



Current and accurate information is invaluable. This brief, monthly round-up gives you a quick snapshot of what's going on in the luxury yacht market. The world of superyachts moves fast and you need to have your finger on the pulse in order to spot the good opportunities before they pass you by. Read our view of the market to find out more about what's been happening over the last 30 days.

Hein Velema
CEO



NOTICEABLE RISE IN SALES AT END OF 2009 - January also gets off to a steady start.

At the end of a turbulent and difficult 12 months, December sales were encouraging and finished the year on a higher note. During the first six months of 2009 sales were virtually non-existent right across the industry. Thankfully, sales levels increased in the summer and then again in December and saved the luxury yacht industry from what would otherwise have been a pretty dismal period.

October and November were a little slow but December showed better movement. Boats were sold in all size ranges but many sales involved part exchanges of smaller yachts. In the first weeks of 2010 we've seen active buyers conducting serious searches and sellers who seem more resigned to the current price levels. We expect this to continue but at a moderate level. The total number of yachts for sale is still increasing, especially in the larger segment over 45m. We see no signs that prices will rise noticeably in the near future.

CONTACT ONE OF OUR SALES EXPERTS FOR MORE INFORMATION: SALES@FRASERYACHTS.COM



DIFFICULT WINTER FOR CHARTER YACHTS - Caribbean not as popular as it used to be.

Christmas and New Year charter bookings were slightly down in comparison to previous years and yachts around the world were left with fairly empty calendars. The winter season last year was disappointing but this winter has again seen a small drop in the overall number of weeks being booked. Winter sun has always been appealing but interestingly there has been a steadily decreasing appetite amongst charterers for the Caribbean. The recent economical climate seems to have further quashed demand and certainly hasn't helped foster any kind of recovery. A lack of demand for the once popular destinations coupled with a lack of availability in some of the new and potentially more interesting cruising areas has resulted in a mismatch between demand and supply.

Despite a slow winter, enquiries for the summer season are coming faster than last year. We expect to see a rise in Mediterranean charters compared to 2009 although, most probably, firm bookings will again come late and discounts will need to be given to secure them.

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RENEWED INTEREST IN YACHT MANAGEMENT - Owners are keen to maintain the value of their assets

With over 55 yachts under our management, we've been able to identify some fairly common trends recently. There is always an understandable decline in activity and yacht movements through the winter months as some owners choose to leave their yachts in the Mediterranean and usage levels fall to a minimum. However this winter we've seen even less usage than one would normally expect. In addition to this, the poor demand for Caribbean charters has meant that even fewer yachts are crossing the Atlantic for the winter.

In 2009 we saw a considerable drop in spending on discretionary upgrades and crew costs but this year we see a normal spending pattern resuming. Yacht owners understand that savings on management can be a false economy and are taking more care of their investments. The refit yards have therefore been pretty busy over the past few weeks although the average size of the projects has been fairly small.

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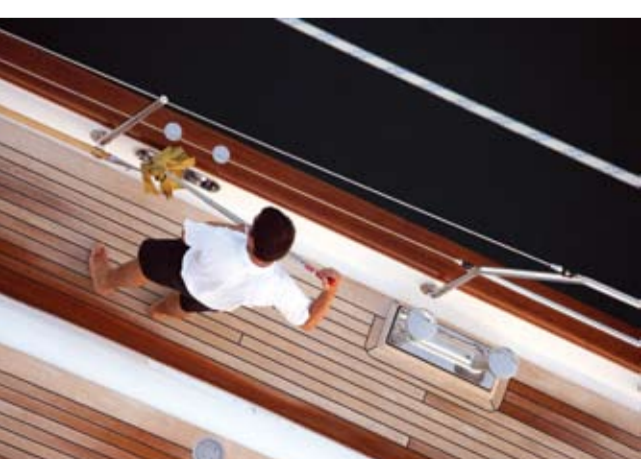


BRIGHTER HORIZON FOR SHIPYARDS? - some small signs of increasing confidence.

The global recession brought about a total collapse of activity in the new build market. For the majority of 2009 there was virtually no market to speak of in the luxury yacht sector over 50m. There were very few new build contracts signed last year and really the only sales that did take place were re-sales of existing projects under construction where the original clients pulled out and new ones stepped in.

However, in December some very large new construction contracts were signed with the shipyards. It is way too early to predict a trend but it is encouraging to see finally that clients are willing to start 3 or 4 year projects. The bottom line is that more confidence seems to be appearing in the market.

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CAPTAINS WANT BETTER SERVICE - CV forwarding is no longer enough.

The market for crew placement was very difficult in 2009. Luckily, in the last 2 months we've seen good signs of a recovery. We firmly believe that the character of this market has changed. The agencies that forward CVs without any added value will disappear. Other channels like Facebook and Twitter will take over this low value functionality and captains and owners will simply not want to pay for this.

Agencies that are able to deliver a consistent quality service will survive. Candidates must be screened, interviewed and references checked before they're proposed to a yacht owner or captain. The market is definitely willing to pay for high value service but will no longer put up with simple CV forwarding.

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