

THE ANNUAL report

The leading annual survey and business analysis
of the large-yacht new construction sector



The Editorial Team at The Yacht Report spends twelve months of the year analysing and reporting on the large-yacht sector, exclusively focusing on the 30-metre-plus market. With such a dedicated team and a wide network of contacts and correspondents, we feel confident that our Annual Report is one of the most accurate and realistic reports on the new-build market and business activity.

In addition to the annual order book, we spend considerable time looking at how the market is performing, ensuring that the data is not only accurate, but wholly factual, based on reality and not speculation or possible contracts. We also respect many yards have confidentiality clauses that require the withholding of information, but invariably the market analysis and statistical reports take into consideration the secret or more discreet projects. In 2004/5, we have also added a new dimension that will become a regular feature of The Yacht Report: the Shipyard Business and Financial Survey, the aim of which is to present data on the financial trading history and stability of today's key shipyards. Not only does this provide a unique insight into the pedigree of some builders, it provides some very interesting financials too.

Over the next twelve months, we plan to extract more trading data from the market, to build a more interesting and accurate picture of the large-yacht market. Although market performance is looking good and the value of projects seem to be constantly increasing, we need a sense of realism when it comes to financial performance and profitability. To achieve a better level of transparency on this subject can only improve the large-yacht industry's stability.



At this time of year, everyone gets very excited about the various Order Book concepts and data. While it is comforting to read that all is growing at a rapid pace and the market is strong as well as hugely successful, we feel it is necessary to take all the hype with a pinch of salt. In the future we plan to split the Order Book in half and produce two listings, one for the pure custom market and one for the production and semi-custom market. In essence, the comparison and analysis of the whole market is very complicated and can obviously skew the figures. It is fair to say that the likes of Benetti, Ferretti, Sunseeker, the Rodriguez Group and other builders of regular stock items, all under the same or similar technical style and specification, add value to the large-yacht business, but in financial terms can skew the project numbers. With other magazines focusing on 24 metres plus, this obviously contributes greatly to an inflated number of orders, where over 650 orders are listed in some cases. Over 420 of these projects are in the 24–35-metre size range and the majority will no doubt be stock items in the low to mid-million-dollar price ranges, rather than the tens of millions you expect in the custom projects. We are not suggesting that these figures are not interesting and/or make a significant contribution to our future market, just that it is more realistic in our opinion to compare apples with apples, to give a true position and heading.

It is also vital to compare number of deliveries in the previous 12 months with the number of orders received over the same period, as this gives a more accurate representation of market performance. It is also necessary to look at the number of projects that are still listed or have incurred major delays in construction and therefore are still part of this year's Order Book. All of these affect the figures and can give the numbers a 'rose-tinted' appearance. If a yard replaces the projects delivered with new orders and exceeds the previous year's listing, then you can assume they are successful. If a yard provided an order list which suggested that projects would be delivered in 2004, but now have new delivery dates for 2005 this indicates some form of business slowdown. Obviously, delays in delivery are sometimes out of the yard's control, but the impact can be significant: increased man-hours that someone has to pay for, delayed payments to subcontractors and a knock-on delay to other build slots. These are the sort of factors that need to be looked at when fore-

casting and predicting the market's and individual yard's stability. Over the next several pages, we have attempted to provide some comment, data and analysis that will demonstrate where the market has been successful, who is performing well and where we feel the market is heading. We do agree with the rest of the media – that there is some positive growth in the market and it's not doom and gloom – but it is important to build a sense of reality. The strong are surviving and the weak are floundering and one would expect over the next few years that there will be one or two corporate casualties or bargain basement acquisitions. We expect some consolidation and more yards deciding to build more financially and technically efficient projects within the semi-custom sector.

Without being too 'snobby', in most cases the yachts below 45 metres are to some extent semi-custom series and are part of a business strategy that includes some spec. building, with the expectation that a client will follow shortly. Perhaps this is unfair in the sailboat sector, but when you look at the variety of motor yachts between 30 and 45 metres, there are many similarities in terms of designer, exact size, propulsion and the scheduling of delivery. These parameters suggest a regular production level and some efforts to standardise the hull type. Once you analyse the upper end of the market, above 45 metres you can see some interesting figures. In essence, it is the same principal builders that enjoy success in this market and this is where the levels of growth or decrease in business performance can be identified. Out of the 137 yachts delivered in 2004, over 30 metres i.o.a., only 34 yachts were over 45 metres i.o.a., but looking at this year's order book, where there are over 100 projects in build over the 45-metre magic barrier, we have identified a total of 46 new orders that have been added to the list. When analysing data in this way, you can see whether the market is performing or not. There is no point in just referring to lists of projects and demonstrating that each year the list is getting longer; you have to dig deeper and investigate whether the projects that are delivered in the previous year are replaced with the equivalent or an increased number of orders. From a business point of view, this type of analysis clearly shows growth. Over the next few pages and over the next eight issues, we plan to look closely and on a more regular basis at the business performance of the large-yacht sector.

SHIPYARD ANALYSIS & Business Review

THE FACTS AND FICTION OF MARKET PERCEPTIONS

ASSESSING the annual status of the global superyacht/megayacht market is a practice which a number of publications take on each year, *The Yacht Report* among them. Collecting the data and performing a thorough analysis of those stats are a time-consuming and often challenging task.

Looking at the different surveys makes for interesting reading in itself but probing deeper can start to draw a greater awareness of this market place than some of the interpretations might otherwise expose. In this Shipyard Survey as part of our Annual Report, we have, it might be said, set sail on a long and interesting voyage.

The very remit of *The Yacht Report* is that it is all about the business of this large worldwide market and tries to present to the real professionals in it what they need to know. This means penetrating the glamour and glitz of this market to really try to identify what is happening. It was with this objective in

mind that *The Yacht Report* embarked upon a detailed business and financial survey of the leading yards. As can readily be imagined this immediately hits some inherent difficulties, not least because when you start talking money, the call to maintain confidentiality is never far behind. However, our opening gambit has made some interesting albeit small inroads into this project.

Along with the call to maintain confidentiality must be added the fact that most superyacht builders are private companies so their financial figures anyway are not available. If only all yards were like the Azimut-Benettis or Ferrettis of this world, but alas they are not. It has to be emphasised that this is very much a first attempt and that first attempts at breaking new ground rarely achieve well to start with in markets where so much of the information we seek is kept hidden away.

In parallel with all the financial side there is the equally sensitive factor that we are dealing with a market with which many celebrities are involved. As a responsible publisher this is a facet of the business we take very seriously and treat accordingly. We respect that many owners look upon their yachts as a means of escape from the bright lights and therefore do not want their ownership associated with particular yachts.

Although the number of yards that responded to the survey is small, *The Yacht Report* was encouraged by the responses and the number that gave financial information or indications. It is a start that bodes well for the future. In the meantime, until we have time to develop our financial knowledge of this market, what we can look at is the orderbooks and in particular orders and deliveries.

From the 17 yards included in the survey the orderbook information combined with what has previously been published can give a good indication of how a company's fortune stands. This is obviously easier where annual revenue information is available so that judgements can be made with the number of employees and therefore productivity per worker or the number of yachts delivered and launched. Inevitably there is a lot of guess work involved but a picture can start to emerge which perhaps does not match with the perception of how well a particular company is doing.

Annual turnovers that do not rise year-on-year or even decrease give rise to natural questions about reasons and causes. We have been looking at orderbooks and in particular assessing significant delays in yacht deliveries and considering the impact this has not only on the yard and its workers but also the equipment suppliers and sub-contractors.

Disruption to cash flow can readily generate difficulties which multiply in their impact.

On the other hand companies, that continue to acquire companies to expand or make significant organic investments year on year can naturally be assumed to be doing well, but an in-depth look might show otherwise. Two prime examples of aggressive growth are the market leaders Azimut-Benetti and the Ferretti group. The former has just concluded a major deal with the Italian shipbuilder Fincantieri to launch a new brand over 70 metres, while Ferretti has just increased its Pershing subsidiary with the acquisition of Cantieri Navale Itama.

In our survey there are a number of companies making significant investments to enable them to build larger yachts, for example Feadship with its XL brand of over 100 metres. This has warranted its two main shareholders to take on new shipyard capacity in order to build such yachts. There has been a major investment up front of orders to support it. Expanding to build larger yachts is one of the consistent trends in this business, but how far can it go?

This survey is looking to open a new door in *The Yacht Report's* editorial coverage. This small survey represents just an opening shot in an initiative which we hope will provide greater awareness of the total superyacht market and the ups and downs of the yards initially, but maybe other sectors within the market in the future.

There is no intention to take the gloss off this market, just to probe the data that comes to hand to try to give a more in-depth assessment of the market and main players in it.

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ALLOY YACHTS

Location: Auckland, New Zealand

Year established: 1985

No. of employees: 250

Business: Custom-built sailing & motoryachts 30–65 m

Auckland-based Alloy Yachts specialises in the custom build of high quality aluminium sailing and motor yachts ranging in size from 30 metres (98.5 feet) to 65 metres (213 feet). Alloy, operating since 1985, currently has a 250-strong workforce and is engaged on three projects all over 30 metres.

In August 2004 the company launched the 108-foot sailing yacht *Parais* designed by the Fontaine Design Group, since delivered. For 2005 Alloy has two launches planned: the 130-foot sailing yacht *Janice of Wyoming* due in March and designed by Dubois Yachts, Alloy and the US owner; the twelfth designed by Dubois for Alloy since 1991. In August 2005 the Dubois/Starkey-designed 131-foot motor yacht *Ad Lib* is due to be launched for Gary Lane, Alloy's Chairman.

Alloy's orderbook extends well into 2006, with the launch of the 170-foot sailing yacht *Kokomo* expected in August 2006. Being built for an Australian customer, *Kokomo* is Alloy's third yacht over 50 metres. She is being designed by a team combining Dubois Yachts and Redman Whiteley Dixon.

The company has built 24 yachts over 24 metres and has developed a comprehensive skills base to support its custom build activities. This includes an in-house design capability which takes in electrical, engineering and joinery work. Most components on its yachts are specifically designed and produced within the yard, including winches, anchoring systems, deck hardware, boarding platforms, electrical and hydraulic systems. They also handle all painting and interior work. Being a customer-builder, naval architecture comes via the owner's architect.

Alloy's yard extends across 6,000 m² and comprises six separate bays, of which four are construction bays, with the other two devoted to stores and engineering respectively. Sales have been divided between the US with 16%, Europe 37% and the rest of the world 46%.



AMELS HOLLAND BV

Location: Makkum, Netherlands

Year established: 1918

No. of employees: 260

Business: Builds displacement superyachts 45–125 m

Revenues: Confidential

A highly respected builder of superyachts Amels Holland is part of the Damen Shipyards Group which builds a wide range of commercial ships and specialist vessels at its facilities in the Netherlands and elsewhere. The group overall has annual revenues of about €1 billion (\$750 m) and employs 10,000. Amel's own revenues are confidential but it has 260 employees. Formed in 1918, the company has delivered 25 yachts over 24 metres and its current orderbook extends into 2007, with four yachts above this size under construction. Deliveries in 2004 have included the 52-metre *Lady in Blue* commissioned in May, the 73.69-metre *Ilona*, which Amels describes as a "highly technical and sophisticated" project, and the 49.3-metre *Larissa*. There has been a single launch in 2004, namely the 52-metre *Aidre* designed by Terence Disdale. *Lady Anne*, a 68.5-metre yacht designed by Walter Francini, is the only launch planned for 2005. Also under construction are the 64.5-metre (212-foot) *Chianti* due for launching in 2006, the twelfth vessel designed by Terence Disdale for Amels, and the 58-metre *Tyndreao* designed by Andrew Winch and Amels. Beyond these, the company has two vessels set for 2007 launches: a 52-metre designed by Heywood and a 61-metre. Amels constructs yachts in two yards at Makkum and Vlissingen. The latter yard was acquired by Damen in 2000 having previously been the Royal Schelde shipyard. To date Amels has delivered four yachts from this modern facility. Being part of the Damen group provides Amels with access to a wide range of ship-building skills and systems co-ordinated from Damen's head office in Gorinchem. Amel's own in-house capabilities include project development, engineering and costing, naval architecture, construction, mechanical and systems and exterior design. Their yachts are widely distributed around the world, with sales divided 30% each to the US, Europe and Middle East/Russia and 10% to the rest of the world.



AZIMUT-BENETTI

Location: Azimut head office at Avigliana plus yards at Viareggio, Fano, Piacenza and Livorno

Year established: Azimut 1969; acquired Benetti 1985

No. of employees: 2,000

Business: Builder of custom & semi-custom yachts between 30 m and 70 m+ in composite & steel

Revenues: 2004–5 estimate €500m (\$375m);

2003–4 €450m (\$338m)

The Azimut-Benetti group is the world's leading superyacht builder, a position held for a number of years. Its orderbook extends to 2007 under the Benetti brands and later to 2005 at Azimut. It comprises over 60 projects with a total length in excess of 7,250 feet. In 2004 the group delivered 53 yachts, with sales spread between Europe with 50%, the US 27%, Latin America 14%, Far East & Australia 6% and the Middle East 3%.

As part of its strategy of keep its leading market position, the group has signed a new deal with Fincantieri, the Italian ship-building group, to work together on the design, marketing and building of megayachts over 70 metres. For such vessels the Fincantieri brand will be used but yachts under 70 metres will be Benetti branded. This deal will make seven brands of yachts that Azimut-Benetti market, spanning across different size ranges and yacht types.

The group's yacht production value in 2004-05 is forecast to reach €500m (€454 m in 2003-04 and €403 in 2002-03). This compares with just €77 m just 10 years ago. The total value of orders in September 2004 was €600 m (€550 m in September 2003 and €400 in September 2002).

Acquisition of businesses and organic investment have been key drivers and over the last decade over €75 m has been spent on buying companies, the latest being Fraser Yachts for €10 m. The last two years have seen significant increases in these investments. How returns have grown is shown by plotting the production value against deliveries: over the last decade the value of each yacht produced has risen by over 50% from around €6 m per yacht to nearly €10m. The biggest purchase was the Orlando shipyard at Livorno for €50.6 m.



BURGER BOAT COMPANY

Location: Manitowoc, Wisconsin, US

Year established: 1863 originally and latest 1992

No. of employees: 230

Business: Builder of aluminium custom motoryachts between 30.5 & 50 m & steel hulled displacement yachts over 40 m

Revenues: Confidential

Burger Boat is one of the best-known and longest established superyacht builders in North America and specialises in building custom built motor yachts between 100 feet (30 metres) and 165 feet (50 metres) and steel-hulled displacement yachts over 40 metres. Half of Burger's sales are in the US, 35% in Europe and the remaining 15% the rest of the world. At its Manitowoc shipyard, which extends to 7.5 acres, the company offers a full ship-building service incorporating all engineering, all metal fabrication and the custom interior fabrication. Painting is one of the areas that is sub-contracted out. The yard currently employs 230 people.

Burger is the single brand name that the company markets. In addition to the main building arm, the company also has other associates, namely Burger Yacht Sales, Burger Marine Services and the Burger Boat Company based in Monaco. To enhance its strong market position further and underpin its commitment to building larger yachts, Burger commissioned a \$5-m, 48,000-foot² 'world-class' manufacturing complex in September 2004. The company has constructed 26 yachts over 24 metres and currently has six such yachts on order.

They have launched two aluminium motoryachts this year, the 98-foot *Lady Pat* for a US customer and the unnamed hull 106-foot hull 499, built as a speculative venture. Also destined for a US customer is the 116 motoryacht *Tenacity*, due for launch in summer next year. This will be followed by 144-foot *Mirgab V* in the spring of 2006 for a Kuwaiti customer and 150-foot *Time for Us* in summer 2006 for a US customer. For 2007 launch are *Areti 1* and *Areti 11*, two 127 motor yachts for Russian customers.



CHRISTENSEN SHIPYARDS

Location: Vancouver, Washington, US

Year established: 1985

No. of employees: 300

Business: Builder of the Christensen Customs series of GRP motor megayachts over 140 ft

Revenues: Confidential

Christensen Shipyards has since its formation in 1985 built 30 yachts over 24 metres and currently has six such yachts on order. The company performs all the operations in relation to its Christensen Custom Series of yachts including in-house design.

All the Custom Series yachts are certified to ABSXA1-AM S and MCA classifications for unlimited cruising. The company employs 300 mostly at its seven-acre shipyard in Vancouver, Washington and at its sales and marketing office in Fort Lauderdale. Christensen also operates a seven-acre marina. The company's present orderbook extends into 2007. In 2004 Christensen was scheduled to have two launches. The first of these, a 155-foot motoryacht (yard no. 026) took place in the summer for a US customer. A second launch of a 157-foot, yard no. 027, was due by the end of 2004.

TYR understands this to be called the *Liquidity II* and will be delivered to a US customer. At press time it was not confirmed that this yacht had been launched or whether it would be delayed until 2005.

In 2006 Christensen is scheduled to launch three craft comprising two 157-foot (yard no's 028/029) and one 146-foot motor yachts, the *Party Girl* for a US customer. The two 157-foot yachts are understood to be speculative orders at this stage. Further to these is a 165-foot motor yacht, yard no. 031, due for launch in the autumn of 2007.

Following the recent Lauderdale show there was speculation that a famous client intended to take legal action against the company due to disclosure of the individual's name, via recent magazine reports and yacht profiles; this has not been confirmed but it is a matter for future comment. The yacht's name was *Privacy*.



CRN

Location: Ancona, Italy

Year established: 1963 (acquired 1999 by Ferretti)

No. of employees: 340

Business: Builder of aluminium & steel custom megayachts of 46–70 m & 29–43 m semi-custom yachts in composite material

Revenues: €75 m in 2003 and €119 m in 2004

Established over 40 years ago CRN Spa has since 1999 been part of the Ferretti Group, the world's second largest super-yacht builder. The company has two yards, the main one in Ancona and a smaller in Fano, all in all employing 340 people. Within the Ferretti group, CRN is the superyacht division with its CRN and Custom Line brands. Following the 1999 takeover, the Custom Line brand of semi-custom composite yachts was added in 2001 and at the end of 2002 the adjacent Morini Shipyard was also added to the division.

To date the division has constructed 42 yachts over 24 metres, of which two were by CRN and 40 under the Custom Line brand. Currently the division has an orderbook of four CRN brand yachts and 22 Custom Line yachts. Currently 62% of sales are for Europe, 21% for the US and 17% for the rest of the world. This orderbook extends to the end of 2007 and included four launches in the latter four months of 2004. For 2005, 15 launches are planned followed by five in 2006 and three in 2007. In order to boost construction capacity CRN started a major three-year restructuring project in 2004. This includes the modernisation of existing facilities and building of new construction halls to build CRN brand megayachts; it also includes a marina with three quays of 100, 80 and 40 metres. CRN is able to all tasks within its own facilities including the hulls, engineering and interior fitting out. Steel hulls are built in Ancona and most of the composite hulls in Fano. CRN has business partnerships with Pinmar, Spain, in respect of painting and Zago, Italy, related to furniture. The CRN division revenues in 2003 were €75 m; these will rise to €119 m in 2004. Ferretti group total revenue in 2003 was €385 m, a rise of 15% on the 2002. Investment in 2003 was €50 m. With 340 employees and a €119-m turnover that gives a productivity value per employee of €350,000.



DELTA MARINE

Location: Seattle, Washington, US

Year established: 1965

No. of employees: 350

Business: Builder of custom composite megayachts of 30.5–70 m+

Revenues: Confidential

Delta Marine's present orderbook includes three megayachts, of which two are due to be launched in 2005 and one in 2006. The company operates from a 22-acre shipyard in Seattle where it has 350 employees. Since its formation in 1965 it has built 23 yachts over 24 metres. Early in 2005 the company will complete an expansion to its facility.

The US is by far Delta's biggest market, accounting for 65% of its output, with the rest of the world accounting for the other 35%.

The company's present orderbook includes the 164-foot *Osprey*, which is due to be launched in 2005 as is the 236-foot Starkey-designed *Mi Gaea*. For 2006 the yard has the 160-foot *Happy Days* due to be launched in the summer. One delivery in 2004 was a 163-foot motor yacht to a US owner very keen on diving, hence the sophisticated sonar system on board.

Delta, which also builds military craft, handles all work on the yachts in-house with hull construction, engineering and all other trades.

In addition to their historic pedigree of building composite hull and superstructure projects, we understand that they are currently contracted to build their first yacht project with a metal hull and composite superstructure. The yard is very enthusiastic about this project as it adds a whole new dimension to their future.

Rather than being labelled a US plastic yacht builder, with their new expansion programme and entry into the metal market, they are poised to be one of the major US builders to compete on the world stage. We will be visiting Seattle in the new year and will take this opportunity to inspect and report back on this family-run operation.



DEVONPORT ROYAL DOCKYARD LTD

Location: Plymouth, UK

Year established: 1997

No. of employees: 5,000 for whole company

Business: Builder of custom motor yachts of 60 m+

Revenue: Group turnover 2003 \$716m

Forecast for 2004 – \$810m

DML (Devonport Management Ltd) manages one of the UK's naval dockyards located at Plymouth. Within the dockyard the group has a dedicated yacht-building facility able to construct bespoke craft of 60 metres+, operating under the brand of Devonport Yachts. Part of the US Halliburton Group, the company employs 5,000 across the dockyard although only a fraction of those work at the 75-acre megayacht facility.

Devonport Yachts operates as a full service yacht company from design through to delivery and including new projects, refits and conversions both modern state-of-the-art craft and classical yachts.

Devonport Yachts therefore has access to a wide range of skills and expertise. For example, DML has a 250-strong marine design group and builds its hulls in a specialist construction facility which can handle advanced aluminium construction, specialist design and engineering and gas turbine skills. The company does sub-contract-out painting and interior work. During 2004 DML took a lease on the Appledore Shipyard which had run into financial difficulties; it will use this facility to build yacht hulls.

Currently Devonport Yachts is working on three vessels: one of these a 76-metre craft named *Lana*, designed by Devonport, Myers and Tohme. She will be followed by a 164-foot aluminium motoryacht not yet named. In July DML announced it won an order for an 80-metre megayacht with a steel hull and aluminium superstructure. The hull will be constructed at Appledore and the yacht is due to be delivered in 2007.

While DML as a group is forecasting turnover of \$810 m in 2004 it is not known how much of this relates to the yacht-building business. In 2004 the turnover was \$716 m. The company expands its activities through bolt-on acquisitions as shown by the Appledore lease.



FEADSHIP

Location: Aalsmeer and Kaag Island

Year established: 1949

No. of employees: 800

Business: Builder of aluminium custom motor yachts between 30.5–50 m & steel hulled displacement yachts over 40 m

Revenues: \$150m on average

Feadship Holland is a highly respected yacht builder and in 2004 it was the world's sixth largest producer of superyachts. The company operates two shipyards at Aalesmeer (De Vries Scheepbouw) and Kaag Island (Royal Van Lent Shipyard). De Vries also purchased De Voogt Naval Architects which now has a 60-strong specialist team handling yacht design, engineering, naval architecture and interior work.

In recognition of the trend of ever larger yachts Feadship has announced that it is entering the 100-metre+ market with the Feadship XL designs. This marks a fundamental stepping stone in that construction of these vessels will place at different shipyards due to navigational difficulties from present facilities. Consequently De Vries will build such vessels at Papendrecht while Royal Van Lent will use a yard at Merwede. This takes Feadship from over \$25 m invested in its facilities over the past 10 years in addition to the various acquisitions it has made.

Feadship has an average annual turnover of about \$150m, and currently 10 yachts over 24 metres on order. Since its formation it has built over 200 such yachts. Of the 10 three were launched in 2004, namely 282-foot *Ecstasea*, 235-foot *Utopia* and 165-foot *High Chaparral*, for a UK owner. In 2005 Feadship is looking to launch three yachts: 203-foot *Rasselas*, 180-foot *Twizzle* and a 210-foot unit unnamed at press time. Four yachts are due to be launched in 2006 and in the spring a 214-foot yacht from the DeVries yard is due for a European owner followed by a 210-foot unit as yet unnamed and 220-foot *Blue Moon* scheduled for launch in the autumn. In terms of sales half go to the US, 35% to Europe and 15% to the rest of the world. With three to four boats delivered each year and an average \$150 m turnover this gives an average annual contribution in excess of \$35 m per project and a productivity value of \$187,500 per group employee.



FERRETTI GROUP

Location: Forli, Italy group head office

Year established: 1968

No. of employees: 2,000+

Business: Design, production & marketing of luxury motor yacht between 7 m & 65 m

Revenues: Group turnover 2003–04 €558m (about \$740m) 2002–03 €385m (about \$50 m) – revenue up 45% year on year

The Ferretti Group is the world's second largest producer of superyachts with around 70 projects on hand totalling in excess of 7,000 feet. This places it around 300–400 feet behind Azimut-Benetti, but nearly 1,500 feet ahead of the Rodriguez Group who hold third place. In 2003–04 Ferretti increased its revenues by 45% to reach €558 m compared with €385 m in the previous year. Also the value of the orderbook had by the end of November 2004 increased to €537m compared with around €362 m at the end of August 2003.

The Ferretti group operates 15 shipyards, 14 in Italy and one in the US. Its total workforce is now in excess of 2,000. Within the group there are eight different brands with clear differentiation between them and limited overlap. The main division dealing with superyachts is CRN which has its own entry in this survey. In addition, other divisions such as Ferretti Yachts, Pershing and Riva have craft that fall in the superyacht category.

The orderbooks of the divisions extend to late 2007 for CRN/Custom Line with some 25 orders, 2005 for Ferretti Yachts with more than 20 orders, to late 2005 for Pershing with nine orders and until mid-2006 for Riva with seven orders. To market all these orders Ferretti has distributors in some 70 countries. Acquisition and organic investment are key drivers in underpinning Ferretti's growth. In 2003-04 the group investment €45 m mainly in boosting capacity at its shipyards to keep pace with demand. Over a three-year period the group is investing about €200 m. The group's latest acquisition is Cantieri Itama which builds motor yachts up to 76 feet. The company has been merged into Ferretti's Pershing brand and the Itama shipyard at Vitinia near Rome will be retained.



HDW-NOBISKRUG

Year established: 1987 as HDW-Nobiskrug

Location: Rensburg

No. of employees: 420

Business: Builds & refits yachts in the 40-m–90-m size range

**Revenues: €61.7m (about \$45 m) 2003
& expected in 2004 €78.5 m (\$58m)**

HDW-Nobiskrug is now part of a much larger grouping of shipyards following the merger of its parent HDW with ThyssenKrupp Werthen. It also includes Blohm & Voss, Nordseewerken in Emden, Kockums in Malmo, Sweden, and Hellenic Shipyards, in Greece. Yachts will be an important construction area, bringing together the expertise of Blohm & Voss, HDW and HDW-Nobiskrug. As an indication of the new group's yacht ambitions, at Fort Lauderdale it was displaying a model called *Crystal Ball*, a project design for a 460-foot (130-metre) megayacht between HDW and Francis Design of London, which has diesel-electric propulsion with PODs as a flexible power source and accommodation for 16 guests in addition to owner and family.

In line with this HDW has a new megayacht construction hall due for completion in February 2005 and the carpentry shop is being improved with new machinery. The Rensburg yard is able to provide a full yacht-building service which includes painting and the interior fitting of the owner's and guests areas being sub-contracted. The yard's own carpentry team handle all other interior fitting.

Their current orderbook includes two yachts over 24 metres. These are the 218-foot yard no. S777 due for launch spring 2006 and yard no. S778 autumn 2006. In late 2003 HDW delivered the 413-foot *Octopus* which is claimed to be the world's largest private yacht. On the refit side HDW was working on the 370-foot *Le Grande Bleu* during the latter part of 2003 and early 2004. This refit was completed in six months at the Kiel shipyard. This new shipyard grouping includes a large amount of superyacht building expertise and while its main focus will be naval, it will be interesting to see where its yacht activities go given its current limited orderbook.



JACHTWERF JONGERT BV

Location: Wieringerwerf

Year established: 1953

No. of employees: 150

Business: Builders of semi-custom & custom yachts from 20–60 m mostly in steel or aluminium

Revenues: Confidential

The leading Dutch superyacht builder Jachtwerf Jongert BV currently has four units over 24 metres on order and in its past it has built 47 such yachts. This orderbook extends into the middle of 2006 and in 2004 the yard saw the launch of the *Scorpione dei Mare* for a European customer. This was a 95-foot sailing yacht designed by Tony Castro and the Jongert Design team.

The same team is designing a 137-foot sailing yacht which is scheduled for launching in June 2006. In the month previous a 157-foot motoryacht is due to launch for a US customer. This latter unit is being designed by Mulder Design and Millennium. In 2005 Jongert has two launches planned, the first in April being the 88-foot sailing yacht *Annabelle*, which has been designed by Peterson, Duo Plan and Jongert. She will be followed in May 2005 by a 105-foot sailing yacht as yet unnamed, designed by the Jongert team.

The Jongert shipyard at Wieringerwerft comprises three 65-metre x 25-metre construction halls, each 18 metres high. This is a new facility to allow the company to build larger yachts as is the present demand from the market. Jongert handles most of the various tasks in house with painting of the hull and superstructure being one area that is sub-contracted out.

Jongert has links to a number of associates including Nirvana Spars BV, which makes masts, Hydromar BV, which makes hydraulic equipment for megayachts, and A+ Rigging Nederland.

Since 1953 Jongert has built over 350 yachts. Today 80% of its production goes to European owners and 10% each to the US and the rest of the world.



PENDENNIS SHIPYARD LTD

Location: Falmouth

Year established: 1989

No. of employees: 180

Business: Specialist builder of steel hulled displacement yachts over 40 m & custom alloy sailing yachts up to 95 ft

Revenues: \$17.2m forecast 2004; \$17.77m in 2003

Pendennis Shipyard is one the smaller specialist superyacht builders concentrating on steel-hulled displacement yachts over 40 metres and custom alloy sailing yachts of 95 feet upwards. It also provides what it calls "a stop shop" for refits. The company split between newbuilds and refits is 60%:40%. Formed in its current structure by a management buyout in 1993, Pendennis now employs 180 people at its 6.5-acre shipyard in Falmouth. In that period it has built 19 yachts over 24 metres and currently has just one on order. The company has recently upgraded its refit facilities which include two 75-metre drydocks. In 2004 Pendennis launched the 156-foot motor yacht *MitSeaAh* designed by Liebowitz/Pritchard and Pedrick for a US owner. She was at Fort Lauderdale, where they "experienced tremendous interest in her". This same design grouping is also responsible for yard no. 057, a 154-foot motoryacht due to be launched in the summer of 2006. Also launched in 2004 was 95.5-foot *Margaret Ann*, designed by Dubois Naval Architects. Apart from the investment in its refit facilities, the company has increased its share capital base through new funds from shareholders. Looking at turnover over recent years it has remained the same since 2002 when it was \$17.01 m. This rose to \$17.77 m in 2003 and is expected to be \$17.2 m in 2004. This is not ideal and the yard must be looking to boost this in 2005. Its refit facilities are now being well used including the 1967-built Benetti yacht *Admiral Bolitho* which will be renamed *Il Odyssey*. With 180 employees, financial productivity is currently operating at \$95,555 per worker; however, with a significant investment in the refit facilities and their recent debut of *Mit Sea Ah* in the US, they should feel confident of increasing their turnover in 2005 and beyond, due to their increase in build capacity.



PERINI NAVI SPA

Location: Viareggio

Year established: 1981

No. of employees: 270 in group; 140 Perini Navi

Business: Specialist builders & designers of sailing yachts

Revenues: 2003 €64 m; 2004 forecast €56 m

In its 23-year history Perini Navi has built 34 yachts over 34 metres and currently it has six on order. In late 2004 yard no. 2057, a 178 sailing yacht for a European client was due to be launched. She was designed by Holland/Tessier and Perini Navi. This same combination is designing one other yacht in the current orderbook. These include yard no. 2059, a 184-foot sailing yacht building for the US expected to launch in October 2005. Holland and Perini Navi are cooperating on the design of two others both due to be launched in 2006. Yard no. 2069, due to launch in June 2006, is a 146-foot sailing yacht for a European client and the second unit is a 184-foot sailing yacht, yard no. 2085 scheduled to be launched in October 2006. The 286-foot sailing yacht *Maltese Falcon* is scheduled for launching in December 2005. She has been designed for a US customer by a combination of Dijkstra, Freivokh and Perini Navi. The last unit in the current orderbook is yard no. 2087, a 168-foot sailing yacht for a European client designed by Perini Navi and due for launching in May 2007.

In terms of sales 72% of Perini's output goes to Europe, 25% to the US and 3% to the rest of the world. There are three facilities serving Perini's yacht-building activities: the 14,900-m² Picchiotti yard, Cantieri Navali Beconcini, 31,000 m², and Yildiz, 40,000 m²; these employ 140, 40 and 90 people respectively. The fact that the group's revenue is in decline, with the 2004 total forecast at €56 m in 2004 compared with 2003 when turnover was €64 m stands to improve with the orderbook the company has over the next two years. With 270 employees, the €64 m (about \$45 m) gives a productivity figure per worker of €237,000.

Perini Navi undertakes most of the yacht-building tasks itself, including design, engineering and hull construction. As to subcontracting, it outsources painting, pipe and fittings work and part of the interior construction.



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ROYAL HUISMAN SHIPYARD BV

Location: Vollenhove
Year established: 1884
No. of employees: 340

Business: Builders of custom built sailing & motor yachts 20–90 m as well as repair & refit work
Revenues: Annual turnover between \$45 & \$55 m

Royal Huisman Shipyard (RHS) is one of the Netherlands' leading yacht builders and it specialised in the custom building of motor and sailing yachts between 20 and 90 metres. Its current orderbook comprises four sailing yachts and one motor yacht. The orderbook extends to 2008.

In May 2005 the 40-metre ketch sailing yacht *Antares* is due to be delivered. She was designed by a combination of Dixon, Young and RHS. April 2006 is due to see the first delivery of that year when the 36-metre classic motor yacht *Arcadia*, designed by Young, Castro and RHS, is handed over. She will be followed in June by *Gliss*, a 32-metre sloop sailing yacht designed by Briand, Beeldsnijder and RHS. A year later the 51.59-metre schooner sailing yacht *Meteor*, designed by RHS, is scheduled for delivery. The Holland and Beeldsnijder-designed 55.55-metre ketch sailing yacht *Ethereal* is planned for delivery in 2008.

Prior to all these was the delivery in September 2004 of the 292-foot classic three-masted schooner *Athena*. Designed by Beeldsnijder/Dijkstra, this was the second sailing yacht from RHS for this owner.

RHS operated from two sites with its shipyard at Vollenhove and the support facility at Rondal where a wide range of tasks are performed. Rondal produces, supplies and installs complete custom packages of masts and booms in aluminum or composite with standing rigging in rod or wire and running rigging spliced to size. In 2000 a new 80-metre construction hall was added to the shipyard to further expand RHS's capacity. RHS's annual turnover averages between \$45 m and \$55 m a year.

About half of RHS's production is accounted for by North America, 45% by Europe and 5% by the rest of the world.



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VITTERS SHIPYARD BV

Location: Zwartsluis
Year established: 1990
No. of employees: 58

Business: Builder of custom motor & sailing yachts up to 70 m
Revenues: 2003 €23 m; 2004 forecast €22 m

Based at Zwartsluis in north-east Netherlands, Vitters Shipyard currently employs 58 people and forecasts a turnover in 2004 of €22m (about \$30 m) in 2004 compared with €23 m in 2003 and €19.6 m in 2002. Since its formation in 1990 Vitters has built 14 yachts over 24 metres and undertaken one refit. Currently it has four yachts in its order book.

The nearest of these to completion is *Ghost*, a 122-foot custom sloop sailing yacht launched in autumn 2004. She was designed by Luca Brenta & Co. of Milan and she is due to be delivered in 2004. Next in line is the *Adele*, a 180-foot ketch designed by Hoek Naval Architect (Edam, Holland), which is the largest yacht under construction by the yard to date. She is due for launching in March 2005.

A 140-foot sloop sailing yacht *Mystere*, designed by Bill Tripp and Dick Young Design doing the interior, is scheduled for delivery in mid 2006. She will be followed in 2007 by yard no. 3057, a 175-foot sailing yacht designed by Dubois/GCA/Juanpere for launching in winter 2007. While most of Vitter's 12,000-metre² yard can handle most tasks the naval architecture and interior design are outsourced. The US accounts for about 40% of Vitter's production, with the remainder shared between Europe and the rest of the world.

In its relatively short time in the superyacht market Vitters has built a good reputation as a builder of quality motor and sailing yachts. Among its sailing yachts have been *Timoneer*, *African Queen* and *Whirlaway*, and power yachts have included *Ninemia*, *Dardanella* and *Timeless*.

The company says that building both power and sailing yachts "offers unique challenges", and the company's experience in both areas has "grown exponentially. As the yachts have evolved in both size and complexity, so have the demands on the Vitters."

WHAT NEXT?



WALLY YACHTS

Location: Monaco

Year established: 1994

No. of employees: 140

Business: Specialist builder of high performance sail & motor superyachts & a specialist in composite engineering and construction

Revenues: 2003 – \$30m; 2004 forecast – \$30m

In just 10 years Wally has made its present well felt in the superyacht business through its design, engineering and construction activities. While its head office is based in Monaco, the company operates a shipyard at Fano in Italy. To date the company has delivered 24 yachts over 24 metres and it currently has four such vessels in its orderbook to 2006.

The four are all sailing yachts and three are due to be launched in 2005. In the spring of that year a 94-foot sailing yacht designed by Wally and German Frers, based in Argentina, is due to be launched for a German client. This will be followed in the summer of 2005 by a similar unit for a European customer. An 80-foot sailing yacht designed by Wally, Farr Yacht Design and Lazzarini Pickering is due to be launched in the summer of 2005, again for a European customer. The last unit in the orderbook is a 143-foot sailing yacht designed by Tripp, Wally and Decq, which has been ordered by a European client and it is planned to launch it in the summer of 2006.

Wally's turnover rose in 2003 to \$30 m from the \$25 m in the previous year. The forecast for 2004 is also \$30 m. Because Wally builds smaller yachts and is active in other marine leisure sectors, it is difficult to judge how much of the turnover is directly related to superyachts. The company employs 140 people, which takes in its office in Monaco, the Fano yard and its yard in Tunisia at Bizerte. The combined area of those two yards is 3.45 acres.

The yards take on most tasks, in particular its advanced composite materials design and construction, the interior woodwork and boat design. Areas that are sub-contracted include external painting and the design and naval architecture work is shared or outsourced according to the needs of owners.

In this first TYR shipyard and business survey we have entries from 17 builders in six countries. It can be argued that 17 hardly gives a representative sample but it does include the world's top two biggest builders as well as the 6th, 14th, 15th and 20th largest – so for a first time it is not bad. What it shows in the main is that the industry is in good shape with a healthy emphasis by several yards placing a priority on new and often consistent investment to expand capacity or modernise it in particular to develop facilities to build larger yachts. It definitely underpins 30 metres as the new base for the super-yacht market and opens the debate on where the megayacht sector starts. There are many others also investing apart from those featured in this survey. Platinum Yachts, for example, has just announced that it will develop a new state-of-the-art shipyard following new investment of \$16 million being put into the company. To pick another example, in the Far East several Taiwanese yacht builders are expanding their domestic facilities to cater for a growing demand for units of 30 metres or more, while transferring the construction of small yachts to China labour is cheaper and the quality demands of series building may not be so great as for the custom build sector.

This begs the question how much demand there is for yachts above 70 to 100 metres and therefore how many builders will be required; also what openings there are for equipment manufacturers and suppliers, brokers, charterers, yacht managers and agents, not to mention financial institutions, insurers and security businesses. Marina operation for superyachts and a sufficient supply of berths are other such areas. In terms of a company's well-being this survey is hopefully starting on a road where TYR will be better placed to analysis companies and present more in-depth findings in our editorial. In what remains a growing market with the number of yachts over 30 metres constantly increasing, TYR aims to better reflect the marketplace and what is going on within it.

In 2005, our editorial team will spend much more time analysing the success and productivity of today's shipyards, conducting more detailed scrutiny of the differences between companies. For many years we have often seen in contracts clients stating that they want the project built to Feadship or North European standards. This makes sense if you are comparing apples with apples, but if a yard is not necessarily capable of achieving this level, then the legal guys will have fun with these clauses. Also it is unfair to suggest that the number of projects in build or on order should immediately classify your company as the leader in the market, or that simply by contracting the largest yachts puts you at the top of an ego massaging table.

A shipyard can be judged in many ways, by longevity and consistency, by physical and financial, quality and control, or by pedigree of both management and product. If an owner is constantly being told that all yards are equal and you can build Feadship quality at Turkish prices. Or more importantly, that journalists constantly heap praise on all yachts that fill their glossy pages, regardless of their inability to float on their lines or the fact that the bow thruster causes the cabinetry to rattle in the stern master cabin. It is this lack of accurate information or unreliable source of credible information that becomes a problem. Clients need to know the facts, the truth and the real cost in order to stabilise and improve the future.

CURRENT CONSTRUCTION PROJECTS

Hull No./Name	Type	LOA	Engines	Hull Material	Class	Naval Architect, Int. Des.	Owner Nationality	Launch Date
Americas								
Astilleros Tarrab S.A.								
Hull 102/ 23	MY	102'/ 31.09m	Caterpillar C32 1650hp	Composite	N/A	In House	N/A	2005
Hull 116/ 24	MY	116'/35.36m	Caterpillar C32 1650hp	Composite	N/A	In House	N/A	2006
Hull 112/ 25	MY	116'/ 35.36m	Caterpillar C32 1650hp	Composite	N/A	In House	N/A	2007
Hull 112/ 26	MY	112'/ 34.14m	Caterpillar C32 1650hp	Composite	N/A	In House	N/A	2008
Broward Yachts, Inc								
Hull #553	MY	107'/ 32.60m	Caterpillar C-30	Aluminum	N/A	Broward Yachts	N/A	1/1/05
Hull #557	MY	157'/ 48.00m	TBD	Aluminum	DNV	DeBasto	N/A	6/6/06
Burger Boats								
Tenacity/Hull 502C	MY	116'/ 35.40m	Caterpillar C32	Aluminum	ABS	Burger Design Team	American	2005
Mirgab V/Hull 504C	MY	143'/ 43.60m	MTU 12V4000	Aluminum	ABS, MCA	Burger Design Team	Kuwaiti	2006
Time For Us/Hull 503C	MY	153'/ 46.60m	Caterpillar 3508B	Aluminum	ABS, MCA	Vripack & Burger Design Team	American	2006
Areti I/Hull 505C	MY	127'/ 38.70m	Caterpillar 3508B	Aluminum	ABS, MCA	Burger Design Team	Russian	2007
Areti II/Hull 506C	MY	127'/ 38.70m	Caterpillar 3508B	Aluminum	ABS, MCA	Burger Design Team	Russian	2007
TBD/Hull 507C	MY	131'/ 40.00m	Caterpillar 3412B	Aluminum	ABS, MCA	Burger Design Team	American	2007
Christensen Yachts								
Hull 028	MY	157'/ 47.85m	2 x MTU 12V4000	Composite	ABS, MCA	Christensen/ Jacqueline Mann Design	American	05/06
Hull 029	MY	157'/ 47.85m	2 x MTU 12V4000	Composite	ABS, MCA	Christensen/ Carol Williamson & Associates	N/A	08/06
Hull 030	MY	146'/ 44.50m	Caterpillar	Composite	ABS, MCA	Christensen/ Pavlik Design Team	American	Fall 2006
Hull-031	MY	157'/ 47.85m	2 x MTU 12V4000	Composite	ABS, MCA	Christensen/ Carol Williamson & Associates	N/A	2007
Crescent Custom Yachts, Inc								
Crescent Lady	MY	125'/ 38.10m	N/A	Composite	ABS	Jack Sarin/Johnathon Barnett	N/A	10/ 05
Crescent Senator	MY	120'/ 36.58m	2 x MTU 16V2000	Composite	ABS	In house	N/A	05/ 06
Delta Marine								
Happy Days	MY	164'/ 49.99m	2 x Caterpillar 3512	Composite	ABS	Delta Design Group	American	2006
Hatteras Yachts								
Hatteras 100	MY	100'/ 30.61m	MTU 16V2000 2000hp	Composite	N/A	Hatteras Yachts	N/A	02/ 05
Hatteras 100	MY	100'/ 30.61m	MTU 16V2000 2000hp	Composite	N/A	Hatteras Yachts	N/A	03/ 06
Lazzara Yachts								
Seven J's	MY	110'/ 33.53m	DDC 2000hp	Composite	N/A	Dick Lazzara/Lazzara Studio	American	2005
N/A	MY	110'/ 33.53m	DDC 2000hp	Composite	N/A	Dick Lazzara/Lazzara Studio	American	2005
LeClercq Marine Construction								
N/A	MY	105'/ 32.00m	2 x MTU 16V2000 2000hp	Aluminum	N/A	Jack Sarin/ Kathryn Carbone	N/A	Summer 2005
Metalnave S/A								
Lunasea/E1 - 137	MY	144'/44.00m	Caterpillar 3412E	Steel/Aluminium	DNV, MCA	Murray & Associates/ Evan Marshall	American	06/06
Newcastle Marine Inc								
N/A	MY	137'/ 41.76m	2 x Caterpillar 3412E	Steel	ABS	Dejong & Lebet/ Designs Luiz DeBasto	American	10/ 05
Nordlund Boat Co., Inc.								
Southern Way III	MY	114'/ 34.75m	2 x MTU 12V2000	Composite	N/A	Ed Monk/Pokela Design	American	Spring 2005
VictorEous	MY	112'/ 34.14m	2 x MTU 16V2000	Composite	N/A	Ed Monk/ Alexander Design Studio	American	Fall 2005
North Star Yachts								
100-004	MY	100'/ 30.48m	Detroit 12V2000	Composite	ABS	Jack Sarin	American	06/05
Northern Marine, Inc.								
TBA	MY	152'/47.00m	2 x Caterpillar 3508	Composite	ABS, MCA	Setzer Design Group	American	12/ 05
Palmer Johnson Yachts, Florida								
No Name	MY	120'/ 36.58m	TBD	Aluminium/Composite	-	-	N/A	Spring 2005
No Name #2	MY	123'/ 37.49m	TBD	Composite	-	-	N/A	Spring 2005
No Name	MY	120'/ 36.58m	TBD	Aluminium/Composite	-	-	N/A	05/05
No Name	MY	120'/ 36.58m	TBD	Aluminium/Composite	-	-	N/A	08/05
No Name #3	MY	123'/ 37.49m	TBD	Composite	-	-	N/A	Fall 2005
No Name	MY	120'/ 36.58m	TBD	Aluminium/Composite	-	-	N/A	06/06
No Name	MY	144'/ 43.89m	TBD	Aluminium/Composite	-	-	N/A	Summer 2006

Hull No./Name	Type	LOA	Engines	Hull Material	Class	Naval Architect, Int. Des.	Owner Nationality	Launch Date
Richmond Yachts								
Hull No. 3	MY	142'/43.28m	2 x Detroit/MTU 16V200	Composite	ABS, MCA	Ward Setzer Group/ Pavlik Design	American	2005
Hull No. 4	MY	142'/43.28m	2 x Detroit/MTU 16V2000	Composite	ABS, MCA	Ward Setzer Group/ Pavlik Design	American	2006
Trinity Yachts								
Relentless/030	MY	157'/ 47.85m	Caterpillar 3516HD	Aluminum	ABS, MCA	Trinity/Evan Marshall	American	04/05
Mia Elise/027	MY	180'/ 55.00m	Caterpillar 3512	Steel	ABS, MCA	Trinity/Dee Robinson	American	04/05
Lady Florence/032	MY	157'/ 47.85m	Caterpillar 3512	Aluminum	ABS, MCA	Trinity/Dee Robinson	American	05/05
Lady Linda/031	MY	157'/ 47.85m	Caterpillar 3512	Aluminum	ABS, MCA	Trinity/Evan Marshall	American	10/05
035	MY	161'/ 49.00m	Caterpillar 3516HD	Aluminum	ABS, MCA	Trinity/Evan Marshall	Non-U.S.	03/06
Wheels/034	MY	161'/ 49.00m	Caterpillar 3512	Aluminum	ABS, MCA	Trinity/Scott Carpenter	American	06/06
036	MY	161'/ 49.00m	Caterpillar 3512	Aluminum	ABS, MCA	Trinity/Dee Robinson	American	08/06
037	MY	158'/ 48.10m	Caterpillar 3512	Aluminum	ABS, MCA	Trinity/Dee Robinson	American	10/06
039	MY	170'/ 51.8m	Caterpillar 3512	Aluminum	ABS, MCA	Trinity/TBD	American	04/07
040	MY	184'/ 56.00m	Caterpillar	Steel	ABS, MCA	Trinity/TBD	American	07/07
Arjills/041	MY	161'/ 49.00m	Caterpillar 3512	Aluminum	ABS, MCA	Trinity/Dee Robinson	American	09/07
Janie/033	MY	192'/ 58.5m	Caterpillar 3516 HD	Aluminum	ABS, MCA	Trinity/Scott Carpenter	American	11/07
West Bay SonShip Yachts Ltd								
110-5	MY	110'/ 33.00m	2 x MTU 16V2000 2,000hp	Composite	ABYC	Jack W. Sarin/ West Bay Group	Canadian	10/05
Westport Shipyard Inc								
Westport 112	MY	112'/34.13m	MTU	Composite	N/A	Westport, Olson & Marshall	N/A	01/05
Westport 130	MY	130'/39.62m	MTU	Composite	N/A	Westport, Marshall & Garden	N/A	03/05
Westport 112	MY	112'/34.13m	MTU	Composite	N/A	Westport, Olson & Marshall	N/A	04/05
Westport 130	MY	130'/39.62m	MTU	Composite	N/A	Westport, Marshall & Garden	N/A	06/05
Westport 112	MY	112'/34.13m	MTU	Composite	N/A	Westport, Olson & Marshall	N/A	07/05
Westport 130	MY	130'/39.62m	MTU	Composite	N/A	Westport, Marshall & Garden	N/A	09/05
Westport 112	MY	112'/34.13m	MTU	Composite	N/A	Westport, Olson & Marshall	N/A	11/05
Westport 112	MY	112'/34.13m	MTU	Composite	N/A	Westport, Olson & Marshall	N/A	12/05
Westport 130	MY	130'/39.62m	MTU	Composite	N/A	Westport, Marshall & Garden	N/A	12/05
Westport 164	MY	164'/50.00m	MTU	Composite	N/A	William Garden/ Donald Starkey	N/A	Mid 2006
Westport 164	MY	164'/50.00m	MTU	Composite	N/A	William Garden/ Donald Starkey	N/A	2006
Westship World Yachts								
Always Late	MY	110'/33.52m	MTU	Composite	N/A	Westship, Arrabito & Marshall	American	02/05
Kelly Sea	MY	112'/34.13m	MTU	Composite	N/A	Westship	American	05/05
Europe								
Abeking & Rasmussen								
Hull No. 6466	MY	147'/ 44.90m	2 x MTU16V 2000 M60, 800kW/1,800 rpm	Steel	Lloyd's, MCA	Abeking & Rasmussen/ Reymond Langton Design	N/A	04/05
Aegean Yacht Services								
Amazon/ 29	MY	104'/ 32.00m	NA	Steel	Rina	Yavuz Mete	Turkish	2005
Sea Dream / 31	SY	127'/ 39.00m	2 x 675hp Man	Steel	Rina	Yavuz Mete	Turkish	2005
38	SY	104'/ 32.00m	2 x 220hp Iveco	Steel	Rina	Yavuz Mete	Turkish	2006
39	SY	104'/ 32.00m	2 x 220hp Iveco	Steel	Rina	Yavuz Mete	Turkish	2006
40	SY	155'/ 47.50m	2 x 750hp Man	Steel	Rina	Yavuz Mete	Turkish	2006
Agantur Yachting Industries & Trading								
19.04	MS	134'/41.00 m	2 x 450hp	Wood	Rina	Orkan Yachting/ Gunes Ozkalay	Turkish	2006
Alstom Marine								
N/A	MY	236'/72.00m	2 x Diesel Electric 1500KW	Steel	N/A	Disdale	N/A	Summer 2005
Amels Holland								
YN 446	MY	224'/68.50m	2 x Caterpillar 1771KW	Steel	Lloyd's, MCA	Amels/Walter Franchini	-	2005
YN 447	MY	190'/58.00m	2 x Caterpillar 1771KW	Steel	Lloyd's, MCA	Amels/Andrew Winch	-	2006
YN 449	MY	212'/64.50m	2 x Caterpillar 1641KW	Steel	Lloyd's, MCA	Amels/Terence Disdale	-	2006
YN 451	MY	171'/52.00m	N.D.	Steel	Lloyd's, MCA	Amels/Tim Heywood	-	2007
Astilleros Astondoa								
TBA	MY	102'/31.08m	2 x 2000 MTU	Composite	N/A	Astondoa Engineer	German	01/05
TBA	MY	102'/31.08m	2 x 2000 MTU	Composite	N/A	Astondoa Engineer	Spanish	04/05
TBA	MY	102'/31.08m	2 x 2000 MTU	Composite	N/A	Astondoa Engineer	Spanish	06/05
TBA	MY	102'/31.08m	2 x 2000 MTU	Composite	N/A	Astondoa Engineer	Spanish	06/05
TBA	MY	102'/31.08m	2 x 2000 MTU	Composite	N/A	Astondoa Engineer	German	06/05
TBA	MY	102'/31.08m	2 x 2000 MTU	Composite	N/A	Astondoa Engineer	British	08/05
TBA	MY	102'/31.08m	2 x 2000 MTU	Composite	N/A	Astondoa Engineer	Spanish	08/05
TBA	MY	122'/37.19m	2 x 2285 MTU	Aluminium	N/A	Astondoa Engineer	Spanish	08/05
TBA	MY	102'/31.08m	3 x 1500 MTU	Composite	N/A	Astondoa Engineer	Spanish	10/05
TBA	MY	102'/31.08m	2 x 2000 MTU	Composite	N/A	Astondoa Engineer	Italian	11/05
TBA	MY	122'/37.19m	3 x 2285 MTU	Composite	N/A	Astondoa Engineer	American	12/05
TBA	MY	138'/42.06m	3 x 2770 MTU	Aluminium	N/A	Astondoa Engineer	Spanish	01/06
TBA	MY	122'/37.19m	2 x 2770 MTU	Composite	N/A	Astondoa Engineer	Spanish	05/06

Hull No./Name	Type	LOA	Engines	Hull Material	Class	Naval Architect, Int. Des.	Owner Nationality	Launch Date
Azimut Yachts								
116/16	MY	116/35.50m	MTU	Composite	Rina	Righini/Galeazzi	Mexican	01/05
100/37	MY	100/30.00m	MTU	Composite	Rina	Righini/Zuretti	Mexican	02/05
116/18	MY	116/35.50m	MTU	Composite	Rina	Righini/Galeazzi	American	03/05
105/11	MY	103/31.40m	MTU	Composite	Rina	Righini/Galeazzi	-	06/05
116/19	MY	116/35.50m	MTU	Composite	Rina	Righini/Galeazzi	American	06/05
100/38	MY	100/30.00m	MTU	Composite	Rina	Righini/Zuretti	Far East	07/05
116/20	MY	116/35.50m	MTU	Composite	Rina	Righini/Galeazzi	Mexican	08/05
105/12	MY	103/31.40m	MTU	Composite	Rina	Righini/Galeazzi	American	10/05
Baltic Yachts								
Pink Gin/Baltic 152	SY	152/46.21m	Caterpillar C18 875hp	Composite	DNV	Judel/Vrolik	N/A	2006
Barcos Deportivos S. L								
BD A-100'	SY	100/30.48m	Perkins M265 Ti 265hp, 2,500 rpm	Alloy	Lloyd's	Germán Frers/BD & Iñigo Güell	European	2006
Benetti								
Tradition 6	MY	100/30.48m	Caterpillar C18 1000hp	Composite	N/A	Benetti/François Zuretti	European	2005
Tradition 7	MY	100/30.48m	Caterpillar C18 1000hp	Composite	N/A	Benetti/François Zuretti	European	2005
Tradition 8	MY	100/30.48m	Caterpillar C18 1000hp	Composite	N/A	Benetti/François Zuretti	American	2005
Tradition 9	MY	100/30.48m	2 x Caterpillar C18	Composite	N/A	Benetti/François Zuretti	European	2005
Domani/Classic 24	MY	115/35.05m	2 x MTU 12v2000	Composite	N/A	Benetti/François Zuretti	South American	2005
Bacchanal/Classic 25	MY	115/35.05m	2 x MTU 12v2000	Composite	N/A	Benetti/François Zuretti	South American	2005
Benetti Classic 26	MY	115/35.05m	2 x MTU 12v2000	Composite	N/A	Benetti/François Zuretti	European	2005
Classic 101	MY	120/36.57m	Caterpillar 3412E	Composite	N/A	Benetti/François Zuretti	American	2005
Classic 102	MY	120/36.57m	N/A	Composite	N/A	Benetti/François Zuretti	European	2005
Idyllwild/Vision 5	MY	145/44.19m	2 x Caterpillar 3508B	Composite	N/A	Benetti/François Zuretti	European	2005
Vision 6	MY	145/44.19m	2 x Caterpillar 3508B	Composite	N/A	Benetti/François Zuretti	N/A	2005
Allegro/FB 225	MY	184/56.08m	2 x Caterpillar 3512CHD	Steel	N/A	Benetti/François Zuretti	South American	2005
Galaxy/FB 232	MY	184/56.08m	2 x Caterpillar 3512CHD	Steel	N/A	Benetti/Stefano Natucci & Rose Tarlow	Australian	2005
FB 233	MY	207/63.09m	2 x Caterpillar 3516	Steel	N/A	Benetti/Stefano Natucci	European	2005
Ambrosia III/FB 231	MY	213/64.92m	Diesel Electric with Azipod	Steel	N/A	Benetti/François Zuretti	Asian	Winter 2005
Tradition 10	MY	100/30.48m	2 x Caterpillar C18	Composite	N/A	Benetti/François Zuretti	European	2006
Grand Delight/Classic 23	MY	115' / 35.05m	2 x MTU 12v2000	Composite	N/A	Benetti/François Zuretti	Far East	2006
Classic 27	MY	115' / 35.05m	2 x MTU 12v2000	Composite	N/A	Benetti/François Zuretti	Middle Eastern	2006
Peter Pan/Classic 28	MY	115' / 35.05m	2 x MTU 12v2000	Composite	N/A	Benetti/François Zuretti	Middle Eastern	2006
Classic 103	MY	120/36.57m	2 x MTU 12v2000 M91	Composite	N/A	Benetti/François Zuretti	South American	2006
Classic 104	MY	120/36.57m	N/A	Composite	N/A	Benetti / François Zuretti	South American	2006
Classic 105	MY	120/36.57m	2 x MTU 12v2000 M90	Composite	N/A	Benetti/François Zuretti	South American	2006
Classic 107	MY	120/36.57m	2 x MTU 12v2000 M91	Composite	N/A	Benetti/François Zuretti	South American	2006
FB 236	MY	141/42.97m	2 x MTU 16V4000	Aluminium	N/A	Benetti/François Zuretti	N/A	2006
Vision 7	MY	145/44.19m	N/A	Composite	N/A	Benetti/François Zuretti	N/A	2006
FB 235	MY	191/58.21m	2 x Caterpillar 3512 CHD	Steel	N/A	Benetti/Stefano Natucci	European	2006
Classic 106	MY	120/36.57m	2 x MTU 12v2000 M91	Composite	N/A	Benetti/François Zuretti	South American	2007
Classic 109	MY	120/36.57m	2 x Caterpillar C 30	Composite	N/A	Benetti/François Zuretti	European	2007
FB 238	MY	164/50.00m	2 x MTU 12V 396 TE94	Steel	N/A	Benetti	N/A	2007
FB 237	MY	171/52.12m	2 x Caterpillar 3512	Steel	N/A	Benetti	N/A	2007
FB 234	MY	184/56.08m	2 x Caterpillar 3512CHD	Steel	N/A	Benetti/Stefano Natucci	European	2007
Bloemsma & Van Breemen								
Flying Eagle/BN 136	MY	157/47.85m	2 x Caterpillar 3512	Steel/Aluminium	Lloyds, MCA	Vripack Yachting/Reymond Langton Design	American	04/05
Blohm & Voss GmbH								
We are aware of vessels under construction and contracted to build at the Blohm & Voss GmbH facilities, which have been accounted for in the statistical analysis. (Info not supplied.)								
Blubay Yachts								
BB 100	SY	100/30.28m	Yanmar	Composite	Lloyd's	Blubay Team	French	05/05
Dc 120	SY	118/36.00m	Nanni	Aluminium	Lloyd's	Blubay Team	Portuguese	05/06
BB 106	SY	105/32.00m	Yanmar	Composite	Lloyd's	Blubay Team	Italian	06/06
Canados Group								
Canados 110/12	MY	110/33.53m	MTU 12V400M90	Composite	MCA	Canados	Italian	2005
Cantieri di Pisa SpA								
We are aware of vessels under construction and contracted to build at the Cantieri di Pisa SpA facilities, which have been accounted for in the statistical analysis. (Info not supplied.)								
Cantieri Navali Baglietto								
10188	MY	138/42.00m	MTU 16V4000	Aluminium	ABS	Baglietto/Spadolini & Ivana Porfiri	Suisse	06/05
10192	MY	112/34.00m	MTU 12V4000	Aluminium	Rina	Baglietto/Paszkowski & Melot	French	07/05
10189	MY	112/34.00m	MTU 12V4000	Aluminium	Rina	Baglietto/Paszkowski	N/A	07/05
10190	MY	141/43.00m	2 x Caterpillar 3512B	Steel	ABS, MCA	Baglietto/Paszkowski	N/A	01/06
10191	MY	174/53.00m	Caterpillar 3516B	Steel	Lloyd's, MCA	Baglietto/Paszkowski	Suisse	06/06
Cantieri Navali Codecasa								
Iliki VIII/C. 111	MY	167/51.00m	2 x Caterpillar	Steel/Aluminium	Lloyd's, MCA	Codecasa/Dellarole	-	Spring 2005
C. 113	MY	115/35.00m	2 x MTU	Aluminium	ABS	Bacigalupo/Dellarole & Codecasa	-	06/05
F. 67	MY	167/51.00m	2 x Caterpillar	Steel/Aluminium	Lloyd's, MCA	Codecasa/Dellarole	-	Fall 2005
C. 112	MY	203/62.00m	2 x Caterpillar	Steel/Aluminium	Lloyd's, MCA	Codecasa/Dellarole	-	Spring 2006

Hull No./Name	Type	LOA	Engines	Hull Material	Class	Naval Architect, Int. Des.	Owner Nationality	Launch Date
Cantieri Navali Lavagna								
Admiral 33	MY	108/33.00m	MTU 12V4000M90	Aluminium	ABS	Cantieri Navali Lavagna	Italian	06/05
Admiral 33	MY	108/33.00m	MTU 12V4000M90	Aluminium	ABS	Cantieri Navali Lavagna	Italian	06/05
Admiral 31	MY	102/31.00m	MTU 12V4000M90	Aluminium	ABS	Cantieri Navali Lavagna	Italian	07/05
Cantieri Navali San Lorenzo Spa								
We are aware of vessels under construction and contracted to build at the Cantieri Navali San Lorenzo Spa facilities, which have been accounted for in the statistical analysis.(Info not supplied.)								
CBI Navi S.p.A								
Metsuyan IV/CBN 41	MY	119/36.20m	2 x MTU 8V2000M60	Steel	Lloyd's, MCA	Ginton Naval Architects/ Ken Freivoch	N/A	06/05
Chantier Naval JFA								
Escort 138	MY	138/42.18m	2 x Caterpillar 3412E DI-TA	Steel	Lloyd's	Vripack/Dick Young Design	N/A	12/05
CMN (Construction Mecaniques de Normandie)								
N/A	MY	140/42.60m	2 x Caterpillar 3508B 895kW	Steel	BV	CMN/Joel Bretecher	N/A	End 2005
Fascination II	MY	190/58.00m	2 x Caterpillar 3516B	Steel	BV	CMN/Andrew Winch	N/A	End 2005
CNB (Construction Navale Bordeaux)								
Taransay	SY	115/35.66m	MTU	Composite	BV, MCA	Andrew Winch	European	05/05
Briand 105	SY	105/32.00m	Cummins	Composite	BV, MCA	CNB	European	10/06
Compositeworks								
Blubay 100	SY	100/30.00m	Yanmar 370	Composite	BV	Blubay Yacht	French	07/05
CRN SpA								
Navetta 30#13	MY	102/30.95m	Man	Composite	Rina	CRN/Zuccon International	N/A	2005
Navetta 30#14	MY	102/30.95m	Man	Composite	Rina	CRN/Zuccon International	N/A	2005
Navetta 30#15	MY	102/30.95m	Man	Composite	Rina	CRN/Zuccon International	N/A	2005
Navetta 30#16	MY	102/30.95m	Man	Composite	Rina	CRN/Zuccon International	N/A	2005
112#06	MY	112/34.00m	MTU	Composite	Rina	CRN/Zuccon International	N/A	2005
112#10	MY	112/34.00m	MTU	Composite	Rina	CRN/Zuccon International	N/A	2005
112#11	MY	112/34.00m	MTU	Composite	Rina	CRN/Zuccon International	N/A	2005
128#03	MY	130/39.60m	MTU	Composite	Rina, MCA	CRN/Zuccon International	N/A	2005
Ability/#119	MY	177/54.00m	Caterpillar	Steel/Aluminium	Lloyd's, MCA	CRN/Zuccon International	N/A	2005
Navetta 30#17	MY	102/30.95m	Man	Composite	Rina	CRN/Zuccon International	N/A	2006
Navetta 30#18	MY	102/30.95m	Man	Composite	Rina	CRN/Zuccon International	N/A	2006
112#12	MY	112/34.00m	MTU	Composite	Rina	CRN/Zuccon International	N/A	2006
128#04	MY	130/39.60m	MTU	Composite	Rina, MCA	CRN/Zuccon International	N/A	2006
Navetta 43#01	MY	140/42.60m	Caterpillar	Composite	Rina, MCA	CRN/Zuccon International	N/A	2006
60M/#120	MY	197/60.00m	Caterpillar	Steel/Aluminium	Lloyd's, MCA	CRN/Zuccon International	N/A	2006
Navetta 43#02	MY	140/42.60m	Caterpillar	Composite	Rina, MCA	CRN/Zuccon International	N/A	2007
66M/#121	MY	207/63.00m	Caterpillar	Steel/Aluminium	Lloyd's, MCA	CRN/Nuvolari & Lenard	N/A	2007
Danish Yacht A/S								
Aventura/106	SY	109/33.22m	Scandia	Composite	DNV, MCA	Fontain Design Group	French	01/05
Build no. 104	MY	115/35.01m	MTU	Composite	DNV, MCA	Espen Oeino/F. Zuretti	N/A	05/05
Devonport Yachts								
Yard No. 53	MY	253/77.00m	Wartsila	Steel	Lloyd's	Devonport/Myers/ Joe Tohme	N/A	Spring 2005
Yard No. 54	MY	262/80.00m	Caterpillar	Steel	Lloyd's	Devonport/ Andrew Winch Designs	N/A	Summer 2007
FalconYachts SRL								
Hull 131	MY	103/31.50m	2 x MTU 16V2000M91	Composite	Rina	In-house	N/A	04/05
Hull 132	MY	103/31.50m	2 x MTU 16V2000M91	Composite	Rina	In-house	N/A	06/05
Hull 216	MY	115/35.00m	2 x MTU 12V396TB94	Composite	Rina	In-house	N/A	06/05
Farmont Yachts								
Farmont 38/#106	MY	124/37.80m	2x Caterpillar 3406 600hp	Composite	Lloyd's	Penta NED/ René van der Velden	N/A	2006
Feadship Holland B. V								
We are aware of several vessels under construction and contracted to build at the Feadship Holland B. V facilities, which have been accounted for in the statistical analysis. (Info not supplied.)								
Fipa Italiana Yachts - Maiora								
Maiora 31	MY	101/31.00m	MTU	Composite	Rina	Fipa Italiana Yachts	N/A	2005
Maiora 31	MY	101/31.00m	MTU	Composite	Rina	Fipa Italiana Yachts	N/A	2005
Maiora 31	MY	101/31.00m	MTU	Composite	Rina	Fipa Italiana Yachts	N/A	2005
Maiora 31	MY	101/31.00m	MTU	Composite	Rina	Fipa Italiana Yachts	N/A	2005
Maiora 31	MY	101/31.00m	MTU	Composite	Rina	Fipa Italiana Yachts	N/A	2005
Maiora 38	MY	125/38.00m	MTU	Composite	Rina	Fipa Italiana Yachts	N/A	2005
Maiora 38	MY	125/38.00m	MTU	Composite	Rina	Fipa Italiana Yachts	N/A	2005
Maiora 38	MY	125/38.00m	MTU	Composite	Rina	Fipa Italiana Yachts	N/A	2005
Maiora 43	MY	141/43.00m	Caterpillar	Steel/Aluminium	Lloyd's	Fipa Italiana Yachts	N/A	2005
Guy Couach Yachts								
Figi	MY	108/32.91m	2 x MTU 16V2000 M93	Composite	BV, MCA	In house/Franck Raynaud	Luxembourg	Spring 2006

Hull No./Name	Type	LOA	Engines	Hull Material	Class	Naval Architect, Int. Des.	Owner Nationality	Launch Date
Hakvoort								
BN236	MY	164/50.00m	Caterpillar	Steel	Lloyd's, MCA	Diana Yacht Design/ Espen Oeino Design	American	09/05
Sea Eagle	MY	112/34.16m	MTU	Aluminium	ABS	Pieter Beeldsnijder Design	American	2005
Campbell Bay	MY	120/36.50m	Caterpillar	Steel	Lloyd's, MCA	Diana Yacht Design/ Donald Starkey Designs	American	2006
HDW - Nobiskrug GmbH								
Triple Seven/777	MY	218/66.45m	MTU	Steel	GL, MCA	Newcruise	N/A	05/06
778	MY	240/73.15m	N/A	Steel	GL, MCA	Newcruise	N/A	12/06
Heesen Yachts								
YN 12337/2	MY	121/37.00m	MTU 16V4000M90	Aluminium	ABS	Heesen/Omega Architects	N/A	Early 05
Seven Sins/YN 12441	MY	135/41.00m	Caterpillar 3412E	Steel/Aluminium	ABS, MCA	Heesen/Omega Architects	N/A	Early 05
Karyatis/YN 12532	MY	105/32.00m	MTU 16V4000M90	Aluminium	Lloyd's	Heesen/P. Beeldsnijder	N/A	Spring 2005
YN 12637/3	MY	121/37.00m	MTU 16V4000M90	Aluminium	ABS, MCA	Heesen/Omega Architects	N/A	Spring 2005
YN 12737/4	MY	121/37.00m	MTU 16V4000M90	Aluminium	ABS	Heesen/Omega Architects	N/A	Summer 2005
YN 12837/5	MY	121/37.00m	MTU 16V4000M90	Aluminium	ABS	Heesen/Omega Architects	N/A	Spring 2006
YN 13037/6	MY	121/37.00m	MTU 16V4000M90	Aluminium	ABS	Heesen/Omega Architects	N/A	Spring 2006
YN 12947	MY	154/47.00m	MTU 16V4000M90	Aluminium	ABS, MCA	Heesen/Omega Architects	N/A	Spring 2006
YN 13237/7	MY	121/37.00m	MTU 16V4000M90	Aluminium	ABS	Heesen/Omega Architects	N/A	Summer 2006
YN 13147	MY	154/47.00m	MTU 8V4000M90	Aluminium	Lloyd's, MCA	Heesen/Omega Architects	N/A	Summer 2006
YN 13537/8	MY	121/37.00m	MTU 16V4000M90	Aluminium	ABS	Heesen/Omega Architects	N/A	Spring 2007
YN 13350	MY	164/50.00m	MTU 16V595	Aluminium	ABS, MCA	Heesen/Omega Architects	N/A	Spring 2007
YN 13444	MY	144/44.00m	MTU 16V4000M90	Aluminium	ABS	Heesen/Omega Architects	N/A	Summer 2007
YN 13637/9	MY	121/37.00m	MTU 16V4000M90	Aluminium	ABS	Heesen/Omega Architects	N/A	Autumn 2007
YN 13737	MY	121/37.00m	MTU 16V4000M70	Aluminium	ABS	Heesen/Omega Architects	N/A	Spring 2008
Holland Jachtbouw								
Skylge	SY	125/38.10m	Lugger 425hp	Aluminium	Lloyd's, MCA	Hoek Design	European	End 2005
37-m Dixon	SY	121/37.00m	Lugger 500hp	Alustar	Lloyd's, MCA	Dixon Design/John Munford	European	Spring 2006
International Shipyards Ancona								
N/A	MY	120/36.45m	3 x MTU 16V2000 M91	VTR	Rina	ISA/Cristiano Gatto Design	N/A	Spring 2005
N/A	MY	156/47.50m	MTU 12V4000M70	Steel	Lloyd's	ISA/ Michela Reverberi Design	N/A	Spring 2005
N/A	MY	120/36.45m	3 x MTU 16V2000 M91	VTR	Rina	ISA/Cristiano Gatto Design	N/A	Summer 2005
N/A	MY	156/47.50m	MTU 12V4000M70	Steel	Lloyd's	ISA/Cristiano Gatto Design	N/A	Summer 2005
N/A	MY	120/36.45m	3 x MTU 16V2000 M91	VTR	Rina	ISA/Cristiano Gatto Design	N/A	Autumn 2005
N/A	MY	156/47.50m	MTU 12V4000M70	Steel	Lloyd's	ISA/Cristiano Gatto Design	N/A	Winter 2005
IZAR - San Fernando Shipyard								
Gloria Teresa	MY	137/41.75m	Caterpillar 3412 E	Steel	Lloyd's, MCA	Izar/Reymond Langton	Spanish	-
Suver	MY	137/41.75m	Caterpillar 3512 B	Steel	Lloyd's, MCA	Izar/Luiz de Basto	Spanish	-
Bella Dawn	MY	148/45.00m	2 x Caterpillar 3512B	Steel	Lloyd's, MCA	Izar/Luiz De Basto	American	-
Jongert BV								
Hull 419	SY	102/31.10m	Scania	Steel	Lloyd's	Jongert Design Team	N/A	05/05
KaiserWerft GmbH								
We are aware of vessels under construction and contracted to build at the KaiserWerft facilities, which have been accounted for in the statistical analysis. (Info not supplied.)								
Kusch Yachtbau								
We are aware of vessels under construction and contracted to build at the Kusch Yachtbau facilities, which have been accounted for in the statistical analysis. (Info not supplied.)								
Lürssen Yachts								
Ariel	MY	207/62.97m	Caterpillar	Steel	N/A	Espen Oeino/Pauline Nunns	N/A	Spring 2005
We are aware of several other vessels currently under construction at the Lürssen facilities that cannot be disclosed due to internal policy and secrecy clauses with some clients, but have been accounted for in the statistical analysis.								
Mondomarine								
N/A	MY	131/40.00m	2 x MTU 2,285hp	Aluminium	-	Cor D. Rover & Sydac/ Luca Dini	European	2005
N/A	MY	164/50.00m	2 x Caterpillar 1,800hp	Aluminium	-	Studio Vafiadis	European	2005
N/A	MY	138/42.00m	2 x Caterpillar 1,500hp	Steel/Aluminium	-	Studio Ruggiero	European	2006
N/A	MY	148/45.00m	2 x Caterpillar 1,850hp	Steel/Aluminium	MCA	Luca Dini & Sydac/ Jean Pierre Fantini	European	2006
N/A	MY	164/50.00m	TBD	Steel/Aluminium	-	Luca Dini & Sydac	European	2007
Moonen Shipyards B.V								
BN 182	MY	114/34.74m	MTU 12V2000	Steel	Lloyd's, MCA	René van der Velden	N/A	05/06
Nereids Yachts								
Thetis/1	MY	163/49.70m	Caterpillar	Steel	B.V, MCA	Turhan Soyaslan/ Mike Keach Design	N/A	01/05
Arethusa/3	MY	151/46.00m	Caterpillar	Steel	B.V, MCA	Turhan Soyasla/ Mike Leach Design	N/A	2006
New Versilcraft S. r. l								
Planet 110/111	MY	112/34.00m	2 x MTU 16V2000 M91 2,000hp	Composite	Rina	Shipyard	Hong Kong	03/05
Oceanco								
Y661	MY	217/66.01m	2 x Deutz SBV12M628 2250kW	Steel	MCA	Oceanco/Alberto Pinto	European	03/05

Hull No./Name	Type	LOA	Engines	Hull Material	Class	Naval Architect, Int. Des.	Owner Nationality	Launch Date
Y565	MY	203'/62.00m	2 x Caterpillar 3512B DITA 1231kW	Steel	MCA	Oceanco/ Zuretti Interior Designers	European	07/05
Y701	MY	262'/80.00m	2 x MTU 16V595TE70 3490kW	Steel	MCA	Nuvolari & Lenard	European	Autumn 2006
Oy Nautor AB								
Swan 100-201 S	SY	100'/30.21m	Perkins Sabre	Composite	GL	N/A	N/A	06/05
Swan 131-001	SY	131'/40.00m	N/A	Composite	BV	German Frers	N/A	06/05
Swan 100-102 FD	SY	100'/30.21m	Perkins Sabre	Composite	Rina	German Frers	N/A	10/05
Pendennis								
TBA	MY	164'/49.90m	TBA	Steel	Lloyds, MCA	Pendennis, Liebowitz & Pritchard Architects/ Burness Corlett & Partners	N/A	2007
Perini Navi								
c.2059	SY	183'/56.00m	2 x Deutz 616 1257hp	Aluminium	MCA	Perini Navi/Ron Holland	American	10/05
Maltese Falcon	SY	285'/87.00m	2 x 1876 hp	Steel	MCA	Gerard Dijkstra/Perini Navi	American	12/05
c.2069	SY	144'/44.00m	1 x Caterpillar C32	Steel	MCA	Perini Navi/Ron Holland	European	06/06
c. 2085	SY	183'/56.00m	2 x Deutz 616 1257hp	Aluminium	MCA	Perini Navi/Ron Holland	European	10/06
c.2087	SY	167'/51.00m	2 x Deutz 616	Steel	MCA	Perini Navi	European	05/07
Pershing Spa								
Pershing 115'/02	MY	115'/35.07m	MTU	Composite	Rina	Fulvio De Simoni	Russian	05/05
Pershing 115'/03	MY	115'/35.07m	MTU	Composite	Rina	Fulvio De Simoni	Italian	07/05
PNA Brilliant Boats								
We are aware of vessels under construction and contracted to build at the PNA Brilliant Boats facilities, which have been accounted for in the statistical analysis. (Info not supplied.)								
Proteksan-Turquoise								
Petara/NB42	MY	191'/58.23m	2 x Caterpillar 3516 700hp	Steel	ABS, MCA	Tanju Kalaycioglu/ Celeste Del'Anna	UK	02/05
Talisman/NB41	MY	177'/54.00m	2 x Caterpillar 3512 1500hp	Steel	ABS, MCA	Dubois/Proteksan - Turquoise & H2 Design	UK	09/05
Turquoise/NB45	MY	164'/49.99m	2 x Caterpillar 3508B	Steel	ABS, MCA	Dubois/Proteksan - Turquoise	Turkish	04/06
Riva Spa								
Riva 115 FL /#1	MY	115'/35.05m	MTU 12V4000	Composite	Rina	A.Frabetti/Mauro Micheli	UAE	06/05
Riva 115 FL /#3	MY	115'/35.05m	MTU 12V4000	Composite	Rina	A.Frabetti/Mauro Micheli	N/A	06/05
Riva 115 FL /#2	MY	115'/35.05m	MTU 12V4000	Composite	Rina	A.Frabetti/Mauro Micheli	Russian	12/05
R.B. Dereli Yachts								
Marmara 40	MY	131'/40.00m	Lugger	Steel	B.V, MCA	Ed Fry/R.B. Dereli	British	08/05
RMK Marine Shipyard								
Caressa M/no. 59	MY	120'/36.70m	2x Caterpillar 3406E, 600hp	Steel	N/A	Vripack Yachting/ Troy Design	European	Summer 2005
Cornelia/ no. 60	MY	112'/34.00m	1x ABC, 610kW	Steel	Lloyd's, MCA	De Vries Lentsch/ Felix Buytendijk	European	Spring 2006
Rodriguez Group Arno								
Leopard 32	MY	105'/32.00m	MTU	Composite	N/A	Bacigalupo	N/A	Spring 2005
Leopard 34	MY	112'/34.13m	MTU	Composite	N/A	Bacigalupo	N/A	Spring 2005
Leopard 34	MY	112'/34.13m	MTU	Composite	N/A	Bacigalupo	N/A	Summer 2005
Leopard 34	MY	112'/34.13m	MTU	Composite	N/A	Bacigalupo	N/A	Fall 2005
Rodriguez Group Overmarine								
Mangusta 108	MY	108'/32.91m	MTU	Composite	-	Righini/Overmarine	N/A	03/05
Mangusta 105	MY	105'/32.00m	MTU	Composite	-	Righini/Overmarine	N/A	04/05
Mangusta 130	MY	130'/39.62m	MTU	Composite	-	Righini/Overmarine	N/A	Spring 2005
Mangusta 108	MY	108'/32.91m	MTU	Composite	-	Righini/Overmarine	N/A	06/05
Mangusta 105	MY	105'/32.00m	MTU	Composite	-	Righini/Overmarine	N/A	07/05
Mangusta 108	MY	108'/32.91m	MTU	Composite	-	Righini/Overmarine	N/A	08/05
Mangusta 130	MY	130'/39.62m	MTU	Composite	-	Righini/Overmarine	N/A	Summer 2005
Mangusta 130	MY	130'/39.62m	MTU	Composite	-	Righini/Overmarine	N/A	Summer 2005
Mangusta 105	MY	105'/32.00m	MTU	Composite	-	Righini/Overmarine	N/A	Fall 2005
Rodriguez Yacht – Intermarine								
Custom Series 38	MY	124'/37.39m	2 x Diesel V drive	Aluminium	-	N/A	N/A	04/05
Royal Denship A/ S								
146	MY	146'/45.50m	2 x Caterpillar 3506	Steel	Lloyd's, MCA	Diana Yacht Design/Ole Rune	N/A	12/05
Turmoil/209	MY	209'/63.84m	2 x Caterpillar 3516B	Steel/Aluminium	Lloyd's, MCA	N/A	N/A	03/06
246	MY	143'/43.30m	2 x Caterpillar 3508B	Steel	Lloyd's, MCA	Diana Yacht Design/ Ole Rune Design	N/A	05/06
143	MY	143'/43.30m	2 x Caterpillar 3508B	Steel	Lloyd's, MCA	Diana Yacht Design/ Ole Rune Design	N/A	Autumn 2006
Royal Huisman								
Antares	SY	131'/39.98m	MTU 8V2000 M70, 525kW	Aluminium	Lloyd's, MCA	Dixon Yacht Design/ Dick Young Designs	N/A	Spring 2005
Arcadia	MY	117'/35.77m	Caterpillar 3412E DITA	Aluminium	Lloyd's, MCA	Tony Castro/ Dick Young Designs	N/A	Spring 2006

Hull No./Name	Type	LOA	Engines	Hull Material	Class	Naval Architect, Int. Des.	Owner Nationality	Launch Date
Gliss	SY	105'/31.99m	Scania D12 42M, 426hp	Aluminium	Lloyd's	Philippe Briand Yacht Design/ Pieter Beeldsnijder Design	N/A	Summer 2006
Sunseeker								
Sunseeker Predator 108	MY	108'/32.90m	MTU	Composite	Rina, Lloyd's	Sunseeker Design/ Don Shead Design	American	06/05
Sunseeker 105	MY	101'/30.82m	MTU	Composite	Rina, Lloyd's	Sunseeker Design/ Don Shead Design	European	07/05
Sunseeker 105	MY	101'/30.82m	MTU	Composite	Rina, Lloyd's	Sunseeker Design/ Don Shead Design	European	11/05
Sunseeker Predator 108	MY	108'/32.90	MTU	Composite	Rina, Lloyd's	Sunseeker Design/ Don Shead Design	American	12/05
Sunseeker 120	MY	121'/36.90m	MTU	Composite	Rina, Lloyd's	Sunseeker Design/ Don Shead Design	European	End 2005
Vitters								
Adèle/3052	SY	180'/54.86m	Caterpillar 3412E 1000hp	Aluminium	ABS, MCA	Hoek Design Naval Architects	N/A	03/05
Mystère/3055	SY	140'/42.67m	MTU 12V183TE72	Aluminium	Lloyd's, MCA	Bill Tripp Design/ Dick Young Designs Ltd	N/A	Mid 2006
3057	SY	175'/53.34m	N/A	Aluminium	Lloyd's, MCA	Dubois Naval Architects & GCA Architectes/Juanpere	N/A	End 2007
Wally Yachts								
Wally 143	SY	143'/43.70 m	Caterpillar 3406 E DITA 550hp	Composite	Rina	Tripp Design Naval Architecture/Odile Decq	European	Spring 2006

Rest of the World

Alloy Yachts

Janice of Wyoming	SY	131'/40.00m	1x Luggier	Aluminium	MCA	Dubois/Owner & Yard	American	03/05
Ad Lib	MY	131'/ 40.00m	2x Caterpillar	Aluminium	MCA	Dubois/Starkey	New Zealand	08/05
Kokomo	SY	171'/ 52.00m	1x Caterpillar	Aluminium	MCA	Dubois/ Redman Whiteley Dixon	International	08/06

Cheoy Lee Shipyards

4871	MY	100'/ 30.48m	Caterpillar C32	Composite	N/A	Michael Burvenich/ Lisa Pirofsky	American	09/05
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Custom Marine International, Inc.

S-100-1	MY	100'/30.00m	Caterpillar	Steel	Lloyd's	Jon Overing	-	01/05
S-100-2	MY	100'/30.00m	Caterpillar	Steel	Lloyd's	Jon Overing	-	06/05
S-127-1	MY	127'/38.71m	MTU	Steel	Lloyd's	Arthur M. Barbeito	-	06/06
S-125-1	MY	125'/38.10m	MTU	Steel	Lloyd's	Arthur M. Barbeito	-	09/06
S-127-3	MY	127'/38.71m	MTU	Steel	Lloyd's	Arthur M. Barbeito	-	09/06
F-127-1	MY	127'/38.71m	MTU	Composite	ABS	Arthur M. Barbeito	-	09/06
S-145-1	MY	145'/44.19m	Caterpillar	Steel	Lloyd's	Arthur M. Barbeito	-	09/06
F-127-2	MY	127'/38.71m	MTU	Composite	ABS	Arthur M. Barbeito	-	01/07
S-168-1	MY	168'/51.21m	Caterpillar	Steel	Lloyd's	Arthur M. Barbeito	-	06/07
S-250-1	MY	250'/76.20m	Caterpillar	Steel	Lloyd's	Arthur M. Barbeito	-	09/07

Evolution Yachts

Hull 10	MY	108'/ 33.00m	MTU 16v2000M90	Composite	DNV, MCA	Sam Sorgiovanni/ Peter Lowe Design	N/A	03/05
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Fitzroy Yachts Limited

Zulu II	SY	128'/ 38.90m	Caterpillar 3406E 700hp	Aluminium	N/A	Dubois Naval Architects/ Redman Whitely Dixon	N/A	11/05
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Gulf Craft Inc

Majesty 118	MY	118'/35.96m	2x MTU	Composite	Rina	Mulder/Evan Marshall	N/A	2005
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Horizon Yacht Co., Ltd

112-011	MY	112'/ 34.14m	MTU 1826	Composite	DNV, MCA	In house	German	30/5/05
Kamaxitha/V125-010	MY	126'/ 38.40m	MTU 1370	Composite	DNV, MCA	In house	German	23/12/05
130-012	MY	130'/ 39.62m	Man 3000	Composite	DNV, MCA	J.C. Espinosa	German	10/2/06

Hotchya Shipyard

N/A	MY	115'/35.05m	Caterpillar	Steel	N/A	Hotchya	Russian	2005
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Khashing Enterprise Co., Ltd

MF 105-117	MY	106'/ 32.31m	2 x Man 1300hp	Composite	N/A	Joachim Kinder	American	28/02/05
H. 104 - 121	MY	104'/ 31.70m	2 x Caterpillar 1675hp	Composite	N/A	Shelley Dicondina	American	23/04/05
MF 118 - 116	MY	122'/ 37.12m	2 x Caterpillar 1675hp	Composite	N/A	Dick Young	N/A	30/11/05

Keppel Shipyard (Hitachi Zosen)

Kay	MY	394'/120m	Caterpillar	Steel	N/A	McFarlane/Winch	Taiwan	Spring 2005
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Kingship Marine Ltd

110'	MY	108'/ 33.00m	Caterpillar 3406E	Steel & Aluminium	Lloyd's, MCA	Kingship Marine	British	06/05
110'	MY	110'/ 33.65m	Caterpillar 3406E	Steel & Aluminium	Lloyd's, MCA	Vripack International	N/A	06/05
125'	MY	125'/ 38.00m	Caterpillar 3412E	Steel & Aluminium	Lloyd's, MCA	Vripack International	N/A	-

Hull No./Name	Type	LOA	Engines	Hull Material	Class	Naval Architect, Int. Des.	Owner Nationality	Launch Date
La Luna Marine Boat Building								
N/A	MY	100'/ 30.00m	N/A	Wood	Rina	La Luna	Egyptian	End 2005
Moscow Shipyard (MCC3)								
O-110-1	MY	110'/33.40m	2 x Caterpillar 3196	Steel	M-SP	Moscow Shipyard	-	06/05
O-110-2	MY	110'/33.40	2 x Caterpillar 3196	Steel	M-SP	Moscow Shipyard	-	06/05
V-125-1	MY	125'/38.30m	2 x Caterpillar 3406E DI-TA	Steel	DNV, MCA	Vripack Yachting International	-	09/06
V-145-1	MY	145'/44.20m	2 x Caterpillar 3412	Steel	DNV, MCA	Vripack Yachting International/ Jon Bannenberg Design	-	09/06
Nakhimov Motor Yachts								
N/A	MY	115'/35.05m	Caterpillar	Steel	N/A	Nakhimov	Russian	05/05
Ocean Alexander								
TBA	MY	101'/ 30.78m	MTU 12V2000	Composite	TBA	Ed Monk Jr./Jon Pokela	American	2005
TBA	MY	128'/ 39.01m	MTU 16V2000	Composite	TBA	Ed Monk Jr./Jon Pokela	N/A	2006
TBA	MY	128'/ 39.01m	MTU 16V2000	Composite	TBA	Ed Monk Jr./Jon Pokela	N/A	4Q 2006
Ocean Classic International								
We are aware of vessels under construction and contracted to build at the Ocean Classic International facilities, which have been accounted for in the the statistical analysis. (Info not supplied.)								
Ocean Pacifico Services, Inc								
Viva Ligaya	MY	131'/ 40.00m	2x Caterpillar 12V3412, 456kW	Steel	Lloyd's, MCA	OPSI/ Ben van der Veur	Australian	12/05
Oceanfast								
Cartouche	MY	190'/ 58.00m	2x MTU 16V4000 M90	Aluminium	Lloyd's, MCA	Oceanfast	British	2005
N/A	MY	123'/ 37.49m	N/A	Aluminium	N/A	Austal	N/A	06/05
Pachoud Motor Yachts New Zealand								
PMY40	MY	121'/ 37.00m	3x MTU 4000 M90	Composite	GL	Humphreys Yacht Design	European	12/05
Sensation								
SY24	MY	164'/ 49.99m	2 x Caterpillar 3512B	Aluminium	ABS, MCA	Sensation	South Pacific	2 Q 2005
SY32	MY	163'/ 49.68m	2 x Caterpillar 3512B	Composite	DNV	Sensation	European	2 Q 2005
SY34	MY	174'/ 53.04m	2 x Caterpillar 3512B	Composite	DNV	Sensation	European	4 Q 2005
Sovereign Yachts (NZ) Ltd								
N/A	MY	120'/36.57m	2x MTU 16V2000	Composite	N/A	Warwick Yacht Design/ Sovereign	N/A	02/05
N/A	MY	103'/31.39m	2x MTU 16V2000 M91	Composite	N/A	Warwick Yacht Design/ Sovereign	N/A	03/05
N/A	MY	116'/35.35m	MTU	Composite	N/A	Warwick Yacht Design/ Sovereign	N/A	2006
Trans World Boat Building Co. Ltd								
TW-108	MY	108'/32.91m	Caterpillar	Composite	N/A	Oviatt	American	09/05
Yantai Raffles Shipyard Pte Ltd								
TBA	MY	252'/ 77.00m	Caterpillar	Steel	MCA	IMT	UK	2006

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2005 ORDER BOOK Report & Analysis

With well over 300 orders in build across the planet, we can see that in the last five years the order book has now doubled in size, purely in terms of units. What is much more interesting to analyse is the increase in monetary value of the new order book when compared with the turn of the millennium. How much dollar value does the order book represent and how will the weakened 'greenback' affect the next 24 months of orders?

THE market has for the past several decades been primarily a dollar-driven community: charter rates, sales figures and price indices have all been historically listed in the US currency. However, with a current exchange rate of almost two dollars to one English pound and a euro comparison that has fluctuated by over 30%, there must be some considerable impact on the yards themselves. Contracting in US dollars and then operating, with labour rates (salaries), yard operating costs and overheads all in euros, the variance needs to be accounted for. The question is, have yards been bidding in dollars taken into consideration the new exchange rate and therefore have clients accepted this, or are yards being squeezed by the differential? For example, if you look back at the shipyard business and financial survey, and analyse those yards which have provided their annual turnover figure, not only can you see the performance of their business relative to their historic orders and deliveries, but also if you look deeper into the potential operating structure and evaluate the number of full-time employees, plus the cost of construction, one has to ask where the profit levels exist.

Referring back to the famous John Rothwell keynote at Project 2003, he was very clear in his statement suggesting, "Shipyards can no longer keep building yachts at a loss". Let's take a simple example: a yard in the UK that has contracted to build a yacht at a build price of say \$50,000,000 USDs back in 2003 would have seen a sterling value of the same contract drop from £31,250,000 UKP to approximately £25,600,000 UKP, not an insignificant currency position. A similar contract in Holland or Germany would be expected to have similar consequences, plus the idea of now quoting in USDs at today's exchange rates would no doubt be met with some opposition from the US market. In fact, Mr Tom Perkins our owner speaker at Project 2004, made the bold statement that, "As a US yacht owner, I must be mad building such a complex project, with such a huge financial investment, i.e. the *Maltese Falcon*, in Europe." He swiftly countered this by

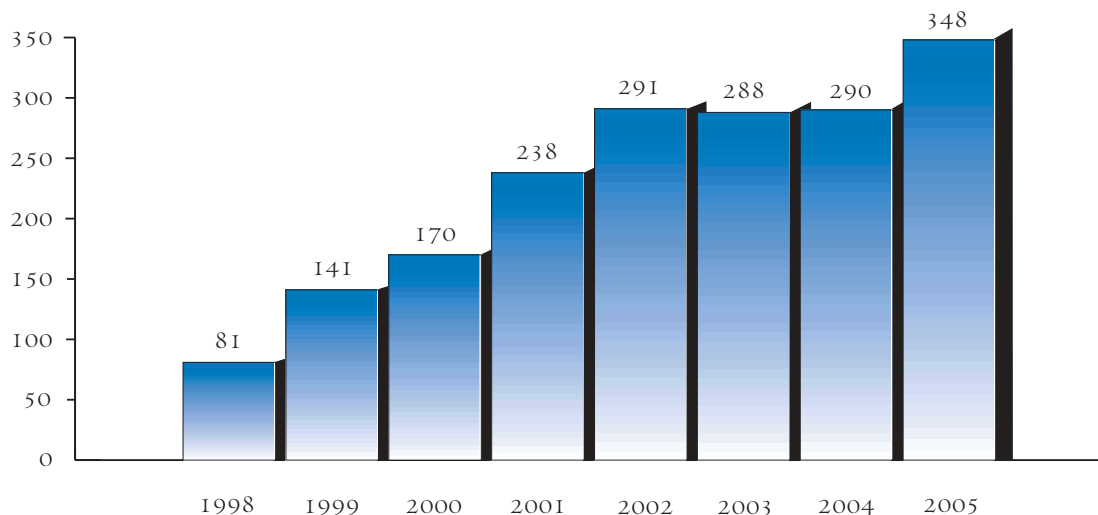
saying that there was nowhere else in the world that he would feel comfortable contracting such a project.

One of our future plans for the Annual Report is to attempt to look in more detail at the financials of the large-yacht sector. The spate of mergers and acquisitions that has taken place or perhaps is about to take place demonstrates the fragile economy of the yacht building community. Yards are being snapped up by larger conglomerates, owners are still being encouraged to invest or buy facilities and experienced parent companies are making strategic decisions to divest themselves of loss-making businesses. We are still expecting more industry consolidation and casualties over the next five years.

Looking closely at some of the smaller yards that are building one large project every two years, supported by a product range between 60–100 feet, there is still the concern that these yards are building superyachts with a small-yacht mentality. This is where the definitions need to be defined. As we said earlier, a true custom yacht is possibly part of the 45-metre plus sector and in this category there is probably only a core list of 20 yards capable of delivering at this level. The remaining yards in the order book list are moving up the league of 'smaller yacht' builders, progressing from the 20-metre plus sector and now positioning themselves in the 24-35-metre market as large-yacht builders. Obviously, as this sector represents a huge percentage of the market and the orderbook, it is important to understand that although they represent a significant financial value to the market the products differ considerably from the Lurssens, Feadships, Amels and Huismans of this market and will probably be part of separate surveys in the future.

In 2005, we will spend more time analysing the true superyacht market – greater than 45 metres – and, as a separate exercise, analyse the 24-45-metre market. We would expect the information to show how clearly the two sectors differ in terms of build practices and financials; perhaps we will even see that the 24–45-metre segment is more profitable.





Order Book Growth 1998–2005

Once again we have seen a positive move in the Order Book with over 348 projects in build throughout the large-yacht world. It is important to look more closely at the numbers as statistics can show very positive market positions if that is what is needed. When you look at the optimism shown by the yards in terms of deliveries for the next twelve months, we need to be prepared for some interesting numbers in 2006.

Of the total list of projects within this report, over 220 are scheduled for delivery before the close of 2005. Can the market achieve this ambitious programme and more importantly will we

see an increase in order numbers over the next 12 months to replace these build slots?

In the 45-metre-plus sector, of the 220 planned deliveries, we are expecting 34 projects to join the floating fleet in 2005, exactly the same as 2004. This will leave 66 projects still in build and if similar new orders are secured in the next twelve months (46 in 2004), we will see a very healthy full custom order book. As a result of this, what we plan to do is look at the build slots available and see how much capacity exists for the next three to four years.

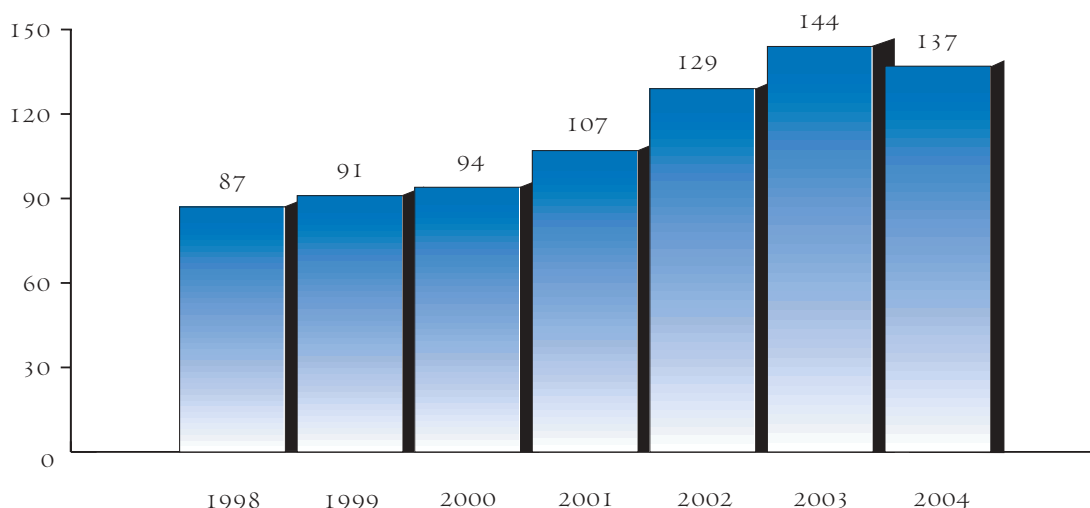
Launches, Completions & Deliveries 1998–2004

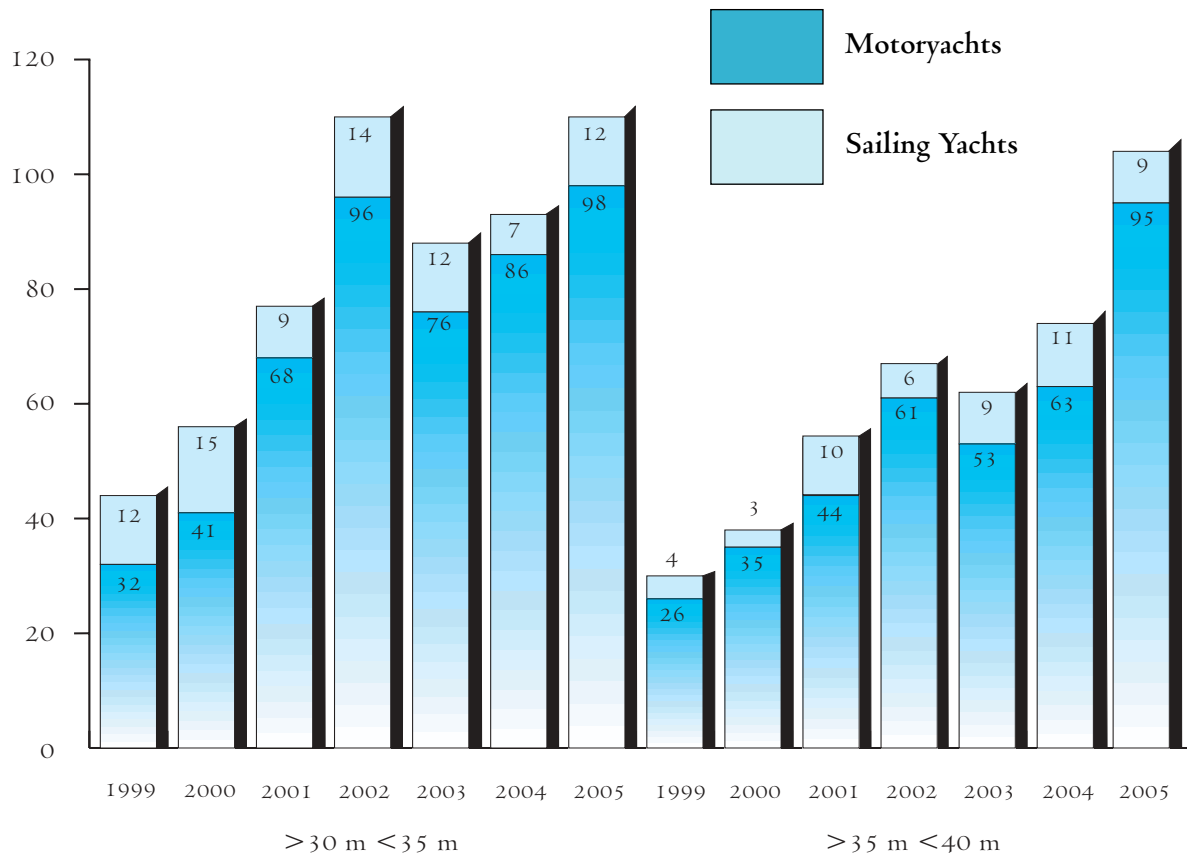
What does a reduction in the number of deliveries suggest? In simple terms, when you refer back to the January 2004 Annual Report, we were expecting over 160 yachts to be delivered this past year; as many as 23 of these projects have been rescheduled for early 2005 slots.

As we explained earlier, the number of deliveries scheduled for the next twelve months is expected to break the magic 200 figure, slightly skewed by the delays in the 2004 projects. Apart from all of this, we are still witnessing a healthy production process and as long as we see over 150 yachts being delivered each year and even

more being scheduled to replace the empty build slots, we can feel comfortable that the overall market is growing.

What we will be doing is breaking the delivery number down by size category, in order to look at how the full custom sector is growing. For example, in 2004, 35 yachts were delivered over 45 metres and 46 new orders were secured. By breaking down the market in terms of deliveries you can discount the regular semi-custom and production projects to get a clearer picture of the true Superyacht Sector.





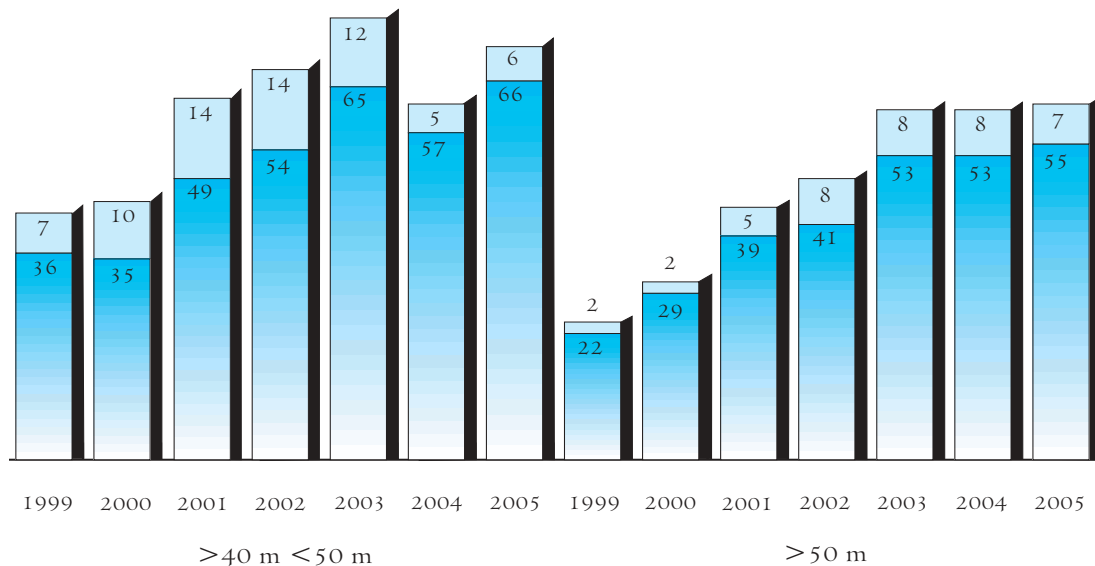
Order Book Growth by Size Category 1999–2005

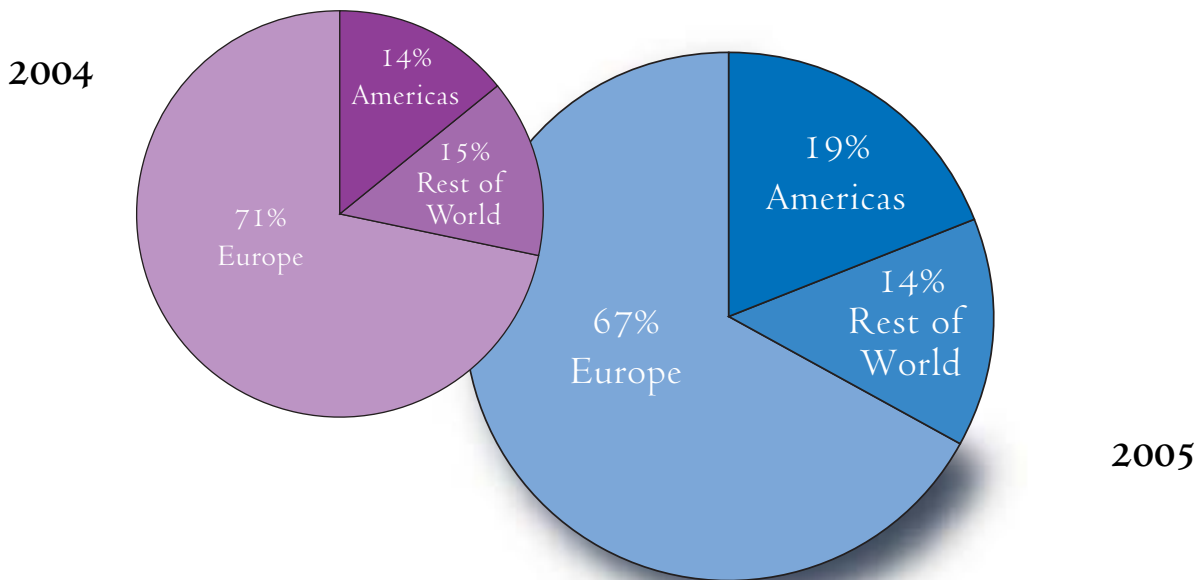
As you can see, we have presented the data on this page below 40 metres and above 40 metres; from this you can see the two different markets and how they are performing. In 2004 there were 167 projects below 40 metres, and after a 22% growth in the order book, it has climbed to 214 projects. Above 40 metres, we are looking at a nominal 8% growth from 123 projects in 2004 up to 134 this year, whereas many sources would present an overall market growth of 17%.

Breaking the market into sailing yachts and motor yachts, you can also see how the sectors differ. Of the 107 yards listed as active in the new build sector, there are only 34 sailing yacht projects; however, these are in build at only 15 yards. Only four of these yards dominate the 40-metre-plus segment. The remaining 92

yards are busy working on 304 projects. Break that down even further across both sectors and you will note that 38 yards are only building one project, 16 yards have two projects in progress, 18 yards have three projects under construction and the remaining 35 yards are working on four or more yachts. Of the 35 yards with four or multiple orders, only 14 yards fit into the larger segment of 40 metres plus, which clearly demonstrates that there are a core group of yards that are dominating the large-yacht market and an equally greater core that are controlling the smaller yacht sector (below 40 metres).

We expect this to increase over the next few years with even more consolidation and acquisition.





Distribution of Projects by Geography

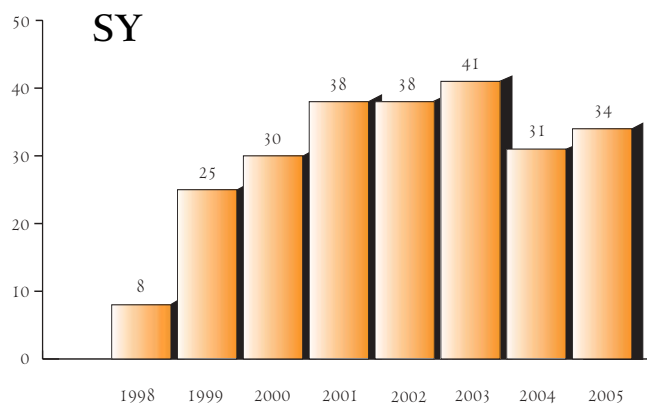
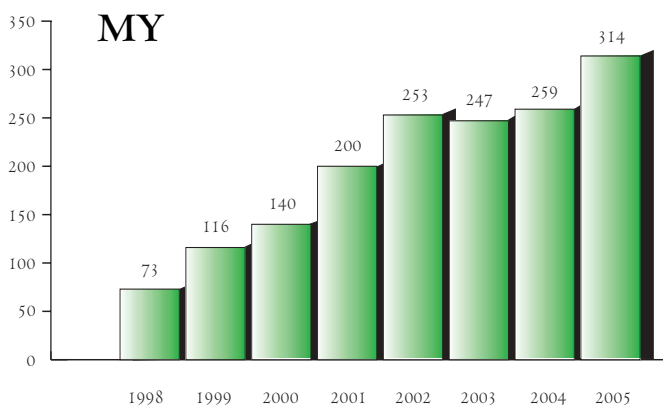
Statistics can always show what you want to see, if you analyse the data in the right way. In terms of geographical split you can see that in theory, market share has been lost from both Europe and the Rest of the World to the USA. However, looking at the 234 projects in build in Europe in 2005, compared with the 206 projects in 2004, Europe is not necessarily losing market share, but has grown by over 11% overall. However, the USA has seen an influx of new orders at a handful of yards, namely Burger, Trinity and Westport, that has bolstered their status in the market. Palmer Johnson has also added considerably to the US figures,

doubling their order book in 12 months since the rescue package by their client Timur Mohammed. With the dollar where it is, it is fair to assume that not only has there been a wave of interest from overseas clients, but also the speculative build numbers at some of the semi-custom builders, which have no client attached, have added to the growth figures. One has to ask the question of their facilities, can these yards really be building all of these projects at the same time, or are they going to cut metal when the client has been found? Without physically seeing all of the facilities it is hard to judge on a global scale.

Motor Yachts v Sailing Yachts

It is sometimes hard to comprehend why the percentage split of motor yachts to sailing yachts is so broad: 90% versus 10% respectively. If anyone has the answer please let us know, but from a personal perspective the level of enjoyment that can be found at the helm or at anchor on a sailing yacht must far outweigh the boredom that can be endured on a floating villa. (Ed. Obviously this is only a personal perspective and we welcome the market's growth in both sectors.) Once again the market needs to be split to explain what is happening: below 40 metres, the motor yacht sector is growing rapidly, with 193 yachts in build, compared with 121 motor yachts over 40 metres. In contrast with the 2004 report this shows that below 40 metres the motor yacht sector has grown by 44 units (36%), when

compared with the nominal growth of 11 units (10%) in the 40-metre-plus market. In the sailing yacht market, the overall change is a growth of three units, when analysed it can be seen that five projects have been added in the 30–35-metre sector, the 35–40-metre and the 50-plus-metre sectors both losing projects and the 40–50-metre sector gaining a project. But again, looking at the projects launched over the past 12 months, out of the 31 sailing projects listed in the 2004 Order Book, 24 have been delivered during this period. This proves that the sailing yacht sector is stable as well as replacing projects year on year; in fact, a total of 27 new projects have been added to the sailing yacht listing in 12 months, a positive trend.



THE FUTURE Where Now?



WHAT'S over the horizon is the question most navigators would like the answer to. Are storm clouds brewing, are we heading into the doldrums or is it just plain sailing onwards with a perfect breeze and clear skies? We cannot necessarily predict the latter, as the market is so unique and has so many facets. What we can expect are some significant changes.

2004 has seen some major projects hit the water, some even the rocks, and to be frank we were not expecting many more to be discussed or signed after the delivery of the recent spate of gigayachts, but as we were about to close the issue, Blohm & Voss issued a press release announcing the closure of a contract for the above 100-metre-plus project. One of many new major projects that have or are due to be signed in the next quarter. It appears that the billionaire bracket is not slowing down and projects over the 100-metre barrier are still catching the eyes and imaginations of the world's richest individuals. While we applaud the adventurous nature of these projects and feel confident that they will push the technical boundaries of the large yacht market even further, it is vital that they stay focused on the operation and usage of these mammoth-floating homes.

The 90-metre Athena featured in this issue is a case in point: this yacht was commissioned as part of a personal plan to sail around the world, to enjoy the finest dive sites possible, in a perfect example of yachting excellence. That makes sense, but some projects are clearly built as a financial statement, an ego trip and a pure display of wealth. While we don't have a problem with this from the industry's perspective, it is possible that these clients are short lived and may become bored with the concept of owning a vast floating asset that is depreciating daily. The oligarchs are a prime example of this, with yachts being bought at top dollar (whatever that means in today's currency market) and then hardly being used, or certainly not used for cruising, but as floating palaces for sampling the depths of their new found western culture.

When you analyse the market today, it is possible to break the order book down into several categories: the billionaires who see no limits to their needs and build a yacht of gargantuan proportions, just because they can. Then there is the experienced yacht owner multi-millionaire who wants to build a yacht that he will use and enjoy; in fact we are aware of one or two of these clients who are now down grading and building a smaller yacht with fewer headaches. There are also multi-millionaires who see the yacht market as a commercial venture and endeavour to build yachts with a potential return, either via charter or by selling the project before completion. Then there are the wannabe clients, who have made the grade by investing in a yacht over 30 metres, but soon find out that it is not as straightforward as they may have been led to believe. There are the manning issues, the regulations, the berthing costs, and the congestion in the popular cruising areas, coupled with the fact that you can no longer get close to the shore and you are bobbing around on an exposed anchorage. After all that and the investment you have made in moving into the superyacht sector, you are still dwarfed by a yacht three times the size, as you are now floating in the big league.

What all these multi-faceted clients will do in the future is anyone's guess, but we don't foresee a slowdown in the order book, just some changes in the types of yachts they build. After reading a recent copy of *The Financial Times* magazine, there was a comment from a high net worth private banker suggesting that they did not see the large-yacht market as a good investment, following on to say that if a billionaire client showed interest in yachts, they would do their best to dissuade them from this use of personal wealth, as there are much better things to play with.

Surely this is something that needs to be addressed. Obviously, we are not expecting the yacht market to suddenly make yachts an investment scheme, but perhaps educate the non-yacht finance world in the ways and means of ownership. Any multi-millionaire

worth his bank account likes to ensure that he is not wasting money and to see his entry into the market as a sound investment. In a way, this comes down to our desire to see more financial transparency, in order to reduce the wastage, unexpected surprises and monetary headaches. If people know what something costs and why, surely they can make a much more informed decision. A recent conversation with an equipment installer suggested that even though the bid



process always comes down to the bottom line, it is sometimes difficult to evaluate that the better price is in fact good value.

One of the biggest problems we still see in the market is the lack of clarity or understanding why a bid for the same item or even project has such financial discrepancy. Understanding the content of the bid is vital, to ensure that the detail includes all of the key extras that the cheaper bid may load at a later date. What we have seen recently and probably will see more of in the future is the employment of financial auditors and quantity controllers, who will act on behalf of the client and question the detail of the bid.

As more and more yards look to consolidate and work towards a much more stable financial platform, we are also seeing the arrival of more economic projects, famous brands like Feadship announcing the development of semi-custom projects in the 35-metre to 43-metre range. Obviously the likes of Amels and Benetti have already made good progress with this business model and if you compare this strategy to the redevelopment of the Bentley brand, you can see a potential success for the yachting business. In essence, Bentley renowned for their mammoth modes of transport with unlimited luxury added a more affordable sporty version, the Continental GT. At the same time their key competitors moved into the goliath sector, Mercedes with Maybach and Rolls Royce with the Shadow. If the same thing happens to Feadship then they can look forward

to the heady levels of sales that the GT has enjoyed, while the leviathan Maybach and Shadow have missed their sales targets by huge percentages. In financial terms, small and perfectly formed could end up being beautiful for the industry's most famous brand.

On a final note, with the arrival of huge projects and the delivery of yet more to come, all putting a strain on the resources and capacity of the world's yards, marinas and suppliers,

it is worth demonstrating, that if you currently own a 45-metre yacht and want one twice the size, then the two images on this page demonstrate the simple equation 45 metres x 2 does not equal a 90-metre yacht. Here we captured during the Fort Lauderdale Show the unique positioning of the recently launched M.Y. *Utopia* from Feadship stern to bow with the decade-old *Confidante*, hailing from the same stable. In her day, *Confidante* at 45 metres was a pretty significant delivery and at the top end of the scale. From the stern view above, the two projects appear to be comparable, with *Utopia* and her extra deck and perhaps a few more metres in length. You could imagine that she is perhaps twice the size of *Confidante*. When you take a different perspective, from the bow angle of *Utopia*, not only is your view distorted by the distances between one bow and the other's stern, it does clarify that the difference in volume is significant. Therefore when you see a 90-metre-plus on the order book, or under contract, spare a thought for the yard. As you can see from this illustration, all dimensions are doubled, if not trebled, in terms of not only length, beam, height, piping, wiring, paint surface, but also, and more importantly, planning, co-ordination and man hours. However, we are still seeing major contracts without the proportionate increase delivery times. The future looks interesting and from our point of view, we look forward to it.

MHR

