



Shipping. The group plans to resume its dividend payment for the 2013 financial year

D'Amico, US\$ 800 million of investment

Giovanni Vegezzi

...Over eight hundred million US dollars of investment – to capitalise on the recovery in the charter market, and for the public company, d'Amico International Shipping, which anticipates the resumption of dividend payments in 2013. The d'Amico Group has approved its new business plan, designed to take advantage of the signals coming from the shipping sector: “The Group plans to purchase 30 new vessels that will be delivered between 2014 and 2016. The total investment is in the order of 830 million US dollars, of which 280 million will be allocated to the public company, d'Amico International Shipping, which operates in the product tankers cargo sector, with the remainder destined for our dry cargo business,” Giovanni Barberis, CFO of d'Amico, told Il Sole 24 Ore. “The rising price of charters is an indicator of the recovery in the market, so we have decided to invest in

modernising our fleet. An important part of our business relates to the sale of second-hand vessels. Our clients – who, in the oil business, are referred to as the “Seven Sisters” – are looking for state-of-the-art ships, therefore, if a ship has an average lifespan of 25-30 years, we will sell it after 10 years and make a decent profit.” “One-third of the investment plan has already been funded with cash, with the remainder coming from the banking market,” added Barberis, who on the prospect of a bond issue also commented: “We are enjoying a good rating at the moment, we're considering it.” The investments announced will lead to a peak in debt in 2015, however the financial position for the following year is expected to return to normal with the help of cash flow: “We are talking about approximately 200 million for the public company,” added Barberis.

Meanwhile, d'Amico International Shipping – the

Group company active in the tanker cargo business and traded on the Milan Stock Exchange – has decided to resume dividend payouts thanks to its positive performance in 2013, which, according to forecasts by IMI analysts, is expected to close with a net profit of 23 million, compared to a loss of 105 million in 2012. “In 2012, the Group decided not to delist the company despite the reduction in the share price, and the progress made on the stock exchange has kept shareholders happy,” continued Barberis. “Today, we are in a position to distribute dividends. We stated in the past that when we achieved an operating profit we would distribute up to 50%. We have not yet established the exact figure but we intend to keep our promise.” However, the company should continue to grow for the duration of the business plan, reaching an EBITDA of around 84 million euros in 2015, according to the

IMI study, (4 times the 2012 figure) with a net profit of over 32 million euros. Only once the turnaround is complete – according to the company – will the Group be in a position to examine the various restructuring options, including an IPO in the dry cargo sector.

Meanwhile, in tandem with the development plan, efforts will continue to increase the liquidity of the share price: “The majority shareholder, d'Amico International SA, has already dropped its holding from 75% to 69% and I would estimate that, in the coming year, this share could reduce to as low as 55%,” said the CFO; “this has helped the increase in the share price, which has seen many small shareholders leaving with a profit, making way for new institutional investors.”

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