4th Quarter 2009 Report & Preliminary 2009 Results

Offshore performing well – restructuring in Cruise & Ferries

In the fourth quarter 2009 STX Europe reported an EBITDA of NOK -44 million compared with NOK -728 million in the fourth quarter of 2008. The 2009 preliminary EBITDA was NOK 133 million compared with NOK -400 million in 2008. Offshore & Specialized Vessels continue to perform well with an EBITDA result of NOK 250 million in the fourth quarter and a preliminary 2009 EBITDA of NOK 643 million (NOK -29 million in 2008). The Cruise & Ferries business area had fourth quarter EBITDA of NOK -104 million, and a preliminary 2009 EBITDA of NOK -209 million (NOK 103 million in 2008). At the Cruise & Ferries yards, a reduced orderbook combined with low order intake has resulted in restructuring and capacity adjustments.

Satisfactory EBITDA in the Offshore & Specialized Vessels business area continued in the fourth quarter, while the Cruise & Ferries business area is facing challenges with lower capacity utilization and thereby high capacity costs. Furthermore, the fourth quarter result was marked by major restructuring costs and significant loss provisions amounting to NOK -485 million (NOK -530 million for the full year).

STX Europe successfully delivered seven vessels during the fourth quarter and a total of 38 vessels in 2009. This reflects a high activity level and good operational performance, especially within the Offshore & Specialized Vessel business area. The order intake in the fourth quarter was NOK 4 149 million, a significant increase from NOK 400 million in the third quarter 2009. The Offshore & Specialized Vessels business area contributed the majority of the order intake, reflecting good competitiveness within its specialty niches.

The order intake in 2009 totaled NOK 8 922 million down from NOK 10 083 million in 2008. The order backlog at the end of 2009 consisted of 52 vessels, one maintenance contract and two conversion projects for a total amount of NOK 24 677 million.

By securing contracts for 10 new vessels and three smaller projects, the order intake in 2009 has been notable considering the very difficult market situation for all business areas.

In October, the world's largest and most innovative cruise vessel, the "*Oasis of the Seas*," was delivered to Royal Caribbean International. The delivery marks a giant leap in cruise vessels development and opens new prospects for the global cruise industry.

The Board of Directors is pleased with the Offshore & Specialized Vessels results and considers the outlook to be satisfactory although the need to secure new contracts will become increasingly important in 2010. While the long-term outlook is looks increasingly positive, the current excess capacity at the Cruise & Ferries yards creates significant short term challenges. The Board of Directors is committed to continuing the improvement processes, further enhance competitiveness and thereby strengthen the company's position as the world's leading shipyard group within the Cruise & Ferries and Offshore & Specialized vessels business areas.

Key financial figures (unaudited)1)	Quarterly results					Annual results	
Amounts in NOK million	**4Q 08**	**1Q 09**	**2Q 09**	**3Q 09**	**4Q 09**	**2008**	**2009**1)
Operating revenues	**9 104**	**8 779**	**6 610**	**6 426**	**7 326**	**31 496**	**29 141**
EBITDA	**-728**	**6**	**75**	**96**	**-44**	**-400**	**133**
EBITDA-margin (%)	-8.0 %	0.1 %	1.1 %	1.5 %	-0.6 %	-1.3 %	0.5 %
EBITA	**-830**	**-95**	**-29**	**-**	**-142**	**-778**	**-266**
EBITA-margin (%)	-9.1 %	-1.1 %	-0.4 %	0.0 %	-1.9 %	-2.5 %	-0.9 %
EBIT	-601	-99	-33	-4	-244	-561	-380
Profit from continuing operations	-486	-180	-37	-185	-299	-585	-702
Total assets	33 635	30 797	31 103	32 730	29 387	33 635	29 387
Equity	6 933	6 690	6 697	6 225	5 718	6 933	5 718
Equity ratio (%)	20.6 %	21.7 %	21.5 %	19.0 %	19.5 %	20.6 %	19.5 %
Interest bearing liabilities (ex. Construction loans)	3 566	3 075	3 047	3 136	2 657	3 566	2 657
Cash and bank deposits	3 262	2 745	2 250	2 012	3 339	3 262	3 339
Working capital	3 354	3 750	3 809	3 747	2 276	3 354	2 276
Order intake	**1 277**	**380**	**3 993**	**400**	**4 149**	**10 083**	**8 922**
Order backlog	**47 782**	**38 024**	**35 367**	**28 344**	**24 677**	**47 782**	**24 677**
Number of employees	16 411	16 283	16 447	16 306	16 109	16 411	16 109

Report for the fourth quarter of 2009

Group financials

The discussion of the financial results should be read together with the tabular information on page 7 onwards.

Financial results

STX Europe had revenues of NOK 7 326 million in the fourth quarter of 2009, down 19.5 percent compared with NOK 9 104 million in the last quarter of 2008. The revenue level reflects good operational performance and fairly high activity despite a difficult market.

For the fourth quarter 2009, STX Europe achieved an EBITDA of NOK -44 million, up from NOK -728 million in the corresponding quarter of 2008. The EBITDA result for the full year was NOK 133 million compared with NOK -400 million in 2008.

The lower results in the Cruise & Ferries business area and Other Operations were partially offset by improved EBITDA in the Offshore & Specialized vessels segment. EBIT for the quarter was NOK -244 million, after restructuring costs of NOK -96 million. Pre-tax profit for the fourth quarter amounted to NOK -460 million, compared with NOK -608 million in the fourth quarter of 2008.

The results in the fourth quarter were negatively impacted by restructuring costs and material loss provisions amounting to NOK 485 million in total. (NOK 530 million for the full year 2009).The split is as follows:

In NOK million	Q4 09	2009
Restructuring Finland & France	**-96**	-96
Wadan:		
Result in associated companies	*-138*	*-162*
Discontinued operations[1]	*-112*	*-112*
Total Wadan	**-250**	-274
Other	-140	-160
Period total	**-485**	**-530**

1) After tax the effect is NOK -81 million

Business Area information

Cruise & Ferries

In NOK million	Q4 08	Q4 09	2008	2009
Operating revenues	6 042	2 981	19 709	14 980
EBITDA	**-341**	**-104**	**103**	**-209**
EBITDA margin %	-5.6 %	-3.5 %	0.5 %	-1.4 %
Order intake	615	372	3 871	2 782
Order backlog	22 446	8 987	22 446	8 987

Financial results - Cruise & Ferries

The Cruise & Ferries business area had revenues of NOK 2 981 million in the fourth quarter, down from NOK 6 042 million in the corresponding period of 2008.

The EBITDA for the business area was NOK -104 million. The poor result reflects low order intake and a reduced order backlog. This has led to a reduction in utilization level and increasing capacity costs at the yards in Finland and France. Consequently, major restructuring is taking place at the yards in France and Finland and, unfortunately, this includes significant reduction in the workforce - both permanent and temporary. Overall, NOK -96 million in restructuring costs for Finland & France were taken in the fourth quarter. These costs were presented as “Other non recurring items.”

Orders and deliveries - Cruise & Ferries

The Cruise & Ferries business area delivered seven vessels in 2009, of which four were delivered from France and three from Finland. At the end of the 2009, the order backlog consisted of eight vessels, one maintenance contract and two conversion projects. The order backlog had a total value of NOK 8 987 million.

The *Oasis of the Seas* was delivered to Royal Caribbean Cruise Lines in October 2009. Her sister vessel, the *Allure of the Seas*, is scheduled for delivery in the fourth quarter of 2010. Both vessels are built at the Turku yard in Finland. The *Oasis of the Seas* was awarded first price in the “Quality Innovation of the Year Competition” by Tarja Halonen, the President of Finland.

Two car passenger ferries for P&O Ferries are under construction at the Rauma yard, with scheduled delivery in late 2010 and third quarter 2011, respectively. During the fourth quarter, Rauma was awarded a contract for the construction of an advanced polar research vessel to be delivered in 2012. Two conversion projects are being completed at the Helsinki shipyard.

In France, the Saint-Nazaire orderbook consists of *the Norwegian Epic* for NCL and *MSC Magnifica,* which is the 10th vessel to MSC. The orderbook also include a helicopter carrier for the French Navy and a 4-year maintenance contract for bunker tankers. One offshore patrol vessel is being built at the smaller Lorient shipyard.

Operation and market comments - Cruise & Ferries

The operational performance progressed satisfactory during 2009; having built and delivered some of the world's most advanced vessels. As contracting activity in the market is currently low, the cruise and ferry yards will experience reduced activity in the short term. While the company believes that the long term outlook for the cruise & ferry business has improved over the past months, every possible measure is taken to reduce costs whilst maintaining the yards' long term competitiveness. Significant efforts are also being made to secure new orders.

Despite signs of market improvements in the second half of 2009, this has not yet materialized in any significant ordering activity. Thus, capacity and operations at STX Europe's Cruise & Ferries shipyards are being adjusted to meet the challenges in the current market situation. Unfortunately, this has also forced STX Europe to launch schemes to reduce its workforce. Simultaneously, comprehensive measures are being introduced to improve the operational effectiveness and long term competitiveness of the yards.

Additionally, throughout 2009 the Cruise & Ferries yards refocused its strategic approach and expanded into other market segments including arctic vessels, selected offshore vessels and vessels for naval/military operations. The yards have considerable technological background and expertise within such areas, and the first success following the new and broader focus came in November 2009 when STX Finland signed a contract for Polar Supply and Research Vessel with South African Department of Environmental Affairs. This order is included in the order intake for Offshore and Specialized in the fourth quarter. Relying on past experience and long term customer relationships, STX Europe is taking a selective approach to such new markets.

The company has seen signs of improvements in the market conditions, and is optimistic regarding its ability to secure new contracts during 2010. Overall, the company also has a positive view on the long term outlook and is committed to remain the world leading shipbuilder within this field.

Offshore & Specialized Vessels

In NOK million	**Q4 08**	**Q4 09**	**2008**	**2009**
Operating revenues	2 769	4 110	10 427	12 508
EBITDA	**-136**	**250**	**-29**	**643**
EBITDA margin %	-4.9 %	6.1 %	-0.3 %	5.1 %
Order intake	661	3 777	6 140	6 123
Order backlog	24 113	15 613	24 113	15 613

Financial results - Offshore & Specialized Vessels

Offshore & Specialized Vessels had fourth quarter revenues of NOK 4 110 million, as compared with NOK 2 769 million in the same quarter of 2008, an increase of 48 percent.

The fourth quarter EBITDA of NOK 250 million gives an EBITDA margin of 6.1 percent, up from -4.9 percent in the corresponding quarter last year, reflecting significant operational improvement with high activity levels. Full year EBITDA for 2009 was NOK 643 million, compared with NOK -29 million in 2008.

Orders and deliveries - Offshore & Specialized Vessels

Offshore & Specialized Vessels delivered five vessels in the fourth quarter, and have completed a total of 24 large and demanding newbuilding projects in 2009. Fourth quarter deliveries include *Far Sagaris* from Langsten, *Highland Prince* from Søviknes, *Skandi Santos* from Aukra, *E. R. Athina* from Brevik and *Maersk Terrier* - the last out of ten anchor handling vessels built for A.P. Moller/Maersk.

Offshore & Specialized Vessels received five new orders in the fourth quarter, all of which are platform support vessels. Total order intake in the quarter amounted to NOK 3 777 million.

At the end of the year, the order backlog consisted of 43 vessels, of which 19 AHTS's, 13 PSV's and 11 other specialized vessels. Total order backlog amounted to NOK 15 613 million at the end of 2009. Of the global order backlog for AHTS' over 20 000 BHP, STX Europe has a market share of 30.8 percent, reflecting its strength in the more advanced segments of offshore services vessels (source: Platou).

Operation and market comments - Offshore & Specialized Vessels

Production progressed well and according to plan in the fourth quarter. Overall, there has been high activity throughout 2009 and Offshore & Specialized Vessels delivered 24 vessels. With an orderbook comprising 43 vessels, activity levels are expected to remain high during 2010 and into 2011.

The oil price is a key driver for the demand for Offshore & Specialized Vessels. Following the increase to USD 140 per barrel, and subsequent drop to under USD 40 per barrel in 2008, the oil price has nearly doubled in 2009 making more projects viable again.

Despite expected increase in oil demand, the impact of the financial crisis placed a lagging effect on the supply side. The 2009 E&P spending decrease together with a decline in existing production requires increased capacity to meet future demand. The E&P companies have communicated that investment budgets will increase about 11% in 2010 (source: Barclays Capital E&P Spending Survey). Overall this is positive for the oil services market as the demand for such services is expected to increase as the market tries to balance the supply and demand of oil. In addition, financing conditions are improving.

STX Europe's focuses on producing larger offshore support vessels with innovative solutions to meet environmental-, safety- and age-requirements. This is believed to position the company well for the future, as market demand for large advanced vessels that operate in deep and ultra-deep waters is expected to increase as exploration and development move to such areas.

Other Operations

In NOK million	4Q 08	4Q 09	2008	2009
Operating revenues	292	236	1 360	1 654
EBITDA	**-252**	**-190**	**-474**	**-301**
Order intake	-	-	72	17
Order backlog	1 223	76	1 223	76

Financial results – Other Operations

Other Operations includes the Florø yard and Arctic Technology together with other units for design and development. In addition, corporate costs are presented there.

Other Operations had revenues of NOK 236 million in the fourth quarter, down from NOK 292 million in the corresponding period last year. The decrease in revenues is a consequence of lower activity levels in certain areas, primarily Florø. The EBITDA for Other Operations was NOK -190 million, compared with NOK -252 million in the corresponding quarter of 2008.

The order backlog at the end of the period was NOK 76 million, and Florø's orderbook consists of one remaining chemical tanker. No new orders were received in the fourth quarter.

Operation and market comments – Other Operations

During the fourth quarter the Florø yard delivered the fifth in a series of six chemical tankers, *Stolt Groenland,* to Stolt Nielsen. The sixth and last vessel is scheduled for delivery in the first quarter of 2010. Due to certain technical issues the company booked an extraordinary loss of NOK 25 million in the fourth quarter related to this series of vessels to Stolt Nielsen.

Following the completion of the Stolt-Vessels, the yard is set to restructure. A planned transformation into a service and maintenance yard for offshore service and commercial vessels is a measure to maintain expertise while at the same time adapting to the changing market conditions.

Due to operational and project execution challenges concerning a series of six smaller tankers, built in Romania and Ukraine, an additional loss of NOK 115 million was taken in the fourth quarter. Four of these vessels have been sold to STX Pan Ocean.

Financing

In the beginning of October, STX Europe repaid the corporate bond AKY05 in the amount of NOK 250 million on its scheduled maturity date.

During the second half of 2009, STX shareholder contributions amounted to NOK 500 million in loans. This was used towards repayment of AKY05 and strengthening of the working capital. In addition, NOK 30 million was repaid on a shareholder loan provided in 2008 according to its terms.

While most of the financing requirements have been secured for 2010, the STX Europe Group has an on-going need to access new and/or refinancing of existing credit- and construction loan facilities, as well as guarantee facilities, during 2010. The Board of Directors expects that such financing will be secured, and continuous efforts are being made to maintain- and improve the company's financial position.

In November 2009, STX Europe established a new guarantee facility of EUR 84 million with an international credit insurance company.

Other matters

As communicated in the reports for the second- and the third quarter 2009, as a consequence of the bankruptcy of Wadan Yards MTW GmbH in August 2009 and other factors related to the sale of the yards in Germany and Ukraine to FLC West in 2008, it is likely that STX Europe will suffer losses related to various claims and receivables. In connection with this, a total loss provision of NOK 250 million was recorded in the fourth quarter 2009 accounts. Losses linked to the sales transaction in 2008 have been presented as discontinued operations. STX Europe may have to record additional losses in subsequent reporting periods, and this is evaluated on a continuous basis as more information and likely outcomes become available.

Risk elements going forward

STX Europe's business operations imply a number of risk factors, including market risk, operational risk, financial risk and legal risk.

Market risk

Shipbuilding in general is subject to risk related to economic fluctuations and has historically been a cyclical industry. STX Europe is exposed to market risk in several areas, such as oil price, oil field explorations and developments, world trade, consumer- and business spending, and the global economic climate. These and other market risk factors may influence STX Europe's customers' willingness to order new vessels as well as their creditworthiness. Furthermore, STX Europe is exposed to strong competition in the shipbuilding industry, which may adversely affect the company's ability to secure new shipbuilding contracts.

Operational risk

STX Europe's business operations imply an inherent risk which demands careful control and follow-up. STX Europe has a number of highly complex and technically advanced vessels on order for delivery over the next three years. This implies an inherent risk related to project execution. Failure to meet schedule or performance guarantees or increases in contract costs can result in non-recoverable costs, which could exceed revenues from the applicable project.

Financial risk

STX Europe has a continuous need for financing both on parent company level and in subsidiaries through bank loans and guarantees, construction loans, refund guarantees etc, including financing of new projects. STX Europe will need access to new and/or replacement of existing credit facilities and loans during 2010. No assurance can be given that the company is able to service, maintain and refinance its debt, financings and/or guarantee facilities, comply with covenants, and obtain new financing for its needs. In addition, STX Europe is exposed to financial risks related to elements such as exchange rates, interest rates, and counterparty risk.

Legal risk

The company may be exposed to legal claims from authorities, customers or other third parties. With its extensive and complex worldwide operations, the company is at any time involved in numerous legal disputes. No assurance can be given regarding the outcome of any such legal dispute.

Events after the end of the reporting period

Mr. In-Sung Lee was appointed Chairman of STX Europe AS in February, succeeding Mr. Kyung Jin Hong.

Outlook

Overall, STX Europe expects the ordering activity to improve during 2010. The main focus of the company will be securing contracts, and to further improve competitiveness in order to remain a world leader in its segments. This includes productivity gains and innovations, such as "green technologies", design- and technology developments. The impact of increased cooperation and synergies with the STX Business Group in Korea is also expected to be important in this regard.

Following a year with low ordering activities in the Cruise & Ferries segment, the company will continue to face significant restructuring and capacity costs in 2010. The medium- and long term outlook for these yards has, however, improved in the recent months as the company experiences more interest for newbuildings in the market. Diversification into new business areas is also expected to improve the situation for Cruise & Ferries yards.

For the Offshore & Specialized Vessels segment, the current orderbook is satisfactory for 2010, making the earnings visibility good. In the longer term, as a consequence of less economic uncertainty and a higher and more stable oil price, the exploration and production activity is expected to increase. In particular such activities are expected to increase in the harsh environments and deeper waters. With its world leading technology and strong operational track-record, STX Europe expects to be able to benefit from such trends.

As a global market leader within its business areas, STX Europe is well positioned for the expected market recovery within its business areas.

Responsibility Statement

We, the Board of Directors of STX Europe AS, confirm that, to the best of our knowledge, the condensed set of financial statements for the fourth quarter of 2009 which has been prepared in accordance with IAS 34 Interim Financial Reporting gives a true and fair view of STX Europe's consolidated assets, liabilities, financial position and results of operations. We also confirm that, to the best of our knowledge, the fourth quarter 2009 report includes a fair review of important events that have occurred during fourth quarter of the financial year and their impact on the financial statements and any major related parties' transactions.

Oslo, 8 February 2010

In-Sung Lee
Chairman

Byung Ryoon Woo
Board member

Øyvind Bjerke
Board member

Sang-Ho Shin
Deputy Chairman and Managing Director

Junpyo Chung
Board member

Arne Otto Rogne
Board member

Audun Grønnevik
Board member

Tabular information

Profit and loss statement (unaudited)

	Quarterly results					Annual results	
Amounts in NOK million	**4Q 08**	**1Q 09**	**2Q 09**	**3Q 09**	**4Q 09**	**2008**	**2009**
Operating revenues	**9 104**	**8 779**	**6 610**	**6 426**	**7 326**	**31 496**	**29 141**
Operating expenses	-9 831	-8 773	-6 535	-6 331	-7 370	-31 896	-29 008
EBITDA	**-728**	**6**	**75**	**96**	**-44**	**-400**	**133**
Ordinary depreciation	-102	-100	-104	-95	-98	-378	-399
Amortization and write-downs	-6	-4	-4	-4	-5	-17	-18
EBIT before non recurring items	**-836**	**-99**	**-33**	**-4**	**-147**	**-796**	**-283**
Impairment of goodwill / recognition of negative goodwill	241	-	-	-	-	241	-
Other non recurring items	-6	-	-	-	-96	-6	-96
EBIT	**-601**	**-99**	**-33**	**-4**	**-244**	**-561**	**-380**
Net financial items	22	-128	29	-155	-75	-90	-329
Share of profit of associated companies	-28	-	-24	-	-141	-28	-165
Profit before tax	**-608**	**-227**	**-29**	**-159**	**-460**	**-679**	**-875**
Tax	121	47	-9	-26	160	95	173
Profit from continuing operations	**-486**	**-180**	**-37**	**-185**	**-299**	**-584**	**-702**
Profit from discontinued operations	-32	-	-	-	-81	624	-81
Profit after tax	**-518**	**-180**	**-37**	**-185**	**-380**	**40**	**-782**
Minority interests	45	26	26	15	19	44	84
Equity holders of STX Europe AS	-473	-154	-12	-171	-361	84	-698

Statement of Comprehensive Income (unaudited)

	Quarterly results					Annual results	
Amounts in NOK million	**4Q 08**	**1Q 09**	**2Q 09**	**3Q 09**	**4Q 09**	**2008**	**2009**
Profit for the period	**-518**	**-180**	**-37**	**-185**	**-380**	**40**	**-782**
Exchange differences on translation of foreign operations	781	-567	39	-267	-118	987	-913
Tax on translation exchange difference considered as part of the Group's net investment in the foreign subsidiary	-13	11	-	2	-3	-13	10
Other comprehensive income	**768**	**-556**	**39**	**-265**	**-121**	**974**	**-904**
Comprehensive income for the period, net of tax	**250**	**-736**	**1**	**-450**	**-501**	**1 014**	**-1 686**
Minority interests	44	135	17	73	40	43	265
Equity holders of STX Europe AS	293	-601	22	-380	-461	1 055	-1 420

Balance sheet (unaudited)

Assets

Amounts in NOK million	31.12.2009	31.12.2008
Property, plant & equipment	**2 756**	**3 329**
Goodwill	1 307	1 333
Other intangible assets	35	46
Total intangible assets	**1 342**	**1 379**
Deferred tax assets	925	923
Associated companies	3	313
Available for sale financial assets	18	22
Interest-bearing long term receivables	81	74
Other long term assets	217	68
Total financial assets	**1 245**	**1 399**
Total non-current assets	**5 343**	**6 107**
Current operating assets	20 685	24 238
Interest-bearing short term receivables	19	28
Total receivables and other current assets	**20 705**	**24 266**
Cash and bank deposits	**3 339**	**3 262**
Total current assets	**24 044**	**27 528**
Assets held for sale		
Total assets	**29 387**	**33 635**

Equity and liabilities

Amounts in NOK million	31.12.2009	31.12.2008
Paid-in capital	722	702
Other paid-in capital	3 190	3 000
Other reserves	43	766
Retained earnings	776	1 297
Total equity attributable to equity holders of the parent	**4 731**	**5 766**
Minority interest	986	1 167
Total equity	**5 718**	**6 933**
Long term interest-bearing liabilities	**1 571**	**2 255**
Deferred tax liability	14	7
Non-current provisions	176	117
Other long-term liabilities	140	150
Total non-current liabilities	**1 901**	**2 529**
Construction loans	10 066	10 725
Other short term interest-bearing liabilities	1 086	1 311
Current provisions	311	511
Current operating liabilities	10 306	11 627
Total current liabilities	**21 768**	**24 174**
Total liabilities	**23 669**	**26 702**
Liabilities held for sale		
Total equity and liabilities	**29 387**	**33 635**

Statement of changes in shareholders equity (unaudited)

Amounts in NOK million	**Share capital**	**Share premium**	**Other paid-in capital**	**Other reserves**	**Retained earnings**	**Total equity of share-holders**	**Minority interests**	**Total equity**
Equity as of 1 January 2009	**434**	**268**	**3 000**	**766**	**1 297**	**5 766**	**1 167**	**6 933**
Net profit	-	-	-	-	-698	**-698**	-84	**-782**
Other comprehensive income	-	-	-	-722	-	**-722**	-181	**-903**
Change in minority interest	-	-	-	-	-30	**-30**	7	**-22**
Fair value changes	-	-	-	-1	-	**-1**	-	**-1**
Correction opening balance pension liability against equity	-	-	-	-	2	**2**	-	**2**
Convertible debt			190		-	**190**	77	**268**
Treasury shares	20	-	-	-	205	**225**	-	**225**
Equity as of 31 December 2009	**454**	**268**	**3 190**	**43**	**776**	**4 731**	**986**	**5 718**
Amounts in NOK million	**Share capital**	**Share premium**	**Other paid-in capital**	**Other reserves**	**Retained earnings**	**Total equity of share-holders**	**Minority interests**	**Total equity**
Equity as of 1 January 2008	**434**	**268**	**3 000**	**-206**	**1 623**	**5 119**	**41**	**5 160**
Net profit	-	-	-	-	84	**84**	-44	**40**
Other comprehensive income	-	-	-	972	-	**972**	1	**973**
Change in minority interest	-	-	-	-	-410	**-410**	1 169	**759**
Fair value changes	-	-	-	-	-	**-**	-	**-**
Treasury shares	-	-	-	-	-	**-**	-	**-**
Equity as of 31 December 2008	**434**	**268**	**3 000**	**766**	**1 297**	**5 766**	**1 167**	**6 933**

Cash Flow (unaudited)

Amounts in NOK million	Quarterly results 4Q 08	1Q 09	2Q 09	3Q 09	4Q 09	Annual results 2008	2009
CF from operations	-386	89	-23	260	-75	-39	251
+ Change in working capital	-878	-523	-532	-47	1 353	-2 873	251
= CF from operating activities	-1 264	-434	-555	214	1 277	-2 912	502
+ CF from investing activities	-273	-19	-122	-242	49	367	-334
+ CF from financing activities	1 302	48	78	149	-43	601	232
Net increase/decrease in cash and cash equivalents	**-237**	**-406**	**-599**	**121**	**1 283**	**-1 944**	**399**
Effect of FX rate changes	412	-112	104	-359	44	569	-322
Cash and cash equivalents at beginning of period	**3 087**	**3 262**	**2 745**	**2 250**	**2 012**	**4 638**	**3 262**
Cash and cash equivalents at end of period[1]	**3 262**	**2 745**	**2 250**	**2 012**	**3 339**	**3 263**	**3 339**
Restricted cash at end of period	497	336	499	292	467	497	467

Working capital (unaudited)

Amounts in NOK million	**4Q 08**	**1Q 09**	**2Q 09**	**3Q 09**	**4Q 09**
Current operating assets	24 238	22 208	23 099	25 229	20 685
- Current operating liabilities	-12 138	-9 868	-9 030	-9 804	-10 616
- Construction loans	-10 725	-10 906	-12 093	-13 324	-10 066
= Net working capital	**1 375**	**1 434**	**1 976**	**2 102**	**3**
+ Cash and bank deposits	3 262	2 745	2 250	2 012	3 339
+ Current interest-bearing receivables	28	25	21	20	19
= Total working capital (as defined)	**4 665**	**4 204**	**4 247**	**4 134**	**3 362**

Net interest bearing liabilities (unaudited)

Amounts in NOK million	**4Q 08**	**1Q 09**	**2Q 09**	**3Q 09**	**4Q 09**
Long term interest-bearing liabilities	2 255	2 620	2 608	2 749	1 571
+ Short term interest-bearing liabilities (excl. construction loans)	1 311	455	439	387	1 086
- Long term interest-bearing receivables	-74	-71	-66	-60	-81
- Current interest-bearing receivables	-28	-25	-21	-20	-19
- Cash and bank deposits	-3 262	-2 745	-2 250	-2 012	-3 339
+ project related cash	2 348	1 737	1 737	1 290	1 715
= Net interest bearing liabilities (as defined)	**2 550**	**1 972**	**2 447**	**2 334**	**933**

Business Area information (unaudited)

Cruise & Ferries

	Quarterly results					Annual results	
Amounts in NOK million	**Q4 08**	**Q1 09**	**Q2 09**	**Q3 09**	**Q4 09**	**2008**	**2009**
Operating revenues	6 042	5 026	3 715	3 258	2 981	19 709	14 980
EBITDA	**-341**	**8**	**-73**	**-39**	**-104**	**103**	**-209**
EBITDA-margin (%)	-5.6 %	0.2 %	-2.0 %	-1.2 %	-3.5 %	0.5 %	-1.4 %
EBITA	**-408**	**-59**	**-143**	**-100**	**-167**	**-142**	**-470**
EBIT before non recurring items	-410	-61	-145	-102	-169	-149	-477
Order intake	615	-	2 410	-	372	3 871	2 782
Order backlog	22 446	15 531	14 434	10 932	8 987	22 446	8 987

Offshore & Specialized Vessels

	Quarterly results					Annual results	
Amounts in NOK million	**Q4 08**	**Q1 09**	**Q2 09**	**Q3 09**	**Q4 09**	**2008**	**2009**
Operating revenues	2 769	3 253	2 375	2 771	4 110	10 427	12 508
EBITDA	**-136**	**75**	**154**	**163**	**250**	**-29**	**643**
EBITDA-margin (%)	-4.9 %	2.3 %	6.5 %	5.9 %	6.1 %	-0.3 %	5.1 %
EBITA	**-166**	**47**	**124**	**133**	**219**	**-139**	**523**
EBIT before non recurring items	-162	46	124	133	218	-141	521
Order intake	661	352	1 595	400	3 777	6 140	6 123
Order backlog	24 113	21 664	20 497	17 182	15 613	24 113	15 613

Other Operations

	Quarterly results					Annual results	
Amounts in NOK million	**Q4 08**	**Q1 09**	**Q2 09**	**Q3 09**	**Q4 09**	**2008**	**2009**
Operating revenues	292	500	520	398	236	1 360	1 654
EBITDA	**-252**	**-78**	**-5**	**-28**	**-190**	**-474**	**-301**
EBITA	**-256**	**-82**	**-10**	**-33**	**-194**	**-496**	**-319**
EBIT before non recurring items	-266	-84	-12	-35	-196	-506	-327
Order intake	-	28	-12	-	-	72	17
Order backlog	1 223	829	436	230	76	1 223	76

Notes to the interim financial statements 4th quarter 2009

Note 1 Reporting entity

STX Europe AS is a company domiciled in Norway. The interim financial statements for the fourth quarter 2009 ended 31 December comprise STX Europe AS and its subsidiaries (together referred to as the “Group” and the Group’s interests in associates).

The consolidated financial statements of the Group as at and for the year ended 31 December 2008 are available at www.stxeurope.com.

Note 2 Statement of compliance

These interim financial statements have been prepared in accordance with international Financial Reporting Standards (IFRS) IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2008.

These interim financial statements were approved by the Board of Directors **8 February 2010.**

Note 3 Significant accounting principles

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2008 except for the adoption of new standards and interpretations as of 1 January 2009, noted below:

IAS 1 Revised Presentation of Financial Statements
This revised Standard separates owner and non-owner changes in equity. The statement of changes in equity only details of transactions with owners, with non-owner changes in equity presented separately. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements. Previous quarters have been reclassified to be comparable.

IFRS 8 Operating segments
Segments have been reported in accordance with IFRS 8. The segment breakdown has not been changed as a result of the transition from IAS 14 to IFRS 8.

IFRS 7 Financial Instruments – disclosure
The amendments require enhanced disclosures about fair value measurements and liquidity risk. The amendments will impact the Group’s disclosures for the year 2009 annual report.

Other standards
The Group has also adopted other required amendments to standards and improvements to IFRSs effective 1 January 2009, with no significant impact (amongst others IAS 23 Borrowing Costs.)

Note 4 Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in preparing these interim financial statements in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2008.

Note 5 Interest bearing loans

For interest bearing loans the following repayments and new debts were made in 2009;

Amounts in NOK million	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009
Opening balance	**2 683**	**3 566**	**3 075**	**3 047**	**3 136**
Changes MRCF[1]	-	70	-	-	-
Long term loan STX	250	-110	-	250	220
Installment bond AKY05	-	-	-	-	-250
Loan France	323	-323	-	-	-
Finland - Varma loan	493	-	-	-	-414
Net changes other interest bearing debt	-268	-24	-31	-83	-13
Currency translation	85	-104	3	-78	-22
Closing balance	**3 566**	**3 075**	**3 047**	**3 136**	**2 657**

[1]) Loan totalling NOK 596 million classified as a short term loan

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