

STX EUROPE – SECOND QUARTER 2010 REPORT

Offshore & Specialized Vessels continues with record earnings – Strong order intake

STX Europe reported an EBITDA of NOK 205 million for the second quarter of 2010 which is an increase from NOK 75 million in the second quarter 2009. The Offshore & Specialized Vessels business area had a record EBITDA in the second quarter of NOK 298 million and the Cruise & Ferries business area had an EBITDA of NOK -92 million. During the second quarter 2010 STX Europe received orders for NOK 12.4 billion and increased its order backlog to NOK 28.8 billion. After the end of the second quarter the order intake has been 17 vessels with a total contract value of approximately NOK 6.9 billion.

In the second quarter of 2010, STX Europe posted operating revenues of NOK 6.3 billion compared with NOK 6.6 billion in the corresponding period last year. The EBITDA result was NOK 205 million, compared with NOK 75 million in the second quarter 2009. The year-to-date EBITDA as per second quarter 2010 is NOK 292 million compared with NOK 81 million for the same period 2009.

The overall operational performance of STX Europe's shipyards has been good during the first half 2010 and the company delivered a total of 14 vessels, of which seven were delivered in the second quarter. The order intake was NOK 12.4 billion during the second quarter, giving an order backlog of NOK 28.8 billion comprising 50 vessels. The order backlog has increased by 29 percent or NOK 6.5 billion during second quarter 2010.

The Offshore & Specialized Vessels business area achieved a solid EBITDA result of NOK 298 million compared with NOK 154 million in the second quarter of 2009. The business area continued its strong operational performance and was able to secure six new contracts for a total of NOK 2.9 billion during the quarter. After the end of the second quarter 2010 the Offshore & Specialized

Vessels business area has entered into 16 new shipbuilding contracts with a total value of approximately NOK 6.7 billion. Based on the strong earnings improvement, increased order backlog and solid operational performance, the outlook for the business area is considered to be good.

The Cruise & Ferries business area posted an EBITDA result of NOK -92 million in Q2 2010 compared with NOK -73 million in the same period last year. The losses are mainly caused by low capacity utilization at the shipyards and losses on one cruise vessel which has now been delivered. The business area was successfully able to secure two large new cruise orders during the second quarter. The market conditions are still challenging in this business area, but the long-term market outlook has improved during 2010.

The Board is pleased that the comprehensive improvement measures which have been implemented in the last 18 months are now showing results. The Board is committed to continue the improvement processes and to strengthen STX Europe's position as the global leader for the construction of advanced offshore services vessels and large cruise and ferry vessels.

Key Financial Figures	Quarterly results					Year -to-date		Full Year
	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10	2009	2010	2009
<i>Amounts in NOK million</i>								
Operating revenues	6 610	6 426	7 326	5 159	6 318	15 389	11 478	29 141
EBITDA	75	96	-44	88	205	81	292	133
EBITDA-margin (%)	1,1 %	1,5 %	-0,6 %	1,7 %	3,2 %	0,5 %	2,5 %	0,5 %
EBIT	-33	-4	-244	-20	78	-132	58	-380
Profit from continuing operations	-37	-185	-299	-146	29	-217	-117	-702
Total assets	31 103	32 730	29 356	26 758	27 814	31 103	27 814	29 356
Equity	6 697	6 225	5 718	5 441	5 377	6 697	5 377	5 718
Interest bearing liabilities (ex construction loans)	3 047	3 136	2 657	2 960	2 933	3 047	2 933	2 657
Cash and bank deposits	2 250	2 012	3 339	2 668	5 865	2 250	5 865	3 339
Total working capital	4 247	4 134	3 306	3 595	3 464	4 247	3 464	3 306
Order intake	3 993	400	3 177	2 808	12 362	4 373	15 170	7 950
Order backlog	35 367	28 344	24 677	22 321	28 793	35 367	28 793	24 677
Number of employees	16 447	16 306	15 937	15 584	15 271	16 447	15 271	15 937

Group financials

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

Financial results second quarter 2010

STX Europe had revenues of NOK 6.3 billion in the second quarter of 2010, down 4.4 percent compared with NOK 6.6 billion in the corresponding period in 2009. The decrease in revenues is mainly due to reduced activity at the Cruise & Ferries yards as a consequence of low order intake and reduced order backlog.

In the second quarter of 2010, the company achieved an EBITDA of NOK 205 million compared with NOK 75 million in the corresponding quarter in 2009. The EBITDA margin was 3.2 percent compared with 1.1 percent in the same period last year.

EBIT for the quarter was NOK 78 million, and net financial items were NOK 9 million.

Fluctuations in the fair value of hedging transactions which did not qualify for hedge accounting represented an accounting loss of NOK 3 million in the quarter, of which negative NOK 68 million is booked under EBITDA and positive NOK 65 million is booked under financial items.

Pre-tax profit for the second quarter was NOK 98 million.

Financial results first half of 2010

STX Europe had revenues in the first half of 2010 of NOK 11.5 billion, compared with NOK 15.4 billion in the corresponding period of 2009. The reduction is mainly caused by lower activity at the cruise and ferry shipyards. A total of 14 vessels were delivered during the first six months of 2010.

In the first half of 2010, STX Europe had an EBITDA result of NOK 292 million, compared with NOK 81 million in the corresponding period of 2009. The EBITDA margin was 2.5 percent whereas the margin was 0.5 percent in the same period last year.

EBIT for the first half year was NOK 58 million. Net financial items were positive with NOK 25 million.

Fluctuations in the fair value of hedging transactions which did not qualify for hedge accounting represented an accounting gain of NOK 64 million in the first half of 2010, of which negative NOK 68 million is booked under EBITDA and positive NOK 132 million is booked under financial items.

Pre-tax profit for the first half year was NOK -53 million, compared with NOK -255 million in 2009.

Total working capital as of 30 June 2010 was NOK 3.5 billion compared with NOK 3.6 billion at the end of the first quarter, and NOK 4.2 billion at the end of June 2009. Gross interest bearing debt was NOK 2.9 billion at the end of June 2010, compared with NOK 3.0 billion at the end of the first quarter, and NOK 3.0 billion at the end of June 2009.

Business Area information

Cruise & Ferries

<i>In NOK million</i>	2Q 09	2Q 10	YTD 2009	YTD 2010	2009
Operating revenues	3 715	2 729	8 741	5 113	14 980
EBITDA	-73	-92	-65	-288	-209
EBITDA margin %	-2.0%	-3.4 %	0.7 %	-5.6 %	-1.4 %
Order intake	2 410	9 504	2 410	9 559	2 782
Order backlog	14 434	12 377	14 434	12 377	8 987

Financial results - Cruise & Ferries

The Cruise & Ferries business area had second quarter 2010 revenues of NOK 2.7 billion, compared with NOK 3.7 billion in the corresponding period of 2009. The second quarter EBITDA was NOK -92 million, equal to an EBITDA margin of -3.4 percent.

At the end of the quarter, the Cruise & Ferries business area had an order backlog of NOK 12.4 billion, a 14.2 percent decrease since the end of second quarter 2009. Based on order intake in the second quarter 2010 of NOK 9.5 billion, the order backlog has increased by 121 percent since the end of first quarter 2010. The order backlog at the end of June 2010 consisted of seven vessels and two smaller conversion / maintenance projects.

All ongoing projects are currently proceeding according to plan. Capacity costs resulting from the reduced order backlog are negatively influencing the profitability of the business area in 2010. The company is making every possible effort to reduce such capacity costs at its shipyards in Finland and France, while seeking to maintain its long term competitiveness.

Orders and deliveries - Cruise & Ferries

During the second quarter the Cruise & Ferries business area delivered the *Norwegian Epic* built for Norwegian Cruise Lines. *Norwegian Epic* is the largest ship ever built in Saint-Nazaire shipyard in France. The 153,000 ton vessel is 329.5 meters long, by 40.6 meter wide with 2 114 cabins. At the Helsinki yard, the conversion of *Halli* was completed in June.

The *Allure of the Seas*, the sister vessel of *Oasis of the Seas* - the world's largest cruise ship – is scheduled for delivery from STX Finland in second half 2010.

Two car passenger ferries for P&O Ferries are under construction at the Rauma yard in Finland, with scheduled delivery in late 2010 and third quarter 2011, respectively. The Rauma yard's orderbook also include the construction of an advanced polar research vessel to be delivered in 2012. The Saint-Nazaire yard is also constructing a Helicopter Carrier for the French Navy and the Lorient yard is constructing a patrol vessel for the Moroccan Navy.

In March, STX France and MSC signed a letter of intent for the construction of a new large cruise ship – a sister vessel of *MSC Fantasia* and *MSC Splendida* – to be delivered in 2012. The final contract was confirmed at the end of June 2010.

In June, STX France signed a contract with GNMTC for the construction of a new cruise ship. The 139.400 ton vessel will be 333 meter long by 38 meter wide and include 1 739 passenger cabins and 732 crew cabins. Delivery of this ship is scheduled for December 2012.

Operation and market comments - Cruise & Ferries

While the overall operational performance during the first six months was satisfactory, the financial performance is unsatisfactory. As a consequence of the unsatisfactory financial performance the company will continue to consider its capacities and operations at its shipyards in Finland and France - with a view to improve the company's overall competitiveness and to meet the challenges from an overall lower activity level.

The macroeconomic picture, in particular consumer confidence and spending, is important for the cruise industry. Based on current activity level in the cruise market, the cruise operators appear to be more confident regarding the outlook for the cruise industry. Consequently, STX Europe is more optimistic regarding its ability to secure new contracts during the next 12 months. STX Europe is also taking a selective approach to diversification into new markets for this business area.

Offshore & Specialized Vessels

<i>In NOK million</i>	2Q 09	2Q 10	YTD 2009	YTD 2010	2009
Operating revenues	2 375	3 512	5 628	6 149	12 508
EBITDA	154	298	229	591	643
EBITDA margin %	6.5 %	8.5 %	4.1 %	9.6 %	5.1 %
Order intake	1 595	2 850	1 947	5 593	5 152
Order backlog	20 497	16 416	20 947	16 416	15 613

Financial results - Offshore & Specialized Vessels

The business area Offshore & Specialized Vessels had second quarter operating revenues of NOK 3.5 billion, compared with NOK 2.4 billion in the corresponding quarter in 2009.

The EBITDA for the business area was NOK 298 million, giving an EBITDA margin of 8.5 percent.

Total order intake in the second quarter amounted to NOK 2.9 billion, compared to NOK 1.6 billion in the corresponding period last year. Offshore & Specialized Vessels had an order book of 43 vessels amounting to a backlog of NOK 16.4 billion at the end of the period.

Orders and deliveries - Offshore & Specialized Vessels

The Offshore & Specialized vessels business area delivered six vessels in the second quarter 2010; four anchor handling tug supply vessels, one platform supply vessel and one specialized vessel.

In April, STX Europe delivered *Normand Prosper*, an anchor handling tug supply vessel, from the Brattvaag yard to Solstad Offshore ASA. The vessel was designed by STX Norway Offshore Design and has environmentally friendly design with a low resistance hull shape, designed for high speed and low fuel consumption. The company also delivered the PSV *E.R Georgina* from the Brevik yard to Nordcapital and the AHTS *Skandi Emerald* from the Vietnam yard to Aker Capital. Two multifunctional deepwater anchor handling tug support vessels were delivered during the quarter - *Skandi Vega* to DOF ASA from the Aukra yard, and *Rem Gambler* from the Brattvaag yard to Rem Con AS. These vessels feature high bollard pull capacity of 350 t and a hybrid propulsion system. At the end of the second quarter the PSV/ROV vessel *Norman Baltic* was delivered from the Brevik yard to Solstad Offshore ASA.

During the second quarter, the Offshore & Specialized Vessels business area entered into six new contracts. The first contract in the second quarter was a platform supply vessel with STX Norway Offshore Design. This features the new environmental friendly hull lines optimized for eco-drive in all weather conditions. The vessel is scheduled for delivery in Q4 2012. One contract is for an anchor handling tug supply vessel with design by STX Norway Offshore Design, scheduled for delivery in Q4 2012. The four remaining orders are all platform supply vessels with STX Norway Offshore Design and will be delivered respectively in Q4 2011, Q1 and Q4 in 2012.

At the end of the quarter, the order backlog consisted of 43 Offshore & Specialized Vessels, of which 34 vessels have been designed by STX Norway Offshore Design.

Operation and market comments - Offshore & Specialized Vessels

During the first six months of 2010, the business area had high activity levels and good project execution and operations. The order backlog gives high capacity utilization both for hull construction in Romania and at the yards in Norway, Brazil and Vietnam. With contracts backlog stretching into 2012 and 2013, the overall activity level is expected to remain high.

STX Europe's strategy is to focus on producing large, advanced and highly technical offshore & specialized vessels with innovative solutions to meet the new and demanding environmental- and safety- requirements. This is expected to position the company well for the future, as market demand for such vessels is expected to increase as exploration and development move to deep and ultra-deep waters.

To meet the growing market in Brazil, STX Europe plans to expand its shipbuilding capacity for offshore and specialized vessels by investing in a new Brazilian shipyard. The company entered into a Joint Venture Agreement with PJMR for this project, and will control 51% of the venture. The yard will be located near Recife in the State of Pernambuco. After a thorough evaluation, this new location is considered to be the preferred location compared to other alternatives previously evaluated, including Fortaleza in the State of Ceara. STX Europe entered the Brazilian market ten years ago, and has by continuous effort and good cooperation with its local partners PJMR developed a strong position to meet the demanding requirements of the oil and gas industry in Brazil. The new shipyard will strengthen the group's ability to serve its clients in Brazil with increased capacity and capability.

STX Europe officially opened its shipyard in Vung Tau in Vietnam on 28 April 2010. The opening took place in connection with the naming ceremony of *Skandi Emerald* – the first in a series of six advanced anchor handling tug supply vessels. The STX Vietnam Offshore shipyard is a modern yard set for the highest international standard and is built to fulfill STX Europe's commitment and focus on the environment in all its operations. At full operation, the yard can reach capacity of four medium size vessels per year. With its location at the heart of Vietnam's growing offshore oil industry, the yard will strengthen STX Europe's ability to serve its international customers in the region.

Other Operations

<i>In NOK million</i>	2Q 09	2Q 10	YTD 2009	YTD 2010	2009
Operating revenues	520	77	1020	216	1 654
EBITDA	-5	-2	-83	-11	-301
Order intake	-12	7	16	19	17
Order backlog	436	0	436	0	76

Financial results – Other Operations

Other Operations includes the Florø yard and Aker Arctic Technology together with certain other smaller units and corporate services.

Second quarter 2010 revenues amounted to NOK 77 million, down from NOK 520 million in the corresponding period last year. The decrease in revenues is mainly a consequence of reduced activity levels at the Florø shipyard. The EBITDA for Other Operations was NOK -2 million, compared with NOK -5 million in the corresponding quarter of 2009.

Operation and market comments – Other Operations

During the first quarter the Florø yard delivered *Stolt Breland*, the last in a series of six chemical tankers to Stolt Nielsen.

Following the completion of the aforementioned tanker series the yard has been repositioned into a ship repair and maintenance yard for both commercial and offshore vessels. This transformation is a measure to maintain expertise while at the same time adapting to the changing market conditions. The operational responsibility of the Florø yard was moved to the Offshore & Specialized Vessels business area 1 April 2010, under a management agreement, while STX Europe AS remains the legal parent company.

Risk elements going forward

STX Europe's business operations imply an inherent risk which demands careful control and follow-up. For the coming six months, the main risk elements are related to 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.

STX Europe is also 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 total of 50 highly complex, 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 an on-going need for financing both at parent company level and in subsidiaries through bank loans and guarantees, construction loans, credit facilities, bond loans, refund guarantees etc. It is expected that STX Europe will be able to secure new financing arrangements and refinance existing facilities as they mature, however, no assurance can be given of this.

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 worldwide operations, the company is from time to time involved in numerous legal disputes. No assurance can be given regarding the outcome of any such legal dispute.

Financing

Most of the financing requirements for 2010 have been secured. However, the STX Europe Group has an on-going need to access new and/or to refinance existing credit- and guarantee facilities and construction loans. As per 30 June 2010 the company was in compliance with its financial covenants.

The Board of Directors expects such financing needs to be secured in the ordinary course of business.

Other matters

As communicated in the first quarter report, subsequent to the formal delivery of the last small tanker to STX Pan Ocean from the Wadan Yards Okean in Ukraine, in January 2010, the vessel had not been permitted to leave the yard. During June 2010 an agreement for a settlement between STX Europe and the yard was reached and the vessel was subsequently released by the yard.

As previously communicated STX Europe could face additional losses in relation to the bankruptcy of Wadan Yards MTW GmbH in August 2009 and the bankruptcy of Wadan Yards Group AS in March 2010, and other factors related to the sale of the yards in Germany and Ukraine to FLC West in 2008. During the second quarter a loss provision of NOK 55 million was recorded, in addition to the loss provision of NOK 160 million recorded in the first quarter of 2010. After the end of the second quarter an additional loss of NOK 24 million has been recorded in relation to Wadan matters.

Events after the end of the reporting period

In July 2010, STX Finland Oy appointed Juha Heikinheimo as its new President. Juha Heikinheimo has replaced Martin Landtman. In August 2010, STX Europe AS appointed Su-Jou Kim as its new President and CEO. Su-Jou Kim has replaced Sang-Ho Shin. Mr. Shin will remain a Board member of STX Europe AS.

After the end of June 2010 STX Europe AS has so far entered into 17 new shipbuilding contracts with a total value of NOK 6.9 billion.

Outlook

In the second quarter 2010, the Offshore & Specialized Vessels business area reported its strongest ever EBITDA. The current order backlog and strong operational performance provides a good foundation for high capacity utilization going forward. The business area has after the end of the second quarter continued to improve its order backlog.

In the Cruise & Ferries business area, STX France was awarded contracts for two large cruise vessels in the second quarter 2010. The past year has, however, been characterized by low ordering activity and a reduced order backlog. This has led to unsatisfactory financial performance and triggered restructuring of certain yards – with a view to improve

the long term competitiveness of these yards. Such restructuring efforts will be continued in the months ahead. However, industry fundamentals are believed to have improved during 2010, and recent market activity among cruise and ferry operators suggests increasing interest for newbuilding projects. The company is therefore cautiously optimistic about the outlook for its Cruise & Ferries business area.

The major focus of STX Europe over the next twelve months will be to further improve its competitiveness in order to strengthen its leading position within its business areas. Strategies include productivity gains, innovation, and design- and technology developments. Increased focus on synergies with the STX Business Group in Korea is also expected to yield positive results.

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 first half year of 2010 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 first half 2010 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, and a description of the principal risks and uncertainties for the remaining six months of the financial year, as required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Oslo, 31 August 2010
STX Europe AS
Board of Directors

In-Sung Lee
Board Chairman

Sang Ho Shin
Deputy Chairman

Byung Ryoon Woo
Board member

Jun-Pyo Chung
Board member

Øyvind Bjerke
Board member

Audun Grønnevik
Board member

Arne Otto Rogne
Board member

Tabular information

Interim Consolidated Income Statement (unaudited)

<i>Amounts in NOK million</i>	Quarterly results					Year-to-date		Full year
	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10	2009	2010	2009
Operating revenues	6 610	6 426	7 326	5 159	6 318	15 389	11 478	29 141
Operating expenses	-6 535	-6 331	-7 370	-5 072	-6 113	-15 308	-11 185	-29 008
Other net income	0	0	0	0	0	0	0	0
EBITDA	75	96	-44	88	205	81	292	133
Ordinary depreciation	-104	-95	-98	-90	-89	-205	-179	-399
Amortization and write-downs	-4	-4	-5	-4	-4	-8	-8	-18
EBIT before non recurring items	-33	-4	-147	-7	112	-132	105	-283
Impairment of goodwill / recognition of negative goodwill	0	0	0	0	0	0	0	0
Other non recurring items	0	0	-96	-13	-34	0	-47	-96
EBIT	-33	-4	-244	-20	78	-132	58	-380
Net financial items	29	-155	-75	15	9	-99	25	-329
Share of profit of associated companies	-24	0	-141	-147	11	-24	-136	-165
Profit before tax	-29	-159	-460	-151	98	-255	-53	-875
Tax	-9	-26	160	5	-68	39	-64	173
Profit for the period from continuing operations	-37	-185	-299	-146	29	-217	-117	-702
Profit from discontinued operations	0	0	-81	0	-55	0	-55	-81
Profit for the period	-37	-185	-380	-146	-26	-217	-172	-782
Minority interests	26	15	19	43	53	51	96	84
Equity holders of STX Europe AS	-12	-171	-361	-104	27	-166	-76	-698

Interim Consolidated Statement of Comprehensive Income (unaudited)

<i>Amounts in NOK million</i>	Quarterly results					Year-to-date		Full year
	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10	2009	2010	2009
Profit for the period	-37	-185	-380	-146	-26	-217	-172	-782
Exchange differences on translation of foreign operations	39	-267	-118	-130	-35	-528	-165	-913
Tax on translation exchange difference considered as part of the Group's net investment in the foreign subsidiary	0	2	-3	0	0	11	1	10
Net (loss) / gain on available-for-sale financial assets						0	0	0
Change in minority interests						0	0	0
Other comprehensive income	39	-265	-121	-130	-35	-517	-164	-904
Comprehensive income for the period, net of tax	1	-450	-501	-276	-61	-734	-337	-1 686
Minority interests	17	73	40	69	61	152	130	265
Equity holders of STX Europe AS	22	-380	-461	-207	-1	-579	-208	-1 420

Balance sheet (unaudited)

Assets

<i>Amounts in NOK million</i>	30.06.2009	30.06.2010	31.12.2009
Property, plant & equipment	3 043	2 577	2 756
Goodwill	1 316	1 301	1 307
Other intangible assets	33	26	35
Total intangible assets	1 350	1 328	1 343
Deferred tax assets	889	1 043	935
Associated companies	289	107	3
Available for sale financial assets	20	24	18
Interest-bearing long term receivables	66	45	81
Other long term assets	75	56	217
Total financial assets	1 339	1 275	1 255
Total non-current assets	5 732	5 180	5 354
Current operating assets	23 099	16 752	20 643
Interest-bearing short term receivables	21	17	19
Total receivables and other current assets	23 121	16 770	20 663
Cash and bank deposits	2 250	5 865	3 339
Total current assets	25 371	22 634	24 002
Assets held for sale			
Total assets	31 103	27 814	29 356

Equity and liabilities

<i>Amounts in NOK million</i>	30.06.2009	30.06.2010	31.12.2009
Paid-in capital	722	722	722
Other paid-in capital	3 207	3 190	3 190
Other reserves	352	-88	43
Retained earnings	1 308	692	776
Total equity attributable to equity holders of the parent	5 588	4 516	4 731
Minority interest	1 108	861	986
Total equity	6 697	5 377	5 718
Long term interest-bearing liabilities	2 608	2 355	2 167
Deferred tax liability	8	15	14
Non-current provisions	80	175	131
Other long-term liabilities	148	142	140
Total non-current liabilities	2 845	2 688	2 452
Construction loans	12 093	8 994	10 066
Other short term interest-bearing liabilities	439	578	490
Current provisions	318	263	314
Current operating liabilities	8 712	9 913	10 317
Total current liabilities	21 562	19 749	21 186
Total liabilities	24 406	22 437	23 638
Liabilities held for sale			
Total equity and liabilities	31 103	27 814	29 356

Statement of changes in shareholders equity (unaudited)

<i>Amounts in NOK million</i>	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity of shareholders	Minority interests	Total equity
Equity as of 1 January 2010	454	268	3 190	43	776	4 731	986	5 718
Net profit	-	-	-	-	-76	-76	-96	-172
Other comprehensive income	-	-	-	-131	-	-131	-34	-165
Change in minority interest	-	-	-	-	-7	-7	5	-2
Fair value changes	-	-	-	-	-	-	-	-
Convertible debt	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-
Equity as of 30 June 2010	454	268	3 190	-88	693	4 516	862	5 378
<i>Amounts in NOK million</i>								
	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity of shareholders	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	-	-	-	-	-166	-166	-51	-217
Other comprehensive income	-	-	-	-414	-	-414	-101	-515
Change in minority interest	-	-	-	-	-30	-30	7	-22
Fair value changes	-	-	-	-	-	-	-	-
Convertible debt	-	-	207	-	-	207	86	293
Treasury shares	20	-	-	-	205	225	-	225
Equity as of 30 June 2009	454	268	3 207	352	1 307	5 588	1 108	6 697
<i>Amounts in NOK million</i>								
	Share capital	Share premium	Other paid-in capital	Other reserves	Retained earnings	Total equity of shareholders	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

Cash Flow (unaudited)

						Year-to-date		Full year
<i>Amounts in NOK million</i>	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10	2009	2010	2009
CF from operations	-23	260	-426	-50	161	66	111	-99
+ Change in working capital	-532	-47	1 703	-901	3 131	-1 055	2 230	602
= CF from operating activities	-555	214	1 278	-951	3 292	-989	2 341	502
+ CF from investing activities	-122	-242	49	8	-47	-141	-39	-334
+ CF from financing activities	78	149	-43	320	-42	126	279	232
Net increase/decrease in cash and cash equivalents	-599	121	1 283	-623	3 204	-1 004	2 581	400
Effect of FX rate changes	104	-359	44	-49	-7	-8	-56	-323
Cash and cash equivalents at beginning of period	2 745	2 250	2 012	3 339	2 668	3 262	3 339	3 262
Cash and cash equivalents at end of period¹	2 250	2 012	3 339	2 668	5 864	2 250	5 864	3 339
Restricted cash at end of period	499	292	467	482	610	499	610	489

Working capital (unaudited)

<i>Amounts in NOK million</i>	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10
Current operating assets	23 099	25 229	20 643	18 962	16 752
- Current operating liabilities	-9 030	-9 804	-10 630	-8 356	-10 176
- Construction loans	-12 093	-13 324	-10 066	-9 698	-8 994
= Net Working capital	1 976	2 102	-52	908	-2 418
+ Cash and bank deposits	2 250	2 012	3 339	2 668	5 865
+ Current interest-bearing receivables	21	20	19	19	17
= Total Working capital	4 247	4 134	3 306	3 595	3 464

Net interest bearing liabilities (unaudited)

<i>Amounts in NOK million</i>	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10
Long term interest-bearing liabilities	2 608	2 749	2 167	2 379	2 355
+ Short term interest-bearing liabilities (excl. construction loans)	439	387	490	582	578
- Long term interest-bearing receivables	-66	-60	-81	-45	-45
- Current interest-bearing receivables	-21	-20	-19	-19	-17
- Cash and bank deposits ¹⁾	-2 250	-2 012	-3 339	-2 668	-5 865
= Net interest bearing liabilities	710	1 044	-782	229	-2 993
¹⁾ of which project related cash	1 737	1 290	1 715	1 122	2 128

Business Area information (unaudited)

Cruise and Ferries

Amounts in NOK million	Quarterly results					Year-to-date		Full year
	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	2009	2010	2009
Operating revenues	3 715	3 258	2 981	2 383	2 729	8 741	5 113	14 980
EBITDA	-73	-39	-104	-196	-92	-65	-288	-209
EBITDA-margin (%)	-2,0 %	-1,2 %	-3,5 %	-8,2 %	-3,4 %	-0,7 %	-5,6 %	-1,4 %
EBITA	-143	-100	-167	-253	-146	-202	-399	-470
EBIT before non recurring items	-145	-102	-169	-255	-148	-206	-402	-477
Order intake	2 410	0	372	54	9 504	2 410	9 559	2 782
Order backlog	14 434	10 932	8 987	5 588	12 377	14 434	12 377	8 987

Offshore and Specialized Vessels

Amounts in NOK million	Quarterly results					Year-to-date		Full year
	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	2009	2010	2009
Operating revenues	2 375	2 771	4 110	2 637	3 512	5 628	6 149	12 508
EBITDA	154	163	250	293	298	229	591	643
EBITDA-margin (%)	6,5 %	5,9 %	6,1 %	11,1 %	8,5 %	4,1 %	9,6 %	5,1 %
EBITA	124	133	219	264	269	171	533	523
EBIT before non recurring items	124	133	218	263	268	169	532	521
Order intake	1 595	400	2 805	2 743	2 850	1 947	5 593	5 152
Order backlog	20 497	17 182	15 613	16 727	16 416	20 497	16 416	15 613

Other operations

Amounts in NOK million	Quarterly results					Year-to-date		Full year
	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	2009	2010	2009
Operating revenues	520	398	236	139	77	1 020	216	1 654
EBITDA	-5	-28	-190	-9	-2	-83	-11	-301
EBITA	-10	-33	-194	-14	-7	-92	-21	-319
EBIT before non recurring items	-12	-35	-196	-16	-9	-96	-25	-327
Order intake	-12	0	0	11	7	16	19	17
Order backlog	436	230	76	6	0	436	0	76

Notes to the interim financial statements 2nd quarter 2010

Note 1 Reporting entity

STX Europe AS is a company domiciled in Norway. The interim financial statements for the second quarter 2010 ended on 30 June 2010 and comprise STX Europe AS and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities and assets.

The consolidated financial statements of the Group as at and for the year ended 31 December 2009 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 2009.

These interim financial statements were approved by the Board of Directors 31 August 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 2009. No new standards with effect for these interim financial statements have been adopted in this quarter.

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 2009.

Note 5 Financial Instruments

The effect of derivatives not qualifying for hedge accounting under IFRS amounts to NOK 64 million of which negative NOK 68 million is booked under EBITDA and positive NOK 132 is booked under financial items in the first half 2010.

Note 6 Interest bearing loans

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

<i>Amounts in NOK million</i>	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010
Opening balance	3 075	3 047	3 136	2 657	2 960
Changes MRCF	0	0	0		
New Bond loan				227	
Long term loan STX	0	250	220	-10	
Installment bond AKY05	0	0	-250		
Loan France	0	0	0		
Finland - Varma loan	0	0	-414		
Net changes other interest bearing debt	-31	-83	-13	101	-20
Currency translation	3	-78	-22	-15	-7
Closing balance	3 047	3 136	2 657	2 960	2 933

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