d'Amico

2014 Annual Report

d'Amico International Shipping S.A.

2014 Annual Report

Consolidated and Statutory Financial Statements
Year Ended 31 December 2014

d'Amico International Shipping S.A.

Registered office at 25C Boulevard Royal, Luxembourg
Share capital US$ 42,195,530.70 as at 31 December 2014

This document is available on
www.damicointernationalshipping.com


NO SMOKING
SAFETY FIRST
HIGH FORCE

Contents

Letter to Shareholders

'Dear Shareholders,

It is my pleasure to present the 2014 results for our Company, a year in which following a still challenging first half, the market scenario changed completely during the last quarter, leading us to realize a very good operating performance in Q4'14.

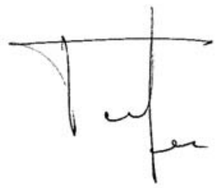
In fact DIS Daily Average Spot rate was US$ 13,133 in the nine months 2014 and US$ 15,076 in the fourth quarter of 2014. The Q4'14 Spot result represents our best spot performance since the first quarter of 2009. This was mainly the result of the decline in the crude oil price which increased refiners' margins, driving up product volumes and therefore tonnage demand and rates. We can already anticipate that this positive market momentum has continued at the beginning of 2015.

Looking at the last part of the year, I am also satisfied about the thirteen TC-In vessels we have taken in between the third and fourth quarter of 2014. These contracts were made at historical attractive levels, reducing the average daily costs of our TC-In fleet. At the same time, such increase in Chartered tonnage allowed our Company to take full advantage of the very strong fourth quarter product market by deploying more ships in the Spot. I think this deal confirms, once again, our commercial ability to trade the market at the right time.

In this setting we are staying true to our strategy. In fact, we kept implementing our US$ 490.7 million investment plan in 16 'ECO-design' Newbuilding vessels, with US$ 194.8 million gross CAPEX in 2014 alone and 8 vessels already delivered as of today. All the Newbuilding vessels delivered so far are all fixed on Time Charter contracts with Oil-majors and world leading trading houses, at profitable levels.
Another positive event occurred in the year was the sale of one of our oldest vessels which generated a capital gain of US$ 6.5 million. The sale of some of DIS oldest ships is part of our general fleet renewal program.
This growth, both in terms of owned and chartered tonnage, has allowed DIS to reach a fleet size of 53 product tankers as of today, an historical high level for our Company which we feel it will benefit our results in an improving market scenario.

Apart from short-term market rallies, I am very confident on the perspectives of the product tanker industry in the medium and long term. I refer in particular to factors such as the US ever growing role as a net exporter of products and the increased refining capacity in the Middle and Far East which both will further expand the tonne/mile demand.

I would like to take this opportunity to thank you for your continued support of our company and we will all do our outmost to reward your trust.'



Paolo d'Amico | Chairman of the Board of Directors

Board of Directors and Auditors

Board of Directors

Chairman
Paolo d'Amico

Chief Executive Officer
Marco Fiori

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

Chief Financial Officer
Giovanni Barberis

Independent Auditors

PricewaterhouseCoopers, Societé Coopérative

[1] Independent Director
[2] Lead Independent Director

Key Figures

Financials

US$ Thousand	2014	2013(1)
Time charter equivalent (TCE) earnings	212,477	191,209
EBITDA	32,761	42,812
as % of margin on TCE	15.42%	
EBIT	(1,980)	12,351
as % of margin on TCE	(0.93)%	
Net profit / (loss)	(10,565)	11,841
as % of margin on TCE	(4.97)%	
Earnings / (loss) per share (US$)	(0.025)	0.032
Operating cash flow	22,846	36,487
Gross capital expenditure (CapEx)	(194,811)	(81,110)

	As at 31 Dec 2014	As at 31 Dec 2013(1)
Total assets	804,518	598,920
Net financial indebtedness	340,949	187,585
Shareholders' equity	334,905	322,597

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs, the reclassification within equity of the ineffective part of the cash-flow hedge and the reclassification within equity related to a different presentation of previous years' results. See also Note 1 in the Notes to the Group report.

Other Operating Measures

	2014	2013(1)
Daily operating measures - TCE earnings per employment day (US$) [2]	14,271	14,365
Fleet development - Total vessel equivalent		
- Owned	20.4	17.7
- Chartered	21.5	19.8
Off-hire days / available vessel days [3] (%)	2.2%	2.7%
Fixed rate contract / available vessel days [4] (coverage %)	51.0%	46.9%

[1] Following application of the new IFRS 11 and the reclassification within equity of the ineffective part of the cash-flow hedge, figures previously reported for year-end 2013 have been restated. Compared to figures previously reported, the net profit was reduced US$ 7.0 million, the operating cash-flow was reduced US$ 2.9 million, total assets were reduced US$ 16.5 million, Shareholders'equity increased US$ 5.9 million. See also Note 1 in the Notes to the Group report.

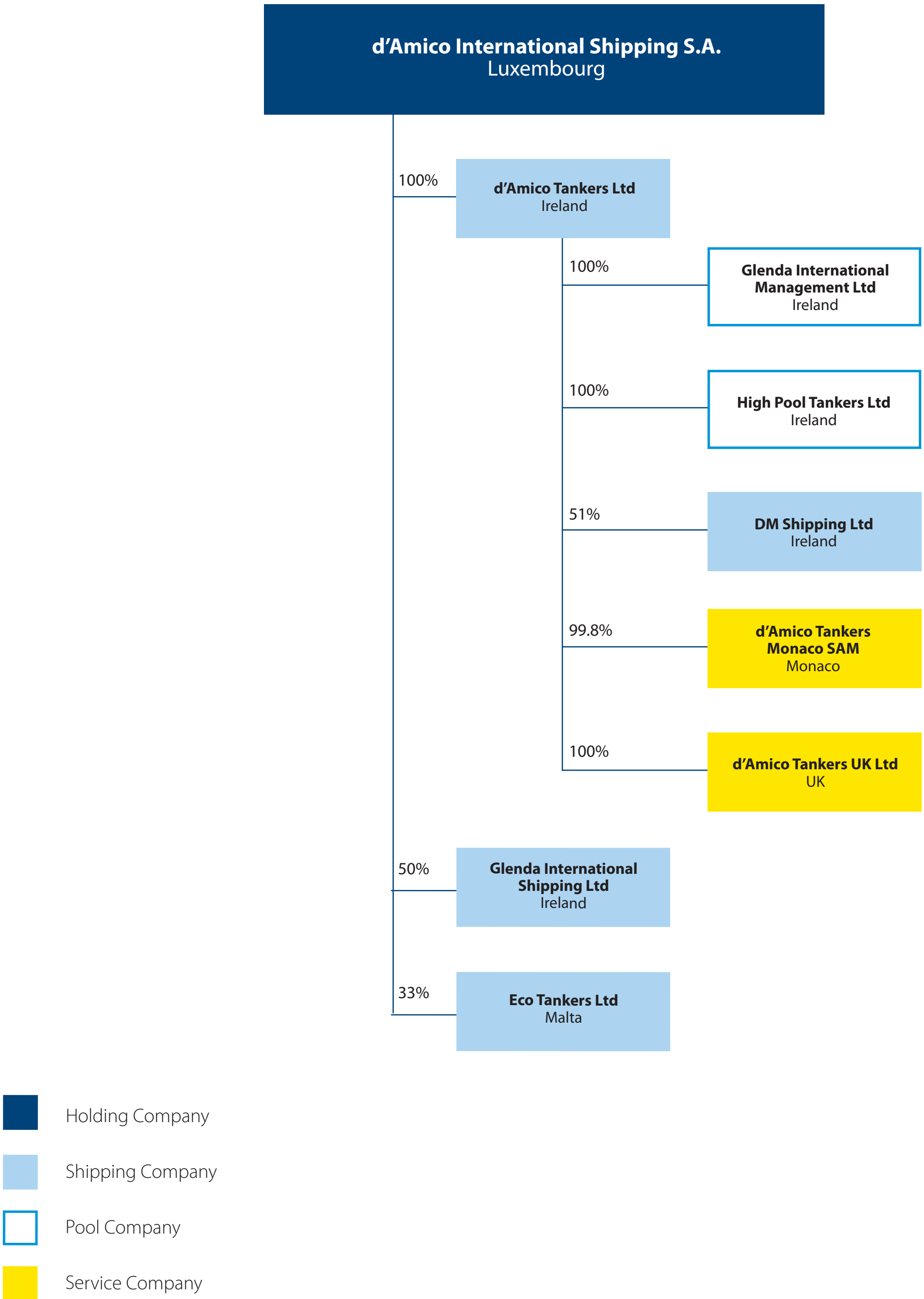
[2] This figure represents time charter ("TC") equivalent earnings for vessels employed on the spot market and time charter contracts net of commissions. Calculations exclude vessels chartered through the pools.

[3] 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.

[4] 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:



Note: from 1 January 2014 DM Shipping Ltd.(Ireland) and Eco Tankers Ltd (Malta) are consolidated following the equity method, as a consequence of the application of new IFRS 11 (see note n.1 to the financial statements).

d’Amico International Shipping Group

d’Amico International Shipping S.A. (DIS, the Group or d’Amico International Shipping) is an international marine transportation company, part of the d’Amico Group that traces its origins to 1936. d’Amico International Shipping operates, mainly through its fully owned subsidiary d’Amico Tankers Limited (Ireland), a fleet with an average age of approximately 7.1 years, compared to an average in the product tankers industry of 9.96 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, 2014, 65% 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, 2014, which consists of **52** vessels (December 31 2013: 37.5)

MR fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
OWNED				
High Voyager	45,999	2014	Hyundai Mipo, South Korea	IMO II/III
High Fidelity	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Sun [1]	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Discovery	50,036	2014	Hyundai Mipo, South Korea	IMO II/III
High Freedom	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Tide	51,768	2012	Hyundai Mipo, South Korea	IMO II/III
High Seas	51,678	2012	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melissa [2]	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meryl [3]	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melody [2]	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melanie [3]	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meredith [3]	46,147	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Megan [2]	47,147	2009	Hyundai Mipo, South Korea	IMO II/III
High Prosperity	48,711	2006	Imabari, Japan	-
High Venture	51,087	2006	STX, South Korea	IMO II/III
High Presence	48,700	2005	Imabari, Japan	-
High Performance	51,303	2005	STX, South Korea	IMO II/III
High Progress	51,303	2005	STX, South Korea	IMO II/III
High Valor	46,975	2005	STX, South Korea	IMO II/III
High Courage	46,975	2005	STX, South Korea	IMO II/III
High Priority	46,847	2005	Nakai Zosen, Japan	-
High Endeavour	46,992	2004	STX, South Korea	IMO II/III
High Endurance	46,992	2004	STX, South Korea	IMO II/III
TIME CHARTERED WITH PURCHASE OPTION				
High Pearl	48,023	2009	Imabari, Japan	-
High Enterprise	45,800	2009	Shin Kurushima, Japan	-
TIME CHARTERED WITHOUT PURCHASE OPTION				
Carina	47,962	2010	Iwagi Zosen, Japan	-
Future Prosperity	47,990	2010	Iwagi Zosen, Japan	-
High Strength [4]	46,800	2009	Nakai Zosen, Japan	-
High Force	53,603	2009	Shin Kurushima, Japan	-
High Efficiency [4]	46,590	2009	Nakai Zosen, Japan	-
High Current	46,590	2009	Nakai Zosen, Japan	-
High Beam	46,646	2009	Nakai Zosen, Japan	-
High Jupiter	51,149	2008	STX, South Korea	IMO II/III
High Mercury	51,149	2008	STX, South Korea	IMO II/III

[1] Vessel owned by Eco Tankers Limited (in which DIS has 33% interest)
[2] Vessels owned by GLENDA International Shipping Limited (in which DIS has 50% interest) and time chartered to d'Amico Tankers Limited
[3] Vessels owned by GLENDA International Shipping Limited (in which DIS has 50% interest)
[4] Vessels owned by DM Shipping Limited (in which DIS has 51% interest) and time chartered to d'Amico Tankers Limited

MR fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
TIME CHARTERED WITHOUT PURCHASE OPTION				
High Mars	51,149	2008	STX, South Korea	IMO II/III
High Saturn	51,149	2008	STX, South Korea	IMO II/III
Freja Baltic	47,548	2008	Onimichi Dockyard, Japan	-
High Glow	46,846	2006	Nakai Zosen, Japan	-
Citrus Express	53,688	2006	Shin Kurushima, Japan	-
Freja Hafnia	53,700	2006	Shin Kurushima, Japan	-
Baizo	44,997	2004	Onimichi Dockyard, Japan	-
Port Said	45,999	2003	STX, South Korea	IMO II/III
Port Stanley	45,996	2003	STX, South Korea	IMO II/III
Port Union	46,256	2003	STX, South Korea	IMO II/III
Port Moody	44,999	2002	STX, South Korea	IMO II/III

Handysize fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
OWNED				
Cielo di New York	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Gaeta	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Salerno	36,032	2002	STX, South Korea	IMO II/III
TIME CHARTERED WITH PURCHASE OPTION				
Cielo di Guangzhou [5]	38,877	2006	Guangzhou, China	IMO II
Cielo di Milano	40,081	2003	Shina Shipbuilding Co., South Korea	IMO II/III
Port Stewart	38,877	2003	Guanzhou, China	-
Cielo di Roma	40,096	2003	Shina Shipbuilding Co., South Korea	IMO II/III
Port Russel	37,808	2002	Guanzhou, China	IMO II/III
Port Louis	37,791	2002	Guanzhou, China	-

[5] Bare-boat charter contract

Fleet Employment and Partnership

	DIS' No. of Vessels
Direct employment	42
High Pool (MR vessels)	10
TOTAL	**52**

As at December 31, 2014, d'Amico International Shipping directly employed 41.8 Vessels: 19.8 MRs ('Medium Range') and 2 Handy-size vessels on fixed term contract, whilst 13 MRs and 7 Handy-size vessels are currently employed on the spot market. In addition to this, the Group employs a portion of its controlled vessels through partnership arrangements.

High Pool Tankers Limited – a Pool with JX Ocean Co. Limited, Japan and Mitsubishi Corporation. It operated 11 MR product tankers as at December 31 2014. 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 JV Company owns 6 MR vessels built between August 2009 and February 2011. Following a reorganization process in 2013, the activity previously carried out by GLENDA

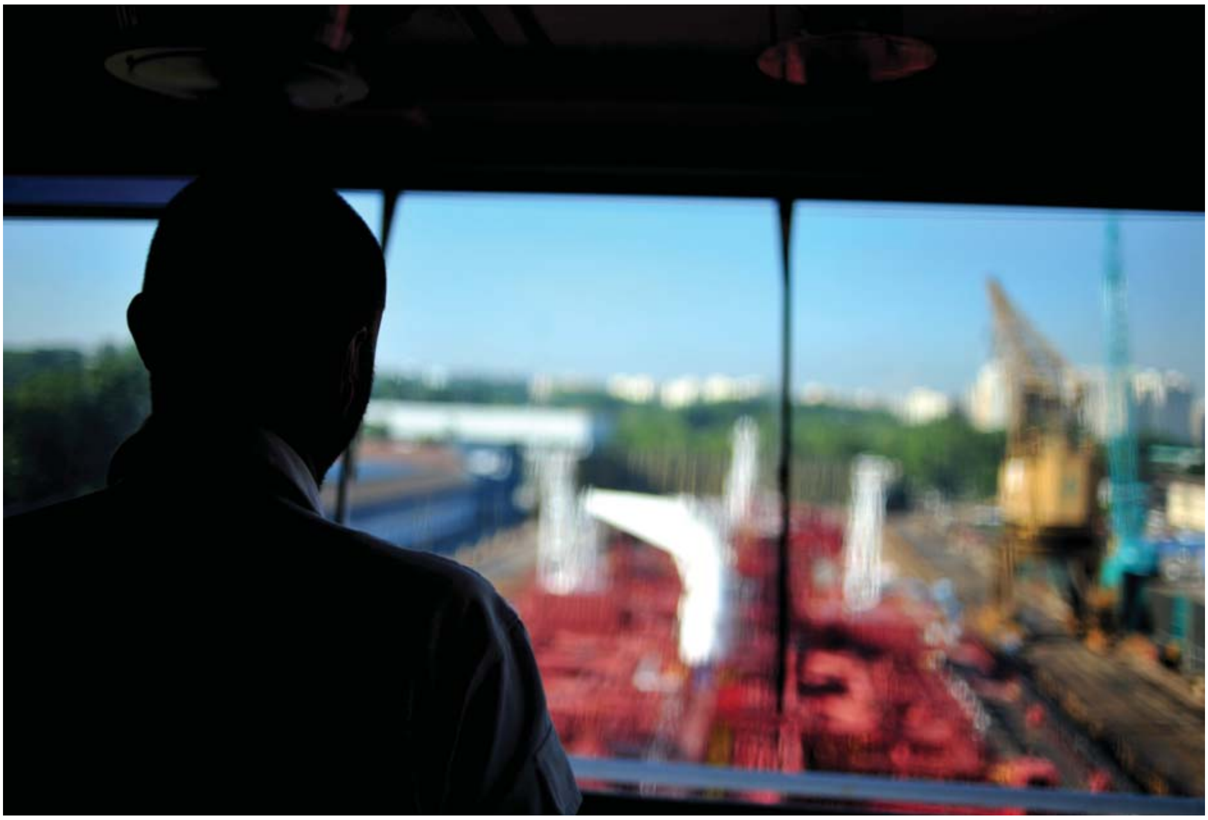
International Management Limited (a Pool with the Glencore Group) has been concentrated on the aforesaid joint venture. As a result of this process, Glenda International Shipping has currently three vessels time-chartered to d'Amico Tankers and three vessels to the Glencore Group.

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

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

d'Amico International Shipping is part of the d'Amico Group, 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 89.8 owned and chartered-in vessels, of which 51.8 are part of the DIS fleet, operating in the product tanker market, while the remaining 38 vessels are mainly dry-bulk carriers controlled by other companies of the d'Amico Group. d'Amico International Shipping benefits from a strong brand name and a well-established reputation in the international markets due to the long operating history of the d'Amico Group. In addition, it benefits from the expertise of the d'Amico Group, which provides support for technical management services, as well as safety, quality and technical products and services to DIS' vessels, including crewing and insurance arrangements.

d'Amico International Shipping operates from Luxembourg, Ireland, UK, Monaco, Singapore and the USA. As at December 31 2014, the Group employed 564 seagoing personnel and 35 onshore personnel.



The Product Tankers Industry

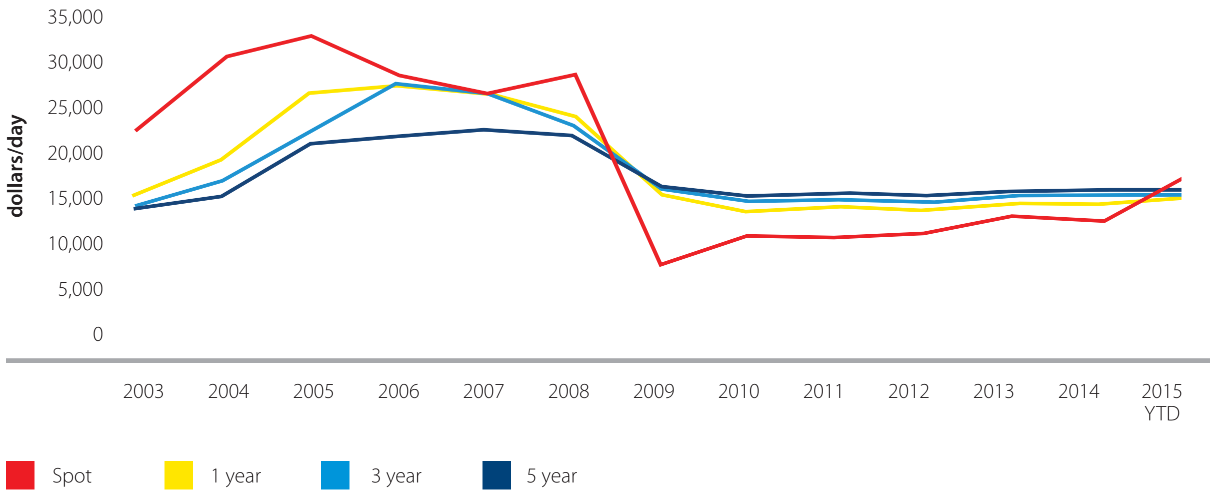
Product tankers have coated tanks and primarily carry a range of refined petroleum products, typically gasoline, jet fuel, kerosene, fuel oil, and naphtha. Provided they are classified to IMO II/III they can also carry easy chemicals and edible oils. The seaborne movement of refined oil products between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

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

Product tanker class (dwt)	Short range (SR) 10,000 – 25,000	Medium range (MR) 25,000 – 55,000	Long range (LR) 55,000 – 120,000
Characteristics	Trades in specialised market regionally 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%	42%	38%

[1] Source: Clarksons Research Services Limited, as of 1 January 2014. Percentage of total product tankers (4,626 vessels) excludes vessels withstainless steel tanks.

Market Overview – Average Rates for MR[1] Product Tankers (US$)



[1] Source: Clarkson as at Jan '15

Shareholders Information

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

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

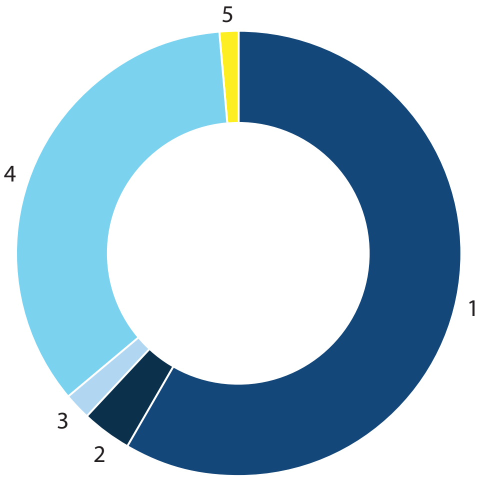
More information are available on the Group's institutional website www.damicointernationalshipping.com. The Investor Relations section provides share information, historical financial data, press releases, institutional presentations, periodic publications and analyst coverage.

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

Shareholders

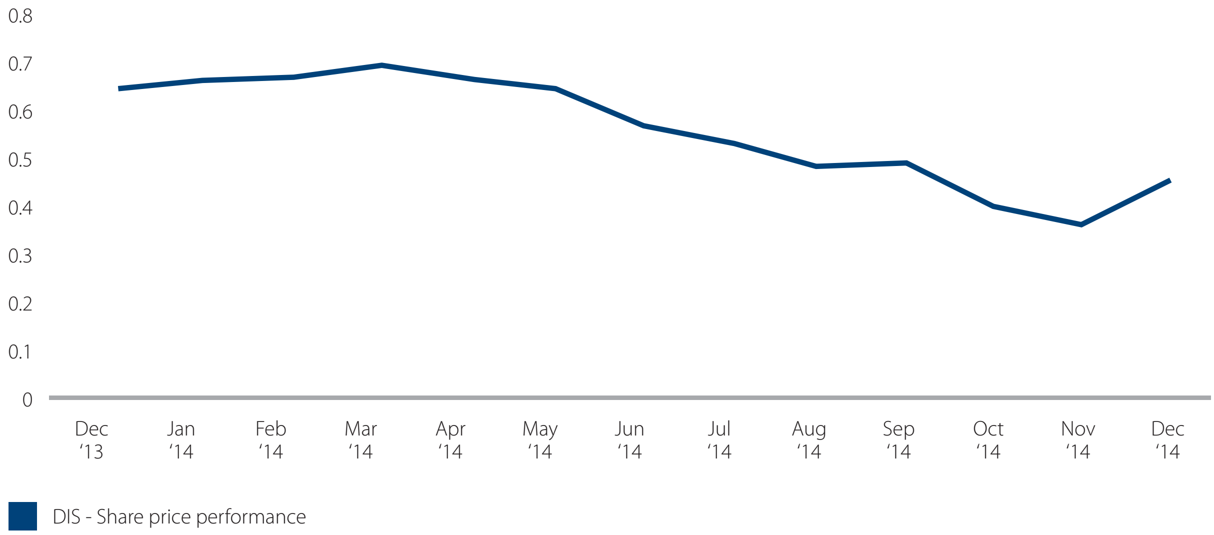
d'Amico International Shipping S.A. share capital consists of 421,955,307 ordinary shares. The shares are issued to bearer and listed on Borsa Italiana SpA in the STAR segment.

Based on the latest shareholdings communicated by investors and after the share capital increase occurred during Q1 2014, in accordance with applicable rules and Art.6 of our Articles of Association, the following individuals and institutions have holdings of d'Amico International Shipping's total ordinary outstanding shares:



1	d'Amico International S.A.	**58.47 %**
2	Oceanic Opportunities Master Fund L.P.	**3.59 %**
3	Oceanic Hedge Fund	**2.02 %**
4	Market	**34.72 %**
5	d'Amico International Shipping S.A. (own shares)	**1.20 %**

Share Price Performance



After a substantially flat market in the first nine months of the year, the scenario changed completely in Q4'14, following the steep decline in oil prices and the increased trading activity. In this environment, in Q4'14, DIS spot rates achieved the highest levels since 2008. Such weak market environment in most part of the year negatively influenced DIS share price trend, similarly to other shipping companies. In 2014, DIS' share price fell by 29%, ending the year at Euro 0.459, versus Euro 0.647 at the end of 2013. The market capitalization of the Company's shares was Euro 193.7 million at the end of 2014. The average daily volumes during the year were 1.1 million shares.

Financial calendar

The 2015 Company's Financial Calendar is the following:

2014 Annual Financial Statements
March Thursday 05

Annual General Meeting
April Wednesday 15

2015 First Interim Management Statements
May Wednesday 06

2015 Half Yearly Report
July Thursday 30

2015 Third Interim Management Statements
November Wednesday 11

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. announced that the First Exercise Period of the 'd'Amico International Shipping Warrants 2012–2016' (ISIN code LU0849020044) ended on January 31 2014. 186,226,599 Warrants were exercised at a price of Euro 0.36 per ordinary share newly issued by DIS for a total counter-value of EUR 22.5 million (equal to around US$ 30.5 million). 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. After the capital increase occurred at the end of the First Exercise Period, DIS' share capital now amounts to USD 42,195,530.70 divided into 421,955,307 ordinary shares with no nominal value.

Human Resources

As at 31 December 2014, the Group employed a workforce of 564 seagoing personnel and 35 onshore personnel.

The business environment still requires managing relevant challenges for d'Amico, affecting all the activities related to the people management course.

For this reason the Group has confirmed important investments on its human capital, as the framework of competencies and professionalism is one of the exclusive competitive advantages of the structure.
In this regard, HR policies have stressed their focus on individual development addressing several initiatives in order to reinforce both the organizational climate and therefore the company's result.

Over the year, the Group has had a fine tuning of any HR process, keeping a quite high investment on training and learning projects, and sustaining a renovated effort on internal communication aimed at reinforcing information and ensuring the entire population's involvement in company life.

To this end, the Group confirms its main goal in people management practice, deploying its policies through projects and initiatives with a clear and strong view towards skills, retaining employees and developing talent and key persons who can really have a relevant impact on results.

On the other hand, the Group maintains an important attention to its work-life balance practices, trying to match the employees' needs, even when affecting aspects not directly related to their working lives.

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 consolidated its direct effort in an advanced technical education school - ITS Fondazione G. Caboto - for the training of specialized technical staff. During the 2014 first graduated have had their first employment contract as officers on watch on board the vessels of the Group.

Ship Management

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

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

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

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.

Always regarding the crew it has been completed the certification MLC (ILO Maritime Labour Convention 2006) that wants to guarantee the respect of the crew under contractual, health, and safety aspects.

It is d'Amico Società di Navigazione Shipping Policy that we always operate our vessels and conduct our marine operations as efficiently as possible, consistent with safe and reliable operations.

Increased energy efficiency remains the cheapest and most abundant form of new energy available today.

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

d'Amico Management is committed to:

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

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

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

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

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

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, investing without compromise in the protection of the environment and the professional development of our team in line with the ethical principles underlying our values and our daily work.

On December 2014, the Integrated Management System of d'Amico Group has received by RINA a declaration of compliance with the ISO 26000, an international standard providing guidance on how businesses and organizations can operate in a socially responsible way. This means our Group acting in an ethical and transparent way that contributes to the health and welfare of society. 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 has developed 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 CO2 emissions. Last year, in this regard, the Company has obtained for its Integrated Management System the Certification of Compliance with ISO 50001, an international standard relevant to the Energy Efficiency Management.

However SEEMP alone is not sufficient to curb the growth of GHG emission from the industry. Therefore we have developed new policy tools in terms of Ship Performance Management System. d'Amico Group has choose to add a new automatic data logging on-board by sensors and electronic measuring instruments in order to allow its crew to monitor accurate data relating to ship performance. International classification society RINA Services is to fit RINA's InfoSHIP EGO performance monitoring system to d'Amico Group entire fleet. The first units will be installed on two newbuildings under construction in Korea and China, one tanker and one bulk carrier. The system will be progressively extended across the d'Amico fleet. The EGO system is expected to be a valued tool, it will assist d'Amico to monitor emissions and to normalize actual vesselspeed and consumption. Through EGO system we do expect to achieve an accurate monitoring and speed /consumption analysis which will allow our Company to identify operational practices and retrofits for a continuous improvement of vsl performance. Overall savings in the order of 3 – 5 per cent are expected. This investment is part of our continuing strategy to improve energy management throughout our operations.

Financial Review of the Group

Global growth should continue with the aid of a lower oil price but will be offset to an extent by negative factors such as diminished expectations about medium term growth in many advanced and emerging economies. The IMF has revised downward their growth forecast for the world Global growth in 2015 and 2016 at 3.5% and 3.7% respectively, a correction of 0.3% relative to the October 2014 outlook. The revisions reflect a reassessment of prospects in China, Russia, the Euro area, and Japan as well as weaker activity in some major oil exporters because of the sharp drop in oil prices. The United States is the only major economy for which growth projections have been raised.

The global oil demand for 2014 averaged 92.4 million b/d, a gain of 620,000 b/d (or 0.7%) on the year earlier. This marked a five-year low for growth as sharp declines in OECD Europe and OECD Asia Oceania coincided with notable slowdowns in China, the FSU and Latin America. Global growth is forecast to modestly accelerate in 2015, to 910 kb/d (or +1.0%), as macroeconomic momentum is tentatively forecast to pick-up.

Oil price continues to slide, with Brent dropping from US$ 110 per barrel at the beginning of Q2 2014 to below US$ 55 per barrel by the end of the year.

Product tanker markets improved substantially throughout the last quarter of the year. The Atlantic basin market was supported by strong growth in exports and latterly with increased imports. A lack of available "Jones Act" tonnage for delivery into the Atlantic prompted imports from North Europe and further afield. As the Oil price continued to drop, refinery margins improved and stimulated trade. A differential in pricing between various import/export destinations resulted in healthy arbitrage movements. Asian markets remained stable and kept average returns up. Product exports to Australia have almost doubled from a year earlier. China continued its position as a net exporter helping to keep the demand supply of tonnage in the region in balance. Overall, general sentiment improved during the fourth quarter with increased activity and a healthy increase in spot market returns, which was a welcome relief from the pro-longed flat spot market for most of the year.

DIS **Full Year 2014 daily spot rate** was **US$ 13,755** and US$1,432/day better than Clarkson's '2014 YTD Clean MR Average Earnings' of US$ 12,323. This year spot performance was overall in line with 2013 (US$ 13,748) but 2014 ended on a completely different note compared to the prior year and with a very positive general sentiment across the market.

In fact, the Product tanker market was substantially flat during the first 3 quarters of the year, with DIS achieving a daily spot average of US$ 13,133 in the 9 months of 2014. The market scenario changed completely in the last quarter of 2014, when product tanker rates reached the highest levels since 2008 following the steep decline in oil prices and the increased trading activity. In fact, the plunge in crude prices had a very positive impact on refiners' margins, leading to increased utilization rates and driving up product trades and tonnage demand. At the same time, the consequent drop in bunker fuel price has reduced voyage costs, with a further benefit on TCE returns. In this environment, DIS realized a **Daily Average Spot Rate of US$ 15,076 in Q4** vs. US$ 12,854 in the same quarter last year. This is by far DIS best quarterly spot result since Q1 2009. In particular, in the last month of the year DIS was able to achieve a daily spot average of over US$ 17,200, a level which further improved in January 2015.

At the same time, DIS had a high **'coverage ratio' of 51%** at an average daily rate of **US$ 14,765 in 2014**, which mitigated the impact of the weak spot market during the first part of the year.

Following the market rebound in the last part of the year, **DIS Q4 2014 EBITDA** was **US$ 12.5 million**, which is **twice the level achieved in Q3** and **three times higher than the first two quarters of 2014** (excluding the 'Result on disposal of vessels' in the second quarter). Consequently, the 'EBITDA margin' rose from 8.3% in the first half of 2014 to 19.3% in Q4.

Such solid improvement in EBITDA performance together with a good working capital trend, led to **positive operating cash flow** of **US$ 22.9 million in 2014**, of which **US$ 15.7 million** were generated in **Q4 alone.**

In 2014, DIS had total **'capital expenditures'** of **US$ 194.8 million**, mainly in relation to its newbuilding plan. As of today DIS has ordered a total of 16 'Eco design' product tankers[1] (10 MR and 6 Handysize vessels), of

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

which 7[1] vessels were already delivered in 2014. This corresponds to an overall **investment plan** of approximately **US$ 490.7 million** and reaffirms the Company's strategy to modernize its fleet through newbuildings with eco-innovative design. Such strategy is also in line with the clear objective of the 2012 share capital increase of maintaining DIS strong financial structure while implementing a significant growth plan. Half of DIS newbuilding orderbook has already been fixed on long-term Time Charter Contracts with two Oil-majors and a leading refining company, all at profitable levels.

At the same time, DIS continued the fleet renewal program also through the sale of its oldest vessels. During the current year, DIS finalized the sale of the Handysize product tanker vessel M/T Cielo di Parigi (built in 2001 by Daedong Shipbuilding South Korea), generating a net ***'Result on disposal'* of US$ 6.5 million**.

DIS net cash flow for 2014 was positive for US$ 35.2 million. In fact, the significant US$ 194.8 million Capex were compensated by the strong operating cash flow, the proceeds from the sale of a vessel and by US$ 194.9 million positive net financing cash flow, which confirms DIS' high merit of credit and its strong access to financial markets even in challenging times.

In light of its positive outlook on the product tanker market, DIS has been seeking further growth by expanding also its TC-In fleet. Between July and early-November, **DIS took delivery of 11 TC-In vessels** (8 MRs and 3 Handys), while **2 further TC-IN Handy vessels** were delivered to DIS in mid-December. Such increase in TC-In tonnage allowed the Company to take full advantage of the very strong Q4 charter market by deploying more ships in the spot market. In addition to this, all these contracts were made at historically attractive levels, reducing the average daily cost of DIS TC-In fleet.

In line with its prudent risk management policy, DIS has hedged its bunker costs during the year, through Bunker derivatives. These instruments are not classified as 'hedge' in the frame of IFRS principles, and the variance of their fair value is accounted for in the 'Income Statement'. These contracts will expire in the next 18 months. Due to the decline in oil and bunker prices, DIS 2014 results were affected by US$ 9.8 million negative impact arising from the 'mark to market' valuation of these instruments. In addition to this, DIS has prudentially pre-hedged the bank loan interest rates on all its newbuilding vessels, through Interest Rate Swaps (IRS) agreements. Due to a lower 10 years US Dollar Swap market range, DIS FY 2014 results were also affected by US$ 1.2 million negative impact generated by the 'mark to market' valuation of the 'Pre-hedge Interest Rate Swaps' on its newbuilding loan facilities.

Therefore DIS registered a **Net Loss of US$ 10.6 million in 2014 and of US$ 5.4 million in the last quarter of the year**, mainly due to said 'mark to market' loss on Bunker and Interest Rate hedging (US$ 9.8 million and US$ 1.2 million respectively). Excluding such unrealized financial impact, the net result would be positive for US$ 0.4 million in full year 2014 and positive for US$ 4.4 million in the fourth quarter.

According to new International Financial Reporting Standards (IFRS 10, 11, 12), effective January 1 2014, DIS investments in two jointly controlled entities (DM Shipping Limited and Eco Tankers Limited) are treated as Joint Venture and the equity method of accounting has been applied, instead of the previous proportional consolidation method. Based on this, 2013 figures have been restated in order to have a fair comparison with the current year.

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

Operating Performance

US$ Thousand	2014	2013[1]
Revenue	315,304	293,384
Voyage costs	(102,827)	(102,175)
TIME CHARTER EQUIVALENT EARNINGS	**212,477**	**191,209**
Time charter hire costs	(110,228)	(97,190)
Other direct operating costs	(60,037)	(51,752)
General and administrative costs	(16,762)	(15,285)
Other operating Income	823	1,883
Result from disposal of vessels	6,488	13,947
EBITDA	**32,761**	**42,812**
Depreciation and impairment	(34,741)	(30,461)
EBIT	**(1,980)**	**12,351**
Net financial income (charges)	(7,865)	1,412
PROFIT / (LOSS) BEFORE TAX	**(9,845)**	**13,763**
Taxes	(939)	(1,915)
Share of profit (loss) of equity accounted investment	219	(7)
NET PROFIT / (LOSS)	**(10,565)**	**11,841**

[1] Following application of the new IFRS 11 and the reclassification within equity of the ineffective part of the cash-flow hedge, figures previously reported for YE 2013 have been restated. Compared to figures previously reported, the net profit was reduced US$ 7.0 million. See also Note 1 in the Notes to the Group report.

Revenue was US$ 315.3 million in 2014 compared to US$ 293.4 million realized in the previous year. The increased level of Revenue registered in 2014, was mainly due to the higher average number of vessels operated in the period (2014: 41.9 vessels vs. 2013: 37.5 vessels). The YTD off-hire days percentage in 2014 (2.2%) was in line with the previous year (2.7%).

Voyage costs reflect 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$ 102.8 million in 2014 substantially in line with US$ 102.2 million registered in 2013.

Time charter equivalent earnings were US$ 212.5 million in 2014 vs. US$ 191.2 million in 2013. The increase in TCE Earnings compared to 2013, was mainly due to the higher average number of vessels operated in 2014 (see above comment for 'Revenue').

As shown in the following table, Daily TCE Earnings were substantially in line with the previous year. In particular, the **Daily Average Spot Return for DIS was US$ 13,755 in 2014** in line with US$ 13,748 achieved in 2013, even though the end of the current year was characterized by a significant market rebound which benefited DIS Q4 results.

Looking at the quarterly evolution of the spot results, the product tanker market was weaker than expected in the first half of 2014, mainly due to: i) the harsh winter in the US which increased domestic consumption of oil products, thus penalizing export and seaborne transportation; and ii) the closure of several refineries in the US Gulf for maintenance, which took longer than expected and led to a further fall in the US exports. Then the market started to improve in the second part of the year, reaching in Q4 the highest levels since 2008. This rebound was mainly the result of the decline in crude prices which increased the refiners' margins, with a positive effect on product trades and tonnage demand. In fact, **DIS realized a daily average spot rate of US$ 15,076 in Q4 2014**, which is almost **US$ 3,000/day higher than the first three months of the year and by far DIS best quarterly spot performance since Q1 2009**.

At the same time and according to its strategy, DIS maintained a high level of 'coverage' (fixed contracts) throughout the year, securing an average of 51% of its revenue at an **Average Daily Fixed Rate of US$ 14,765**. Other than securing revenue and supporting the operating cash flow generation, these contracts pursue the objective of strengthening DIS historical relationships with the main oil majors, which is one the pillars of its commercial strategy.

DIS TCE daily rates

(US dollars)	2014					2013				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Spot	12,191	13,144	13,867	15,076	13,755	14,272	13,929	13,678	12,854	13,748
Fixed	14,770	14,645	14,762	14,879	14,765	15,620	15,127	14,832	14,809	15,062
Average	13,637	13,972	14,296	14,985	14,271	14,808	14,427	14,277	13,929	14,365

Time charter hire costs relate to the chartered-in vessels and amounted to US$ 110.2 million in 2014 vs. US$ 97.2 million in 2013. The increase compared to the same period of last year is due to a higher number of TC-In vessels (2014: 21.5 vs. 2013: 19.8) together with some short-term TC-In activity in Q2 and Q3 aimed at taking advantage of opportunities arising on the spot market. The number of chartered-in vessels increased substantially in the second part of the year, following the 13 vessels delivered to DIS in the period. All these contracts were made at historically attractive levels, reducing the average daily cost of DIS TC-In fleet.

Other direct operating costs mainly consist of crew, technical, luboil and insurance expenses relating to the operation of owned and chartered vessels. These costs were US$ 60.0 million in 2014 vs. US$ 51.8 million in 2013. The increase in absolute values compared to the previous year, is only due to the larger number of owned vessels in 2014, following the delivery of 6[1] 'eco-design' newbuilding tankers. 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$ 16.8 million in 2014 vs. US$ 15.3 million in 2013. These costs mainly relate to on-shore personnel, together with premises costs, consultancies, travel expenses and others. The trend compared to last year, is mainly related to higher administrative costs in connection with the increased commercial activity carried out by DIS in Singapore and especially in the USA. DIS firmly believes the USA will represent the key driver for the product tanker industry and this explains its growing commercial focus on this area. Part of the overall variance is also in connection with the variable part of salaries, in relation to the year 2013.

Other operating income amounted to US$ 0.8 million in 2014 vs. US$ 1.9 million in 2013. This amount 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 one of its vessels.

Result on disposal of vessel. In the first part of the current year, DIS sold 1 Handy vessel built in 2001, reducing the average age of the fleet and realizing a net gain on disposal of US$ 6.5 million. In 2013, DIS sold 3 vessels, generating a capital gain of US$ 13.9 million.

EBITDA amounted to US$ 32.8 in 2014 vs. US$ 42.8 million posted in 2013. Such variance is mainly due to the different capital gains realized in the two years (2014: US$ 6.5 million vs. 2013: US$ 13.9 million) and to the 10% deposit retained by DIS following the cancellation of the sale of a vessel in 2013. DIS realized an EBITDA of US$ 12.5 million in the last quarter of the year, which is **twice**

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

the amount achieved in Q3 and three times higher than the first two quarters of 2014 (excluding Q2 'Result on disposal of vessels'). Consequently, the '*EBITDA margin on TCE Earnings*' rose from 8.3% in the first half of 2014 (excluding Q2 'Result on disposal of vessels') to 19.3% in Q4.

Depreciation amounted to US$ 34.7 million in 2014 vs. US$ 30.5 million in 2013. Such increase compared to the previous year is due to the delivery of 6[1] newbuilding owned vessels in 2014.

EBIT for the year was negative for US$ 2.0 million, compared to the operating profit of US$ 12.4 million booked in 2013. At the same time, DIS recorded a positive operating result of US$ 3.9 million in the last quarter of the year, on the back of the good product tanker market experienced in the period.

Net financial charges were US$ 7.9 million in 2014 (positive for US$ 1.4 million in 2013). This amount includes US$ 9.8 million negative impact arising from the 'mark to market' valuation of some Bunker derivatives, following the decline in oil and bunker prices. In fact, DIS has prudentially hedged its bunker costs during the year, through derivative instruments, which will all expire in the next 18 months. In addition to this, Net Financial Charges include also US$ 1.2 million negative impact arising from the 'mark to market' valuation of the 'Pre-hedge Interest Rate Swaps' on its newbuilding loan facilities. On a full year basis, Bank Loan Interests and Charges represent around than 3% of the total outstanding bank debt at the end of 2014.

The Company's ***Loss before tax*** for 2014 was US$ 9.9 million (profit of U$ 13.8 million in 2013).

Income taxes were US$ 0.9 million in 2014 vs. US$ 1.9 million in the previous year. The decrease in 2014 compared to last year is due to the taxation of some 2013 financial incomes which are subject to the standard corporate tax rate of 12.5% and not included in the tonnage tax scheme.

The ***Net Loss*** for 2014 was ***US$ 10.6 million*** compared to US$ 11.8 million Net Profit registered in the previous year.

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

Consolidated Statement of Financial Position

US$ Thousand	As at 31 December 2014	As at 31 December 2013[(1)]
ASSETS		
Non-current assets	672,172	519,537
Current assets	132,346	79,383
TOTAL ASSETS	**804,518**	**598,920**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	334,905	322,597
Non-current liabilities	354,611	222,651
Current liabilities	115,002	53,672
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**804,518**	**598,920**

[1] Following application of the new IFRS 11 , the reclassification within equity of the ineffective part of the cash-flow and the reclassification within equity related to a different presentation of previous years' results , figures previously reported for year end 2013 have been restated. Compared to figures previously reported, non-current assets were reduced US$ 10.5 million, current assets were reduced US$ 6.5 million, shareholders' equity increased US$ 5.9 million, non-current liabilities decreased US$ 14.2 million, current liabilities were reduced US$8.7 million.

Non-current assets mainly relate to the DIS owned vessels net book value and it includes also the portion relating to the newbuildings under construction. The balance at the end of 2014 is higher than the previous year, mainly due to the larger number of owned vessels in 2014, following the delivery of 6[1] 'eco-design' newbuilding tankers. According to the valuation report provided by a primary broker, the estimated market value of the DIS owned fleet at the end of the period was of US$ 642.8 million.

Gross Capital expenditures were US$ 194.8 million in 2014. This amount mainly comprises the instalments paid on the vessels under construction at Hyundai-Mipo. Dry-dock costs pertaining to owned vessels are also included in capitalized costs.

Current assets as at December 31, 2014 were US$ 132.3 million. Other than the working capital items (inventories and trade receivables amounting to US$ 12.4 million and US$ 48.8 million respectively), current assets include cash on hand of US$ 68.4 million and current financial assets (financial instruments valuation) of US$ 2.7 million.

Non-current liabilities were US$ 353.1 million at the end of 2014 and mainly consist of the long-term portion of debt due to banks, disclosed under the following section (Net Indebtedness).

The balance of ***Current liabilities***, other than the debt due to banks and other lenders (see the following section), includes the working capital items amounting to US$ 36.3 million (essentially relating to trade and other payables) and US$ 19.1 million of financial instruments valuation.

The **Shareholders' equity** balance as at December 31, 2014 was of US$ 334.9 million (US$ 322.6 million as at December 31, 2013). The total variance with the previous year is due to 2014 comprehensive income, and to the First Exercise Period of the 'd'Amico International Shipping Warrants 2012 – 2016' (ISIN code LU0849020044) ended on January 31, 2014. Number 186,226,599 Warrants were exercised at a price of EUR 0.36 per ordinary share newly issued by DIS for a total counter-value of EUR 22.3 million (equal to around US$ 30.5 million). After the current capital increase DIS' share capital amounts to US$ 42,195,530.70 divided into 421,955,307 ordinary shares with no nominal value. In addition to this, DIS distributed dividends for the equivalent of US$ 6.9 million in the month of April 2014.

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

Net Indebtedness

Consolidated **Net debt as at December 31, 2014 amounted to US$ 341.0 million** vs. US$ 187.6 million at the end of 2013. The increase compared to the previous year is mainly due to the implementation of **DIS' US$ 490.7 million newbuilding plan**, of which US$ 194.8 million were invested in 2014.

US$ Thousand	As at 31 December 2014	As at 31 December 2013(1)
Liquidity - *Cash and cash equivalents*	**68,383**	33,170
Current financial assets	**2,741**	1,333
TOTAL CURRENT FINANCIAL ASSETS	**71,124**	**34,503**
Bank loans – current	**58,978**	13,368
Other current financial liabilities – 3rd p.ties	**19,141**	8,612
TOTAL CURRENT FINANCIAL DEBT	**78,119**	**21,980**
NET CURRENT FINANCIAL DEBT	**6,995**	**(12,523)**
Other non-current financial assets	**20,657**	22,543
TOTAL NON-CURRENT FINANCIAL ASSETS	**20,657**	**22,543**
Bank loans non-current	**351,430**	222,651
Other non-current financial liabilities – 3rd p.ties	**3,181**	-
TOTAL NON-CURRENT FINANCIAL DEBT	**354,611**	**222,651**
NET NON-CURRENT FINANCIAL DEBT	**333,953**	**200,108**
NET FINANCIAL INDEBTEDNESS	**340,949**	**187,585**

1 Following application of the new IFRS 11, figures previously reported for year end 2013 have been restated: net financial indebtedness was reduced US$ 37.0 million.

The balance of *Total Current Financial Assets* (*Cash and cash equivalents* together with the valuation of some short-term hedging instruments shown under *Current financial assets*) was of US$ 71.1 million at the end of 2014.

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

The total outstanding bank debt (*Bank loans*) as at December 31, 2014 amounted to US$ 410.4 million, of which US$ 60.5 million are due within one year. Other than some short term credit lines, DIS debt structure is mainly based on the following long-term facilities granted to d'Amico Tankers Limited (Ireland), the key operating company of the Group: (i) Crédit Agricole 10 years revolving facility (syndicated by other banking institutions) of US$ 97.6 million; (ii) Intesa US$ 75 million loan facility; (iii) Crédit Agricole and DnB NOR Bank 7 years term loan facility to finance two MR vessels built and delivered in H1 2012 for total US$ 37.8 million; (iv) Danish Ship Finance 6 years term loan facility to finance the purchase of the second-hand vessel M/T High Prosperity in 2012, for US$ 9.9 million. In addition to this, DIS debt comprises also: (i) loan facilities and bank fees due on some financed newbuilding vessels (of which 6[1] vessels were delivered in 2014) for a total outstanding debt of US$ 113.4 million at the end of 2014; and (ii) the portion of the bank loans of its joint venture 'GLENDA International Shipping Limited' with Commerzbank AG Global Shipping and Credit Suisse for US$ 61.6 million, to finance the 6 Glenda International Shipping Limited vessels, delivered between 2009 and 2011.

Other current financial liabilities includes the negative valuation of derivatives hedging instruments (mainly interest rate swap agreements and bunker swap agreements) and some deferred incomes on option premiums, for total US$ 3.2 million.

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

Cash Flow

DIS net cash flow for 2014 was positive for US$ 35.2 million. In fact, the significant US$ 194.8 million gross capital expenditures were compensated by the proceeds from the sale of 1 vessel in the second quarter, by US$ 194.9 million positive net financing cash flow and by US$ 22.9 million operating cash flow.

US$ Thousand	2014	2013[1]
Cash flow from operating activities	22,846	36,487
Cash flow from investing activities	(182,537)	(49,283)
Cash flow from financing activities	194,904	(69,691)
CHANGE IN CASH BALANCE	**35,213**	**(82,487)**
Cash and cash equivalents at the beginning of the period	33,170	115,657
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**68,383**	**33,170**

1 Following application of the new IFRS 11 and the reclassification within equity of the ineffective part of the cash-flow hedge, figures previously reported for year end 2013 have been restated: the cash-flow from operating activities was reduced US$ 2.9 million, the cash-flow from financing activities increased by US$ 3.2 million; net cash-flow decreased US$ 0.2million

DIS ***Cash flow from operating activities*** was **positive for US$ 22.9 million in 2014**, of which US$ 15.7 million were generated in the last quarter of the year. Such significant cash flow generation was a consequence of the solid EBITDA performance, together with a positive working capital trend and favourable employment mix, in the form of spot and time charter contracts. As anticipated in the *'Interim Management Statements for the period ended September 30 2014',* the negative cash generation (US$ 1.5 million) of the third quarter of the year was only due to a 'timing effect' on working capital (in relation to the vessels taken in TC-In during the period, whose TC hire was paid monthly in advance, according to the industry standard practice) and it has been totally reversed in the fourth quarter.

The net ***Cash flow from investing activities*** was US$ 182.5 million (outflow) in 2014 and it was made up of the capital expenditures in connection with the installments paid on the newbuiding vessels under construction at Hyundai-Mipo, as well as dry-dock expenses. The total net amount of investing cash flow includes also US$ 13.3 million net proceeds from the disposal of 1 vessel, occurred in the second quarter of the year and US$ 1.1 million investment in Eco Tankers Limited (a JV with Venice Shipping and Logistics S.p.A., in which DIS has 33% interest).

Cash flow from financing activities was positive for US$ 194.9 million in 2014. This figure mainly includes: (i) US$ 30.5 million arising from the First Exercise Period of the 'd'Amico International Shipping Warrants 2012 – 2016' (ISIN code LU0849020044) ended on January 31 2014, in which 186,226,599 Warrants were exercised at a price of Euro 0.36 per ordinary share newly issued by DIS for a total counter-value of EUR 22.3 million; (ii) US$ 225.2 million bank loan drawdown in relation to the newbuilding vessels delivered in 2014 and including the new Banca Intesa loan facility of US$ 75 million; (iii) US$ 52.4 million bank debt repayments; (iv) US$ 6.9 million dividends distributed to DIS Shareholders; and (v) US$ 1.5 million Shareholder loan paid to DM Shipping (a JV with Mitsubishi Corporation, in which DIS has 51% interest).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Quarterly Results

Fourth Quarter results

US$ Thousand	Q4 2014	Q4 2013[1]
Revenue	95,996	69,449
Voyage costs	(30,916)	(23,798)
TIME CHARTER EQUIVALENT EARNINGS	**65,080**	**45,651**
Time charter hire costs	(33,325)	(25,087)
Other direct operating costs	(15,538)	(12,412)
General and administrative costs	(3,871)	(4 201)
Other operating income	186	1,339
Result from disposal of vessels	-	-
EBITDA	**12,532**	**5,290**
Depreciation	(8,591)	(8,020)
EBIT	**3,941**	**(2,730)**
Net financial income (charges)	(9,860)	1,414
PROFIT / (LOSS) BEFORE TAX	**(5,919)**	**(1,316)**
Income taxes	442	(828)
Share of profit (loss) of equity accounted investment	80	(3)
NET PROFIT / (LOSS)	**(5,397)**	**(2,147)**

[1] Following application of the new IFRS 11 and the reclassification within equity of the ineffective part of the cash-flow hedge, figures previously reported for Q4 2013 have been restated. Compared to figures previously reported, the net profit was reduced US$ 2.6 million. See also Note 1 in the Notes to the Group interim report.

Market and key operating measures review by Quarter

	Q1	Q2	Q3	Q4	FY
TOTAL VESSEL EQUIVALENT					
2014	**39.6**	**39.1**	**40.7**	**48.0**	**41.9**
2013[1]	38.5	38.6	36.7	36.2	37.5
OFF-HIRE DAYS/AVAILABLE VESSEL DAYS (%)					
2014	**3.4%**	**1.8%**	**2.4%**	**1.6%**	**2.2%**
2013[1]	2.3%	2.9%	4.2%	1.5%	2.7%
TCE EARNINGS PER EMPLOYMENT DAY (US$)					
2014	**13,637**	**13,972**	**14,296**	**14,985**	**14,271**
2013[1]	14,808	14,427	14,277	13,929	14,365

[1] Following application of the new IFRS 11 and the reclassification within equity of the ineffective part of the cash-flow hedge, figures previously reported for year-end 2013 have been restated.

Financials by Quarter

The 2014 quarterly financials substantially reflect the trend in freight markets.

US$ Thousand	Q1	Q2	Q3	Q4	FY
Revenue	68,873	72,278	78,157	95,996	315,304
Voyage costs	(22,423)	(23,629)	(25,859)	(30,916)	(102,827)
TIME CHARTER EQUIVALENT EARNINGS	**46,450**	**48,649**	**52,298**	**65,080**	**212,477**
Time charter hire costs	(24,122)	(25,535)	(27,246)	(33,325)	(110,228)
Other direct operating costs	(14,348)	(14,785)	(15,366)	(15,538)	(60,037)
General and administrative costs	(4,369)	(4,507)	(4,015)	(3,871)	(16,762)
Other operating Income	196	218	223	186	823
Result from disposal of vessels	-	6,351	137	-	6,488
EBITDA	**3,807**	**10,391**	**6,031**	**12,532**	**32,761**
Depreciation and impairment	(8,048)	(8,663)	(9,439)	(8,591)	(34,741)
EBIT	**(4,240)**	**1,727**	**(3,408)**	**3,941**	**(1,980)**
Net financial income (charges)	(2,457)	(123)	4,575	(9,860)	(7,865)
PROFIT / (LOSS) BEFORE TAX	**(6,697)**	**1,604**	**1,167**	**(5,919)**	**(9,845)**
Income taxes	(136)	(296)	(949)	442	(939)
Share of profit (loss) of equity accounted investment	(3)	77	65	80	219
NET PROFIT / (LOSS)	**(6,836)**	**1,385**	**283**	**(5,397)**	**(10,565)**

The following table shows the Net Debt at the end of the fourth quarter 2014 compared with the figures at end of the third quarter of the same year:

US$ Thousand	As at 31 December 2014	As at 30 September 2014
Cash and cash equivalents	68,383	26,826
Current financial assets	2,741	4,448
Current financial debt	58,978	54,023
Other current financial liabilities	19,141	12,373
Non-current financial assets	20,657	22,007
Non-current financial debt	351,430	289,719
Other non-current financial liabilities	3,181	826
NET FINANCIAL INDEBTEDNESS	**340,949**	**303,660**

Significant Events of the Year

In 2014 the following main events occurred in the activity of d'Amico International Shipping Group:

d'Amico International Shipping:

- **Results of d'Amico International Shipping Warrants 2012-2016 – 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. After the capital increase occurred at the end of the first exercise period DIS' share capital now amounts to USD 42,195,530.70 divided into 421,955,307 ordinary shares with no nominal value.

- **Accelerated Bookbuilding Procedure:** In March 2014 d'Amico International Shipping S.A., announces that its majority shareholder, d'Amico International S.A. sold through a *private placement* an equity stake of its DIS' ordinary shares. The operation (the 'Placement') constitutes an *accelerated bookbuilding procedure* addressed to qualified institutional investors in Italy and institutional investors abroad. Through this operation d'Amico International S.A. sold n. 42,195,531 of DIS' ordinary shares equal to 10% of the capital shares at the price of 0.695 euro. The operation was led both by Banca IMI S.p.A. and EQUITA S.I.M. S.p.A., who acted as *Joint Global Coordinators and Joint Bookrunners.*

d'Amico Tankers Limited:

- **'Time Charter-In' Fleet:** In January 2014, *M/T High Power*, an 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*, an 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*, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since then.

In March 2014, *M/T Ocean Leo*, an MR vessel built in 2010 and Time Chartered-In by d'Amico Tankers Limited since December 2013, was redelivered back to her Owners.

In May 2014, *M/T Eastern Force*, an MR vessel built in 2009 and Time Chartered-In by d'Amico Tankers Limited since April 2012, was redelivered back to her Owners.

In May 2014, d'Amico Tankers Limited extended its contract on *M/T Citrus Express*, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since April 2013, from the original expiry date of June 2014 to September 2015.

In July 2014, *M/T Marvel*, a Handysize vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since 2010, was redelivered back to her Owners.

In July 2014, *M/T Freja Baltic*, an MR vessel built in 2008, was delivered to d'Amico Tankers Limited for 1 year Time Charter contract.

In July 2014, d'Amico Tankers Limited agreed to take 7 vessels (3 Handysize and 4 MR product tankers) for one year time charter contract, with extending options between 6 and 12 further months. 4 of these vessels were delivered to d'Amico Tankers Limited between mid-August and the end of September, whilst the remaining 3 vessels were delivered during the month of October.

In August 2014, *M/T Future Prosperity*, an MR vessel built in 2010, was delivered to d'Amico Tankers Limited for 1 year Time Charter contract.

In October 2014, *M/T Orient Star*, an MR vessel built in 2010 and Time Chartered-In by d'Amico Tankers Limited since 2013, was redelivered back to her Owners.

In November 2014, *M/T High Beam* and *M/T High Current*, two MR vessels built in 2009, were delivered to d'Amico Tankers Limited for 3 years' Time Charter contract.

In December 2014, *M/T Cielo di Milano* and *M/T Cielo di Roma*, two Handysize vessels built in 2003, were delivered to d'Amico Tankers Limited for 2 years' Time Charter contract.

- **'Time Charter-Out' Fleet:** In May 2014, an MR Vessel owned by d'Amico Tankers Limited, completed her 1 year Time Charter contract with a commodity trader and she is currently employed on the spot market.

  In July 2014, an MR Vessel owned by d'Amico Tankers Limited, completed her 5 year Time Charter contract with an Oil Major and in September 2014 she was fixed for a new 1 year Time Charter contract with another Oil Major.

  In July 2014, an MR Vessel owned by d'Amico Tankers Limited, completed her 1 year Time Charter contract with an Oil Major and was fixed for a further 1 year contract with the same Company at an increased daily hire.

  In July 2014, an MR Vessel chartered-in by d'Amico Tankers Limited, completed her 1 year Time Charter contract with an Oil Major.

  In August 2014, an MR Vessel chartered-in by d'Amico Tankers Limited, completed her 1 year Time Charter contract with a commodity trader and she is now employed on the spot market.

  In August 2014, a further MR Vessel chartered-in by d'Amico Tankers Limited, was fixed for 1 year Time Charter contract with a commodity trader.

  In November 2014, an MR Vessel chartered-in by d'Amico Tankers Limited, completed her 1 year Time Charter contract with a leading refining company. The contract was then extended until December 2015 at an increased daily hire.

  In December 2014, an MR Vessel chartered-in by d'Amico Tankers Limited, was fixed for 2 years' Time Charter contract with an Oil Major.

- **Newbuilding Vessels:** In January 2014, two 'Eco' newbuilding product tankers built 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 began their 5 year Time charter contract with a main Oil-Major.

  In February 2014, two additional 'Eco' newbuilding product tankers built 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.

  In March 2014, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited and Hudson Partners LLC (CT, USA) have decided not to implement the agreed Letter of Intent (ref. Press Release issued on May 16th, 2013) for the novation of the contract related to the construction of a new 'Eco design' product/chemical tanker vessel (Hull S410 - 50,000 dwt Medium Range, the 'Vessel'), ordered in May 2013 at Hyundai Mipo Dockyard Co. Ltd. – South Korea, expected to be delivered in Q4, 2015. This transaction was driven by the strong demand by Oil Majors, confirming the positive outlook on the market, for such type of ships and therefore the need to increase DIS' core owned fleet. To finalize this transaction d'Amico Tankers Limited and Hudson Partners have agreed to set the value of the vessel at US$ 35.5 million.

  In April 2014, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland), entered into a contract for the construction of two additional new product/chemical tanker vessels (50.000 dwt Medium Range) with Hyundai Mipo Dockyard Co. Ltd. – South Korea, expected to be delivered respectively at the end of 2016 and in early 2017, for a consideration of US$ 36.6 million each. Through this last order, DIS increased its orderbook to 15.3 'Eco' design newbuilding product tankers, which corresponds to an overall investment plan of approximately **US$ 490.7 million**. All these newbuilding vessels are the latest IMO II MR design with the highest fuel efficiency, leading to a fuel saving of approximately 6 -7 T /day compare to the average consumption of world existing MR fleet and ensuring a reduced environmental impact.

In August 2014, one 'Eco' newbuilding product tanker built at Hyundai Mipo Dockyard Co. Ltd. – South Korea, *M/T High Fidelity* (Medium Range - 50,000 dwt), was delivered to d'Amico Tankers Limited and began her Time charter with a leading refining company, for a period of 2 years at a profitable daily rate.

In November 2014, one 'Eco' newbuilding product tanker built at Hyundai Mipo Dockyard Co. Ltd. – South Korea, *M/T High Voyager* (Medium Range - 50,000 dwt), was delivered to d'Amico Tankers Limited and began her Time charter with a leading refining company, for a period of 3 years at a profitable daily rate.

- **Vessel Sale:** In March 2014, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited, agreed with clients of Sea World Management, SAM of Monaco, the sale of the Handysize product tanker vessel *M/T Cielo di Parigi*, built in 2001 by Daedong Shipbuilding – South Korea, for the amount of US$ 13.6 million. The Vessel was delivered to her new owners in April 2014 and a *'Result from disposal'* of US$ 6.5 million was booked in the period.

Eco Tankers Limited:

- **Newbuilding Vessels:** In February 2014, Eco Tankers Limited (Malta) signed a new Time Charter agreement on its new vessel (Hull n. S408) under construction at Hyundai Mipo Dockyard Co. Ltd. – South Korea, and delivered in Q2 2014. This contract was signed with a leading refining company, for a period of 3 years at a profitable daily rate.

Significant Events Since the End of the Period and Business Outlook

d'Amico International Shipping:

- **Results of d'Amico International Shipping Warrants 2012-2016 – Second Exercise Period ended in January 2015:** On February 2nd 2015, d'Amico International Shipping S.A. ("DIS") announced that the Second Exercise Period of the "d'Amico International Shipping Warrants 2012 – 2016" (ISIN code LU0849020044) has ended on January 30th, 2015. During this Second Exercise Period 2,661,273 Warrants were exercised at the price of Euro 0.40 per ordinary share without nominal value which will be issued by DIS and admitted to trading on the MTA market of Borsa Italiana SpA each as a "Warrant Share". In accordance with the terms and conditions of the Warrant Regulations, DIS will issue on the 6th of February 2015, based on the Warrants Ratio of one (1) Warrant Share for every three (3) Warrants exercised, 887,091 Warrant Shares with same rights (including that to dividends) and features of DIS ordinary outstanding shares at the issue date - to those Warrant holders who validly exercised their Warrants during the Second Exercise Period In accordance with the Warrant Regulations, the holders of the Warrants which were not exercised during the First Two Exercise Periods will have the right to exercise their Warrants and subscribe to Warrant Shares based on the same Warrants Ratio, at the following exercise price and in the following exercise period:
  • EUR 0.46, for the Warrants exercised during the trading days of January 2016.

d'Amico Tankers Limited:

- **Newbuilding Vessels:** In February 2015, one 'Eco' newbuilding product tanker built at Hyundai Mipo Dockyard Co. Ltd. – South Korea, *M/T High Loyalty* (MR - 50,000 dwt) was delivered to d'Amico Tankers Limited. The vessel began her 5 year Time charter contract with a main Oil-Major.

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

	As at 31 December 2014			As at 05 March 2015		
	MR	Handysize	Total	MR	Handysize	Total
Owned	19.3	3.0	22.3	20.3	3.0	23.3
Time chartered	23.5	6.0	29.5	23.5	6.0	29.5
TOTAL	**42.8**	**9.0**	**51.8**	**43.8**	**9.0**	**52.8**

Business Outlook

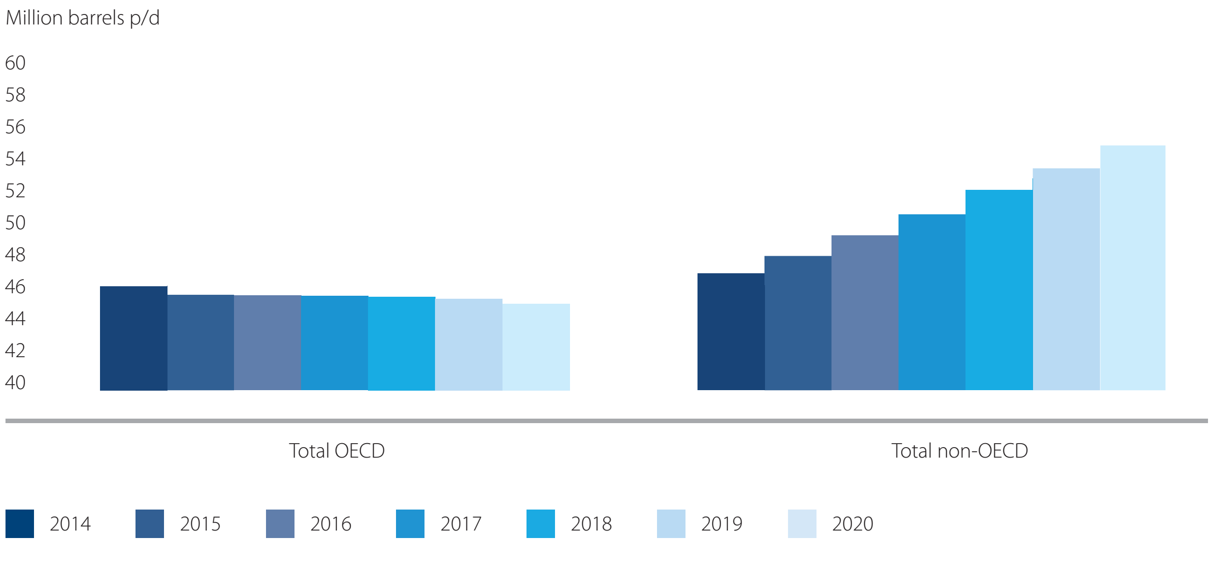
Oil demand is expected to decline in the first quarter of 2015 but to pick-up throughout 2015. Global growth is forecast to modestly accelerate in 2015, to 910 kb/d (or +1.0%). Q1 2015 started with the entire Tanker Industry enjoying stronger markets rolling over from the end of 2014. Refinery runs improved in the last quarter leaving products stocks 50 million barrels above the five year average. The start of the refinery maintenance season should see draws on these stocks throughout the quarter. Nine refineries in the United States are closed for maintenance and some unforeseen events which equates to roughly 10% of US refinery capacity. Globally total refinery capacity off-line peaked in January at 5 million b/d, mainly in OECD Countries. The Middle East and Asian markets have continued to perform at relatively stable levels keeping a healthy demand supply balance. As demand has weakened in the Atlantic basin, tonnage supply has increased putting pressure on rates. The reduction in the price of oil has translated into lower costs of bunkers which in itself is supporting returns for product tankers. Delayed refinery projects within the Middle East should come on line during the first quarter of 2015 and should support some improvement in demand for tonnage.

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

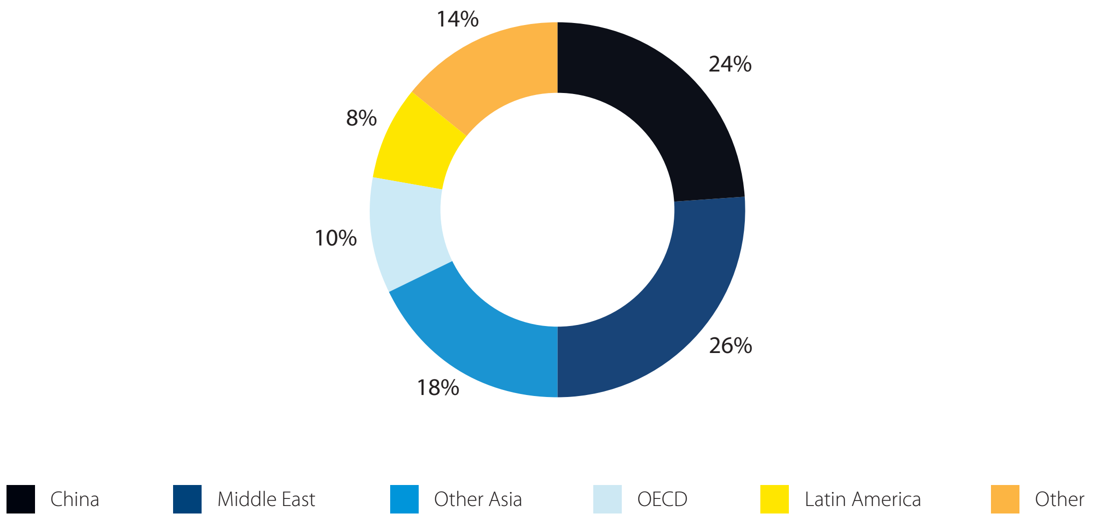
- In the Middle East two projects, one new and one expansion, set to come online at the end of 2014, have been delayed till beginning 2015. These will add an additional 770,000 b/d capacity to an already expanding region.
- Exports of refined products are rising after the Satorp refinery, a joint venture with France's Total, reached full capacity during 2014. A second joint venture refinery with China's Sinopec at Yanbu is due to reach its full 400,000 b/d capacity early 2015.
- While in the UAE, Adnoc is on track to complete its 420,000 b/d Ruwais expansion in the next few months. Regional demand growth, estimated around 200,000 b/d in 2015. Current estimates show the area will have excess capacity of close to 1 million b/d by 2019 and will leave significant volumes of oil products available for export markets outside the region.
- Product supply balances between regions will increase in importance to the product tanker market over the next five years. Europe's deficit in distillates is set to increase to 1.6 million b/d by 2019.
- In contrast, USA exports of Gasoline and Naphtha are expected to rise to 1.3 million b/d and Distillates to 1.37 million b/d by 2019.
- According to the Australian Government projection, their reliance on importing Petroleum products will increase from 424,000 b/d today to 766,000 b/d by 2019. Product exports to Australia also doubled from a year earlier as the country's refinery restructuring continues. Caltex completed the conversion of its 135,000 b/d Kurnell refinery to a terminal in October. BP is in the process of shutting its 102,000 b/d Bulwer Island refinery in Brisbane by mid-2015, curbing Australian capacity further. Australian refinery runs averaged 485,000 b/d reflecting a continued decline in capacity.
- China's Ministry of Commerce just approved larger product export quotas for Gasoline, Diesel and Jet Fuel for Petro China and Sinopec for 2015. Sinopec got a quota to export 260,000 b/d of oil products this year, an increase of 45 kb/d from last year, while Petro China's export quota was left unchanged at 180,000 b/d.

Global Oil Demand[1] 2014 – 2020

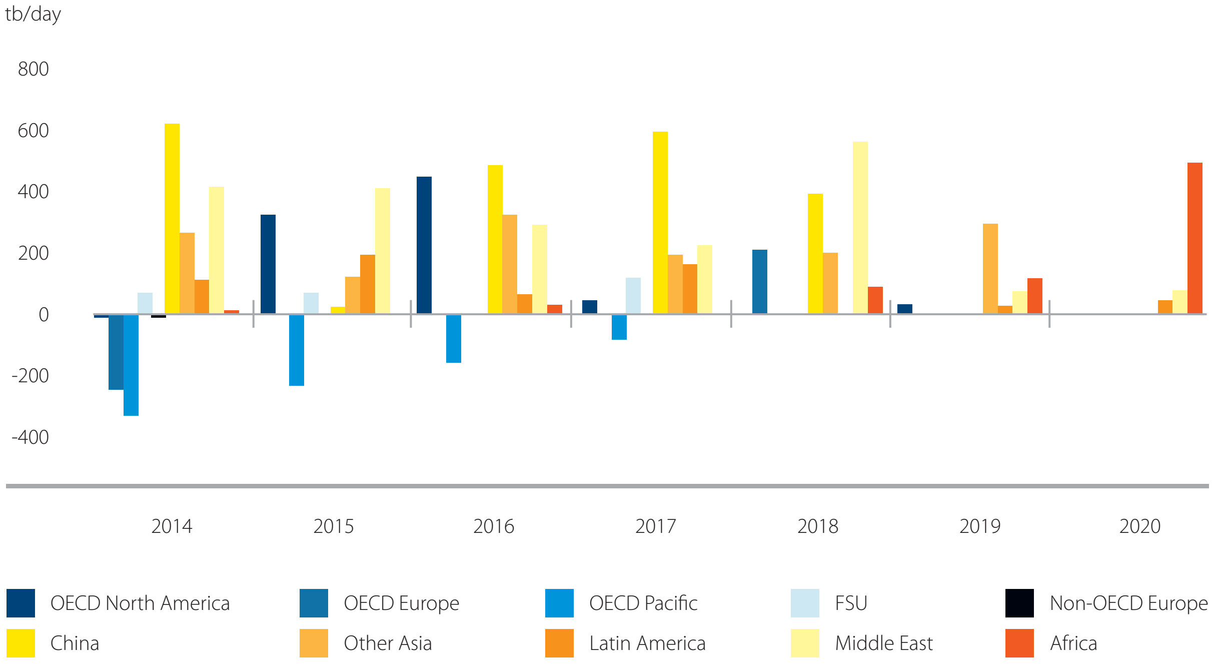


[1] Source: International Energy Agency Medium-Term Oil Market Report, Feb '15

Refinery Growth



Capacity Additions 2014-2020 by Region[1]

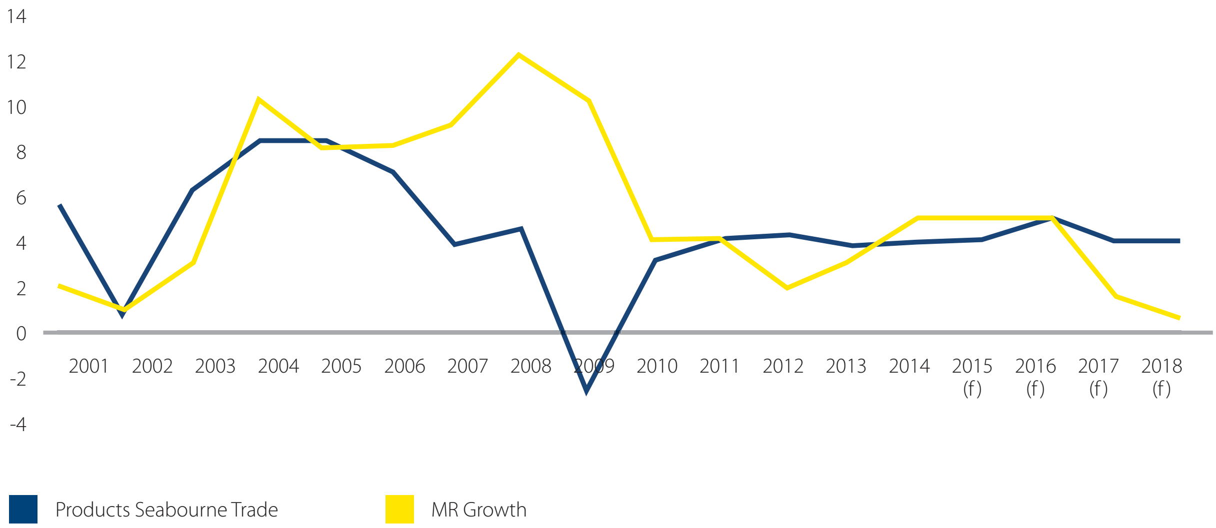


[1] Source: International Energy Agency Medium-Term Oil Market Report, Feb '15

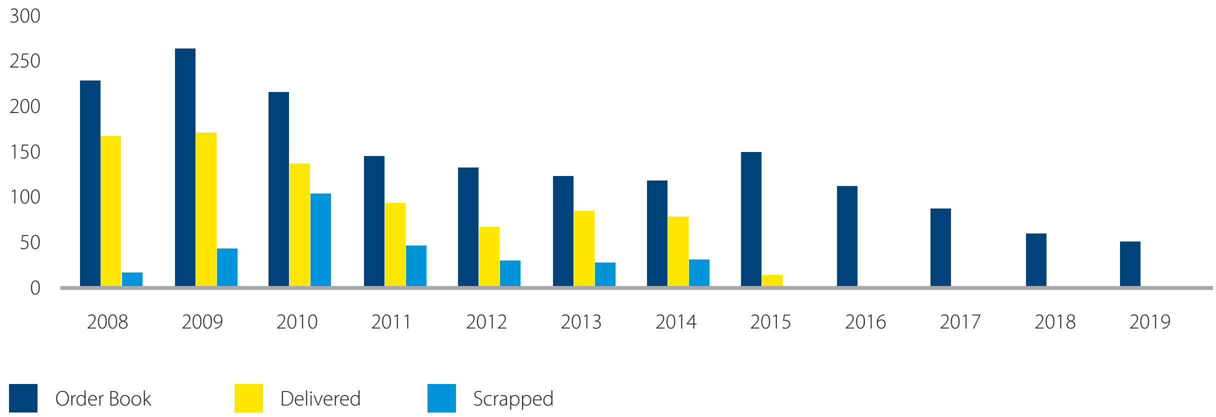
Product Tanker supply

- The order book for MR tankers last year was around 120 ships. Final figures indicate that about 100 vessels were delivered in the whole of 2014. During the same period it has been reported that between 27 and 34 ships were permanently removed.
- There has been very strong ordering of MR tankers over the last couple of years; however there is a certain amount of speculation of exactly how many orders have been placed. According to various reports there are between 140 and 200 to be delivered in 2015.
- Slippage and cancellation has been a factor in this segment and has run at around 32% over the last five years.
- Ordering slowed somewhat in 2014 as investors started looking at other shipping segments. It has been reported that about 97 ships were ordered in 2014 compared to about 260 in 2013.
- The global refinery map is constantly changing and bringing about product supply imbalances between regions. This should fundamentally lead to longer haul voyages effectively reducing the supply of tonnage.

Tonne mile demand % [1]



Net MR [2] fleet growth 2008 - 2019



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

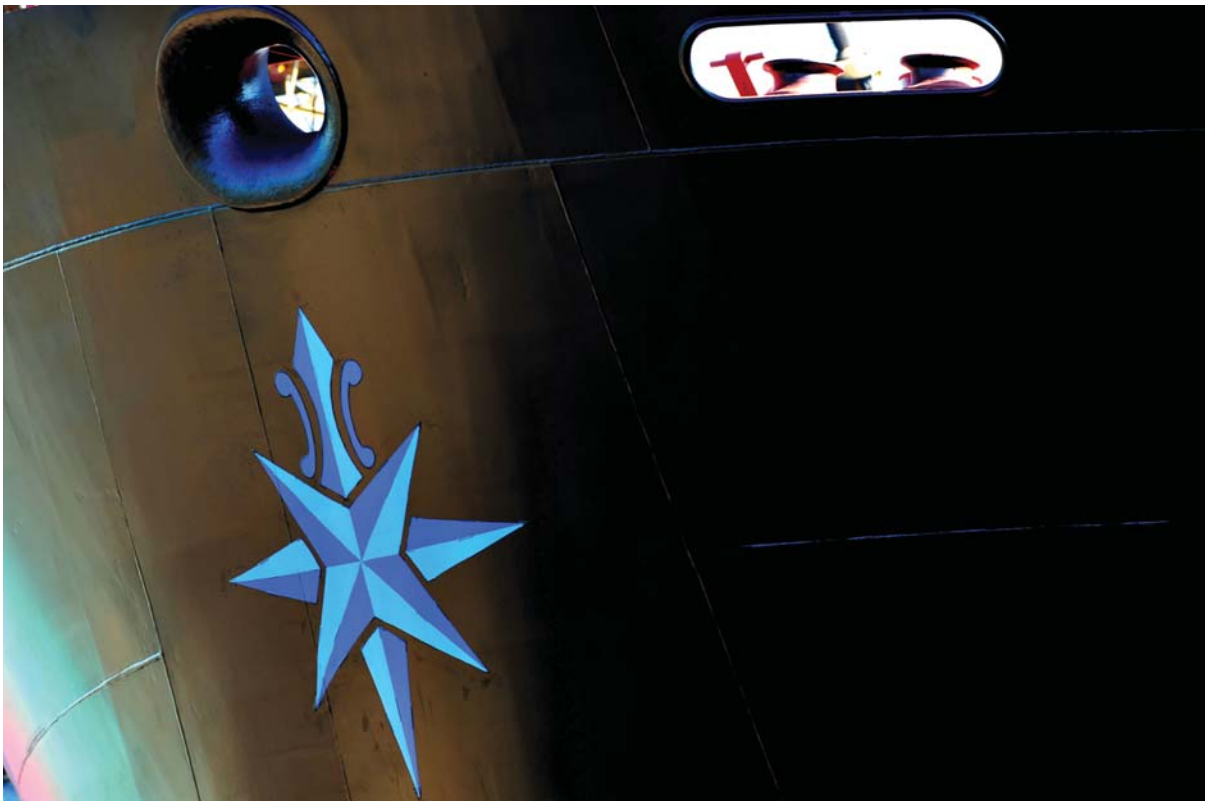
[2] MR product tankers ranging from 25,000 to 55,000 dwt. Source: Clarkson, ICAP, SSY, Braemar and Gibson search


FIRE HOSE & NOZZLE

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 Comitato per la Corporate Governance website at http://www.borsaitaliana.it/comitato-corporate-governance/codice/2014clean.pdf 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 Luxembourg and listing on the Italian Market, the Company is subject both to the transparency obligations established by the Luxembourg Law of 11th January 2008 and to those established by the Italians laws and regulations as applicable from time to time.

In accordance with article 123-bis of Legislative Decree No. 58/98 and in line with the recommendations of the Borsa Italiana Corporate Governance Code, the Company provides a complete disclosure of its Ownership Structure and Corporate Governance system at December 31, 2014 in the 2014 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 and/or supplements which implements the Directive 2004/25/EC of 21 April 2004 on takeover bids. The Report is filed with Borsa Italiana S.p.A. through the SDIR/NIS system, 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.

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d'Amico International Shipping Group

Consolidated Financial Statements
Year Ended 31 December 2014

d'Amico International Shipping Group

Consolidated Income Statement

US$ Thousand	Note	2014	2013[1]
Revenue	(3)	315,304	293,384
Voyage costs	(4)	(102,827)	(102,175)
TIME CHARTER EQUIVALENT EARNINGS	(5)	**212,477**	**191,209**
Time charter hire costs	(6)	(110,228)	(97,190)
Other direct operating costs	(7)	(60,037)	(51,752)
General and administrative costs	(8)	(16,762)	(15,285)
Other operating income	(9)	823	1,883
Result from disposal of vessels	(10)	6,488	13,947
EBITDA		**32,761**	**42,812**
Depreciation and impairment	(14)	(34,741)	(30,461)
EBIT		**(1,980)**	**12,351**
Net financial income (charges)	(11)	(7,865)	1,412
PROFIT/ (LOSS) BEFORE TAX		**(9,845)**	**13,763**
Taxes	(12)	(939)	(1,915)
Share of profit (loss) of equity accounted investment	(13)	219	(7)
NET PROFIT / (LOSS)		**(10,565)**	**11,841**

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

EARNINGS PER SHARE IN US$ [2]		**(0.025)**	**0.032**

Consolidated Statement of Other Comprehensive Income

US$ Thousand	2014	2013[1]
Profit / (loss) for the period	(10,565)	11,841
Items that can subsequently be reclassified into Profit or Loss		
Movement of valuation of Cash flow hedges	(631)	2,178
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	**(11,196)**	**14,019**

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

Comprehensive income / (loss) per share in US$ [2]	(0.027)	0.039

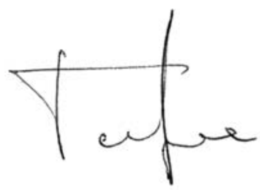
[1] Adjusted for the effects of the first-time retrospective application of new IFRSs and the reclassification within equity of the ineffective part of the cash-flow hedge. Reference for further details should be made to the section "Accounting principles adopted from 1st of January 2014" within Note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

[2] Earnings per share (e.p.s.) were calculated on a average number of shares equal to 414,812,369 in 2014, while in 2013 e.p.s. were calculated on a number of 359.879.774 shares. Diluted earnings per share - including Warrant shares – would be US$ (0.0246) in 2014 as far as Net Profit is concerned, and US$ (0.026) as far as Comprehensive Result (in 2013: diluted earnings per share including Warrant shares would have been $ 0.04 of Net profit and $ 0.05 of Comprehensive income).

Consolidated Statement of Financial Position

US$ Thousand	Note	As at 31 Dec 2014	As at 31 Dec 2013[1]	As at 1 Jan 2013[1]
ASSETS				
Tangible assets	(14)	647,167	493,861	464,485
Investment in jointly controlled entities	(15)	4,348	3,133	-
Other Non-current financial receivable	(16)	20,657	22,543	26,418
TOTAL NON-CURRENT ASSETS		**672,172**	**519,537**	**490,903**
Inventories	(17)	12,422	13,354	18,662
Receivables and other current assets	(18)	48,800	31,526	36,273
Other Current financial assets	(16)	2,741	1,333	757
Cash and cash equivalents	(19)	68,383	33,170	115,657
TOTAL CURRENT ASSETS		**132,346**	**79,383**	**171,349**
TOTAL ASSETS		**804,518**	**598,920**	**662,252**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	(20)	42,196	35,988	35,988
Retained earnings	(20)	22,837	40,269	28,428
Other reserves	(20)	269,872	246,340	244,285
TOTAL SHAREHOLDERS’ EQUITY		**334,905**	**322,597**	**308,701**
Banks and other lenders	(21)	351,430	222,651	263,908
Other non-current financial liabilities	(24)	3,181	-	4,523
TOTAL NON-CURRENT LIABILITIES		**354,611**	**222,651**	**268,431**
Banks and other lenders	(21)	58,978	13,368	25,175
Amount due to parent company	(22)	-	-	20,000
Payables and other current liabilities	(23)	36,348	30,706	37,213
Other current financial liabilities	(24)	19,141	8,612	2,178
Current tax payable	(25)	535	986	554
TOTAL CURRENT LIABILITIES		**115,002**	**53,672**	**85,120**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**804,518**	**598,920**	**662,252**

The financial statements on pages 42 to 85 were authorized for issue by the Board of Directors on its behalf on March 5, 2015



Paolo d’Amico, Chairman

Marco Fiori, Chief Executive Officer

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

Consolidated Statement of Cash Flows

US$ Thousand	2014	2013[1]
PROFIT / (LOSS) FOR THE PERIOD	**(10,565)**	**11,841**
Depreciation, amortisation and impairment	34,741	30,461
Current and deferred income tax	939	1,915
Financial charges	6,531	(2,339)
Fair value gains on foreign currency retranslation	1,679	927
Profit on disposal of vessels	(6,488)	(13,947)
Other non-cash items	(344)	129
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IIN WORKING CAPITAL	**26,493**	**28,987**
Movement in inventories	932	5,308
Movement in amounts receivable	(17,273)	4,747
Movement in amounts payable	7,020	(6,508)
Taxes paid	(3,190)	(1,414)
Net interest received (paid)	8,864	5,367
NET CASH FLOW FROM OPERATING ACTIVITIES	**22,846**	**36,487**
Acquisition of fixed assets	(194,811)	(81,110)
Disposal of fixed assets	13,323	35,225
Investment in jointly controlled entities / subsidiaries	(1,049)	(3,397)
NET CASH FLOW FROM INVESTING ACTIVITIES	**(182,537)**	**(49,283)**
Share capital increase	30,477	-
Dividends paid	(6,868)	-
Movement in other financial payable	-	(20,000)
Net increase in other financial receivable	(1,517)	-
Bank loan repayments	(52,410)	(49,691)
Bank loan draw-downs	225,222	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**194,904**	**(69,691)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**35,213**	**(82,487)**
Cash and cash equivalents at the beginning of the year	33,170	115,657
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**68,383**	**33,170**

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

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

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**
Reclassification of cash-flow hedge ineffectiveness	-	(5,692)	-	5,692	-
Adjustment for retrospective application of new IFRS standards	-	14,544	(51)	-	14,493
Reclassification	-	7,137	(7,137)	-	-
BALANCE AS AT 1 JANUARY 2013 ADJUSTED [(1)]	**35,988**	**28,428**	**245,249**	**(964)**	**308,701**
Other changes (consolidation reserve)	-		(123)		(123)
Total comprehensive income	-	11,841	-	2,178	14,019
BALANCE AS AT 1 DECEMBER2013 ADJUSTED [(1)]	**35,988**	**40,269**	**245,126**	**1,214**	**322,597**

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

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

Notes

d'Amico International Shipping S.A. (the "Company", DIS) a Sociéte Anonyme, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg. The financial statements have been prepared in accordance with provisions of Art. 3 of the Luxembourg Law dated 11 January 2008, which transposed Directive 2004/109/EC of the European Parliament and of Council of 15 December 2004 in the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

The 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 consolidated financial statements are prepared on the basis of historic cost convention, with the exception of certain financial assets and labilities, which are stated at fair value through profit or loss.

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

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

1. Accounting Policies

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

Basis of Consolidation

The financial statements present the consolidated results of the parent company, d'Amico International Shipping S.A., and its subsidiaries for the year ended 31 December 2014.

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.

Joint Arrangements – IFRS11

Jointly controlled entities are enterprises over whose activities the Group has joint control, as defined in IFRS11 – Joint Arrangements. The accounting treatment is dependent on the type of joint arrangement, which is determined by considering the rights and obligations of the investor. The consolidated financial statements include the assets and liabilities, revenue and costs of joint operations on a proportional basis, based on the Group's share, while the joint ventures are accounted for using the equity method. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

Foreign currencies

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

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

Critical accounting judgments and key estimates

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

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

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

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

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

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

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

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

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

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

the end of the reporting period during which the change has occurred.
Some of the following accounting policies require the measurement of fair values for financial and non-financial assets and liabilities. Further information about fair value calculation is found in 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 recoverable amount 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

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

Accounting principles adopted from 1 January 2014

IFRS 10, IFRS 11 and IFRS 12 and IFRIC 21 are effective for accounting periods beginning on or after 1 January 2014 as adopted by the EU. The new standards are to be applied retrospectively.

IFRS 10 "Consolidated Financial Statements" 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 for d'Amico International Shipping remain unchanged from those that are required by the current IAS 27, 'Consolidated and Separate Financial Statements'. As a result of applying IFRS 10, d'Amico International Shipping Group has adjusted its accounting policies to reflect the revised definition of "control".

IFRS 11 "Joint Arrangements" applies to all entities that are a party to a joint arrangement and replaces 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'. As a result, certain line items previously proportionally consolidated are impacted. When the Group share of losses of a joint venture equals or exceeds its interest in it, it does not recognise further losses on its interest unless there is a legal or constructive obligation. In the case of d'Amico International Shipping, retained earnings *at the beginning of the earliest comparative period* have been adjusted having a net positive effect of US$ 14.5 million. Whenever any significant change in the main assumptions of any joint arrangement occurs, the assessment will be re-performed to ensure the correct treatment.

To comply with the application of IFRS 11, the Group assessed its control on structure, legal form, terms of the contractual arrangements and other facts and circumstances of the joint arrangements; as a result, Glenda International Shipping (GIS) and High Pool Tankers Limited (HPT), will be treated as joint operations and consolidated line-by-line; while the investment in DM Shipping (DMS) and Eco Tankers Ltd. (ETL), the principal object of which is the construction and the operation of vessels, that were previously included in a proportional consolidation, will be treated as a Joint Venture and the equity method of accounting will be applied, having the parties jointly controlling the arrangement the right to its net assets. In the case of DM Shipping, the key issue is that the co-shareholders are also the principal customer of the companies and the charter hire is the principal driver of variable returns of the company. In the other instance – Eco Tankers Limited - DIS exerts binding management authority assuming responsibility for its operation.

IFRS 12 "Disclosures of Interests in Other Entities" 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.

Upon further review, a US$ 5.7 million reclassification within the post of Net Equity – crediting the Cash-Flow Hedging reserve from Retained Earnings - on January 1, 2013 was performed: it concerned the valuation of an interest rate swap that was closed and renegotiated in 2011, in order to make such assessment consistent with the current accounting procedures.

IFRIC 21 sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 Provisions. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. This standard became effective for annual periods beginning on or after January 1, 2014. The Group is not currently subjected to significant levies so the impact on the Group is not material.

That change, together with the retrospective application of IFRS 10, IFRS 11 and IFRS 12, resulted in the following adjustments being made to the figures for the prior-year periods disclosed in the Statement of Profit or Loss and Other comprehensive income, the Statement of financial position and the Statement of cash-flow.

Consolidated Statement of Profit or Loss

US$ Thousand	YE 2013 as reported	Adjustment January to December 2013	YE 2013 Adjusted
Revenue	293,384	-	293,384
Voyage costs	(102,193)	18	(102,175)
TIME CHARTER EQUIVALENT EARNINGS	**191,191**	**18**	**191,209**
Time charter hire costs	(91,425)	(5,765)	(97,190)
Other direct operating costs	(54,219)	2,467	(51,752)
General and administrative costs	(15,442)	157	(15,285)
Other operating income	1,943	(60)	1,883
Result from disposal of vessels	13,947	-	13,947
EBITDA	**45,995**	**(3,183)**	**42,812**
Depreciation	(32,274)	1,813	(30,461)
EBIT	**13,721**	**(1,370)**	**12,351**
Net financial income (charges)	7,052	(5,640)	1,412
PROFIT (LOSS) BEFORE TAX	**20,773**	**(7,010)**	**13,763**
Income taxes	(1,920)	5	(1,915)
Result of the JV	-	(7)	(7)
NET PROFIT (LOSS)	**18,853**	**(7,012)**	**11,841**

Consolidated Statement of Comprehensive Income

US$ Thousand	YE 2013 as reported	Adjustment January to December 2013	YE 2013 Adjusted
Profit or loss for the period	18,853	(7,012)	11,841
Cash-flow hedges	3,719	(1,541)	2,178
TOTAL COMPREHENSIVE INCOME	**22,572**	**(8,553)**	**14,019**

Consolidated Statement of Financial Position

US$ Thousand	31 December 2013 as reported	Adjustment 31 December 2013	31 December 2013 Adjusted
ASSETS			
Tangible assets	529,362	(35,501)	493,861
Investments in associates	-	3,133	3,133
Other Non-current financial assets	686	21,857	22,543
TOTAL NON-CURRENT ASSETS	**530,048**	**(10,511)**	**519,537**
Inventories	15,029	(1,675)	13,354
Receivables and other current assets	34,812	(3,286)	31,526
Other current financial assets	1,333	-	1,333
Cash and cash equivalents	34,684	(1,514)	33,170
TOTAL CURRENT ASSETS	**85,858**	**(6,475)**	**79,383**
TOTAL ASSETS	**615,906**	**(16,986)**	**598,920**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	35,988	-	35,988
Retained earnings	31,292	12,085	43,377
Other reserves	249,417	(6,185)	243,232
TOTAL SHAREHOLDERS' EQUITY	**316,697**	**5,900**	**322,597**
Banks and other lenders	236,842	(14,191)	222,651
TOTAL NON-CURRENT LIABILITIES	**236,842**	**(14,191)**	**222,651**
CURRENT LIABILITIES			
Banks and other lenders	15,881	(2,513)	13,368
Payables and other current liabilities	36,888	(6,182)	30,706
Other current financial liabilities	8,612	-	8,612
Current tax payable	986	-	986
TOTAL CURRENT LIABILITIES	**62,367**	**(8,696)**	**53,672**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**615,906**	**(16,986)**	**598,920**

Consolidated Statement of Cash Flow

US$ Thousand	YE 2013 as reported	Adjustment January to December 2013	YE 2013 Adjusted
Cash flow from operating activities	39,104	(2,617)	36,487
Cash flow from investing activities	(48,859)	(424)	(49,283)
Cash flow from financing activities	(72,896)	3,205	(69,691)
CHANGE IN CASH BALANCE	**(82,651)**	**164**	**(82,487)**
Cash and cash equivalents at the beginning of the period	117,617	(1,960)	115,657
Exchange gain/(loss) on cash and cash equivalents	(282)	282	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**34,684**	**(1,514)**	**33,170**

Amendments to IAS 32 – Financial Instruments: Presentation / Offsetting Financial Assets and Financial Liabilities DIS adopted these amendments effective January 1, 2014. They clarify the application of certain offsetting criteria for financial assets and financial liabilities, to be applied retrospectively. No significant effect arose from the application of these amendments to the Consolidated Financial Statements.

Amendments to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets: disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal, without reporting any effect on these Half-Year Consolidated Financial Statements. The application of these amendments could result in an expanded disclosure in the notes in case of an impairment that is based on fair value less cost of disposal.

Amendments to IAS 39 – Financial Instruments: Recognition and Measurement/ Novation of Derivatives and Continuation of Hedge Accounting; these amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. No effect arose on these Year End Consolidated Financial Statements from the application of these amendments.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

Accounting principles, amendments and interpretations not yet effective

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

IFRS 15 – *Revenue from contract with customers*, was issued in May 2014 by the IASB, with the aim of bringing together the rules actually existing in various standards and to set-up a frame of basic principles to be applied to all categories of transactions including revenues, basically requiring a company to recognize revenue upon the transfer of control of goods or services to a customer at an amount reflecting the consideration expected to be received, in five steps. The guidance requires as well additional disclosure about the nature, amount, timing and certainty of revenues and cash-flows arising from contracts with customers. The standard will be effective from January 2017, although early adoption is permitted. IFRS 15 is not expected to have a significant impact on the net assets, financial position and results of operations of DIS Group, but will have a significant impact on the disclosures to be presented in the financial statements.

IFRS 9 – *Financial Instruments* was issued in July 2014 and should be applied retrospectively in financial years from 1 January 2018; the enhancements introduced will replace the rules for the recognition and measurement of financial instruments as set out in IAS 39. In more detail, financial assets will be divided in two categories: the ones measured at amortised cost and those measured at fair value, the first group comprising those financial assets for which the contractual terms give rise on specific dates to cash-flows that are solely payment of principal and interest and for which the business model is to hold them for collecting the contractual cash-flows; the second group will entail all other financial assets (fair value measurement). While the rules applied to financial liabilities are mostly the same as set out in IAS 39, amended guidance is introduced on the classification through other comprehensive income of modification in the fair value of certain debt instruments, depending on the own credit risk, that is the changes in the amount of fair values of the liability will be split into the amount of the change that is attributable to the changes in the credit risk of the liability – to be presented in other comprehensive income – and the remaining amount of the change in the fair value of the liability, which shall be presented in the statement of profit or loss.

2. Capital Disclosure

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

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

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

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

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

3. Revenue

US$ Thousand	2014	2013[1]
REVENUE	**315,304**	**293,384**

[1] Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group report.

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 2014 arise mainly from the European Economic Area, followed by the Far East and North America. Only one customer is generating more than 10% of the Group revenues, reaching US$ 49.2 million in 2014; in 2013 the same customer totalled US$ 54.6 million.

4. Voyage Costs

US$ Thousand	2014	2013[1]
Bunkers (fuel)	(77,271)	(74,210)
Commissions payable	(3,480)	(5,143)
Port charges	(20,274)	(21,847)
Other	(1,802)	(975)
TOTAL	**(102,827)**	**(102,175)**

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

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	2014	2013[1]
TIME CHARTER EQUIVALENT EARNINGS	**212,477**	**191,209**

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

Time Charter Equivalent earnings represent revenue less voyage costs. In 2014 about 53.6% of the Time Charter Equivalent earnings came from fixed contracts longer than 12 months (49.6% in 2013).

6. Time Charter Hire Costs

US$ Thousand	2014	2013[1]
TIME CHARTER HIRE COSTS	**(110,228)**	**(97,190)**

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

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

7. Other Direct Operating Costs

US$ Thousand	2014	2013[1]
Crew costs	(29,112)	(25,227)
Technical expenses	(11,256)	(10,164)
Luboil	(2,469)	(2,160)
Technical and quality management	(4,672)	(4,131)
Insurance	(5,833)	(5,796)
Other direct operating costs	(6,695)	(4,274)
TOTAL	**(60,037)**	**(51,752)**

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

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

Personnel

As at 31 December 2014, d'Amico International Shipping SA and its subsidiaries employed 564 seagoing personnel and 35 on-shore personnel. Onshore personnel costs are included under general and administrative costs. The Group has no liabilities with regard to pensions and other post-retirement benefits.

8. General and Administrative Costs

US$ Thousand	2014	2013[1]
Personnel	(7,963)	(6,744)
Other general and administrative costs	(8,799)	(8,541)
TOTAL	**(16,762)**	**(15,285)**

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

Personnel costs relate to on-shore personnel salaries. Personnel costs also comprises the amount of US$ 1.8 million (2013: US$ 1.3 million) relating to directors fees and an amount of US$ 1.1 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$ 1.1 million and fees paid to the Auditors for the consolidated accounts amounting at US$ 175 thousand.

9. Other Operating Income

US$ Thousand	2014	2013[1]
OTHER OPERATING INCOME	**823**	**1,883**

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

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

10. Result From Disposal of Vessels

US$ Thousand	2014	2013[1]
PROFIT ON DISPOSAL OF VESSEL	**6,488**	**13,947**

[1] Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group report

The amount in 2014 relates to the sale of the *M/T Cielo di Prigi* in June. In 2013 the profit concerned 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	2014	2013[1]
LOANS AND RECEIVABLES:		
Interest Income - Banks	187	265
Realised on financial activities	18,131	5,620
AT FAIR VALUE THROUGH INCOME STATEMENT:		
Other financial income	741	352
IRS and forward options valuation	-	2,661
TOTAL FINANCIAL INCOME	**19,059**	**8,898**
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST:		
Interest expense	(10,585)	(6,786)
AT FAIR VALUE THROUGH INCOME STATEMENT:		
Forward contracts and options valuations	(14,639)	-
Financial fees	(1,700)	(700)
TOTAL FINANCIAL CHARGES	**(26,924)**	**(7,486)**
NET FINANCIAL (CHARGES) INCOME	**(7,865)**	**1,412**

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

Financial income comprises interest income on bank accounts and on the financing granted to the joint venture DM Shipping, and realized profits on financial risk management activity amounting to US$ 18.1 million. Net foreign exchange gains under other financial income are mainly realized on commercial balances in 2014 and 2013.

Financial charges include interest expense on bank loans, unrealised amounts – valuations - relating to derivative instruments arrangements amounting to US$ 14.6 million (2013: US$ 7.7 million) and fees paid to banks in connection with the bank loans. No other financial charges have been recorded (2013: idem).

12. Taxes

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

The tax liability under the tonnage tax regime is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the controlled fleet. The 2014 tonnage tax provision for d'Amico Tankers Limited and Glenda International Shipping amounted to US$ 0.2 million. Certain minor activities will not fall within the tonnage tax regime and are subject to standard rates of local corporation tax (currently 12.5% on trading income, and 25% on passive income, with non-tonnage tax capital gains being taxable at the rate of 22%). These activities will also give rise to deferred tax assets and liabilities. Items of other comprehensive income are taxed depending on the tax regime they fall within; 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 SA had, at the end of 2014, accumulated tax losses to be carried forward of approximately Euro 36.7 million (US$ 44.6 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 2014 the calculated net assets generated a tax charge of US$ 0.2 million (2013: 0.2 million).

US$ Thousand	2014	2013[1]
TAX ON THE RESULT OF THE YEAR (*)	(508)	(1,427)
The result of the year is broken down as follows:		
Result before tax	(11,357)	11,261
Of which result for which the Tonnage Tax is applicable	(13,102)	1,520
Result taxed at local corporate tax rates	3,118	9,741
TAX CALCULATION:		
Taxation at corporate tax rates	(508)	1,427
Tonnage Tax	(218)	228
Net Wealth Tax	(214)	260
Total tax	(939)	(1,915)

[1] tax on the financial result of the period

13. Share of Profit (Loss) of equity-accounted investments

The result from investment mainly consists of DIS share of the profit and loss of the investee accounted for at equity method (see note n.2); the investment in the JV Eco Tankers Limited for 2014 amounted to US$ 0.2 million; for the same period in 2013 it was of US$ 7 thousand. For more details about the main financial data of the investee, refer to note n. 29.

14. Tangible Assets

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

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

The following table shows, for comparison purposes, the changes in the fixed assets in 2013.

US$ Thousand	Fleet on water	Vessels under construction	Dry-dock	Other assets	Total
AT 1 JANUARY 2013 [(1)]					
Cost or valuation	708,055	12,404	11,212	1,652	733,323
Accumulated depreciation and impairment	(263,005)	-	(4,887)	(946)	(268,838)
NET BOOK AMOUNT	**445,050**	**12,404**	**6,325**	**706**	**464,485**
PERIOD ENDED 31 DECEMBER 2013					
Opening net book amount	445,050	12,404	6,325	706	464,655
Additions	-	78,217	2,496	29	80,742
Disposals at cost	(72,173)	-	(7,156)	(48)	(79,377)
Depreciation and impairment write-back	52,848	-	5,374	52	58,104
Depreciation charge	-	-	-	(24)	(24)
Exchange differences	(26,622)	-	(3,421)	(196)	(30,239)
CLOSING NET BOOK AMOUNT	**399,103**	**90,621**	**3,618**	**519**	**493,861**
AT 31 DECEMBER 2013					
Cost or valuation	573,152	90,621	6,552	1778	734,833
Accumulated depreciation	(174,049)	-	(3,104)	(1,089)	(240,972)
NET BOOK AMOUNT	**399,103**	**90,621**	**3,448**	**689**	**493,861**

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

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 include instalments totalling US$ 132.1m on six vessels that were delivered during 2014 and instalments of US$ 49.1m on a further nine vessels in the course of construction expected to be delivered between 2015 and 2016. Capitalized instalments at Group level for 2013 were US$ 81.2 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 2014, is of US$ 642.8 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$ 684.0 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 future expectations, and have been based on the following key assumptions: (i) Earnings: under contracts concluded and the estimate of future rates; (ii) Useful economic life of 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 at a rate of 6%, which represents the current and expected profile of the Company's required weighted average cost of capital based on the current cost of financing and required of return on equity. Compared to the impairment test carried out for the 2013 financial statements purposes, the freight rate scenario has been updated. Management notes that the calculations are particularly sensitive to changes in the key assumptions of future hire rates and discount rate.

All other things remaining equal, the sensitivities have been assessed as follows: a movement in the future tanker hire rates of US$ 500 per day in the long-term forecast, would result in a movement in the value in use calculation on the Fleet of US$ 17.9 million; an increase of 1% in the discount factor would result in a movement in the value in use calculation of the fleet of US$ 50.2 million.

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. Moreover, Management considers that the availability of new fuel efficient product tanker designs will positively impact the results of existing vessels; based on the assessment of the recoverable amount and considering the future value in use, the Management of the Group does not consider an impairment adjustment as necessary for the Fleet; 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 4 vessels dry-docked in the year.

Other Assets

Other assets mainly include fixtures, fittings, office equipment.


d' Amico

15. Investment in Jointly controlled entities

US$ Thousand	As at 31 December 2014	As at 31 December 2013[1]	As at 1 January 2013 [1]
Investments at equity	4,348	3,133	-

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

At 31 December 2014 Investments accounted for using the equity method amount to US$ 4.3 million in the 33% of the capital of Eco Tankers Ltd. (Malta) (31 December 2013: US$ 3.1 million); for further details please refer to notes n.1 and n. 29.

16. Other Financial Assets

US$ Thousand	As at 31 December 2014			As at 31 December 2013[1]			As at 1 January 2013[1]		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Long-term financing DM Shipping ("DMS")	20,657		20,657	21,857	-	21,857	26,418	-	26,418
Fair value of derivative instruments	-	2,741	2,741	686	1,333	2,019	-	757	757
TOTAL	**20,657**	**2,741**	**23,398**	**22,543**	**1,333**	**23,876**	**26,418**	**757**	**27,175**

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

The non-current amount of US$ 20.6 million in 2014 represents the equivalent of JP¥ 2.4 billion Long-term financing and accrued interest to the jointly controlled entity DMS, with the purpose of initial financing of its owned vessels. On 31 December 2013 the financing amount was US$ 22.5 million (equivalent of JP¥ 2.3 billion equivalent).

The current amount of US$ 2.7 million in 2014 represents the fair value of derivative instruments hedging the bunker expense exposure (31 December 2013: current amount of US$ 1.3 million and non-current amount of US$ 0.7 million).

17. Inventories

US$ Thousand	As at 31 December 2014	As at 31 December 2013[1]	As at 1 January 2013[1]
Inventories	12,422	13,354	18,662

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

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

18. Receivables and other current assets

US$ Thousand	As at 31 December 2014	As at 31 December 2013[1]	As at 1 January 2013[1]
Trade receivables	49,101	30,656	24,053
Other debtors	1,453	417	255
Prepayments and accrued income	(1,754)	453	11,965
TOTAL	48,800	31,526	36,273

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

Receivables, as at 31 December 2014, include trade receivables amounting to US$ 49.1 million, net of allowance for credit losses of US$ 1.4 million (2013: US$ 2.6 million). Other current assets principally consist of prepayments and accrued income amounting to US$ 0.2 million and other credits of US$ 1.4 million.

The ageing of trade receivables is disclosed below.

US$ Thousand	As at 31 December 2014	As at 31 December 2013[1]	As at 1 January 2013[1]
0-60 days	45,842	21,730	18,783
61-90 days	2,248	3,873	2,375
91-120 days	1,011	5,053	2,895
TOTAL	**49,101**	**30,656**	**24,053**

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

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 26.

19. Cash and cash equivalents

US$ Thousand	As at 31 December 2014	As at 31 December 2013[1]	As at 1 January 2013[1]
Cash and cash equivalents	68,383	33,170	115,657

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

Cash and cash equivalents is mostly represented by short term deposits and includes approximately US$ 5.4 million of cash held by Pool company (High Pool Tankers Ltd) which were distributed to other pool participants in January 2015. The balance includes also US$ 2.7 million secured in connection with the derivative instruments margin call deposit.

20. Shareholders'Equity

Changes in 2014 Shareholders' equity items are detailed in the relevant statement.

Share capital

At 31 December 2014 the share capital of d'Amico International Shipping amounted to US$ 42,195,530.70 corresponding to 421,955,307 ordinary shares with no nominal value.

In the month of February 2014, following the exercise of the warrants attached to the shares issued at the moment of 2012 capital increase, at the ratio of one share for every three warrants and according to the Prospectus dated 6 November 2012, n. 62,075,533 new ordinary shares were issued at a price of €UR 0.36 each.

Retained earnings

As at 31 December 2014 the item includes previous year and current net results and deductions for dividends distributed. Following retrospective application of new IFRS 11, retained earnings have been adjusted at the beginning of the earliest comparative period with elimination of negative equity of a jointly controlled entity that is not anymore consolidated line-by-line, but with the equity method; more-over, in 2014 a reclassification between cash-flow hedge reserve and retained earnings has been performed in relation to the 2011 ineffective part of the hedge (reference should be further made to note n.1).

Other reserves

The other reserves include the following items:

US$ Thousand	As at 31 December 2014	As at 31 December 2013[1]	As at 1 January 2013[1]
Share premium reserve	282,643	258,373	258,373
Treasury shares	(16,356)	(16,356)	(16,356)
Hedging reserve	583	1,214	(964)
Other / Translational reserve	3,002	3,109	3,232
TOTAL	**269,872**	**246,340**	**244,285**

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

Share premium reserve

The share premium reserve arose in first instance as a result of the Group's IPO and related increase of share capital (May 2007) and lately as a result of the further capital increases occurred in December 2012 and in February 2014. It has been adjusted in 2014 following a reclassification among other reserves and retained earnings (please refer also to note n.1).

Treasury shares

Treasury shares at the end of 2014 consist of 5,090,495 ordinary shares (2013: 5,090,495) for an amount of US$ 16.4 million (2013: US$ 16.4 million), corresponding to 1.21% of the outstanding share capital at the financial position date (2013: 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 movement in the fair value of the Interest Rate Swap agreements connected to some of the bank facilities. It has been adjusted in 2014 following a reclassification between cash-flow hedge reserve and retained earnings (please refer also to note n.1). Details of the fair value of the derivative financial instruments are set out in note 26.

Translational reserve

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

21. Banks and other lenders

US$ Thousand	As at 31 December 2014	As at 31 December 2013[1]	As at 1 January 2013[1]
NON-CURRENT LIABILITIES			
Banks and other lenders	351,430	222,651	263,908
CURRENT LIABILITIES			
Banks and other lenders	58,978	13,368	25,175
TOTAL	**410,408**	**236,019**	**289,083**

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

The balance comprises the following debts:

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

The debt due as at 31 December 2014 relates, for an outstanding amount of US$ 97.7 million (US$ 97.6 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.1million), to the original US$ 350.0 million revolving loan facility negotiated by d'Amico Tanker Limited with Credit Agricole CIB and other banks (Intesa Sanpaolo S.p.A., Fortis Bank, Nederland, N.V., The Governor and the Company of the Bank of Ireland, Norddeutsche Landesbank Girozentrale, and Scotiabank Ireland Limited). The key terms and conditions of the facility are the following: the principal amount available through the ten year facility period at any given time is reduced by US$ 15.5 million every six months down to a final reduction of US$ 40.0 million at maturity (2017). The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 66.6%. Interest is payable at a rate of LIBOR plus 0.65%, if the asset cover ratio of d'Amico Tankers Limited and its consolidated subsidiaries is below 50%, and LIBOR plus 0.95%, if such ratio is equal to or higher than 50%. In addition, the maximum amount that the borrower can draw-down also depends on its EBITDA to financial costs ratio. The following standard covenants are also in place: (i) cash available, including undrawn credit lines of more than 12 months, must be at least US$ 25.0 million (ii) net worth, which is defined as book equity plus subordinated shareholder loans, as recorded in the statement of financial position, must not be less than US$ 100.0 million and (iii) equity to asset ratio must not be lower than 35.0%. The facility is secured through a guarantee by the parent Company, d'Amico International Shipping S.A., and provides mortgages on eight of the Company's owned vessels. Based on the above, the year end results were in compliance with the requirements.

Crédit Agricole Corporate & Investment Bank & DNB NOR Bank ASA facility / d'Amico Tankers Limited

The debt due to banks and other lenders as at 31 December 2014 relates, for an outstanding amount of US$ 37.8 million, relating to the US$ 48.0 million loan facility negotiated by d'Amico Tankers Limited with Credit Agricole CIB and DNB NOR Bank ASA (shared pari passu between both entities) signed on the 26 July 2011 to finance two new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull 2307 (*M/T High Seas*) and Hull 2308 (*M/T High Tide*) - delivered respectively end of March and end of April 2012. The principal amount available through the seven year facility period will be repaid with 28 consecutive quarterly instalments, down to a balloon of US$ 12.8 million per vessel. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 65%. Interest is payable at a rate of LIBOR plus 2.10%. The loan also includes covenants: (i) cash available, including undrawn credit lines of more than 12 months, must be at least US$ 25.0 million (ii) net worth, which is defined as book equity plus subordinated shareholder loans, as recorded in the statement of financial position, must not be less than US$ 100.0 million and (iii) equity to asset ratio must not be lower than 35.0%. Based on the above, the level on loan to value at the end of the year was 60% and therefore in compliance with the requirements. The facility is secured through a guarantee by the parent Company, d'Amico International Shipping S.A., and provides mortgages on the two Company's owned financed vessels.

Danish Ship Finance A/S facility 31.5 Mln / d'Amico Tankers Limited

The outstanding amount at 31 December 2014 of US$ 10.4 million (US$ 9.9 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.5 million) relates to the facility granted by Danish Ship Finance A/S to d'Amico Tankers Limited to re-finance the *M/T High Prosperity* purchased in May 2012. The principal amount will be repaid with 12 consecutive semi-yearly instalments, down to a balloon of US$ 4.6 million in one instalment at maturity, 6 years from drawdown. . The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 80%; the mentioned ratio was 19.2% at the end of December and therefore in compliance with the requirements. Interest is payable at a rate of USD LIBOR plus 2.75%. The facility is secured by a guarantee from the parent Company, d'Amico International Shipping SA, and provides mortgages on the Company's owned financed vessel.

Danish Ship Finance A/S facility 39 Mln / d'Amico Tankers Limited

The outstanding amount at 31 December 2014 of US$ 18.8 million (US$ 18.2 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.6 million) relates to the facility granted by Danish Ship Finance A/S to d'Amico Tankers Limited to finance the purchase of a new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull 2407 (*M/T High Freedom*), delivered in January 2014. The principal amount will be repaid with 14 consecutive semi-yearly instalments, down to a balloon of US$ 10.4 million in one instalment at maturity, 7 years from drawdown. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 80% the mentioned ratio was 25.6% at the end of December and therefore in compliance with the requirements. Interest is payable at a rate of USD LIBOR plus 2.35%. The facility is secured by a guarantee from the parent Company, d'Amico International Shipping SA, and provides mortgages on the Company's owned financed vessel.

Commerzbank – Crédit Suisse loan / Glenda International Shipping Limited

The consolidated amount of US$ 61.5 million refers to the DIS Group share of the facility granted by Commerzbank AG Global Shipping and Crédit Suisse to Glenda International Shipping Ltd for the construction of six MR Product Tankers (Hyundai Mipo Dockyard Co. Ltd – Korea). This agreement involves single-vessel loans with a ten-year maturity from vessel delivery, for a total initial amount of up to US$ 195.0 million (67% of the contract price to be paid for the vessels) and an interest cost referenced to the US dollar LIBOR plus a spread varying from 90 to 110 basis points. Collateral mainly refers to first-priority mortgages on the vessels. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 76.9% the mentioned ratio was 73.3% at the end of December and therefore in compliance with the requirements.

DNB / d'Amico Tankers Limited

The outstanding amount at 31 December 2014 of US$ 58.7 million (US$ 57.3 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 1.4 million) relates to the facility granted by DNB Bank ASA to d'Amico Tankers signed on the 16th August 2013 to finance three new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull 2385 (*M/T Cielo di Gaeta*), Hull 2386 (*M/T Cielo di New York*) and Hull 2387 (*High Voyager*) - delivered respectively in January 2014, February 2014 and November 2014. This agreement involves single-vessel loans with a six years maturity from vessel delivery, for a total initial amount of up to US$ 60.7 million. Each principal amount will be repaid with 24 consecutive quarterly instalments, 6 years from drawdown. Interest is payable at a rate of USD LIBOR plus 3.00%. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 74.1% the mentioned ratio was 55.2% at the end of December and therefore in compliance with the requirements, and the facility is secured by a guarantee from the parent Company, d'Amico International Shipping S.A., and provides mortgages on the Company's owned financed vessel.

Credit Agricole CIB- ABN Amro Bank NV

The outstanding amount at 31 December 2014 of US$ 38.4 Million (US$ 37.8 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.6 million), relating to the US$ 40.0 million loan facility negotiated by d'Amico Tankers Limited with Credit Agricole CIB and ABN Amro Bank NV (shared pari passu between both entities) signed on the 20 December 2013 to finance two new vessels built in Hyundai Mipo Dockyard CO. Ltd – Hull 2408 (*M/T High Discovery*) and Hull S-409 (*M/T High Fidelity*) - delivered respectively end of February and August 2014. The principal amount available through the six years facility period will be repaid with 24 consecutive quarterly instalments, down to a balloon of US$ 25.5 million. Interest is payable at a rate of LIBOR plus 2.90%. The ratio between the amount outstanding at any given time and the fair market value of the charged vessels (the 'asset cover ratio') owned by d'Amico Tankers Limited (the 'borrower'), which are currently subject to mortgages pursuant to the facility, must not be higher than 80% the mentioned ratio was 53.5% at the end of December and therefore in compliance with the requirements.

Banca Intesa US$ 75 Mln / d'Amico Tankers Limited

The outstanding amount at 31 December 2014 (US$ 74.1 million net of the unamortized portion of the arrangement fees paid at draw-down, amounting to US$ 0.9 million), concerns the US$ 75.0 million five-years loan facility negotiated by d'Amico Tankers Limited with Banca Intesa and signed on December 2014, with the purpose of financing its corporate activities. The principal amount available through the facility will be repaid with 10 consecutive Semi-Annually instalments. Interest is payable at a rate of LIBOR plus 2.25%. The facility is secured by a guarantee from the parent Company, d'Amico SpA. The facility is subject to the following terms and conditions: i) The ratio between the value of the net Financial position and the Ships Market value should be lower than 75%;ii) the ratio between the Net Worth and the Asset Book Value should be higher than 35%; iii) cash available, including undrawn credit lines, must be at least US$ 25.0 million (iv) net worth, which is defined as book equity plus subordinated shareholder loans, as recorded in the statement of financial position, must not be less than US$ 100.0 million.

Banca Intesa / d'Amico Tankers Limited

The outstanding amount at 31 December 2014 is related to the US$ 10 million uncommitted short term facility signed on September 2014 for general company purposes. The amount was drawdown on 26th of September 2014 for a period of four months at the rate of 2.4% (fully repaid in January 2015). The facility is secured by a "lettre the patronnage" from the parent Company, d'Amico International Shipping S.A.

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

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

22. Amount due to parent company

US$ Thousand	As at 31 December 2014	As at 31 December 2013[(1)]	As at 1 January 2013[(1)]
d'Amico International S.A.	-	-	20,000

[1] Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group report.

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

23. Payables and other current liabilities

US$ Thousand	As at 31 December 2014	As at 31 December 2013[(1)]	As at 1 January 2013[(1)]
Trade payables	32,045	26,208	31,240
Other creditors	908	49	1,320
Accruals & deferred income	3,395	4,449	4,653
TOTAL	**36,348**	**30,706**	**37,213**

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

Payables and other current liabilities as at 31 December 2014, include mainly trade payables. The Group has financial risk management policies in place to ensure all payables are settled within agreed terms; further information is disclosed in note n.29.

24. Other Financial liabilities

US$ Thousand	As at 31 December 2014			As at 31 December 2013[(1)]			As at 1 January 2013[(1)]		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Other financial liabilities	-	4,915	4,915	-	7,075	7,075	-	45	45
Fair value of derivative instruments	3,181	14,226	17,407	-	1,537	1,537	4,523	2,133	6,656
TOTAL OTHER FINANCIAL LIABILITIES	**3,181**	**19,141**	**22,322**	**-**	**8,612**	**8,612**	**4,523**	**2,178**	**6,701**

[1] Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group report.

The balance at the end of 2014 mainly represents the exposure of the financial hedging instruments, together with deferred premium income received on foreign exchange derivative contracts, financial interest on bank loans, fee accrued at the reporting date and the fair value of the Interest Rate Swap derivatives hedging instruments. The derivatives instruments fair values calculation techniques and disclosure about financial market risk and credit risk are shown in note 29.

25. Current tax payable

US$ Thousand	As at 31 December 2014	As at 31 December 2013[1]	As at 1 January 2013[1]
Current tax liabilities	535	986	554

[1] Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group report.

The balance at the end of 2014 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.

26. Risk Management

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

During the 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 – 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 US Dollar, principally Euros and Japanese Yen.

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

Excluding the JPY debt exposure, the foreign exchange risk is relating to cash flows not denominated in US Dollar, 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	Variation%	2014		2013[1]		2012[1]	
		% +	% +	% +	% -	% +	% +
US$ / JP¥	5%	(971)	1,074	(670)	749	(95)	104
US$ / Ccy	10%	(3,323)	3,323	3,240	(3,240)	(1,800)	1,800

[1] The restatement of YE 2013 values following the first-time retrospective application of new IFRS had no effect on the IRS sensitivity.

Within the frame of a sensitivity analysis, a 10% fluctuation in the US Dollar exchange rate against all other currencies would have resulted in a variation of +/- US$ 3.3 million in the result of the Group for the year (US$ +/-3.2 million in 2013). At 31 December 2014, 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$ 0.75 Million or decreased by US$ .69 million. 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	2014		2013[(1)]		2012[(1)]	
	+1% Increase	-1% Decrease	+1% Increase	-1% Decrease	+1% Increase	-1% Decrease
Interest rate cost	(1,430)	1,430	(1,540)	1,540	941	(354)
Interest rate swap / net assets	8,057	(7,181)	5,100	(4,300)	5,000	(5,000)
Interest rate swap / (P&L)	1,786	(1,786)	7,700	(7,700)	-	

[1] The restatement of YE 2013 values following the first-time retrospective application of new IFRS had no effect on the IRS sensitivity.

With all other variables remaining constant, an increase in the level of interest rates of 100 basis points would have given rise to an increase in the net financial charges by US$ 1.4million (US$ 1.5 million in 2013) while a reduction in interest rates of 100 basis points would have decreased the net financial charges by US$ 1.4million (US$ 1.5 million in 2013). At 31 December 2014, had interest rates been 1% higher/lower, with all other variables held constant, then the valuation of the swaps would have increased by US$ 9.8 million / decreases – respectively decreased by US$ 8.9 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.

US$ Thousand	31 December 2014					
	Loans and receivables	Derivative instruments	Total	Fair Value Level 1	Fair Value Level 2	Total
ASSETS						
Non-current financial assets	20,657	-	20,657	-	-	-
Receivables and other current assets	48,800	-	48,800	-	-	-
Other current financial assets	-	2,741	2,741	-	2,741	2,741
Cash and cash equivalents	68,383	-	68,383	-	-	-
LIABILITIES						
Banks and other lenders	410,408	-	410,408	-	-	-
Other non-current financial liabilities	-	3,181	3,181	-	3,181	3,181
Payables and other current liabilities	36,348	-	36,348	-	-	-
Other current financial liabilities	4,915	14,226	19,141	-	14,226	14,226
Current tax payable	535	-	535	-	-	-

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2013.

US$ Thousand	31 December 2013[1]					
	Loans and receivables	Derivative instruments	Total	Fair Value Level 1	Fair Value Level 2	Total
ASSETS						
Non-current financial assets	21,857	686	22,543	-	686	686
Receivables and other current assets	31,526	-	31,526	-	-	-
Other current financial assets	-	1,333	1 333	-	1,333	1,333
Cash and cash equivalents	33,170	-	33,170	-	-	-
LIABILITIES						
Banks and other lenders	235,019	-	235,019	-	-	-
Payables and other current liabilities	30,726	-	30,726	-	-	-
Other current financial liabilities	7,075	1 537	8,612	-	1,537	1,537
Current tax payable	986	-	986	-	-	-

[1] The restatement of YE 2013 values following the first-time retrospective application of new IFRS had no effect on the derivative instruments representation.

US$ Thousand			1 January 2013 [1]			
	Loans and receivables	Derivative instruments	Total 2012	Fair Value Level 1	Level 2	Total
ASSETS						
Other non-current financial assets	26,418	-	26,418	-	-	-
Receivables and other current assets	36,273	-	36,273	-	-	-
Current financial assets	-	757	757	-	757	757
Other non-current financial assets						
Cash and cash equivalents	115,657	-	115,657	-	-	-
LIABILITIES						
Banks and other lenders	289,083	-	289,083	-	-	-
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	37,213	-	37,213			
Other current financial liabilities	-	2,178	2,178	-	2,178	2,178
Current tax payable	554	-	554			

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

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 2014). Counterparties are financial institutions which are rated from A+ to BB+; taking this into consideration, no adjustments for non-performance risk are deemed necessary. The fair value of short-term trade receivables and payables is not disclosed as their carrying amount is reasonably approximate to their fair value.

The carrying amount of financial assets represents the maximum credit exposure.

The realised gains on 31 December 2014 are US$ 18.1 million and the unrealised losses amount to US$13.6 million.

Derivative instruments

Interest rate swaps

At the end of 2014 d'Amico Tankers Ltd has in place fifteen interest rate swap contracts (IRS). One of these was re-negotiated in 2011 for an amount of US$ 50.0 million, with termination due in 2016; they hedge the risks relating to interest rates on the existing Crédit Agricole CIB revolving facility. Four interest rate swap contracts (IRS) were negotiated in 2012 to hedge the risk relating to interest rates on the Crédit Agricole CIB / DnB NOR facility of US$ 48.0 million with termination due in 2019. 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.During 2014 further nine IRS started in relation to new vessel financing on six New Buildings which were delivered during the year 2014 with termination date between 2020 and 2021. 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/MLI are intermediated through a d'Amico Group company, d'Amico Finance, for a 1bps commission.

Forward currency contracts

During 2014 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 2014, the realised gains are US$ 18.1 million and the unrealised losses amounted to US$ 1.4million. At December 31, 2014 the notional amount in functional currency was equal to US$ 16.3 Million.

Bunker derivatives

During 2014 d'Amico Tankers Limited entered into bunker swaps and derivatives contracts to hedge the risk of potential rising bunker costs. As these were done against the average periodic bunker consumption, they are carried at fair value through the income statement. In 2014, the realised gains are US$ 258 thousand while the fair value of outstanding contracts at December 31, 2014, amounted to a loss of US$ 9.7million. Such situation was greatly influenced by the movement in the oil market during the last month of the year. At year end the outstanding quantity traded was MT 46.000; these contracts expire by December 2015. With all other variables held constant, if the average forward bunker rate on the bunker swap contracts held by the Group at the balance sheet date had been 10% higher/lower, the Group's profit would increase/decrease by approximately US$ 0.8 million. Future movements in bunker price will be reflected in the eventual operating results derived from the vessels, which would offset such increase/decrease of the Group's profit.

The following table sets out the carrying amounts measured at fair value of recognised financial instruments as at 31 December 2014, that are subject to the previously mentioned agreements:

US$ Thousand	2014		2013[1]		1 January 2013[1]	
	Profit&Loss	Equity	Profit&Loss	Equity	Profit&Loss	Equity
Interest rate swaps / hedge accounting		583	-	(2,937)	n.a.	(964)
Interest rate swaps / financial hedge	(1,194)	-	2,084	-	n.a.	-
Currency / financial hedge	(1,372)	-	1,333	-	n.a.	-
Bunker / financial hedge	(9,715)	-	-	-	-	-
TOTAL	**(12,281)**	**707**	**3,417**	**(2,937)**	**n.a.**	**(964)**

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs the reclassification within equity of the ineffective part of the cash-flow hedge. See also Note 1 in the Notes to the Group report.

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

Measurement of Fair Value

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

The fair value of existing derivative instruments and hedging instrument is recurrent, at each closing date.

The derivatives are entered into with banks and financial institution counterparties, which are rated A to BBB (S&P).

Credit risk

The Group is exposed to credit risk resulting from the possible non-performance of any of its counterparties, primarily customers, agents, joint venture partners and financial institutions. The Group normally deals only with creditworthy counterparties and its exposure is continuously monitored, looking also at the default risk of the industry and country in which customers operate, with the aim to limit its exposure to events of delayed payments, that is the Group has financial risk management policies in place to ensure all payables are settled within agreed terms. To minimise the credit risk DIS/DTL have the following risk management strategies: (i) The customer's portfolio is essentially made up of a large base of oil majors, chemical multinational companies. The outstanding receivables are reviewed on a timely basis. The recovery of demurrage claims and charter expenses is followed by a dedicated team. Historically DIS has not experienced significant losses on trade receivables; (ii) Suppliers: as far as services received are concerned (e.g. crew availability/management, technical services) and bunker, the payments are scheduled to minimise credit risk. As far as yards delivering the ships under construction, advance payments are covered by appropriate bank guarantee for the success of the deal; (iii) The relationships with agents are managed through an in-house team with significant experience. Commencing in 2007, the Group also refers, for the payments to be made to the port agents, to DA Desk, a professional and external organisation specialised in 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 2014 represented approximately 56% of the revenue of the Company during the year (2013: 48%). At the end of the reporting period 53% of the total trade receivables were due from the Group's ten largest customers (2013: 56%). 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 2014 amounted to US$ 1.4 million (2013: US$ 2.6 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 2014 and 2013 respectively the Group's remaining contractual maturity for its bank liabilities with agreed repayment periods. The tables have been drawn-up on the basis of undiscounted cash-flows on the earliest date in which the Group can be required to pay.

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

US$ Thousand	As at 31 December 2013[1]				
	< 1 y	1-2 y	2-5 y	> 5 y	Total
Total Banks and other lenders	13,368	32,575	121,234	69,022	236,019

US$ Thousand	As at 1 January 2013 [1]				
	< 1 y	1-2 y	2-5 y	> 5 y	Total
Total Banks and other lenders	25,175	35,433	157,567	70,908	289,083

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

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.

27. 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 2014 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$ 4.4 million and purchase of Intermediate Fuel Oil and Marine Diesel Oil, from Rudder SAM, a d'Amico Group controlled company, amounting to US$ 85.1 million, included in the bunker cost of the year.

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

The effects of related party transactions on the Group's consolidated income statements not elsewhere disclosed in the present report for 2014 and 2013 are the following:

US$ Thousand	2014		2013[1]	
	Total	of which related parties	Total	of which related parties
Revenue	315,304	3,408	293,384	-
Voyage costs	(102,827)	(85,138)	(102,175)	(74,210)
Time charter hire costs	(110,228)	(1,064)	(97,190)	-
Other direct operating costs	(60,037)	(6,076)	(51,752)	(4,923)
General and administrative costs	(16,762)	(1,054)	(15,285)	(6,553)
Other operating income	823	-	1,883	-
Result from disposal of vessels	6,488	-	13,947	-
Net financial income (charges)	(7,865)	-	1,412	-

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

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 2014, 31 December 2013 and 1 January 2013 are the following:

US$ Thousand	As at 31 December 2014		As at 31 December 2013[1]		As at 1 January 2013[1]	
	Total	Of which related	Total	Of which related	Total	Of which related
ASSETS						
Non-current assets						
Tangible assets	647,167	-	493,861	-	464,485	-
Investment in jointly controlled entities	4,348	-	3,133	-	-	-
Non-current financial assets	20,657	20,657	22,543	22,543		
Current assets					18,662	-
Inventories	12,422	-	13,354	-	36,273	738
Receivables and other current assets	48,800	-	31,526	1,827	757	-
Current financial assets	2,741	-	1,333	-	115,657	-
Cash and cash equivalents	68,383	-	33,170	-		
LIABILITIES						
Non-current liabilities					263,908	-
Banks and other lenders	351,430	-	222,651	-	4,523	-
Other non-current financial liabilities	3,181	-	-	-		
Current liabilities					25,175	-
Banks and other lenders	58,978	-	13,368	-	20,000	20,000
Payables and other current liabilities	36,348	7,470	30,706	11,807	37,213	11,733
Other financial current liabilities	19,141	-	8,612	2,143	2,178	-
Current taxes payable	535	-	986	-	554	-

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

The effects, by legal entity, of related party transactions on the Group's consolidated Income Statement for the 2014 not anywherelse disclosed in this report are the following:

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

The following table shows the effects, by legal entity, of related party transactions on the Group's consolidated income statement for the year 2013:

US$ Thousand	d'Amico International Shipping S.A.	Rudder S.A.M.	d'Amico Società di Nav. S.p.A.	d'Amico Shipping Singapore	Compagnia Generale Telemar
	(consolidated)				
Voyage costs	**(102,175)**				
of which					
Bunker	(74,210)	(74,210)	-	-	-
Other direct operating costs	**(51,752)**				
of which					
Management agreements	(3,645)	-	(3,645)	-	-
Technical expenses	(1,278)	-	-	-	(1,278)
General and Administrative costs	**(15,285)**				
of which					
Serv.agreement/Consultancy	(3,353)	-	(1,037)	(2,316)	-
TOTAL		**(74,210)**	**(4,682)**	**(2,316)**	**(1,278)**

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

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

US$ Thousand	d'Amico International Shipping S.A.	Rudder S.A.M.	d'Amico Società di Nav. S.p.A.	Compagnia Generale Telemar	DM Shipping Ltd
	(consolidated)				
Other financial assets	**20,657**				
of which related party	20,657	-	-	-	20,657
Payables and other current liabilities	**44,470**				
of which related party	7,470	3,291	2,330	1,849	
TOTAL		**(3,291)**	**(2,330)**	**(1,849)**	**20,657**

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

US$ Thousand	d'Amico International Shipping S.A.	Rudder S.A.M.	d'Amico Società di Nav. S.p.A.	Cogema SAM	d'Amico Shipping Singapore	DM Shipping Ltd
	(consolidated)					
Non-current financial assets	**22,543**					
of which related party	22,543	-	-	-	-	22,543
Payables and other current liabilities	**30,707**					
of which related party	21,578	7,350	1,750	7,794	4,684	
TOTAL		**(7,350)**	**(1,750)**	**(7,794)**	**(4,684)**	**22,543**

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

The effect, by legal entity, of related party transactions on the Group's combined Statement of Financial Position as at 1 January 2013 were the following:

US$ Thousand	d'Amico International Shipping S.A.	Rudder S.A.M.	d'Amico Società di Nav. S.p.A.	d'Amico International S.A.
	(consolidated)			
Receivables and other current assets	**36,273**			
of which related party				
Amounts due to parent company	**20,000**			
of which related party	20,000	-	-	20,000
Payables and other current liabilities	**37,213**			
of which related party	11,090	9,950	1,140	-
TOTAL		**(9,950)**	**(1,140)**	**(20,000)**

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

28. Commitments and contingencies

Capital commitments

As at December 31 2014, the Group's capital commitments amounted to US$ 210.2 million, of which payments over the next 12 months amounted to US$ 78.3 million.

US$ Million	As at 31 December 2014	As at 31 December 2013[1]	As at 1 January 2013[1]
Within one year	78.3	154.1	37.6
Between 1 – 3 years	131.9	156.3	141.3
Between 3 – 5 years	-	-	-
More than 5 years	-	-	-
TOTAL	**210.2**	**310.4**	**178.9**

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs. Reference for further details should be made to the section "Accounting principles adopted from 1st of January 2014" within Note 1 in the Notes to the Group interim report.

Capital commitments relate to the payment for: 4 Hyundai-Mipo dockyard 40,000 dwt Product/chemical tanker newbuilding vessels, 5 Hyundai-Mipo dockyard 50,000 dwt Product/chemical tanker newbuilding vessels. All DIS newbuilding vessels are expected to be delivered between 2015 and January 2017.

Operating leases – chartered in vessels

As at December 31 2014, the Group's minimum operating lease rental commitments amounted to US$ 225.0 million, of which payments over the next 12 months amounted to US$ 117.6 million.

US$ Million	As at 31 December 2014	As at 31 December 2013[1]	As at 1 January 2013[1]
Within one year	117.6	89.0	77.3
Between 1 – 3 years	84.4	90.0	99.8
Between 3 – 5 years	23.0	36.5	50.7
More than 5 years	-	8.0	23.0
TOTAL	**225.0**	**223.5**	**250.8**

[1] Adjusted for the effects of the first-time retrospective application of new IFRSs. Reference for further details should be made to the section "Accounting principles adopted from 1st of January 2014" within Note 1 in the Notes to the Group interim report

As at December 31 2014, d'Amico Tankers Limited operated 29.5 vessel equivalents on time charter-in contracts as lessee. These had an average remaining contract period of 1.5 years at that time (2.4 years including optional periods). Some of the charter-in contracts include options to purchase vessels in the future.

Operating leases – other

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

US$ Million	As at 31 December 2014	As at 31 December 2013(1)	As at 1 January 2013(1)
Within one year	0.9	0.9	
Between 1 – 3 years	1.4	1.1	1.1
Between 3 – 5 years	0.9	0.6	1.5
More than 5 years	2.6	3.0	0.6
TOTAL	**5.8**	**5.6**	**3.2**

1 Adjusted amount does not differ from original amount. See also Note 1 in the Notes to the Group report

On-going disputes

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

Tonnage tax deferred taxation

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

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

29. d'Amico International Shipping Group's Companies

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

Name	Registered Office	Share Capital	Currency	Interest %	Consolidation Method
d'Amico International Shipping S.A.	Luxembourg	42,195,531	USD	n.a.	Integral
d'Amico Tankers Limited	Dublin / Ireland	100,001	EUR	100.0%	Integral
High Pool Tankers Limited	Dublin / Ireland	2	EUR	70.55%	Proportional
Glenda International Management Ltd	Dublin / Ireland	2	EUR	100.0%	Integral
Glenda International Shipping Ltd	Dublin / Ireland	202	USD	50.0%	Proportional
DM Shipping Ltd	Dublin / Ireland	100,000	USD	51.0%	Equity
d'Amico Tankers Monaco SAM	Monaco	150,000	EUR	100.0%	Integral
d'Amico Tankers UK Ltd	London / UK	50,000	USD	100.0%	Integral
Eco Tankers Limited	Malta	65,162	USD	33.0%	Equity

The consolidation area in 2014 does not differ with respect to the 2013 consolidated accounts; nevertheless following the application, from 1 January 2014, of the IFRS 10 and 11, the consolidation method of High Pool Tankers Limited changed from Integral to Proportional and as far as the two joint ventures are concerned (DM Shipping Limited and Eco Tankers Limited), from Proportional to Equity method (ref. Note n.1 to the consolidated financial statements).

Interest in Jointly Controlled Entities

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

- 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 consolidated following the consolidation method specified in the previous table, within the consolidated financial statements, based on the following amounts expressed in US$ thousands:

US$ Thousand	Revenue	Net Result	Total Assets	Net Equity
Year ended 31 December 2014				
Glenda International Shipping Ltd	30,217	0.1	241,852	116,797
DM Shipping Ltd	10,748	8,134	62,455	(4,327)
Eco Tankers Limited	3,851	666	31,594	12,963
Year ended 31 December 2013				
Glenda International Shipping Ltd	32,497	1,941	252,466	116,718
DM Shipping Ltd	11,268	16,770	63,838	(12,461)
Eco Tankers Limited	-	(22)	9,622	9,376

International Shipping S.A.

d'Amico International Shipping S.A.

Management Report and Statutory Financial Statements
Year Ended 31 December 2014

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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 and the month of February 2014 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 2014 financial period of the Company was US$ 1.6 million. The Company's Income Statement is summarized in the following table.

US$ Thousand	31 Dec 2014	31 Dec 2013
Investment income (dividends)	850	1,000
Personnel costs	(298)	(280)
Other General and administrative costs	(2,544)	(2,699)
Financial income (charges)	422	667
NET PROFIT / (LOSS)	**(1,570)**	**(1,312)**

Investment income (dividend) of US$ 0.9 million was received in 2014.

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

Statement of Financial Position

US$ Thousand	31 Dec 2014	31 Dec 2013
Non-current assets	256,249	255,206
Current assets	73,228	45,974
TOTAL ASSETS	**329,477**	**301,180**
Shareholders' Equity	321,173	299,135
Current Liabilities	8,304	2,045
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**329,477**	**301,180**

The Company's Non-current Assets include the investment of US$ 256.2 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 investment in Eco Tankers Limited, a 33% JV with Venice Shipping and Logistics with a book value of US$ 4.2 million.

Current assets are mainly represented by US$ 72.5 million financial receivables from the subsidiary d'Amico Tankers Limited and US$ 0.7 million cash held at the bank.

Significant Events of the Year

In 2014 the following main events occurred in the activity of d'Amico International Shipping Group:

d'Amico International Shipping:

- **Results of d'Amico International Shipping Warrants 2012-2016 – 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. After the capital increase occurred at the end of the first exercise period DIS' share capital now amounts to USD 42,195,530.70 divided into 421,955,307 ordinary shares with no nominal value.

- **Accelerated Bookbuilding Procedure:** In March 2014 d'Amico International Shipping S.A., announces that its majority shareholder, d'Amico International S.A. sold through a *private placement* an equity stake of its DIS' ordinary shares. The operation (the 'Placement') constitutes an *accelerated bookbuilding procedure* addressed to qualified institutional investors in Italy and institutional investors abroad. Through this operation d'Amico International S.A. sold n. 42,195,531 of DIS' ordinary shares equal to 10% of the capital shares at the price of 0.695 euro. The operation was led both by Banca IMI S.p.A. and EQUITA S.I.M. S.p.A., who acted as *Joint Global Coordinators and Joint Bookrunners*.

d'Amico Tankers Limited:

- **'Time Charter-In' Fleet:** In January 2014, *M/T High Power,* an 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*, an 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*, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since then.

In March 2014, *M/T Ocean Leo*, an MR vessel built in 2010 and Time Chartered-In by d'Amico Tankers Limited since December 2013, was redelivered back to her Owners.

In May 2014, *M/T Eastern Force*, an MR vessel built in 2009 and Time Chartered-In by d'Amico Tankers Limited since April 2012, was redelivered back to her Owners.

In May 2014, d'Amico Tankers Limited extended its contract on *M/T Citrus Express*, an MR vessel built in 2006 and Time Chartered-In by d'Amico Tankers Limited since April 2013, from the original expiry date of June 2014 to September 2015.

In July 2014, *M/T Marvel*, a Handysize vessel built in 2008 and Time Chartered-In by d'Amico Tankers Limited since 2010, was redelivered back to her Owners.

In July 2014, *M/T Freja Baltic*, an MR vessel built in 2008, was delivered to d'Amico Tankers Limited for 1 year Time Charter contract.

In July 2014, d'Amico Tankers Limited agreed to take 7 vessels (3 Handysize and 4 MR product tankers) for one year time charter contract, with extending options between 6 and 12 further months. 4 of these vessels were delivered to d'Amico Tankers Limited between mid-August and the end of September, whilst the remaining 3 vessels were delivered during the month of October.

In August 2014, *M/T Future Prosperity*, an MR vessel built in 2010, was delivered to d'Amico Tankers Limited for 1 year Time Charter contract.

In October 2014, *M/T Orient Star*, an MR vessel built in 2010 and Time Chartered-In by d'Amico Tankers Limited since 2013, was redelivered back to her Owners.

In November 2014, *M/T High Beam* and *M/T High Current*, two MR vessels built in 2009, were delivered to d'Amico Tankers Limited for 3 years' Time Charter contract.

In December 2014, *M/T Cielo di Milano* and *M/T Cielo di Roma*, two Handysize vessels built in 2003, were delivered to d'Amico Tankers Limited for 2 years' Time Charter contract.

- **'Time Charter-Out' Fleet:** In May 2014, an MR Vessel owned by d'Amico Tankers Limited, completed her 1 year Time Charter contract with a commodity trader and she is currently employed on the spot market.

  In July 2014, an MR Vessel owned by d'Amico Tankers Limited, completed her 5 year Time Charter contract with an Oil Major and in September 2014 she was fixed for a new 1 year Time Charter contract with another Oil Major.

  In July 2014, an MR Vessel owned by d'Amico Tankers Limited, completed her 1 year Time Charter contract with an Oil Major and was fixed for a further 1 year contract with the same Company at an increased daily hire.

  In July 2014, an MR Vessel chartered-in by d'Amico Tankers Limited, completed her 1 year Time Charter contract with an Oil Major.

  In August 2014, an MR Vessel chartered-in by d'Amico Tankers Limited, completed her 1 year Time Charter contract with a commodity trader and she is now employed on the spot market.

  In August 2014, a further MR Vessel chartered-in by d'Amico Tankers Limited, was fixed for 1 year Time Charter contract with a commodity trader.

  In November 2014, an MR Vessel chartered-in by d'Amico Tankers Limited, completed her 1 year Time Charter contract with a leading refining company. The contract was then extended until December 2015 at an increased daily hire.

  In December 2014, an MR Vessel chartered-in by d'Amico Tankers Limited, was fixed for 2 years' Time Charter contract with an Oil Major.

- **Newbuilding Vessels:** In January 2014, two 'Eco' newbuilding product tankers built 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 began their 5 year Time charter contract with a main Oil-Major.

  In February 2014, two additional 'Eco' newbuilding product tankers built 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.

  In March 2014, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited and Hudson Partners LLC (CT, USA) have decided not to implement the agreed Letter of Intent (ref. Press Release issued on May 16th, 2013) for the novation of the contract related to the construction of a new 'Eco design' product/chemical tanker vessel (Hull S410 - 50,000 dwt Medium Range, the 'Vessel'), ordered in May 2013 at Hyundai Mipo Dockyard Co. Ltd. – South Korea, expected to be delivered in Q4, 2015. This transaction was driven by the strong demand by Oil Majors, confirming the positive outlook on the market, for such type of ships and therefore the need to increase DIS' core owned fleet. To finalize this transaction d'Amico Tankers Limited and Hudson Partners have agreed to set the value of the vessel at US$ 35.5 million.

  In April 2014, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers Limited (Ireland), entered into a contract for the construction of two additional new product/chemical tanker vessels (50,000 dwt Medium Range) with Hyundai Mipo Dockyard Co. Ltd. – South Korea, expected to be delivered respectively at the end of 2016 and in early 2017, for a consideration of US$ 36.6 million each. Through this last order, DIS increased its orderbook to 15.3 'Eco' design newbuilding product tankers, which corresponds to an overall investment plan of approximately **US$ 490.7 million**. All these newbuilding vessels are the latest IMO II MR design with the highest fuel efficiency, leading to a fuel saving of approximately 6 -7 T /day compare to the average consumption of world existing MR fleet and ensuring a reduced environmental impact.

In August 2014, one ‘Eco’ newbuilding product tanker built at Hyundai Mipo Dockyard Co. Ltd. – South Korea, *M/T High Fidelity* (Medium Range - 50,000 dwt), was delivered to d’Amico Tankers Limited and began her Time charter with a leading refining company, for a period of 2 years at a profitable daily rate.

In November 2014, one ‘Eco’ newbuilding product tanker built at Hyundai Mipo Dockyard Co. Ltd. – South Korea, *M/T High Voyager* (Medium Range - 50,000 dwt), was delivered to d’Amico Tankers Limited and began her Time charter with a leading refining company, for a period of 3 years at a profitable daily rate.

- **Vessel Sale:** In March 2014, d’Amico International Shipping S.A. announced that its operating subsidiary d’Amico Tankers Limited, agreed with clients of Sea World Management, SAM of Monaco, the sale of the Handysize product tanker vessel *M/T Cielo di Parigi*, built in 2001 by Daedong Shipbuilding – South Korea, for the amount of US$ 13.6 million. The Vessel was delivered to her new owners in April 2014 and a ‘Result from disposal’ of US$ 6.5 million was booked in the period.

Eco Tankers Limited:

- **Newbuilding Vessels:** In February 2014, Eco Tankers Limited (Malta) signed a new Time Charter agreement on its new vessel (Hull n. S408) under construction at Hyundai Mipo Dockyard Co. Ltd. – South Korea, and delivered in Q2 2014. This contract was signed with a leading refining company, for a period of 3 years at a profitable daily rate.

Significant Events Since the End of the Period and Business Outlook

d'Amico International Shipping:

- **Results of d'Amico International Shipping Warrants 2012-2016 – Second Exercise Period ended in January 2015:** On February 2nd 2015, d'Amico International Shipping S.A. ("DIS") announced today that the Second Exercise Period of the "d'Amico International Shipping Warrants 2012 – 2016" (ISIN code LU0849020044) has ended on January 30th, 2015. During this Second Exercise Period 2,661,273 Warrants were exercised at the price of Euro 0.40 per ordinary share without nominal value which will be issued by DIS and admitted to trading on the MTA market of Borsa Italiana SpA each as a "Warrant Share". In accordance with the terms and conditions of the Warrant Regulations, DIS will issue on the 6th of February 2015, based on the Warrants Ratio of one (1) Warrant Share for every three (3) Warrants exercised, 887.091 Warrant Shares with same rights (including that to dividends) and features of DIS ordinary outstanding shares at the issue date - to those Warrant holders who validly exercised their Warrants during the Second Exercise PeriodIn accordance with the Warrant Regulations, the holders of the Warrants which were not exercised during the First Two Exercise Periods will have the right to exercise their Warrants and subscribe to Warrant Shares based on the same Warrants Ratio, at the following exercise price and in the following exercise period:
  • EUR 0.46, for the Warrants exercised during the trading days of January 2016.

d'Amico Tankers Limited:

- **Newbuilding Vessels:** In February 2015, one 'Eco' newbuilding product tanker built at Hyundai Mipo Dockyard Co. Ltd. – South Korea, M/T High Loyalty (MR - 50,000 dwt) was delivered to d'Amico Tankers Limited. The vessel began her 5 year Time charter contract with a main Oil-Major.

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

	As at 31 December 2014			As at 05 March 2015		
	MR	Handysize	Total	MR	Handysize	Total
Owned	19.3	3.0	22.3	20.3	3.0	23.3
Time chartered	23.5	6.0	29.5	23.5	6.0	29.5
TOTAL	**42.8**	**9.0**	**51.8**	**43.8**	**9.0**	**52.8**

Business Outlook

Oil demand is expected to decline in the first quarter of 2015 but to pick-up throughout 2015. Global growth is forecast to modestly accelerate in 2015, to 910 kb/d (or +1.0%). Q1 2015 started with the entire Tanker Industry enjoying stronger markets rolling over from the end of 2014. Refinery runs improved in the last quarter leaving products stocks 50 million barrels above the five year average. The start of the refinery maintenance season should see draws on these stocks throughout the quarter. Nine refineries in the United States are closed for maintenance and some unforeseen events which equates to roughly 10% of US refinery capacity. Globally total refinery capacity off-line peaked in January at 5 million b/d, mainly in OECD Countries. The Middle East and Asian markets have continued to perform at relatively stable levels keeping a healthy demand supply balance. As demand has weakened in the Atlantic basin, tonnage supply has increased putting pressure on rates. The reduction in the price of oil has translated into lower costs of bunkers which in itself is supporting returns for product tankers. Delayed refinery projects within the Middle East should come on line during the first quarter of 2015 and should support some improvement in demand for tonnage.

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 the Middle East two projects, one new and one expansion, set to come online at the end of 2014, have been delayed till beginning 2015. These will add an additional 770,000 b/d capacity to an already expanding region
- Exports of refined products are rising after the Satorp refinery, a joint venture with France's Total, reached full capacity during 2014. A second joint venture refinery with China's Sinopec at Yanbu is due to reach its full 400,000 b/d capacity early 2015
- While in the UAE, Adnoc is on track to complete its 420,000 b/d Ruwais expansion in the next few months. Regional demand growth, estimated around 200,000 b/d in 2015. Current estimates show the area will have excess capacity of close to 1 million b/d by 2019 and will leave significant volumes of oil products available for export markets outside the region
- Product supply balances between regions will increase in importance to the product tanker market over the next five years. Europe's deficit in distillates is set to increase to 1.6 million b/d by 2019.
- In contrast, USA exports of Gasoline and Naphtha are expected to rise to 1.3 million b/d and Distillates to 1.37 million b/d by 2019.
- According to the Australian Government projection, their reliance on importing Petroleum products will increase from 424,000 b/d today to 766,000 b/d by 2019. Product exports to Australia also doubled from a year earlier as the country's refinery restructuring continues. Caltex completed the conversion of its 135,000 b/d Kurnell refinery to a terminal in October. BP is in the process of shutting its 102,000 b/d Bulwer Island refinery in Brisbane by mid-2015, curbing Australian capacity further. Australian refinery runs averaged 485,000 b/d reflecting a continued decline in capacity.
- China's Ministry of Commerce just approved larger product export quotas for Gasoline, Diesel and Jet Fuel for Petro China and Sinopec for 2015. Sinopec got a quota to export 260,000 b/d of oil products this year, an increase of 45 kb/d from last year, while Petro China's export quota was left unchanged at 180,000 b/d.

Product Tanker supply

- The order book for MR tankers last year was around 120 ships. Final figures indicate that about 100 vessels were delivered in the whole of 2014. During the same period it has been reported that between 27 and 34 ships were permanently removed.
- There has been very strong ordering of MR tankers over the last couple of years; however there is a certain amount of speculation of exactly how many orders have been placed. According to various reports there are between 140 and 200 to be delivered in 2015
- Slippage and cancellation has been a factor in this segment and has run at around 32% over the last five years
- Ordering slowed somewhat in 2014 as investors started looking at other shipping segments. It has been reported that about 97 ships were ordered in 2014 compared to about 260 in 2013
- The global refinery map is constantly changing and bringing about product supply imbalances between regions. This should fundamentally lead to longer haul voyages effectively reducing the supply of tonnage.

On behalf of the Board
March 5, 2015

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 2014

Statement of Income and Other Comprehensive Income

US$	Note	2014	2013
Revenue	(3)	850,000	1,000,000
General and administrative costs	(4)	(2,638,703)	(2,726,840)
GROSS OPERATING RESULT		**(1,788,703)**	**(1,726,840)**
Depreciation	(7)	(6,188)	(5,962)
OPERATING RESULT		**(1,794,891)**	**(1,732,802)**
Net financial income (charges)	(5)	422,496	666,977
PROFIT / (LOSS) BEFORE TAX		**(1,372,395)**	**(1,065,825)**
Tax expense	(6)	(197,809)	(246,079)
NET PROFIT / (LOSS)		**(1,570,205)**	**(1,311,904)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(1,570,205)**	**(1,311,904)**

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

Statement of Financial Position

US$	Note	As at 31 December 2014	As at 31 December 2013
ASSETS			
Non-current assets			
Tangible assets	(7)	3,179	9,367
Financial fixed assets	(8)	256,246,443	255,197,042
TOTAL NON-CURRENT ASSETS		**256,249,622**	**255,206,409**
Current assets			
Receivables and other current assets	(9)	36,821	47,260
Current financial receivables	(10)	72,454,019	44,492,109
Cash and cash equivalents	(11)	737,065	1,434,640
TOTAL CURRENT ASSETS		**73,227 905**	**45,974,010**
TOTAL ASSETS		**329,477,527**	**301,180,420**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	(12)	42,195,531	35,987,977
Retained earnings	(12)	9,584,430	18,022,504
Other reserves	(12)	269,394,191	245,124,272
TOTAL SHAREHOLDERS' EQUITY		**321,174,152**	**299,134,753**
Current liabilities			
Bank and other lenders	(13)	6,076,348	-
Payables and other current liabilities	(14)	282,446	338,561
Other current financial liabilities	(15)	1,507,397	1,463,292
Current tax payable		437,184	243,814
TOTAL CURRENT LIABILITIES		**8,303,375**	**2,045,667**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**329,477,527**	**301,180,420**

The financial statements on pages 94 to 108 were authorised for issue by the Board of Directors on its behalf on March 5, 2015

Paolo d'Amico, Chairman

Marco Fiori, Chief Executive Officer

Statement of Cash Flows

US$	2014	2013
(LOSS) / PROFIT FOR THE PERIOD	**(1,570,205)**	**(1,311,904)**
Dividend	(850,000)	(1,000,000)
Depreciation and amortisation	6,188	5,962
Current and deferred tax	197,809	246,079
Financial charges (income)	(422,496)	(666,977)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	**(2,638,703)**	**(2,726,840)**
Movement in amounts receivable	10,439	61,570
Movement in amounts payable	(55,116)	(1,221,714)
Taxes (paid)	(4,439)	243,814
Interest and other financial result (paid) received	114,054	420,897
NET CASH FLOW FROM OPERATING ACTIVITIES	**(2,573,765)**	**(3,222,093)**
Acquisition of fixed assets	-	(4,602)
Acquisition of investments	(1,049,400)	-
Net acquisition of subsidiaries – Eco Tankers Limited	-	(3,139,708)
Movement in shareholders' loan	(44,105)	6,741,142
Investment income - Dividend	850,000	1,000,000
NET CASH FLOW FROM INVESTING ACTIVITIES	**(243,505)**	**4,596,832**
Share capital increase	30,477,473	-
Other changes in shareholders' equity		-
Movement in other financial payable – shareholder's loan	-	(20,000,000)
Movement in other financial receivables – loan to subsidiary	(27,961,910)	(14,234,664)
Movement in other financial payables – bank loan	6,472,000	-
Dividend Paid	(6,867,868)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**2,119,695**	**(34,234,664)**
CHANGE IN CASH BALANCE	**(697,575)**	**(32,859,925)**
Cash and cash equivalents at the beginning of the period	1,434,640	34,294,565
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**(697,575)**	**(32,859,925)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**737,065**	**1,434,640**

Statement of Changes in Shareholders' Equity

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

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**

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

Tangible Assets

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

Financial Instruments

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

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

Non-current financial assets (investment in subsidiaries)

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

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

Receivables

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

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

Cash and cash equivalents

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

Bank and other lenders

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

Payables

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

Derivative instruments

The Company does not use derivative financial instruments.

Provisions for Risks and Charges

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

Treasury shares

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

Dividends

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

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.

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 2014

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 applicable to the Company were adopted by the Group for the first time for the financial year beginning on 1 January 2014.

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.

Accounting principles, amendments and interpretations not yet effective

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

2. Capital Disclosure

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

The capital of the Company was established at the beginning of 2007 as part of the IPO process, taking into consideration the risks affecting d'Amico International Shipping as a company and the industry where its subsidiaries operate. During the months of December of year 2012 and February 2014 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 12.

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$	2014	2013
REVENUE	**850,000**	**1,000,000**

A dividend of US$ 0.9 million was received from the key operating subsidiary d'Amico Tankers Limited in the month of June (2013: US$ 1.0 million).

4. General and Administrative Costs

US$	2014	2013
Wages and benefits	(297,653)	(279,297)
Other operating charges	(2,341,050)	(2,447,543)
TOTAL GENERAL & ADMINISTRATIVE COSTS	**(2,638,703)**	**(2,726,840)**

Employees

The Company employs one manager and two administrative employees (2013: unchanged).

The total charge for wages and salaries amounted to US$ 297,653 (2013: US$ 279,297).

Other Operating Charges

The amount of US$ 2,341,050 in 2014 includes professional fees and advisory costs incurred by the Company during the year as a result of being a listed entity (2013: US$ 2,447,543), of which fees accrueded by the réviseur d'entreprises agréé/statutory auditor for the audit of the Annual accounts amount to USD 11 thousand.

Fees were paid to the Company directors for services rendered to the Company and attending the Board's meetings. A total amount of EUR 780,000 was paid, including net fees for EUR 624,000 and 20% withholding tax (2013: EUR 725.000). Variable fees amount US$ 135,000 is accrued for.

5. Net Financial Income (Charges)

US$	2014	2013
NET FINANCIAL INCOME (CHARGES)	**422,496**	**666,977**

Net financial income amount to US$ 422,496 (2013: US$ 666,977) and concerns mainly the realised interest income towards the subsidiary d'Amico Tankers Ltd of US$ 579,053 (2013: US$ 368,957).

Residual amounts are exchange financial charges and fees and interest expenses.

6. Taxation

US$	2014	2013
TAX EXPENSES	**(197,809)**	**(246,079)**

Taxation in 2014 represents the accrual on the Net Wealth Tax (2013: US$ 246,079).

As dividends received from subsidiaries falling under the participation exemption regime are not subject to the corporate income tax in Luxembourg, d'Amico International Shipping SA had, at the end of 2014, cumulated tax losses to be carried forward of approximately EUR 41.4million (US$ 50.3 million).

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

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$	2014	2013
COST		
At 1 January	18,565	17,206
Additions	-	4,602
Write-off	-	(3,244)
At 31 December	18,565	18,564
DEPRECIATION		
At 1 January	9,197	6,479
Charge for the period	6,188	5,962
Write-off and exchange differences	-	(3,244)
At 31 December	15,386	9,197
NET BOOK VALUE		
At 31 December	**3,179**	**9,367**

8. Financial Fixed Assets

Investment in Subsidiaries

Company	Country	Ownership	Ccy	Increase (decrease)	Book value at 31 Dec 2014	Share Capital	Reserves
d'Amico Tankers Limited.	IRL	100%	USD	-	178,921,920	107,501	200,369,458
Glenda International Shipping Ltd.	IRL	50%	USD	-	73,135,415	202	116,797,197
Eco Tankers Limited	Malta	33%	USD	1,049,400	4,189,708	65,162	12,268,938
			USD	**1,049,400**	**256,246,443**		

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 Operation with Glencore Group, one of the world's largest suppliers of commodities and raw materials to industrial consumers. During the first half of 2014 a further investment was made in Eco Tankers Limited, an associate held together with the Shipping investment fund Venice Shipping & Logistics.

Investments through d'Amico Tankers Limited:

Company	Effective Interest	Country	Activity
High Pool Tankers Limited	70%	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 2014	As at 31 December 2013
RECEIVABLES AND OTHER CURRENT ASSETS	**36,821**	**47,260**

In 2014 and in 2013 the balance represents prepaid company expenses and other sundry debtors.

10. Current Financial Receivables

US$	As at 31 December 2014	As at 31 December 2013
CURRENT FINANCIAL ASSETS	**72,454,019**	**44,492,109**

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 0.23% – 0.24 % during 2014.

11. Cash and Cash Equivalents

US$	As at 31 Dec 2014	As at 31 Dec 2013
CASH AND CASH EQUIVALENTS	**737,065**	**1,434,640**

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$ 42,195,530.70 (corresponding to € 34,754,559.84 at the year-end exchange rate) is divided into 421,955,307 shares without nominal value.

In the month of February, following the exercise of the warrants attached to the shares issued at the moment of 2012 capital increase, at the ratio of one share for every three warrants and according to the Prospectus dated 6 November 2012, n. 62,075,533 new ordinary shares were issued at a price of €UR 0.36 each.

Retained Earnings

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

Other Reserves

The other reserves include the following items:

US$	As at 31 Dec 2014	As at 31 Dec 2013
Share premium reserve	282,642,922	258,373,003
Treasury shares	(16,357,027)	(16,357,027)
Legal reserve	3,108,296	3,108,296
TOTAL	**269,394,191**	**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 and in February 2014. 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 2014 consist of 5,090,495 ordinary shares (2013: 5,090,495) for an amount of US$ 16.4 million (2013: US$ 16.4 million), corresponding to 1.41% of the outstanding share capital at the financial position date (2013: 1.21%). 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 annual net income until this reserve equals 10% of the subscribed share capital. The reserve may not be distributed.

13. Bank and other lenders

US$	As at 31 Dec 2014	As at 31 Dec 2013
BANK AND OTHER LENDERS	**6,076,348**	-

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

14. Payables and Other Current Liabilities

US$	As at 31 Dec 2014	As at 31 Dec 2013
OTHER CURRENT LIABILITIES	**283,446**	**338,561**

The amount of current liabilities in 2014 refers to the day-to-day administrative activity of the Company (2013: US$ 338,561, included administrative expenses/consultancy fees received in connection with the capital increase).

15. Other Current Financial Liabilities

US$	As at 31 Dec 2014	As at 31 Dec 2013
OTHER FINANCIAL CURRENT LIABILITIES	**1,507,397**	**1,463,292**

The balance in 2014 represents the financing received by the subsidiary Glenda International Shipping enclosed the interest accrued at the rate of 3%. (2013: US$ 1,463,292).

16. Risk Management

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

Currency risk

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

Interest rate risk

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

Liquidity risk

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

Financial Instruments – Fair values and risk management

Fair value risk and valuation techniques

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

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash-flow analysis is performed. *Foreign currency forward contracts* are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts. *Interest rates swaps* are measured at the present value of the future cash-flow estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair value of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash-flow analysis. Loans in JPY are reflected at amortized cost, a fair value measurement would give rise to a different carrying value.
- The fair value of financial instruments is accounting for the risk of counterparty (financial assets) and the entity's own credit risk (liabilities).

Accounting classification and fair values

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

17. Related Parties Transactions

During 2014, 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$ 296 thousand.

The effects, by legal entity, of related party transactions on the Company's income statement for the 2014 are the following:

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

The table below shows the effects, by legal entity, of related party transactions on the Company's Income Statement for the year 2013:

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	(2,726,840)				
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 effect, by legal entity, of related-party transactions on the Company's Statement of Financial Position as at 31 December 2014 are as follows:

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

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

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

18. 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.

19. Guarantees and Commitments

d'Amico International Shipping has provided guarantees to its subsidiary company, d'Amico Tankers Limited, in respect of the originally US$ 350.0 million revolving loan facility at Crédit Agricole Corporate & Investment Bank, the US$ 48.0 million Crédit Agricole Corporate & Investment Bank & DNB NOR Bank ASA facility, the US$ 40.0 million Crédit Agricole Corporate & Investment Bank & ABN AMRO BANK NV facility, the US$ 31.5 million Danish Ship Finance facility, the US$ 41.6 million Century Tokyo Leasing Corporation facility, the US$ 23.075 million Skandinaviska Enskilda Banken AB facility, the US$ 20 million ING Bank London Branch facility, the US$ 60.75 million DNB NOR Bank ASA facility, the US$ 39.0 million Danish Ship Finance facility, the US$ 45.08 milion Banca IMI SpA and to Eco Tankers Limited with respect to the 18.7 million facility at ABN Amro. The total amount outstanding in respect of these facilities at 31 December 2014 amounted to US$ 273.7 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.

March 5, 2015

Giovanni Barberis, Chief Financial Officer

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.


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Audit report

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

Report on the annual accounts

We have audited the accompanying annual accounts of d'Amico International Shipping S.A., which comprise the statement of financial position as at 31 December 2014, and the statement of income and other comprehensive income, statement of changes in Shareholders' equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts 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 annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the annual accounts, 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 annual accounts 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 annual accounts.

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

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Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of d'Amico International Shipping S.A. as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements.

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

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 annual accounts and includes the information required by the law with respect to the Corporate Governance Statement.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 9 March 2015

Philippe Duren

Audit report

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of d'Amico International Shipping S.A. (the "Company"), which comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated income statement, the consolidated statement of other comprehensive income, consolidated statement of changes in Shareholders' equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

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

Responsibility of the "Réviseur d'entreprises agréé"

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

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

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

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Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of d'Amico International Shipping S.A. as of 31 December 2014 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 9 March 2015

Philippe Duren

Photos by Federico Soffici: page 8; 11; 63; 73

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