

The Superyacht

TRUTH • OPINION KNOWLEDGE • IDEAS AND EXPERT INDUSTRY ANALYSIS



ANNUAL REPORT

incorporating

THE STATE OF THE INDUSTRY

Industry sector reports providing a comprehensive snapshot of the last 12 months' activity.

Page 25

COUNTRY REPORTS

Looking at the performance of the main players producing the lion's share of the Order Book.

Page 106

The Superyacht Intelligence
Global Order Book 2013

Sales & Purchase

It's no secret that the brokerage market experienced a slow year in terms of sales. The small number of sales completed, paired with never-ending price reductions, has led many in the industry to wonder when we will hit the ground following the fall. **Rebecca Curran** reports on the sales and purchase activity from 2012 and what 2013 may bring.

2012 began with what appeared to be a steady stream of sales in the double digits straight through to the first half of the summer, with a total of 21 completed in June alone.

When discussing the state of the industry with a selection of brokers, a common theme dominated: owners are not being told the truth about pricing when putting their yachts on the market. Simply choosing the broker that promises the highest price does not translate to receiving that price in a sale. Instead, yachts remain on the market for years, seeing one price reduction after the next, making potential buyers question why. John St Hill at OceanStyle by Burgess explained that: "The challenge is in 'closing the gap' between buyers' and sellers' expectations and in educating both parties on the realities of the market".

As an industry, the onus is on us to educate sellers properly to ensure there remains a steady flow of clients willing to pay the advertised price rather than



waiting months or even years for the market to bottom out. Neil Cheston and Will Christie from Y.CO reiterated that this trend is a "consequence of a market that is driven by badly advised sellers setting their initial prices too high. The continuing habit of reducing a yacht's price consistently over two to three years appears desperate, and quite the opposite of attracting buyers, it is deterring them."

To put it into even simpler terms, Mike Payne, CCO at Camper & Nicholsons, explained: "Yachts are selling when correctly priced and intelligently marketed". For a buyer to expect to sell his yacht, the work must be done in the initial stage of sale. Placing a yacht on the market at an inflated price helps neither buyer or seller.

This is the strongest trend we saw in the purchase market last year: the potential for yachts to be sold, if they were correctly priced. How to explain, then, the steady decline in the number of yachts sold mid summer onward? Hein Velema, CEO of Fraser, also observed this pattern: “While 2012 started well for sales, the summer months showed a dramatic drop.” Various brokers have thoughts on this, with the most common reason given being the current uncertainties in the EU economy, while others were awaiting the outcome of the US elections. Toby Walker, managing director of Dubois Yachts, shared his own observations of

For a buyer to expect to sell his yacht, the work must be done in the initial stage of sale. Placing a yacht on the market at an inflated price helps neither buyer or seller.

a “slow Fort Lauderdale Show due to the US elections”, as did OceanStyle’s Keith Mailing in the US, confirming that “election years in the USA tend to turn sales downwards”, not to mention that the majority of owners spend their summers either on board or chartering their yacht, leaving little time to complete sales. With the future uncertain for many, buyers are wary to buy, certainly when they see that the current yachts for sale are consistently being reduced.

As summers are traditionally spent on board, this does not explicitly indicate a slump in the market. Mailing further agreed that “Summer is the time for boating, not buying, with a lot more owners using their boats this summer than in past years.” Not only do owners spend the summer enjoying their yacht, but, for many, it is also used for the financial kickback that chartering offers them. If we can expect a slow summer due to people being on the water, then we should see an increase in activity when boat show season rolls around. Although we have heard generally good things coming out of Cannes, the Monaco Yacht Show and FLIBS, they did not garner the interest from big players that the industry was hoping for. As Velema, Walker and Mailing have mentioned, perhaps this can be chalked up to the fact that elections were taking place on one side of the Atlantic, with the future on this side still unsure due to a shaky EU economy.

While different trends are seen on both sides of the Atlantic, both markets appear to be remaining stable. As Payne mentioned, “The US market is primarily interested in smaller yachts at the 24-30m range and has seen an increase in volume of sales, whereas the European market has always been strongest in the 30-40m size range.” A promising sign is the fact that the interest brokers are seeing tends to be in the 35m+ category, showing promise for the sales market in 2013.

So, where is the light at the end of this tunnel? The brokers we spoke

with were unanimous in emphasising that we should be seeing change by spring 2013. However, in order to see this change Payne further highlighted that “With the market still in a state of uncertainty, both buyers and sellers need to be fully aware of the market conditions and realistic in their goals

With the larger yachts on the market, it is more important than ever to provide pragmatic pricing in order to provide buyers and sellers with realistic expectations.

when negotiating.” This observation is echoed by other brokers, including Walker, who said that “Sellers need to continue to be flexible in both price levels and conditions of sale”, as well as Cheston and Christie, who believe that “Brokerage houses need to take responsibility to advise their sellers that the prices achieved in 2006 and 2007 are no longer realistic.”

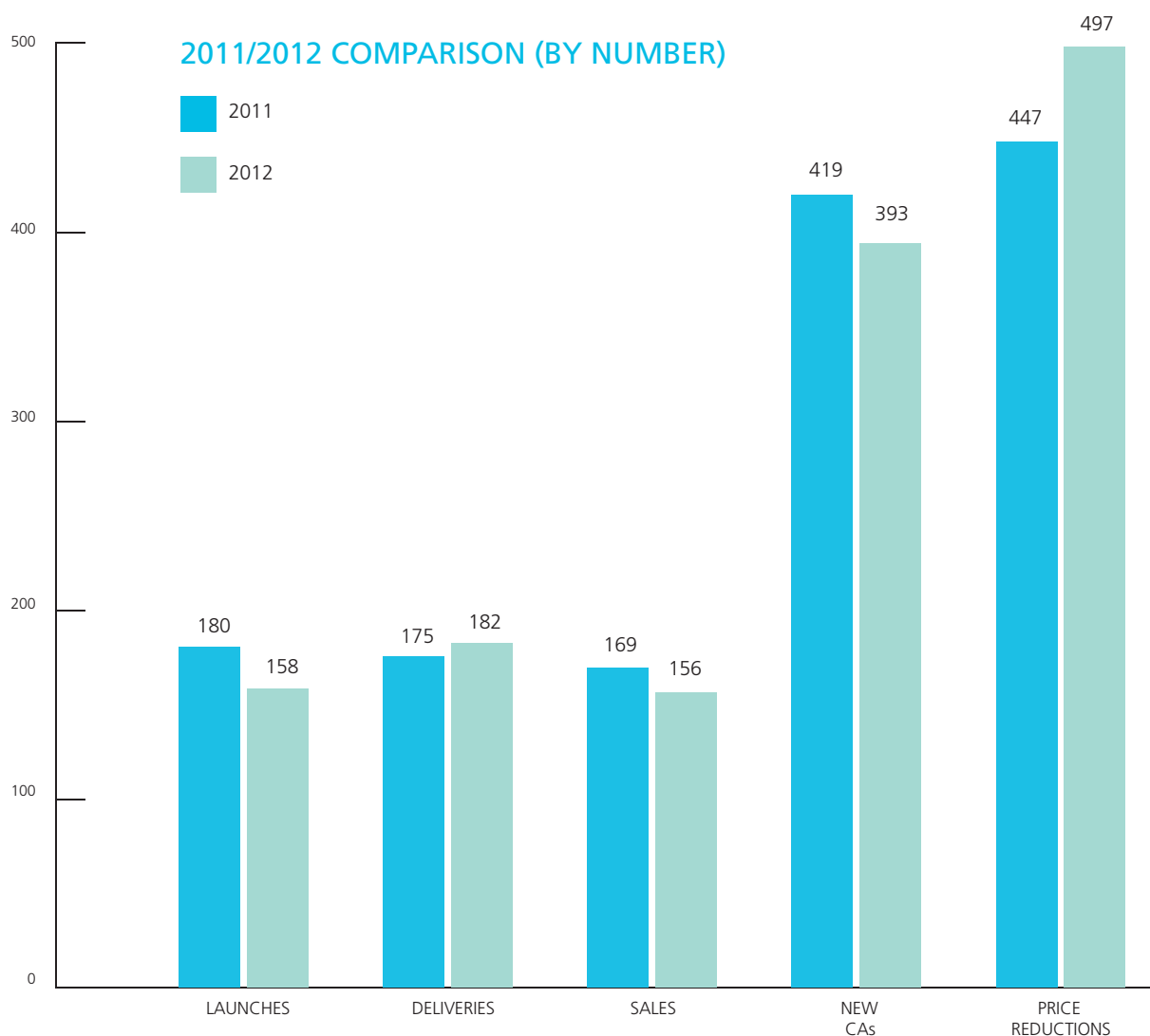
To ensure a healthier and stronger 2013, we need to approach potential owners with a realism and transparency to demonstrate what this industry can offer them. ■

Image: Thierry Ameller

To comment on this article, email issue140@superyachtreport.com with subject: Sales & Purchase

THE YEAR IN VIEW

Utilising the data compiled by the Superyacht Intelligence Agency throughout the year we have compiled a detailed analysis of 2012 in terms of new builds, brokerage activity and the most significant news pieces that have punctuated the industry's year. In 2012, 158 superyachts were launched 182* yachts were delivered to their owners and 156 yachts were sold. In the brokerage market, there were 497 price reductions and 393 new central agency listings on the market.



*These are the overall totals (including confidential and unconfirmed activity), as presented in the statistical analysis. However, only those launches and deliveries that are confirmed or are unrestricted by confidentiality clauses are presented in the following pages.

JANUARY

BUSINESS NEWS

■ There were signs at the beginning of the year that a new world order was emerging. The Chinese manufacturing umbrella organisation SHIG-Weichai confirmed the acquisition of the Ferretti Group, with the purchase of a 75 per cent controlling stake in the Italian company. The news brought to an end a protracted series of negotiations that saw various equity investors enter the arena.

■ The Italian superyacht industry reacted angrily against plans by the new Italian president to introduce a 'yachting tax'. There was further disquiet within the Italian industry with protests staged in Genoa against job cuts announced by Fincantieri the previous month. The protests, however, did not affect its superyacht yard in La Spezia.

The Italian superyacht industry reacted angrily against plans by the new Italian president to introduce a 'yachting tax'.

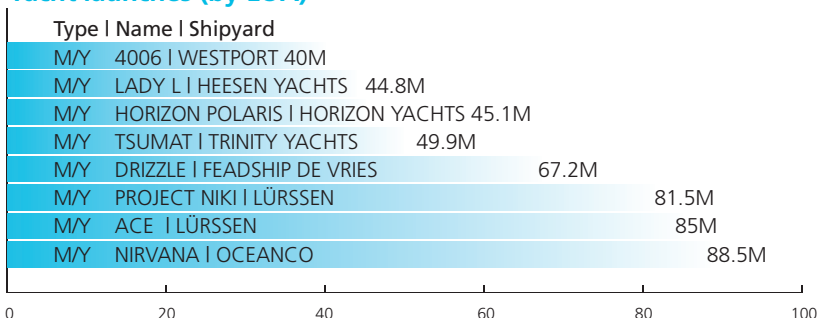
■ In the US, Derecktor confirmed that its Bridgeport, Connecticut, facility had filed for Chapter 11 bankruptcy. Under the terms of the legislation Derecktor retained its ownership of the yard as a 'debtor in possession'.

■ In a year that was to be punctuated by shocking events, Sunreef Yachts' Gdansk facility was damaged by a fire that destroyed one of its assembly halls. The building housed four of its yacht projects, three 21m and one 18m, all catamarans.

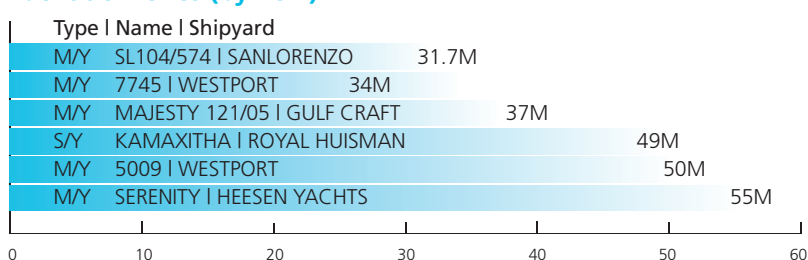
■ There were encouraging signs for two emerging superyacht registries. Transport Malta closed 2011 with an 18.6 per cent increase in the number of superyachts registered, bringing the total number of registered superyachts to nearly 300. Meanwhile, the Isle of Man Ship Registry announced record tonnage for 2011, with a 12 per cent year-on-year increase.

FLEET DATA

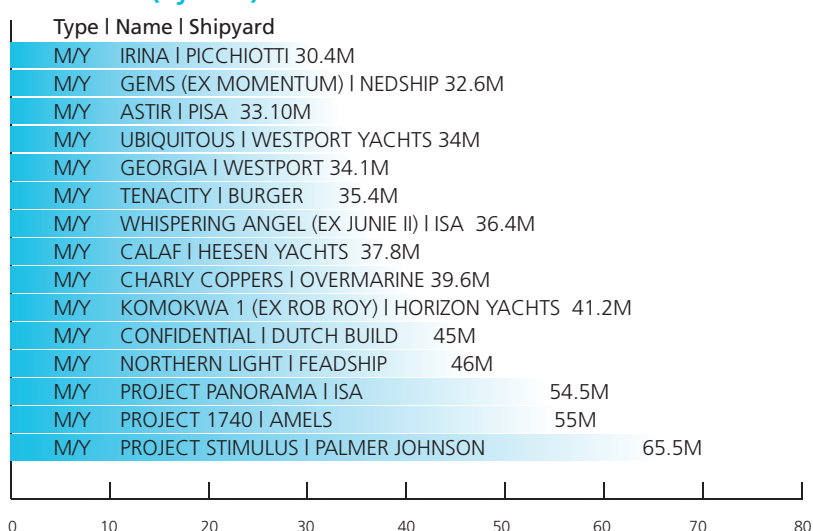
Yacht launches (by LOA)



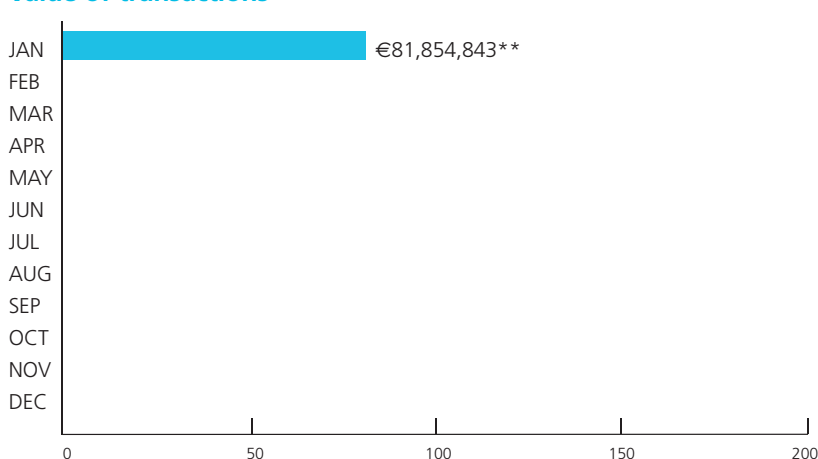
Yacht deliveries (by LOA)



Yacht sales (by LOA)



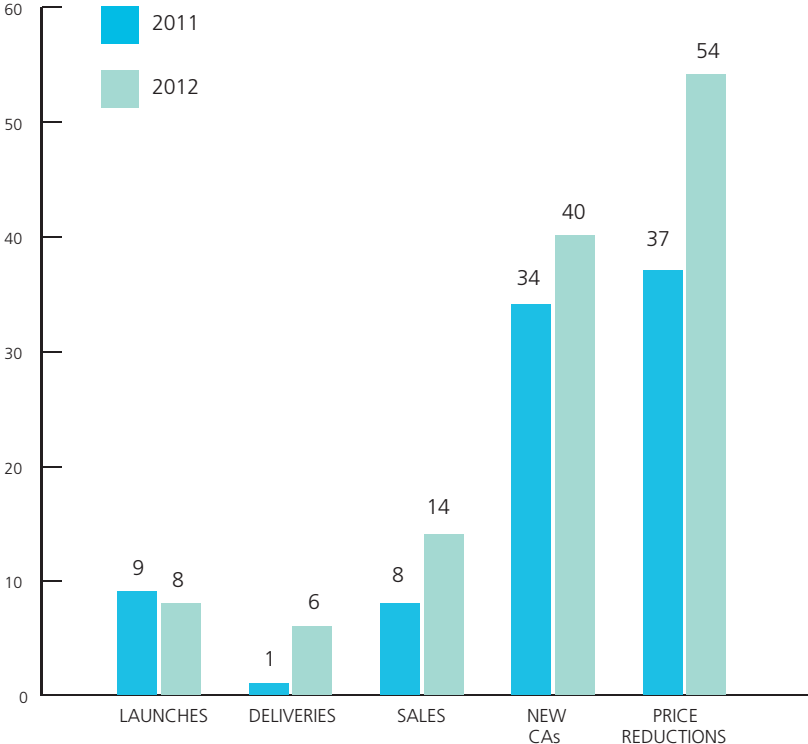
Value of transactions*



* Selling prices have been withheld and may vary dramatically from the asking price

** Six values missing due to no published price

January 2011/2012 comparison (by number)



■ In what was a busy month for marinas, the owners of Karpaz Gate Marina announced plans to broaden the appeal of the facility with a new hotel and beach club, due for completion a year after the marina’s opening, whilst The Wave in Muscat, Oman, became the latest marina under IGY’s management. The month also saw the opening of Alcaidesa Marina, situated between the Spanish coast and Gibraltar.

FACT

The average yacht delivered in 2012 was a 43.29m motoryacht, built at a European shipyard.

FEBRUARY

BUSINESS NEWS

■ The superyacht industry was rocked by the sinking of 60.2m Proteksan Turquoise superyacht *Yogi*. She sank at 07:30 local time, 19nm off the coast of Skyros in Greece. The yacht was in the region following a visit to the yard for minor warranty work on her interior. A successful rescue operation was undertaken by the Hellenic Coast Guard and everyone on board was lifted to safety. The cause of the sinking was to become the subject of a prolonged investigation by the Bureau d'enquêtes sur les événements de mer.

■ Local firefighters were called to attend a blaze at Port de Nice on board 47m ISA superyacht *360°*, formerly known as *April Fool*. The fire, which lasted about an hour, caused a substantial amount of damage to the pilothouse.

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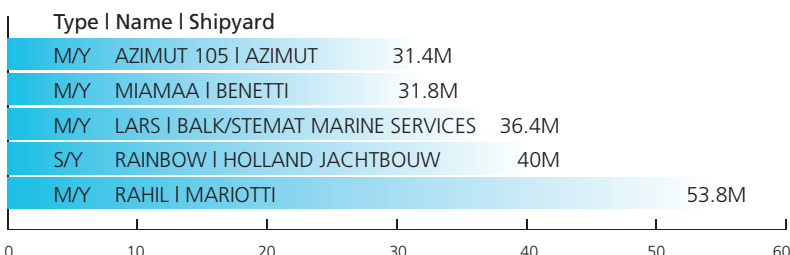
■ UK yacht builder Oyster Marine was sold on 21 February to the Dutch investment company HTP Investments BV. The acquisition included the Oyster Group companies Oyster Marine Ltd, Oyster Brokerage Ltd and Southampton Yacht Services Ltd.

FACT

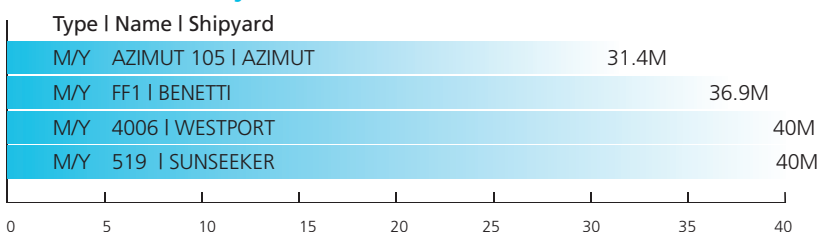
Of the yachts launched in 2012, 68m M/Y *Variety Voyager* carries the most guests, with 72 passengers able to travel on board.

FLEET DATA

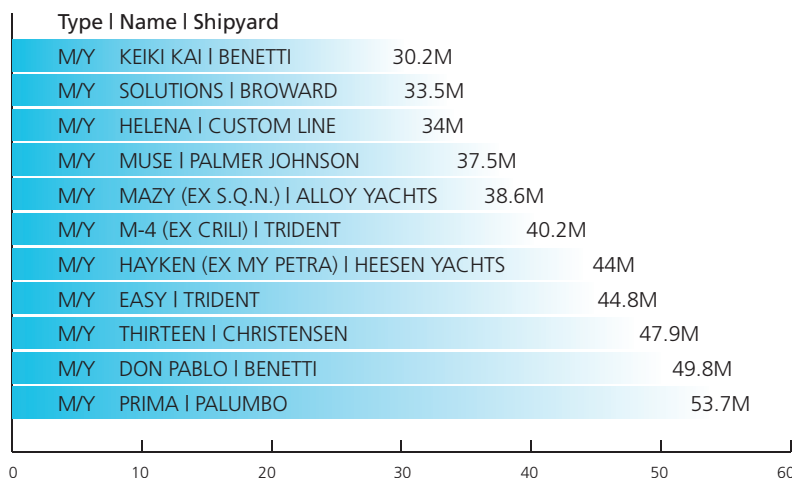
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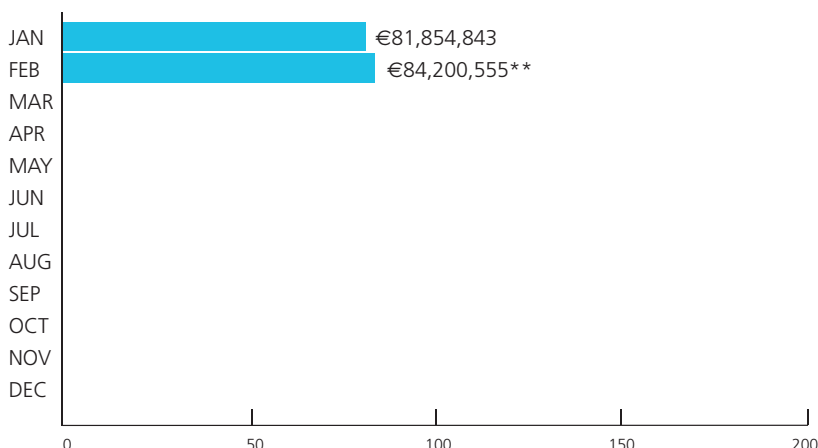
Yacht deliveries (by LOA)



Yacht sales (by LOA)

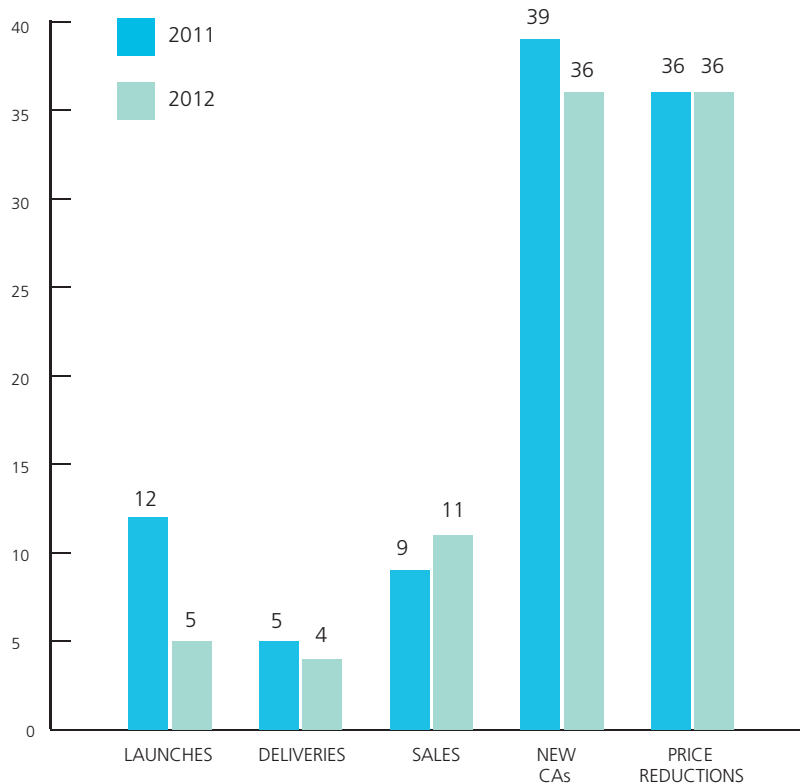


Value of transactions*



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February 2011/2012 comparison (by number)



■ In Italy, there was growing pressure placed on the government to rethink its proposed 'yacht tax', but there was also encouraging news as the Baglietto Group's La Spezia facility was purchased by Beniamino Gavio for a reported €18,500,000.

■ Italian refit giant Amico & Co confirmed a 15m extension of the yard's dry dock shed following upgrading of facilities in October 2011. Amico & Co said the move was driven by the demands of bigger superyachts.

■ Ward Eshleman Sr, founder of family-owned and operated Ward's Marine Electric, passed away at the age of 96. Eshleman had expanded the original focus of the company from strictly dockside marine electrical services to include sales, engineering and engraving.

MARCH

BUSINESS NEWS

■ Bowing to popular pressure, the Italian senate approved amendments to the government’s widely criticised yacht tax, proposed in December 2011, to be applied to all yachts in Italian waters, and due to come into effect on 1 May. A new dimension of the law was also introduced, which would alleviate costs for superyacht owners, both Italian and foreign. The first central change was that the tax will be applied to Italian-owned yachts only, regardless of whether the yacht is kept in Italy or overseas, exempting all foreign-owned yachts. The second was to make tax chargeable on a simpler annual rather than daily rate.

Forty-five metre *Helix* made history as the first ever Feadship vessel to tour Asia.

■ One of the industry’s success stories, Pendennis confirmed plans to expand its Falmouth facility. The expansion – which would see two new sheds built and a 9m increase in the height of its dry dock shed – would enable the yard to accommodate further large-scale projects anticipated under its Pendennis Plus line. Included in the plans were a new hospitality suite, new crew quarters, six workshops and a new office space.

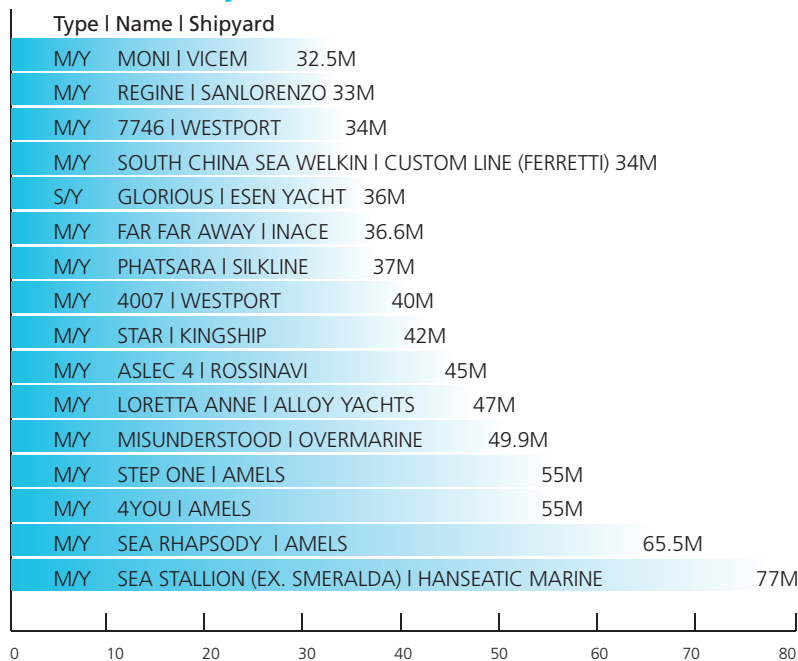
■ There was a flurry of superyacht activity in Asia with Holland Marine Experience, Yachting Partners International and Princess Yachts all opening offices in the region. Forty-five metre *Helix* also made history as the first ever Feadship vessel to tour Asia.

FACT

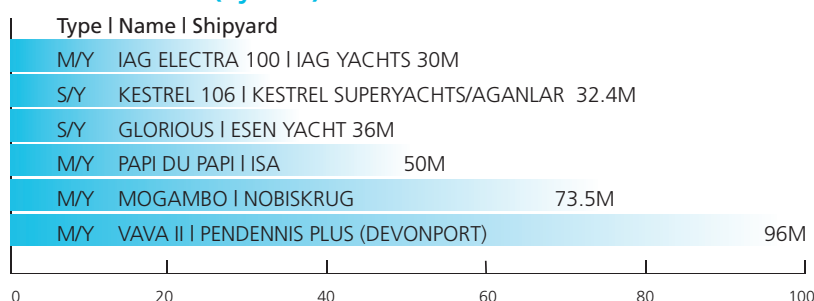
The biggest yacht launched in 2012, 147.25m *Topaz*, is 107.3m bigger than the average delivered yacht.

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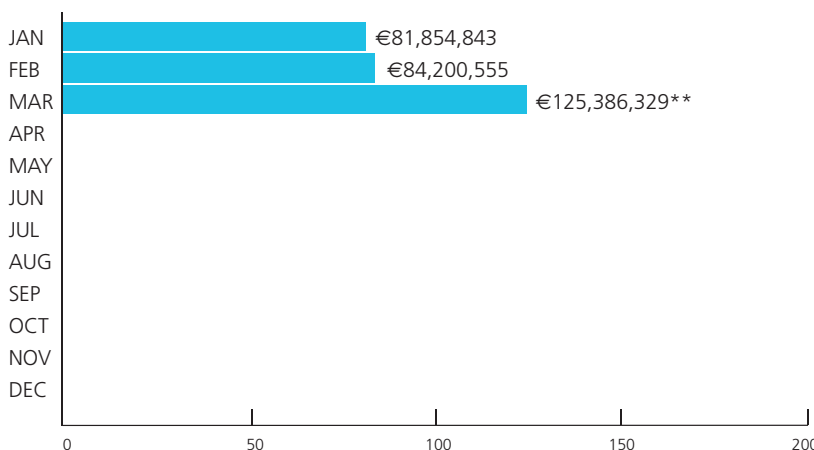
Yacht launches (by LOA)



Yacht deliveries (by LOA)



Value of transactions*

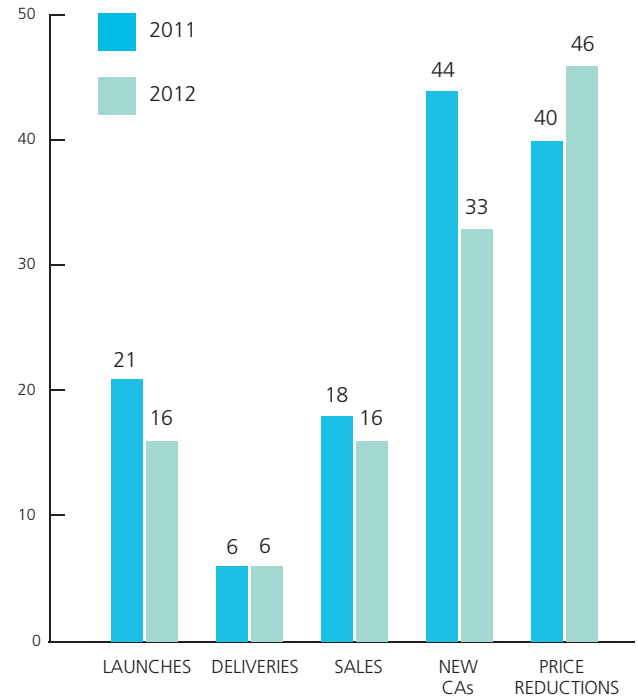


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Yacht sales (by LOA)

Type	Name	Shipyard	LOA
M/Y	TENACITY	KHA SHING ENTERPRISES/HARGRAVE	33.2M
M/Y	CELEBRATION	CRN	34M
M/Y	LADY LILY	WESTPORT	34.1M
M/Y	CRESCENDO	WESTPORT	34.1M
M/Y	HIDE OUT	WESTPORT	34.1M
M/Y	SUNSEEKER PREDATOR 115	SUNSEEKER	34.5M
M/Y	BANYAN III (EX BEVERLEY)	BENETTI	36.6M
M/Y	TEMPTATION	PALMER JOHNSON	37.5M
M/Y	SEA OWL	DELTA MARINE	37.8M
M/Y	TATII	TAMSEN YACHTS	40.5M
M/Y	IMBROS	TROY MARINE	42M
M/Y	CUSTOM SERIES	CHRISTENSEN	43M
M/Y	ISA GRANTURISMO	ISA	43M
M/Y	LADY DAHLIA	ISA	47.5M
M/Y	PESTIFER I	CRN	49.8M
M/Y	DREAM (EX EXCELLENCE III)	ABEKING & RASMUSSEN	57.3M

March 2011/2012 comparison (by number)



APRIL

BUSINESS NEWS

■ All eyes were on the ‘Big Five’ brokerage houses, as the much talked about Large Yacht Brokers’ Association (LYBrA) began to take shape. A meeting was held to finalise its bylaws, logo and structure, and confirm that the organisation will be open to membership. The association was established to formalise an existing informal relationship between the superyacht industry’s leading brokerage houses – Burgess, Camper & Nicholsons International, Edmiston, Fraser Yachts and Ocean Independence – but the door was left open to other large brokerage houses to join, if they met certain criteria.

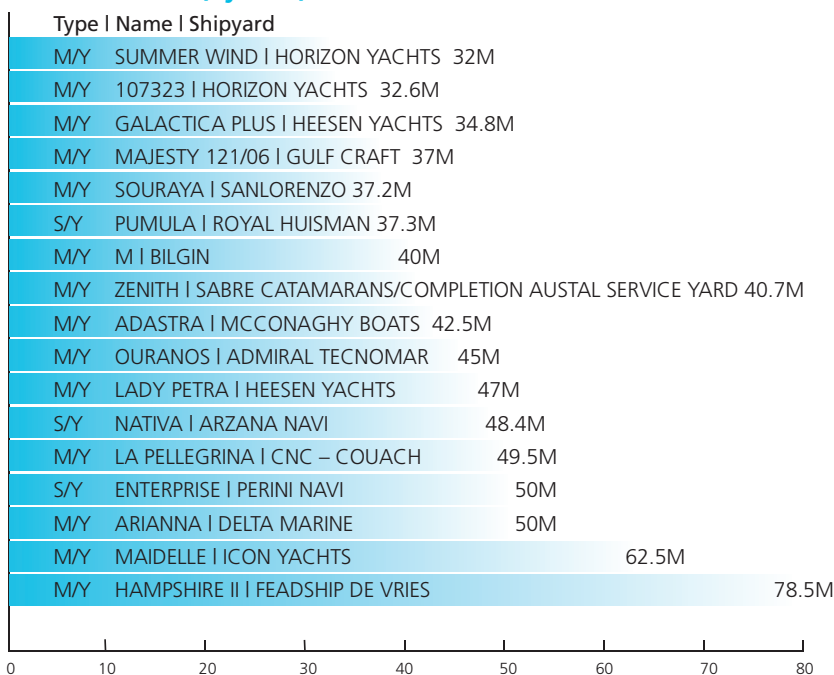
The Large Yacht Brokers’ Association (LYBrA) was established to formalise an existing informal relationship between the superyacht industry’s leading brokerage houses.

■ Back to the Italian courts – a six-year legal wrangle between yacht owners and the Sardinian authorities for refunds of taxes paid under the now defunct Sardinian tax law ended in victory for the payees. The agreement secured taxpayers refunds on any tax paid from 2007 until 2008, one of the three years of the inflated tax which started in 2006 and ended in 2009. The amount represented approximately €3 million worth of repayments, confirmed Renato Azara, director at Sardinia Yacht Services.

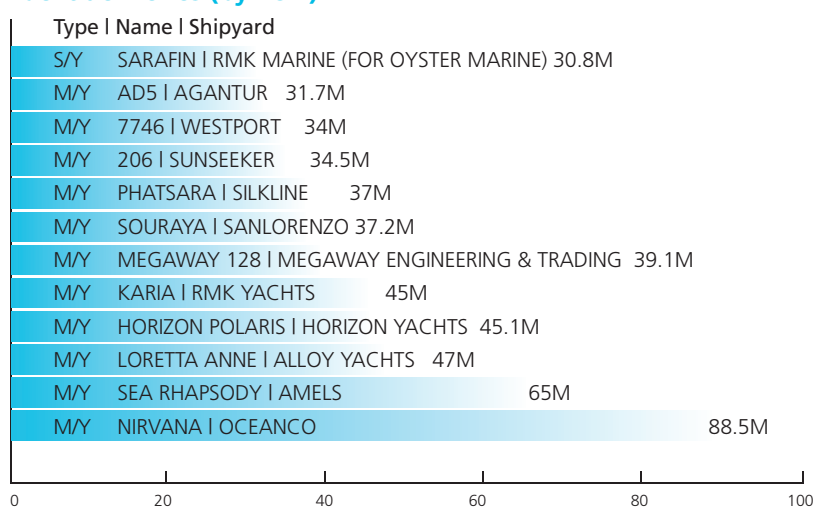
■ The superyacht industry was strongly represented at the UK government’s first ever marine industries showcase, held at its Department for Business Innovation and Skills (BIS) in London. The aim was to give ministers responsible for the funding and support of the marine sector, as a key component of the UK’s economic growth strategy centred on manufacture and export drives, the chance to see first hand its benefits. Representing the voice of the superyacht industry was Pendennis, Superyacht UK and Williams Tenders.

FLEET DATA

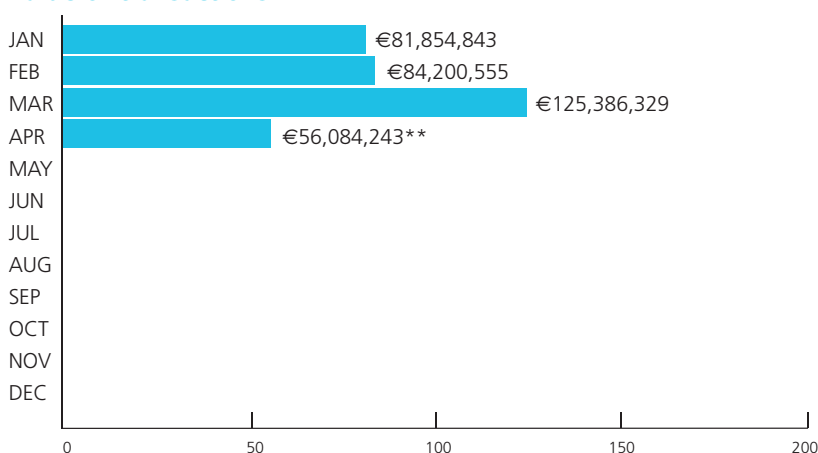
Yacht launches (by LOA)



Yacht deliveries (by LOA)



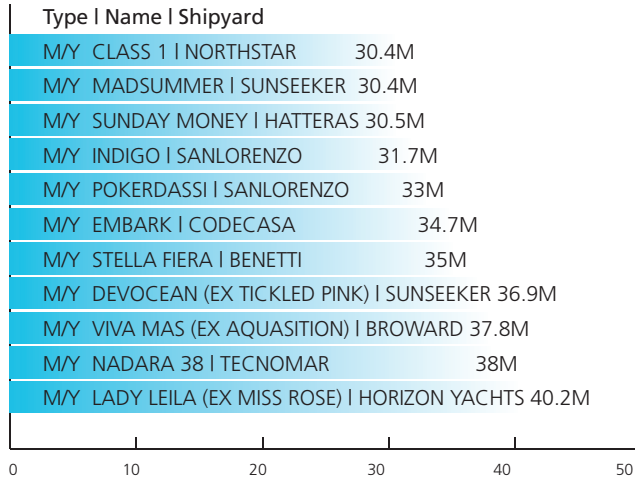
Value of transactions*



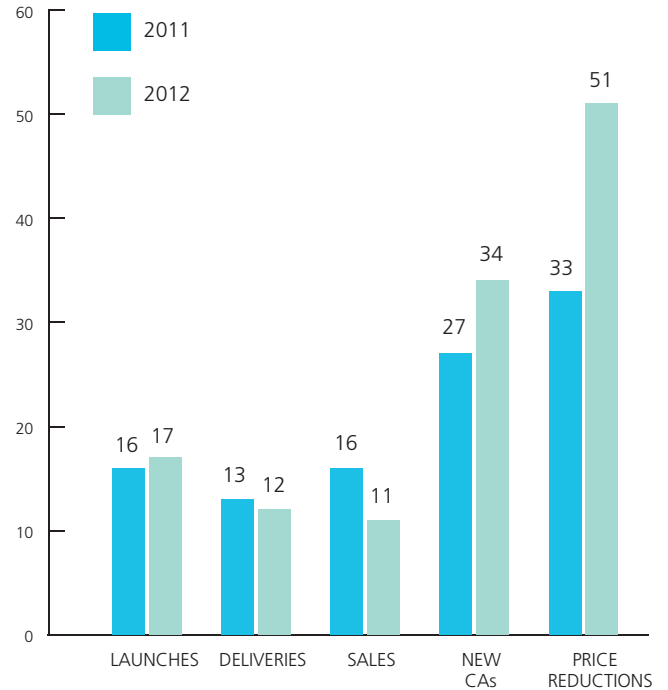
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Yacht sales (by LOA)



April 2011/2012 comparison (by number)



MAY

BUSINESS NEWS

■ A raft of elections across Europe played havoc with the markets and brought lingering questions about the health of the economy to the fore. A split poll in Greece did little to boost its traditional status as a summer charter destination. François Hollande’s election in France caused speculation and concern among industries that serve UHNWIs. His ‘war against the rich’ included a proposed 75 per cent top tax rate. And Vladimir Putin was re-elected as the president of the Russian Federation. Putin’s return threw up renewed economic uncertainty for the country’s ultra-rich, the wealth of whom had been historically challenged.

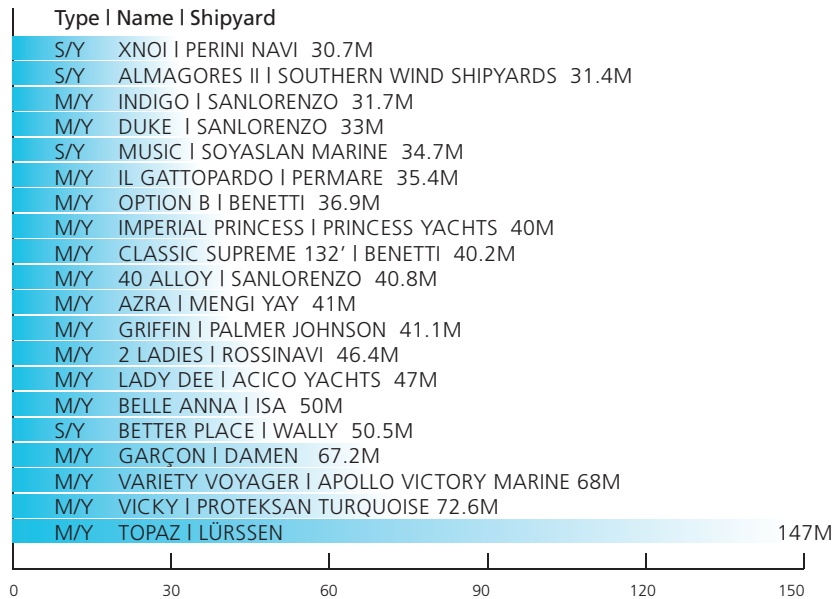
Y.CO announced that it would be seeking shareholder approval to cease trading on the London Stock Exchange’s AIM growth market.

■ The long-running battle between Spain’s nautical industry and the government was put into perspective with the publication of an Economic Impact Study, which highlighted the affect of Spain’s Matriculation Tax upon its economy. The report found that registration under the Spanish flag has fallen 77 per cent since 2007, with just 11 vessels out of MYBA’s 1,189 carrying the Spanish flag. There was a rare victory for the industry, though, as, following a prolonged consultation with the yachting industry, the Balearic government confirmed that anchorage restrictions tabled by its predecessor would not have any impact upon superyacht cruising in the region.

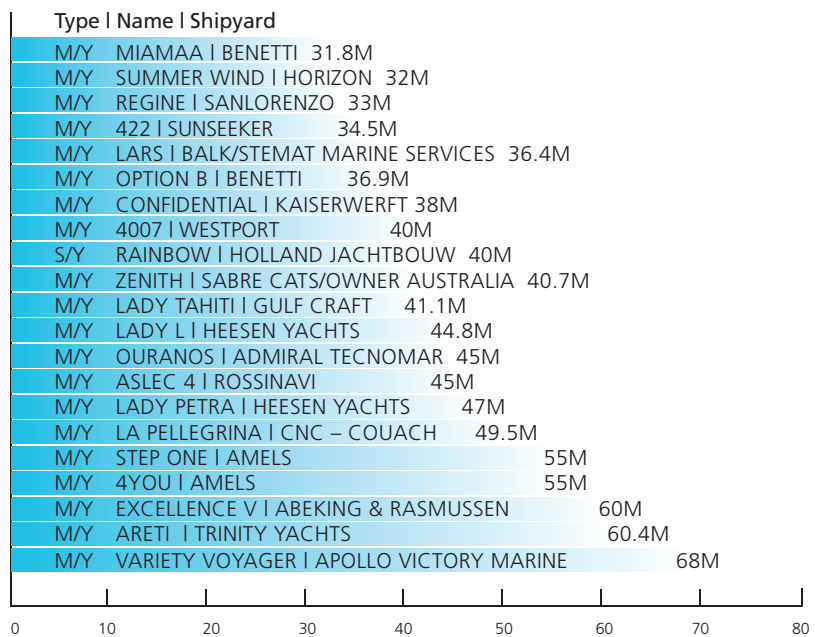
■ The superyacht industry’s most high-profile foray into the stock market came to a premature end as Y.CO announced that its board of directors would, at its annual general meeting on 25 June, be seeking shareholder approval to cease trading on the London Stock Exchange’s AIM growth market.

FLEET DATA

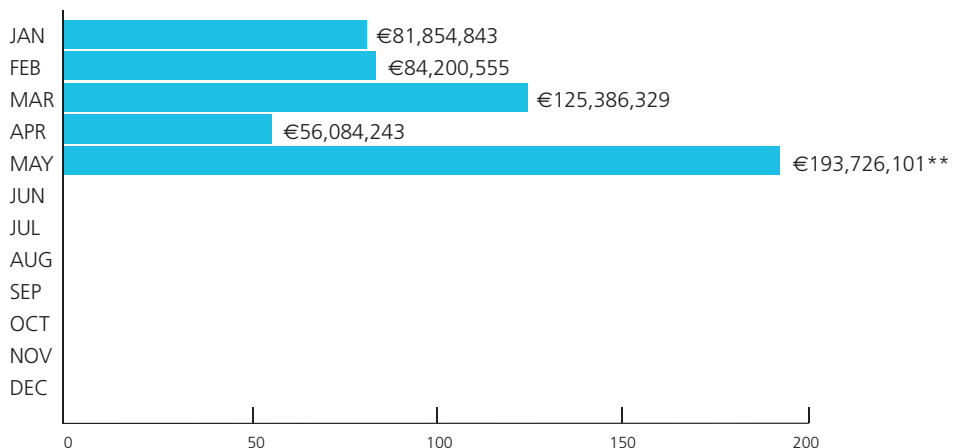
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Yacht deliveries (by LOA)



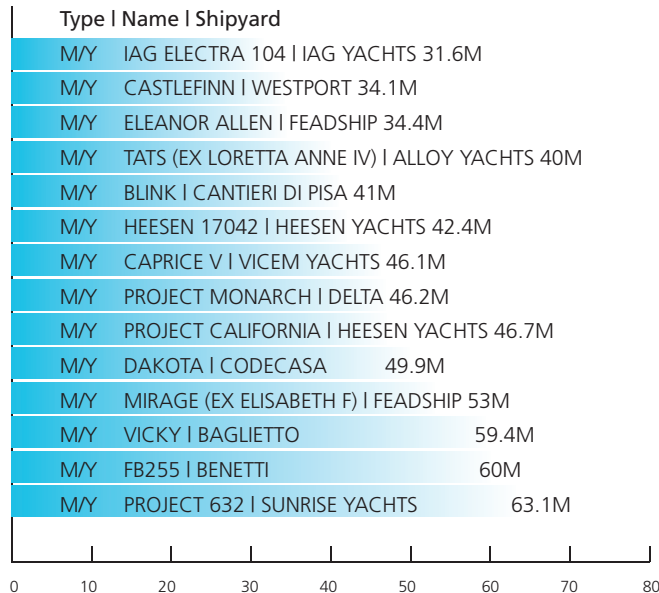
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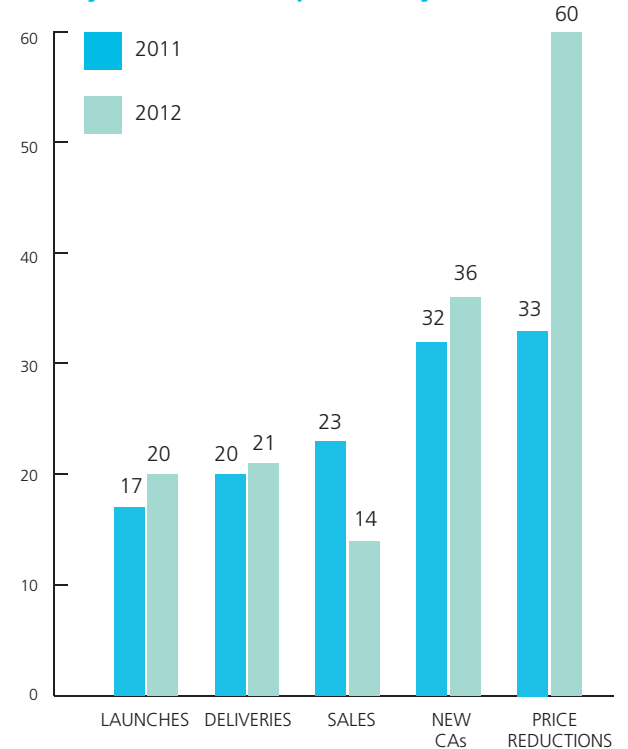
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Yacht sales (by LOA)



May 2011/2012 comparison (by number)



JUNE

BUSINESS NEWS

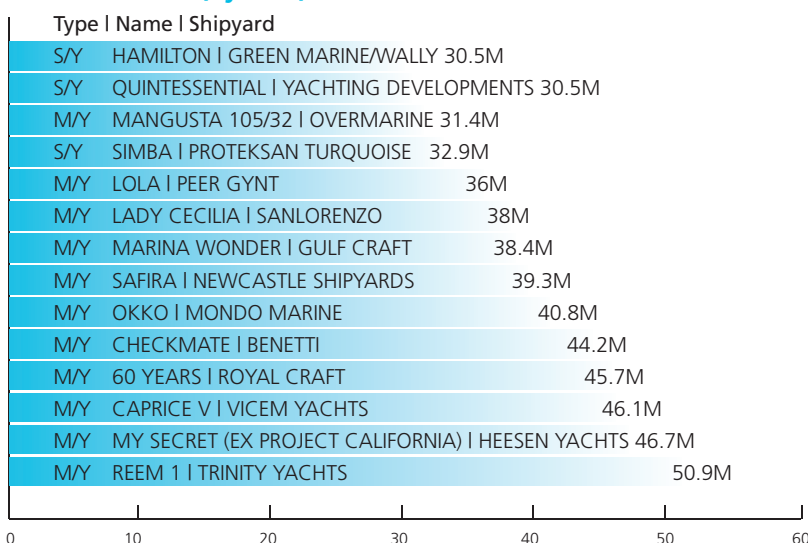
■ The superyacht industry mourned the loss of two of its leading figures. On 4 June, Hayati Kamhi, 62, died at his home in Istanbul. Kamhi was one of the founding partners of Turkish superyacht builder Proteksan Turquoise. Kamhi formed the company with Mehmet Karabeyoğlu over 18 years ago. Co-founder and chairman of the Bradford Marine companies Dieter Cosman passed away on 12 June. A dedicated and passionate member of the superyacht industry, who for a time lived on a boat at Bradford Marine’s Fort Lauderdale facilities, Cosman, 95, was an avid yachtsman and diver, continuing to dive well into his nineties.

3,683 seafarers were assaulted by pirates during the initial stages of an attack, and 968 seafarers came in close contact with armed pirates aboard their vessels.

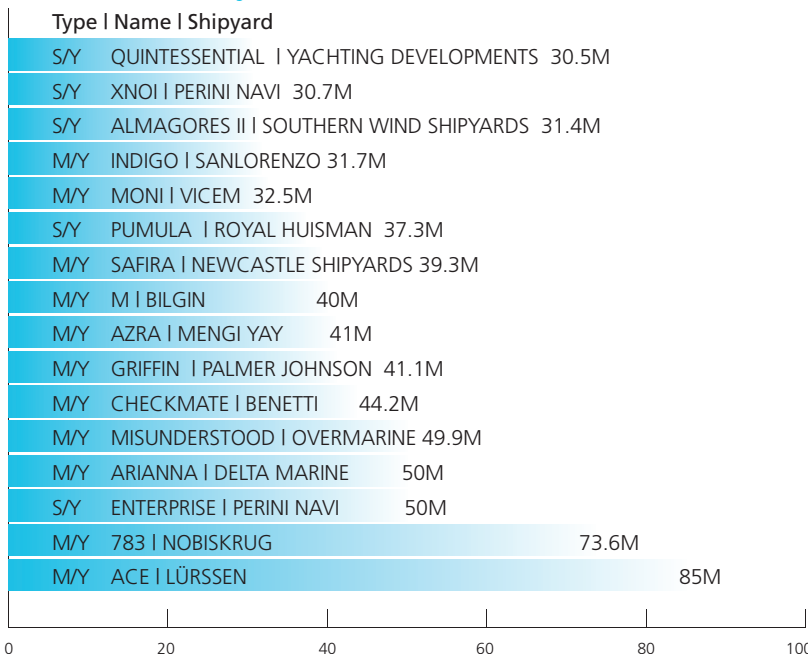
■ In the increasingly pertinent area of security, the International Commercial Crime Service’s (ICC) International Maritime Bureau published a statistical report of 2011’s piracy activity and its harmful consequences. The report initially assessed crimes committed by pirates in 2011 in what it called the ‘High Risk Area’. According to the report, 3,683 seafarers were assaulted by pirates during the initial stages of an attack, and 968 seafarers came in close contact with armed pirates aboard their vessels. This coincided with a follow-up inquiry on Somali piracy by the House of Lords EU Sub-Committee on External Affairs. The meeting, entitled ‘Combating Somali Piracy: the EU’s naval Operation Atalanta – Follow-up report’, followed the committee’s 2010 meeting, and saw its members discuss piracy issues pertinent to the superyacht industry, alongside the progress of the EU’s Operation Atalanta and its mandate change, described by a member of the meeting as “part of an acceptance politically that more needed to be done”.

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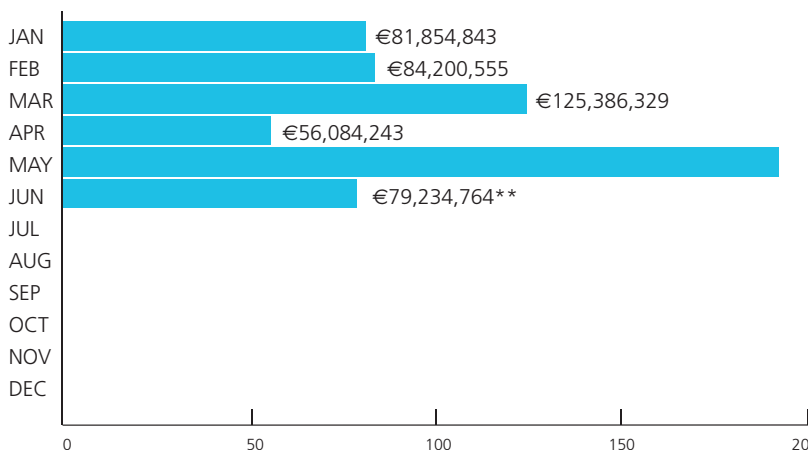
Yacht launches (by LOA)



Yacht deliveries (by LOA)



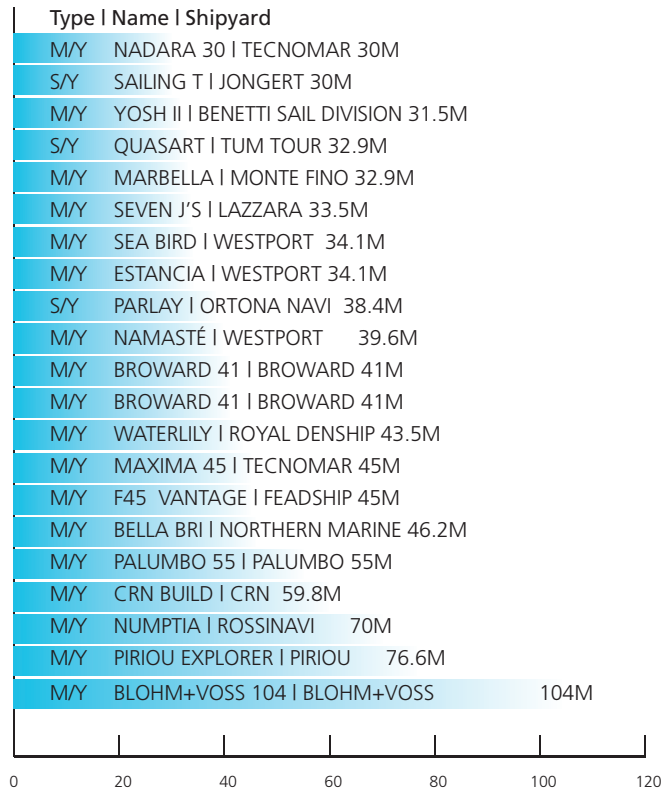
Value of transactions*



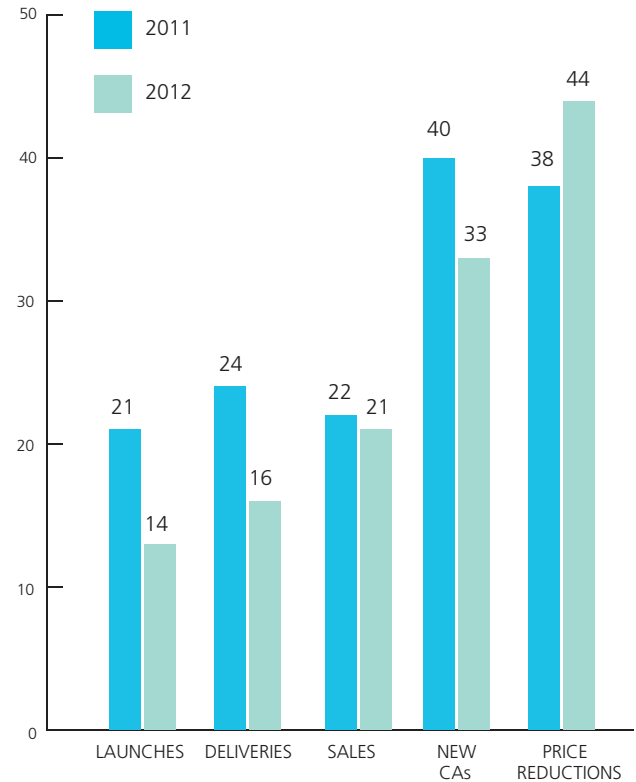
*Selling prices have been withheld and may vary dramatically from the asking price

** Eight values missing due to no published price

Yacht sales (by LOA)



June 2011/2012 comparison (by number)



JULY

BUSINESS NEWS

■ As the regeneration of a well-established marina began, plans for a new one were also announced. Work finally got underway for the regeneration of Pier 46 in Palma, nine months after it was due to begin. Once completed, Palma Moll Vell, as it will be known in June 2014, will house 26 berths for superyachts between 25m and 40m. At the same time, Singaporean company Sembawang released details of 'Wavebreak', its proposed \$4.9 billion superyacht, cruise ship, residential, marine and tourist development on the Gold Coast city's Broadwater. The investment was projected for completion by the 2018 Commonwealth Games, which the Gold Coast City is hosting.

■ Staying down under, Superyacht Australia made a formal submission to the Australian government, requesting a review of the regulations faced by visiting superyachts. The regulations as they stand are seen as prohibitive to boosting the numbers of superyachts visiting Australia.

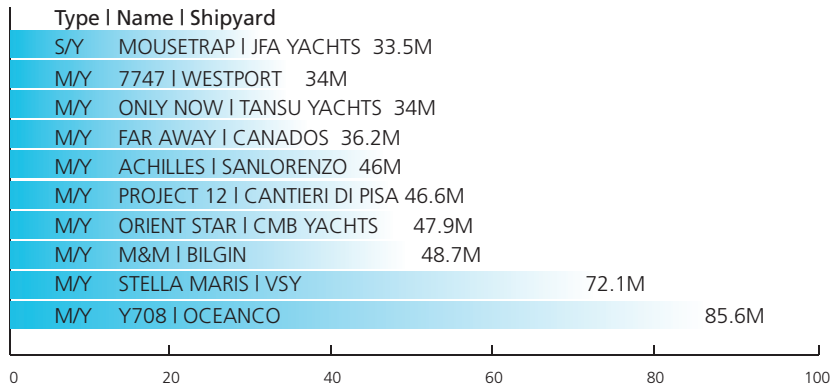
■ A hearing in Washington DC put on formal record for the first time the importance of the leisure marine industry to small businesses in the US, with proposals made for changes to existing regulation in order to promote economic growth. The US House Committee of Small Business met with representatives from the marine industry to discuss issues such as taxation, insurance and resource distribution.

■ A deal was signed that was, perhaps, symbolic for the future health of superyacht suppliers as communications integrator e3 Systems announced the sale of a 60 per cent stake in the group to Spanish-based private equity firm grupoarbulu. The transaction marked an innovative change of tack for debt-ridden supplier business models.

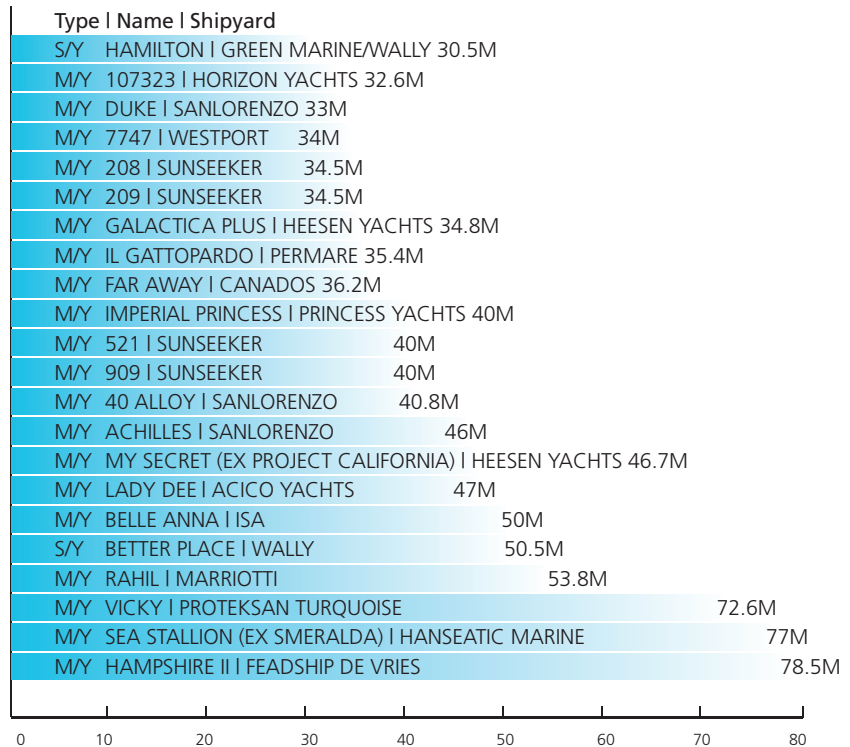
■ There was alarm in Norway when a fire broke out on 92m sailing yacht *Eos*. Taking some hours to put out, 18 people were evacuated from the yacht. Her media mogul owner was due to board that weekend.

FLEET DATA

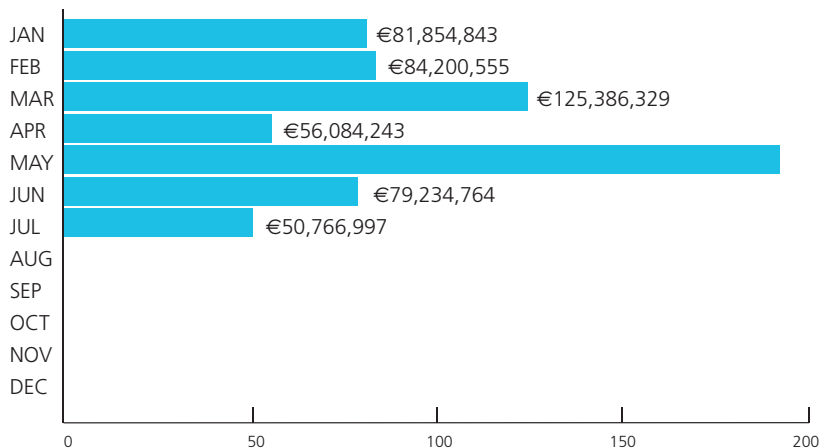
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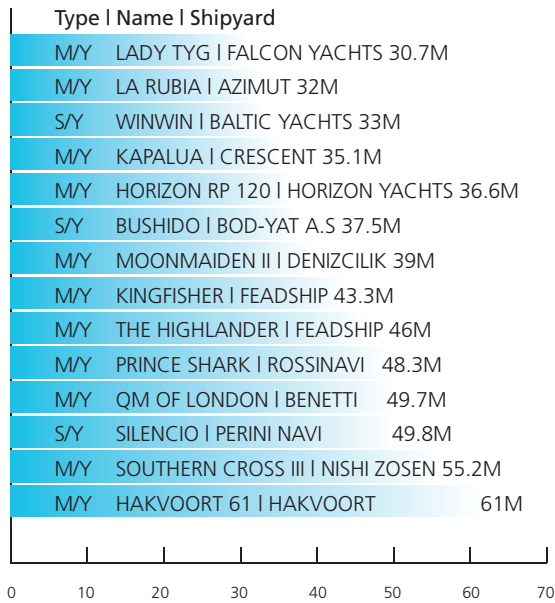


Value of transactions*

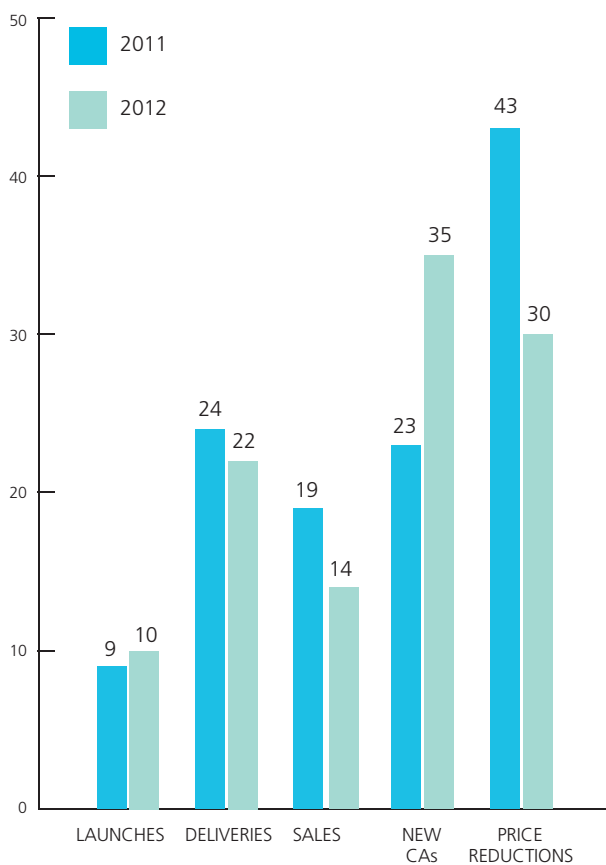


*Selling prices have been withheld and may vary dramatically from the asking price
 ** Six values missing due to no published price

Yacht sales (by LOA)



July 2011/2012 comparison (by number)



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AUGUST

BUSINESS NEWS

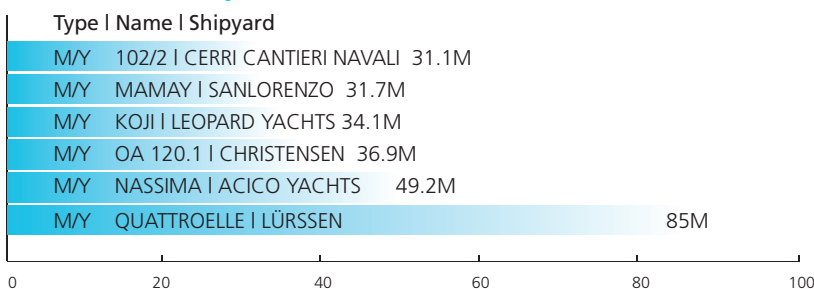
■ In the early hours of 12 August 2012, firefighters were called to McMullen & Wing’s premises in Auckland, New Zealand, to find the 50m steel/aluminium motoryacht *Star Fish* ablaze in the shipyard’s largest construction hall. The superyacht sustained significant damage, leaving the prospects of its completion in doubt. Elsewhere, a fire that began in the early hours of 29 August in the waters of Portosole Sanremo led to the sinking of 24m *Maiora* build *Manhattan*. The fire started on board 23m Pershing *Ibris*, which was also lost.

The eyes of the world were on London as it hosted the Olympic Games, and although questions remained as to the city’s lasting potential, Canary Wharf alone played host to some of the world’s largest superyachts.

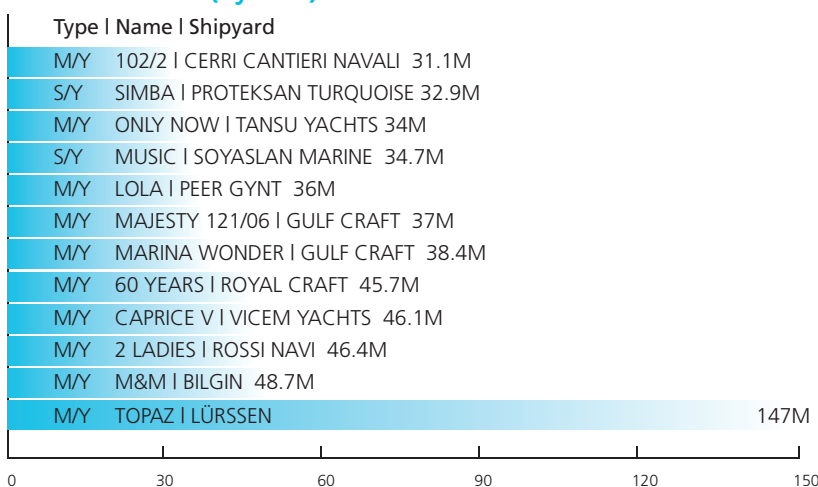
■ On 20 August 2012, the International Labour Organization received the 30th ratification of the Maritime Labour Convention (MLC) 2006, paving the way for its regulations to come into force in exactly one year from the day. MLC will affect superyachts in three key areas: increased accommodation and recreational facilities for crew; substantial equivalences for MLC included in The Large Commercial Yacht Code (LY3), in which provisions affecting yachts between 200gt and 500gt have been proposed; and the arrival of the Seafarer Employment Agreement (SEA) for all seafarers working on commercial yachts, which will replace all existing employment contracts aboard.

FLEET DATA

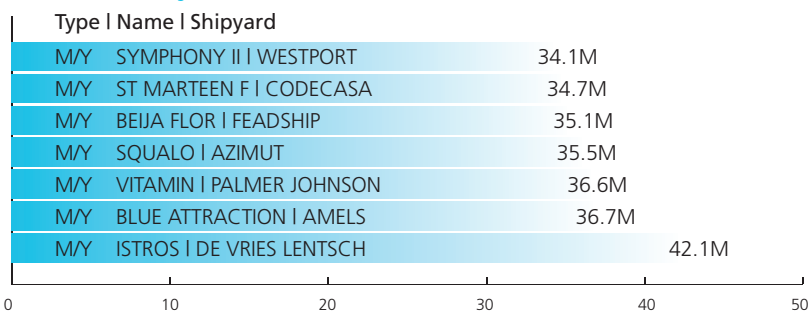
Yacht launches (by LOA)



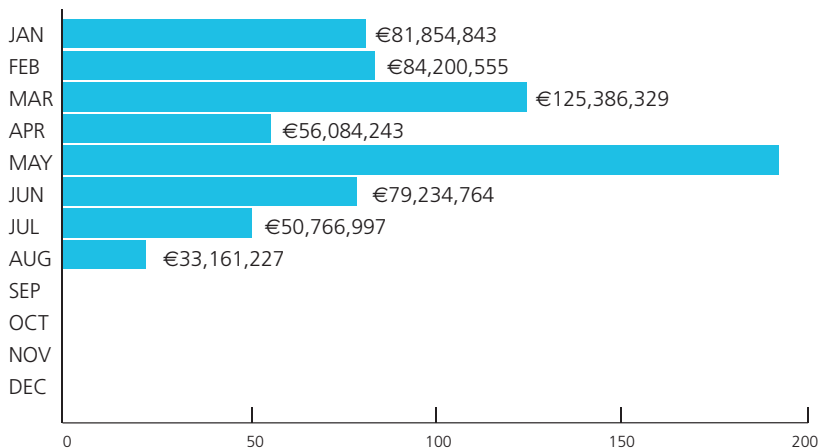
Yacht deliveries (by LOA)



Yacht sales (by LOA)

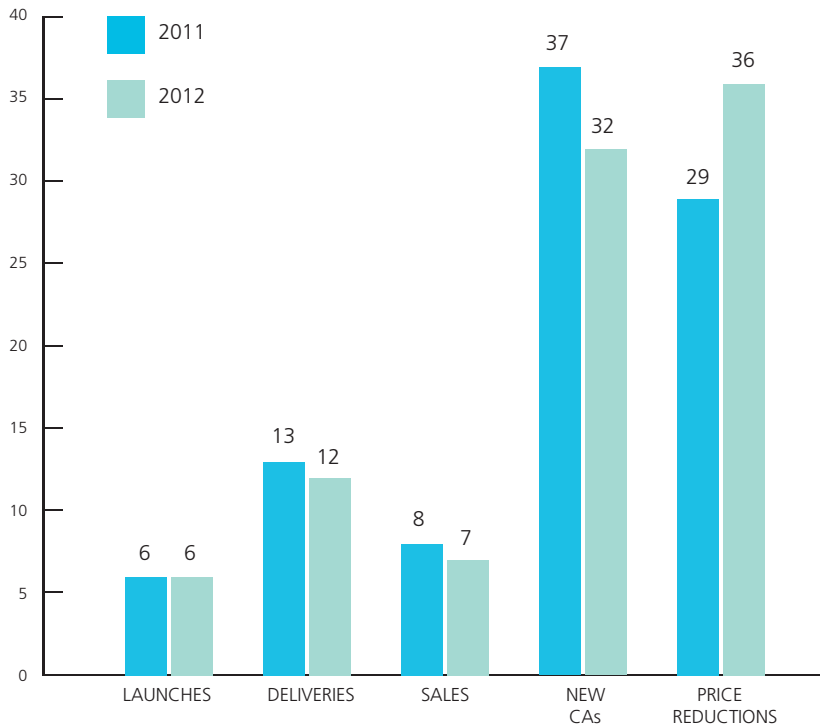


Value of transactions*



*Selling prices have been withheld and may vary dramatically from the asking price

August 2011/2012 comparison (by number)



■ The eyes of the world were on London as it hosted the Olympic Games. There had been furious speculation throughout the year as to whether the event would trigger an influx of visiting superyachts. Although questions remained as to the city’s lasting potential, Canary Wharf alone played host to some of the world’s largest superyachts, namely Lürssen’s 126m *Octopus*. Despite perceived accessibility issues the British capital welcomed Amels’ 74m *Ilona*, Benetti’s 65m *Seanna*, Amels’ 52m *Deniki*, Feadship’s 45m *Harle*, Benetti’s 37m *Sea Blue’z*, Bolson’s 36m *Osprey* and Benetti’s 30m *Favorita*, with three additional superyachts at the Royal Docks 2012.



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SEPTEMBER

BUSINESS NEWS

■ The world's premier superyacht event, the Monaco Yacht Show, proved to be a success, with attendees across the industry reporting a marked improvement, in business terms, on the previous year. It was hoped that the success of the show could provide the industry with some much-needed momentum.

■ Monaco also saw the Maritime and Coastguard Agency (MCA) launch its new Large Yacht Code, LY3. A primary development of LY3 was its provision of equivalence in their effect to standards required by the Maritime Labour Convention. LY3 had also been brought up to date to include the latest technology in radio communication equipment, navigating in polar regions and requirements for masts and rigging for sailing yachts.

The International Superyacht Society's president, Ken Hickling, reported significant progress in the representative body's work towards a 'code of ethics'.

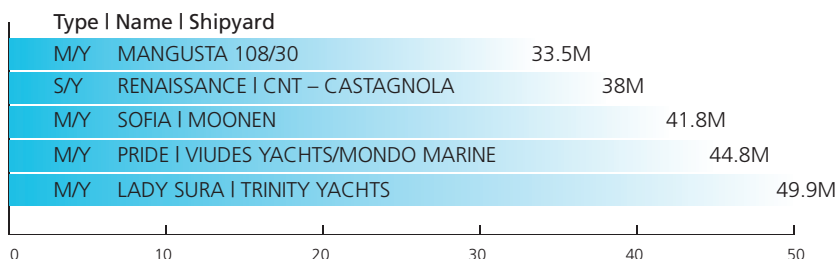
■ The International Superyacht Society's president, Ken Hickling, reported significant progress in the representative body's work towards a 'code of ethics'. First discussed at the 2011 Global Superyacht Forum, four healthy principles – Integrity, Honesty, Trust and Professionalism – were established to form the backbone of a complete 'checklist' of behaviours and practices.

FACT

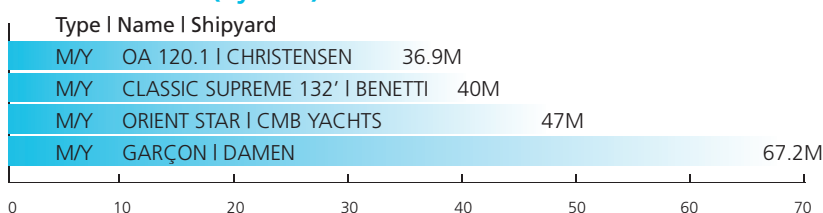
The total length of launches in 2012 is 6.6km, the equivalent of nearly 133 Olympic swimming pools.

FLEET DATA

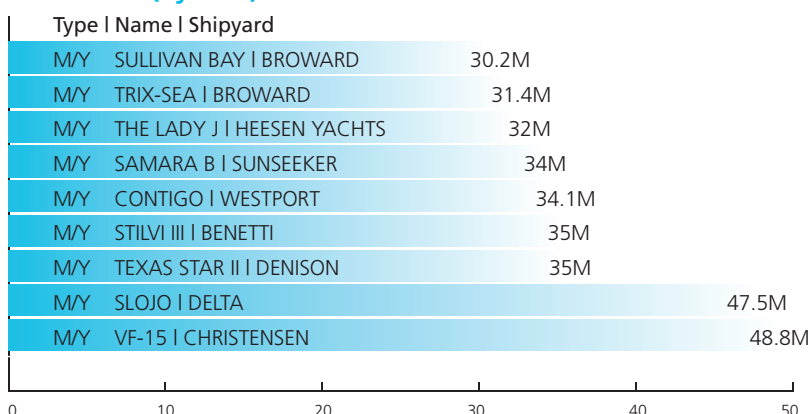
Yacht launches (by LOA)



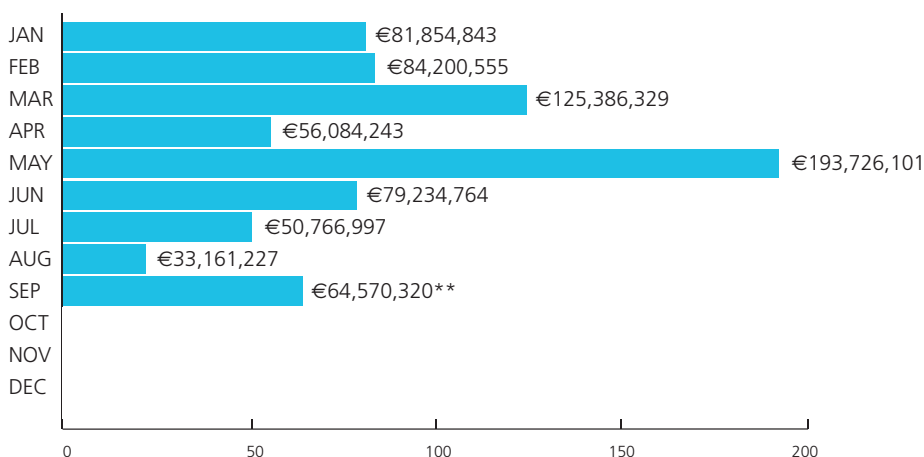
Yacht deliveries (by LOA)



Yacht sales (by LOA)



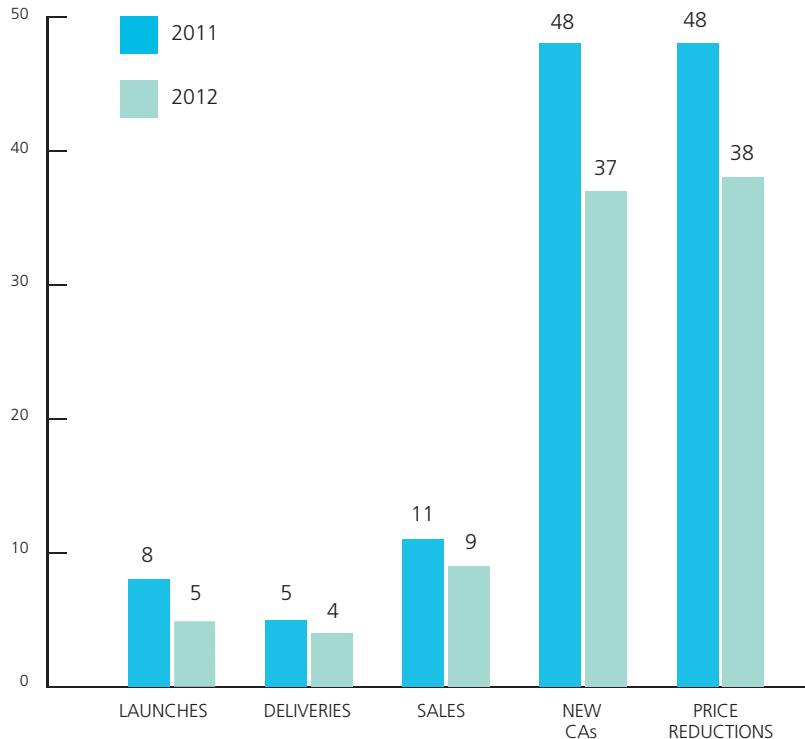
Value of transactions* (€ million)



*Selling prices have been withheld and may vary dramatically from the asking price

** Two values missing due to no published price

September 2011/2012 comparison (by number)



■ There was distressing news for the American new-build market as Crescent Yachts announced that it had suspended operations after a client defaulted on payments for an unfinished 43.9m composite-hulled tri-deck motoryacht. The superyacht in question was approximately 70 per cent completed at the time and, under court orders, was listed for sale for US\$14.5m (having been reduced by US\$4.4m, approximately 25 per cent).

OCTOBER

BUSINESS NEWS

■ Following an encouraging Monaco Yacht Show the members of the Superyacht Builders Association (SYBAss), unveiled ‘The Superyacht Experience’ – a new name under which to conduct collective communications aimed at potential owners. The new brand, which, SYBAss said, reflected a desire to make a clear distinction between the association’s business-to-business and business-to-consumer activities, was launched at a rather less successful Fort Lauderdale International Boat Show. A number of parties voiced their disquiet at the impact of severe weather issues on the show.

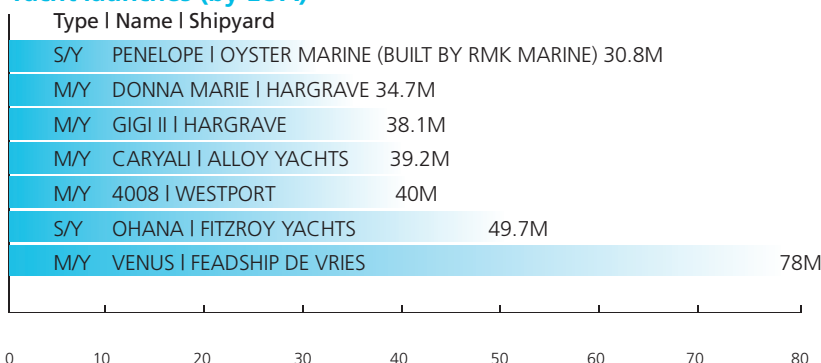
■ Elsewhere in America, the state of California made headway in its quest to improve its attraction for cruising superyachts. A group of businesses in San Diego successfully lobbied for a seven-month exemption from California’s Lempert-Keene-Seastrand Oil Spill Prevention and Response Act, as applied to non-commercial vessels over 300gt, which would allow superyachts to attend the America’s Cup in 2013.

■ Lars Thrane, founder of Danish satellite communications company Thrane & Thrane, announced his decision to leave the business – rebranded Cobham SATCOM – after its acquisition by British firm Cobham plc. Thrane had been very public in his opposition to the takeover, the negotiations for which were protracted over many months.

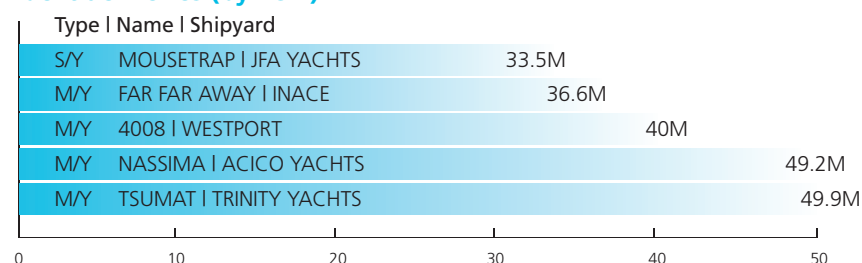
■ Still closer ties were made between Ferretti Group and the country of its owner, SHIG-Weichai, as the yacht builder signed a Memorandum of Understanding (MoU) with the Industrial and Commercial Bank of China (ICBC). The introduction of the state-owned commercial bank into the picture – the largest bank in the world by profit and market capitalisation – would facilitate lending and finance propositions for Chinese domiciles. It was hoped the agreement would prompt an increase in Chinese purchases of Ferretti builds.

FLEET DATA

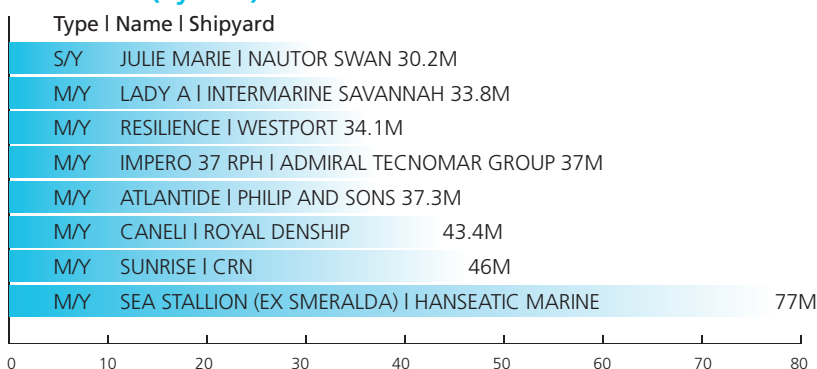
Yacht launches (by LOA)



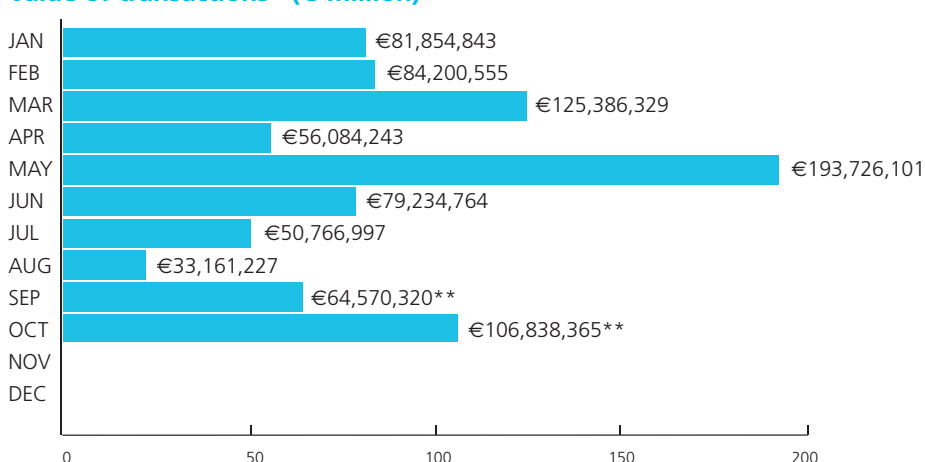
Yacht deliveries (by LOA)



Yacht sales (by LOA)

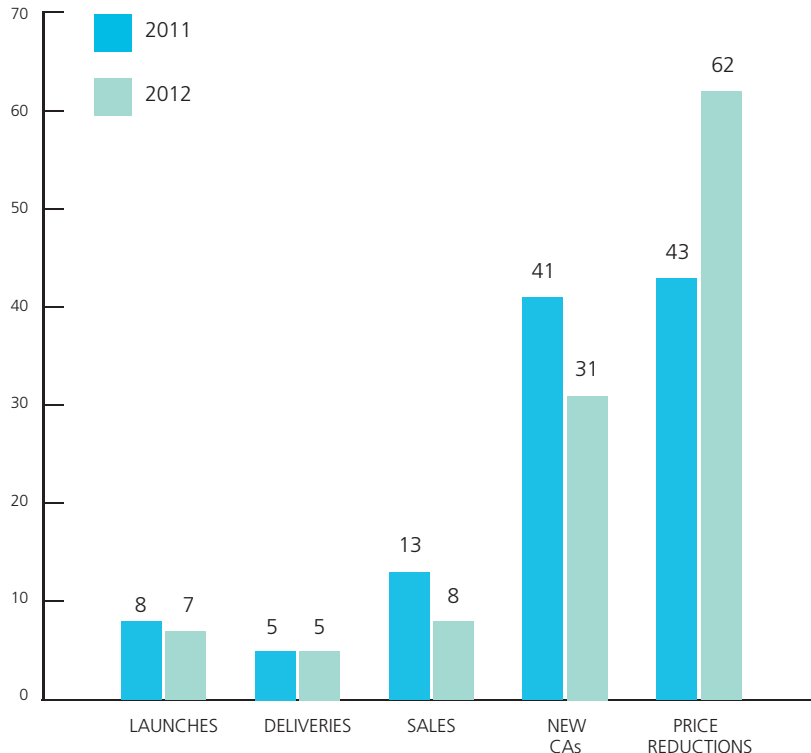


Value of transactions* (€ million)



*Selling prices have been withheld and may vary dramatically from the asking price
 ** Two values missing due to no published price

October 2011/2012 comparison (by number)



■ The superyacht industry lost another of its lifelong contributors, as Giuseppe Luise passed away at the age of 62. Luise was part of the senior management team at Italian-based yacht agent Luise Associates and was a founding member of BWA Yachting.

FACT

According to sources, there has been a discernible move away from private banking to asset managers, as many private banks fail to deliver the returns that UHNWIs expect.

NOVEMBER

BUSINESS NEWS

■ The familiar spectre of VAT reared its ugly head again, with EU legislation triggering reforms in Germany and France. The German executive announced the launch of the *Gelangensbestätigung*, a certificate of reception for the supply of intra-EU goods, which is due to come into effect on 1 July 2013, and will act as confirmation of arrival of goods in the European Union (EU) country of destination.

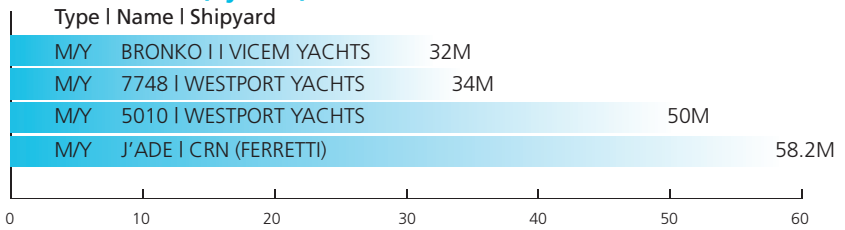
■ More controversially, The European Commission issued a notice formally requesting that France remove the VAT exemption applied to yachts used for charter. The notice, which required France to take steps to remove the exemption from its tax legislation within two months, prompted Ince & Co's Freddy Desplanques to say France "cannot be regarded as a paradise for yachts anymore".

■ Across the pond, Barack Obama's re-election as US president raised concerns in some quarters about the impact on the superyacht industry of the impending 'US fiscal cliff'.

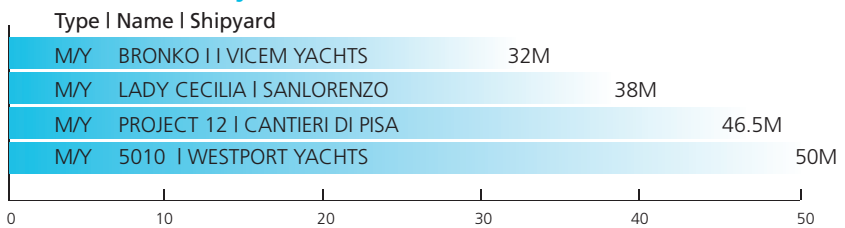
■ The revolving door of the superyacht industry continued to turn with high-profile exits and appointments announced. Malcolm McKeon, one of the two principal partners in the renowned superyacht design and naval architecture studio Dubois Naval Architects, announced he would leave the firm with immediate effect, and the Board of Camper & Nicholsons Marina Investments (CNMI) gave notice to Nick Maris to relinquish his positions, including director of the company and chairman and CEO of Camper & Nicholsons Marinas.

FLEET DATA

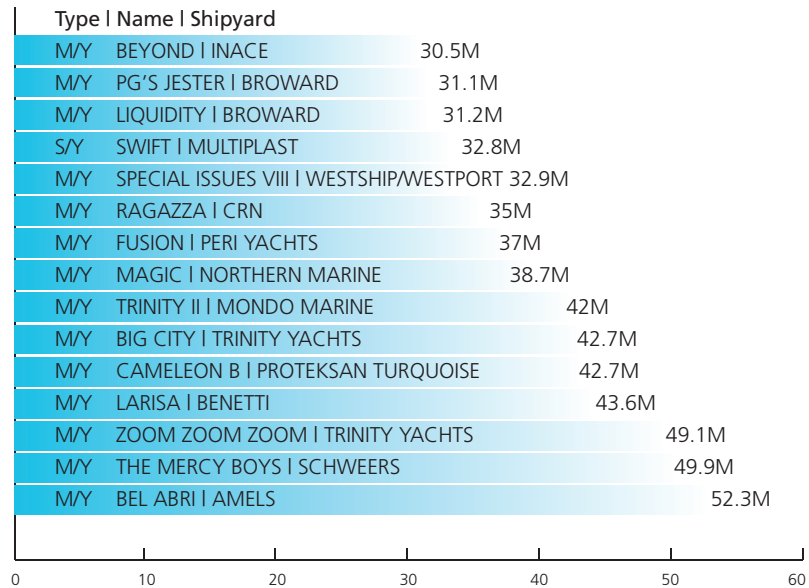
Yacht launches (by LOA)



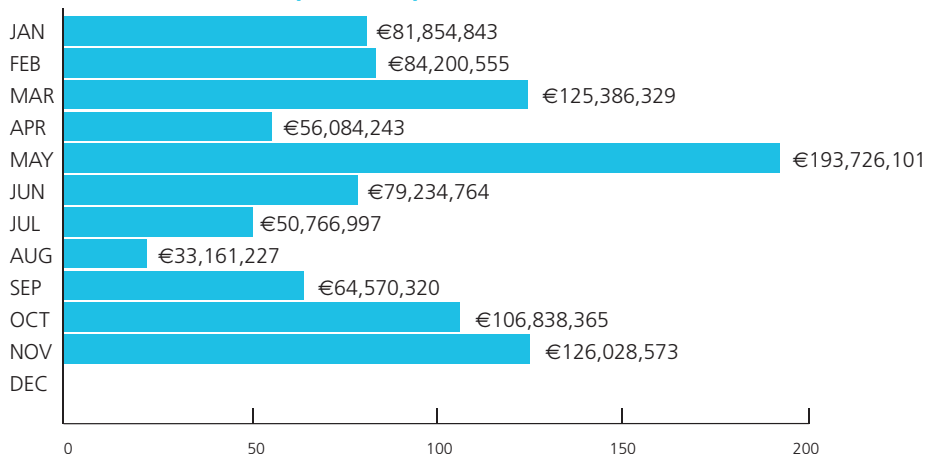
Yacht deliveries (by LOA)



Yacht sales (by LOA)

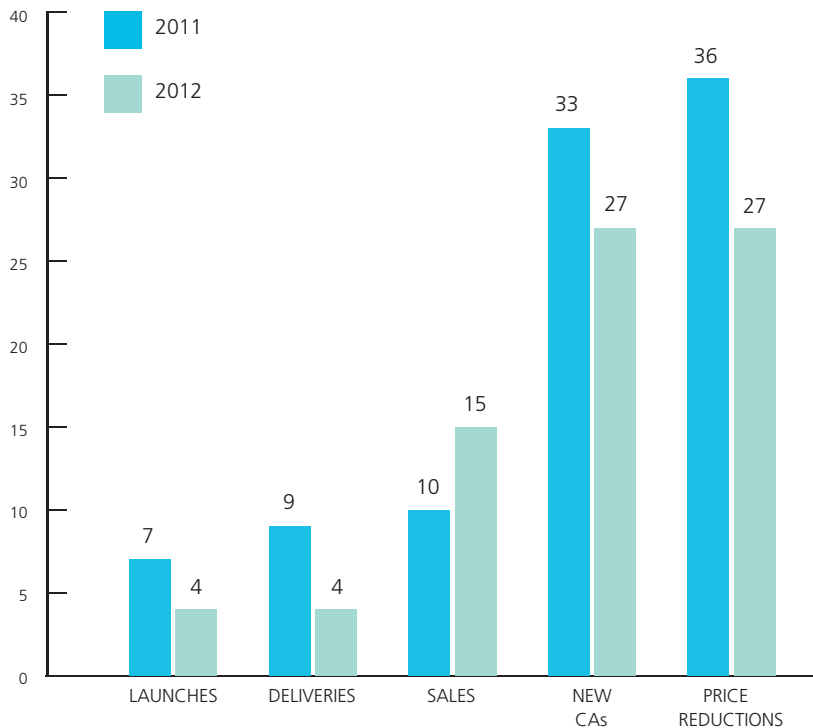


Value of transactions* (€ million)



*Selling prices have been withheld and may vary dramatically from the asking price

November 2011/2012 comparison (by number)



■ Going in the other direction, Frédéric Laporte was appointed head of Yachting Partners International (YPI) Yacht Management. Laporte's history within commercial management was identified as a key factor in his appointment. Karlene Pack was appointed director of Feadship America. She will work alongside fellow director Tim Hamilton, targeting a market the Dutch yard has prioritised over the coming years.

FACT

Despite the enormity of the potential US client base, the wealth circulating the docks and brokers offices continues to hail from Russia and the Middle East.

DECEMBER

BUSINESS NEWS

■ At institutional level the timber trade prepared itself for incoming legislation that would make it an offence to import illegal timber into the EU Market. The EU Timber Regulation (EUTR), effective from 3 March 2013, requires operators – the ones who ‘first place’ timber onto the EU market – have due diligence systems (DDS) in place. It was predicted that this could cause a spike in the price of woods such as teak.

■ The European Commission announced it was to align its emissions legislation with that of MARPOL, as of 18 December 2012. Although the superyacht fleet operates within SOx limits, it will need to address the NOx restrictions coming into force.

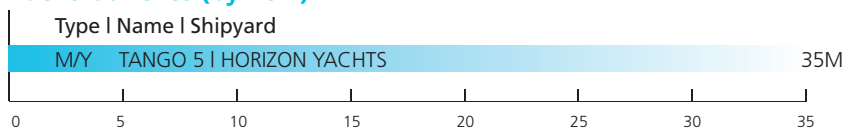
■ Elsewhere, Pendennis announced the second stage in Cornwall Council’s approval of its development plans, which will increase its capacity to refit and build larger yachts. The plans included the improvement of the shoreline at its facility within Falmouth docks and included the creation of two wet docks and a wet basin to hold back the tide alongside the north-facing area of the yard.

■ Another significant plan approval was that of the expansion of Marina Port Vell (MPV), Barcelona, which took another significant step on the road to its scheduled completion in late 2013. The board of directors of the Port of Barcelona approved the refurbishment of Marina Port Vell and an overall size expansion.

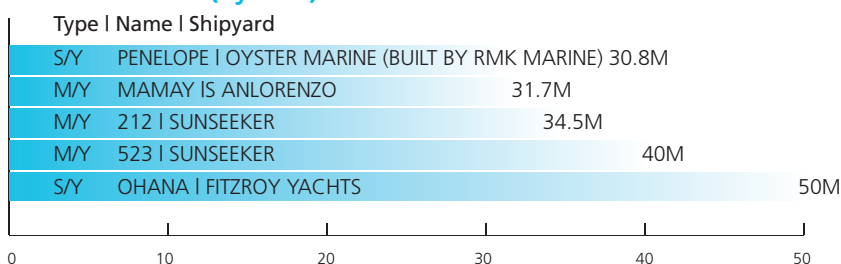
■ Finally, Newport Shipyard announced the purchase of a new 500-tonne travelift, which the refit and docking yard said would be the largest travelift operating in New England. The lift will be operational by June 2013 and will be able to handle yachts up to 60m.

FLEET DATA

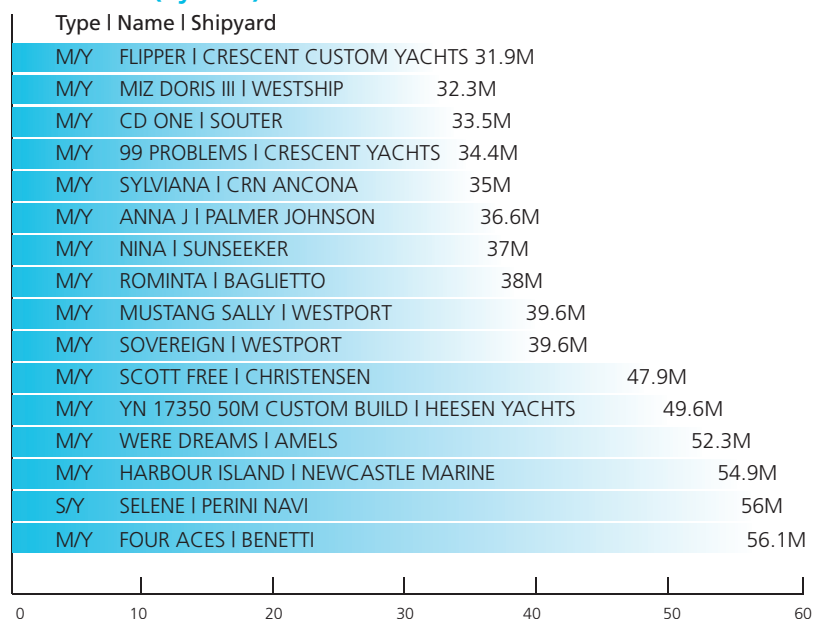
Yacht launches (by LOA)



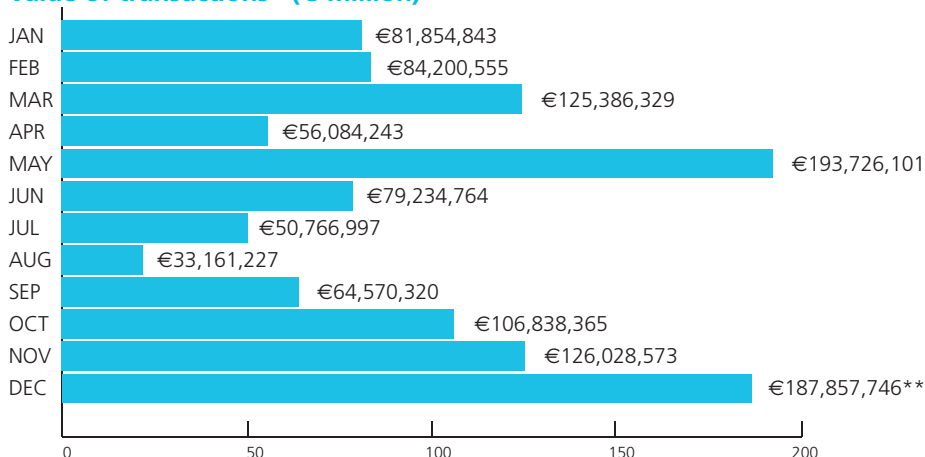
Yacht deliveries (by LOA)



Yacht sales (by LOA)

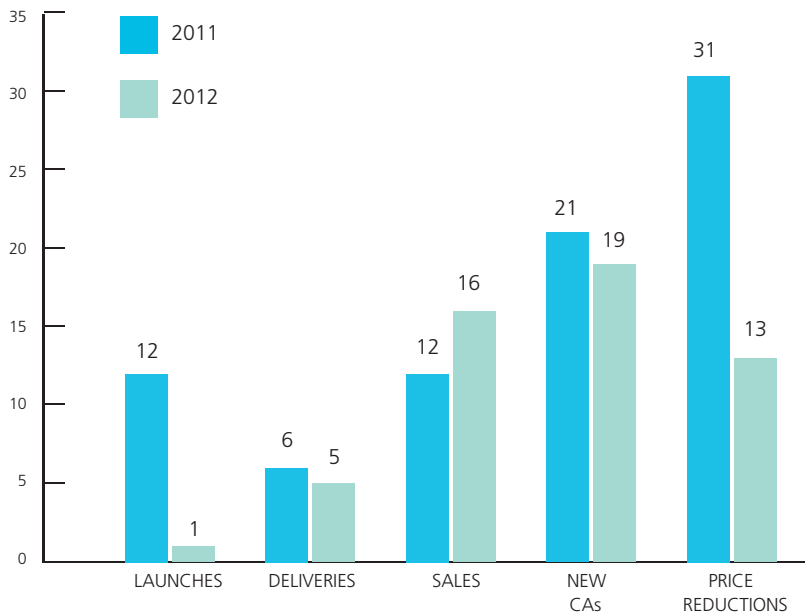


Value of transactions* (€ million)



*Selling prices have been withheld and may vary dramatically from the asking price
 ** One value missing due to no published price

December 2011/2012 comparison (by number)



FACT

Italy delivered the most metrage in 2012, with 2,033m of yacht delivered in total.

NOTE: ADDITIONAL LAUNCHES, DELIVERIES AND BROKERAGE MOVEMENTS ALSO TOOK PLACE OVER 2012 AND HAVE NOT BEEN ACCOUNTED TO A MONTH IN THIS FEATURE. WE HAVE MADE EVERY EFFORT TO CONTACT THE SHIPYARDS AND BROKERS; HOWEVER, DUE TO THE NATURE OF DATA COLLECTION AND FOR CONFIDENTIALITY REASONS, WE ARE UNABLE TO PUBLISH THESE UNDER A SPECIFIC MONTH.

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