

SUPERYACHT UK RESULTS FOR 2009/10

The BMF has carried out its fourth annual survey of Superyacht UK members to determine year-on-year trends. The results reveal the superyacht industry remains in a strong position despite the recession.

Superyacht UK, a dedicated superyacht association of British Marine Federation (BMF), represents over 170 members and 70% of the total UK industry operating in the design, build, supply chain and service provision of yachts over 24 metres in length.

This latest national survey of Superyacht UK members has shown that the value of the industry increased slightly during 2009/10, despite the challenging effects of the recession. The superyacht industry is now just over £420 million a year, an increase of 3% on the previous year's revenue

Activity and workload in the sector remains healthy, with 43% of members reporting a higher workload now compared to the previous 12 months, whilst only 18% stated they are experiencing a lower workload.

The key statistics from the latest trends survey show that:

- The value of the UK superyacht industry in 2009/10 is now just over £420 million, compared to £410 million in 2008/9; an increase of 3% from last year.
- This is a lower revenue increase year-on-year than reported in recent years, reflecting the downturn in the economic climate (in 2008/9 revenue was +15.3% from the previous year).
- 43% have a higher superyacht workload over the last 12 months compared to the same period a year ago, while 18% had a lower workload. This results in a net balance between the positive and negative response of +25% which is more favourable than reported a year ago (+5).
- However, the impact of the recession is evident in the rating of the monetary measures, with lower net balance results attained compared to last year; value of the order book (+14%) and revenue (+12%) and most notably for the profit levels (+7%).
- Only 8% perceive the next 12 months negatively with the majority rating the future prospects as good or excellent (58%) and 34% stating it looks OK which are similar expectations to those reported a year ago.
- There are around 3,550 employees working in the sector and employment has stayed stable for the majority; compared to last year it has increased for 25% of respondents, stayed the same for 63% and decreased for 12%.

*Reporting period is the last financial year prior to June 1st 2010.

UK superyacht industry revenue 2009/10

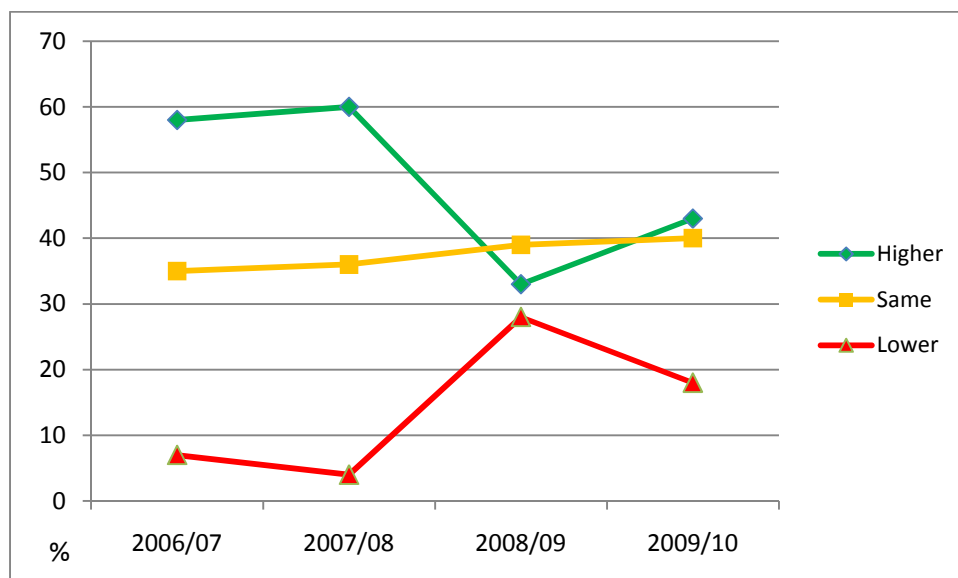
Overall, the value of the UK superyacht industry in 2009/10 is now worth just over £420 million, an increase of 3% from last year (when the revenue was £410 million). The UK superyacht industry is supported by new build and refits in yards but also through the wider industry of design, supply chain and service provision.

This revenue change is much lower than the year-on-year increases attained in recent years reflecting the downturn in the economic climate, however the superyacht industry in the UK is holding up well despite very challenging times. A year-on-year difference of +15.3% was reported in 2008/9 and +14.8% reported in 2007/8.

UK superyacht workload over the last 12 months compared to 2008/9

The workload in the superyacht industry for members responding to the survey has increased slightly compared to a year ago.

43% are now rating their workload as higher over the last 12 months compared to the same period a year ago, and for 18% their superyacht workload is lower. The industry is showing positive signs of improvement with a more favourable net balance between those reporting a higher/lower workload of +25% compared to just +5% a year ago.



UK superyacht value of the order book, revenue & profit over the last 12 months compared to 2008/9

The impact of the recession is evident in the ratings for the monetary measures, particularly within profit margins. While the majority are still performing at higher/same levels in the

superyacht industry compared to a year ago, around a quarter of members are facing challenging times with lower ratings for the monetary measures.

The value of the order book is rated as higher over the last 12 months for 42% and lower for 28% resulting in a net balance of +14%. Revenue has a similar net balance of +12% given it is higher for 37% and lower for 25%.

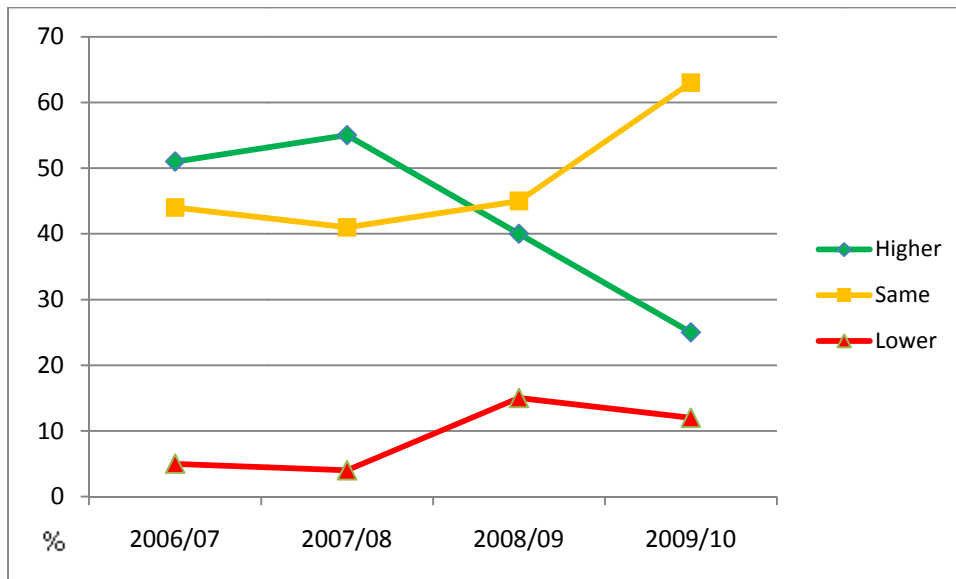
The effect of the economic downturn is most notable within profit margins as the net balance is just 7% as it was higher for 35% and lower for 28%.



UK superyacht workforce over the last 12 months compared to 2008/9

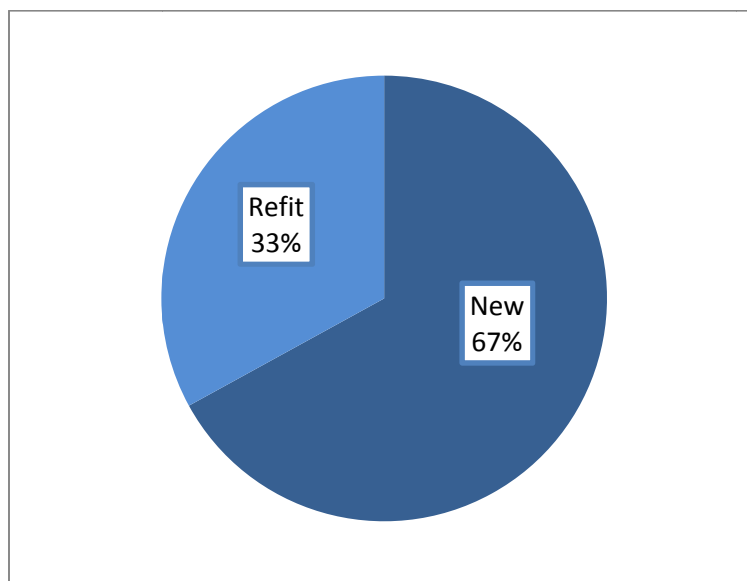
The workforce within the UK superyacht industry has remained fairly stable for the majority given for 63% it has stayed the same, while it has increased for a quarter. This is a lower net balance between higher/lower than reported in previous years of +13% compared to +25% last year. However, the trend lines indicate a stabilisation given those reporting the same workforce level is rising rather than those reporting a lower workforce increasing those (lower is 12% now compared to 15%)

Across the whole sector of superyacht, there are around 3,550 full time equivalent employees which is slightly down on last year (-2%).



Proportion of the UK superyacht industry in the new build v's refit sectors

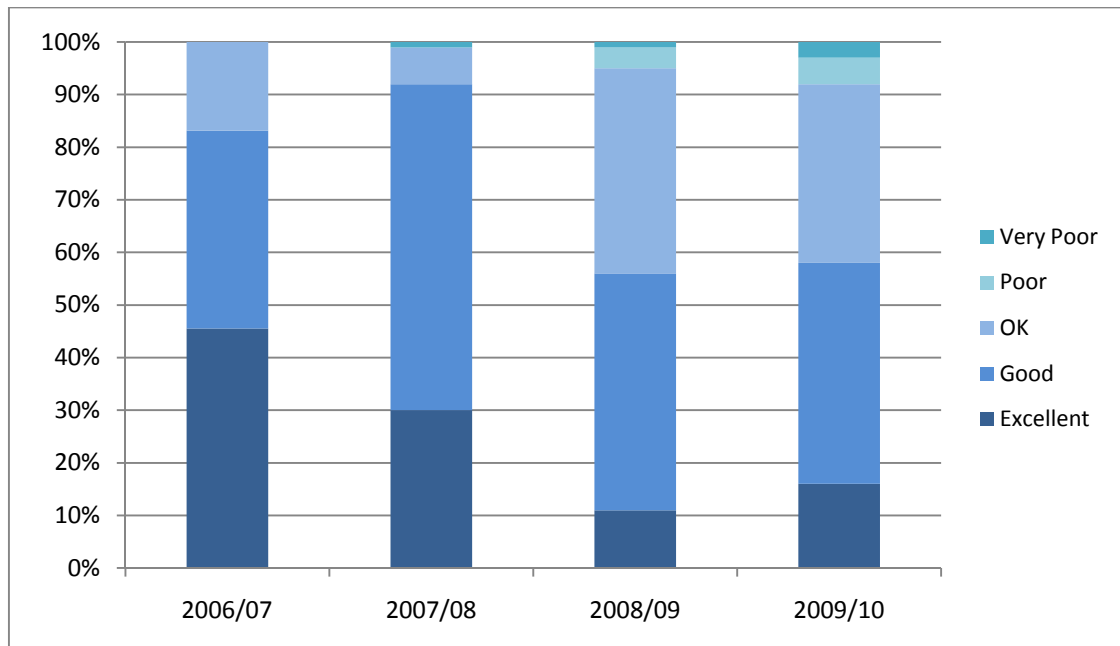
Refit work within the superyacht industry has increased slightly amongst members responding to the survey given new build work is 67% compared to 70% over last few years.



Future prospects perceived for the UK superyacht industry over the next 12 months

Members' perceptions of the UK superyacht industry over the future 12 months remains relatively unchanged from the last survey a year ago.

Encouragingly, the majority are still expecting a positive 12 months in the future within the 58% rating prospects within the superyacht industry as excellent / good (16% and 42% respectively). A further 34% perceive the next year to be 'OK' and 8% have negative expectations.



Conclusions

2009/10 was a year when the UK superyacht industry remained in a strong position despite the recession however its impact is evident, most notably in profit margins. Around a quarter of members are facing particularly challenging times, rating the monetary measures as lower over the last 12 months compared to the same period a year ago.

However, it is encouraging that future prospects are only perceived negatively for 8% and with a stable workforce and increasing trend in workload, the UK superyacht industry will continue to emerge out of this difficult period in the economy.

This survey is conducted annually amongst Superyacht UK members, a flagship Association of the British Marine Federation. In total, 118 completed questionnaires were received from SYUK members (69% response rate), while the revenue is received from all members. The survey aims to monitor trends in UK superyacht marine industry performance. The reporting period is the last 12 month financial year prior to June 1st 2010.