



stx OSV

Offshore & Specialized Vessels



2Q and 1H 2011 Results Presentation

STX OSV Holdings Limited

13 August 2011

stxosv



Disclaimer

This presentation should be read in conjunction with STX OSV Holdings Limited's results for the period ended 30 June 2011 in the SGXNet announcement. Financial figures are presented according to SFRS.

This presentation may contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As these statements and financial information reflect our current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Company's current view of future events.



■ Agenda

- Business update
- Financial highlights
- Outlook





Key messages

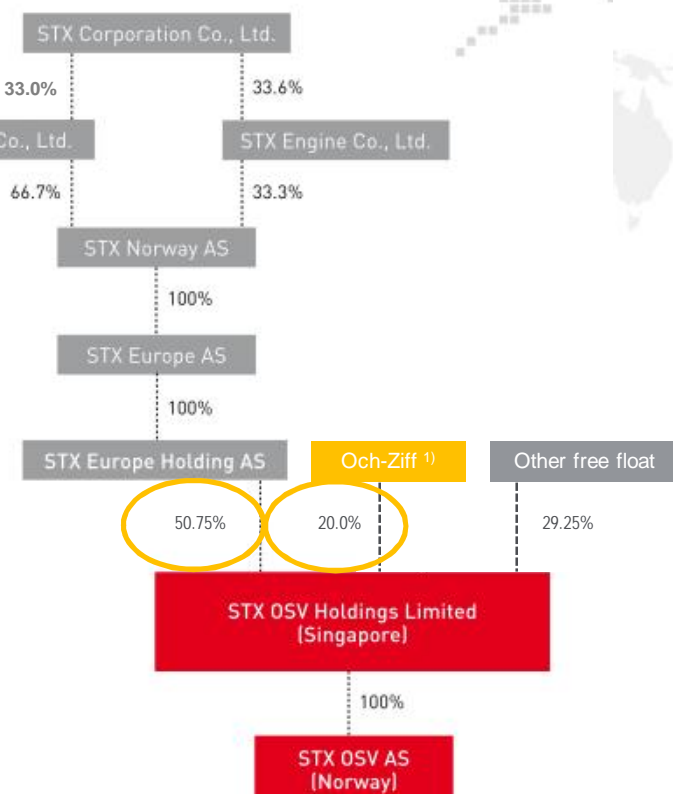
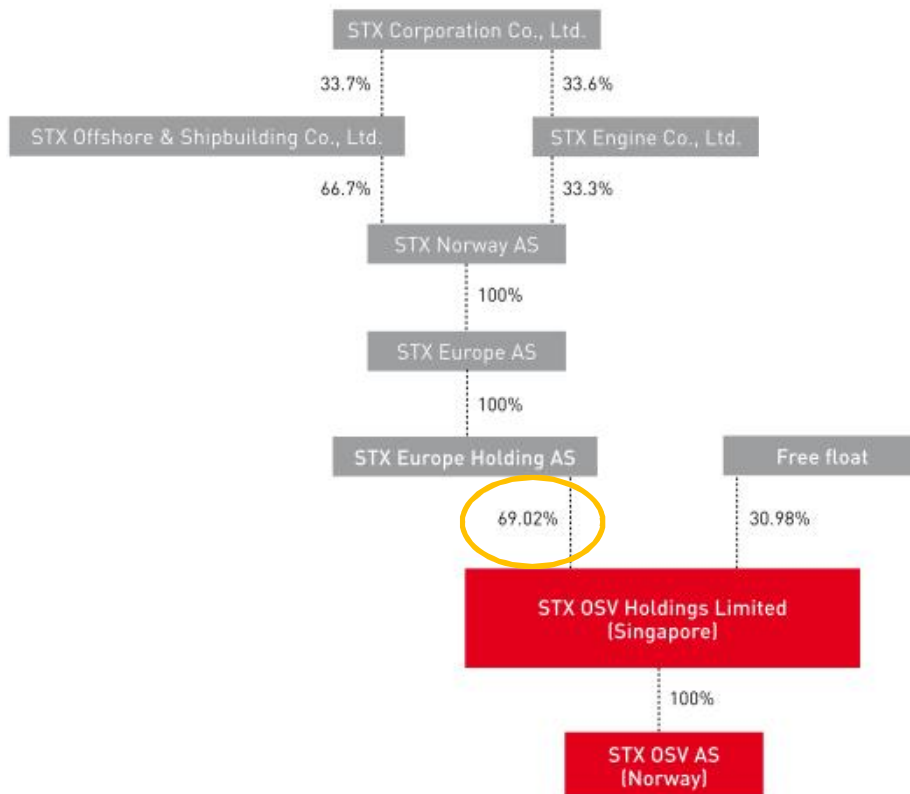
- **Revenue** of NOK 5,936 million for 1H 2011, down 4% from NOK 6,173 million in 1H 2010
- **EBITDA** of NOK 890 million for 1H 2011, up 70% from NOK 525 million in 1H 2010
- **EBITDA margin**, representing EBITDA to total operating revenues, increased to 15.0% for 1H 2011, from 8.5% in 1H 2010
- Exceptional result allows for payment of **special interim dividend** of SGD 5 cents per share, to be paid in 3Q 2011
- **Order intake** of NOK 3,099 million¹⁾ in 2Q 2011 in line with expectations. Order intake may vary significantly on a quarter-by-quarter basis
- 51 vessels in the **order book**¹⁾ as at 30 June 2011, of which 36 of own design
- **Strong financial results** expected also for second half of 2011
- **Market situation has improved** steadily during 1H 2011, and this improvement is expected to continue throughout 2011

1) Order intake does not include value of one contract still subject to certain conditions being fulfilled before the end of 3Q 2011.
Vessel number in order book includes this vessel

Update on ownership change

Shareholding structure as of 30 June 2011

Shareholding structure as of 14 July 2011



1) Investment funds affiliated with OZ Management LP



2Q 2011

 Business update

Vessel deliveries and new contracts in 2Q 2011

Vessel deliveries

1 AHTS

- KL Saltfjord from Langsten (Norway) to K Line Offshore

2 PSVs

- KL Brofjord from Brevik (Norway) to K Line Offshore
- KL Barentsfjord from Brevik (Norway) to K Line Offshore

1 Ice-breaking tug

- Mangystau-3 from Braila (Romania) to JSC Circle Marine Invest

New contracts

Nine new vessel contracts secured in 2Q 2011, eight of which for delivery from Norway and one from Vietnam

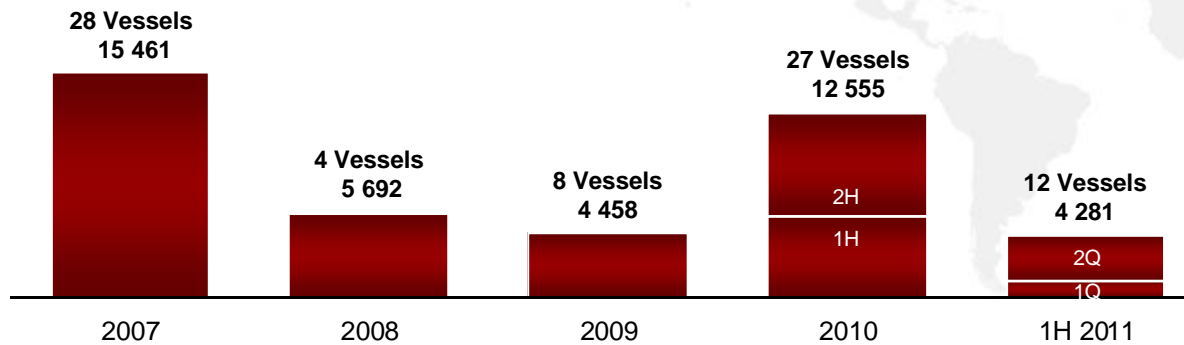
- 3 MRVs (Multi-Role Vessels) to DOF
- 2 PSVs to Farstad Shipping
- 2 PSVs to Island Offshore¹⁾
- 2 AHTS to Farstad Shipping

As of 30 June, the Group had 51 vessels in the order book¹⁾, 36 of which will be of STX OSV's own design.

1) The contract for the 2nd vessel to Island Offshore is subject to certain conditions being fulfilled before the end of 3Q 2011. Vessel number in order book includes this vessel

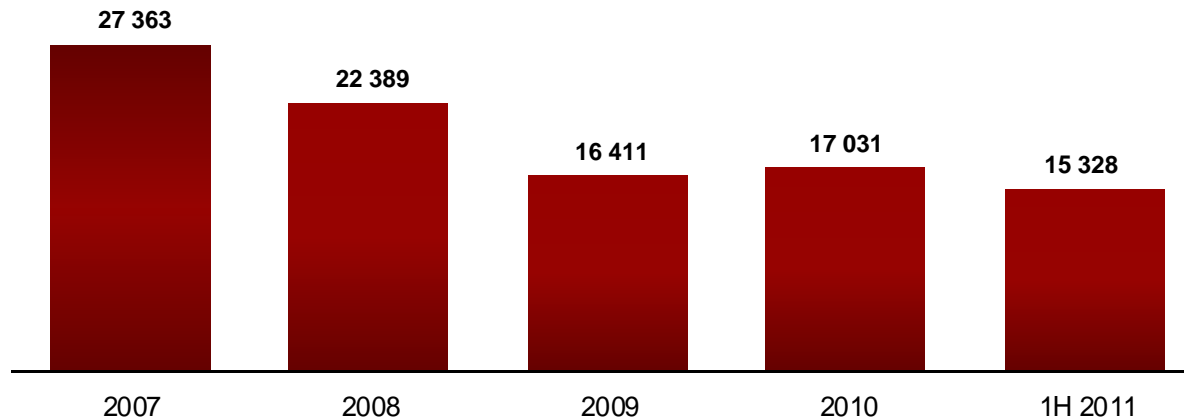
Order book development

New order intake during the period (NOK million)¹⁾



2Q 2011: NOK 3 099 million
1Q 2011: NOK 1 182 million

Order book at the end of the period (NOK million)²⁾



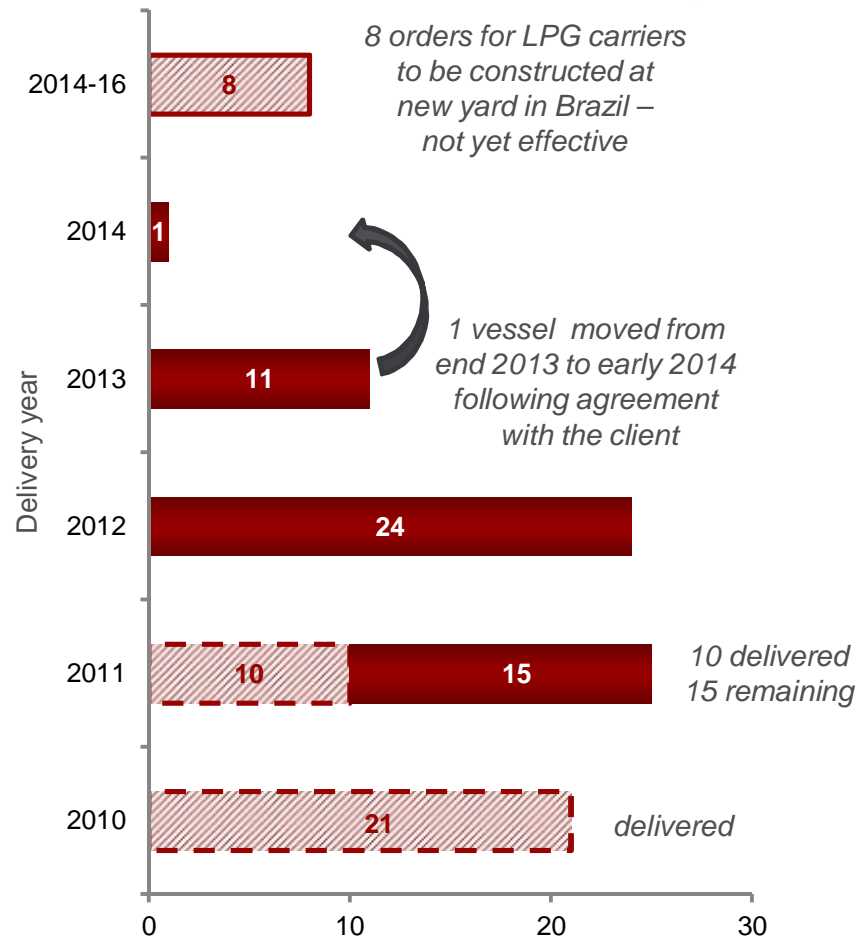
Note: Vessel number includes both vessels contracted by Island Offshore in 2Q 2011. New order intake and order book values do not include second vessel (subject to certain conditions to be lifted by end of 3Q 2011)

1) Includes variation orders, trading packages, and currency adjustments

2) Includes variation orders and trading packages

Order book status

Order book as of 30 June 2011 (# of vessels)



Delivery year	Norway / Romania	Brazil	Vietnam	Total
2014-16		8 Other		8
2014		1 AHTS		1
2013	2 AHTS 5 PSV	1 AHTS 1 PSV	2 PSV	11
2012	15 PSV 1 OSCV 2 Other	2 AHTS 2 PSV	1 AHTS 1 PSV	24
2011	1 AHTS 6 PSV 1 OSCV 4 Other	1 AHTS	2 AHTS	15



Note: Vessel numbers include both vessels contracted by Island Offshore in 2Q 2011

Order book by region and vessel type – 2Q 2011

By Region	Order book 31 Mar. 2011	Deliveries 2Q 2011	Order intake 2Q 2011	Order book 30 June 2011
Norway / Romania	33	4	8	37
Brazil	8	0	-	8
Vietnam	5	0	1	6
Total	46	4	9	51

By Vessel Type	Order book 31 Mar. 2011	Deliveries 2Q 2011	Order intake 2Q 2011	Order book 30 June 2011
AHTS	10	1	2	11
PSV (incl. MRV)	27	2	7	32
OSCV	2	-	-	2
Other	7	1	-	6
Total	46	4	9	51

Note: Vessel numbers include both vessels contracted by Island Offshore in 2Q 2011



Strong operational performance drives exceptional financial results

- Strong financial results expected to persist throughout 2011; 2H 2011 EBITDA margin anticipated to be not less than 1H 2011 margin
- High earnings allow for payment of special interim dividend, to be paid in 3Q 2011
- Results driven by exceptionally stable operations, successful and on-time deliveries, prudent risk management, positive effects from improvement measures initiated, and still favorable business environment
 - Sustained stable operations and successful project execution a prerequisite for continued strong results
 - High activity level, tight schedules and generally heated market environment in Brazil
- Systematic improvements in performance on existing contracts recorded throughout all project phases
 - Less additional improvement potential on current contract portfolio



■ Development of Brazil new yard project on track

- New shipyard development at Suape, Pernambuco, Brazil
- Planning and permitting process in final stage
 - Environmental license for shipyard construction was granted on 30 March 2011
- Revised budget of approx. USD 126 million
 - Increase due to acquisition of land for the yard, changes in yard layout and facilities, and the construction market in Brazil
 - Additional investment expected to receive a similar proportion of debt-financing as the originally planned investment
- Shipyard construction planned to start within 3Q 2011
 - Construction of the first vessel expected to commence in 2H 2012
- Preparations ongoing for effectiveness of contracts with Transpetro for construction of 8 LPG carriers; target for contracts to be in effect, including receipt of first payment, at end of 3Q / early 4Q 2011



New company for offshore handling systems established

On 16 June 2011, STX OSV announced that it has entered into a cooperation with Industrial Control Design AS (“ICD”) of Norway to establish a new company for the development of offshore handling systems

- New company registered in Norway
- STX OSV holds 51% of the shares, and ICD the remaining 49%
- ICD’s core competence lies in the development of high end automation and control systems

Establishment of the new company is part of STX OSV’s strategy to stay at the forefront of the industry by expanding its R&D capabilities

- Focused investments in research and development
- Strengthening the ability to develop and introduce vessels equipped with cutting-edge innovation and technology
- Synergies with STX OSV Electro and STX OSV’s capabilities in Romania expected

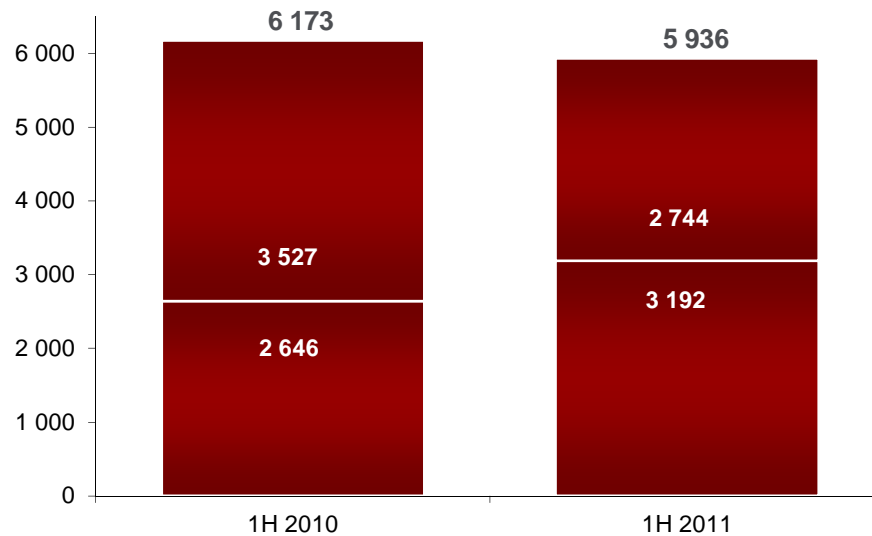


2Q 2011

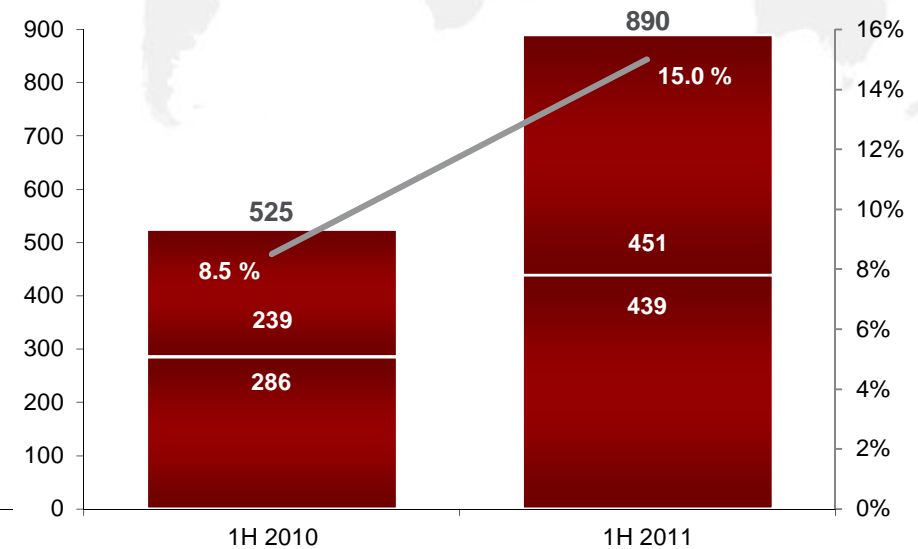
■ Financial highlights

Strong margin improvement, stable revenues

Revenues (NOK million)



EBITDA (NOK million) and EBITDA Margin (%)

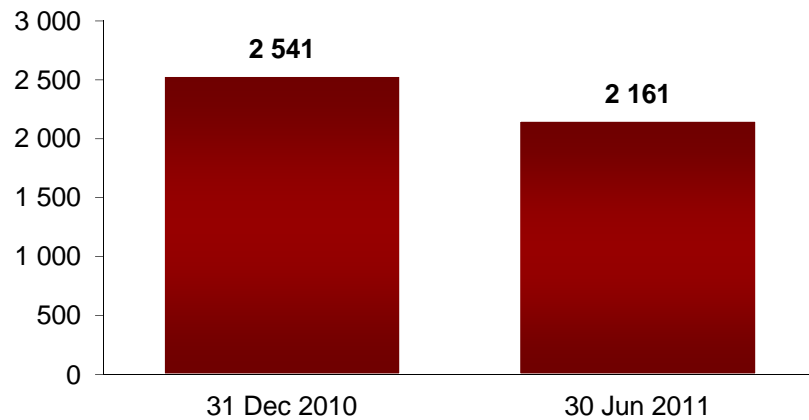


Statement of income – major items

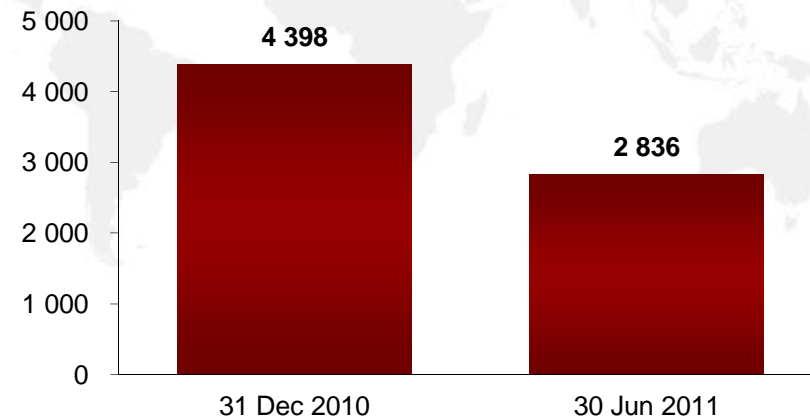
(NOK million)	2Q ended 30 June		D(%)	1H ended 30 June		D(%)
	2011	2010		2011	2010	
Revenue	2 744	3 527	(22%)	5 936	6 173	(4%)
Materials, subcontract cost and others	(1 730)	(2 728)	(37%)	(3 931)	(4 544)	(14%)
Salaries and related costs	(436)	(427)	2%	(877)	(858)	2%
EBITDA	451	239	89%	890	525	70%
<i>EBITDA %</i>	<i>16.4%</i>	<i>6.8%</i>	<i>n/m</i>	<i>15.0%</i>	<i>8.5%</i>	<i>n/m</i>
Operating profit	420	209	101%	829	464	79%
Net financial income / (cost)	(11)	202	n/m	3	328	(99%)
Profit before tax	419	413	2%	844	796	6%
Profit for the period	274	342	(20%)	587	587	0%

Cash and cash equivalents, and construction loans

Net Cash (NOK million)¹

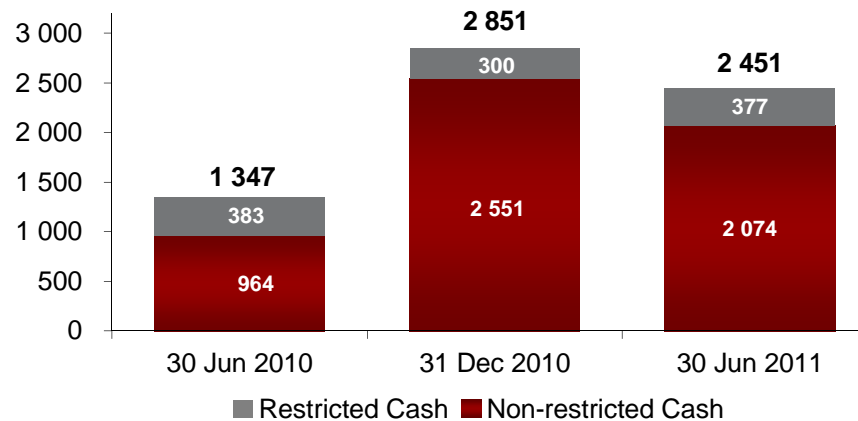


Construction Loans (NOK million)



(1) Cash and cash equivalents less sum of short-term and long-term interest bearing liabilities, excluding construction financing

Cash and Cash Equivalents (NOK million)



Major balance sheet items

(NOK million)	As at	
	30 Jun 2011	31 Dec 2010
Non-current assets	1 636	1 668
Current assets	11 250	10 585
Total assets	12 886	12 253
Total equity	2 835	2 418
Loans and borrowings and construction loans	2 878	4 442
Trade and other payables and construction work in progress	5 980	4 324
Other current liabilities	691	471
Interest-bearing long-term liabilities	249	266
Other non-current liabilities	253	332
Total liabilities	10 051	9 835
Total equity and liabilities	12 886	12 253

Cash flow highlights

(NOK million)	2Q ended 30 June		1H ended 30 June	
	2011	2010	2011	2010
Cash flows from operating activities	(574)	(131)	(176)	(51)
Cash flows from investing activities	(29)	354	(90)	(24)
Cash flows from financing activities	(208)	(245)	(197)	(228)
Net change in cash and cash equivalents	(811)	(22)	(463)	(303)
Cash and cash equivalents excluding restricted cash at the beginning of the financial period	2 881	989	2 551	1 267
Effects of currency translation differences	4	(3)	(14)	-
Cash and cash equivalents excluding restricted cash at the end of the financial period	2 074	964	2 074	964
Restricted cash at the end of financial period	377	383	377	383
Cash and cash equivalents at the end of the financial period	2451	1 347	2451	1 347

Earnings per share

	2Q ended 30 June		1H ended 30 June	
	2011	2010	2011	2010
Earnings for the period (NOK millions)	272	342	582	584
Earnings for the period (SGD millions)	62	74	133	126
Weighted average number of shares (millions)	1 180	1 000	1 180	1 000
Earnings per share (NOK)	0.23	0.34	0.49	0.58
Earnings per share (SGD cents)	5.26	7.36	11.24	12.57
Adj. weighted average number of shares (millions)	1 182	1 000	1 182	1 000
Diluted earnings per share (NOK)	0.23	0.34	0.49	0.58
Diluted earnings per share (SGD cents)	5.25	7.36	11.23	12.57
Exchange rates (SGD/NOK)	4.385	4.646	4.385	4.646

Note: Earnings per ordinary share for the financial period attributable to equity holders of the parent.
 SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates.

Net asset value per share

	As at	
	30 Jun 2011	31 Dec 2010
Net asset value at the end of the period (NOK millions)	2 793	2 378
Net asset value at the end of the period (SGD millions)	637	521
Number of shares (millions)	1 180	1 180
Net asset value per ordinary share (NOK)	2.37	2.02
Net asset value per ordinary share (SGD)	0.54	0.44
Exchange rate (SGD/NOK)	4.385	4.565

Note: Net asset value for the Group at the end of the financial period, and at the end of the last financial year, based on number of ordinary shares in issue.

SGD amounts are translated from NOK based on the exchange rates prevailing at the reporting dates.



2Q 2011

 Outlook



Outlook

- Market situation has improved steadily during first half of 2011, and this improvement is expected to continue throughout 2011
- However, uncertainties remain due to the unstable global economic environment
- New order intake is expected to be more diverse than in the recent past, comprising various vessel types
- Revenues for FY2011 are anticipated to be not less than FY2010. Strong financial results expected for FY2011
- STX OSV believes it is fundamentally well-positioned to seize opportunities in the market upturn, and reinforce its market position

2Q 2011

Q&A

