Solution: See figure below.

Many people are baffled by this puzzle, because they want the pieces to connect with short lines. Unfortunately, at least one of the lines has to be reasonably long — it has to wrap around two circles with different letters before finding its match. The figure at the bottom of the page shows one possible solution, but there are others.

Albert Einstein said that anyone who is able to solve this puzzle will do so within two minutes. Further, he believed that anyone who wasn’t able to solve it in two minutes would never be able to solve it. That’s probably not true. But if you look at this puzzle for several minutes and can’t find a solution on your own, put the puzzle aside for a day or two, and then come back to it with a fresh start. Giving your mind a break is often helpful with these kinds of problems.

Solution: The figure shows one solution.
The 10 ships are arranged in the grid as shown below.