 20 million subordinated loan granted by its parent company d'Amico International S.A. in September 2012 and previously shown under *Other current financial liabilities*. Further, a negative valuation of derivatives hedging instruments (essentially interest rate swap agreements – IRS) and some deferred incomes on option premiums are all shown under *Other Financial Liabilities*, for total US$ 8.6 million.

Cash Flow

DIS net cash flow for 2013 was negative for US$ 82.7 million principally due to US$ 83.8 million gross capital expenditures, partially compensated by the proceeds from the disposal of 3 vessels of US$ 35.2 million and bank and parent company loan repayments totalling US$ 72.9 million.

US$ Thousand	2013	2012
Cash flow from operating activities	39,104	2,372
Cash flow from investing activities	(48,859)	(73,180)
Cash flow from financing activities	(72,896)	138,141
CHANGE IN CASH BALANCE	**(82,651)**	**67,333**
NET INCREASE (DECREASE) IN CASH AND CASH-EQUIVALENTS	**(82,651)**	**67,333**
Cash and cash equivalents at the beginning of the period	117,617	51,068
Exchange gain/(loss) on cash and cash equivalents	(282)	(784)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**34,684**	**117,617**

DIS generated strong ***Cash flow from operating activities*** of US$ 39.1 million in 2013, compared to US$ 2.4 million realized in 2012. Such significant cash flow generation was a consequence of the solid improvement in EBITDA performance achieved in the period, together with a positive working capital trends and favourable employment mix, in the form of spot and time charter contracts.

The net ***Cash flow from investing activities*** was US$ 48.9 million (outflow) in 2013. Total capital expenditures amounted to US$ 83.8 million in the year (due to the installments paid on the newbuiding vessels under construction at Hyundai-Mipo and to dry-dock expenses) and were partially offset by US$ 35.2 million net proceeds from the disposal of 3 vessels.

Cash flow from financing activities was negative for US$ 72.9 million in 2013 and, other than the scheduled bank debt repayments, it mainly includes: US$ 25.6 million bank loan repayment on the 3 vessels sold in the year and further US$ 6.6 million on an additional vessel, whose sale was subsequently cancelled and is now expected to occur in the first part of 2014. In addition to this, US$ 20 million subordinated loan granted in Q3 2012 by DIS' parent company d'Amico International S.A., was fully repaid in Q1 2013.

Quarterly Results

Fourth Quarter results

The fourth quarter 2013 and 2012 full income statements are shown below:

US$ Thousand	Q4 2013	Q4 2012
Revenue	69,448	84,127
Voyage costs	(23,797)	(36,434)
TIME CHARTER EQUIVALENT EARNINGS	**45,651**	**47,693**
Time charter hire costs	(23,624)	(22,612)
Other direct operating costs	(13,034)	(15,233)
General and administrative costs	(4,295)	(5,447)
Other operating income	1,400	562
Result from disposal of vessels	-	1,473
EBITDA	**6,098**	**6,436**
Depreciation	(8,412)	(9,036)
EBIT	**(2,314)**	**(2,600)**
Net financial income (charges)	3,550	4,281
PROFIT / (LOSS) BEFORE TAX	**1,236**	**1,681**
Income taxes	(830)	(693)
NET PROFIT / (LOSS)	**406**	**988**

Market and Key Operating Measures Review by Quarter

	Q1	Q2	Q3	Q4	FY
TOTAL VESSEL EQUIVALENT					
2013	**38.5**	**38.6**	**36.7**	**36.2**	**37.5**
2012	36.7	40.1	40.3	39.5	39.2
OFF-HIRE DAYS/AVAILABLE VESSEL DAYS (%)					
2013	**2.3%**	**2.9%**	**4.2%**	**1.5%**	**2.7%**
2012	4.1%	4.3%	1.9%	1.9%	3.0%
TCE EARNINGS PER EMPLOYMENT DAY (US$)					
2013	**14,808**	**14,427**	**14,277**	**13,924**	**14,363**
2012	13,904	12,753	12,887	13,344	13,205

Financials by Quarter

The 2013 quarterly financials substantially reflect the trend in freight markets.

US$ Thousand	Q1	Q2	Q3	Q4	FY
Revenue	79,475	76,297	68,164	69,448	293,384
Voyage costs	(29,358)	(27,085)	(21,953)	(23,797)	(102,193)
TIME CHARTER EQUIVALENT EARNINGS	**50,117**	**49,212**	**46,211**	**45,651**	**191,191**
Time charter hire costs	(21,282)	(22,114)	(24,405)	(23,624)	(91,425)
Other direct operating costs	(14,504)	(14,087)	(12,594)	(13,034)	(54,219)
General and administrative costs	(2,923)	(4,518)	(3,706)	(4,295)	(15,442)
Other operating Income	123	170	250	1,400	1,943
Result from disposal of vessels	-	13,947	-	-	13,947
EBITDA	**11,531**	**22,610**	**5,756**	**6,098**	**45,995**
Depreciation and impairment	(8,128)	(7,925)	(7,809)	(8,412)	(32,274)
EBIT	**3,403**	**14,685**	**(2,053)**	**(2,314)**	**13,721**
Net financial income (charges)	4,848	1,269	(2,615)	3,550	7,052
PROFIT / (LOSS) BEFORE TAX	**8,251**	**15,954**	**(4,668)**	**1,236**	**20,773**
Income taxes	(661)	(443)	14	(830)	(1,920)
NET PROFIT / (LOSS)	**7,590**	**15,511**	**(4,654)**	**406**	**18,853**

The following table shows the Net Debt at the end of the fourth quarter 2013 compared with the figures at end of the third quarter of the same year:

US$ Thousand	As at 31 December 2013	As at 30 September 2013
Cash and cash equivalents	34,684	65,931
Current financial assets	1,333	2,748
Current financial debt	15,881	25,776
Other current financial liabilities	8,612	6,137
Non-current financial assets	686	-
Non-current financial debt	236,842	234,668
Other non-current financial liabilities	-	1,357
NET FINANCIAL INDEBTEDNESS	**224,632**	**199,259**

Significant Events of the Year

During 2013 the following main events occurred in the activity of d'Amico International Shipping Group:

d'Amico Tankers Limited:

- **Newbuilding Plan:** During 2013, d'Amico International Shipping increased its orderbook to 12.3 'Eco' design newbuilding product tankers, which corresponds to an overall investment plan of approximately US$ 384 million. All these newbuilding vessels are the latest IMO II MR design with the highest fuel efficiency, leading to a fuel saving of 6 -7 T /day compare to the average consumption of world existing MR fleet. In particular:

  In March 2013, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland), entered into contracts for the construction of two additional new product/chemical tanker vessels (Hull n. S408 and S409 - 50,000 dwt Medium Range) with Hyundai Mipo Dockyard Co. Ltd. - Korea, expected to be delivered at the end of H1 2014, for a consideration of less than US$ 29.0 million each.

  In May 2013, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland), exercised its purchase options, as disclosed in March, and entered into contracts for the construction of two additional new product/chemical tanker vessels (Hull n. S410 and S411 - 50,000 dwt Medium Range, the 'Vessels') with Hyundai Mipo Dockyard Co. Ltd. - Korea, expected to be delivered in H2 2015, for a consideration of less than US$ 30.0 million each.

  d'Amico Tankers Limited signed also a Letter of Intent agreeing with Hudson Partners LLC, a main financial institution based in Connecticut, United States the novation of one of these newbuilding contracts (Hull n. S410) to a special purpose vehicle guaranteed by Hudson Partners LLC for a consideration of US$ 150,000 in addition to the purchase price. The vessel will be commercially managed by DIS and will be employed either through time-charter, voyage charter contracts or through a pool managed by DIS or one of its affiliates. The Hull n. S410 construction supervision will be made by a company of the d'Amico Società di Navigazione S.p.A. Group.

  In October 2013, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland) has entered in a shipbuilding contract for the purchase of four additional product chemical tanker vessels (39,000 dwt Handysize) at the price of US$ 31.2 million/each, with Hyundai Mipo Dockyard Co. Ltd. - Korea - at their HVS facility in Vietnam. The new vessels are expected to be delivered in November, 2015 - April, July, and October, 2016. This contract includes an option to upgrade the vessels to ice class IB at an extra cost of US$ 963,000 per vessel. In November 2013, d'Amico Tankers decided to upgrade the technical specifications to Ice 1B of the first two vessels bearing Hull n. S420 and S421.

- **Vessel Sale:** In May 2013, d'Amico Tankers Limited agreed the sale of: (i) The Handysize product tanker vessel *M/T Cielo di Londra*, built in 2001 by STX, South Korea at the price of US$ 12.3 million; (ii) The sale of the MR product tanker vessels *M/T High Spirit* and *M/T High Challenge*, built in 1999 by STX, South Korea at the price of US$ 12.2 million each. These sales reduced DIS fleet average age and generated a net 'Profit on disposal' of US$ 13.9 million in Q2 2013.

  In July 2013, d'Amico Tankers Limited agreed the sale of the Handysize product tanker vessel *M/T Cielo di Parigi*, built in 2001 by Daedong Shipbuilding South Korea at the price of US$ 12.65 million. However in November 2013, d'Amico Tankers Limited cancelled its contract, following the Buyer's failure to take delivery of the Vessel within the agreed deadline. In accordance with the terms of the MOA, as amended, d'Amico Tankers Limited retained the 10% deposit (US$1.265 million) paid by the Buyer, and is also entitled to be paid a further sum of US$ 286,000 by way of liquidated damages. The Vessel *M/T Cielo di Parigi* is in possession of d'Amico Tankers - who remain the rightful owner - and such sale will be most likely concluded within a different buyer in the first quarter 2014.

- **'Time Charter-Out' Fleet:** In March 2013 d'Amico Tankers Limited renewed for two more years three Time Charter-Out contracts with a main oil-major, which were due to expire in the course of 2013. These contracts further consolidate DIS historical relationships with the oil-majors and were renewed at levels which will generate a positive operating cash flow.

  In May 2013, one vessel owned by GLENDA International Shipping Limited and chartered-in by d'Amico Tankers Limited, was Time Chartered for 1 year period with an option for a further 1 year, to an important commodity trader.

In June 2013, two vessels owned by d'Amico Tankers Limited were Time Chartered at rewarding levels and for 1 year period to respectively an important commodity trader and an Oil Major.

In July 2013 one vessel owned by GLENDA International Shipping Limited and chartered-in by d'Amico Tankers Limited, was Time Chartered for 1 year period with an option for further 6 months, to an Oil Major.
In July 2013, d'Amico Tankers Limited (Ireland), signed a new Time Charter agreement on one of its new vessels (Hull n. 2407) under construction at Hyundai Mipo Dockyard Co. Ltd. (South Korea) and delivered January 2014. This contract was signed with one of the main Oil Major, for a period of 5 years at an average daily rate of US$ 16,485.

In July 2013, d'Amico Tankers Limited (Ireland), signed a new Time Charter agreement on one of its new vessels (Hull n. 2388) under construction at Hyundai Mipo Dockyard Co. Ltd. (South Korea) and expected to be delivered in Q4 2014/Early 2015. This contract was signed with an Oil Majors, for a period of 5 years at an average daily rate of US$ 16,327.

In September 2013, two vessels chartered-in by d'Amico Tankers Limited, were Time Chartered at rewarding levels for 1 year period to two important commodity traders.

In November 2013, d'Amico Tankers Limited (Ireland), signed a new Time Charter agreement on one of its new vessels (Hull n. 2408) under construction at Hyundai Mipo Dockyard Co. Ltd. (South Korea) and expected to be delivered at the end of February 2014. This contract was signed with an Oil Major, for a period of 3 years at a daily rate of approximately US$ 17,000, for an equivalent total value of over US$ 18 million. The conclusion of this deal is a clear sign of the improvement of the pure product tanker market, with rates and asset values increasing.

In December 2013, d'Amico Tankers Limited (Ireland), signed a new time charter agreement (the 'Contract") on one of its new vessels (Hull n. 2387) under construction at Hyundai Mipo Dockyard Co. Ltd. (South Korea), expected to be delivered in October 2014. Also this Contract - as the one announced by means of press release of November 25 - was signed with an Oil Major, for a period of 3 years at a daily hire close to US$ 17,000, for an equivalent total value of over US$ 18 million. As result of this new time charter almost 50% of DIS 12.3 ECO newbuilding program has been fixed with leading oil majors for a period of more than 3 years.

In December 2013, one vessel owned by GLENDA International Shipping Limited and chartered-in by d'Amico Tankers Limited, was Time Chartered for 1 year period with an option for a further 1 year, to an important commodity trader.

In December 2013, the contract on one vessel owned by d'Amico Tankers Limited and Time Chartered since May 2012 to an important oil company was extended with the same company for a further 1 year period.

- **'Time Charter-In' Fleet:** In January 2013, *M/T High Nefeli*, a Medium Range (MR) vessel built in 2003 and Time Chartered-In by d'Amico Tankers Limited since 2003 was redelivered back to her Owners.

  In January 2013, the contract on *M/T Freja Hafnia*, a Medium Range (MR) vessel built in 2006 and delivered to d'Amico Tankers Limited in January 2012 for a 1 year time charter period, was extended until January 2015.

  In February 2013, *M/T Torm Hellerup*, a Medium Range (MR) vessel built in 2008 and delivered to d'Amico Tankers Limited in May 2012 for a 1 year time charter period, with an option for a further 1 year, changed name into *M/T Hallinden*, upon change in her ownership. In June 2013, d'Amico Tankers Limited redelivered *M/T Hallinden* back to her Owners.

  In February 2013, the contract on *M/T Eastern Force*, a Medium Range (MR) vessel built in 2009 and delivered to d'Amico Tankers Limited in April 2012 for a 1 year time charter period, was extended until April 2014, with an option for a further 1 year time charter period.

  In April 2013, *M/T Citrus Express*, a Medium Range (MR) vessel built in 2006, was delivered to d'Amico Tankers Limited for a 1 year time charter period.

In April 2013, *M/T Carina*, a Medium Range (MR) vessel built in 2010, was delivered to d'Amico Tankers Limited for 3 years' time charter period.

In June 2013, *M/T High Energy*, a Medium Range (MR) vessel built in 2004 and Time Chartered-In by d'Amico Tankers Limited since then was redelivered back to her Owners.

In August 2013, *M/T Orient Star*, a Medium Range (MR) vessel built in 2010, was delivered to d'Amico Tankers Limited for a 1 year time charter period.

In November 2013, *M/T Malbec*, a Handysize vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since 2010 was redelivered back to her Owners.

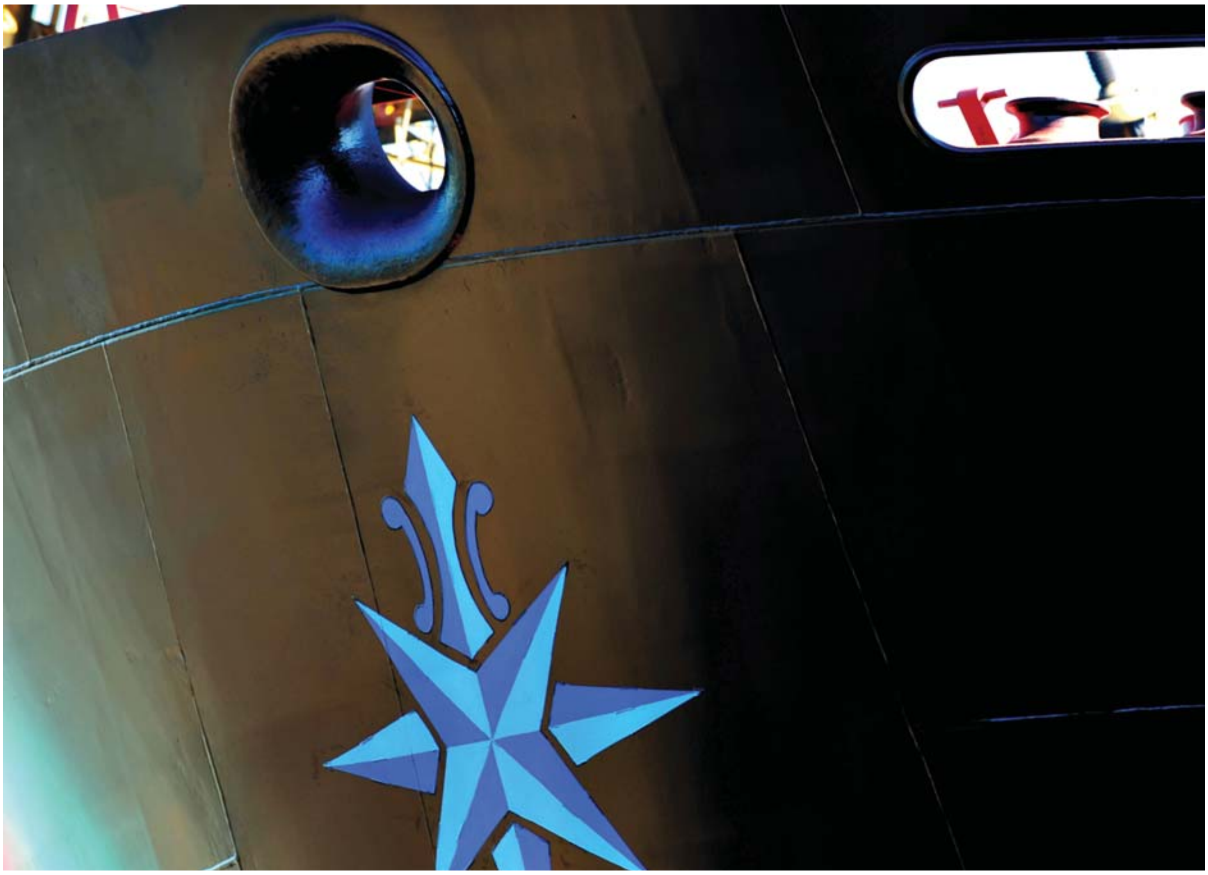
In December 2013, *M/T Ocean Leo*, a Medium Range (MR) vessel built in 2010, was delivered to d'Amico Tankers Limited for 3 to 9 month time charter period.

GLENDA International Shipping Limited:

- **'Time Charter-Out' Fleet:** During the first half of 2013, GLENDA International Shipping Limited, a 50/50 joint venture company between DIS and the Glencore Group, withdrew all its owned vessels from the Pool managed by GLENDA International Management Limited and Time Charter-out 3 vessels to d'Amico Tankers Limited and 3 vessels to ST Shipping (Glencore Group).

d'Amico Tankers Singapore Pte Ltd:

- d'Amico Tankers Singapore completed its liquidation process and was struck-off the Singapore Companies' Register in December.



Significant Events Since the End of the Year and Business Outlook

d'Amico International Shipping:

- **Results of d'Amico International Shipping Warrants 2012-2016 – First Exercise Period ended in January 2014: In February 2014**, d'Amico International Shipping S.A. ("DIS") announced that the First Exercise Period of the "d'Amico International Shipping Warrants 2012 – 2016" (ISIN code LU0849020044) ended on January 31st 2014. 186,226,599 Warrants were exercised at a price of Euro 0.36 per ordinary share newly issued by DIS and admitted to trading on the MTA market of Borsa Italiana SpA each as a "Warrant Share" for a total counter-value of Euro 22.347.191,88 (equal to US$ 30,477,100). In accordance with the terms and conditions of the Warrant Regulations and based on the Warrants Ratio of one (1) Warrant Share for every three (3) Warrants exercised, today DIS has issued and allotted 62,075,533 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 First Exercise Period. The ISIN code of the Warrant Shares will coincide with the ISIN Code of DIS's outstanding shares being LU0290697514. After the current capital increase DIS' share capital amounts to USD 42,195,530.70 divided into 421,955,307 ordinary shares with no nominal value. The bylaws as amended and all the set of documentation pertaining to the current capital increase occurred on this day will be deposited and available within the terms prescribed by the applicable laws and regulations at the Company's registered office and on its website (www.damicointernationalshipping.com), at Borsa Italiana S.p.A., at Commissione Nazionale per le Società e la Borsa (CONSOB) and filed with the Commission de Surveillance du Secteur Financier (CSSF) being Bourse de Luxembourg its OAM. In accordance with the Warrant Regulations, the holders of the Warrants which were not exercised during the First Exercise Period will have the right to exercise their Warrants and subscribe to Warrant Shares based on the same Warrants Ratio, at the following exercise prices and in the following exercise periods:
  - EUR 0.40, for the Warrants exercised on all the trading days in January 2015;
  - EUR 0.46, for the Warrants exercised on all the trading days in January 2016.

  DIS recalls that from December 1st 2013 to December 31st 2015, the Board of Directors – under the conditions set by the article 3 of the Warrant Regulations – may set additional exercise periods that in any case shall be timely disclosed to the public. It should be noted that the Warrant Regulations are available on DIS' website www.damicointernationalshipping.com, in the section dedicated to capital increase as an attachment to the prospectus dated November 6th 2012.

d'Amico Tankers Limited:

- **'Time Charter-In' Fleet:** In January 2014, *M/T High Power*, a Medium Range (MR) vessel built in 2004 and Time Chartered-In by d'Amico Tankers Limited since then was redelivered back to her Owners. The Owners are currently employing such vessel in the Pool managed by High Pool Tankers Limited.

  In January 2014, *M/T Baizo*, a Medium Range (MR) vessel built in 2004, was delivered to d'Amico Tankers Limited for 3 years' time charter period, with an option for further 2 years.

  In February 2014, d'Amico Tankers Limited exercised the option to extend until July 2015 its contract on *M/T High Glow*, a Medium Range (MR) vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since then.

  In February 2014, d'Amico Tankers Limited exercised the option to extend until April 2015 the contract on *M/T Eastern Force*, a Medium Range (MR) vessel built in 2009 and Time Chartered-In by d'Amico Tankers Limited since April 2012.

- **Newbuilding Vessels:** In January 2014, two 'Eco' newbuilding product tankers under construction at Hyundai Mipo Dockyard Co. Ltd. – South Korea, *M/T Cielo di Gaeta* (Handysize - 40,000 dwt) and *M/T High Freedom* (Medium Range - 50,000 dwt), were delivered to d'Amico Tankers Limited. Both vessels were Time chartered for 5 years to a main Oil-Major.

  In February 2014, two additional 'Eco' newbuilding product tankers under construction at Hyundai Mipo Dockyard Co. Ltd. – South Korea, *M/T Cielo di New York* (Handysize - 40,000 dwt) and *M/T High Discovery* (Medium Range - 50,000 dwt), were delivered to d'Amico Tankers Limited. Both vessels were Time chartered for respectively 5 and 3 years to two different Oil-majors.

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

	As at 31 December 2013			As at 28 February 2014		
	MR	Handysize	Total	MR	Handysize	Total
Owned	16.0	2.0	18.0	18.0	4.0	22.0
Time chartered	17.5	2.0	19.5	17.5	2.0	19.5
TOTAL	**33.5**	**4.0**	**37.5**	**35.5**	**6.0**	**41.5**

Business Outlook

Global oil demand growth appears to have gradually gained momentum in the last 18 months, driven by economic recovery in the developed world. Oil demand growth has been ramping up from a low point in 3Q12 to a recent high of 1.5 million barrels per day in 3Q13. Key to this change has been a trend reversal in OECD demand. This reversal in demand has been led by the Americas and Europe. Most OECD economies have by now largely exited the restraints of recession, with strong gains in some countries in the energy-intensive manufacturing and petrochemical sectors.

Indian oil demand growth is forecast to accelerate to 2.4% in 2014 as the underlying macroeconomic picture recovers, with GDP growth of above 5% forecast by the International Monetary Fund (IMF) in 2014.

Refinery maintenance has already started in the Middle East with Saudi Arabia featuring as an active buyer of distillate cargoes from the East. Available capacity in the Middle East will increase sharply in mid-March as refinery maintenance comes to an end and the second phase of the 400,000 barrels per day Jubail refinery comes on-line (+ 200,000 barrels per day).

China's top refiners, Sinopec Corp and Petro China were granted export permits for the fourth quarter. It is expected with slowdown in domestic demand that there will be more licenses to export granted.

The U.S. West Coast market is seen engaging in strong gasoline and diesel exports in the first month of 2014, and the heavy push is extended into early February. In January, at least five cargos of gasoline and naphtha were booked for export to Asia, and another 2-3 cargos were fixed for the trans-pacific voyage in February. Most of these cargos of conventional gasoline, aromatics and naphtha, are headed to Singapore, China and Japan.
Total OECD commercial oil inventories plummeted by 53.6 million barrels in November, their steepest monthly decline since December 2011. Crude oil and petroleum products such as Gasoil and Distillates led the plunge. At end on January, inventories lagged year-ago levels by 85.8 million barrels and five-year average levels by as much as 99.5 million barrels. With the looming spring refinery maintenance season we should see an improvement in product tanker demand to restock the low inventories.

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:

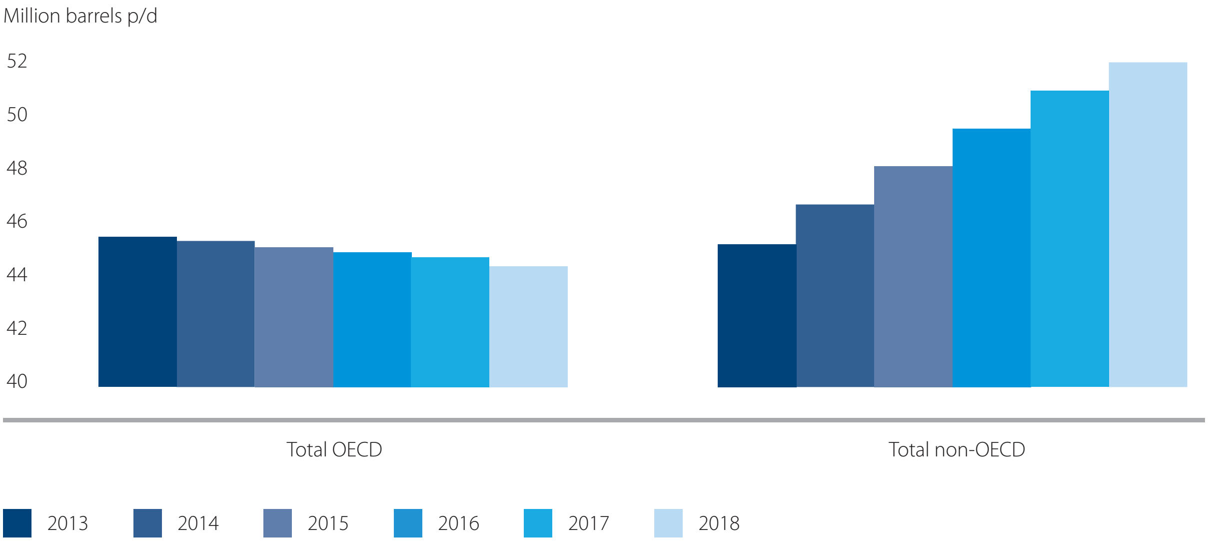
Product Tanker Demand

- In 2013 there have been at least 170 time charter contracts concluded in the MR sector compared to 57 in the whole of 2012.
- The Jones Act, the cold weather in the US (helping demand and causing refinery problems) and fast declining distillate stocks in the US North East are driving the distillate flows in the Atlantic Basin. Excess volumes from the US Gulf have to be exported, with most of it ending up in Europe, while distillates from Europe and Russia have increasingly been heading to the US East Coast.
- There is currently 800,000 barrels per day of refinery capacity in Europe which is under strategic review. European refiners are suffering, due to slow domestic and United States Product demand so we could see further closures.
- In Asia and Australia there is over 500,000 barrels per day of refinery capacity due to close and an additional 1,000,000 barrels per day under strategic

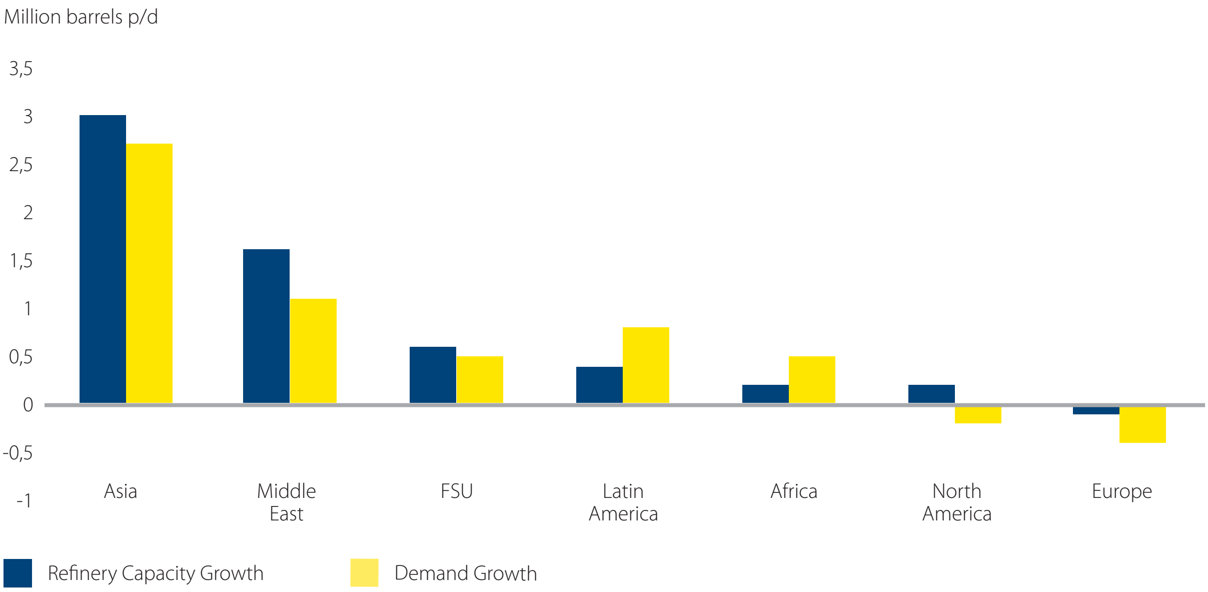
review. This will only increase these countries reliance on imported product.

- Annual seaborne palm oil transportation is expected to rise from 6.5 million tonnes to 7.5 million tonnes by 2016. This would require an additional 31 ships (MR Tankers) annually.

Global Oil Demand[1] 2013 – 2018

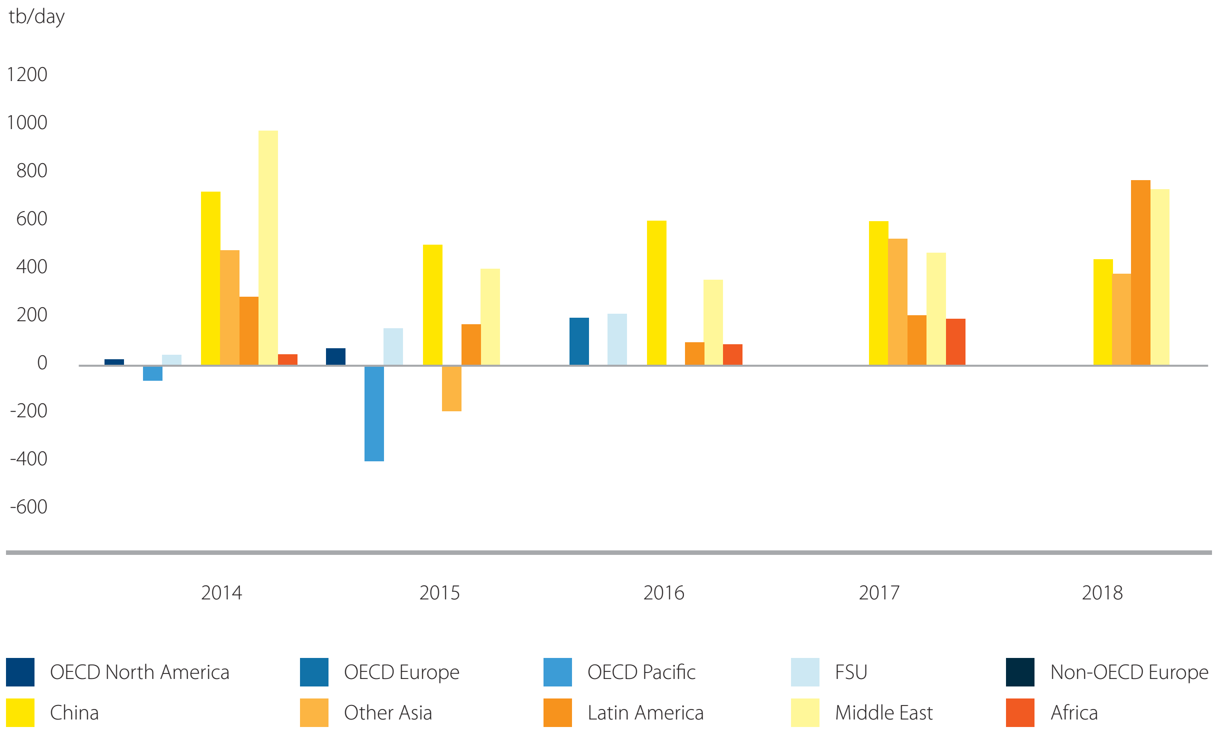


Refinery Growth versus Demand[1]



[1] Source: International Energy Agency Medium-Term Oil Market Report, Jul.'13

Capacity Additions 2014 - 2018 by Region[1]



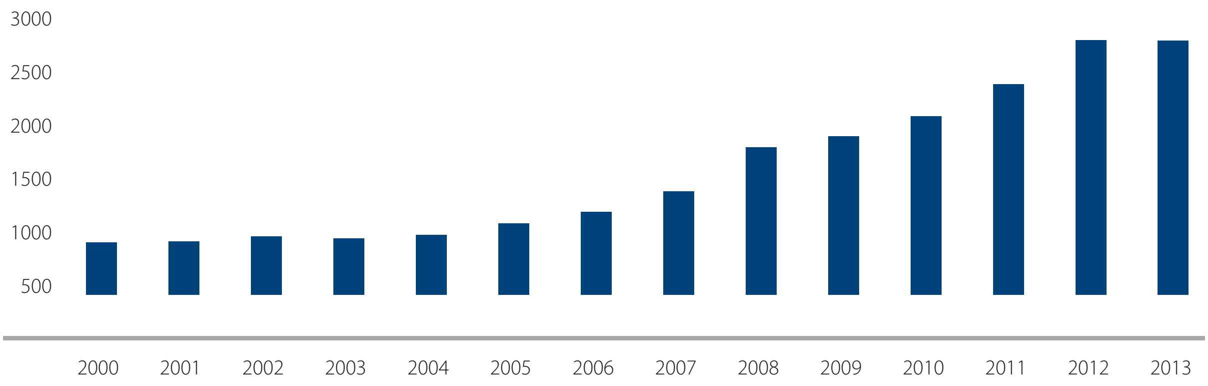
Product Tanker supply

- There have been various reports of very strong ordering in the MR sector in 2013. There is considerable speculation of exactly how many orders have been placed and the reports range from 300 up to 400 for delivery in the next 3 years.
- The order book for delivery last year was around 125 ships of which 86 were delivered.
- Based on historical figures for the last couple of years we would expect the order book for 2014 to be around 90-100 ships and the same for the following year.
- Slippage and possible cancellations should still be considered a significant factor in the new buildings. The average slippage has been around 35 percent over the last 5 years.
- Despite the fact that the MR fleet has a relatively young average age of 8.8 years there are 319 ships over the age of 15 years of which 166 are over 20 years old and 66 over 25 years old.
- About 30 Product tankers were permanently removed in 2013 and the average scrap age of product tankers fell to about 26 years, bringing down net fleet growth markedly.
- With the introduction of modern fuel efficient vessels, the potential earnings differential between mature and modern tonnage will become more pronounced. The earnings disparity will put further pressure on older tonnage and may well bring about an even lower scrap age.
- Port delays, slow steaming and increasing length of voyages are very much a factor in trading product Tankers and are effectively reducing the ready supply.

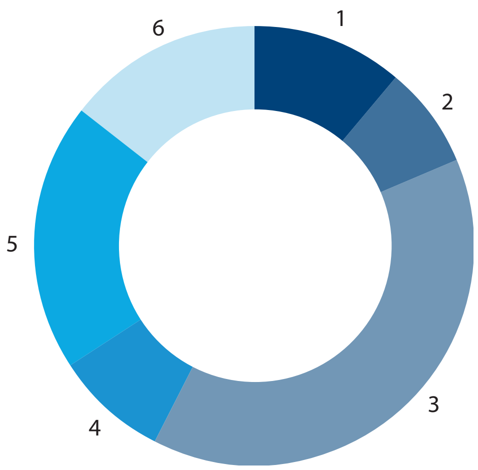
[1] Source: International Energy Agency Medium-Term Oil Market Report, July '13

Petroleum Market[1]

US Products Exports (000'b/d)



US Principle export destinations (000' b/d)

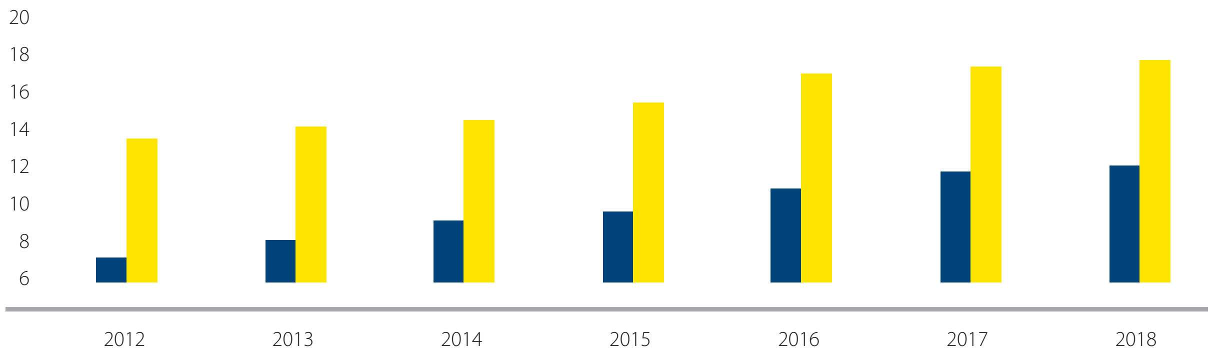


1	Canada	**400**
2	Far East	**270**
3	South America	**1400**
4	Caribbean	**300**
5	Europe	**710**
6	Other	**520**

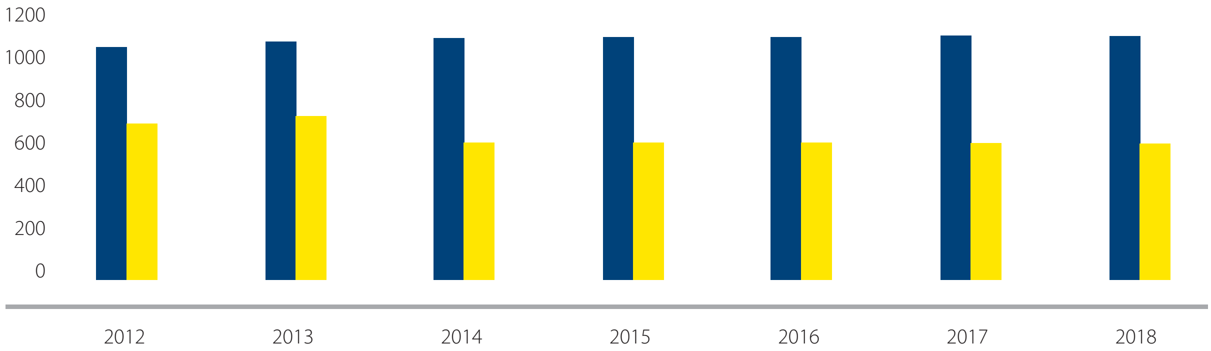
[1] Source: Energy Information Administration, DOE Petroleum Monthly and Argus Feb '14

Demand vs Refining Capacity[1]

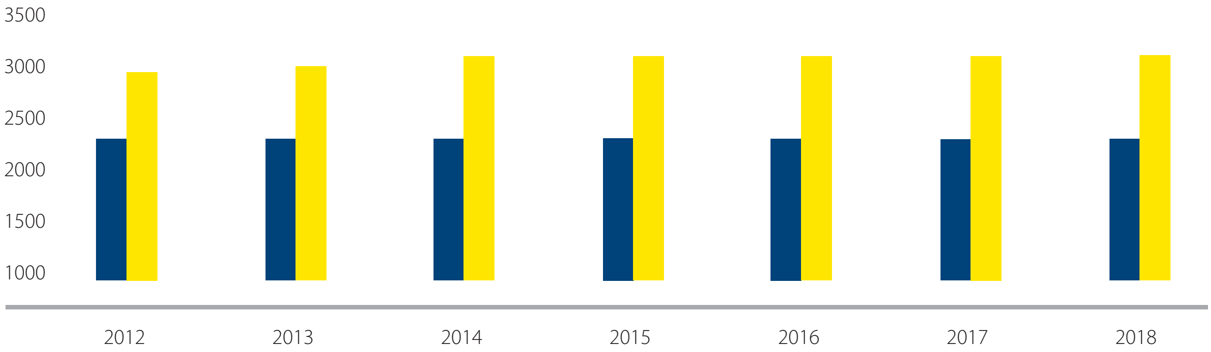
China (mb/day)



Australia (000/day)



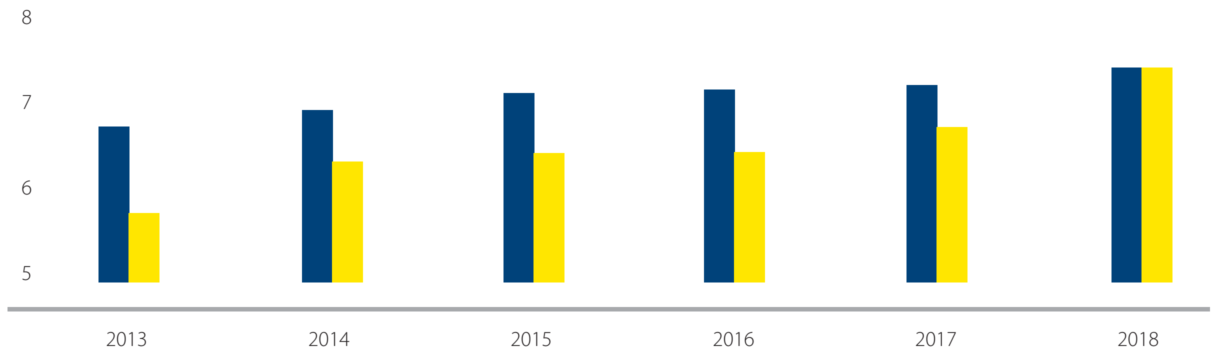
South Korea (000b/day)



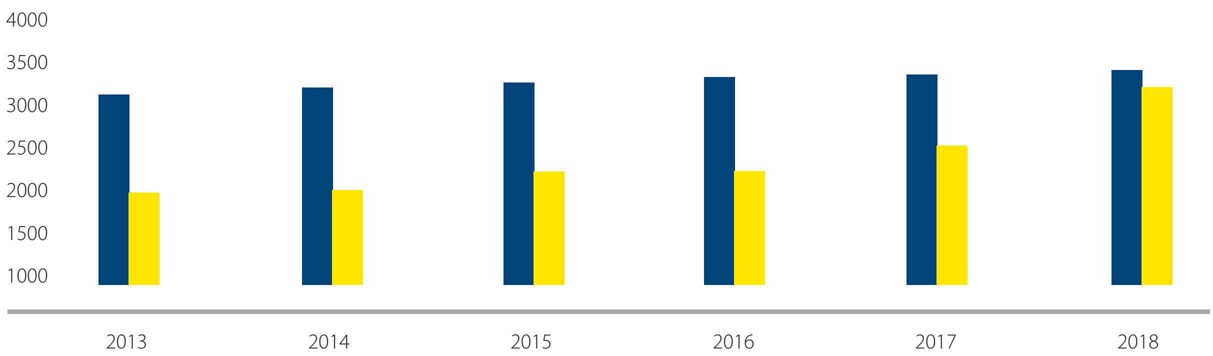
Demand Capacity

[1] Source: International Energy Agency Medium-Term Oil Market Report, July '13

Latin America (mb/day)



Brazil (000' b/d)



Demand Capacity

[1] Source: International Energy Agency Medium-Term Oil Market Report, July '13

Corporate Governance and Ownership Structure

The Company is organized in compliance with the applicable Luxembourg laws and regulations on companies and, as per resolution of its Board of Directors of 23 February 2007, resolved to adopt and still adopts, to the extent possible, the Borsa Italiana Corporate Governance Code (available at the Borsa Italiana S.p.A. website being www.borsaitaliana.it and also at the Company's website) not being obliged to comply with the corporate governance regime of the Luxembourg Stock Exchange. Furthermore, due to its incorporation in Luxemburg 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 Code, the Company provides a complete disclosure of the its Ownership Structure and Corporate Governance system at December 31, 2013 in the 2013 Corporate Governance and Ownership Structure Report (the "Report") a specific paragraph of which is dedicated to the takeover bid' 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 which implements the Directive 2004/25/EC of 21 April 2004 on takeover bids. The Report is filed with Borsa Italiana SpA, 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") and also available at the registered office of the Company and on its website (www.damicointernationalshipping.com) in the Corporate Governance/ Information Document section.


d' Amico

d'Amico International Shipping Group

Consolidated Financial Statements
Year Ended 31 December 2013

d'Amico International Shipping Group

Consolidated Statement of Income

US$ Thousand	Note	2013	2012
Revenue	(3)	293,384	325,253
Voyage costs	(4)	(102,193)	(141,832)
TIME CHARTER EQUIVALENT EARNINGS	(5)	**191,191**	**183,421**
Time charter hire costs	(6)	(91,425)	(91,714)
Other direct operating costs	(7)	(54,219)	(57,541)
General and administrative costs	(8)	(15,442)	(17,478)
Other operating income	(9)	1,943	2,053
Result from disposal of vessels	(10)	13,947	1,473
EBITDA		**45,995**	**20,214**
Depreciation and impairment	(13)	(32,274)	(123,354)
EBIT		**13,721**	**(103,140)**
Net financial income (charges)	(11)	7,052	(1,757)
PROFIT/ (LOSS) BEFORE TAX		**20,773**	**(104,897)**
Taxes	(12)	(1,920)	(1,097)
NET PROFIT / (LOSS)		**18,853**	**(105,994)**

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

EARNINGS PER SHARE[(1)]		**0.052**	**(0.295)**

Consolidated Statement of Comprehensive Income

US$ Thousand		2013	2012
Profit / (loss) for the period		18,853	(105,994)
Movement of valuation of Cash flow hedges	(24)	3,719	961
Total comprehensive result for the period		22,572	(105,033)
Comprehensive income / (loss) per share[(1)]		0.063	(0.292)

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

[1] The earnings and comprehensive income per share of US$ 18.8 million and US$ 22.5 million respectively - 2012: US$ (106.0) million and (105.0) million resp.- were calculated on a number of shares: 359,879,774. The weighted number of shares was 359,879,774 (2012: 160,461,099). Diluted earnings per share including Warrant shares would be $ 0.04 of Net profit and $ 0.05 of Comprehensive income in 2013 (no diluted e.p.s. in 2012)

Consolidated Statement of Financial Position

US$ Thousand	Note	As at 31 December 2013	As at 31 December 2012
ASSETS			
Non-current assets			
Tangible assets	(13)	529,362	498,922
Non-current financial assets	(16)	686	-
TOTAL NON-CURRENT ASSETS		**530,048**	**498,922**
Current assets			
Inventories	(14)	15,029	20,221
Receivables and other current assets	(15)	34,812	39,378
Other current financial assets	(16)	1,333	757
Cash and cash equivalents	(17)	34,684	117,617
TOTAL CURRENT ASSETS		**85,858**	**177,973**
TOTAL ASSETS		**615,906**	**676,895**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		35,988	35,988
Retained earnings		31,292	12,439
Other reserves		249,417	245,781
TOTAL SHAREHOLDERS' EQUITY	(18)	**316,697**	**294,208**
Non-current liabilities			
Banks and other lenders	(19)	236,842	284,264
Other non-current financial liabilities		-	4,523
TOTAL NON-CURRENT LIABILITIES		**236,842**	**288,787**
Current liabilities			
Banks and other lenders	(19)	15,881	28,160
Amounts due to parent company	(20)	-	20,000
Payables and other current liabilities	(21)	36,888	43,009
Other current financial liabilities	(22)	8,612	2,178
Current tax payable	(23)	986	553
TOTAL CURRENT LIABILITIES		**62,367**	**93,900**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**615,906**	**676,895**

The financial statements on pages 40 to 79 were authorized for issue by the Board of Directors on its behalf on 27 February 2014

Paolo d'Amico, Chairman

Marco Fiori, Chief Executive Officer

Consolidated Statement of Cash Flows

US$ Thousand	2013	2012
PROFIT / (LOSS) FOR THE PERIOD	**18,853**	**(105,994)**
Depreciation, amortisation and impairment	32,274	123,354
Current and deferred income tax	1,920	1,097
Financial charges	375	7,027
Fair value gains on foreign currency retranslation	(7,170)	(5,254)
Profit on disposal of vessels	(13,947)	(1,473)
Other non-cash items	9	(16)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	**32,314**	**18,741**
Movement in inventories	5,192	(2,699)
Movement in amounts receivable	4,566	239
Movement in amounts payable	(6,120)	(6,669)
Taxes paid	(1,414)	(651)
Net interest received (paid)	4,566	(6,589)
NET CASH FLOW FROM OPERATING ACTIVITIES	**39,104**	**2,372**
Acquisition of fixed assets	(83,826)	(85,066)
Disposal of fixed assets	35,224	11,886
Other reserves	(257)	-
NET CASH FLOW FROM INVESTING ACTIVITIES	**(48,859)**	**(73,180)**
Share capital increase	-	83,828
Other changes in shareholders' equity	-	(40)
Movement in other financial payable	(20,000)	20,000
Net increase in other financial assets	-	14,396
Bank loan repayments	(52,896)	(27,131)
Bank loan draw-downs	-	47,088
NET CASH FLOW FROM FINANCING ACTIVITIES	**(72,896)**	**138,141**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(82,651)**	**67,333**
Cash and cash equivalents at the beginning of the year	117,617	51,068
Exchange gain (loss) on cash and cash equivalents	(282)	(784)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**34,684**	**117,617**

Consolidated Statement of Changes in Shareholders' Equity

US$ Thousand	Share capital	Retained earnings	Other Reserves Other	Other Reserves Cash-Flow hedge	Total
BALANCE AS AT 1 JANUARY 2013	**35,988**	**12,439**	**252,437**	**(6,656)**	**294,208**
Other changes (consolidation reserve)	-	-	(83)	-	(83)
Total comprehensive income	-	18,853	-	3,719	22,572
BALANCE AS AT 31 DECEMBER 2013	**35,988**	**31,292**	**252,354**	**(2,937)**	**316,697**

US$ Thousand	Share capital	Retained earnings	Other Reserves Other	Other Reserves Cash-Flow hedge	Total
BALANCE AS AT 1 JANUARY 2012	**149,950**	**118,433**	**54,715**	**(7,617)**	**315,481**
Reduction in Share Capital	(134,955)	-	134,955	-	-
Results of Rights Subscription Period	18,208	-	55,684	-	73,892
Results of the Public Auction	2,785	-	8,589	-	11,374
Cost of Issue	-	-	(1,478)	-	(1,478)
Other changes (consolidation reserve)	-	-	(28)	-	(28)
Total comprehensive income	-	(105,994)	-	961	(105,033)
BALANCE AS AT 31 DECEMBER 2012	**35,988**	**12,439**	**252,437**	**(6,656)**	**294,208**

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 d'Amico International Shipping Group has adopted International Financial Reporting Standards (IFRS – International Financial Reporting Standards and IAS – International Accounting Standards) as issued by the 'IASB' (International Accounting Standards Board) and 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 accounts are prepared on the basis of historic cost convention, with the exception of certain financial investments, which are stated at fair value.

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 2013.

Subsidiaries

Subsidiaries are enterprises controlled by the Group, as defined in IAS 27 – Consolidated and Separate Financial Statements. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that 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.

Jointly Controlled Entities

Jointly controlled entities are enterprises over whose activities the Group has joint control, as defined in IAS 31 – Interests in Joint Ventures. The consolidated financial statements include the assets and liabilities, revenue and costs of jointly controlled on a proportional basis, based on the Group's share.

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 Notes 13 and 24.

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 tempora 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. The pool legal entities that are fully controlled are consolidated on a line by line basis.

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 SA 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 new vessels contracted by the group are estimated to have a useful economic life normally of 20 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.

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 30 months, depending on the nature of work and external requirements. 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 vessels are reviewed on a non-recurring basis considering market conditions. The carrying amount of the vessels 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 asset is estimated in order to determine the extent of the impairment. Recoverable amount is normally defined as the higher of an asset's fair value less costs to sell and its value in use, that is, the net present value of the cash flow from its remaining useful life. In assessing value in use the estimated future cash flow from its remaining useful life are discounted to their present value. Write down is made for any impairment of vessels. An impairment charge is recorded when the carrying amount exceeds its fair value and is determined to be other than a temporary difference. An impairment loss recognized in prior years is reversed if the current estimated value in use is higher than at the time the impairment loss was recognized.
Management judgment is critical in assessing whether events have occurred that may impact the carrying value of the Group's vessels and in developing estimates of the future cash flow, future charter rates, ship-operating expenses, and the estimated remaining useful lives and residual values of those vessels. These estimates are based on historical trends, current fixtures as well as future expectations.

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 cost 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.

New Accounting Principles

Accounting principles adopted from 1st of January 2013

Except for the changes mentioned below, the Group has consistently applied the accounting policies presented before in this note to all periods presented in these financial statements.
The following standards and amendment to standards were adopted by the Group for the first time for the financial year beginning on 1 January 2013.

Amendment to to IAS 1 "Financial Statements Presentation", regarding Other Comprehensive Income. The main change envisaged by the modified standard is a requirement for the entities to group items presented in Other Comprehensive Income on the basis of whether they are potentially classifiable to profit or loss subsequently.

IFRS 13 "Fair Value Measurement" provides guidance on how to measure fair value when it is required or permitted by other IFRS's and contains extensive disclosure requirements to enable users of financial statements to assess the methods used by entities when developing fair value measurements and the effects of such measurements on financial results. The standard is applicable for accounting periods beginning on or after January 1, 2013 and its application had no effect on the preparation of the present financial statements.

As a result of amendments to IFRS7 – Disclosures – Offsetting Financial Assets and Financial Liabilities, to facilitate comparison between those entities that prepare IFRS financial statements and those that prepare USGAAP financial statements, the Group has expanded its disclosure (cfr. note 24).

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 11 "Joint Arrangements" is effective for accounting periods beginning on or after 1 January 2014 as adopted by the EU. The standard applies to all entities that are a party to a joint arrangement and will replace IAS 31 Interests in Joint Ventures'. The accounting treatment is dependent on the type of joint arrangement, which is determined by considering the rights and obligations of the investor. On application of IFRS 11, IAS 28 is amended and retitled to 'Investment in Associates and Joint Ventures'. The Group has completed its assessment of the effects of the adoption of the new standard on its joint arrangements. Structure, legal form, terms of the contractual arrangements and other facts and circumstances of investments in jointly controlled entities were considered; as a result, the joint arrangements Glenda International Shipping and High Pool Tankers Limited, will be treated as joint operations, and consolidated line-by-line, while the investment in DM Shipping and Eco Tankers Ltd. (the JV set-up in 2013) will be treated as a Joint Venture and the equity method of accounting will be applied. Whenever any significant change in the main assumptions of any joint arrangement occurs, the assessment will be re-performed to ensure the correct treatment. The Directors do not anticipate that the adoption of this Standard and related Interpretations will have an impact on the reported results or net assets, but it will impact certain line items where joint arrangements were previously proportionally consolidated and the treatment under IFRS11 is to equity account. Also the Group will not recognise further losses on its interest unless there is a legal or constructive obligation (see details of the jointly controlled entities as set out in note 27).

IFRS 10 "Consolidated Financial Statements" is effective for accounting periods beginning on or after 1 January 2014. The standard establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The new standard provides extensive guidance on applying the principle of control, which then governs the consolidation of an entity. The standard sets out the accounting requirements for the preparation of consolidated financial statements, which are unchanged from those that are required by the current IAS 27, 'Consolidated and Separate Financial Statements'. However IAS 27 has been amended to conform to IFRS 10, and will only apply to separate financial statements when IFRS 10 is applied. The Directors do not anticipate that the adoption of this Standard and relating Interpretation will have a material impact on the financial statements.

IFRS 12 "Disclosures of Interests in Other Entities" is effective for accounting periods beginning on or after 1 January 2014. The standard requires disclosure of information on the nature of, and risks associated with, interests in other entities; and the effects of those interests on the primary financial statements. The disclosures required relate to interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities and will be provided within the year-end consolidated financial statements.

IFRS 7 "Disclosures – Transfers of Financial Assets" is concerned with increased disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset.

IFRS 9 "Financial Instruments" is concerned with the classification and measurement of financial assets when determining whether financial assets should be recorded at amortised cost or at fair value, and the associated accounting treatment of embedded derivatives within financial assets. The standard has not been endorsed by the European Union and the Directors do not anticipate it will have a material effect on the financial statements.
The Group has not included all IFRS or amendments to IFRS as they will have no material effect on its financial statements.

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 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 19).

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 11 and 17).

3. Revenue

US$ Thousand	2013	2012
REVENUE	**293,384**	**325,253**

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 2013 arise mainly from the European Economic Area, followed by the Far East and South America. Only one customer is generating more than 10% of the Group revenues, reaching US$ 54.6 million in 2013; in 2012 the same customer totalled US$ 82.18 million.

4. Voyage Costs

US$ Thousand	2013	2012
Bunkers (fuel)	74,223	104,206
Commissions payable	5,144	7,752
Port charges	21,850	27,398
Other	976	2,476
TOTAL	**102,193**	**141,832**

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	2013	2012
TIME CHARTER EQUIVALENT EARNINGS	**191,191**	**183,421**

Time charter equivalent earnings represent revenue less voyage costs. In 2013 about 49.6% of the Time Charter Equivalent earnings came from fixed contracts longer than 12 months (36.3% in 2012).

6. Time Charter Hire Costs

US$ Thousand	2013	2012
TIME CHARTER HIRE COSTS	**91,425**	**91,714**

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

7. Other Direct Operating Costs

US$ Thousand	2013	2012
Crew costs	26,515	28,070
Technical expenses	9,933	10,759
Luboil	2,277	2,848
Technical and quality management	4,282	4,642
Insurance	6,025	6,142
Other direct operating costs	5,187	5,080
TOTAL	**54,219**	**57,541**

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

Personnel

As at 31 December 2013, d'Amico International Shipping SA and its subsidiaries employed 465 seagoing personnel and 32 on-shore personnel. The average number of employees was of 508 (2012: 549). 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	2013	2012
Personnel	6,744	10,350
Other general and administrative costs	8,698	7,128
TOTAL	**15,442**	**17,478**

Personnel costs relate to on-shore personnel salaries. Personnel costs also comprises the amount of US$ 1.3 million (2012: US$ 1.3 million) relating to directors fees and an amount of US$ 1.9 million for senior managers including the CEO and other managers with strategic responsibilities.

The other general and administrative costs comprise consultancy, office rental fees, 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$ 4.1million and fees paid to the Auditors for the consolidated accounts amounting at US$ 61.3 thousand.

9. Other Operating Income

US$ Thousand	2013	2012
OTHER OPERATING INCOME	**1,943**	**2,053**

Other operating income represents chartering commissions earned for services provided by Group personnel to non-related external clients; in 2013 it includes the compensation for loss of income received for the non-performance by the counterparty of the scheduled contract of sale of *M/T Cielo di Parigi* for US$ 1.3 million.

10. Result From Disposal of Vessels

US$ Thousand	2013	2012
PROFIT ON DISPOSAL OF VESSEL	**13,947**	**1,473**

The profit concerns the sale of the *M/T Cielo di Londra*, *M/T High Challenge* and *M/T High Spirit*, sold in the second quarter of the year.

11. Net Financial Income (Charges)

US$ Thousand	2013	2012
Loans and receivables:		
Interest Income - Banks	265	119
Realised on financial activities	5,620	4,123
At fair value through income statement:		
Forward contracts	2,660	757
Other financial income	6,861	4,159
TOTAL FINANCIAL INCOME	**15,406**	**9,158**
Financial liabilities measured at amortised cost:		
Interest expense	(8,354)	(10,915)
TOTAL FINANCIAL CHARGES	**(8,354)**	**(10,915)**
NET FINANCIAL INCOME (CHARGES)	**7,052**	**(1,757)**

Financial income comprises interest income on bank accounts and realized profits on financial risk management activity (derivative instruments) and the liquidation proceeds of d'Amico Tankers Singapore. Net foreign exchange gains include the fair value measurement in US$ of the Japanese Yen denominated loans, a gain of US$ 7.2 million (2012: US$ 5.3 million).

Financial charges include interest expense on bank loans and expenses relating to swap arrangements amounting to US$ 7.7 million (2012: US$ 10.1 million) and fees paid to banks relating to bank loans. No other financial charges have been recorded (2012: idem).

12. Taxes

US$ Thousand	2013	2012
CURRENT INCOME TAXES	**1,920**	**1,097**

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 2012 tonnage tax provision for d'Amico Tankers Limited, DM Shipping and Glenda International Shipping amounted to US$ 0.3 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; as far as cash-flow hedge in 2013, it is falling within the provisions of the Tonnage Tax.

The holding company, d'Amico International Shipping S.A. had, at the end of 2013, accumulated tax losses to be carried forward of approximately Euro 37.5 million (US$ 49.7 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 2013, as a consequence of the 2012 share capital increase, the calculated net assets generated a tax charge of US$ 0.2 million.

13. Tangible Assets

US$ Thousand	Fleet	Dry-dock	Other assets	Total
AT 1 JANUARY 2013				
Cost or valuation	770,796	11,279	1,822	783,897
Accumulated depreciation and impairment	(279,126)	(4,904)	(945)	(284,975)
NET BOOK AMOUNT	**491,670**	**6,375**	**877**	**498,922**
PERIOD ENDED 31 DECEMBER 2013				
Opening net book amount	491,670	6,375	877	498,922
Additions	81,178	2,496	29	83,703
Disposals at cost	(72,044)	(7,156)	(49)	(79,249)
Depreciation and impairment write-back	53,012	5,217	52	58,281
Depreciation charge	(28,630)	(3,449)	(195)	(32,274)
Exchange differences	-	-	(21)	(21)
CLOSING NET BOOK AMOUNT	**525,186**	**3,483**	**693**	**529,362**
AT 31 DECEMBER 2013				
Cost or valuation	779,929	6,619	1,781	788,329
Accumulated depreciation and impairment	(254,743)	(3,136)	(1,088)	(258,967)
NET BOOK AMOUNT	**525,186**	**3,483**	**693**	**529,362**

The table below shows, for comparison purposes, the changes in the fixed assets in 2012.

US$ Thousand	Fleet	Dry-dock	Other assets	Total
AT 1 JANUARY 2012				
Cost or valuation	728,779	9,799	2,531	741,109
Accumulated depreciation and impairment	(187,496)	(4,528)	(1,451)	(193,475)
NET BOOK AMOUNT	**541,283**	**5,271**	**1,080**	**547,634**
PERIOD ENDED 31 DECEMBER 2012				
Opening net book amount	541,283	5,271	1,080	547,634
Additions	77,118	8,132	15	85,265
Disposals at cost	(35,101)	(6,652)	(774)	(42,527)
Impairment	(85,000)	-	-	(85,000)
Depreciation and impairment write-back	26,168	4,931	734	31,833
Depreciation charge	(32,798)	(5,307)	(249)	(38,354)
Exchange differences	-	-	71	71
CLOSING NET BOOK AMOUNT	**491,670**	**6,375**	**877**	**498,922**
AT 31 DECEMBER 2012				
Cost or valuation	770,796	11,279	1,822	783,897
Accumulated depreciation and impairment	(279,126)	(4,904)	(945)	(284,975)
NET BOOK AMOUNT	**491,670**	**6,375**	**877**	**498,922**

Tangible fixed assets are comprised of the following:

Fleet

Fleet includes the purchase costs for owned vessels, and payments to yards for vessels under construction. Additions in 2013 million relate to the instalments paid on the twelve recently ordered Eco ships as per the Fleet renewal programme formerly disclosed in the report on operations, (Hull n. 2385, 2386, 2387, 2388, 2407,2408, S408, S409, S421, S422, S423). Capitalized instalments at Group level for 2013 amount to US$ 81.2 million (2012: US$ 72.3 million); no interest was capitalized in 2013 (2012: US$ 0.2 million). Mortgages are secured on all the vessels owned by the Group - for further details see note 19.

The total market value of the Group Fleet, including the market value of instalments paid for vessels under construction, according to a valuation report provided by an independent ship broker at the end of December 2013, is of US$ 555.4 million, on a pro-rata basis; the value in use calculation, which excludes vessels under construction, shows an amount of the Fleet on the water of US$ 526.0 million.

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.

For impairment test purposes, the management estimates take into consideration the market information available, including reported sales of similar vessels, as well as past experience and future expectations, and have been based on the following ***key assumptions*** assuming the Company as a going concern:

(i) Earnings: under contracts concluded and the estimate of future rates;
(ii) Useful economic life of 20 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 on a rate of 6.5%, 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.

Management notes that the calculations are particularly sensitive to changes in the key assumptions as future hire rates and discount rate. All other things remaining equal, the ***sensitivities*** have been assessed as follows:

US$ Thousand	Future hire rates		Discount rate	
	+US$ 500/day	-US$ 500/day	+1%	-1%
	Variation		Variation	
Fleet fair value	**18,595**	**(18,595)**	**(32,612)**	**36,009**

At the reporting date both desk top brokers valuations and the values in use calculation are higher than the net book value of the vessels. Excluding the vessels under construction, desk top broker valuations recovered by approximately 13% compared to the previous year, when the largest decrease since 2008/2009 led to the decision to impair the Fleet by US$ 85.0 million. Furthermore, Management considers that the availability of new fuel efficient product tanker designs will positively impact the results of existing vessels; they confirm closely monitoring the market values in 2014 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 five vessels dry-docked in the year.

Other Assets

Other assets mainly include fixtures, fittings, office equipment.

14. Inventories

US$ Thousand	As at 31 Dec 2013	As at 31 Dec 2012
INVENTORIES	**15,029**	**20,221**

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 5 and 8.

15. Receivables and Other Current Assets

US$ Thousand	As at 31 Dec 2013	As at 31 Dec 2012
Trade receivables	25,573	27,151
Other debtors	1,271	262
Prepayments and accrued income	7,968	11,965
TOTAL	**34,812**	**39,378**

Receivables, as at 31 December 2013, include trade receivables amounting to US$ 25.5 million, net of allowance for credit losses of US$ 2.6 million (2012: US$ 1.1 million). Other current assets principally consist of prepayments and accrued income amounting to US$ 8.0 million and other credits of US$ 1.3 million.

The ageing of trade receivables is disclosed below.

US$ Thousand	As at 31 Dec 2013	As at 31 Dec 2012
0-60 days	19,300	21,881
61-90 days	1,220	2,375
91-120 days	5,053	2,895
TOTAL	**25,573**	**27,151**

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 24.

16. Financial Assets

US$ Thousand	As at 31 December 2013			As at 31 December 2012		
	Non-current	Current	Total	Non-current	Current	Total
FAIR VALUE OF DERIVATIVE INSTRUMENTS	**686**	**1,333**	**2,019**	**-**	**757**	**757**

The amount at the end of 2013 refers to the net fair value of derivative instruments (currency forward contracts); information about fair value measurement and the Group's exposure to market risk is included in note 24.

17. Cash and Cash Equivalents

US$ Thousand	As at 31 Dec 2013	As at 31 Dec 2012
CASH AND CASH EQUIVALENTS	**34,684**	**117,617**

Cash and cash equivalents is mostly represented by short term deposits and includes approximately US$ 0.62 million of cash held by Pool companies (High Pool Tankers Ltd and Glenda International Management Ltd) which were distributed to other pool participants in January 2014. The balance includes also US$ 6.2 million secured in connection with the Mizuho facility and derivative instruments margin call deposit.

18. Shareholders' Equity

US$ Thousand	As at 31 Dec 2013	As at 31 Dec 2012
Share capital	35,988	35,988
Retained earnings	31,292	12,439
Other reserves	249,417	245,781
TOTAL	**316,697**	**294,208**

Share Capital

The authorised capital of the Company has been fixed at US$ 50.0 million, divided into five-hundred million shares without nominal value. The current subscribed and fully paid-up capital of US$ 35,987,977.40 (corresponding to € 27,275,294 at the year-end exchange rate) is divided into 359,879,774 shares without nominal value.

A total of 69,976,622 warrants were issued by the Company in 2012, the exercise of which is regulated as per information set out in the Prospectus, grant the right to the warrant-holders at any time during the exercise periods, to subscribe for new shares: during all trading days of the month of January 2014 at a price of euro 0.36 each, during all trading days of the month of January 2015 at a price of euro 0.40 each and during all trading days of the month of January 2016 at a price of euro 0.46 each, although the Board of Directors of the Company may, upon occurrence of certain events declare additional periods or suspend the exercise periods.

Retained Earnings

The item includes previous year and current net result, and deductions for dividends distributed.

Other Reserves

The other reserves include the following items:

US$ Thousand	As at 31 Dec 2013	As at 31 Dec 2012
Share premium reserve	269,098	269,098
Treasury shares	(16,356)	(16,356)
Hedging reserve	(2,937)	(6,656)
Other	(388)	(306)
TOTAL	**249,417**	**245,780**

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 increase occurred in December 2012. Certain costs and charges connected with the listing processes and further capital raising (mainly bank commissions and related advisory fees and charges) have been offset.

Treasury shares

Treasury shares at the end of 2013 consist of 5,090,495 ordinary shares (2012: 5,090,495) for an amount of US$ 16.4 million (2012: US$ 16.4 million), corresponding to 1.41% of the outstanding share capital at the financial position date (2012: 1.41%). These shares were principally acquired in 2007 and 2008 and during the second half of 2011, as part of the authorised Buy-back programme.

Hedging reserve

The fair value reserve arose as a result of the valuation of the Interest Rate Swap agreements connected to the Crédit Agricole facility to their fair value of US$ 2.9million (liability). Details of the fair value of the derivative financial instruments are set out in note 22.

19. Banks and Other Lenders

US$ Thousand	As at 31 December 2013	As at 31 December 2012
NON-CURRENT LIABILITIES		
Banks and other lenders	236,842	284,264
CURRENT LIABILITIES		
Banks and other lenders	15,881	28,160
TOTAL	**252,723**	**312,424**

The balance comprises the following debts:

US$ Thousand	As at 31 December 2013			As at 31 December 2012		
	Non-current	Current	Total	Non-current	Current	Total
Crédit Agricole	105,509	-	105,509	139,162	-	139,162
Mizuho	9,872	3,761	13,633	16,623	4,467	21,090
Crédit Agricole – DNB	37,822	3,087	40,909	40,910	3,087	43,997
Commerzbank-Crédit Suisse	61,548	5,370	66,918	67,213	6,216	73,429
Mitsubishi UFJ Lease	14,191	2,513	16,704	20,356	2,985	23,341
Danish Ship Finance	9,636	1,150	10,786	-	11,405	11,405
DNB / unamortised fee	(1,175)	-	(1,175)	-	-	-
C.A. – CIB / unamortised fee	(561)	-	(561)	-	-	-
TOTAL	**236,842**	**15,881**	**252,723**	**284,264**	**28,160**	**312,424**

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

The debt due as at 31 December 2013 relates, for an outstanding amount of US$ 105.7 million (US$ 105.5million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.2million), 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 SA, and provides mortgages on thirteen of the Company's owned vessels. The outstanding loan facility has been shown entirely under long-term debt, since no amortization of the drawn-down amount is required and future facility reductions will not reduce availability over the next twelve months, below indebtedness outstanding as at 31 December 2013.

Mizuho facility / d'Amico Tankers Limited

The balance of US$ 13.6 million (JPY 1.49 billion) relates to the loan facility arranged by the Mizuho Corporate Bank Ltd., and syndicated by a pool of Japanese primary banks and leading financial institutions. The Loan Facility purpose is to finance the acquisition of Japanese product tanker vessels for which d'Amico Tankers Limited has purchase options and/or the acquisition of other product tanker vessels. At 31 December 2013 the facility has been draw down for an original amount of JPY 5 billion and the outstanding debt is of JPY 1.49 billion. The contract, over a period of ten years, provides the repayment of quarterly instalments and an interest cost corresponding to the three month London Interbank Offer Rate (LIBOR) for Japanese Yen, plus a margin of between 100 and 125 basis points depending on the financed vessels' advance ratio. Similarly to the Credit Agricole CIB facility, the key terms and conditions of the Mizuho loan provide that the ratio between the amount outstanding at any given time and the fair market value of vessels (the 'advance ratio') owned by d'Amico Tankers Limited, which are subject to mortgages pursuant to the facility (currently two vessels), must not be higher than 66.6%. As per Credit Agricole CIB facility, the maximum amount that d'Amico Tankers Limited can borrow also depends on the EBITDA to financial costs ratio. Other covenants are the same as provided by the Credit Agricole CIB facility. As at 31 December 2013 the Company's ratio are in compliance with the facilities' provisions. The facility is secured through a guarantee by the parent Company, d'Amico International Shipping S.A., and provides mortgages on two of the Company's owned vessels.

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 2013 relates, for an outstanding amount of US$ 40.91 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%. 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 / d'Amico Tankers Limited

The outstanding amount at 31 December 2013 of US$ 10.8 million (net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.7 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 fair market value of the vessel and the amount outstanding (the 'Security Maintenance Cover Ratio') must not be lower than 125. 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.

Commerzbank – Crédit Suisse loan / Glenda International Shipping Limited

The consolidated amount of US$ 66.9 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 agreements also provide a covenant relating to the financed vessels’ aggregate value-to-loan, which should at all times be at least 130%. Based on the loan outstanding and the broker's valuation obtained at the end of December, the value-to-loan ratio was 151% and, therefore, in compliance with the requirement.

Mitsubishi UFJ Lease / DM Shipping Limited

The balance relates to the DIS Group share of the debt due to Mitsubishi UFJ arising from the loan granted for the acquisition of the two vessels, delivered in 2009. The agreement provides for a loan of JPY 2.8 billion per vessel, to be repaid in 10 years, through monthly instalments. The interest rates on the loans are fixed for the two vessels between 2.955% and 2.995%. The facility is secured through mortgage on the vessels. There are no further relevant covenants on the loan.

DNB / d’Amico Tankers Limited

The amount at 31 December 2013 of US$ 1.1 million relates to the unamortized arrangement fees relating to US$ 60.7 million new loan financing the construction of three new Vessels, expected to be delivered in 2014.

Credit Agricole – CIB / d’Amico Tankers Limited

The amount at 31 December 2013 of US$ 0.5 million relates to the unamortized arrangement fees relating to US$ 40.0 million loan financing the construction of two new Vessels, which are expected to be delivered in 2014.

20. Amount Due to Parent Company

US$ Thousand	As at 31 Dec 2013	As at 31 Dec 2012
D’AMICO INTERNATIONAL S.A.	**-**	**20,000**

The balance short-term financing granted by the parent company in 2012 was reimbursed at the beginning of January 2013.

21. Payables and Other Current Liabilities

US$ Thousand	As at 31 Dec 2013	As at 31 Dec 2012
Trade payables	30,486	28,720
Other creditors	3,744	11,855
Accruals & deferred income	2,658	2,434
TOTAL	**36,888**	**43,009**

Payables and other current liabilities as at 31 December 2012, 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 further disclosed in note 24).

22. Other Financial Liabilities

US$ Thousand	As at 31 December 2013			As at 31 December 2012		
	Non-current	Current	Total	Non-current	Current	Total
Other financial liabilities	-	7,075	7,075	-	45	45
Fair value of derivative instruments	-	1,537	1,537	4,523	2,133	6,656
TOTAL OTHER FINANCIAL LIABILITIES	**-**	**8,612**	**8,612**	**4,523**	**2,178**	**6,701**

The balance at the end of 2013 mainly represents other financial liabilities relating to deferred income on premiums received from foreign exchange derivative contracts and accrued commitment fees together with the fair value of the Interest Rate Swap derivatives hedging instruments. The derivatives instruments fair values calculation techniques and disclosure about financial market risk are shown in note 24.

23. Current Tax Liabilities

US$ Thousand	As at 31 Dec 2013	As at 31 Dec 2012
CURRENT TAX LIABILITIES	**986**	**553**

The balance at the end of 2013 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.

24. Risk Management

The Group is exposed to the following risks connected with its operation and the risk management is part of the d'Amico International Shipping strategy. 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 process of the budget, the Group identifies the proper 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 / Executive Committee – 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.

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.

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' and of the Mitsubishi Lease (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).

Excluding the JPY debt exposure, 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 2013, these payments amounted to US$ 32.4million, representing the 12.2% of total operational, administrative, financial and fiscal expenses, of which 9.4% related to Euro transactions. Other significant currencies included British Pounds (1.3%) and Singapore Dollars (0.9%).

US$ Thousand		2013		2012	
	Variation %	% +	% -	% +	% -
US$ / JP¥	5%	1,600	(1,400)	2,300	(2,500)
US$ / Ccy	10%	3,240	(3,240)	2,000	(2,000)

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$ 3.2 million in the result of the Group for the year (US$ 2.0 million in 2012). At 31 December 2012, had the Japanese Yen strengthened/weakened against the US Dollar by 5%, with all other variables held constant, net assets and the result for the year would have respectively increased by US$ 1.6million or decreased by US$ 1.4million. 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	2013		2012	
	+1%	-1%	+1%	-1%
	Increase	Decrease	Increase	Decrease
Interest rate cost	(776)	343	(1,200)	400
Interest rate swap / net assets	5,100	(4,300)	5,000	(5,000)
Interest rate swap / (P&L)	7,700	(7,700)	-	-

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$ 0.7million (US$ 1.2 million in 2012) while a reduction in interest rates of 100 basis points would have decreased the net financial charges by US$ 0.3million (US$ 0.4 million in 2012). At 31 December 2013, had interest rates been 1% higher/lower, with all other variables held constant, then the valuation of the swaps would have increased – respectively decreased - the net assets by approximately US$ 5.0 million.

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.

	2013					
US$ Thousand	Loans and receivables	Derivative instruments	Total 2013	Fair Value Level 1	Fair Value Level 2	Total
ASSETS						
Non-current financial assets	-	686	686	-	686	686
Receivables and other current assets	34,812	-	34,812	-	-	-
Other current financial liabilities	-	1,333	1,333	-	1,333	1,333
Cash and cash equivalents	34,684	-	34,684	-	-	-
LIABILITIES						
Banks and other lenders	252,723	-	252,723	-	-	-
Payables and other current liabilities	36,888	-	36,888	-	-	-
Other current financial liabilities	7,075	1,537	8,612	-	1,537	1,537
Current tax payable	758	-	758	-	-	-

	2012					
US$ Thousand	Loans and receivables	Derivative instruments	Total 2012	Fair Value Level 1	Fair Value Level 2	Total
ASSETS						
Receivables and other current assets	39,378	-	39,378	-	-	-
Current financial assets	-	757	757	-	757	757
Cash and cash equivalents	117,617	-	117,617	-	-	-
LIABILITIES						
Banks and other lenders	312,424	-	312,424	-	-	-
Other non-current financial liabilities		4,523	4,523	-	4,523	4,523
Amounts due to parent company	20,000	-	20,000			
Payables and other current liabilities	43,009	-	43,009			
Other current financial liabilities	-	2,178	2,178	-	2,178	2,178
Current tax payable	553	-	553			

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 (see following table outlining the carrying amounts measured at fair value of recognised financial instruments as at 31 December 2013). 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.

Derivative Instruments

Interest rate swaps

At the end of 2013 d'Amico Tankers Ltd has in place seven interest rate swap contracts (IRS). Two of these were re-negotiated in 2011 for an amount of US$ 50.0 million each, with termination due in 2014 and 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. One 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. The hedges are deemed highly effective and the unrealised gain / loss is dealt with in other comprehensive income.

During the Year 2013 d'Amico Tankers Ltd entered in further eight Interest Rate Swaps contracts with start dates between 2014 and 2016 and termination due between 2020 and 2022 with the purpose to hedge the risk relating to interest rates on future financing of the new vessels which are under construction, which will be delivered from the shipyards between 2014 and 2016. The IRS with Bank of America are intermediated at a favourable conditions through a d'Amico Group company, d'Amico Finance, for a 1% commission.

Forward currency contracts

During 2013 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 2013, the realised gains are US$ 5.3 million and the unrealised gains amounted to US$ 0.6million. At December 31, 2013 the notional amount in functional currency was equal to US$ 68.8 million.

The following table sets out the carrying amounts measured at fair value of recognised financial instruments as at 31 December 2013, that are subject to the previously mentioned agreements:

US$ Thousand	2013		2012	
	Profit&Loss	Equity	Profit&Loss	Equity
Interest rate swaps / hedge accounting	-	(2,937)	-	(6,656)
Interest rate swaps / non hedging	2,084	-	-	-
Forward currency contracts	1,333	-	757	-
TOTAL	**3,417**	**(2,937)**	**757**	**(6,656)**

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

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 managing the tasks; (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 2013 represented approximately 48% of the revenue of the Company during the year (2012: 47%). At the end of the reporting period 56% of the total trade receivables were due from the Group's ten largest customers (2012: 66%). DIS customers are the Oil Majors; considering the customers, the risk essentially relates to demurrage receivable and expenses incurred on behalf of charterers, which are analysed and written down, if necessary, on an individual basis. The total specific allowance for trade and other receivables losses at 31 December 2013 amounted to US$ 2.3million (2012: US$ 1.1 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 notes 19).

The following tables detail for the years 2013 and 2012 respectively the Group's remaining contractual maturity for its bank liabilities with agreed repayment periods. The tables have been draw-up based on undiscounted cash-flows based on the earliest date in which the Group can be required to pay.

US$ Thousand	As at 31 December 2013				
	< 1 y	1-2 y	2-5 y	> 5 y	Total
Crédit Agricole	-	19,207	86,302	-	105,509
Mizuho	3,761	3,761	6,111	-	13,633
Crédit Agricole – DNB	3,087	3,087	9,261	25,474	40,909
Commerzbank-Crédit Suisse	5,370	5,370	16,110	40,068	66,918
Mitsubishi UFJ Lease	2,513	2,513	7,539	4,139	16,704
Danish Ship Finance	1,150	1,150	3,450	5,036	10,786
TOTAL	**15,881**	**35,088**	**128,773**	**74,717**	**254,459**

US$ Thousand	As at 31 December 2012				
	< 1 y	1-2 y	2-5 y	> 5 y	Total
Crédit Agricole	-	21,662	117,500	-	139,162
Mizuho	4,467	4,467	12,156	-	21,090
Crédit Agricole – DNB	3,087	3,088	9,263	28,559	43,997
Commerzbank-Crédit Suisse	6,216	6,216	18,648	42,349	73,429
Mitsubishi UFJ Lease	2,985	2,985	8,955	8,416	23,341
Danish Ship Finance	11,405	-	-	-	11,405
TOTAL	**28,160**	**38,418**	**166,522**	**79,324**	**312,424**

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.

25. 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 2013 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$ 8.3 million and purchase of Intermediate Fuel Oil and Marine Diesel Oil, from Rudder SAM, a d'Amico Group controlled company, amounting to US$ 74.2 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 disclose in the present report for 2013 and 2012 are the following:

US$ Thousand	2013		2012	
	Total	of which related parties	Total	of which related parties
Revenue	293,384	-	325,253	-
Voyage costs	(102,193)	(74,223)	(141,832)	(104,206)
Time charter hire costs	(91,425)	-	(91,714)	-
Other direct operating costs	(54,219)	(5,559)	(57,541)	(6,209)
General and administrative costs	(15,442)	(4,538)	(17,478)	(5,450)
Other operating income	1,943	(104)	2,053	249
Result from disposal of vessels	13,947	(60)	1,473	-
Net financial income (charges)	6,795	(8)	(1,757)	(135)

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 2013 and 31 December 2012 are the following:

US$ Thousand	As at 31 December 2013		As at 31 December 2012	
	Total	of which related parties	Total	of which related parties
ASSETS				
Non-current assets				
Tangible assets	529,362	-	498,922	-
Non-current financial assets	686	686	-	-
Current assets				
Inventories	15,029	-	20,221	-
Receivables and other current assets	34,812	1,513	39,378	738
Current financial assets	1,333	-	757	-
Cash and cash equivalents	34,684	-	117,617	-
LIABILITIES				
Non-current liabilities				
Banks and other lenders	236,842	-	284,264	-
Other non-current financial liabilities	-	-	4,523	-
Current liabilities				
Banks and other lenders	15,881	-	28,160	-
Amounts due to parent company	-	-	20,000	20,000
Payables and other current liabilities	36,888	11,807	43,009	11,733
Other financial current liabilities	8,612	2,143	2,178	-
Current taxes payable	758	-	553	-

The effects, by legal entity, of related party transactions on the Group’s consolidated Income Statement for the 2013 are the following:

US$ Thousand	d’Amico International Shipping (consolidated)	d’Amico Shipping Italia S.p.A.	Rudder SAM	d’Amico Società di Nav. SpA	d’Amico Shipping Singapore	Compagnia Generale Telemar	d’Amico Shipping USA	d’Amico Shipping UK	Ishima Pte. Ltd.	d’Amico International SA	St.Andrew Estates Ltd.	Directors & key management
Voyage costs	**(102,193)**											
of which												
Bunker	(74,223)	-	(74,223)	-	-	-	-	-	-	-	-	-
Other direct operating costs	**(54,219)**											
of which												
Management agreements	(3,645)	-	-	(3,645)	-	-	-	-	-	-	-	-
Technical expenses	(1,914)	-	-	-	-	(1,278)	-	-	(636)	-	-	-
General & Administrative costs	**(15,442)**											
of which												
Personnel / Directors	(3,200)	-	-	-	-	-	-	-	-	-	-	(3 200)
Serv.agreement/ Consultance	(3,863)	-	-	(1,037)	(2,316)	-	(474)		-	(36)	-	-
Rent	(434)	-	-	-	-	-	-	-	-	-	(434)	-
Other operating income	**1,943**											
of which												
Commissions	(104)	(104)	-	-	-	-	-	-	-	-	-	-
Result from disposal of vessels												
of which												
Commissions	(60)	-	-	-	-	-	-	(60)	-	-	-	-
Net financial income (charges)	**6,795**											
of which												
Interest expense		-	-	-	-	-	-	-	-	(8)	-	-
TOTAL		**(104)**	**(74,223)**	**(4,682)**	**(2,316)**	**(1,278)**	**(474)**	**(60)**	**(636)**	**(44)**	**(434)**	**(3,200)**

The table below shows the effects, by legal entity, of related party transactions on the Group's consolidated income statement for the year 2012:

US$ Thousand	d'Amico International Shipping	d'Amico Shipping Italia S.p.A.	Rudder SAM	Ishima Pte. Ltd	d'Amico Società di Nav. SpA	d'Amico Shipping Singapore	Compagnia Generale Telemar	d'Amico Dry Ltd	d'Amico Shipping UK	Tamburi Investment Partners	d'Amico International SA	St.Andrew Estates Ltd.	Directors & key management
	(consolidated)												
Voyage costs	**(141,832)**												
of which													
Bunker	(104,206)	-	(104,206)	-	-	-	-	-	-	-	-	-	-
Other direct operating costs	**(57,541)**												
of which													
Management agreements	(4,005)	-	-	-	(4,005)	-	-	-	-	-	-	-	-
Technical expenses	(2,204)	-	-	(636)	-	-	(1,568)	-	-	-	-	-	-
General & Administrative costs	**(17,478)**												
of which													
Personnel	(2,435)	-	-	-	-	-	-	-	-	-	-	-	(2,435)
Serv.agreement/ Consultance	(3,015)	-	-	-	(1,307)	(204)	-	(176)	(80)	(850)	-	(398)	-
Other operating income	**325,253**												
of which													
Commissions	249	249	-	-	-	-	-	-	-	-	-	-	-
Net financial income (charges)	**(1,757)**												
of which													
Interest expense	(135)	-	-	-	-	-	-	-	-	-	(135)	-	-
TOTAL		**249**	**(104,206)**	**(636)**	**(5,312)**	**(204)**	**(1,568)**	**(176)**	**(80)**	**(850)**	**(135)**	**(398)**	**(2,435)**

The effect, by legal entity, of related party transactions on the Group's consolidated Statement of Financial Position as at 31 December 2013 are as follows:

US$ Thousand	d'Amico International Shipping S.A. (consolidated)	Rudder S.A.M.	d'Amico Dry	d'Amico Shipping Italia S.p.A.	d'Amico Societa' di Nav. S.p.A.	Ishima Pte.Ltd.	Cogema SAM	d'Amico Shipping Singapore	Compagnia Generale Telemar	d'Amico Finance Ltd.	Directors and key management
Receivables and other current assets	**34,812**										
of which related party	649	-	74	72	-	502	1	-	-	-	-
Other non-current financial assets	**686**										
of which related party	686	-	-	-	-	-	-	-	-	686	-
Payables and other current liabilities	**36,888**										
of which related party	11,807	8,351	390	-	1,750	736	8	6	566	-	-
TOTAL		**(8,351)**	**(316)**	**72**	**(1,750)**	**(234)**	**(7)**	**(6)**	**(566)**	**686**	**-**

The effect, by legal entity, of related party transactions on the Group's combined Statement of Financial Position as at 31 December 2012 were the following:

US$ Thousand	d'Amico International Shipping S.A. (consolidated)	Rudder S.A.M.	d'Amico Dry	d'Amico Shipping Italia S.p.A.	d'Amico Societa' di Nav. S.p.A.	Ishima Pte.Ltd.	d'Amico Shipping UK	d'Amico International S.A.	Compagnia Generale Telemar	Directors and key management
Receivables and other current assets	**39,378**									
of which related party	738	-	137	58	-	543	-	-	-	-
Amounts due to parent fcompany	**20,000**									
of which related party	20,000	-	-	-	-	-	-	20,000	-	-
Payables and other current liabilities	**43,009**									
of which related party	11,733	9,950	63	18	1,140	-	21	-	406	40
TOTAL		**(9,950)**	**74**	**40**	**(1,140)**	**543**	**(21)**	**(20,000)**	**(406)**	**(40)**

26. Commitments and Contingencies

Capital Commitments

As at December 31 2013, the Group's capital commitments amounted to US$ 317.0 million, of which payments over the next 12 months amounted to US$ 160.7 million.

US$ Million	As at 31 Dec 2013	As at 31 Dec 2012
Within one year	160.7	37.6
Between 1 – 3 years	156.3	141.3
TOTAL	**317.0**	**178.9**

Capital commitments relate to the payment for: 6 Hyundai-Mipo dockyard 40,000 dwt Product/chemical tanker newbuilding vessels, 6 Hyundai-Mipo dockyard 50,000 dwt Product/chemical tanker newbuilding vessels, and 1 further Hyundai-Mipo dockyard 50,000 dwt Product/chemical tanker newbuilding vessel in which DIS has 33% interest through Eco Tankers Limited, a JV with Venice Shipping and Logistics S.p.A. All DIS newbuilding vessels are expected to be delivered in 2014, 2015 and 2016.

DTL decided to novate the ordered Hull n. S408 to be built by Hyundai Mipo Dockyard Co. LTD at Hyundai Mipo Vinashin Shipyard Co. Ltd (the "Builder"), with delivery in May 2014 in favour of Eco Tankers Limited (Malta), the joint venture company owned by Venice Shipping and Logistics S.p.A. and DIS. DTL has been asked to guarantee all obligation of Eco as new buyer as a condition of the novation of the Shipbuilding contract and in turn received a counter guarantee (back to back basis) from Venice Shipping and Logistics S.p.A..

Operating Leases – Chartered-in Vessels

As at December 31 2013, the Group's minimum operating lease rental commitments amounted to US$ 190.4 million, of which payments over the next 12 months amounted to US$ 83.2 million.

US$ Million	As at 31 Dec 2013	As at 31 Dec 2012
Within one year	83.2	71.5
Between 1 – 3 years	78.4	88.3
Between 3 – 5 years	24.9	39.1
More than 5 years	3.9	13.2
TOTAL	**190.4**	**212.1**

The amounts include 49% of the commitment between DM Shipping Limited and d'Amico Tankers Limited for the two DM Shipping vessels and 50% of the commitment between GLENDA International Shipping Limited and d'Amico Tankers Limited for 3 GLENDA International Shipping vessels.

As at December 31 2013, DIS operated 19.5 vessel equivalents on time charter-in contracts as lessee. These vessels had an average remaining contract period of 1.7 years at that time (2.8 years including optional periods).

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 Dec 2013	As at 31 Dec 2012
Within one year	0.9	1.1
Between 1 – 3 years	1.1	1.5
Between 3 – 5 years	0.6	0.6
More than 5 years	3.0	0.1
TOTAL	**5.6**	**3.3**

On-going Disputes

The Group is currently involved in a number of on-going commercial disputes concerning both owned and chartered vessels. They relate mainly to cargo contamination claims. The disputes are mostly covered by the P&I Club insurance and 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.

27. 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	35,987,977	USD		
d'Amico Tankers Limited	Dublin / Ireland	100,001	EUR	100.0%	Integral
High Pool Tankers Limited	Dublin / Ireland	2	EUR	100.0%	Integral
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%	Proportional
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	50,000	USD	33.0%	Proportional

The consolidation area of 2013 has changed since 2012 in that a new joint arrangement is now part of the Group (Eco tankers Limited, the 33% JV together with Venice Shipping and Logistics) and the service company d'Amico Tankers Singapore was liquidated at the end of the fourth quarter of 2013.

Interest in Jointly Controlled Entities

The Group has the following significant interests in Joint Ventures:

- a 50% equity share in the ownership, with equivalent voting power, of Glenda International Shipping Ltd (Ireland), a jointly controlled entity with Glencore Group.
- A 51% equity share in the ownership, with 50% voting power, of DM Shipping Ltd (Ireland), a jointly controlled entity with Mitsubishi Group.
- A 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 proportionately consolidated in 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 2013				
Glenda International Shipping Ltd	39,071	1,941	252,466	116,718
DM Shipping Ltd	11,268	16,770	63,838	(12,461)
Eco Tankers Limited	-	(22)	8,976	9,376
YEAR ENDED 31 DECEMBER 2012				
Glenda International Shipping Ltd	31,111	(14,799)	273,098	114,777
DM Shipping Ltd	11,313	(6,103)	68,798	(29,231)


FORMANCE
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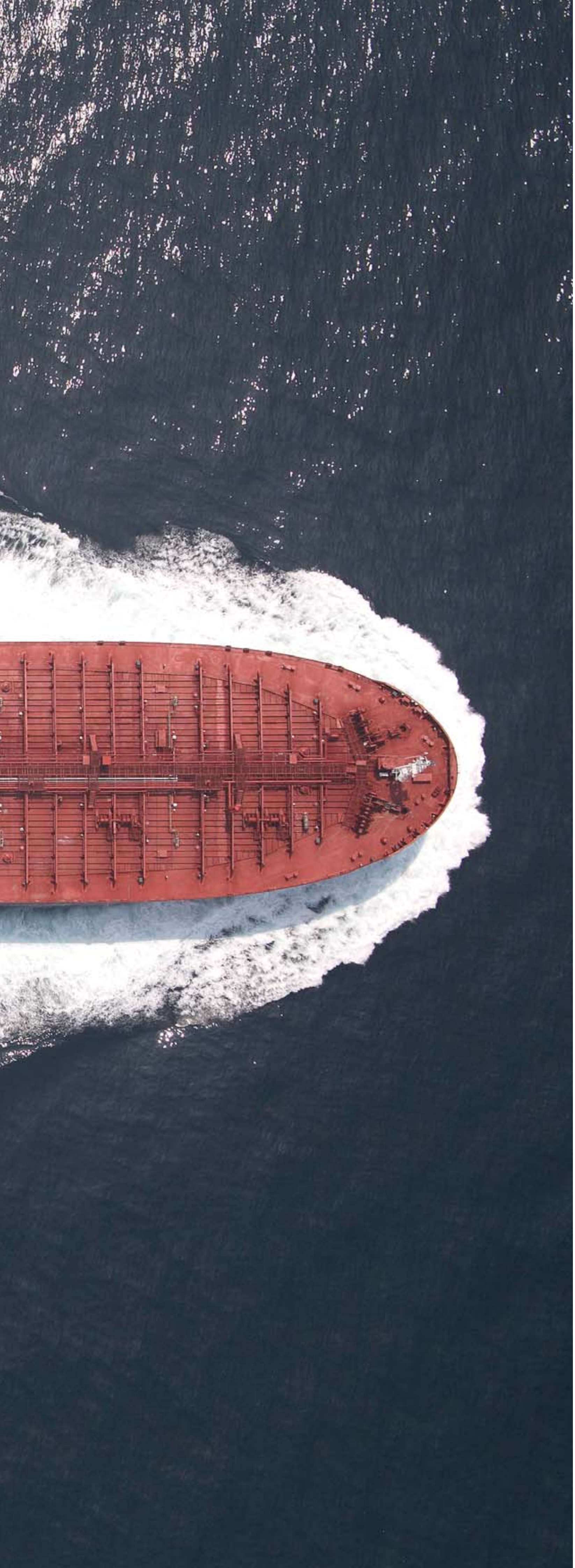

d'Amico International Shipping S.A.

Management Report and Statutory Financial Statements
Year Ended 31 December 2013

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d’Amico International Shipping S.A.

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 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 2013 financial period of the Company amounted to US$ 1.3 million. The Company’s Income Statement is summarized in the following table.

US$ Thousand	31 Dec 2013	31 Dec 2012
Investment income (dividends)	1,000	800
Personnel costs	(280)	(541)
Other General and administrative costs	(2,699)	(1,963)
Financial income (charges)	667	75
NET PROFIT / (LOSS)	**(1,312)**	**(1,629)**

Investment income (dividend) of US$ 1.0 million was received in 2013.

Costs are essentially made up of general and administrative expenses and personnel costs.

Statement of Financial Position

US$ Thousand	31 Dec 2013	31 Dec 2012
Non-current assets	255,206	252,068
Current assets	45,974	69,939
TOTAL ASSETS	**301,180**	**322,007**
Shareholders’ Equity	299,135	300,447
Current Liabilities	2,045	21,560
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	**301,180**	**322,007**

The Company’s Non-current Assets include the investment of US$ 255.2 million 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$ 73.1 million — the Joint Venture company with Glencore Group and the recent investment in Eco Tankers Limited, a 33% JV with Venice Shipping and Logistics with a book value of US$ 3.2 million.

Current assets are mainly represented by US$ 44.5 million financial receivables from the subsidiary d’Amico Tankers Limited and US$ 1.4 million cash held at the bank.

Significant Events of the Year

During 2013 the following main events occurred in the activity of d'Amico International Shipping Group:

d'Amico Tankers Limited:

- **Newbuilding Plan:** During 2013, d'Amico International Shipping increased its orderbook to 12.3 'Eco' design newbuilding product tankers, which corresponds to an overall investment plan of approximately US$ 383 million. All these newbuilding vessels are the latest IMO II MR design with the highest fuel efficiency, leading to a fuel saving of 6 -7 T /day compare to the average consumption of world existing MR fleet. In particular:

  In March 2013, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland), entered into contracts for the construction of two additional new product/chemical tanker vessels (Hull n. S408 and S409 - 50,000 dwt Medium Range) with Hyundai Mipo Dockyard Co. Ltd. - Korea, expected to be delivered at the end of H1 2014, for a consideration of less than US$ 29.0 million each. d'Amico Tankers Limited was also offered with an option for two further vessels, under similar terms and conditions.

  In May 2013, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland), exercised its purchase options, as disclosed in March, and entered into contracts for the construction of two additional new product/chemical tanker vessels (Hull n. S410 and S411 - 50,000 dwt Medium Range, the 'Vessels') with Hyundai Mipo Dockyard Co. Ltd. - Korea, expected to be delivered in H2 2015, for a consideration of less than US$ 30.0 million each.

  d'Amico Tankers Limited signed also a Letter of Intent agreeing with Hudson Partners LLC, an important financial institution based in Connecticut, United States the novation of one of these newbuilding contracts (Hull n. S410) to a special purpose vehicle guaranteed by Hudson Partners LLC for a consideration of US$ 150,000 in addition to the purchase price. The vessel will be commercially managed by DIS and will be employed either through time-charter, voyage charter contracts or through a pool managed by DIS or one of its affiliates. The Hull n. S410 construction supervision will be made by a company of the d'Amico Società di Navigazione S.p.A. Group.

  In October 2013, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland) has entered in a shipbuilding contract for the purchase of four additional product chemical tanker vessels (39,000 dwt Handysize) at the price of US$ 31.2 million/each, with Hyundai Mipo Dockyard Co. Ltd. - Korea - at their HVS facility in Vietnam. The new vessels are expected to be delivered in November, 2015 - April, July, and October, 2016. This contract includes an option to upgrade the vessels to ice class IB at an extra cost of US$ 963,000 per vessel. In November 2013, d'Amico Tankers decided to upgrade the technical specifications to Ice 1B of the first two vessels bearing Hull n. S420 and S421.

- **Vessel Sale:** In May 2013, d'Amico Tankers Limited agreed the sale of: (i) The Handysize product tanker vessel *M/T Cielo di Londra*, built in 2001 by STX, South Korea at the price of US$ 12.3 million; (ii) The sale of the MR product tanker vessels M/T High Spirit and *M/T High Challenge*, built in 1999 by STX, South Korea at the price of US$ 12.2 million each. These sales reduced DIS fleet average age and generated a net 'Profit on disposal' of US$ 13.9 million in Q2 2013.

  In July 2013, d'Amico Tankers Limited agreed the sale of the Handysize product tanker vessel *M/T Cielo di Parigi*, built in 2001 by Daedong Shipbuilding South Korea at the price of US$ 12.65 million. However in November 2013, d'Amico Tankers Limited cancelled its contract, following the Buyer's failure to take delivery of the Vessel within the agreed deadline. In accordance with the terms of the MOA, as amended, d'Amico Tankers Limited retained the 10% deposit (US$1.265 million) paid by the Buyer, and is also entitled to be paid a further sum of US$ 286,000 by way of liquidated damages. The Vessel *M/T Cielo di Parigi* is in possession of d'Amico Tankers - who remain the rightful owner - and such sale will be most likely concluded within a different buyer in the first quarter 2014.

- **'Time Charter-Out' Fleet:** In March 2013 d'Amico Tankers Limited renewed for two more years three Time Charter-Out contracts with a main oil-major, which were due to expire in the course of 2013. These contracts further consolidate DIS historical relationships with the oil-majors and were renewed at levels which will generate a positive operating cash flow.

In May 2013, one vessel owned by GLENDA International Shipping Limited and chartered-in by d'Amico Tankers Limited, was Time Chartered for 1 year period with an option for a further 1 year, to an important commodity trader at rewarding levels.

In June 2013, two vessels owned by d'Amico Tankers Limited were Time Chartered at rewarding levels and for 1 year period to respectively an important commodity trader and a main oil company.

In July 2013 one vessel owned by GLENDA International Shipping Limited and chartered-in by d'Amico Tankers Limited, was Time Chartered for 1 year period with an option for further 6 months, to a main oil-major at rewarding levels.

In July 2013, d'Amico Tankers Limited (Ireland), signed a new Time Charter agreement on one of its new vessels (Hull n. 2407) under construction at Hyundai Mipo Dockyard Co. Ltd. (South Korea) and delivered January 2014. This contract was signed with one of the main Oil Majors, for a period of 5 years at an average daily rate of US$ 16,485.

In July 2013, d'Amico Tankers Limited (Ireland), signed a new Time Charter agreement on one of its new vessels (Hull n. 2388) under construction at Hyundai Mipo Dockyard Co. Ltd. (South Korea) and expected to be delivered in Q4 2014/Early 2015. This contract was signed with one of the main Oil Majors, for a period of 5 years at an average daily rate of US$ 16,327.

In September 2013, two vessels chartered-in by d'Amico Tankers Limited, were Time Chartered at rewarding levels for 1 year period to two important commodity traders.

In November 2013, d'Amico Tankers Limited (Ireland), signed a new Time Charter agreement on one of its new vessels (Hull n. 2408) under construction at Hyundai Mipo Dockyard Co. Ltd. (South Korea) and expected to be delivered at the end of February 2014. This contract was signed with one of the main Oil Majors, for a period of 3 years at a daily rate close to US$ 17,000, for an equivalent total value of over US$ 18 million. The conclusion of this deal is a clear sign of the strong improvement of the pure product tanker market, with rates and asset values expected to keep on increasing in the short and medium term.

In December 2013, d'Amico Tankers Limited (Ireland), signed a new time charter agreement (the 'Contract") on one of its new vessels (Hull n. 2387) under construction at Hyundai Mipo Dockyard Co. Ltd. (South Korea), expected to be delivered in October 2014. Also this Contract - as the one announced by means of press release of November 25 - was signed with one of the main Oil Majors, for a period of 3 years at a daily hire close to US$ 17,000, for an equivalent total value of over US$ 18 million. As result of this new time charter almost 50% of DIS 12.3 ECO newbuilding program has been fixed with leading oil majors for a period of more than 3 years.

In December 2013, one vessel owned by GLENDA International Shipping Limited and chartered-in by d'Amico Tankers Limited, was Time Chartered for 1 year period with an option for a further 1 year, to an important commodity trader at rewarding levels.

In December 2013, the contract on one vessel owned by d'Amico Tankers Limited and Time Chartered since May 2012 to an important oil company was extended with the same company for a further 1 year period at rewarding levels.

- **'Time Charter-In' Fleet:** In January 2013, *M/T High Nefeli*, a Medium Range (MR) vessel built in 2003 and Time Chartered-In by d'Amico Tankers Limited since 2003 was redelivered back to her Owners.

  In January 2013, the contract on *M/T Freja Hafnia*, a Medium Range (MR) vessel built in 2006 and delivered to d'Amico Tankers Limited in January 2012 for a 1 year time charter period, was extended until January 2015.

  In February 2013, *M/T Torm Hellerup*, a Medium Range (MR) vessel built in 2008 and delivered to d'Amico Tankers Limited in May 2012 for a 1 year time charter period, with an option for a further 1 year, changed name into *M/T Hallinden*, upon change in her ownership. In June 2013, d'Amico

Tankers Limited redelivered *M/T Hallinden* back to her Owners.

In February 2013, the contract on *M/T Eastern Force*, a Medium Range (MR) vessel built in 2009 and delivered to d'Amico Tankers Limited in April 2012 for a 1 year time charter period, was extended until April 2014, with an option for a further 1 year time charter period.

In April 2013, *M/T Citrus Express*, a Medium Range (MR) vessel built in 2006, was delivered to d'Amico Tankers Limited for a 1 year time charter period.

In April 2013, *M/T Carina*, a Medium Range (MR) vessel built in 2010, was delivered to d'Amico Tankers Limited for 3 years' time charter period.

In June 2013, *M/T High Energy*, a Medium Range (MR) vessel built in 2004 and Time Chartered-In by d'Amico Tankers Limited since then was redelivered back to her Owners.

In August 2013, *M/T Orient Star*, a Medium Range (MR) vessel built in 2010, was delivered to d'Amico Tankers Limited for a 1 year time charter period.

In November 2013, *M/T Malbec*, a Handysize vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since 2010 was redelivered back to her Owners.

In December 2013, *M/T Ocean Leo*, a Medium Range (MR) vessel built in 2010, was delivered to d'Amico Tankers Limited for 3 to 9 month time charter period.

GLENDA International Shipping Limited:

- **'Time Charter-Out' Fleet:** During the first half of 2013, GLENDA International Shipping Limited, a 50/50 joint venture company between DIS and the Glencore Group, withdrew all its owned vessels from the Pool managed by GLENDA International Management Limited and Time Charter-out 3 vessels to d'Amico Tankers Limited and 3 vessels to ST Shipping (Glencore Group).

d'Amico Tankers Singapore Pte Ltd:

d'Amico Tankers Singapore completed its liquidation process and was struck-off the Singapore Companies' Register in December.

Significant Events Since the End of the Year and Business Outlook

d'Amico International Shipping:

- **Results of d'Amico International Shipping Warrants 2012-2016 – First Exercise Period ended in January 2014: In February 2014,** d'Amico International Shipping S.A. ("DIS") announced that the First Exercise Period of the "d'Amico International Shipping Warrants 2012 – 2016" (ISIN code LU0849020044) ended on January 31st 2014. 186,226,599 Warrants were exercised at a price of Euro 0.36 per ordinary share newly issued by DIS and admitted to trading on the MTA market of Borsa Italiana SpA each as a "Warrant Share" for a total counter-value of Euro 22.347.191,88 (equal to US$ 30,477,100). In accordance with the terms and conditions of the Warrant Regulations and based on the Warrants Ratio of one (1) Warrant Share for every three (3) Warrants exercised, today DIS has issued and allotted 62,075,533 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 First Exercise Period. The ISIN code of the Warrant Shares will coincide with the ISIN Code of DIS's outstanding shares being LU0290697514. After the current capital increase DIS' share capital amounts to USD 42,195,530.70 divided into 421,955,307 ordinary shares with no nominal value. The bylaws as amended and all the set of documentation pertaining to the current capital increase occurred on this day will be deposited and available within the terms prescribed by the applicable laws and regulations at the Company's registered office and on its website (www.damicointernationalshipping.com), at Borsa Italiana S.p.A., at Commissione Nazionale per le Società e la Borsa (CONSOB) and filed with the Commission de Surveillance du Secteur Financier (CSSF) being Bourse de Luxembourg its OAM. In accordance with the Warrant Regulations, the holders of the Warrants which were not exercised during the First Exercise Period will have the right to exercise their Warrants and subscribe to Warrant Shares based on the same Warrants Ratio, at the following exercise prices and in the following exercise periods:
  - EUR 0.40, for the Warrants exercised on all the trading days in January 2015;
  - EUR 0.46, for the Warrants exercised on all the trading days in January 2016.

  DIS recalls that from December 1st 2013 to December 31st 2015, the Board of Directors – under the conditions set by the article 3 of the Warrant Regulations – may set additional exercise periods that in any case shall be timely disclosed to the public. It should be noted that the Warrant Regulations are available on DIS' website www.damicointernationalshipping.com, in the section dedicated to capital increase as an attachment to the prospectus dated November 6th 2012.

d'Amico Tankers Limited:

- **Time Charter-In' Fleet:** In January 2014, *M/T High Power*, a Medium Range (MR) vessel built in 2004 and Time Chartered-In by d'Amico Tankers Limited since then was redelivered back to her Owners. The Owners are currently employing such vessel in the Pool managed by High Pool Tankers Limited.

  In January 2014, *M/T Baizo*, a Medium Range (MR) vessel built in 2004, was delivered to d'Amico Tankers Limited for 3 years' time charter period, with an option for further 2 years.

  In February 2014, d'Amico Tankers Limited exercised the option to extend until July 2015 its contract on *M/T High Glow*, a Medium Range (MR) vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since then.

  In February 2014, d'Amico Tankers Limited exercised the option to extend until April 2015 the contract on *M/T Eastern Force*, a Medium Range (MR) vessel built in 2009 and Time Chartered-In by d'Amico Tankers Limited since April 2012.

- **Newbuilding Vessels:** In January 2014, two 'Eco' newbuilding product tankers under construction at Hyundai Mipo Dockyard Co. Ltd. – South Korea, *M/T Cielo di Gaeta* (Handysize - 40,000 dwt) and *M/T High Freedom* (Medium Range - 50,000 dwt), were delivered to d'Amico Tankers Limited. Both vessels were Time chartered for 5 years to a main Oil-Major.

  In February 2014, two additional 'Eco' newbuilding product tankers under construction at Hyundai Mipo Dockyard Co. Ltd. – South Korea, *M/T Cielo di New York* (Handysize - 40,000 dwt) and *M/T High Discovery* (Medium Range - 50,000 dwt), were delivered to d'Amico Tankers Limited. Both vessels were Time chartered for respectively 5 and 3 years to two different Oil-Majors.

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

	As at 31 December 2013			As at 28 February 2014		
	MR	Handysize	Total	MR	Handysize	Total
Owned	16.0	2.0	18.0	18.0	4.0	22.0
Time chartered	17.5	2.0	19.5	17.5	2.0	19.5
TOTAL	**33.5**	**4.0**	**37.5**	**35.5**	**6.0**	**41.5**

Business Outlook

Global oil demand growth appears to have gradually gained momentum in the last 18 months, driven by economic recovery in the developed world. Oil demand growth has been ramping up from a low point in 3Q12 to a recent high of 1.5 million barrels per day in 3Q13. Key to this change has been a trend reversal in OECD demand. This reversal in demand has been led by the Americas and Europe. Most OECD economies have by now largely exited the restraints of recession, with strong gains in some countries in the energy-intensive manufacturing and petrochemical sectors.

Indian oil demand growth is forecast to accelerate to 2.4% in 2014 as the underlying macroeconomic picture recovers, with GDP growth of above 5% forecast by the International Monetary Fund (IMF) in 2014.

Refinery maintenance has already started in the Middle East with Saudi Arabia featuring as an active buyer of distillate cargoes from the East. Available capacity in the Middle East will increase sharply in mid-March as refinery maintenance comes to an end and the second phase of the 400,000 barrels per day Jubail refinery comes on-line (+ 200,000 barrels per day).

China's top refiners, Sinopec Corp and Petro China were granted export permits for the fourth quarter. It is expected with slowdown in domestic demand that there will be more licenses to export granted.

The U.S. West Coast market is seen engaging in strong gasoline and diesel exports in the first month of 2014, and the heavy push is extended into early February. In January, at least five cargos of gasoline and naphtha were booked for export to Asia, and another 2-3 cargos were fixed for the trans-pacific voyage in February. Most of these cargos of conventional gasoline, aromatics and naphtha, are headed to Singapore, China and Japan.
Total OECD commercial oil inventories plummeted by 53.6 million barrels in November, their steepest monthly decline since December 2011. Crude oil and petroleum products such as Gasoil and Distillates led the plunge. At end on January, inventories lagged year-ago levels by 85.8 million barrels and five-year average levels by as much as 99.5 million barrels. With the looming spring refinery maintenance season we should see an improvement in product tanker demand to restock the low inventories.

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

- In 2013 there have been at least 170 time charter contracts concluded in the MR sector compared to 57 in the whole of 2012.
- The Jones Act, the cold weather in the US (helping demand and causing refinery problems) and fast declining distillate stocks in the US North East are driving the distillate flows in the Atlantic Basin. Excess volumes from the US Gulf have to be exported, with most of it ending up in Europe, while distillates from Europe and Russia have increasingly been heading to the US East Coast.
- There is currently 800,000 barrels per day of refinery capacity in Europe which is under strategic review. European refiners are suffering, due to slow domestic and United States Product demand so we could see further closures.
- In Asia and Australia there is over 500,000 barrels per day of refinery capacity due to close and an additional 1,000,000 barrels per day under strategic

review. This will only increase these countries reliance on imported product.
- Annual seaborne palm oil transportation is expected to rise from 6.5 million tonnes to 7.5 million tonnes by 2016. This would require an additional 31 ships (MR Tankers) annually.

Product Tanker supply

- There have been various reports of very strong ordering in the MR sector in 2013. There is considerable speculation of exactly how many orders have been placed and the reports range from 300 up to 400 for delivery in the next 3 years.
- The order book for delivery last year was around 125 ships of which 86 were delivered.
- Based on historical figures for the last couple of years we would expect the order book for 2014 to be around 90-100 ships and the same for the following year.
- Slippage and possible cancellations should still be considered a significant factor in the new buildings. The average slippage has been around 35 percent over the last 5 years.
- Despite the fact that the MR fleet has a relatively young average age of 8.8 years there are 319 ships over the age of 15 years of which 166 are over 20 years old and 66 over 25 years old.
- About 30 Product tankers were permanently removed in 2013 and the average scrap age of product tankers fell to about 26 years, bringing down net fleet growth markedly.
- With the introduction of modern fuel efficient vessels, the potential earnings differential between mature and modern tonnage will become more pronounced. The earnings disparity will put further pressure on older tonnage and may well bring about an even lower scrap age.
- Port delays, slow steaming and increasing length of voyages are very much a factor in trading product Tankers and are effectively reducing the ready supply.

On behalf of the Board
February 27, 2014

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 2013

Statement of Income and Other Comprehensive Income

US$	Note	2013	2012
Revenue	(3)	1,000,000	800,000
General and administrative costs	(4)	(2,726,840)	(2,499,626)
GROSS OPERATING RESULT		**(1,726,840)**	**(1,699,626)**
Depreciation		(5,962)	(3,236)
OPERATING RESULT		**(1,732,802)**	**(1,702,862)**
Net financial income (charges)	(5)	666,977	75,496
PROFIT / (LOSS) BEFORE TAX		**(1,065,825)**	**(1,627,366)**
Tax expense	(6)	(246,079)	(2,100)
NET PROFIT / (LOSS)		**(1,311,904)**	**(1,629,466)**
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD		**(1,311,904)**	**(1,629,466)**

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

Statement of Financial Position

US$	Note	As at 31 December 2013	As at 31 December 2012
ASSETS			
Non-current assets			
Tangible assets	(7)	9,367	10,727
Financial fixed assets	(8)	255,197,042	252,057,334
TOTAL NON-CURRENT ASSETS		**255,206,409**	**252,068,061**
Current assets			
Receivables and other current assets	(9)	47,260	109,010
Current financial receivables	(10)	44,492,109	35,535,296
Cash and cash equivalents	(11)	1,434,640	34,294,565
TOTAL CURRENT ASSETS		**45,974,010**	**69,938,871**
TOTAL ASSETS		**301,180,420**	**322,006,932**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	(12)	35,987,977	35,987,977
Retained earnings	(12)	18,022,504	19,334,408
Other reserves	(12)	245,124,272	245,124,272
TOTAL SHAREHOLDERS' EQUITY		**299,134,753**	**300,446,657**
Current liabilities			
Payables and other current liabilities	(13)	338,561	1,560,275
Other current financial liabilities	(14)	1,463,292	20,000,000
Current tax payable		243,814	-
TOTAL CURRENT LIABILITIES		**2,045,667**	**21,560,275**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**301,180,420**	**322,006,932**

The financial statements on pages 89 to 105 were authorised for issue by the Board of Directors on its behalf on February 27, 2014

Paolo d'Amico, Chairman

Marco Fiori, Chief Executive Officer

Statement of Cash Flows

US$	2013	2012
(LOSS) / PROFIT FOR THE PERIOD	**(1,311,904)**	**(1,629,466)**
Dividend	(1,000,000)	(800,000)
Depreciation and amortisation	5,962	3,236
Current and deferred tax	246,079	2,100
Financial charges (income)	(666,977)	(75,496)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	**(2,726,840)**	**(2,499,626)**
Movement in amounts receivable	61,570	19,770
Movement in amounts payable	(1,221,714)	1,253,463
Taxes (paid)	243,814	(2,100)
Interest and other financial result (paid) received	420,897	(280,545)
NET CASH FLOW FROM OPERATING ACTIVITIES	**(3,222,093)**	**(1,509,038)**
Acquisition of fixed assets	(4,602)	(10,718)
Movement in other financial assets	-	14,325,851
Net acquisition of subsidiaries – Eco Tankers Limited	(3,139,708)	-
Movement in shareholders'loan	6,741,142	-
Investment income - Dividend	1,000,000	800,000
NET CASH FLOW FROM INVESTING ACTIVITIES	**4,596,832**	**15,115,133**
Share capital increase	-	20,992,997
Other changes in shareholders'equity	-	63,039,347
Other reserves	-	80,616
Movement in other financial payable – shareholder's loan	(20,000,000)	(35,040,480)
Movement in other financial receivables – loan to subsidiary	(14,234,664)	(30,257,446)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(34,234,664)**	**18,815,034**
CHANGE IN CASH BALANCE	**(32,859,925)**	**32,421,129**
Cash and cash equivalents at the beginning of the period	34,294,565	1,873,436
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**(32,859,925)**	**32,421,129**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,434,640**	**34,294,565**

Statement of Changes in Shareholders' Equity

US$	Share capital	Retained earnings	Other Reserves	Total
BALANCE AS AT 1 JANUARY 2013	**35,987,977**	**19,334,408**	**245,124,272**	**300,446,657**
Total comprehensive income	-	(1,311,904)	-	(1,311,904)
BALANCE AS AT 31 DECEMBER 2013	**35,987,977**	**18,022,504**	**245,124,272**	**299,134,753**

US$	Share capital	Retained earnings	Other Reserves	Total
BALANCE AS AT 1 JANUARY 2012	**149,949,907**	**20,963,874**	**47,334,872**	**218,248,653**
Capital increase	(113,961,930)	-	197,789,400	83,827,470
Total comprehensive income	-	(1,629,466)	-	(1,629,466)
BALANCE AS AT 31 DECEMBER 2012	**35,987,977**	**19,334,408**	**245,124,272**	**300,446,657**

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).

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 US Dollars have been translated at the appropriate rate ruling at the time of the transactions. Assets and liabilities denominated in currencies other than the US Dollar have been translated into US 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 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.

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.

Warrants

Warrants are classified within equity as they meet the conditions set out in paragraphs 16(a) and (b) of IAS 32 Financial Instruments Presentation. The conditions in 16(a) stipulate that the instrument includes no contractual obligation to deliver cash or another financial asset to another entity. The conditions in 16 (b) state that if the instrument will or may be settled in the issuer's own equity instruments, it is either i) a non- derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or ii) a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. It is considered that the stepped instruments issued would be considered "fixed for fixed" and so be an equity instrument of d'Amico International Shipping on the basis that the warrant price is pre-determined and varies over time and not in relation to the number of shares that are issued or by reference to a notional amount. For these reasons it is considered that they have the characteristics of equity and so are classified as such. The issue of warrants was simultaneous (read included) to the issue of the Preferential Subscription Rights for the new shares at the moment of the capital increase, therefore the proceeds of the issue of the warrants are included in those received for the new shares and have been accounted for in the share premium account.

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.

Investments carrying value

The financial instruments are stated at their fair value based on the valuations provided by the relevant custodian banks. The actual realised gain or loss on the eventual disposal or maturity may be different to the value at the financial position date.

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 2013

Except for the changes mentioned below, the Group has consistently applied the accounting policies presented before in this note to all periods presented in these financial statements.

The following standards and amendment to standards were adopted by the Group for the first time for the financial year beginning on 1 January 2013.

IFRS 13 "Fair Value Measurement" provides guidance on how to measure fair value when it is required or permitted by other IFRS's and contains extensive disclosure requirements to enable users of financial statements to assess the methods used by entities when developing fair value measurements and the effects of such measurements on financial results. The standard is applicable for accounting periods beginning on or after January 1, 2013 and its application had no effect on the preparation of the present financial statements.

Accounting principles, amendments and interpretations not yet effective

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

IFRS 7 "Disclosures – Transfers of Financial Assets" is concerned with increased disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

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 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 six 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$	2013	2012
REVENUE	**1,000,000**	**800,000**

A dividend of US$ 1.0 million was received from the key operating subsidiary d'Amico Tankers Limited in the month of June (2012: US$ 800 thousand).

4. General and Administrative Costs

US$	2013	2012
Wages and benefits	(279,297)	(541,297)
Other operating charges	(2,447,543)	(1,958,329)
TOTAL G&A COSTS	**(2,726,840)**	**(2,499,626)**

Employees

The Company employs one manager and two administrative employees (2012: two managers and two administrative employees).

The total charge for wages and salaries amounted to US$ 279,297 (2012: US$ 541,297).

Other Operating Charges

The amount of US$ 2,447,543 in 2013 includes professional fees and advisory costs incurred by the Company during the year as a result of being a listed entity (2012: US$ 1,958,329), of which fees accrueded by the réviseur d'entreprises agréé/statutory auditor for the audit of the Annual accounts amount to USD 8.0 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 725,000 was paid, including net fees for EUR 580,000 and 20% withholding tax (2012: no change). Variable fees amount US$ 135,000 is accrued for.

5. Net Financial Income (Charges)

US$	2013	2012
NET FINANCIAL INCOME (CHARGES)	**666,977**	**75,496**

Net financial income amount to US$ 666,977 (2012: US$ 75,496) and concerns mainly the realised interest income towards the subsidiary d'Amico Tankers Ltd of US$ 368,957 (2012: US$ 189,974) and realised foreign exchange gains of US$ 319,601 on the Euro cash received at the end of 2012 through the Capital increase (while in 2012 it included interest cost on the financial assistance received by the shareholder d'Amico International US$ 135,077).

Residual amounts are exchange finanacial charges and fees and interest expenses on the financing received from the subsidiary Glenda International Shipping Ltd.

6. Taxation

US$	2013	2012
TAX EXPENSES	**(246,079)**	**(2,100)**

Taxation in 2013 represents the accrual on the Net Wealth Tax payable at the beginning of the year; the Net Wealth of the Company raised from previous year, as a consequence of the 2012 year-end capital increase; in 2012 only the minimum amounts of the net wealth tax was due, and minimum income tax.

As dividends are not subject to the corporate income tax in Luxembourg, d'Amico International Shipping S.A. had, at the end of 2013, cumulated tax losses to be carried forward of approximately Euro 37.5 million (US$ 49.8 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.

d'Amico International Shipping is subject to the Luxembourg Net Wealth Tax regime: in 2013 the taxable net assets of the company generated a tax of EUR 183 thousand; for 2012 the calculated net assets generated no tax.

7. 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$	2013	2012
COST		
At 1 January	17,206	55,686
Additions	4,602	13,962
Write-off	(3,244)	(52,442)
At 31 December	18,564	17,206
DEPRECIATION		
At 1 January	6,479	52,442
Charge for the period	5,962	3,236
Write-off and exchange differences	(3,244)	(49,199)
At 31 December	9,197	6,479
NET BOOK VALUE		
AT 31 DECEMBER	**9,367**	**10,727**


NO SMOKING
SAFETY FIRST

8. Financial Fixed Assets

Investment in Subsidiaries

Company	Country	Ownership	Ccy	Increase (decrease)	Book value at 31 Dec 2013	Share Capital	Reserves
d'Amico Tankers Limited.	IRL	100%	USD	-	178,921,920	108,000	212,780,000
Glenda International Shipping Ltd.	IRL	50%	USD	-	73,135,414	202	116,717,995
Eco Tankers Limited	Malta	33%	USD	3,139,708	3,139,708	49,262	9,326,297
			USD	**3,139,708**	**255,197,042**		

d'Amico Tankers Limited is the key operating subsidiary of the d'Amico International Shipping Group, while GLENDA International Shipping Ltd (GIS) is the vehicle for the Joint Venture with Glencore Group, one of the world's largest suppliers of commodities and raw materials to industrial consumers. In June 2013 a new investment was made in Eco Tankers Limited, a Joint Venture with the Shipping investment fund Venice Shipping & Logistics. Joint control is exercised on both Joint Ventures and the investments qualify as long-term financial investment.

Investments through d'Amico Tankers Limited:

Company	Effective Interest	Country	Activity
High Pool Tankers Limited	100%	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

9. Receivables and Other Current Assets

US$	As at 31 December 2013	As at 31 December 2012
RECEIVABLES AND OTHER CURRENT ASSETS	**47,260**	**109,010**

In 2013 and in 2012 the balance represents prepaid company expenses and other sundry debtors.

10. Current Financial Receivables

US$	As at 31 December 2013	As at 31 December 2012
Glenda International Shipping Ltd.	-	5,277,850
d'Amico Tankers Limited	44,492,109	30,257,446
CURRENT FINANCIAL RECEIVABLES	**44,492,109**	**35 ,535,296**

The balance at the end of the year represents the financing to the subsidiary d'Amico Tankers Limited, which is used to fund six 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 0.25% – 0.31 % during 2013.

At the end of the year, the proceeds of the Capital increase, US$ 50,0 million were transferred to d'Amico Tankers Limited for the funding of the six tanker new-buildings, resulting in the intercompany balance of US$ 30,3 million in favour of DIS. The financing bears interest at USD LIBOR 3 months plus a margin aligned with the markets conditions; the range during 2012 of rates for the 3-month USD Libor was 0.36% – 0.58 %.

In 2013 as expected, improved returns in the market ended Glenda International Shipping to return the funds advanced by the shareholder.

11. Cash and Cash Equivalents

US$	As at 31 Dec 2013	As at 31 Dec 2012
CASH AND CASH EQUIVALENTS	**1,434,640**	**34,294,565**

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

12. Capital and Reserves

Subscribed Capital

The current subscribed and fully paid-up capital of US$ 35,987,977.40 (corresponding to € 27,275,294 at the year-end exchange rate) is divided into 359,879,774 shares without nominal value.

Number 69,976,622 warrants issued by the Company in 2012, the exercise of which is regulated as per information attached to the Prospectus, grant the right to the warrant-holders at any time during the following exercise periods, to subscribe for new shares: during all trading days of the month of January 2014 at a price of euro 0.36 each, during all trading days of the month of January 2015 at a price of euro 0.40 each and during all trading days of the month of January 2016 at a price of euro 0.46 each, although the Board of Directors of the Company may, upon occurrence of certain events declare additional periods or suspend the exercise periods.

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 Dec 2013	As at 31 Dec 2012
Share premium reserve	258,373,003	258,373,003
Treasury shares	(16,357,027)	(16,357,027)
Legal reserve	3,108,296	3,108,296
TOTAL	**245,124,272**	**245,124,272**

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. 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 2013 consist of 5,090,495 ordinary shares (2012: 5,090,495) for an amount of US$ 16.4 million (2012: US$ 16.4 million), corresponding to 1.41% of the outstanding share capital at the financial position date (2011: 1.41%). These shares were acquired in 2007 and 2008 and during the second half of 2011, following the approval of the Buy-back program.

Legal reserve

It is a legal requirement in Luxembourg and is constituted through an allocation of 5% of taxable profits.

13. Payables and Other Current Liabilities

US$	As at 31 Dec 2013	As at 31 Dec 2012
OTHER CURRENT LIABILITIES	**338,561**	**1,560,275**

The amount of current liabilities in 2013 refers to the day-to-day administrative activity of the Company (2012: US$ 1,560,275, they included administrative expenses/consultancy fees received in connection with the capital increase).

14. Other Current Financial Liabilities

US$	As at 31 Dec 2013	As at 31 Dec 2012
OTHER FINANCIAL CURRENT LIABILITIES	**1,463,292**	**20,000,000**

The US$ 20.0 million shareholder loan granted by the parent company d'Amico International in 2012 was fully reimbursed at the beginning of 2013. The balance in 2013 represents the funds reimbursed on capital account by the subsidiary Glenda International Shipping; interest payable is at 3%.

15. 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 bank deposits 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. During the month of December it improved its liquidity through a share Capital increase.

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.

	2013				
US$ Thousand	Loans and receivables	Total 2013	Fair Value Level 1	Fair Value Level 2	Total
ASSETS					
Receivables and other current assets	40,260	40,260	-	-	-
Current financial receivables	44,492,109	44,492,109	-	-	-
Cash and cash equivalents	1,434,640	1,434,640	-	-	-
LIABILITIES					
Payables and other current liabilities	338,561	338,561	-	-	-
Other current financial liabilities	1,463,292	1,463,292	-	-	-
Current tax payable	234,814	234,814	-	-	-

	2012				
US$ Thousand	Loans and receivables	Total 2012	Fair Value Level 1	Fair Value Level 2	Total
ASSETS					
Receivables and other current assets	109,010	109,010	-	-	-
Current financial receivables	35,535,296	35,535,296	-	-	-
Cash and cash equivalents	34,294,565	34,294,565	-	-	-
LIABILITIES					
Amounts due to parent company	20,000,000	20,000,000		-	-
Payables and other current liabilities	1,560,275	1,560,275		-	-
Current tax payable	-	-		-	-

16. Related Parties Transactions

During 2013, 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 from 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$ 295.7 thousand.

The effects, by legal entity, of related party transactions on the Company's income statement for the 2013 are the following:

US$	d’Amico International Shipping S.A.	d’Amico Società di Nav. SpA	d'Amico Tankers Limited	d'Amico International S.A	Directors & key management
Revenue	**1,000,000**				
of which					
Dividend	1,000,000	-	1,000,000	-	-
General and administrative costs	**(2,762,840)**				
of which					
Personnel cost	(725,000)	-	-	-	(725,000)
Services agreement	(331,242)	(295,764)	-	(35,478)	-
Net financial income (charges)	**666,977**				
of which					
Financial interest	360,238	-	368,957	(8,719)	-
TOTAL		**(295,764)**	**1,368,957**	**(44,197)**	**(725,000)**

The table below shows the effects, by legal entity, of related party transactions on the Company’s Income Statement for the year 2012:

US$	d’Amico International Shipping S.A.	d’Amico Società di Nav. SpA	d'Amico Tankers Limited	Tamburi Investment Partners	d'Amico International S.A	Directors & key management
Revenue	**800,000**					
of which						
Dividend	800,000	-	800,000	-	-	-
General and administrative costs	**(2,499,626)**					
of which						
Personnel cost	(755,000)	-	-	-	-	(755,000)
Services agreement	(1,177,464)	(293,297)		(849,778)	(34,389)	
Net financial income (charges)	**(75,496)**					
of which						
Financial interest	(325,051)	-	(189,974)	-	(135,077)	-
TOTAL		**(293,297)**	**610,026**	**(849,778)**	**(169,446)**	**(755,000)**

The effect, by legal entity, of related-party transactions on the Company's Statement of Financial Position as at 31 December 2013 are as follows:

US$	d'Amico International Shipping S.A.	d'Amico Tankers Limited	d'Amico International Shipping Ltd
Current financial receivable	**44,292,109**	-	-
of which related party	-	44,292,109	-
Other current financial liabilities	**1,463,292**	-	-
of which related party	-	-	1,463,292
TOTAL	**-**	**44,292,109**	**(1,463,292)**

The effect, by legal entity, of related party transactions on the Group's combined Statement of Financial Position as at 31 December 2012 were the following:

US$	d'Amico International Shipping S.A.	d'Amico International S.A.	d'Amico Tankers Limited	Glenda International Shipping Ltd	Tamburi Investment Partners	Directors and key management
Current financial receivable	**35,535,296**	-	-	-	-	-
of which related party	-		30,257,446	5,277,850	-	-
Payables and other current liabilities	**1,570,275**	-	-	-	-	-
of which related party		-	-	-	551,703	-
Other current financial liabilities	**20,000,000**	-	-	-	-	-
of which related party	-	20,000,000	-	-	-	40,069
TOTAL		**(20,000,000)**	**30,257,446**	**5,277,850**	**(551,703)**	**(40,069)**

17. 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.

18. 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 JPY 10.0 billion Mizuho facility, in respect of the 48.0 million Crédit Agricole Corporate & Investment Bank & DNB NOR Bank ASA facility, and in respect of the Crédit Agricole Corporate & Investment Bank up-to-40.0 million facility, in respect of Danish Ship Finance up to $ 31.5 million facility 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 2013 amounted to US$ 169.1 million.

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.

February 27, 2014

Giovanni Barberis, Chief Financial Officer


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d'Amico International Shipping S.A.
25 C Boulevard Royal
L-2449 Luxembourg

Leudelange, February 27, 2014

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

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 December 31, 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors' 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.

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Société à responsabilité limitée - Cabinet de révision agréé

R.C.S. Luxemburg Nr. B 155 334
Capital Social 15.000 EUR

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the réviseur d'entreprises agréé's judgement, 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.

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 December 31, 2013 and 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.

MOORE STEPHENS Audit S.A.R.L.

Horst SCHNEIDER
Réviseur d'Entreprises Agréé

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To the Shareholders of
d'Amico International Shipping S.A.
25 C Boulevard Royal
L-2449 Luxembourg

Leudelange, February 27, 2014

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of d'Amico International Shipping S.A., which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors' 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 réviseur d'entreprises agréé's judgement, 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.

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 December 31, 2013 and 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.

MOORE STEPHENS Audit S.A.R.L.

Horst SCHNEIDER
Réviseur d'Entreprises Agréé

Photos by Federico Soffici: page 14,39,106-107

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