

Semi-Annual Report 2010

103rd Financial Year

Premuda

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Board of Directors

Due for re-election at the Annual General Meeting approving the Annual Report 2010

<i>Chairman</i>	Alcide Rosina
<i>Deputy Chairman</i>	Giacomo Costa
<i>Managing Director</i>	Stefano Rosina
<i>Directors</i>	Raffaele Agrusti Amerigo Borrini Antonio Dinia Antonio Gozzi Anna Rosina Alessandro Zapponini Stefano Zara (*)
<i>General Managers</i>	Stefano Rosina Marco Tassara

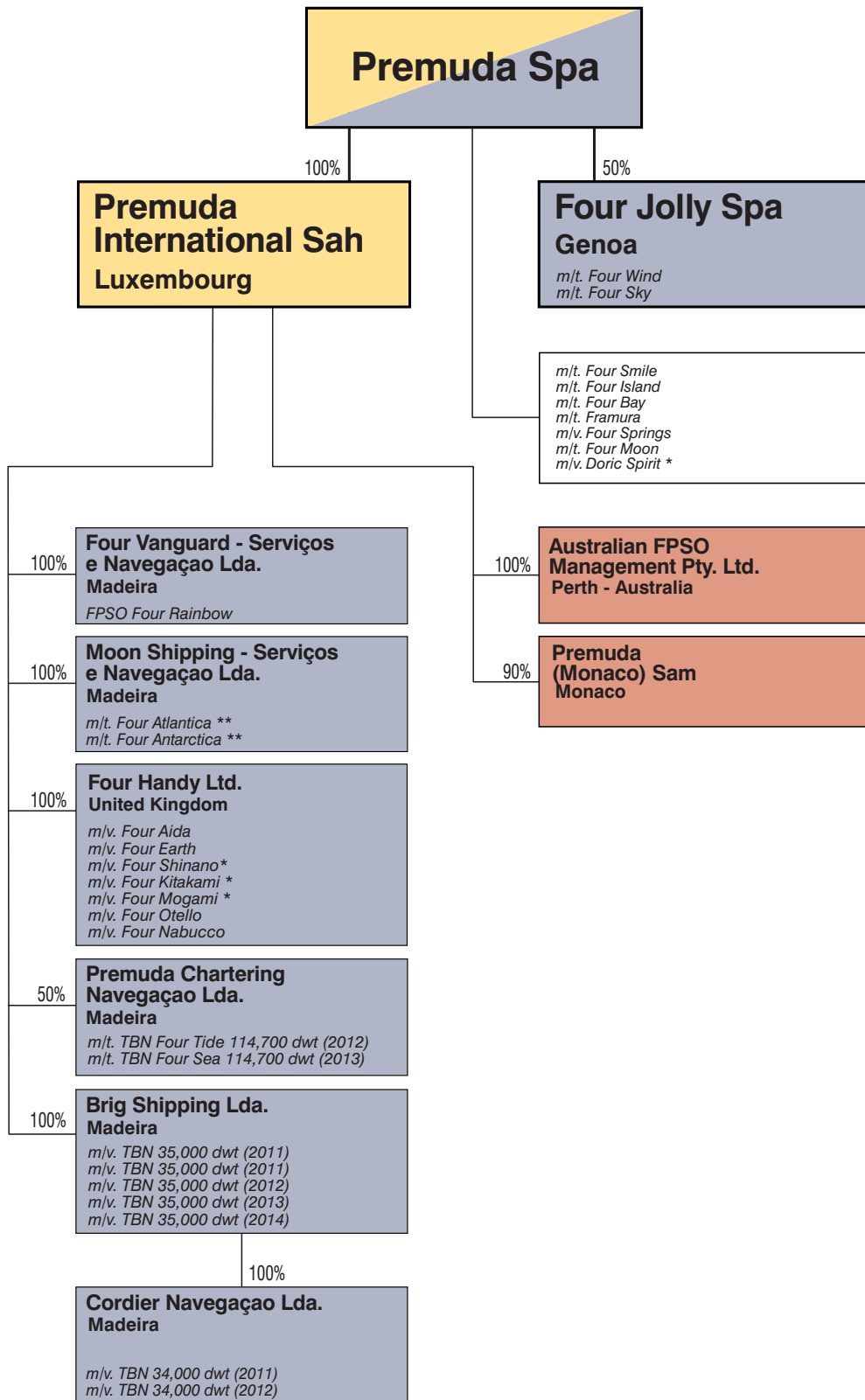
Board of Statutory Auditors

<i>Chairman</i>	Alberto Garibotto
<i>Auditors</i>	Giuseppe Alessio Verni Giorgio Carbone
<i>Alternate Auditors</i>	Edoardo Lagomarsino Luigi Barberi

Auditor

PricewaterhouseCoopers SpA

Group's Structure Operative Companies as at 30th June 2010



Holding Company
 Ship-Management Company
 Shipowning Company

* : long term time-charter in
** : long term bare-boat out

Group Fleet

As at 30th June 2010:

<i>name</i>	<i>type</i>	<i>hull design</i>	<i>year built</i>	<i>dwt</i>
1 <i>Four Smile</i>	suezmax tanker	DH	2001	159,800
2 <i>Four Wind (50%)</i>	afamax product	DH	2009	115,700
3 <i>Four Sky (50%)</i>	afamax product	DH	2010	115,700
4 <i>Four Antarctica*</i>	afamax ice class	DH	2006	114,800
5 <i>Four Atlantica*</i>	afamax ice class	DH	2006	114,900
6 <i>Four Island</i>	afamax tanker	DH	1995	94,200
7 <i>Four Bay</i>	afamax tanker	DH	1995	94,200
8 <i>Famura</i>	afamax tanker	DH	1993	94,200
9 <i>Four Moon</i>	panamax tanker	DH	1984/2002	<u>64,000</u>
total owned tankers				<u>967,500</u>
10 <i>Four Rainbow</i>	FPSO	DH	1992/2003	<u>80,900</u>
total owned FPSO				<u>80,900</u>
11 <i>Four Springs</i>	minicape bulk	DH	1992/2009	109,000
12 <i>Four Earth</i>	panamax bulk	DB	1984	77,100
13 <i>Four Aida</i>	handy bulk	DB	2009	34,400
14 <i>Four Nabucco</i>	handy bulk	DB	2010	34,400
15 <i>Four Otello</i>	handy bulk	DB	2010	<u>34,400</u>
total owned bulkers				<u>289,300</u>
total owned fleet				<u>1,337,700</u>
16 TBN <i>Four Tide (50%)</i>	afamax product	DH	2012	114,700
17 TBN <i>Four Sea (50%)</i>	afamax product	DH	2013	114,700
18 TBN	handy bulk	DH	2011	34,000
19 TBN	handy bulk	DH	2012	34,000
20 TBN	handy bulk	DB	2011	35,000
21 TBN	handy bulk	DB	2011	35,000
22 TBN	handy bulk	DB	2012	35,000
23 TBN	handy bulk	DB	2013	35,000
24 TBN	handy bulk	DB	2014	<u>35,000</u>
total fleet under construction				<u>472,400</u>
25 <i>Doric Spirit**</i>	handymax bulk	DB	2001	52,400
26 <i>Four Shinano**</i>	handymax bulk	DB	2008	56,700
27 <i>Four Kitakami**</i>	handymax bulk	DB	2009	55,500
28 <i>Four Mogami**</i>	handymax bulk	DB	2009	<u>55,500</u>
total tonnage chartered-in				<u>220,100</u>
total fleet as at 30th June 2010				<u>2,030,200</u>

* : renamed *Stena Antarctica* and *Stena Atlantica* – long-term bareboat- out

** : long term time-charter

Management Report

Dear Shareholders,

The Board of Directors of the Parent Company *Premuda SpA*, for the year 2010, consists of Raffaele Agrusti, Amerigo Borrini, Giacomo Costa, Antonio Dinia, Antonio Gozzi, Alcide Rosina, Anna Rosina, Stefano Rosina, Alessandro Zaponini and Stefano Zara.

Mr. Alcide Rosina is Chairman of the Board, legal representative towards third-parties, in charge of the ordinary and extraordinary management of the Company, excluding those acts reserved by law to the Board, and transactions exceeding certain amounts in value, such as: sale and purchase of ships; charter contracts longer than 36 months; acquisition and disposal of stakes in other companies; granting of medium/long-term loans to subsidiary companies; release of guarantees.

Mr. Stefano Rosina is the Managing Director, legal representative towards third-parties and in charge of running the Company's commercial activity and fleet operations, as well as co-ordinating the management of controlled companies.

Mr. Giacomo Costa is the Deputy Chairman of the Board.

The Board has appointed two Committees: the "Internal Control Committee" and the "Remuneration Committee".

The purpose of the Internal Control Committee is to review and analyse issues related to the Company's activities, with proactive consultancy functions. Its members are Giacomo Costa, Antonio Dinia and Stefano Zara.

The function of the Remuneration Committee is to advise the Board on the remuneration of the Chairman and the Managing Director and to set the remuneration criteria for the Senior Management of the Company and the Group. Its members are the Company's Chairman, Raffaele Agrusti and Antonio Gozzi.

The Chairman of the Board of Statutory Auditors attends the meetings of both Committees.

During the first six months of 2010 (1H10), the Board of Directors, including the Board of Statutory Auditors, convened three times (of which, once for a specific Agenda). According to pre-determined procedures, the Board consistently received updated information on the performance of freight markets; on the Fleet's charter cover and technical management; on Overhead & Opex costs, as well as Profit & Loss Result; on the activities and performance of subsidiary companies; on the Group's financial position; and on other operations and events of relevance.

During this 6-month period neither unusual transactions related to the ordinary management of the business nor significant transactions with related parties (or giving rise to conflict of interest), have taken place.

As in previous years, this year too the few intra-group transactions concerning the Group's operational structure were all executed with (or between) controlled or affiliated companies, and mainly consisted of management activities, vessel charters and the provision of financial support, for which market-related fees were paid.

We refer you to the Notes to the Accounts for a complete list of intra-group transactions as well as transactions with related parties.

As at 30th June 2010 *Navigazione Italiana SpA* owned 60% of *Investimenti Marittimi SpA*, which held a stake of 78.88% in *Premuda SpA*.

Navigazione Italiana SpA is, therefore, the majority shareholder of *Premuda SpA*, without conducting any management or co-ordination activity as per Art.2497 of the Italian Civil Code.

Market Scenario

Tanker Markets

Spot rates in the sectors where the Company is actively trading were on average higher than the corresponding averages 2009. The market was, anyhow, very volatile with Suezmax rates reaching a maximum of 75,000 Usd/day at mid January and falling below 20,000 Usd/day at the end of June and with Aframax rates below 13,000 Usd/day in March, over 50,000 Usd/day in the third week of May and down to 20,000 Usd/day at the end of June. July started with a declining market, with a positive rebound in the second half of the month. Expectations for the remaining part of the year are for rates lower than the first half averages, but all forecast are, obviously, very uncertain.

The following table lists average spot earnings (time-charter equivalent) for tanker vessels from January 2000 to the end of June 2010.

	Average freight rates for spot voyages							
	clean		afamax		suezmax		VLCC	
	\$/day	chg.	\$/day	chg.	\$/day	chg.	\$/day	chg.
2000	18,467		33,150		39,390		50,353	
2001	24,950	35%	30,759	-7%	30,420	-23%	36,017	-28%
2002	13,940	-44%	18,954	-38%	18,647	-39%	22,029	-39%
2003	22,032	58%	34,212	81%	41,648	123%	52,433	138%
2004	27,707	26%	49,592	45%	74,975	80%	96,055	83%
2005	29,954	8%	41,650	-16%	53,579	-29%	60,319	-37%
2006	24,174	-19%	39,356	-6%	53,097	-1%	63,073	5%
2007	24,516	1%	35,810	-9%	44,142	-17%	55,000	-13%
2008	23,325	-5%	49,922	39%	76,626	74%	91,390	66%
2009	7,651	-67%	15,483	-69%	28,211	-63%	32,000	-65%
2010 (1st half)	8,290	8%	23,424	51%	37,940	34%	53,958	69%

As at 30th June 2010 the world tanker fleet totalled 447.3 million ts dwt, a 2.7% increase on the 435.4 million ts dwt trading at the end of 2009. This increase (11.9 million ts dwt) is net of scrapping, amounted to 7.7 million ts dwt, more than tripled if compared to the 2.3 million ts dwt scrapped 1H09.

The world orderbook at the end of the semester was 124.3 million ts dwt, equivalent to 27.8% of the existing fleet (one year ago it was 147 million ts dwt, i.e. 22.7 million ts dwt higher).

Deliveries are normally spread over a long timespan: about 35.7 million ts dwt in 2H10, about 60.0 million ts dwt in FY11 and the residual 28.6 million ts dwt in the following years.

The orderbook is huge but decreasing and only a few new orders have been booked this period. The slow down of new deliveries is furtherly influenced by agreements between shipyards and buyers to postpone dates, and – as a consequence - tonnage volume delivered in the first part of the year is significantly lagging behind.

Due to the deep fall in vessel price in 2009 (today partially recovered) and due to the financial turbulence (this too partially reduced), it's reasonable to predict that many ships will not be taken by buyers, though it is admittedly difficult to establish how many of these ships will nevertheless be built for the account of other buyers.

Tonnage supply will also be favourably affected by increased scrapping activity due to low freight rates and the phasing out of single-hull tankers (mandatory within 2015).

Dry Bulk Markets

At the end of June, the world panamax bulker tonnage amounted to 127.0 million ts dwt, an increase of 6.0 million ts dwt since December 2009 and of 9.6 million ts dwt since June 2009. During the past six months, due to high freight rates, only 0.1 million ts dwt of panamax were scrapped, and new orders were placed.

The overall orderbook reached 297.5 million ts dwt (60.5% of the existing bulker fleet).

At the same date the handysize fleet (the most relevant in relation to our fleet expansion plans) was 78.9 million ts dwt (2.5 million ts dwt higher than at the end of 2009); tonnage for 1.1 million ts dwt were scrapped and the orderbook was 28.5 million ts dwt, equal to 36.2% of the existing handysize fleet.

Problems related to a high orderbook are common for tankers and bulkers, with particular reference to large vessels. However, in the bulk sector, the growth of freight rates in the first half of the year (significantly reduced from mid June, as furtherly described) produced quite a number of new orders.

In 1H10 spot freight rates for Bulker vessels were on average rather satisfactory, evidencing some differences for the various categories of tonnage. Capesizes realized an average of about 34,000 \$/day in a very volatile market: near 40,000 \$/day at the beginning of January, down to about 22,000 \$/day in mid-April, more than doubled (about 50,000 \$/day) at the end of May, down again to about 15,000 \$/day at the end of June. Panamaxes realized an average of about 24,000 \$/day within the maximum of about 31,000 \$/day in May and a minimum of about 14,000 \$/day at the end of June. Finally, Handymaxes (more stable) realized more than 25,000 \$/day as average, within a maximum of about 32,500 \$/day in mid-May and a minimum of about 21,000 \$/day at the end of June.

July started with a declining market, with a positive recovery in the second half of the month.

The following table lists average spot earnings (time-charter equivalent) for bulker vessels from January 2000 to the end of June 2010.

In June the market started a declining trend up to mid July, when recovery started till the initial values. It's almost impossible to express reliable forecast for the remaining part of the year.

	Average freight rates for spot voyages					
	Capesize		Panamax		Handymax	
	<u>\$/day</u>	<u>chg.</u>	<u>\$/day</u>	<u>chg.</u>	<u>\$/day</u>	<u>chg.</u>
2000	24,724	-	10,700	-	8,970	-
2001	15,524	-37%	8,709	-19%	8,206	-9%
2002	11,654	-25%	7,284	-16%	8,761	7%
2003	37,563	222%	19,091	162%	16,706	91%
2004	70,395	87%	33,950	78%	31,987	91%
2005	51,613	-27%	22,931	-32%	24,020	-25%
2006	43,178	-16%	21,427	-7%	22,583	-6%
2007	111,757	159%	49,349	130%	47,582	111%
2008	97,699	-13%	43,323	-12%	41,113	-14%
2009	39,064	-60%	15,090	-65%	16,914	-59%
2010 (1st half)	33,989	-13%	24,245	61%	25,611	51%

FPSO Market

The general uneasiness affecting in 2008/2009 the world economy and the shipping arena also hit the **FPSO**, where almost all operators of the Oil and Gas industry faced problems.

The declining oil price (down to 30/35 \$/barrel in the first part of 2008) and the huge increase (up to 60/70%) in maintenance cost (mainly due to specialized manpower and spares and stores) produced the main problems.

The market was sustained by the oil price recovery (between 70 and 80 \$/barrel in the first half of 2010), nevertheless several building and conversion projects have been temporarily suspended (with some of them still "on hold").

Despite the above the FPSO fleet has grown by 2 vessels this year to 152 (May 2010 data) and 32 new projects are reported to be active.

Plans for the exploitation of minor or close-to-exhaustion oil-fields have been slowed down but fresh attention paid to natural gas exploitation will boost growth in this sector, with particular reference to highly specialized units, capable of producing and storing not only crude oil but also (and sometimes exclusively) natural gas surging from deep waters fields..

Management Update; Profit & Loss

The following table shows (€/Mln) Net Profit and Cash-flow for 1H10 compared with 1H09:

	1Q10	2Q10	1H10	1H09
Consolidated Net Profit	3.4	3.4	6.8	4.0
Consolidated Cash-Flow	9.2	10.2	19.46	16.6

The result, on a consolidated basis, for 1H10 was a profit of €/Mln 6.80 (1H09: €/Mln 4.00 (+71%); Full Year 2009: a loss of €/Mln 19.80).

It's worth noticing that, following the impairment of five vessels recorded in 2009, the 1H10 result benefits of reduced depreciation for €/Mln 1.40 and that the 1H09 result benefitted of profit for sale of vessels for about €/Mln 2.80.

Net of such items, the consolidated net result for 1H10 would be a profit of €/Mln 5.40 as opposed to a profit of €/Mln 1.20 for 1H09 (+350% on homogeneous basis).

Consolidated cash-flow (Profit + Depreciation) for 1H10 was €/Mln 19.40 (1H09: €/Mln 16.60).

Net of Third-Party interests (insignificant), the net consolidated Shareholders' Equity at 30th June 2010 is €/Mln 183.50 (30th June 2009: €/Mln 201.40; 31st December 2009: €/Mln 176.00) equivalent to 1.30 Euro per share (30th June 2009: 1.43 Euro; 31st December 2009: 1,25).

Fleet Changes during 1H10

The following changes affected the Company's Fleet, both existing and on order:

- March: the second aframax-sized 115,700 ts dwt product tankers was delivered by Samsung Heavy Industries. This Italian-flagged ship, named m/v *Four Sky*,

is owned by *Four Jolly S.p.A.* (our 50/50 joint venture with the Messina Group) and (like the sister vessel *Four Wind*) is operated in the highly specialized and renowned *Taurus Pool*.

- May: the second 34,400 dwt handy bulk carrier built by *SPP Shipyard*, named *Four Nabucco*, was regularly delivered to the controlled company *Four Handy Ltd.*
- June: the third 34,400 dwt handy bulk carrier built by *SPP Shipyard*, named *Four Otello*, was regularly delivered to the controlled company *Four Handy Ltd.*

In June an agreement for the sale of the 1984-built 77,100 dwt panamax bulker *Four Earth* was reached, for delivery within November. The vessel will be chartered back for a 2/4 months period, in order to fulfill the current employment. This transaction will generate about Usd/Mln 9 of cash and a net profit between Usd/Mln 0.50 and Usd/Mln 1.00 (proportioned to the actual redelivery date), which will be booked in 2H10.

In 1H10 Vessel-Time was used as follows:

	<u>tankers</u>	<u>bulkers</u>
- Trading	98%	100%
- Awaiting Employment	1%	---
- Technical Off-Hire	1%	---

Vessel-Time data, both for tankers and bulkers, show a good performance, broadly in line with last year's corresponding period. Time lost awaiting employment is not relevant, due to the commercial coverage of our fleet. Time lost for technical off hires is reduced due to the absence of periodical/extraordinary dry dock works.

In March the FPSO *Four Rainbow* restarted production in Woollybutt field after a stoppage lasted more than 8 months in order to perform extensive class, repair and maintenance works at *Keppel Shipyard* in Singapore.

Financial position

The following table shows the Net Consolidated Financial Position (€/000):

	<u>at 30.06.2010</u>	<u>at 31.12.2009</u>	<u>at 30.06.2009</u>
- cash	171	327	158
- cash-equivalent	<u>25,036</u>	<u>15,692</u>	<u>23,856</u>
Cash & cash-equivalent	<u>25,207</u>	<u>16,019</u>	<u>24,014</u>
- short-term bank debt	(11,559)	(9,560)	(8,872)
- short-term portion of medium/long-term bank debt	(37,204)	(20,270)	(36,667)
- other short-term debt	<u>(895)</u>	<u>(957)</u>	<u>(1,045)</u>
Short-term borrowings	<u>(49,658)</u>	<u>(30,787)</u>	<u>(46,584)</u>
Net short-term financial position	<u>(24,451)</u>	<u>(14,768)</u>	<u>(22,570)</u>
- long-term bank debt	<u>(291,897)</u>	<u>(241,283)</u>	<u>(223,946)</u>
Long-term borrowings	<u>(291,897)</u>	<u>(241,283)</u>	<u>(223,946)</u>
Net financial position as per Consob instruction DEM/6064293	<u>(316,348)</u>	<u>(256,051)</u>	<u>(246,516)</u>
- long-term financial investments	20,042	20,042	20,042
- loans granted to subsidiary co.'s	4,593	9,250	20,486
Long-term financial credits	<u>24,635</u>	<u>29,292</u>	<u>40,528</u>
Net financial position	<u>(291,713)</u>	<u>(226,759)</u>	<u>(205,988)</u>

We point out that (like in previous reports) the net financial position is reported net of “Long term financial credits” that - even if not expressly mentioned in the Consob instruction DEM/6064293 dated 28th July 2006 – contribute to grant a clearer picture of the Group’s effective indebtedness.

As far as this item is concerned we remark that the “long-term financial investments” represent a €/Mln 20 investment in financial products issued by *Commerzbank* (principal refund guaranteed after 5 years), pledged for (and strictly linked to) a €/Mln 30 credit line (which outstanding is exposed in the above table as “long term bank debt”) granted by *Commerzbank* itself valid for the same period, which makes the funds immediately available. The investment can be terminated concurrently with the cancellation of the credit line.

The “loans granted to subsidiary co.’s” represent the interest bearing loans granted (concurrently with the other shareholder) to the associated company *Premuda Chartering Navegação Lda* to cover the advances paid to *Samsung Shipyard* related to newbuilding in progress.

The increase in net exposure is mainly due to the progress of new investments and to the effect of the exchange rate on the dollar-denominated loans.

We refer you to the Consolidated Financial Statements and the relevant Notes for a more detailed analysis of cash flow for the period.

Controlled and subsidiary companies

The table on page 5 summarizes the Group structure as at 30th June 2010.

- 1.0 *Four Jolly S.p.A.*, Genoa, set-up in June 2009 as a 50/50 joint venture with the *Messina Group*, is the owner - from July 2009 - of the new 115,700 dwt aframax product tanker *Four Wind* and – from March 2010 - of the sister vessel *Four Sky*. According to a IFRS-based “reporting package” having the dollar as functional currency, the company registered a profit of about €/Mln 1.50, inclusive of the exchange profit on the euro-denominated loans.
- 2.0 *Premuda International SAH*, Luxembourg, a wholly-owned subsidiary, is the holding company for the Group’s foreign assets. Its Financial Statements for 1H10 show a loss of € 1,178,604 (a loss of € 821,340 in 1H09).

Premuda International holds controlling stakes in the following companies:

- 1.1. *Premuda (Monaco) S.A.M.*, registered in Monaco, 90%-owned.
It is the commercial manager for the Group’s foreign-flagged fleet.
In 1H10 it booked a loss of € 149,141 (1H09: a loss of € 212,508).
- 1.2. *Four Vanguard Serviços e Navegação Lda.*, registered in Madeira, wholly-owned.
It owns the FPSO *Four Rainbow* deployed on Australian marine oilfields for the extraction and preliminary refining of crude oil.
In 1H10 (when the vessel resumed production after the remarkable repairs and maintenance works performed in Singapore) the company booked a loss of € 390,194 after non-euro-denominated receivables were adjusted to end-of-period exchange rate (1H09: a loss of € 909,183).
- 1.3. *Moon Shipping Serviços e Navegação Lda*, registered in Madeira, wholly-owned.
It owns two ice-classed aframax tankers, *Four Antarctica* and *Four Atlantica*, both employed on profitable long-term bareboat charters.
In 1H10 it booked a profit of € 808,254 after depreciation charges of € 4,592,783 (1H09: a profit of € 40,384 after depreciation charges of € 4,630,845). The above results without considering the exchange differences on the US\$-denominated loans for which hedge accounting is applicable.

- 1.4. *Australian FPSO Management PTY LTD*, registered in Australia, wholly-owned. It is the technical and operating Manager of the FPSO *Four Rainbow*. In 1H10 it booked a profit of € 102,020 (1H09: a profit of € 84,682).
- 1.5. *Brig Shipping Lda.*, registered in Madeira, wholly-owned. It holds an orderbook of five handysize (35,000 ts dwt) bulkers with South Korean shipyards, due for delivery 2011/2014. In 1H10 it booked a loss of € 72,090 (1H09: a profit of € 438,955).
- 1.5.1 *Cordier Navegação Lda.*, registered in Madeira, wholly-owned by *Brig Shipping Lda.* It holds shipbuilding contracts with Vietnamese shipyards for two handysize (34,000 ts dwt) bulkers, currently estimated to be delivered in 2011/2012. In 1H10 it booked a loss of € 980,949 (1H09: a profit of € 64,244).

We point out that the balance sheets of *Brig Shipping Lda* and *Cordier Navegação Lda* are included in the consolidated accounts based on a “reporting package” having the dollar as functional currency, showing a total profit of € 100,933.

- 1.6. *Four Handy Ltd.*, registered in the United Kingdom, wholly-owned. Established in 1H08, it operates, under the UK Tonnage Tax scheme, the owned bulk-carriers *Four Earth* and *Four Aida* and the chartered units *Four Shinano*, *Four Kitakami* and *Four Mogami*. At the end of 1H10 the company took delivery from SPP shipyard of the two handybulk *Four Nabucco* and *Four Otello* and is due to acquire from *Brig Shipping Lda.* and *Cordier Navegação Lda* also the sister units currently under construction. In 1H10 it booked a profit of US\$ 2,748,723 (a loss of US\$ 931,565 in 1H09).

The companies *Premuda (Atlantic), Inc.* (Delaware) and *JEP Navegação Lda.*(Madeira) all of which are wholly-owned by *Premuda International S.A.H.*, were substantially inactive and cumulatively squared to break-even during the first six months of the year.

Premuda International S.A.H also holds a 50% stake in *Premuda Chartering Navegação Lda.*, registered in Madeira. In 1H10 this Company took delivery from Samsung Shipyard and concurrently transferred the ownership to *Four Jolly SpA* the second 115,700 dwt Aframax Product Tanker. The Company is still the holder of shipbuilding contracts for two sister units due for delivery 2012/2013, with a global commitment of about 136 US\$/Mln (our 50% interest about 68 US\$/Mln).

Miscellaneous Information

As at 30th June 2010, *Premuda SpA* and its controlled companies employed 321 people, including 244 seafarers, with an increase of 29 seafarers from the corresponding period in 2009.

The average rate of exchange EUR/USD for the first six months of 2010 was 1.3284 (1.333 in 1H09 and 1.3940 in FY09).

It is worth noting that our Fleet value, as well as the vast majority of our revenues, are USD-denominated, whereas only some of the expenses are sustained in such a currency. A weak

dollar is, therefore, generally a negative factor for our Company, both in terms of Shareholders' Equity and Profit & Loss.

In consideration of the above, significant differences between end-of-period EUR/USD exchange rates may have a serious impact over the Company's Accounts: particular care is, therefore, required when making year-on-year comparisons.

We inform you that, during the first six months of 2010, the Group

- did not carry out any Research & Development activities, except for the furtherance of a project for an innovative Multiplex optical-sensor system for the continuous hull stress monitoring called "MOSES", started in the past;
- did not hold purchase or sell shares of holding companies;
- did not hold any own shares;
- has entered into derivative transactions for the purpose of hedging against exchange and interest rate risks. Further details are available in the Notes to the Financial Statements.

In 1H10 the stock of the holding company *Premuda SpA* was regularly traded in the Italian stock exchange. 3,124,288 shares were exchanged at the average price of € 0.891 (a high of € 1.06 in January and a low of € 0.69 in March). In the corresponding period of last year 1,645,529 shares were exchanged at the average price of € 0.943 (a high of € 1.099 in June and a low of € 0.81 in March).

As already mentioned in the Group's Annual Report 2009, we wish to remind you that on 31st March 2010 the Board of *Premuda S.p.A.* (duly empowered by Art. 35 of company By-law) has unanimously resolved the following Capital Increase:

from € 70,418,225.00 up to € 93,890,966.50, thus for maximum € 23,472,741.50 (partial amount acceptable as per art 2439 of Italian Civil Code), by issuing maximum 46,945,483 ordinary shares, € 0.50 nominal value, share rights 01.01.2010, offered to the actual shareholders at a rate of 1 new share for every 3 shares held, at a price of € 0.75 (of which € 0.25 as share premium) with a maximum cumulative amount of € 35.209.112 (of which 11,736,371 share premium). The Capital Increase was to be finalized within six months from registration of the Board Resolution in the Company Registry.

Having not been able to complete all the formalities required to finalize the share capital increase within the above time frame fixed and in order to include in the relevant prospectus the 1H10 data, the Board of Directors of *Premuda Spa* has today unanimously resolved to confirm all terms and conditions of the share capital increase, yet extending the period for execution to further 6 months from the date of filing the new resolution (dated 27th August 2010) in the Commercial Registry.

As already reported in the Annual Report 2009, we highlight that the balance sheet data include insurance claims yet to be liquidated, amounting to a total of €/Mln 4.60 (related to past casualties affecting the *Four Rainbow*) and credits towards ENI Australia for about €/Mln 11.4. To cover the risk of possible losses, in 2009 a provision of €/Mln 3.6 was booked, maintained unchanged in 1H10. We point out that a legal proceeding against the Insurers (who rejected our claim) has already been initiated as well as an arbitration procedure against ENI Australia appears to be unavoidable.

Business developments

Significant events after end-of-period

As already reported, in June an agreement for the sale of the 1984-built 77,100 dwt panamax bulker *Four Earth* was reached, for delivery within November. *Four Earth* is the oldest vessel of our fleet, and is due to closely undertake expensive dry-dock works, related to class certificates renewal (intermediate). The vessel will be chartered back for a 2/4 months period, in order to fulfill the present employment. This transaction will generate about Usd/mil 9 of cash and a net profit between Usd/mil 0.50 and Usd/mil 1.00 (proportionally to the actual redelivery date), which will be booked in 2H10.

In August a delivery re-scheduling of 3 out of the 5 new handy bulk carriers under construction at SPP shipyard was finalized. As a consequence of the agreement (which exclude any monetary compensation) two units will be delivered in the course of 2011, and the remaining units will be delivered, one per year, in the 2012-2014 period.

The tables reported on pages 5 and 7 already consider the new delivery dates.

As far as the Vietnamese new buildings are concerned, we point out that additional delays were incurred by the Shipyard, because of serious financial troubles affecting the whole Vinashin Group, unable to provide the financial resources required to ensure the adequate supply of materials from their Vendors. Thanks to the Vietnam Governmental support the situation is improving and the risk of Shipyard's default seems averted. However, realistic delivery dates are today unpredictable. Our best estimates are respectively first quarter 2011 and first quarter 2012, subject to changes. Installments already paid to Shipyard (about 55% of the book value of the two vessels) are covered by refund guarantees.

Taking into account all of the above, the residual expansion of the fleet will consist of:

- 7 (seven) 34/35,000 ts dwt bulk-carriers;
- 2 (two) 114,700 ts dwt aframax product tankers (our share 50%).

All ships are due for delivery between 2011 and 2014.

Our liabilities towards the respective shipyards on account of the above orderbook amount to approximately \$/Mln 290 (third-party interest: \$/Mln 68).

Medium to long-term finance for the three ships due for delivery within next year 2011 has already been arranged (or, at least, resolved by the relevant banks). The financial coverage of the units having deliveries scheduled in the subsequent years will obviously depend on the banks' attitude to grant the traditional long-term mortgage loans. In any case, also considering the support given by the new equity granted by the capital increase described above, we are reasonably confident to succeed in organizing, on due time, adequate loans, with satisfactory terms and conditions.

Taking into account the P&L Result achieved during the first six months of the year; the market trend in the first part of third quarter and the commercial coverage already available, it is reasonable to expect that - barring unforeseen circumstances - the P&L Result for the entire 2010 financial year will be positive.

Our forecast does not take into account the possibility of additional impairment of assets, today unexpected, but that it may become necessary should the market sectors where the Company is more active suffer from a huge downtrend.

The official version of this Report, in Italian language, as approved by the Board of Directors of *Premuda SpA* during their meeting of 27th August 2010, includes the condensed Semi-Annual Financial Statements subjected to a partial audit by *PricewaterhouseCoopers SpA* (also in charge of the full audit of the 2010 Financial Statements).
The next Financial Statements will be the Quarterly Report at 30th September 2010, due for release within 15th November 2010.

27th August 2010

The Board of Directors

**Condensed Consolidated
Financial Statements
As at 30th June 2010**

PREMUDA GROUP
CONDENSED CONSOLIDATED BALANCE SHEET

(Euro/000)

ASSETS	30.06.2010	31.12.2009	30.06.2009
FIXED ASSETS:			
Tangible fixed assets	445,751	385,230	376,559
<i>of which: Vessels</i>	371,797	280,641	271,680
<i>of which: Vessels under construction</i>	71,568	102,220	102,265
Participations	25,345	15,583	7,271
Other fixed assets	24,743	29,399	40,652
TOTAL FIXED ASSETS	495,839	430,212	424,482
CURRENT ASSETS:			
Inventories, credits and other current assets	45,956	42,692	46,601
Assets to be sold: vessels	-	-	12,338
Cash and cash-equivalents	25,206	16,020	24,014
TOTAL CURRENT ASSETS	71,162	58,712	82,953
TOTAL ASSETS	567,001	488,924	507,435
LIABILITIES AND SHAREHOLDERS' EQUITY	30.06.2010	31.12.2009	30.06.2009
SHAREHOLDERS' EQUITY			
Share capital	70,418	70,418	70,418
Reserved and retained profit	106,297	125,370	127,014
Profit for the year	6,798	(19,803)	3,973
GROUP SHAREHOLDERS' EQUITY	183,513	175,985	201,405
MINORITY INTEREST			
Capital and reserve	51	56	56
Profit for the year	(15)	(5)	(21)
TOTAL SHAREHOLDERS' EQUITY	183,549	176,036	201,440
LONG-TERM LIABILITIES			
Bank loans	291,897	241,283	223,946
Provisions and other long-term liabilities	5,060	5,589	1,742
TOTAL LONG-TERM LIABILITIES	296,957	246,872	225,688
CURRENT LIABILITIES			
Short-term bank debts	49,658	30,787	46,584
Other current liabilities	36,837	35,229	33,723
TOTAL CURRENT LIABILITIES	86,495	66,016	80,307
TOTAL LIABILITIES	383,452	312,888	305,995
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	567,001	488,924	507,435

PREMUDA GROUP
CONDENSED CONSOLIDATED INCOME STATEMENT

(Euro/000)

	<u>Jan/June 2010</u>	<u>year 2009</u>	<u>Jan/June 2009</u>
Net revenues	61,853	101,909	56,055
Voyage expenses	(3,018)	(6,325)	(3,423)
Time Charter revenues	58,835	95,584	52,632
Charter hire and running costs	(28,933)	(49,473)	(26,850)
Fleet Margin	29,902	46,111	25,782
Profit on vessel sale	-	8,363	2,757
Admin. expenses and other income/costs	(8,466)	(20,188)	(9,543)
Depreciations	(12,581)	(24,240)	
Impairment of assets	-	(22,310)	(12,339)
Operating profit	8,855	(12,264)	6,657
Financial items	(2,756)	(6,756)	(2,695)
Profit/loss from related companies	770	(258)	60
Profit before tax	6,869	(19,278)	4,022
Tax on profit	(86)	(530)	(70)
Net profit	6,783	(19,808)	3,952
Minority interest	(15)	(5)	(21)
Group's Net Profit	6,798	(19,803)	3,973
Net profit per share (euro)	0.05	(0140)	0.03

N.B. Net Profit per Share and Diluted Net Profit per Share are the same

Consolidated Income statement - overall (*)

Group's net profit	6,798	(19,803)	3,973
Conversion Exchange differences	17,171	(3,095)	27
Hedge accounting effect	(13,624)	3,654	2,119
Total net profit of the period	10,345	(19,244)	6,119

() As per recent amendments at IAS 1 in force starting year 2009 – no effect on third parties interests*

PREMUDA GROUP
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(Euro/000)

	30.06.2010	31.12.2009	30.06.2009
A NET CASH POSITION AT YEAR BEGINNING	(13,810)	(24,029)	(24,029)
B CASH FLOW FROM OPERATING ACTIVITIES	18,864	33,857	16,073
C CASH FLOW FROM INVESTING ACTIVITIES	(81,328)	(90,301)	(57,141)
D CASH FLOW FROM FINANCING ACTIVITIES	52,717	66,663	43,572
E CASH FLOW FOR THE PERIOD (B + C + D)	(9,747)	10,219	2,504
F NET CASH POSITION AT YEAR END (A + E)	(23,557)	(13,810)	(21,525)

CHANGES IN GROUP'S SHAREHOLDERS' EQUITY (CONDENSED)

(thousands of Euro)

	<i>Share Capital</i>	<i>Reserves and retained profit</i>	<i>Profit for the period</i>	<i>Group interest Subtotal</i>	<i>Minority interest</i>	<i>Subtotal</i>
Balance as at 31.12.2008	70,418	123,935	3,750	198,103	56	198,159
Allocation of the 2008 result for Parent Company	-	5,890	(8,707)	(2,817)	-	(2,817)
Allocation of the 2008 result for Subsidiaries	-	(4,957)	4,957	-	-	-
Hedge accounting and exchange differences effect (*)	-	2,146	-	2,146	-	2,146
Consolidated result 1st half 2009	-	-	3,973	3,973	(21)	3,952
Balance as at 30.06.2009	70,418	127,014	3,973	201,405	35	201,440
Purchase of third party interest and various	-	(57)	-	(57)	-	(57)
Hedge accounting and exchange differences effect (*)	-	(1,587)	-	(1,587)	-	(1,587)
Consolidated result 2nd half 2009	-	-	(23,776)	(23,776)	16	(23,760)
Balance as at 31.12.2009	70,418	125,370	(19,803)	175,985	51	176,036
Allocation of the 2009 result for Parent Company	-	(20,754)	20,754	-	-	-
Dividend payment by Parent Company	-	(2,817)	-	(2,817)	-	(2,817)
Allocation of the 2008 result for Subsidiaries	-	951	(951)	-	-	-
Hedge accounting and exchange differences effect (*)	-	3,547	-	3,547	-	3,547
Consolidated result 1st half 2010	-	-	6,798	6,798	(15)	6,783
Balance as at 30.06.2010	70,418	106,297	6,798	183,513	36	183,549

(*) Changes in equity not produced by transactions with shareholders and not affecting Profit and Loss

Notes to Financial Statements

Statement of IFRS-compliance **Accounting Principles**

The present Semi-Annual Report as at 30th June 2010 has been drafted in compliance with D. Lgs. 58/1998, art.154 ter; the applicable international accounting standards accepted in the European Union pursuant to Rule (CE) Nr. 1606/2002 issued by the European Parliament and the Commission of 19th July 2002, particularly with respect to IAS 34 – Interim Reports; and rules issued following D. Lgs. Nr. 38/2005, art.9. As a consequence, this condensed Semi-Annual Report as at 30th June 2010 do not include all disclosure and information required for the Annual Report and should be read together with the Annual report 2009.

Condensed Consolidated Accounts for 1H10 are expressed in €/000 and compared with 1H09 and FY09 data. They include Balance Sheet, Income Statement, Cash-Flow Statement, Statement of Changes in Shareholders' Equity, and Notes.

The present Semi-Annual Report as at 30th June 2010 has been drafted on the basis of accounting principle currently applicable, which are substantially unchanged from those used for the Annual Report as at 31st December 2009. The possible introduction, that at the moment we do not anticipate, of new principles or interpretations before drafting accounts for the current financial year may affect data provided for 1H10.

The Financial Statements are denominated in EUR, which is our Group's functional currency.

Scope of Consolidation

The Group Companies operate in the business of seaborne transportation of liquid and dry bulk cargoes by means of owned and chartered vessels, except the holding company *Premuda International S.A.H.*; *Premuda (Monaco) S.A.M.* (the commercial manager for the Group's foreign-flagged fleet); *Australian FPSO Management PTY LTD.* (which handles the technical and operational management of the FPSO *Four Rainbow*).

Subsidiary Companies are those companies controlled, directly or indirectly, by the Parent Company or those for which the Parent Company establishes financial and operating policies so as to benefit from their activities (de-facto control).

The companies included in the Consolidated Accounts as at 30th June 2010 are:

Premuda SpA

Parent Company, registered in Trieste. Share capital: Euro 70,418,225.

Company directly controlled:

Premuda International S.A.H.

Registered in Luxembourg. Share capital: Euro 52,000,000. Stake: 99.90%.

Companies indirectly controlled (through *Premuda International S.A.H.*):

Premuda (Monaco) S.A.M.

Registered in Monaco. Share capital: Euro 305,000. Stake: 90%.

Brig Shipping Lda.

Registered in Madeira. Share capital: Euro 50,005,000. Stake: 100%.

Cordier Navegação Lda.

Registered in Madeira. Share capital: Euro 5,000. Stake: 100% (through *Brig Shipping Lda.*).

Four Vanguard - Serviços e Navegação Lda.

Registered in Madeira. Share capital: Euro 27,243,505. Stake: 100%.

Moon Shipping - Serviços e Navegação Lda.

Registered in Madeira. Share capital: Euro 16,597,027. Stake: 100%.

Premuda (Atlantic) Inc .()*

Registered in Delaware. Share capital: US\$ 1,000. Stake: 100%.

JEP Navegação Lda. ()*

Registered in Madeira. Share capital: Euro 8,505,000. Stake: 100%.

Australian FPSO Management Pty Ltd.

Registered in Australia. Share capital: AUD 100. Stake: 100%.

Four Handy Ltd.

Registered in United Kingdom. Share capital: US\$ 10,000,000. Stake: 100%.

Related companies (jointly-owned with third-parties):

Four Jolly SpA

Registered in Genoa. Share capital EUR 10,000,000. Stake: 50%

Premuda Chartering Navegação Lda.

Registered in Madeira. Share capital: Euro 5,000. Stake: 50% (through *Premuda International S.A.H.*)

We remind you that the purchase (in year 2008) of a 100%-stake of *Cordier Navegacao Lda.*, a non-trading company, holder of shipbuilding contracts for 2 handysize 34,000 ts dwt bulkers, has generated a one-off charge of €/000 5,375 per vessel on the Fleet Under Construction, being the difference between the price paid for the company and its shareholders'equity.

We refer you to the table on page 5 for further information on the Group's structure, unchanged when compared to 31st December 2009.

(*) a non-trading company in 1H10

Consolidation Principles

They are unchanged from those applied for the 2009 Annual Report.

Structure of Financial Statements

Income statement is based on "destination" (as opposed to "cost type"), deemed to be a more suitable solution.

Balance Sheet is based on separate representation of current/non-current assets and liabilities.

Valuation Criteria

The valuation criteria used for this Semi-Annual Report are basically unchanged from those applied in the 2009 Annual Report. We also note that:

- The Fleet is booked at purchase cost; value-increasing extraordinary charges, if any, are capitalised. The cost of ships directly ordered from shipyards includes contract price, cost of extras, cost of equipment directly ordered as well as owners' initial stores, supervision expenses, and interest charges on stage payments to the shipyard.

Fleet depreciation is based on each vessel's cost less estimated scrap value, divided by the years of residual life, in the past generally established in twenty-five years for tankers and twenty years for bulkers. Based on recent statistics about the average age of scrapped tonnage, starting from the Annual report 2009 it has been resolved to extend the trading life of the newly built bulk-carrier (as well as for the vessels currently under construction) to twenty-five years. The impact of this change - marginal in the short-term - will increase concurrently with the deliveries of such new ships.

Cost of scheduled drydock is depreciated over the period until next drydock (usually thirty months).

- Associates companies are those on whose financial and trading strategies the Group has a significant influence, without having a direct or joint control. Such stakes, even when jointly-controlled, is initially booked at acquisition cost and then at Net Equity, i.e. increased or reduced based on net changes occurred after the acquisition. Other investments are stated at acquisition cost, reduced in case of losses and where, for the near future, no profits are expected in an amount that would make it possible to cover such losses; the original value is reinstated in subsequent years only if the reasons for the reduced value cease to exist.
- Fixed assets are subject to periodical valuation so as to find out indicators showing a loss of value. If such indicators exist, the recoverable value is determined, as the higher between the selling price and the value in use. The latter is determined by discounting future cash flows at an interest rate reflecting the actual cost of money and the risks of the specific activity. If the recoverable value is lower than book value, the resulting impairment is charged to Income Statement. The book value is restored (with immediate effect on Income Statement) to a revised estimated value (in any case not exceeding the acquisition cost) if the cause for loss of value ceases to exist.
- Bare boat charter contracts are usually considered as operating leases, as well as Time Charter contracts. If the contractual terms of bare boat define them as financial leases, pursuant to IAS 17, the vessels are entered as lease assets. Charter hire of operating leases are charged to Profit and Loss throughout the contract life.
- The provision for staff severance indemnity accrued at 31.12.2006 is considered a Defined Benefit Plan according to IAS 19 and allocated on employees' wages and salaries in compliance with the laws and the service agreements in force. The booked value is calculated by independent consultants on an actuarial basis, applying the Projected Unit Credit Method. Actuarial profit and losses arising from this method are directly charged to Income Statement. Due to changes in the relevant Italian regulation, the provision for staff severance accrued from 1.1.2007 is considered a Defined Contribution Plan and directly charged to Income Statement, without any actuarial assumption.
- Income from services is recognized once the services are rendered. Income from services in progress is calculated according to the progress report. Income from time charter, considered operational leases, is calculated on the accrual basis of the charter period. Income from asset disposal is recognized once risks and benefits linked to the asset are transferred to the buyer.

- Maintenance costs comprise all the expenses incurred during the year for the on-going maintenance of the relevant fleet class. Costs relating to periodical maintenance of vessels are capitalised and depreciated during the period until the next drydock.
- Loans are valued at cost, net of acquisition costs, which are charged to Profit & Loss using the amortised cost method.
- Group assets and liabilities are exposed to financial risk related to exchange rate and interest rate. The Group's policy tries to minimize such risks by way of hedging with financial instruments, usually resulting from forward purchase/sale of foreign currencies and swap transactions from floating to fixed loan rates. Derivatives are originally entered at cost, and afterwards adjusted to the fair value. Changes in the fair value of hedging derivatives that prove effective pursuant to IAS 39 are directly booked to the Shareholders' Equity. Their potential ineffective portion, as well as changes in the fair value of other derivatives are charged to Profit & Loss.
- Financial items comprise: interest charged on financial debts (recognized applying the "effective interest" method), interest income, exchange differences, profit and losses on derivatives (if not registered as hedging instruments).
- The issuance of the interim Financial Statements and their related Notes requires the Management to provide estimates and assumptions which may have a certain impact on certain balance sheet items (tangible and intangible assets subject to "impairment test", provisions for risks, useful life of assets, employees' benefit, income tax, insurance claims, fair value of derivative instruments, etc.). As a consequence, actual results may differ from initial estimates. Valuations are reviewed on a periodical basis and their direct effects are immediately charged to Profit & Loss. We point out that in the present scenario of economic and financial crisis, all assumptions on future development are particularly uncertain and future results may differ significantly from estimates: this could require to rectify the relevant balance sheet items (in particular: Fleet book value, commercial receivables, insurance claims).
- The "stock options" plans are recognized pursuant to *IFRS2* provisions. The current plan involves exclusively a cash compensation (and not the physical transfer of shares) and it is therefore accounted in the Balance Sheet as a liability based on the fair value of the relevant shares, and in the Income Statement as personnel cost within the administrative expenses.
- Amounts shown in these Notes are in thousands of Euro.

New Accounting Principles and Interpretations

1) Accounting principles, amendments and interpretations applied from 1st January 2010

The following accounting principles, amendments and interpretations, have been applied by the Group starting from 1st January 2010:

IFRS 3 Revised – Business combinations, and related amendments to IAS 27 – Consolidate and separate financial statements IAS 28 – Investments in Associates and IAS 31 - Interests in Joint Ventures
 Amendment to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations
 Amendment to IFRS 2 - Share-based Payment
 Minor amendments to IFRS ("Improvements to IFRS" - issued April 2009)

The adoption of such principles, amendments and interpretations has no significant effect for the Group in 1H10.

2) Accounting principles, amendments and interpretations applicable from 1st January 2010 and not relevant for the Group

The following accounting principles, amendments and interpretations, applicable starting from 1st January 2010, are not relevant for the Group:

IFRIC 17 – Distributions of Non-cash Assets to Owners
IFRIC 18 – Transfers of Assets from Customers
Amendment to IFRS 1 – First-time Adoption of International Financial Reporting Standards

3) Accounting principles, amendments and interpretations not yet compulsory and not adopted in advance by the Group

The following accounting principles, amendments and interpretations, already issued but not yet compulsory, have not been adopted in advance by the Group:

IFRS 9 – Financial Instruments
IAS 24 Revised – Related Party Disclosures
Emendment to IAS 32 - Financial Instruments: Presentation: Classification of Rights Issues
Emendment to IFRIC 14 - The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction
IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments
Minor amendments to IFRS (“Improvements to IFRS” - issued 2010)

Risk Management

Credit Risk:

The Group is exposed to credit risk typical for the shipping industry, usually concentrated on a limited number of clients, major companies or shipping operators. This risk is significantly reduced by our standard payment terms (in advance for time charter hire and within completion of discharge for spot voyages) and by the large availability of information on clients' credit standing.

Receivables are monitored at all times and, when necessary, impaired, based on historical experience and on newly available information on clients' standing.

Liquidity Risk:

Cash flows, financial requirements and cash resources of all Group Companies are strictly monitored by the Parent Company, in order to adequately coordinate the management of the Group's financial resources.

Short and Long-term cash requirements are regularly assessed in order to ensure timely and adequate acquisition of financial resources, as well as proper employment of cash surplus.

Exchange Risk:

Certain assets and liabilities are exposed to risks arising from exchange rate fluctuations (mainly related to the Euro/Dollar rate). It is a Group policy to partially cover this risk by derivative hedging instruments as well as by natural hedging.

Interest Rate Risk:

The majority of our long-term bank loans are based on floating interest rates, therefore, the Group is exposed to interest rate fluctuation risk. It is a Group policy to reduce such a risk through financial derivatives, fixing interest rates for certain periods.

Freight Volatility Risk:

The Group operates in very volatile freight markets. Risks related to market rates fluctuations may be reduced by long-term time-charters or by derivative contracts (Forward Freight Agreements, FFA's).

Risks related to the Current Credit Crunch

All of the above considerations apply to normal market conditions.

The current unprecedented economic and financial crisis has significantly increased the risk of default, defined as non-performance, by our counter-parties, of their contractual obligations: a risk impossible to predict, in consideration of the insolvency events, occurred over the last two years, which have affected large-scale renowned operators, universally recognized as financially sound.

Loan finance availability virtually disappeared at the end of 2008 – beginning 2009, especially for ships under construction. Today the situation is certainly improved and a number of fresh transactions have been confirmed (although for reduced amounts and at higher costs compared to pre-crisis years). If, however, these encouraging signals proved to be short-lived, in future it may be difficult to secure long-term loan finance for current investments.

The significant reduction of vessels' revenue-generating capability (mainly affecting tankers in 2009), has inevitably caused a loss of asset values, particularly of those ships which do not have charter cover. This caused an impairment loss of five vessels to be booked in the Annual Report 2009. Today market values are recovering and there are no indication of additional impairment s but - considering the high volatitliy of the markets we operate in - the reversal (even partial) of the impairment loss booked last year seems to be not reasonable. The whole matter will be deeply examined when preparing the Annual Report.

Balance Sheet

ASSETS

FIXED ASSETS

Tangible fixed assets

Vessels

This item includes the book value of the owned fleet, less accumulated depreciation as detailed on the following page. The fleet table also includes M/v *Four Earth* which is committed for sale with expected delivery within November.

Additions for the semester just elapsed include the delivery of m/v *Four Nabucco* and *Four Otello* as well as the completion of repairs of the FPSO *Four Rainbow* (reported as “vessel under construction” at the end of year 2009) and the capitalization of schedule maintenance works of m/v *Four Island*. Reductions relate to depreciation for the period. Variations in the EUR/USD exchange rate are also shown. We note that, following the impairment of five vessels in 2009, depreciation for the period is reduced of about €/Mln 1.40.

No change in depreciation criteria of the FPSO *Four Rainbow* after repair works: an updated assessment will be done for the Annual Report 2010.

Please refer to what already reported in the previous paragraph “Risks related to the Current Credit Crunch” for indications on possible additional impairment as well as on possible reversal of the impairment loss booked last year.

Vessels under construction

Advances to shipyards and other charges paid for ships under construction / conversion (€/000):

	<i>As at 31.12.09</i>	<i>Increases</i>	<i>Decreases</i>	<i>As at 30.06.10</i>
Handy Bulker nr. HR-PR02	18,114	3,511	-	21,625
Handy Bulker nr. HR-PR04	16,054	3,141	-	19,195
Handy Bulker SPP H 4007	6,959	20,533	(27,492)	-
Handy Bulker SPP H 4008	6,947	20,587	(27,534)	-
Handy Bulker SPP H 4013	4,586	3,422	-	8,008
Handy Bulker SPP H 4014	4,586	798	-	5,384
Handy Bulker SPP H 4017	4,586	798	-	5,384
Handy Bulker SPP H 4039	5,099	887	-	5,986
Handy Bulker SPP H 4047	5,099	887	-	5,986
Four Vanguard (maintenance)	<u>30,190</u>	<u>11,752</u>	<u>(41,942)</u>	<u>-</u>
Total	<u>102,220</u>	<u>66,316</u>	<u>(96,968)</u>	<u>71,568</u>

The changes relate to the completion of the SPP H 4007 and H 4008 (named *Four Nabucco* and *Four Otello* and regularly delivered in May and June respectively), the completion of the repairs and maintenance works on the FPSO *Four Rainbow*, a stage payment for newbuilding SPP H 4013, general supervision fees, and the effect of the exchange rate on the Dollar-denominated balance sheets.

<i>vessel</i>	<i>Framura</i>	<i>Four Island</i>	<i>Four Bay</i>	<i>Four Moon</i>	<i>Four Smile</i>	<i>Four Antarctica</i>	<i>Four Atlantica</i>	<i>Tankers subtotal</i>	<i>Four Springs</i>	<i>Four Earth</i>	<i>Four Aida</i>	<i>Four Nabucco</i>	<i>Four Otello</i>	<i>Bulkers subtotal</i>	<i>Four Vanguard</i>	<i>Overall total</i>
Vessel cost	42,237	34,968	45,147	25,178	37,057	46,476	46,574	277,637	35,562	11,911	23,559	-	-	71,032	118,790	467,459
Accumulated depreciation	(26,946)	(14,928)	(26,284)	(10,657)	(1,196)	(5,847)	(5,116)	(90,974)	(7,059)	(4,670)	(228)	-	-	(11,957)	(65,859)	(168,790)
Balance at 31.12.09	15,291	20,040	18,863	14,521	35,861	40,629	41,458	186,663	28,503	7,241	23,331	-	-	59,075	52,931	298,669
Impairment Component	(3,893)	(6,762)	(5,999)	(3,862)	-	-	-	(20,516)	-	(1,795)	-	-	-	(1,795)	-	(22,311)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31.12.09	(3,893)	(6,762)	(5,999)	(3,862)	-	-	-	(20,516)	-	(1,795)	-	-	-	(1,795)	-	(22,311)
Dry Dock Component	1,873	-	1,633	1,436	450	-	-	5,392	1,274	2,647	-	-	-	3,921	-	9,313
Accumulated depreciation	(775)	-	(1,031)	(1,196)	(204)	-	-	(3,206)	(673)	(1,152)	-	-	-	(1,825)	-	(5,031)
Balance at 31.12.09	1,098	-	602	240	246	-	-	2,186	601	1,495	-	-	-	2,096	-	4,282
Net 31.12.09	12,496	13,278	13,466	10,899	36,107	40,629	41,458	168,333	29,104	6,941	23,331	-	-	59,376	52,931	280,640
Increases:																
- Vessel	-	-	-	-	-	-	-	-	-	-	-	27,492	27,534	55,026	41,942	96,968
- Drydock component	-	1,290	-	-	-	-	-	1,290	-	-	-	-	-	-	-	1,290
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vessel sale/ end of depreciation																
- Vessel cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Impairment component	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Dry dock component	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation																
- Vessel	(774)	(800)	(801)	(760)	(953)	(810)	(807)	(5,705)	(1,625)	(802)	(496)	(100)	(19)	(3,042)	(2,866)	(11,613)
- Impairment component	223	338	310	243	-	-	-	1,114	-	315	-	-	-	315	-	1,429
- Drydock component	(388)	(258)	(516)	(240)	(163)	-	-	(1,565)	(120)	(499)	-	-	-	(619)	-	(2,184)
Exchange differences																
- Vessel	-	-	-	-	-	-	-	-	-	1,261	4,058	-	-	5,319	-	5,319
- Impairment component	-	-	-	-	-	-	-	-	-	(312)	-	-	-	(312)	-	(312)
- Drydock component	-	-	-	-	-	-	-	-	-	260	-	-	-	260	-	260
Vessel cost	42,237	34,968	45,147	25,178	37,057	46,476	46,574	277,637	35,562	13,172	27,617	27,492	27,534	131,377	160,732	569,746
Accumulated depreciation	(27,720)	(15,728)	(27,085)	(11,417)	(2,149)	(6,657)	(5,923)	(96,679)	(8,684)	(5,472)	(724)	(100)	(19)	(14,999)	(68,725)	(180,403)
Balance at 30.06.10	14,517	19,240	18,062	13,761	34,908	39,819	40,651	180,958	26,878	7,700	26,893	27,392	27,515	116,378	92,007	389,343
Impairment Component	(3,893)	(6,762)	(5,999)	(3,862)	-	-	-	(20,516)	-	(2,107)	-	-	-	(2,107)	-	(22,623)
Accumulated depreciation	223	338	310	243	-	-	-	1,114	-	315	-	-	-	315	-	1,429
Balance at 30.06.10	(3,670)	(6,424)	(5,689)	(3,619)	-	-	-	(19,402)	-	(1,792)	-	-	-	(1,792)	-	(21,194)
Dry Dock Component	1,873	1,290	1,633	1,436	450	-	-	6,682	1,274	2,907	-	-	-	4,181	-	10,863
Accumulated depreciation	(1,163)	(258)	(1,547)	(1,436)	(367)	-	-	(4,771)	(793)	(1,651)	-	-	-	(2,444)	-	(7,215)
Balance at 30.06.10	710	1,032	86	-	83	-	-	1,911	481	1,256	-	-	-	1,737	-	3,648
Net 30.06.10	11,557	13,848	12,459	10,142	34,991	39,819	40,651	163,467	27,359	7,164	26,893	27,392	27,515	116,323	92,007	371,797

Participations

They include our 50% stakes in the related company *Premuda Chartering Navegação Lda.* and *Four Jolly SpA* and stakes in other companies, of marginal value. The increase of the period comes from the additional equity paid to *Four Jolly* related to the delivery of the new Aframax Product Tanker *Four Sky*.

Other non current assets

They consist of market-related interest-bearing loans (€/000 4,593) to the associated company *Premuda Chartering Navegação Lda.* and deposits (€/000 35) with *Telecom Italia*, *Enel*, etc. This item also includes a €Mln 20 investment in financial products issued by *Commerzbank* (with guaranteed principal refund after 5 years) kept as security for a Credit Line of Euro 30 million granted by *Commerzbank* itself for the same period.

CURRENT ASSETS

Inventories, receivables and other current assets

These amount to €/000 45,956 as a whole, showing an increase of €/000 3,264 on 31.12.2009. We remind you that the above amount comprise our credit of about €/Mln 10.50, partially denominated in Australian Dollars, towards *Eni Australia*, referred to hires for the period of no production of the FPSO *Four Rainbow* (ex *Four Vanguard*) during 2008, regularly invoiced on the basis that these should be for charterer's account. Negotiations aiming to settle the matter has proven to be useless and, as a consequence, we will be soon obliged to ask for an arbitration award (that could also produce a partial recovery of our claim). Anyway, we believe our arguments to be correct and a reduced recovery (always possible) cannot be quantified. We also remarks that (as reported in the Annual report 2009) tha above amount also comprise credits with insurance underwriters on account of claim indemnities (related to *Four Rainbow*) for about €/Mln 4.60, that the underwriters has refused to pay. An amicable settlement was not possible and, consequently, a legal action against the underwriters has recently been submitted. To cover the possible losses related to the above described situations, in the 2009 Annual Report a total provision of €/Mln 3.60 was accrued, and is maintained unchanged at 30th June 2010.

Cash and cash equivalent

Cash position at the end of the period. Variations are reported in the Cash Flow Statement.

LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

Share capital

The share capital, fully subscribed and paid-up, consists of 140,761,507 ordinary shares and 74,943 savings shares with a par value of 0.50 Euro for a total amount of €/000 70,418, unchanged from the previous year.

Reserves and retained profit

These amount to €/000 106,297 (- €/000 19,073 from 31.12.09) after the allocation of the result 2009 and a dividend payment by the Parent Company last May in the amount of €/000 2,817.

Profit for the period

It is the Group's net result after taxes, equal to €/000 6,798.

Minority interest

These are marginal stakes held by third-party minority shareholders.

The changes in Shareholders' Equity are detailed in the relevant table.

LONG-TERM LIABILITIES

Bank loans

Amounts due to banks are detailed as follows (€/000):

	Due			<u>Total</u>
	<u>Within one year</u>	<u>More than one up to five years</u>	<u>More than five years</u>	
medium-long term:				
<i>BNL</i>				
<i>m/t. Framura</i>	1,514	379	-	1,893
<i>m/t. Framura – 2nd mortgage</i>	-	5,000	-	5,000
<i>Zero Coupon Bond</i>	150	-	-	150
<i>Efibanca</i>				
<i>m/tt. Four Island and Four Bay</i>	5,047	8,277	-	13,324
<i>Unicredit Corporate Banking S,p,A,</i>	-	22,782	-	22,782
<i>Commerzbank</i>				
<i>m/t. Four Moon</i>	1,392	2,436	-	3,828
<i>Banca IMI</i>				
<i>m/v. Four Springs</i>	2,390	9,557	4,181	16,128
<i>MPS Capital Services</i>	-	6,967	-	6,967
<i>Banca Popolare di Novara S,p,A,</i>				
<i>m/t. Four Smile</i>	2,480	18,596	19,133	40,209
<i>Banca IMI - Commerzbank</i>				
<i>FPSO Four Rainbow</i>	5,000	20,000	10,000	35,000
<i>Fortis Bank - NIBC</i>				
<i>m/t. Four Antarctica</i>	2,162	8,648	14,590	25,400
<i>m/t. Four Atlantica</i>	2,162	8,648	15,670	26,480
<i>Unicredit Corporate Banking S,p,A,</i>				
<i>NB HR-02</i>	-	7,122	-	7,122
<i>m/v. Four Aida</i>	786	3,674	12,911	17,371
<i>m/v. Four Nabucco</i>	750	3,508	13,670	17,928
<i>m/v. Four Otello</i>	1,195	4,781	11,952	17,928
<i>Banca Carige</i>	-	23,416	6,000	29,416
<i>Commerzbank</i>	-	30,000	-	30,000
Medium-long term subtotal	<u>25,028</u>	<u>183,791</u>	<u>108,107</u>	<u>316,926</u>
Overdraft and other	<u>24,630</u>	-	-	<u>24,630</u>
Total	<u>49,658</u>	<u>183,791</u>	<u>108,107</u>	<u>341,556</u>

Values due “within one year” are entered in the financial statements as “Short-term bank debt” under “Current liabilities”. “Overdraft and other” include drawdowns on credit lines repayable within one year as well as the fair value of existing derivatives contracts.

In addition to the information reported in our Annual Report 2009, please note:

Banca Nazionale del Lavoro

A credit line for € 5 Mln, available until August 2011, to be drawn in euro, in one or more tranches, secured by second mortgage on m/v. *Framura*. Interest charges are based on the relevant EURIBOR. At the end of June the line was completely drawn.

Banca IMI

Long term loan amounting to US\$ 20 Mln, signed on 18 June 2010 and drawn on 29 June 2010, to be repaid in equal quarterly installments, the first due on 31 December 2010 and the last on 30 June 2017. The loan (secured by first mortgage on m/v. *Four Springs*, and by assignments of the Time Charter contract of the vessel) require the compliance of certain financial covenants such as a minimum shareholders' equity, a minimum amount of available liquidity, a minimum ratio equity/total assets, largely fulfilled on drawdown date. A minimum loan-to-value ratio is also to be maintained (and also this covenant is easily satisfied, provided that the value of the vessel is to be with charter attached). This US\$-denominated loan is a partial hedge of the exchange rate risk related to the inflow generated in the same currency by the long term time charter of m/v *Four Springs* and, as a consequence - provided that the coverage is efficient - the future changes in the counter-value at the end-of-period exchange rate will be booked as Shareholder's Equity.

Concurrently with the drawing of the above mentioned loan, the facility provided by *Commerzbank* and *Banca Mediocredito* (collateralised by a mortgage on m/v *Four Springs* before the conversion in bulk carrier, as reported in the Annual Report 2009) was entirely repaid.

As at 30th June 2010 there were interest rate risk hedging positions, related to certain medium-long term borrowings, for the total notional amount of € 83.30 Mln (see enclosed table).

Exchange differences generated by the conversion into euro (at the year-end exchange rate) of the US\$ denominated loans related to M/vv *Four Antarctica*, *Four Atlantica* and *Four Smile* are directly entered in Shareholders' Equity for the efficient portion of the hedge granted by the charter contracts denominated in the same currency.

Provisions and other non current liabilities

This item (€/000 5,060 at 30.06.10 - €/000 5,589 at 31.12.09) represents the overall allocation for litigations, third party claims and other liabilities as well as the amounts accrued for employees severance indemnities, determined as previously stated under the Valuation Criteria.

Particularly, this item includes all provision accrued by *Four Vanguard Serviços e Navegação Lda.* to cover the cost that may arise from the incoming litigation with *ENI*, the possible loss on insurance recoveries (accrued in previous years and rejected by the underwriters) a potential fiscal litigation regarding the tax depreciation of the FPSO. As far as this last item is concerned, as already reported in the Annual Report 2009, the fiscal audit covering periods up to 31st December 2007 has not been accomplished yet. Anyway, our fiscal advisor has confirmed the validity of our scheme. The potential liability is, at the moment, not ascertainable and the risk of being condemned is considered low.

CURRENT LIABILITIES

Short-term bank debts

This item refers to overdraft facilities and the short-term quota of medium/long-term loans, as stated in the description of the bank loan detail table previously shown.

Other current liabilities

Altogether these amount to €/000 36,837 (inclusive of the fair value evaluation of the "phantom stock" options for top management), showing an increase of €/000 1,608 when compared to the end of previous year.

Commitments and risks

On the 30th of June 2010, the Group's purchase commitments correspond to €/000 125,092, which relate to the outstanding instalments due to shipyards for the new buildings bulk carrier.

The Group's sale commitments on same date, amounting to €/000 7,538, refer to m/v *Four Earth* (to be sold within November).

We also point out the purchase commitment of the associated company *Premuda Chartering Navegação Lda* for €/000 110,504 (our portion €/000 55,252) relating to the outstanding instalments due to the Korean shipyard *Samsung* for the two residual new building Aframax Product Tanker.

It's worth notice too that the minimum commitment for chartered-in vessels (costs) amounts to about €/000 62,899 spread over the period 2010-2017 and that the minimum commitment for chartered-out vessels (income) amounts to about €/000 261,728 spread over the same period 2010-2017.

Income statement

(€/000)

Year-on-year data are not comparable due to Fleet changes and the differing type of employment (spot, timecharter, bareboat charter).

Net revenues

Income from charter hire, freight, demurrage and ancillary services, net of brokerage fees

	1H10	1H09	Change	%
Hire and Freight	62,086	56,838	5,248	9.2%
Demurrage	550	185	365	197.3%
Other income	385	-	385	0.0%
Brokerage Fees	<u>(1,168)</u>	<u>(968)</u>	<u>(200)</u>	<u>20.7%</u>
Net revenues	<u>61,853</u>	<u>56,055</u>	<u>5,798</u>	<u>10.3%</u>

Voyage expenses

Charges directly incurred for individual voyages, i.e. bunker fuel, port disbursements, canal transit tolls. Under a time- or a bareboat-charter these expenses are normally borne by the charterer.

	1H10	1H09	Change	%
Bunker Fuel	2,486	2,171	315	14.5%
Port Disbursements	430	1,177	(747)	-63.5%
Miscellaneous	<u>102</u>	<u>75</u>	<u>27</u>	<u>36.0%</u>
Total	<u>3,018</u>	<u>3,423</u>	<u>(405)</u>	<u>-11.8%</u>

Charter hire and running cost

Hire and Freight expenses paid to third parties on account of vessel charters and expenses incurred to operate the fleet, e.g. crew, maintenance, class, insurance, lubricants, etc.

	1H10	1H09	Change	%
Time charter hire	<u>12,056</u>	<u>14,238</u>	<u>(2,182)</u>	<u>-15.3%</u>
Subtotal charter hire	<u>12,056</u>	<u>14,238</u>	<u>(2,182)</u>	<u>-15.3%</u>
Crew	8,100	7,169	931	13.0%
Maintenance	4,549	1,829	2,720	148.7%
Insurance	2,081	2,485	(404)	-16.3%
Lubricants	702	829	(127)	-15.3%
Miscellaneous	<u>1,445</u>	<u>300</u>	<u>1,145</u>	<u>381.7%</u>
Subtotal running costs	<u>16,877</u>	<u>12,612</u>	<u>4,265</u>	<u>33.8%</u>
Total	<u>28,933</u>	<u>26,850</u>	<u>2,083</u>	<u>7.7%</u>

Profit on vessel sales

No vessel was sold in 1H10. The amount reported for 1H09 relates to profits resulting from the sale of m/vs *Four Etoiles* and *Four Schooner*. The amount reported for the entire year 2009 also includes the profit realized through the sale of m/v. *Four Coal*.

Administrative expenses and other income/costs

Group overheads, including shore staff expenses, general expenses, Directors fees and generally all costs not directly related to the Fleet.

	1H10	1H09	Change	%
Remuneration	3,276	3,223	53	1.6%
Social security costs	824	1,008	(184)	-18.3%
Employee severance indemnity	175	175	0	0.0%
Other charges	<u>346</u>	<u>431</u>	<u>(85)</u>	<u>-19.7%</u>
Subtotal: Head office personnel	<u>4,621</u>	<u>4,837</u>	<u>(216)</u>	<u>-4.5%</u>
Overheads	2,146	2,309	(163)	-7.1%
Sundry company expenses	1,808	2,390	(582)	-24.4%
Other charges/(income)	<u>(109)</u>	<u>7</u>	<u>(116)</u>	<u>-1,657.1%</u>
Total	<u>8,466</u>	<u>9,543</u>	<u>(1,077)</u>	<u>-11.3%</u>

Depreciation

	1H10	1H09	Change	%
Interest income:				
Banks	16	386	(370)	-95.9%
Securities	318	301	17	5.6%
Affiliates	435	382	53	13.9%
Other income	<u>1</u>	<u>28</u>	<u>(27)</u>	<u>-96.4%</u>
Income subtotal	<u>770</u>	<u>1,097</u>	<u>(327)</u>	<u>29.8%</u>
Interest expense				
Short-term to banks	(302)	(240)	(62)	25.8%
Loans	(2,969)	(5,670)	2,701	-47.6%
Fees and expenses	(226)	(236)	10	-4.2%
Other charges	<u>(374)</u>	<u>(918)</u>	<u>544</u>	<u>-59.3%</u>
Charge subtotal	<u>(3,871)</u>	<u>(7,064)</u>	<u>3,193</u>	<u>-45.2%</u>
Exchange differences	<u>345</u>	<u>3,272</u>	<u>(2,927)</u>	<u>-89.5%</u>
Total	<u>(2,756)</u>	<u>(2,695)</u>	<u>(61)</u>	<u>2.3%</u>

Depreciation rates applied and criteria used to determine the depreciation concerning the period can be found under the corresponding Balance Sheet items as well as in the “valuation criteria” section.

Financial items

These are detailed as follows (€/000):

Financial revenues are reduced due to a lower liquidity and due to the general decrease of interest rates (which is also responsible of the reduction in financial charges notwithstanding the increased overall indebtedness). Exchange differences are positive (even if significantly lower than 1H09) mainly for adjustments of non-monetary items at the year-end exchange rate.

Profit/loss from associated companies

These indicate the impact of the net equity evaluation of affiliate companies.

Tax on profit

This item accounts for taxes relating to the period. Because of the introduction of the so called “tonnage tax” for the Parent Company, any deferred taxation is practically excluded.

Net profit

This item represents the consolidated profit for the period, gross and net of minority interests. The net profit per share is equal for the two categories of issued shares. We point out that there are no shares having any potential diluting effect.

Segment information

The following table shows the Income Statement of the first half 2010, divided by business sector.

	Tanker	Bulk	FPSO	Unallocated	Total
Net revenues	23,955	22,835	14,478	585	61,853
Voyage expenses	(2,718)	(88)	(212)	-	(3,018)
Time Charter revenues	21,237	22,747	14,266	585	58,835
Charter outlays and running costs	(6,355)	(15,093)	(7,485)	-	(28,933)
Fleet margin	14,882	7,654	6,781	585	29,902
Administrative expenses and other income/costs	-	-	(2,849)	(5,617)	(8,466)
Depreciation	(6,156)	(3,433)	(2,866)	(126)	(12,581)
Operating profit	8,726	4,221	1,066	(5,518)	8,855
Financial items					(2,756)
Profit / (loss) from associated companies					770
Profit before tax					6,869
Tax on profit					(86)
Net profit					6,783
Minority interest					(15)
Group's net profit					6,798

The subdivision of the Fleet and of the Net Financial Indebtedness by business sector is also reported.

	<u>Tanker</u>	<u>Bulk (*)</u>	<u>FPSO</u>	<u>Unallocated</u>	<u>Total</u>
Fleet	163,467	116,323	92,007	-	371,797
Net Financial Indebtedness	(116,134)	(76,477)	(35,000)	(64,102)	(291,713)

Geographical subdivision

No geographical subdivision has been detailed, taking into consideration that our vessels operate in global markets and no single ship is traded in a specific market, with the exception of the *FPSO Four Rainbow*, permanently deployed in Australia under a long-term contract.

Business developments - Significant events after end-of-period

Please refer to the Management Report.

Consolidated Cash Flow Statement

The Cash Flow Statement has been drawn up following the indirect method.

The operating activity generated a liquidity of €/Mln 18.9, with working capital increased of about 1 €/Mln.

The investment activity absorbed €/Mln 81.3 of liquidity because of the payments for new investments (mainly material assets), also considering the interest income cashed meanwhile.

The financial activity generated €/Mln 52.7 of liquidity, mainly because of new loans drawn, net of repayments, interest charges and dividend paid.

Transactions with related parties

Directors, General Managers and Managers with strategic responsibility disclose any transaction they should perform (even through fiduciaries and/or related people according to *IAS 24*) with Premuda S.p.A. or with any other Group's Company.

Based on the information received, no transaction with related parties, atypical or unusual (as stated by *Consob*) involving any Group's Company is to be reported.

Transactions with related parties, not irrelevant, are reported in the attached table (which includes the additional information requested by *Consob* resolution nr. 15519 dd. 27 July 2006).

Annex 1: Transactions with related parties

(€/000)

	<u>30.06.2010</u>			
	Receivables	Payables	Cost	Income
Trading with related parties				
Assicurazioni Generali S.p.A: (shareholder of Investimenti Marittimi SpA, majority shareholder of Premuda SpA)	523	234	795	-
Financing with associated parties				
Premuda Chartering Navegação Lda	4.593	-	-	45
Four Jolly Spa	25	-	-	42
Trading with associated parties				
Premuda Chartering Navegação Lda	125	-	-	30
Four Jolly Spa	27	-	-	124

Above amounts arise from the following transactions, all of which are related to ordinary trading activity and executed at prevailing market rates, i.e., at the same terms that would have been applied between unrelated parties:

- Entering marine insurance policies with Assicurazioni Generali SpA
- Granting loan finance/guarantees and providing administrative services to Premuda Chartering Navegação Lda and Four Jolly SpA

Annex 2: Derivative instruments

(€/000)

Type	Face value as at 30.06.2010	Fair Value	Due Date
Interest Rate Swap	26,480	(436)	11/02/2011
Interest Rate Swap	25,399	(178)	26/05/2011
Interest Rate Swap	3,838	(65)	14/01/2013
Cap	12,224	(125)	30/09/2012
Cap	<u>15,000</u>	<u>(91)</u>	30/09/2012
	<u>82,941</u>	<u>(895)</u>	

All of the above derivative transactions have been carried out hedging purposes and marked to market at the end of the semester. If the hedge is non-efficient, or in case of non-compliance with IAS 39, fair value changes are accounted for in the Income Statement.

As in past Reports, a cross-currency swap transaction covering a long-term loan, has not been included as this loan has been represented at its historical rate of exchange. The Net Result and the Shareholders' Equity would not have been affected by a separate representation of such transaction.

As far as "natural hedging" is concerned, please refer to the Notes (Bank Loan)