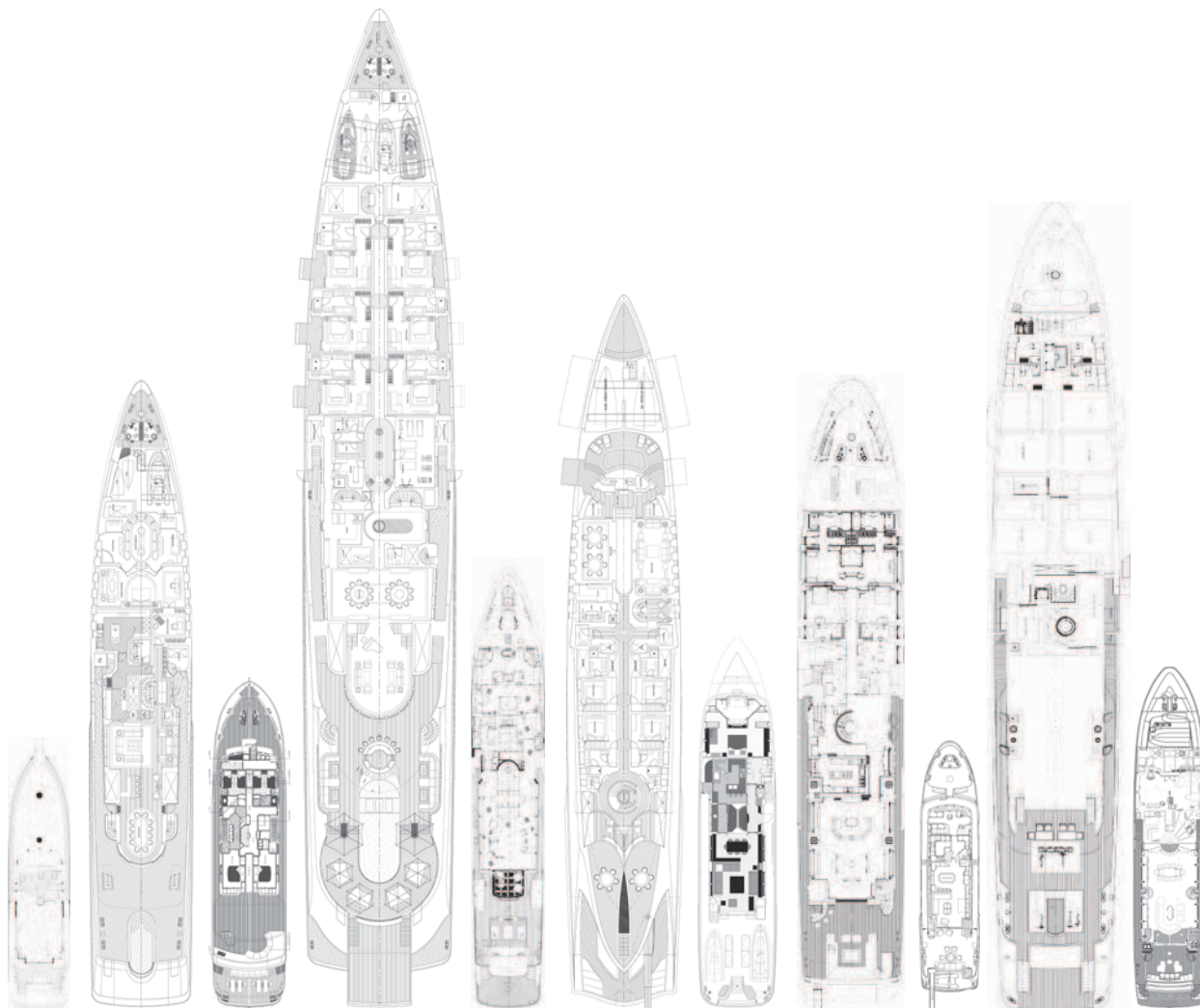


The Superyacht

TRUTH • OPINION KNOWLEDGE • IDEAS AND EXPERT INDUSTRY ANALYSIS



ANNUAL REPORT

THE YEAR IN VIEW

A graphical showcase of 2013 with fleet data, yacht sales, transactional values and price reductions, alongside the most significant news of the year.

Page 129

COUNTRY REPORTS

With detailed analysis and experts from the main countries contributing to the order book, we offer insight into the performance of specific countries.

Page 103

incorporating

The Superyacht Intelligence
Global Order Book 2014



SALES & PURCHASE

With the number of new central listings up, price reductions down and consistent sales all year, 2013 finally saw the industry crawling out of the global financial crisis aftermath.

Rebecca Curran reports on the sales and purchase activity for 2013.

THE YEAR IN VIEW

The first quarter of 2013 didn't hold much promise for a vast improvement on 2012. It wasn't until Q2 and Q3 that a real difference in sales became evident. While the summer is characteristically reserved for charters and enjoying one's yacht rather than sales, 2013 proved to be a different game. Not only did sales steadily rise throughout the summer months, they nearly doubled two months in a row compared with 2012.

Founding partner and chairman at Y.CO Gary Wright told *The Superyacht Report*: "Industry-wide, 2013 has shown a continuation of the gradual recovery that was beginning in the latter months of 2012. Albeit, not yet near pre-downturn levels, the market has shown significant activity and increased liquidity." Indeed, Tim Wiltshire, sales director at Burgess, said, "I am cautiously confident that 2013 will prove to have been a positive year in terms of activity

and the industry coming to terms with a 'new normal'.

"Prices of brokerage yachts are still very depressed, but there is a market and we are finally seeing a meeting of buyers' and sellers' expectations, resulting in increased turnover over and above that of 2012." Sharing in this increased optimism for 2013 and beyond was Wes Sanford, broker at Northrop & Johnson: "We are still a long way from 2006 stats and trends, but generally it would appear that the worst is behind us."

So have we reached an agreement on where realistic pricing in today's market should rest? Dennis Frederiksen, broker at Fraser Yachts, thinks that "the current prices are not unrealistic. Before the crisis, the market was 20 per cent over-inflated, therefore a lot of prices had to come down when the crisis hit, with some boats selling for 40 per cent less than people thought they would. However, in reality, when you take into account the 20 per cent over-

inflation, and another 10 per cent for general price fluctuations in the market, they did not actually fall much below what actually would have been.”

Whether prices in the past few years were a result of the fall of the global economy or simply inflation, asking prices remained a contentious issue in the brokerage community. Camper & Nicholsons broker Simon Goldsworthy told *TSR*: “There are still yachts regularly listed for sale by brokers that actually make us laugh out loud at how far out of whack they are with the market.” This is not entirely the fault of the listing broker, as often there is pressure from misinformed owners. Goldsworthy continued, “It is a constant source of amazement how one-eyed some owners can be, and how the same client who wants to sell his yacht for 30 per cent more than the market will offer will, at the same time, want to pay 30 per cent less for his next yacht.” While it remains somewhat of an uphill battle, director of sales at YPI Russell Crump believes, “We’ll never get to the bottom of [unrealistic pricing] because it depends on the motivation of the seller, but I would say that the margin has diminished a little over the course of this year.”

Not only did the market see fewer reductions last year, but also in 2013 clients shared similarities across the board. Brokers were in agreement that new clients were more likely to make the move into ownership if the price was right for a yacht, with ample space taking precedence over speed, as did year of build over size. Toby Maclaurin, commercial manager at Ocean Independence, believes: “The desire to buy remains constant with potential buyers, but they really don’t move until they are convinced the price is correct.” Jamie Small, senior sales broker at OceanStyle, observed that “Good value and volume are generally preferred over speed.” Keith Maling, senior sales broker at the Miami office of OceanStyle, agreed: “Current trends seem to be efficiency and volume. Clients still seem to be chasing style; however, accommodation and entertainment areas are key features, especially for experienced yacht owners.”

“It is a constant source of amazement how one-eyed some owners can be, and how the same client who wants to sell his yacht for 30 per cent more than the market will offer will, at the same time, want to pay 30 per cent less for his next yacht.”

Wright notes that the modern buyer “continues to come from a range of professional, geographical and cultural backgrounds, with their expectations higher than ever. Just as with other areas of their lives – houses, aircraft, cars – a new generation of buyers has exacting standards and expects a yacht that is perfectly suited to their lifestyle, hobbies and preferences.” Compared to previous years, owners are cost savvy and are economically aware when looking to own a yacht. Goldsworthy explained, “Running costs are seen to be just as important as the overall budget for purchase. Buyers seem to like the combination of lower running costs and fewer crew, but still with a level of comfort and space that few would find hard to live with.” Sanford notes similar requirements from his clients: “I see the same expectations from all of my buyers – good value and low risk. They want to know they are getting a good deal and don’t want any surprises.”

LESSONS FOR 2014

If the market is listening to what the next generation of owners are looking for, will 2014 provide a fruitful return for all involved? Maclaurin believes we still have areas we can improve on for the future, “The EU is a fiscal nightmare for yachting and unless we finally get organised, get these egos packed away and represent ourselves properly, it’s really going to damage the long-term outlook for us all.”

“As an industry, we need to work hard to bring in new owners and potential buyers,” said Wright. “The number of people in the world who can afford yachting at this level is increasing year on

year, and if the industry is going to grow, it needs to find a way to speak to these people, conveying the benefits of yachting and ownership.” Wiltshire is seeing the same issues with attracting new blood into the market. “Despite coping with a very difficult economic environment, the industry has to find nearly double the number of buyers and charterers than it did 10 years ago, and we will only achieve this if we work hard to promote ourselves in the best light and maintain strong professional standards across the board at every point of client contact.”

As the industry is on the seemingly never-ending quest for more transparency and honesty in the market, Small thinks that in 2014 “upfront and open discussions need to be had with sellers so that they are realistic about value.” Frederiksen agreed: “You need to know your product and the market. Then you need to have patience, patience, patience.”

It would appear that the industry is finally emerging from the post-2008 cloud. While more work is required to gain new clients and keep the sales market moving, brokers seem prepared to give an extra push to ensure the market maintains its uphill climb in order to keep the recession behind us. ■



TO COMMENT ON THIS ARTICLE,
EMAIL: ISSUE150@SUPERYACHTREPORT.COM
WITH SUBJECT: SALES & PURCHASE

THE YEAR IN VIEW

This section combines the most important business news that the superyacht industry has contended with over the course of 2013, along with a graphical showcase of the fleet data comprising yacht launches and deliveries, and sales data comprising yacht sales, transactional value and price reduction information. Readers will gain an in-depth financial view of the year while seeing the transactional trends that have occurred over 2013.





January 2013

BUSINESS NEWS

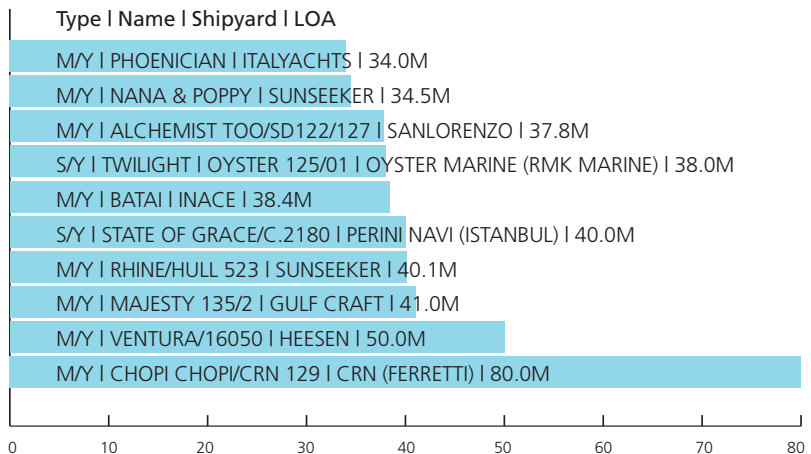
■ Two high-profile departures started 2013 off as yacht designer Malcolm McKeon ended a 30-year tenure with Dubois Naval Architects to launch his own studio, whilst Bertrand Vogèle left his position as CEO of Yachting Partners International. Vogèle was replaced by Philippe Hetland Brault, BRS director and shareholder.

■ An incident involving the boarding of superyachts in Sanremo highlighted the confusion surrounding Italian port state requirements. A number of yachts were boarded at the town's Portosole marina to inspect fuel receipts for evidence of paid duty on the transactions, but the conflicting responses from the industry as to who precisely qualifies for duty-free bunkering served as proof of the industry's uncertainty.

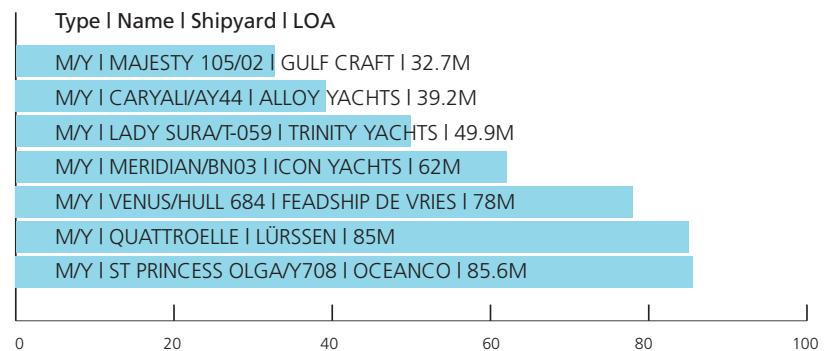
■ Equally confusing were the actions of Achilleas Michaelis Kallakis (44) and Alexander Martin Williams (44), who were sentenced in Southwark Crown Court in London on 17 January for a total of 12 years on two counts of conspiring to defraud banks of £769 million. A sum of £29 million from this total was used to finance a superyacht conversion project.

FLEET DATA

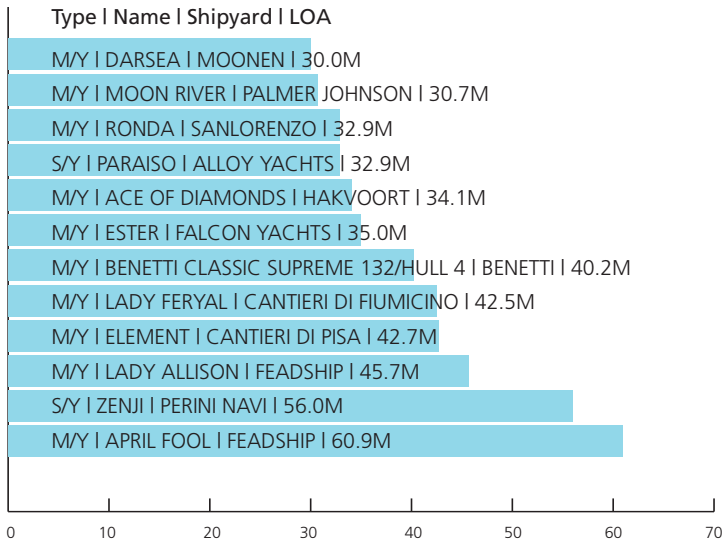
YACHT LAUNCHES



YACHT DELIVERIES

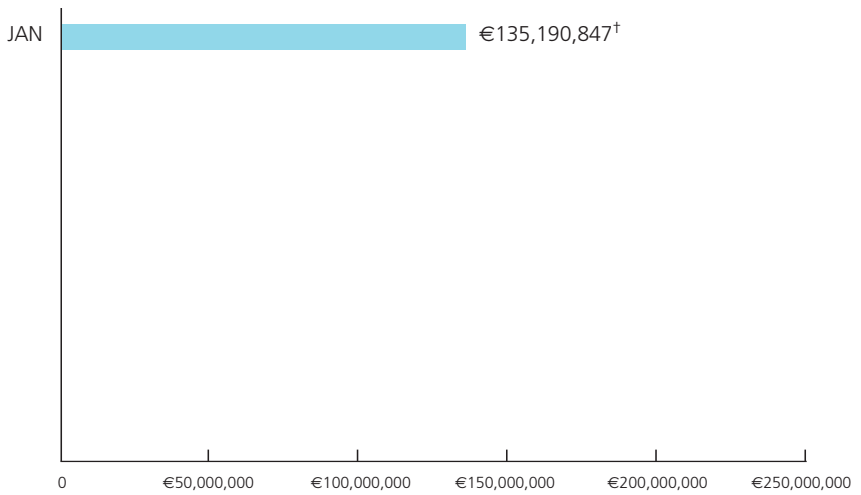


YACHT SALES*



*All listed sales are post-delivery only

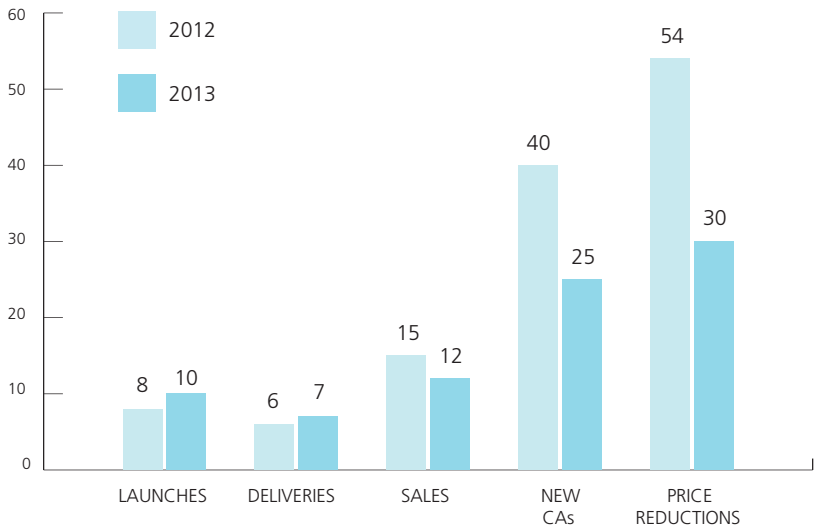
VALUE OF TRANSACTIONS*



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

[†] One value missing as price kept confidential

JANUARY 2012/2013 COMPARISON (BY NUMBER)





February 2013

BUSINESS NEWS

■ The eagerly anticipated report into the sinking of *Yogi*, conducted by the *Bureau d'enquêtes sur les événements de mer*, failed to deliver the answers that the industry had hoped for concerning one of the most high-profile yachting incidents of recent times. Whilst the report's author(s) proposed a number of operational recommendations, they refused to be drawn into identifying a definitive cause of water ingress, triggering much derision from the industry.

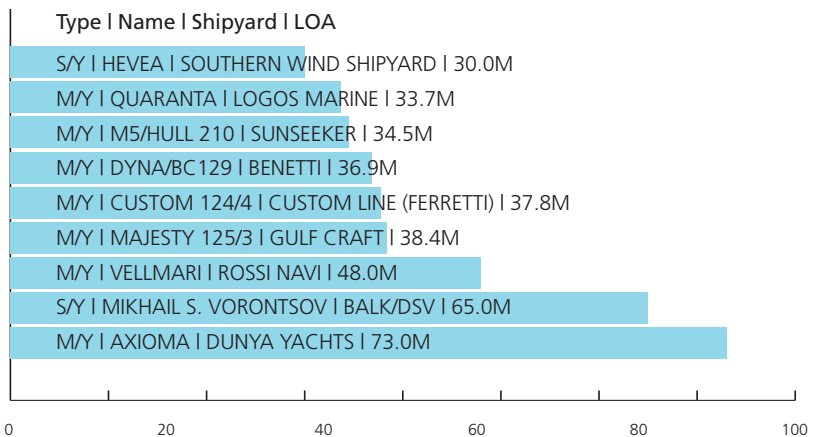
■ In a month that saw the company expand its Asian presence with a Thai office, alongside the establishment of a US-based fractional ownership programme, Sanlorenzo's chairman, Massimo Perotti, announced the appointment of Fulvio Dodich as the yachtbuilder's new CEO. Dodich had previously held the position at several other Italian yards.

■ Elsewhere, the board of directors of the Perini Navi Group announced the appointment of Burak Akgül and Vanni Marchini, two of the group's most experienced and successful managers, as managing director for sales, marketing & design and managing director of operations respectively.

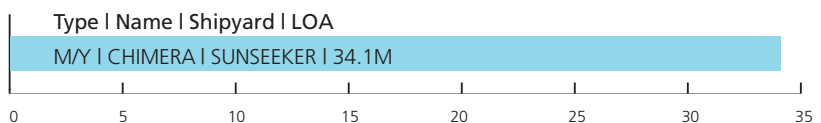
■ February was a month of acquisitions and expansions as the Reckmann Group announced the purchase of Holmatro's marine division. The German rigging and furling system engineer purchased the Dutch-based marine hydraulics

FLEET DATA

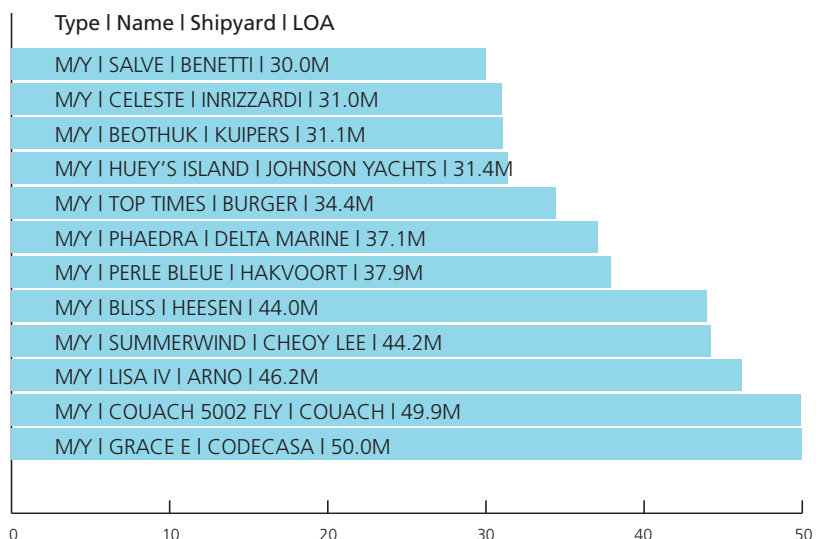
YACHT LAUNCHES



YACHT DELIVERIES

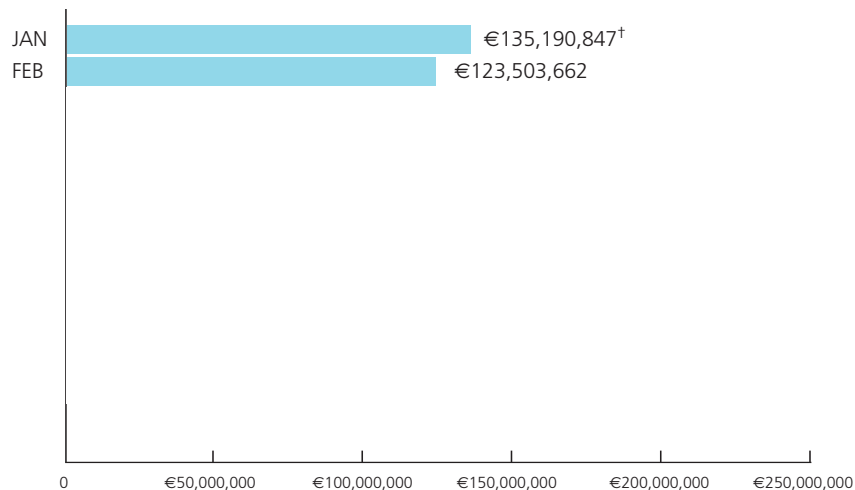


YACHT SALES*



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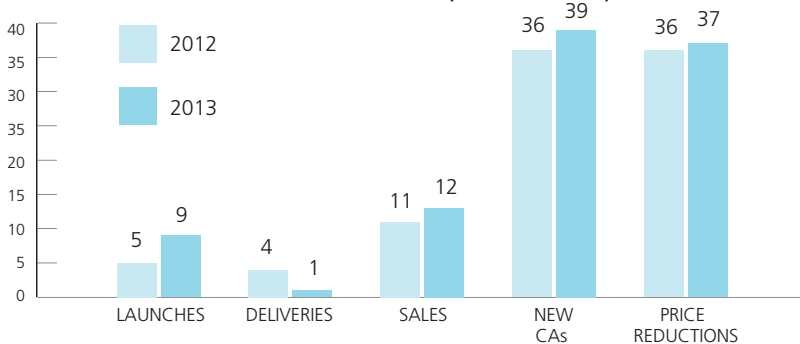
VALUE OF TRANSACTIONS*



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FEBRUARY 2012/2013 COMPARISON (BY NUMBER)



specialist in order to offer a complete superyacht rigging solution. UK marine engineering and refit specialist Burgess Marine acquired Testbank Ship Repair, adding three more sites to the company and a workforce of 120.

■ In contrast, Fraser Yachts was forced to justify the liquidation of Fraser Monaco S.A.M. The move, which was deemed to be 'purely administrative', saw its functions and service provisions assumed by new entity Fraser Worldwide S.A.M. In line with the establishment of Fraser Worldwide, Fraser also transferred its brokerage operation from Viareggio to Monaco.

■ Benetti's Livorno shipyard suffered the first of two fires in 2013.



March 2013

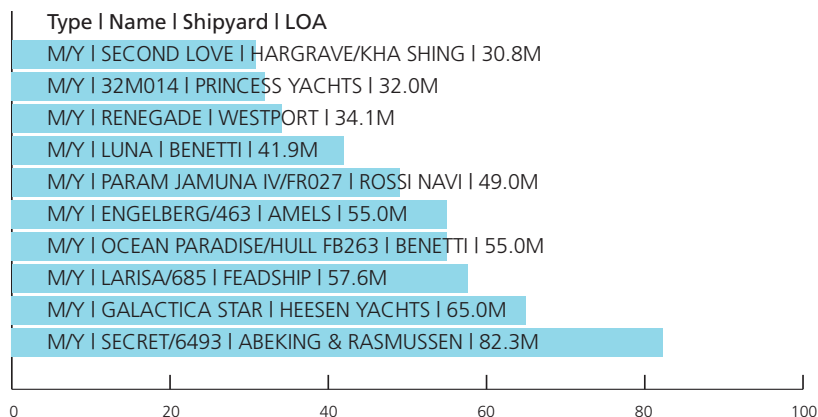
BUSINESS NEWS

■ The introduction of the EU Timber Regulation on 3 March, which outlined rules prohibiting the placing of illegally harvested timber on the EU market, was set against a backdrop of confusion from trade federations and unhappiness amongst operators – the ‘first placers’ – who looked set to bear the most responsibility for demonstrating legality of timber sources.

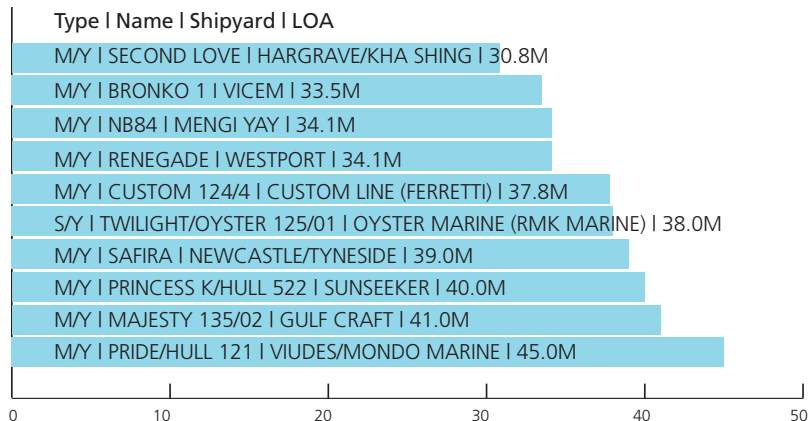
■ As the financial year came to an end there was a lot of transactional activity. Ottobock, one of the world’s largest technical orthopaedics companies, purchased an 80 per cent stake in Finnish yacht builder Baltic Yachts. Supply chain specialist Q-Tech group purchased 50 per cent of high-performance coatings specialist FL-Coatings GmbH; and international SOS company MedAire acquired Ocean Medical International Ltd, the superyacht medical kits supplier with its production base in Wales.

FLEET DATA

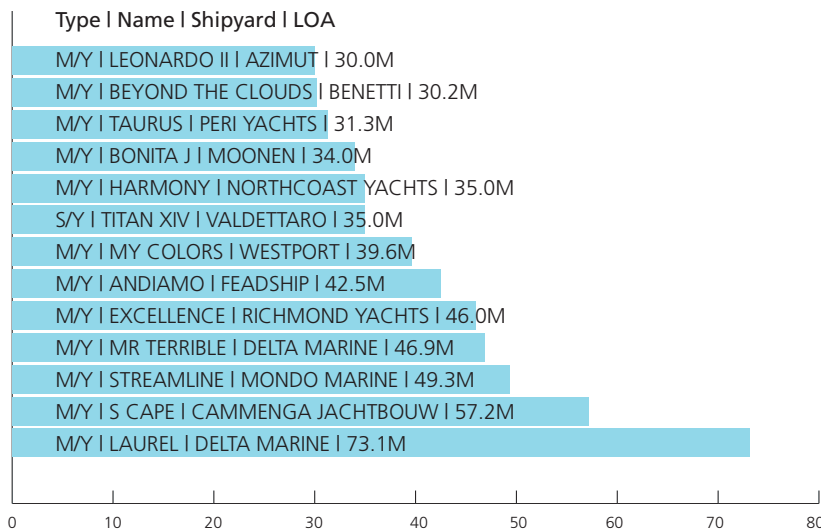
YACHT LAUNCHES



YACHT DELIVERIES

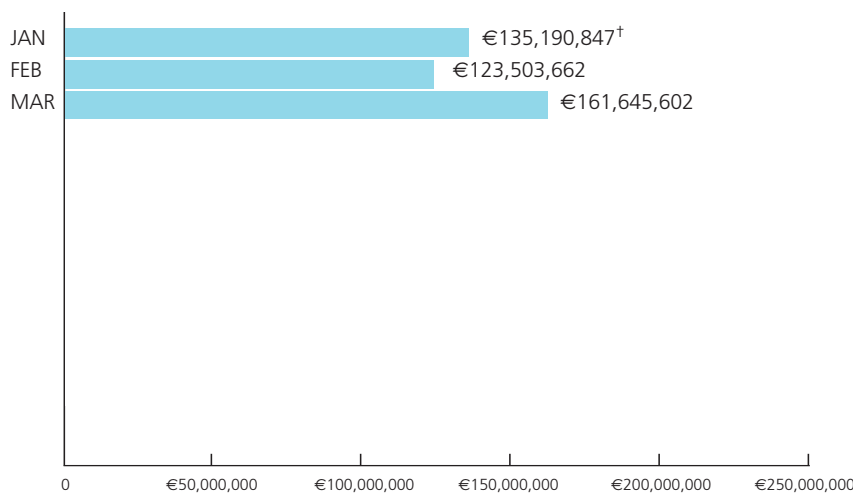


YACHT SALES*



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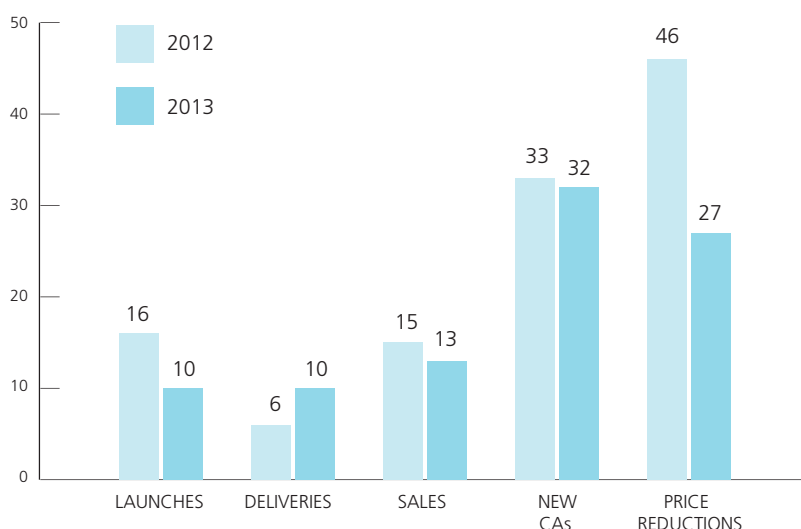
VALUE OF TRANSACTIONS*



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MARCH 2012/2013 COMPARISON (BY NUMBER)



French-based insurer Helvetia finally spoke up to clarify its position following the acquisition of Groupama's marine book. The company confirmed to The Superyacht Group that it would continue to remain active in the superyacht market.

There was also plenty of activity among US divisions. Superyacht concierge and marine agency services provider BWA Yachting added another agency to its worldwide network, with the launch of BWA Yachting New England. The company claimed the new location, based in the Newport Shipyard, was chosen as a strategic hub.

Miami-based Houck Anderson, the maritime and admiralty law firm, announced its merger with The Chartwell Law Offices LLP. The newly merged entity was intended to strengthen the collective offering to yachting clients.

European communications integrator e3 Systems announced the opening of a new office in Fort Lauderdale alongside the appointment of a US manager for direct sales, David Horacek.

The US market did, however, say goodbye to well-known industry stakeholder Paul Mickelson. The CEO and founder of InteliSea LLC, a developer of alarm, monitoring and control (AMC) systems, announced his retirement from the company, which was then subsequently dismantled.

The industry as a whole mourned the passing of Björn Lagerkvist, former president of the International Council of Marine Industry Associations (ICOMIA).



April 2013

BUSINESS NEWS

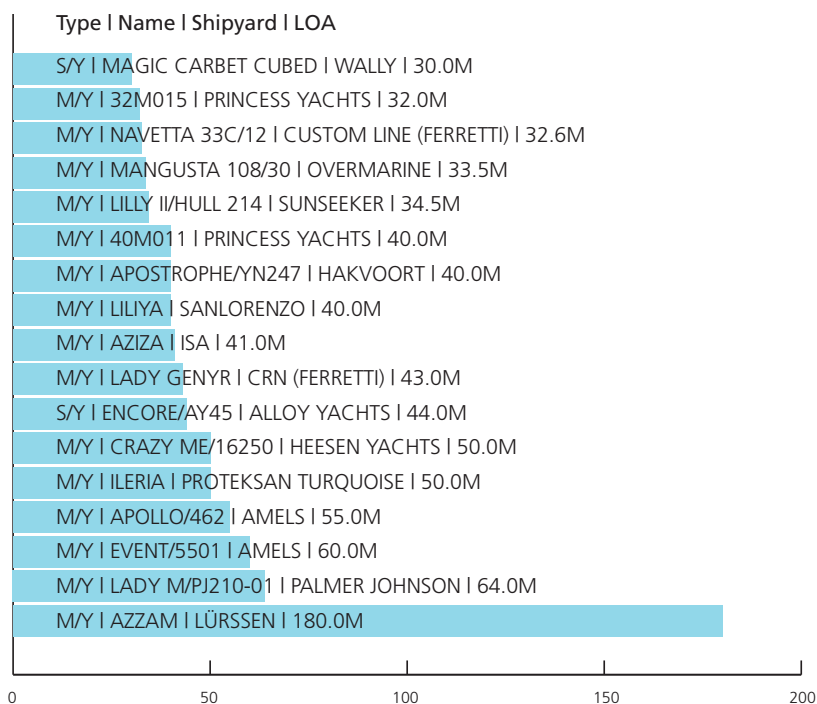
■ Opinion was divided as to whether the rise in the number of crew fatalities constituted a worrying trend. There were two more tragic accidents reported in April, the first involving a crewmember who was hit by the mast of 33.5m catamaran *Mousetrap*. Sadly, this was not the only tragedy of the month, as only a week later, a crewmember was found drowned in the waters of Port Vauban, Antibes.

■ In one of the year's less salubrious sagas, the former yacht transporter Yacht Path became the subject of an investigation. Despite filing for Chapter 11 bankruptcy, the company faced accusations of wrongdoing from hundreds of creditors.

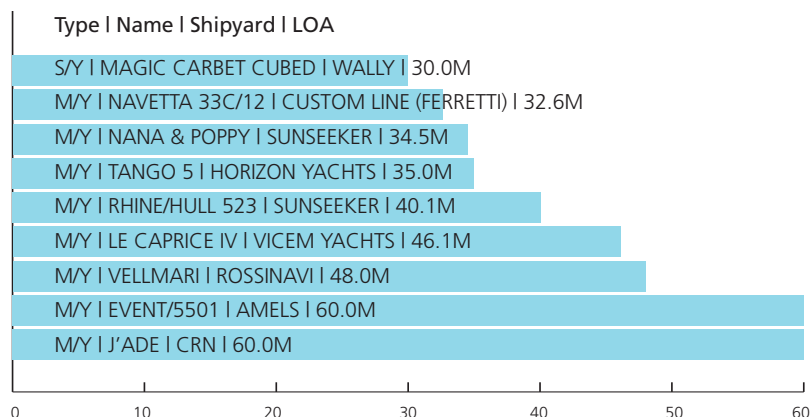
■ The yacht transport sector was in the news again as Boskalis, which had already acquired 99.39 per cent of transport company Dockwise, initiated a statutory 'squeeze-out' procedure to give it the remaining percentage. Bizarrely, Dockwise Yacht Transport would be sold on to Sevenstar just months later.

FLEET DATA

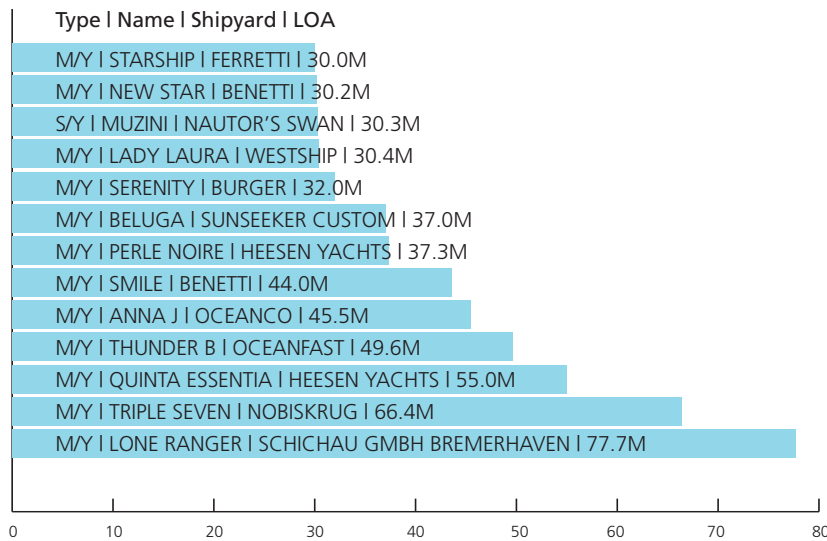
YACHT LAUNCHES



YACHT DELIVERIES

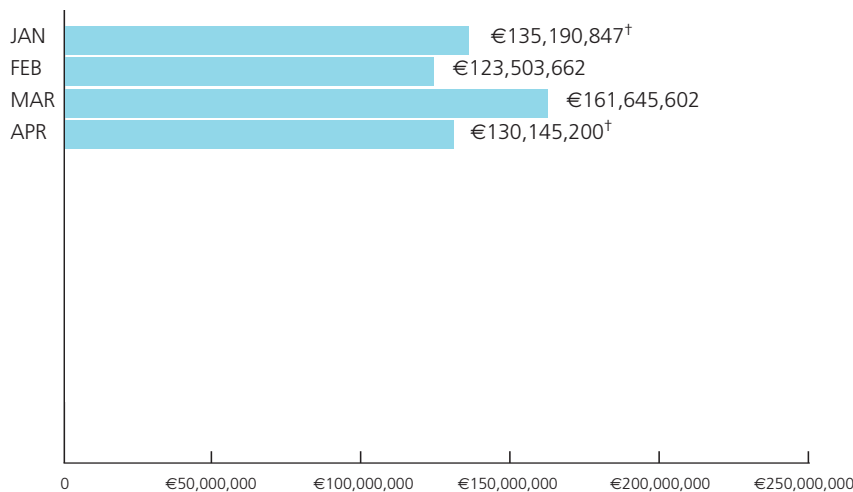


YACHT SALES* †



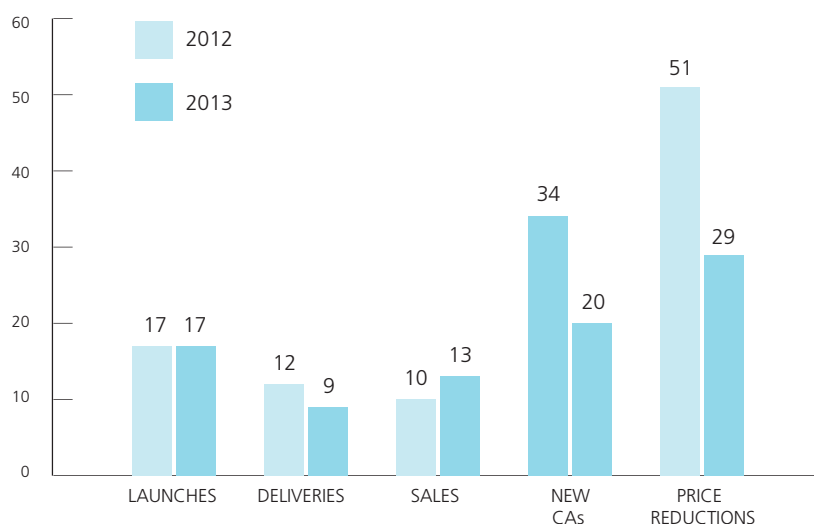
*All listed sales are post-delivery only
 † One other yacht sold, but is confidential

VALUE OF TRANSACTIONS*



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 † One value missing as price kept confidential

APRIL 2012/2013 COMPARISON (BY NUMBER)



■ The industry's reputation was dealt another blow with the tabloid media's coverage of the protracted legal wrangle between millionaire financier Nat Rothschild and Peter Landers, director of France based builder Monaco Yachting & Technologies (MYT). The case, which began in mid 2012, revolved around a €38 million loan facility paid by Rothschild's offshore vehicle, Swallowfalls Ltd, to MYT for the completion of a 73m superyacht, Project Nato. In April the case was taken out of court into arbitration.

■ However, in happier circumstances, and in a coup for the much-changed Ferretti Group, Piero Ferrari, deputy chairman of Ferrari Spa, joined Ferretti's product strategy team, a new branch of the company geared towards analysing global market trends. Son of Ferrari founder Enzo Ferrari, Piero Ferrari has held several positions at the prestigious luxury car manufacturer where he remained vice-chairman.

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May 2013

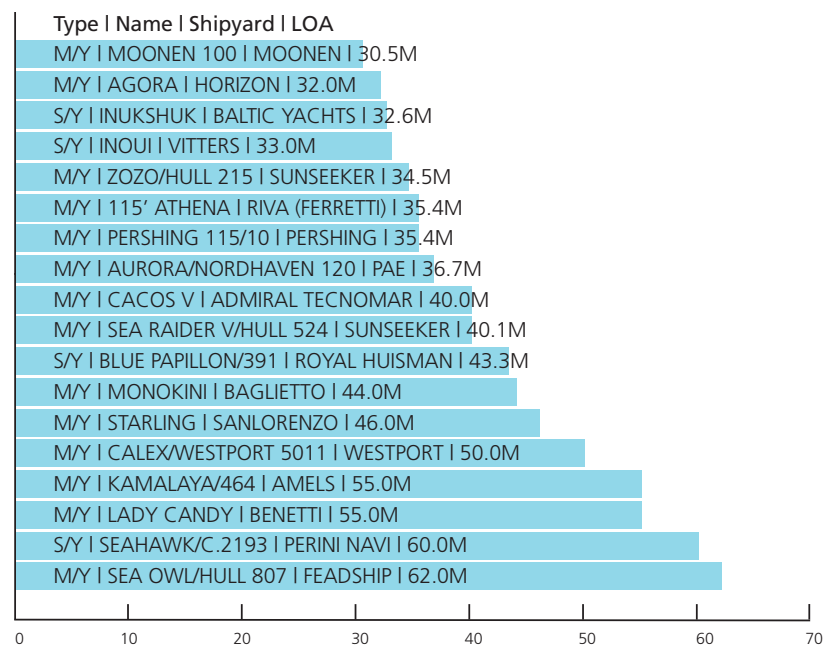
BUSINESS NEWS

In an incredible last-minute twist, ICOMIA's tireless lobbying of the IMO to reconsider the impact of MARPOL Tier III emissions restrictions on the superyacht industry, appeared vilified by a last-minute intervention from Russia. At an IMO meeting in London, the Russian delegation proposed a late amendment to MARPOL Annex VI that would delay the onset of Tier III emissions limits by five years, to 2021. This has delayed a decision until the next Marine Environment Protection Committee (MEPC) meeting, expected in March 2014 at the earliest. This left sections of the industry in a quandary, both welcoming a delay but also considering the vast sums invested in MARPOL-specific R&D.

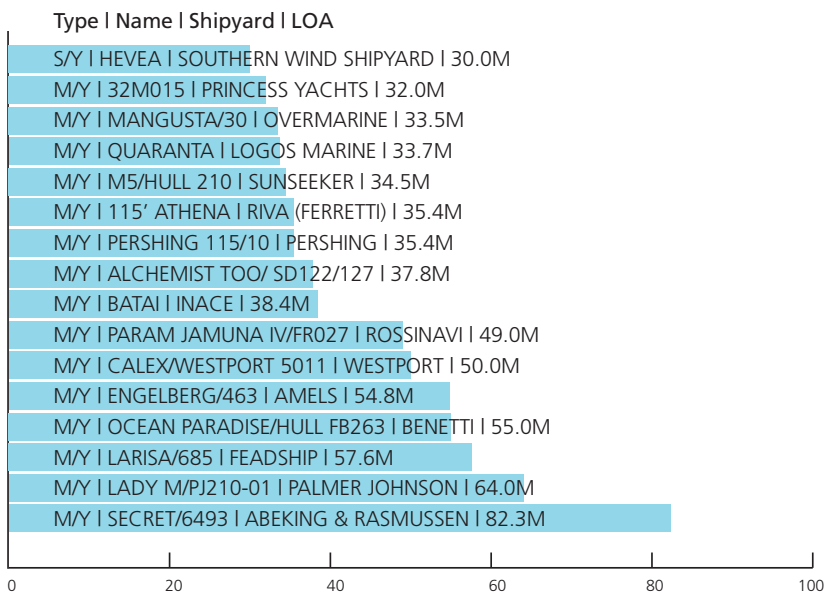
Camper & Nicholsons International appointed chief commercial officer **Michael Payne** as its new CEO.

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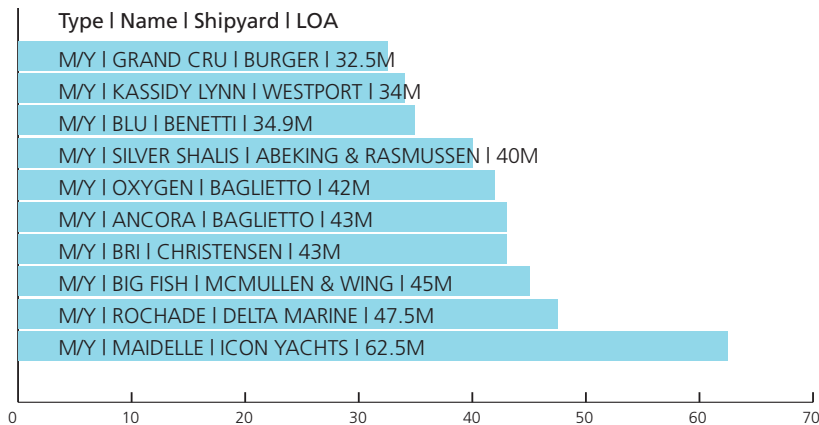
YACHT LAUNCHES



YACHT DELIVERIES

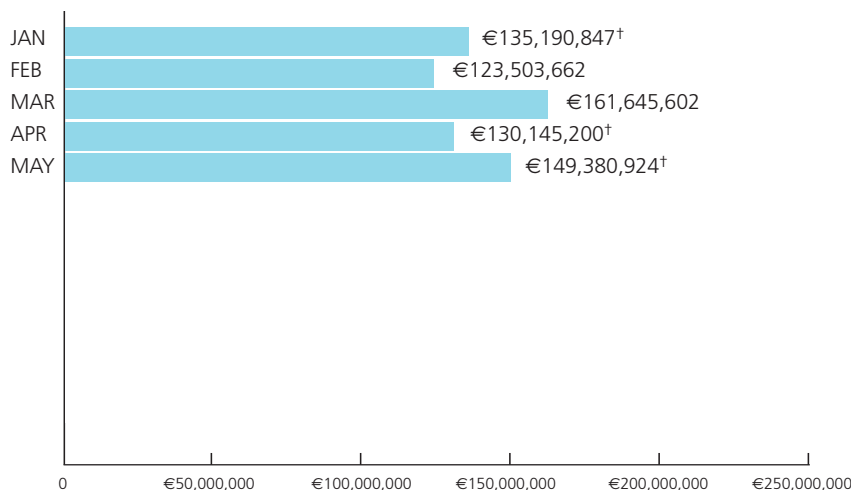


YACHT SALES*



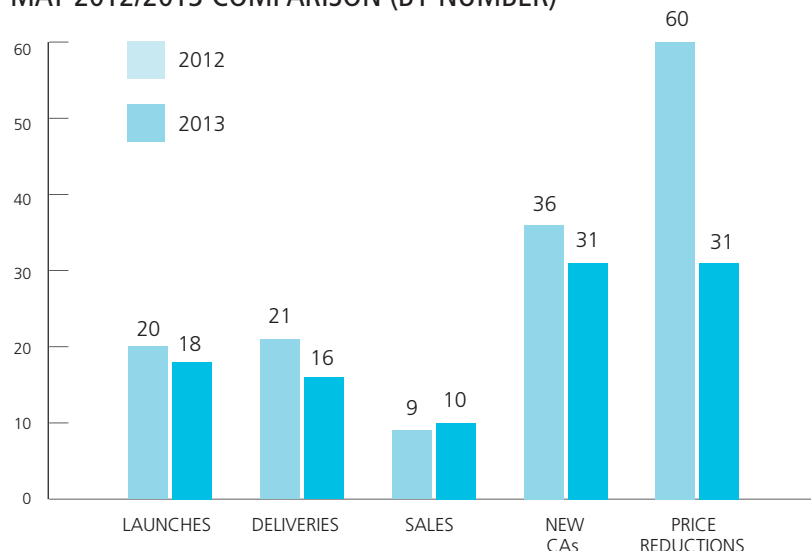
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VALUE OF TRANSACTIONS*



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MAY 2012/2013 COMPARISON (BY NUMBER)



■ In May, MTU Friedrichshafen, one of the leading superyacht engine manufacturers, announced a €60 million investment in a new research and development facility which will focus on exhaust gas after-treatment solutions and other areas of technical development.

■ There was further industry activity in China following the Perini Navi Group's announcement that it had opened a sales office in Yalong Bay. Propulsion giant Wärtsilä, in a joint venture with Yuchai Marine Power, commenced construction of a new production facility in Zhuhai City, Guangdong Province, China. Once complete the site will host the manufacturing of medium-speed marine engines to serve the Chinese luxury yacht and ship manufacturing industry.

■ Chinese real estate magnate Wang Dafu announced his intention to develop the Royal Visun Yacht Club in Sanya. A 66,000m² maintenance centre for yachts up to 80m was tabled for the Nanshan area of the coastal city by 2015, alongside a new clubhouse.

■ Major American builder Trinity Yachts and its offshore division, TY Offshore, received a welcome capital injection with the formation of a new organisation following an outside investment from a multi-billion-dollar private equity firm. The Gulf Coast Shipyard Group comprises Trinity's requisite entities alongside investment partner Littlejohn & Co.

■ Camper & Nicholson's International appointed chief commercial officer Michael Payne as its new CEO. Payne succeeded the outgoing CEO, Eric de Saintdo, who had been in the post for the relatively modest period of two years.



June 2013

BUSINESS NEWS

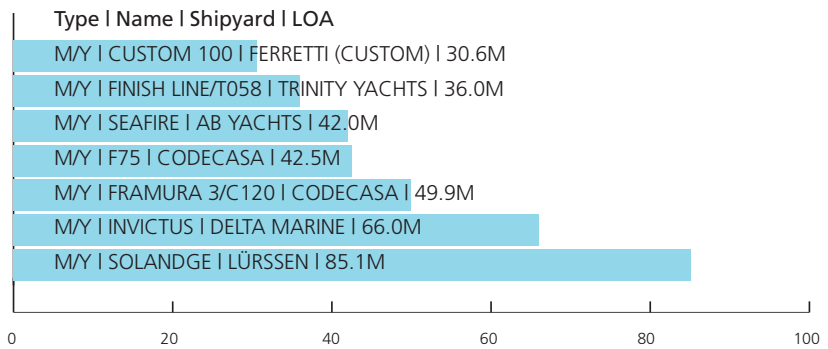
■ Two serious incidents involving superyachts offered the industry another stark reminder of the importance of safety at sea. The 35.9m Hatteras-built *Montana Moon* caught fire at Jarrett Bay Marine Park north of Beaufort, North Carolina, taking fire-fighters 13 hours to extinguish. Not only was the vessel itself a total loss, but also severe damage was caused to two vessels moored adjacent to it.

■ Three crewmembers had to be rescued from the 32m motoryacht conversion *Horizons* as she began taking on water, south-west of American Samoa.

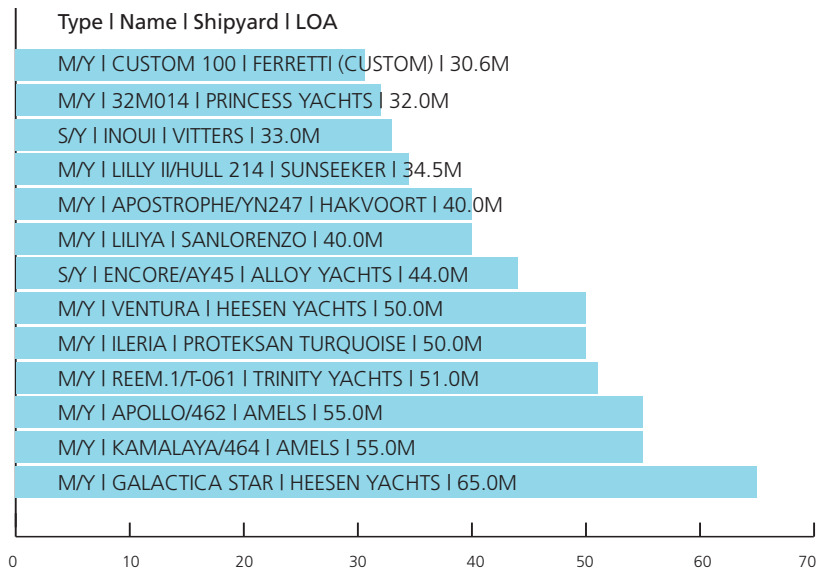
The Mondo group announced the sale of Mondo Marine, the Savona-based builder of custom superyachts over 50m, to businessman-entrepreneur Alessandro Falciai.

FLEET DATA

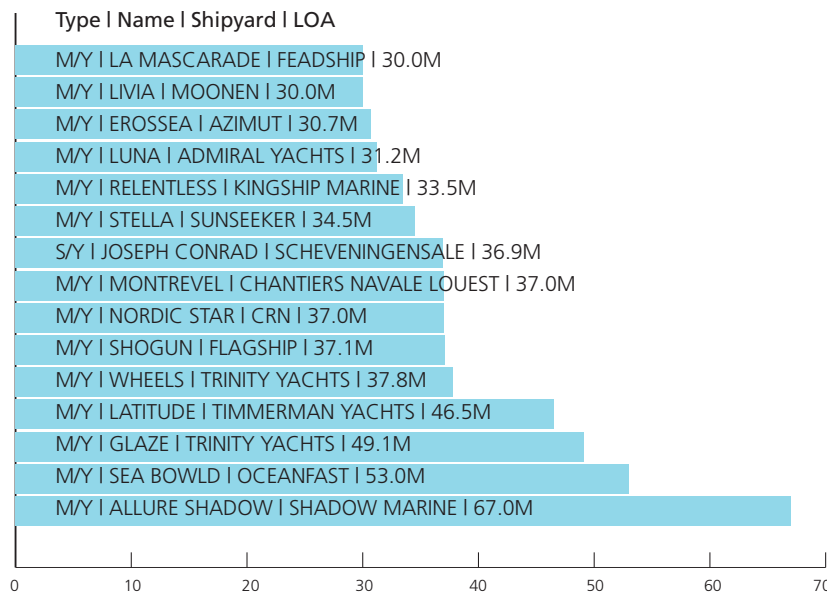
YACHT LAUNCHES



YACHT DELIVERIES

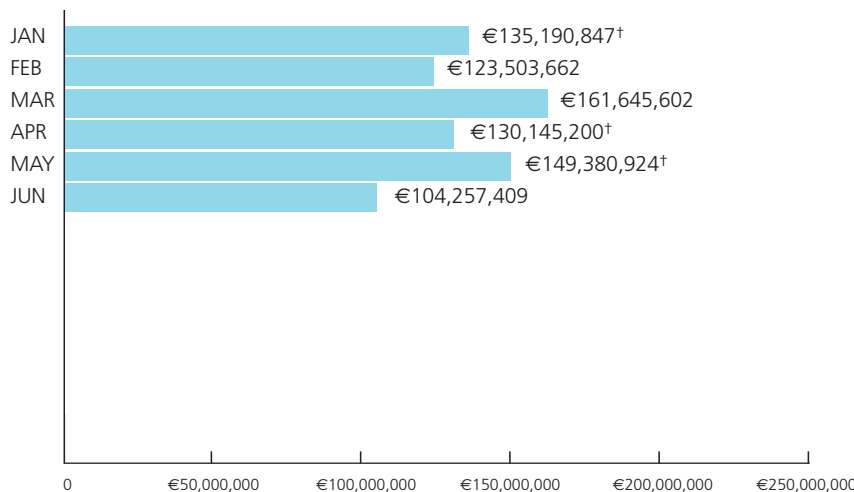


YACHT SALES*



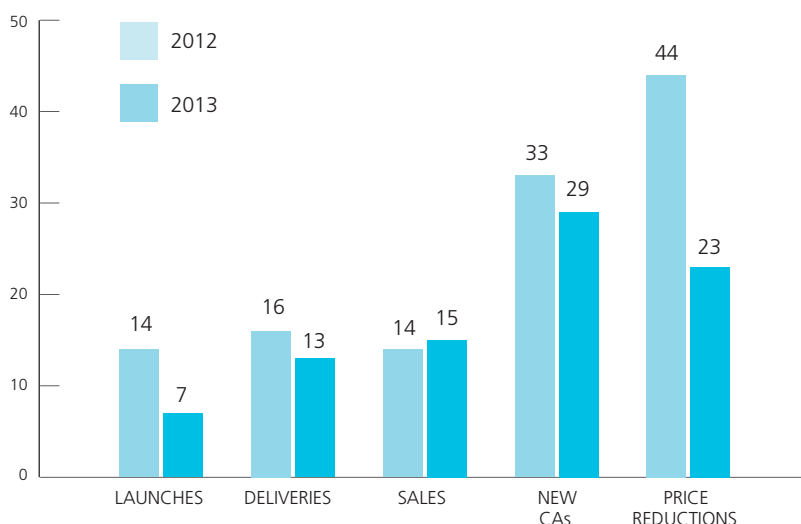
*All listed sales are post-delivery only

VALUE OF TRANSACTIONS*



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[†] One value missing as price kept confidential

JUNE 2012/2013 COMPARISON (BY NUMBER)



■ These incidents coincided with a call for an overhaul of existing safety practices from the industry. The IMO Symposium on the Future of Ship Safety, which recommended a complete review of SOLAS, took the establishment of a safety culture beyond mere compliance with regulatory requirements.

■ The challenging market conditions that have defined the post-recession superyacht market were there for all to see in July. Insolvent superyacht interior fitter Loher Raumexklusiv was acquired by compatriot and fellow interiors specialist Vedder. The company was incorporated as a subsidiary of its new parent, operating as Vedder Munich Loher Raumexklusiv. Loher's owner, Alfred Loher Jun, had been seeking an investment structure that would allow the company to carry on in its existing guise but, with a 1 June wrapping-up order looming, a deal with Loher's competitor was struck behind the scenes.

■ The Mondo group announced the sale of Mondo Marine, the Savona-based builder of custom superyachts over 50m, to businessman-entrepreneur Alessandro Falciai. Virtually unknown outside his native Italy, 52-year-old Falciai developed as a manager under the tutelage of Silvio Berlusconi and Fininvest-Mediaset. He subsequently founded Digital Multimedia Technologies SpA (DMT), active in the terrestrial digital TV sector.

■ There was a changing of the guard at engine giant Tognum AG with the announcement that chairman and CEO Joachim Coers was to step down from his position at the end of the month, with then deputy Dr Ulrich Dohle acceding to the position in Coers's place.



July
2013

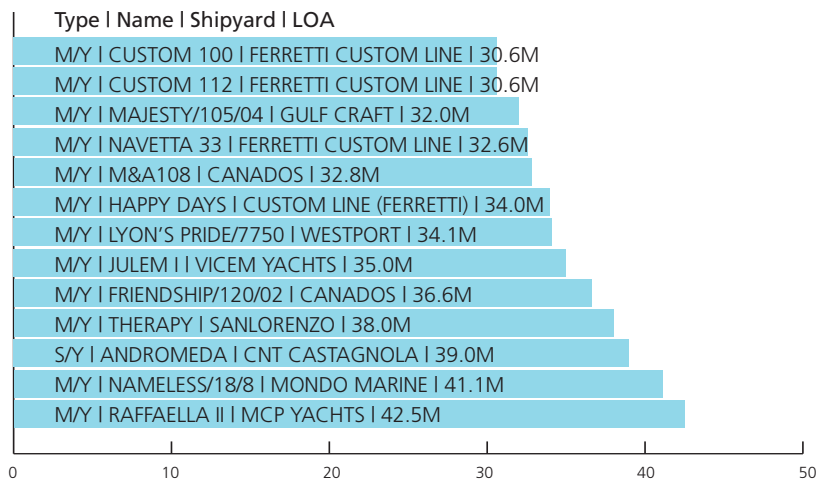
BUSINESS NEWS

■ The month began with a landmark moment for the Spanish superyacht industry and the landscape of yachting in Europe as a whole. The Ministry of Finance and Public Administrations issued a statement declaring that, subject to the legislative process, the government would cease the application of matriculation tax to vessels of 15m+ engaged in commercial activity. Prior to this amendment, vessels over 15m were subject to the tax regardless of their status, which had served virtually to eliminate the Spanish charter market. Over the ensuing months, the proposal would be passed into law, signalling a new dawn for the Spanish superyacht sector.

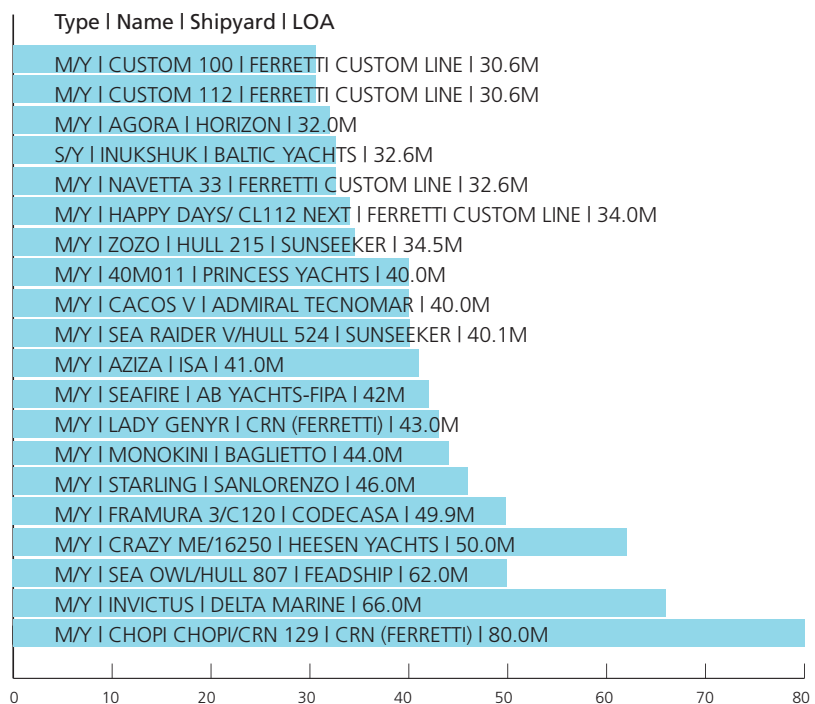
■ Change was afoot for fiscal regimes across Europe: 15 July signalled a watershed moment for France as its new tax rules came into force, marking the end of the French Commercial Exemption, after years of to-ing and fro-ing with European legislators. Under the new terms superyacht charters would be subject to the national VAT rate, although methodologies emerged almost instantly to reduce the actual rate greatly.

FLEET DATA

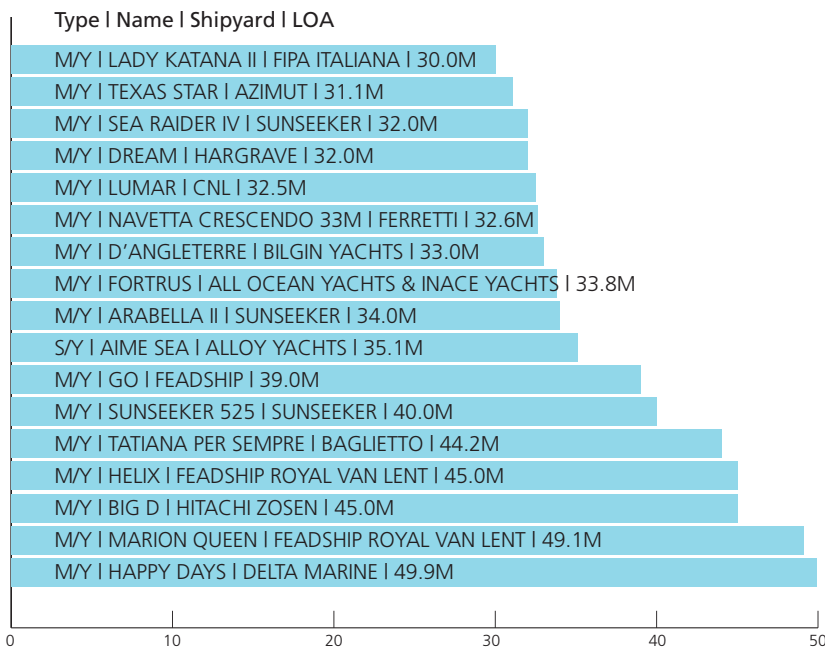
YACHT LAUNCHES



YACHT DELIVERIES

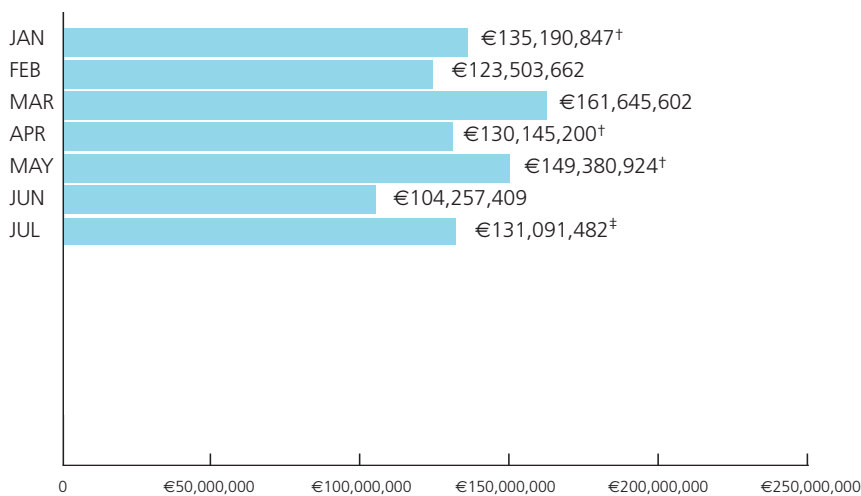


YACHT SALES*



*All listed sales are post-delivery only

VALUE OF TRANSACTIONS*

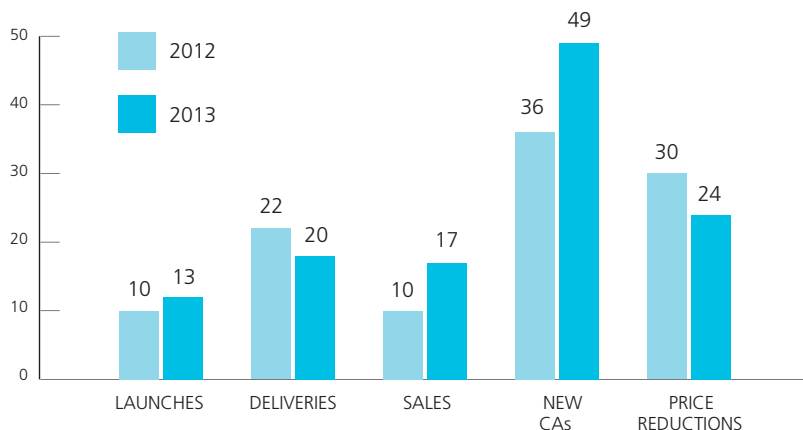


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† One value missing as price kept confidential

‡ Two values missing as prices kept confidential

JULY 2012/2013 COMPARISON (BY NUMBER)



■ The Maltese government threw its hat into the ring with clarification that short-term charters – of less than 90 days – would only be subject to the national VAT rate for the proportion of time the vessel was in EU waters.

■ On the other side of the world Australian marine exporters found themselves less disposed to the country's politicians. It was announced by the federal government that funding for the long-established Export Management Development Grants (EMDG) scheme was being considered for potential cuts. The Australian International Marine Export Group met the proposal with derision on behalf of its members.

On 15 July, France's new tax rules came into force. Under the new terms superyacht charters would be subject to the national VAT rate.

■ In a mysterious twist to the Yacht Path saga, the sale of the assets of Yacht Path International and its associated entities went to Yacht Path Holdings, an unknown New Jersey-based limited liability company, after lack of interest from rival bidders pulled the plug on an auction. Judge Hyman at the US bankruptcy court in southern Florida approved the sale of the debtors' assets, excluding cash and causes of action, to the lone 'stalking horse' bidder.

■ There was further sad news to report with the discovery of the body of a 33-year-old Australian male crewmember at the bottom of a harbour in Sitka, Alaska. The man had been on board 36.58m motoryacht *Valkyrie*, which was visiting the south-east Alaskan town.



August 2013

BUSINESS NEWS

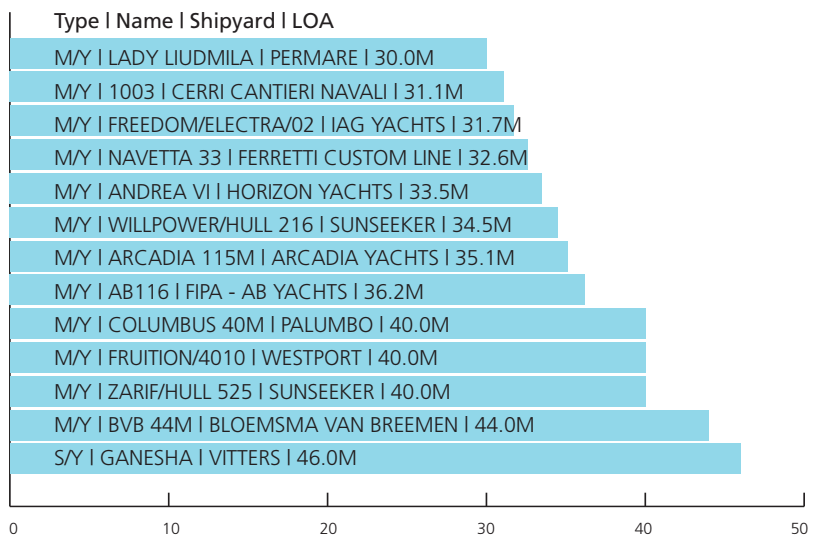
■ Bizarrely, the Azimut-Benetti Group was forced to announce a second fire of 2013 at the Livorno yard of its Benetti division. The fire broke out on board the 56m in-built motoryacht FB261 early on 20 August. Work on FB261, which was moored outside the shed, had been in the final outfitting stages, with completion due at the end of that month. The yard iterated that it was not linked to the cause of the February fire.

■ There was a second high-profile Chinese purchase of a recognised production yacht builder. This time, Britain's Sunseeker was the subject of the acquisition, with entertainment and property conglomerate Dalian Wanda Group paying £320 million to secure a controlling 91.81 per cent stake in the company. It was reputed to be the largest Chinese investment in UK history.

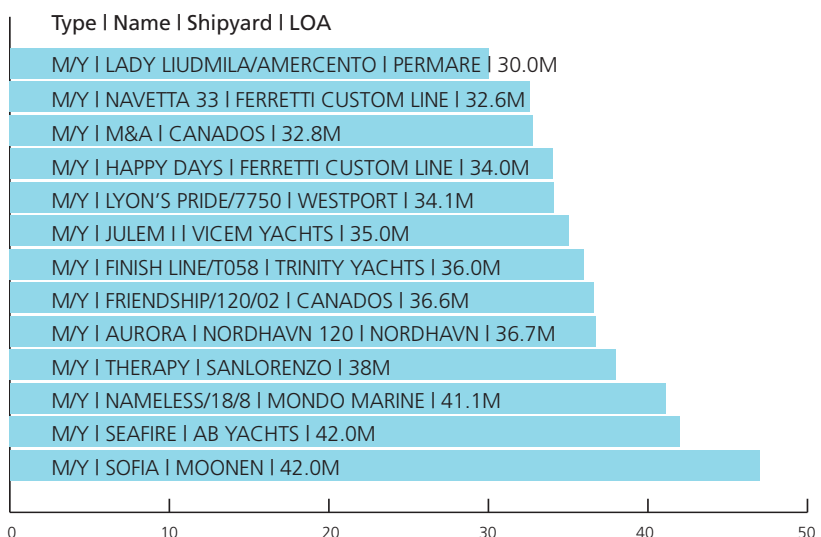
**Embattled French yard
Couach was given a
stay of execution when
a court approved its
10-year repayment
plan to creditors.**

FLEET DATA

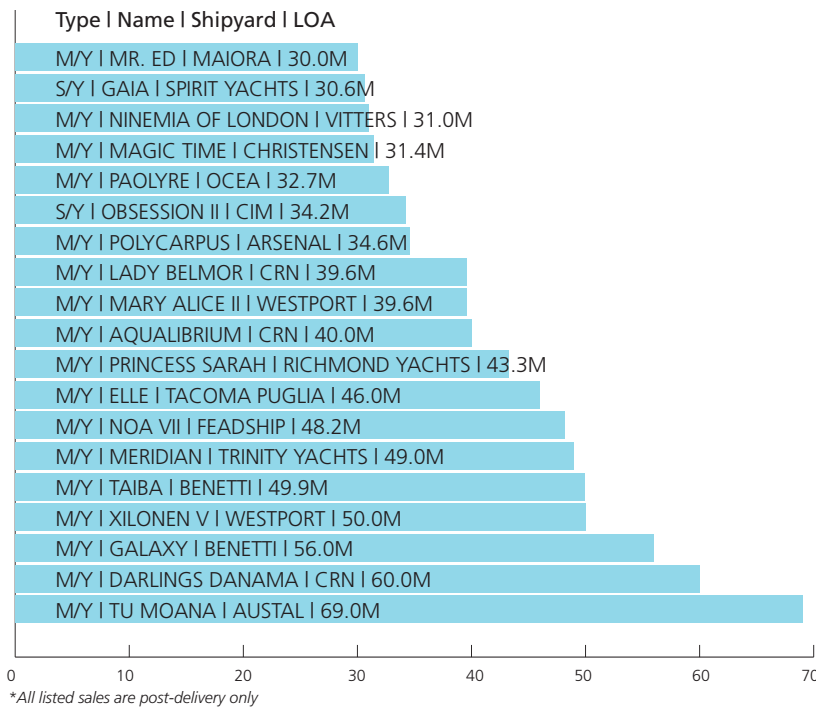
YACHT LAUNCHES



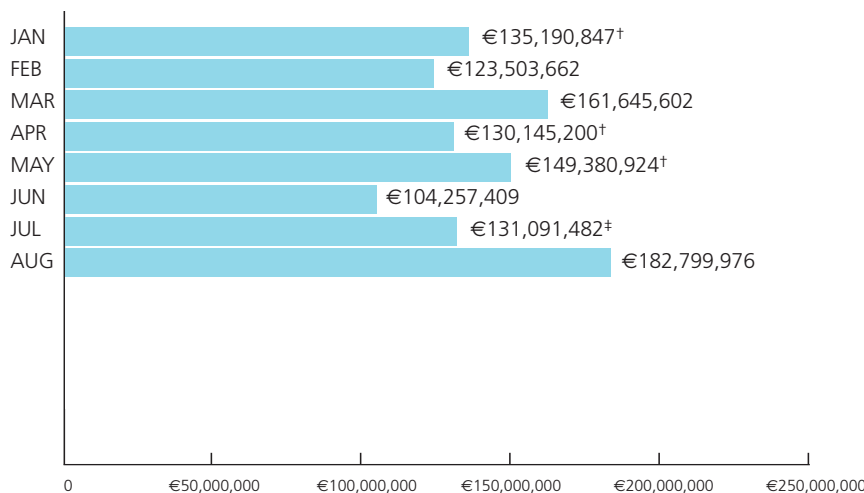
YACHT DELIVERIES



YACHT SALES*

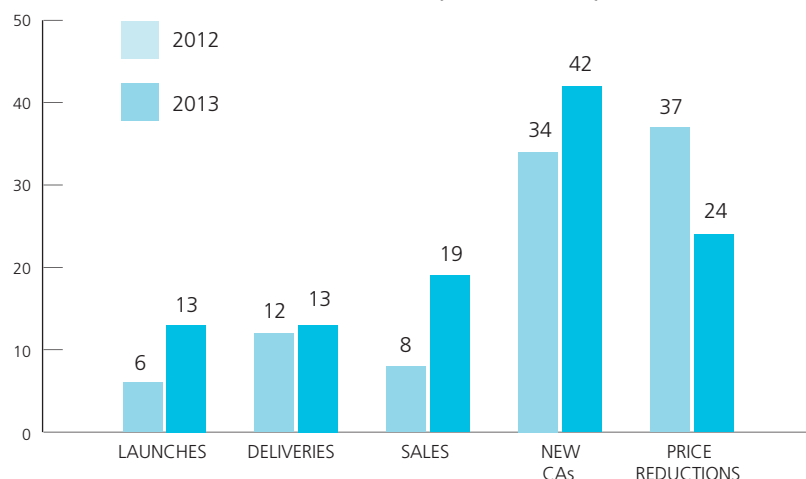


VALUE OF TRANSACTIONS*



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[‡] Two values missing as prices kept confidential

AUGUST 2012/2013 COMPARISON (BY NUMBER)



■ It was a different story for Italian builder Azimut Yachts when it was announced that 220 workers would be temporarily laid off until January 2014, in a process known as *cassa integrazione*. At the same time the Avigliana facility was the subject of a Fininvest-Mediatset €29 million investment, in what an Azimut spokeswoman called a “move towards greater efficiency”.

■ In the seemingly insulated confines of German yachtbuilding, Dörries Maritime Services announced its intention to launch a new shipyard, Dörries Yachts, for the turnkey construction of superyachts. The German management company declared it would extend its offering to engineering and shipbuilding, based at its recently acquired site in Bremen.

■ Specialist marine interiors company Superyacht Interiors New Zealand was sold by its parent company, Easy Equities Ltd, owned by the Goodfellow family, to Auckland-based couple Michael and Marina Waterhouse.

■ The future was also looking brighter for companies across the superyacht spectrum. American builder Hatteras Yachts was purchased by US-based private equity firm Versa. Dutch mast builder Rondal announced the extension of the length of its composite workshop to 78m to accommodate the main mast for the latest Perini Navi project. National Marine Suppliers said it was to open a new store in Fort Lauderdale on the city’s waterfront, in order to provide quicker and more convenient access for its client base. Marine composites specialist Rhebergen Composites confirmed the company was moving to a new facility in Holland. The new building in Wormerveer, just 20km from the existing location, would make it easier for the company to transport and accept components and give the business more space for its operations. Embattled French yard Couach was given a stay of execution when a court approved its 10-year repayment plan to creditors.



September 2013

BUSINESS NEWS

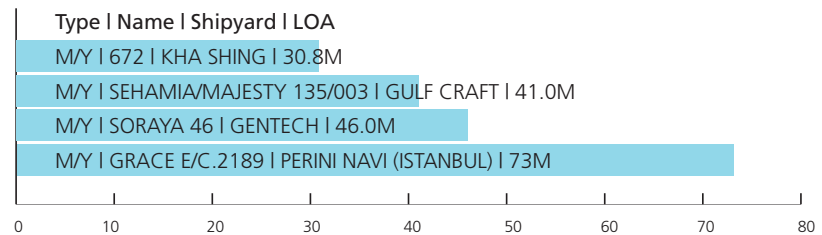
■ The 23rd Monaco Yacht Show took place between 25 and 28 September and was deemed an instant success by those in attendance. The early feedback from the event was wholly positive and hinted at a nascent industry recovery.

■ As ever, there were a number of Chinese whispers circulating around the show, but there was also a lot of tangible business being done. Among the most high-profile announcements was the departure of Fraser Yachts' CEO, Hein Velema, and marketing director Patrick Coote. While recent arrival Fabio Ermetto was installed as their new chairman, it was confirmed that Coote would become the new director of sales and marketing at Blohm+Voss. Velema unveiled his new destination, Ancona, weeks later, where he would assume the role of sales and marketing director for Italian builder ISA.

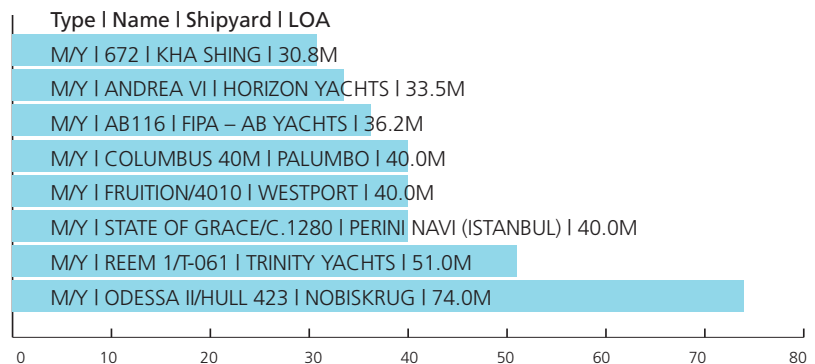
Jotun announced that Global Yachting Group's distribution company, Pinmar Supply, had been appointed as Jotun distributor for Spain and other international territories.

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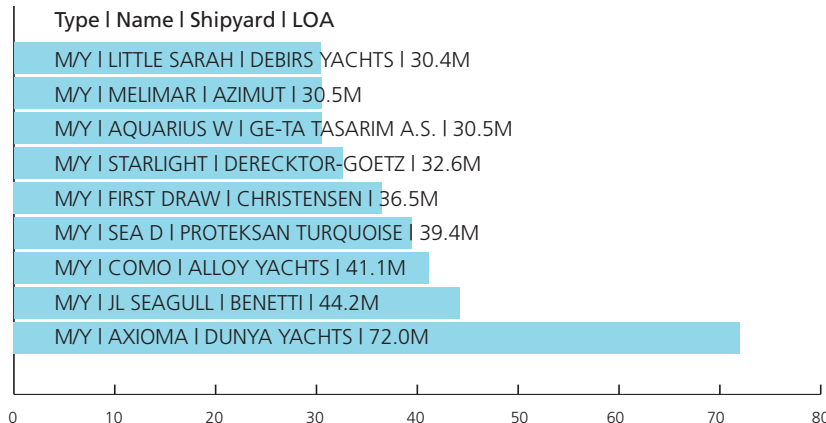
YACHT LAUNCHES



YACHT DELIVERIES

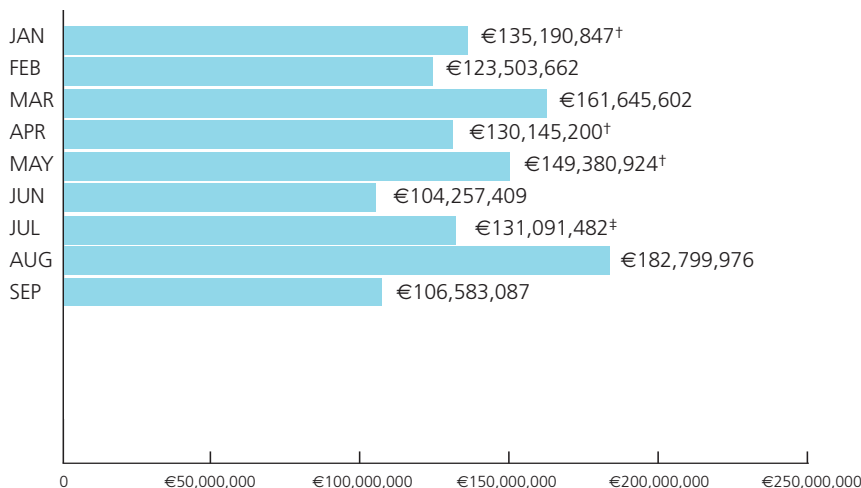


YACHT SALES*



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VALUE OF TRANSACTIONS*

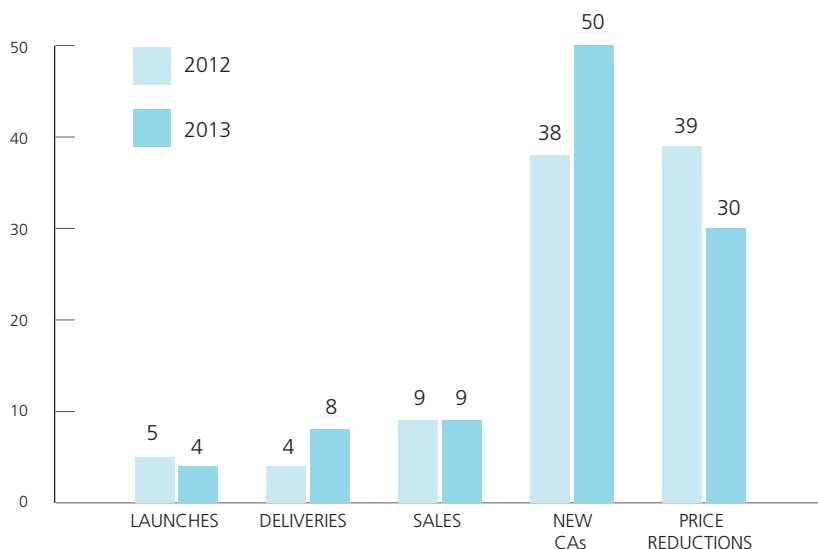


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[‡] Two values missing as prices kept confidential

SEPTEMBER 2012/2013 COMPARISON (BY NUMBER)



■ Jotun announced that Global Yachting Group's (GYG) distribution company, Pinmar Supply, had been appointed as Jotun distributor for Spain and other international territories. The agreement between distributor Pinmar Supply and Norwegian coating manufacturer Jotun would provide GYG clients with a full yacht painting service; and alongside supplying coatings, Jotun's team of coating advisors also offers full technical support.

■ The superyacht refit group Monaco Marine announced the signing of a memorandum of understanding (MoU) between themselves, Ports Toulon Provence and the Var Region Chamber of Commerce and Industry (CCI du Var) for the redevelopment of the Bois Sacré site in Toulon. The MoU could lead to the creation of a dedicated zone for catamarans, the first in the Mediterranean region, the construction of floating and on-shore technical facilities for superyachts and the development of 40 direct jobs and 100 indirect jobs.

■ There was lateral movement in the design world with news that yacht designer Steve Gresham, who had been self-employed since graduating from Coventry University with a first-class degree in transport design, would be launching his own studio, Gresham Yacht Design. He had previously worked with the likes of Don Shead Yacht Design, Tony Castro Yacht Design and H2 Yacht Design.

■ Katharina Raczek, who became joint partner at Newcruise with Roland Krüger following Frank Neubelt's departure in 2012, announced that since the office had relocated from its base in Hamburg to south of the Elbe she had taken the decision to sell her shares of the company and start her own interior design company as well as working on all the superyacht interiors with Newcruise.



October 2013

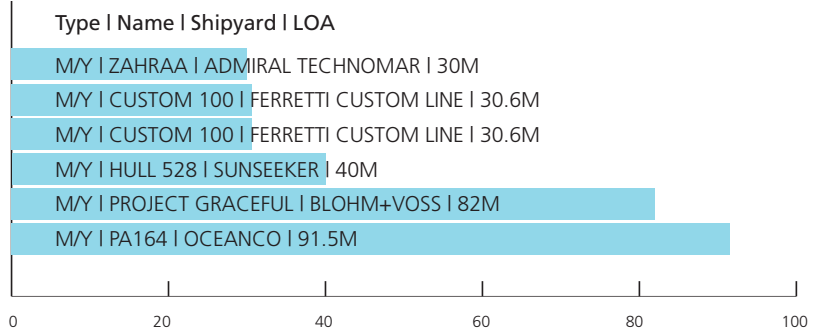
BUSINESS NEWS

■ After the optimism generated by Monaco, the industry turned its attention to the calendar's other premier event, the Fort Lauderdale International Boat Show. Dogged in recent years by disastrous weather, the show maintained the optimism generated in Monaco. Drenched in glorious sunshine there was widespread agreement among exhibitors that a busier show provided evidence of a germinating market recovery.

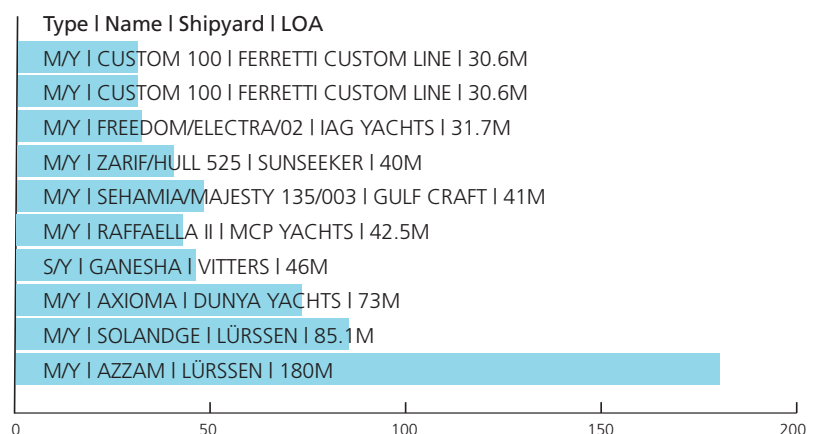
■ Acting as further proof of the industry's modest recovery was the release of encouraging data from the UK's superyacht trade body Superyacht UK. Overall, the revenue of the industry increased from £440 million for the 2011/2012 period, up to £460 million in 2012/2013, a positive increase of +3.9 per cent year on year, and a stark contrast to the previous year which indicated a -2.2 per cent decline. An encouraging 40 per cent of respondents noted an upturn in their profits compared with the previous year.

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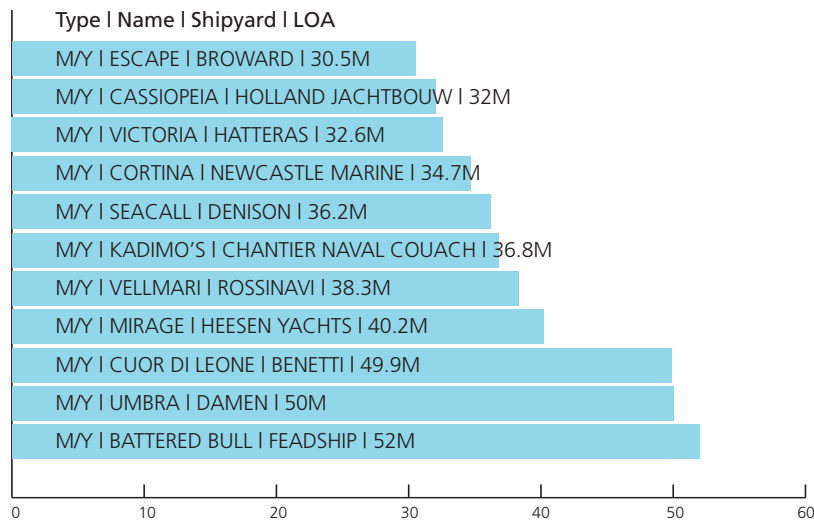
YACHT LAUNCHES



YACHT DELIVERIES

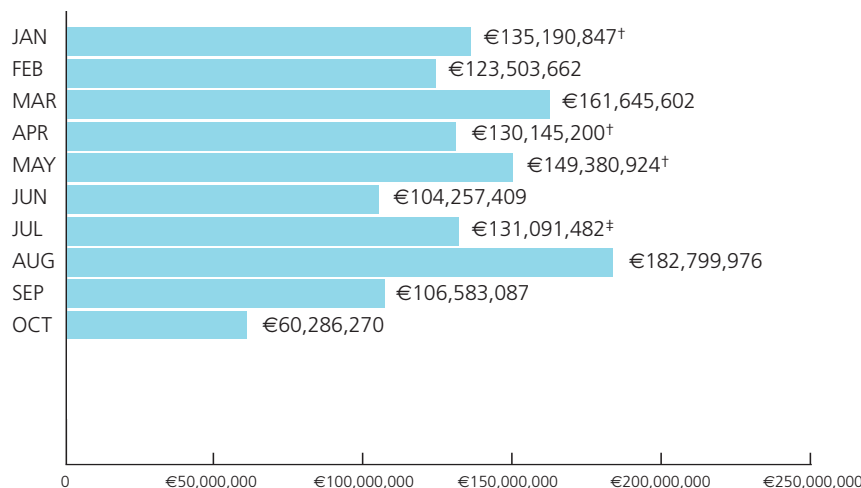


YACHT SALES*



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VALUE OF TRANSACTIONS*

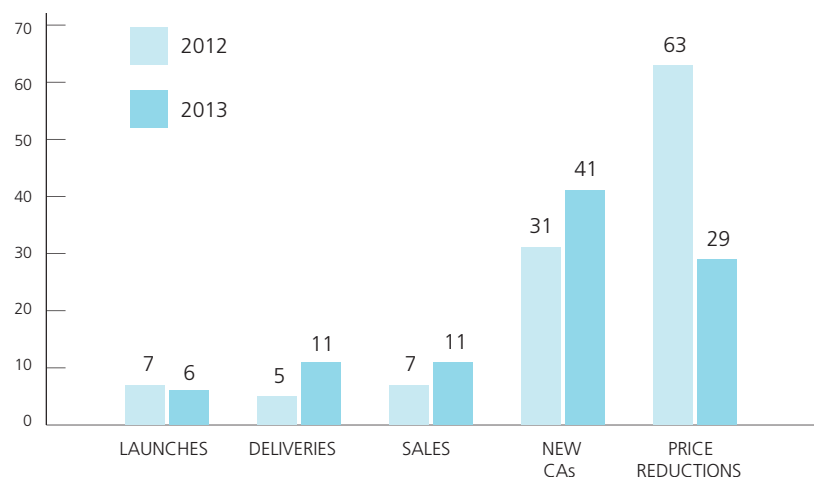


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⁺ One value missing as price kept confidential

[‡] Two values missing as prices kept confidential

OCTOBER 2012/2013 COMPARISON (BY NUMBER)



■ Blohm+Voss unveiled a high-profile collaboration with renowned architect Zaha Hadid. The concept, called 'Unique Circle Yachts', was presented to the public at the David Gill Gallery in London after a special private viewing at the new Hadid-designed Serpentine Sackler Gallery in Kensington Gardens. It was presented as both a core concept – an extreme, asymmetric rendering that evoked a dorsal fin on a surfacing humpback whale with organic whorls reminiscent of coral – and six “buildable” versions based on a proven 90m Blohm+Voss hull platform.

■ The industry's less reputable side was brought to the fore yet again when Captain Jon Paul Costenbader of 32.3m superyacht *Secret Spot* was arrested by US federal agents at Palm Harbor Marina in Florida allegedly attempting to import 281kg of cocaine, worth up to \$6 million, into America. The captain was arrested transferring the packages alongside his partner Michelle Caribe Daniel, who was also on board at the time.

■ There was a lucky escape for those on board the 41m Forgas-built superyacht *Seafaris*, which sunk off Cape Tribulation after bursting into flames following an on-board explosion. Eight guests and eight crewmembers were rescued from the stricken vessel.

■ Just months after its acquisition by Boskalis, Dockwise Yacht Transport was acquired by Dutch yacht transport service Sevenstar Yacht Transport (SYT). According to Sander Schuurman, marketing and communications for Sevenstar, SYT made the acquisition as “Boskalis saw no strategic fit with its group's core business for its DYT division”.



November 2013

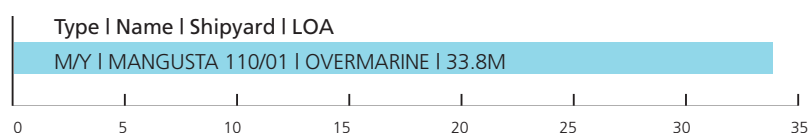
BUSINESS NEWS

■ Crew professionalism was among the most pertinent industry topics of 2013 and a number of positive steps were taken in November to enhance it. The recently formed ItalianYachtMasters association of captains signed a letter of intent with Italian maritime centre NAVIGO, agreeing to launch the NAVIGO Superyacht Academy. With a view to cement Italy's position in the crew sector, the Academy will offer basic crew training as well as further education degrees aimed at captains and senior crew. Warsash Superyacht Academy continued to boost its profile in the superyacht sector with an increasing number of business service partnerships announced in addition to the opening of the Nautical Academy in Barcelona. Also, superyacht crew training provider UKSA and finance manager BlackStar Wealth Management announced a strategic partnership to build a global platform for the development of professional crew training within the superyacht sector. The partnership will also fund additional skills training and placement opportunities for superyacht crew.

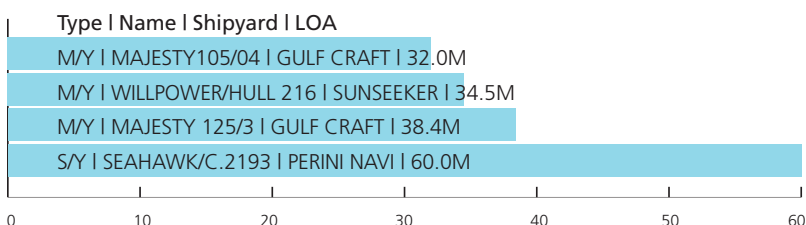
■ Ahead of a 20 December deadline, International Technic Marine (ITM) issued a 'come and get me' plea to the industry for investment. The deadline was issued by French commercial regulators overseeing the company's financial troubles. "We need €1.5 million up front to cover immediate operating costs, and we are looking for up to €6.8 million over the next seven years," Marc Ovanessian, the president of ITM, said.

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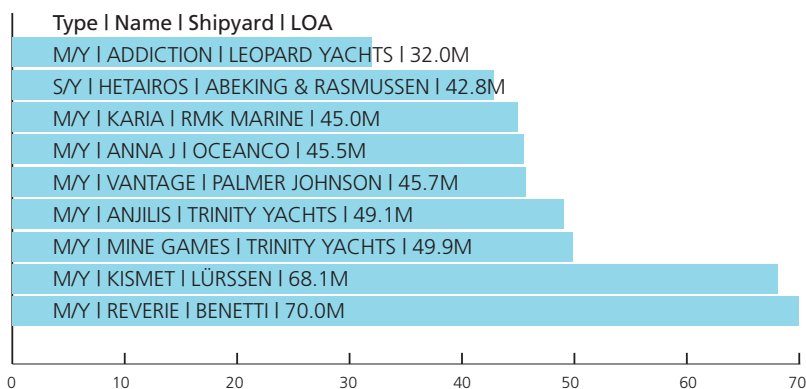
YACHT LAUNCHES



YACHT DELIVERIES

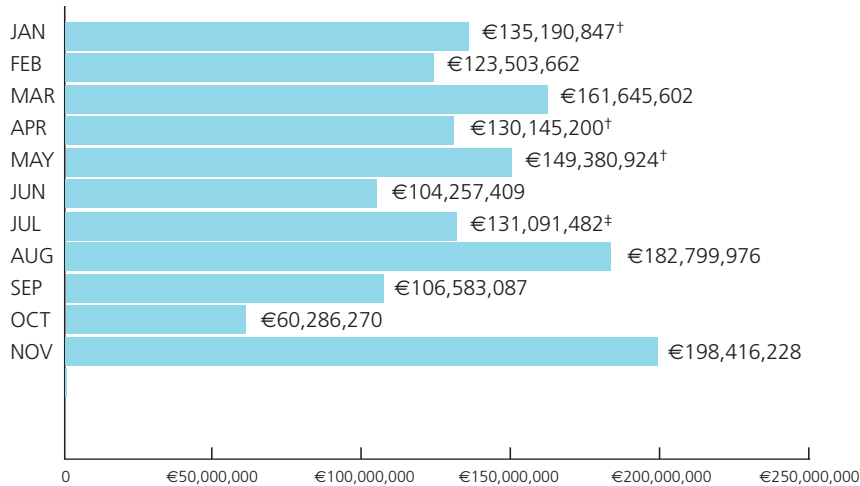


YACHT SALES*



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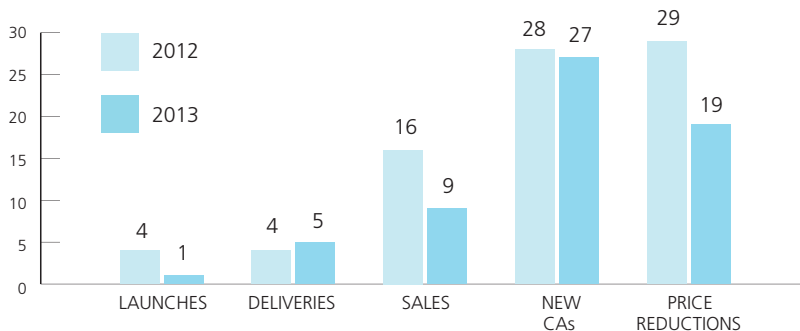


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[‡] Two values missing as prices kept confidential

NOVEMBER 2012/2013 COMPARISON (BY NUMBER)



■ There was yet another yard fire to report – this time in Palma, Spain – when a 27m vessel caught fire at the STP shipyard. The blaze was isolated and extinguished in two hours, avoiding damage to any other vessels, but it served as a further reminder of the fire risk that yacht work poses. Joan Rosselló, director of STP Palma, initially attributed the cause of the fire to paintwork being undertaken on the yacht.

■ Stabilisation specialist Naiad Dynamics celebrated an incredible feat from a member of its staff. Vic Kuzmovich was honoured by CEO John Venables for 40 years of service to the company. Now working as the company's global service manager, Kuzmovich has provided support to over 12,000 vessels over the course of his career.

■ Finally, the industry mourned the loss of former Knight & Carver Maritime CEO Sampson A. Brown who passed away at the age of 55 after losing his battle with pancreatic cancer.



December

2013

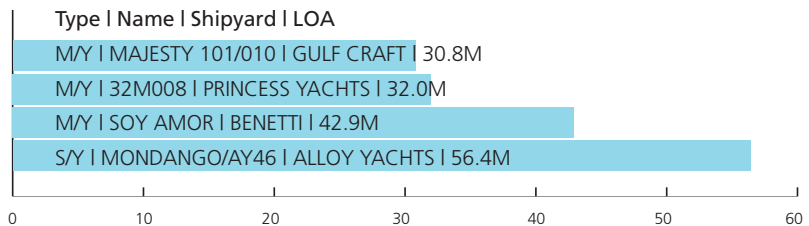
BUSINESS NEWS

■ There was a major coup for superyacht representation at the top maritime table as the Superyacht Builders Association (SYBAss) announced it has secured enviable full consultative status in the eyes of the International Maritime Organization (IMO). Since receiving provisional consultative status two years earlier, SYBAss and its members had taken a very active role in the work of IMO. This was seen as a contributing factor to SYBAss being granted full consultative status by the IMO Council, a decision that was endorsed by the IMO Assembly on 4 December.

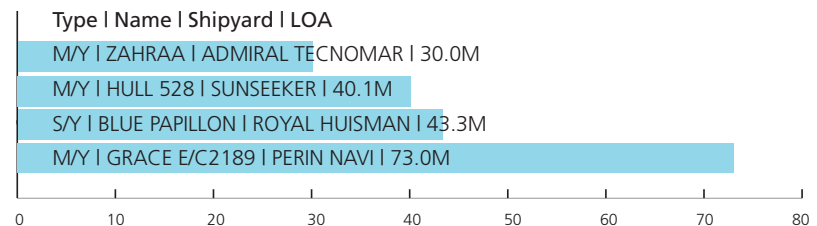
■ December also saw the IMO adopt a resolution to its ballast water management convention (BWM Convention) that recommended a more flexible timeline to its application. Vessels built before the entry into force date (12 months after ratification) won't need a ballast water management system (BWMS) until their first renewal survey. The convention's rules, which will apply to superyachts, are intended to prevent the spread of invasive species via the ballast tanks of international ocean-going vessels.

FLEET DATA

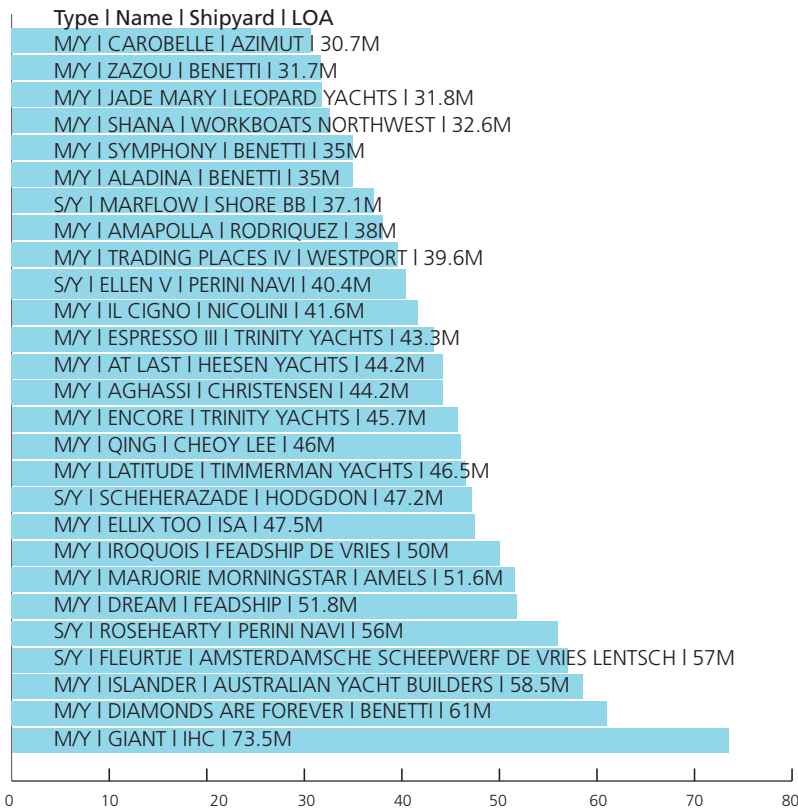
YACHT LAUNCHES



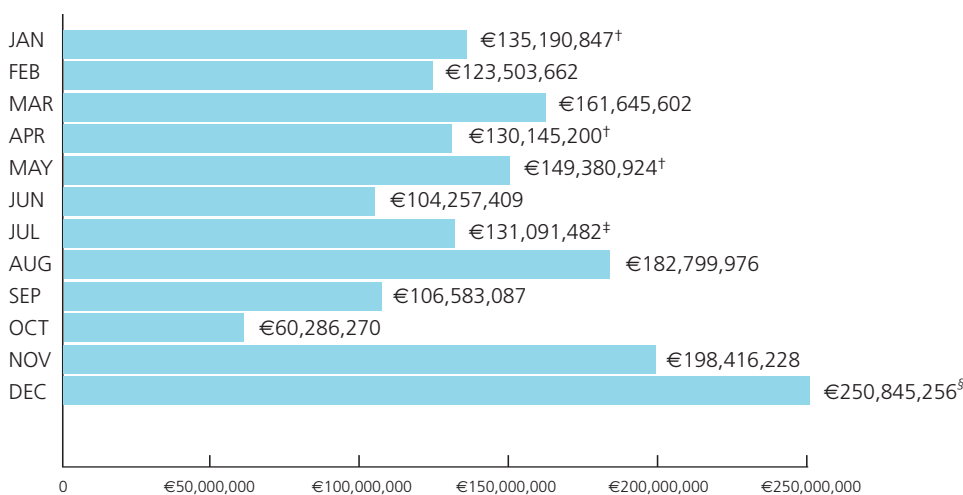
YACHT DELIVERIES



YACHT SALES*

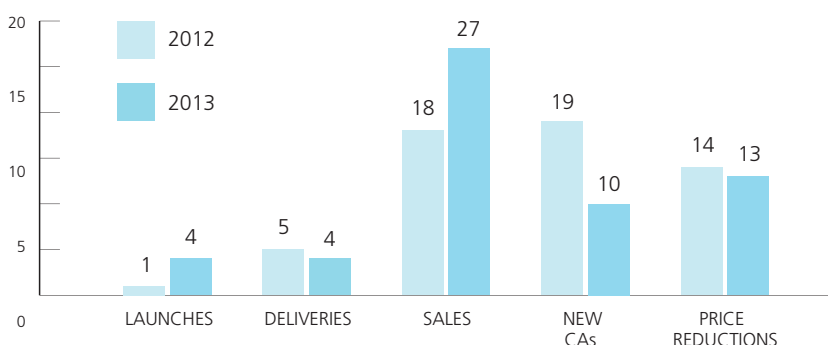


VALUE OF TRANSACTIONS*



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[‡] Two values missing as prices kept confidential
[§] Four values missing as prices kept confidential

DECEMBER 2012/2013 COMPARISON (BY NUMBER)



■ It was announced that well-known industry figure Edward Pegan was to leave his position as commercial manager of BWA Yachting. Pegan was succeeded by Julian Madsen, who took up his post on 1 January 2014.

■ The Australian International Marine Export Group (AIMEX), the peak body for the marine export and superyacht sectors of Australia, held its Annual General Meeting at Sydney's Royal Sydney Yacht Squadron on 6 December where the board of directors was elected. Richard Chapman, director of Coursemaster Autopilots and Hydrive Engineering, was confirmed as president of AIMEX; Matthew Johnston, general manager of MUIR, was elected as vice-president; and Stephen Vincent, global sales manager VEEM Ltd, resumed the position of honorary treasurer. Murray Owen, director of Marine Engineering Consultants, was also welcomed as a director on the board.

■ Nick Saul, chief executive officer of Bachmann HR Marine, warned the superyacht industry of an "imminent crew shortage". "For a while the maritime industry has been suffering shortages of quality marine crew," he said. "With fewer and fewer countries, such as the UK, investing resources in marine training, as crew migrate from commercial shipping, ferries and cruise ships into yachts, shortages have been noticeable over the last few years, especially in the engineering sector. Inevitably, we will see the same happening in yachting, with wage levels for engineers rising and a requirement to search further afield for the best crew." This warning did, however, coincide with the opening of the Nautical Academy in Barcelona. Aiming to offer crew the opportunity to receive training from a wide range of industry experts, the academy is set in the heart of the city's port.