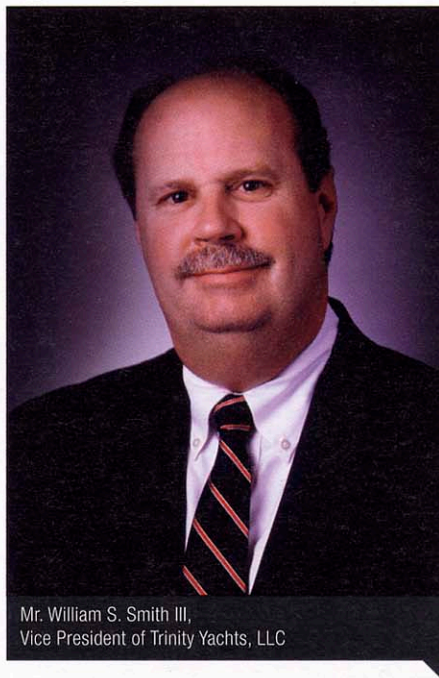


TRINITY YACHTS

QUESTIONS TO WILLIAM
S. SMITH III



Mr. William S. Smith III,
Vice President of Trinity Yachts, LLC

The clientele getting richer and richer, there should be an increase of yachts strictly built for private use. Is this the case? Or is the trend still to put one's yacht on charter?

60% of our owners charter, the rest do not.

Some owners have their own fleet of yachts; do you think this is a real trend or are they isolated cases only?

Isolated cases.

Today, we notice 2 different kinds of fitting out: the minimalist yachts, and the "art gallery" yachts; do you think that the two trends will develop or that one will supersede the other?

Most yachts will remain showpieces for their clients, the minimalist yachts will be a small sector of the overall market.

What scheme do you experience the most when you get ordered a yacht? Do you have direct contacts with the client or is he introduced by a third party? Would you prefer dealing directly with the client?

We deal directly with the client even if he is introduced by a third party.

From the shipyard's point of view, what is the role of a broker? Has brokerage changed over the last few years?

The broker is very important as they normally have the confidence of the owner.

North Americans, West Europeans, people from the Middle East represented so far your major clients; today, and in particular for big units, a Russian clientele has developed. What about emerging countries such as India or China?

No clients at this time but we expect those markets to increase over the next few years.

Order books are full and this for several years; is this the reason why some owners decide to build their own yacht? Is this a real trend? Do you see it as a threat for your business?

Most owners do not have the time to devote to building a yacht at their own shipyard. Most owners also want the pedigree that an established yacht builder will give to their investment which helps for resale.

Why has the price of yachts grown exponentially during the last few years?

Escalation of labor and materials along with the increase sophistication of the systems on yachts. For instance, just 5 years ago "zero speed" stabilization was not available, today every yacht under construction at Trinity will have them installed.

Green yachts; real trend or just the latest fashion? Today, what is the percentage of yachts built with a special demand for environmentally friendly devices?

All of our yachts are considered green, however some owners are requesting us to look at emerging technology.

What is the difference between a crew nowadays and 15 years ago?

More professional and higher level of education.

Suppose you have 50 million euros to build your own yacht; can you describe it?

Less than 60 meters, diesel electric, dynamic positioning, six cabins for owner and guests, elevator, helipad, large exterior areas and swim platform, minimum maintenance and large crew accommodations.