



Cirris Capital

Customized Yacht Finance

Newsletter no. 1 - August 2006

A message from Remco and Hans

Having doubled our credit volume in 2005, many more exciting developments have occurred at Cirris Capital during 2006. We have strengthened our team in order to serve your needs better - you can meet the faces behind the phones on the last page. And as our client base continues to expand, additional services are being provided to make the most efficient use of your time and money. The new quotation system is a good example: Sometimes it pays to think outside the box.

The same applies to the publication you are reading. Most bulletins of this sort are nothing more than a soapbox for the company concerned. While we are pleased to briefly tell you the latest news from our perspective, this publication is more aimed at sharing other people's thoughts on what we do here at Cirris Capital.

We asked a journalist to talk to several partners from within the yachting

industry - without us being present! These included the world's leading luxury motoryacht builder Feadship, Tavros MD Bart de Ven and the law firm Simmons & Simmons. Also featured is the owner of Venator, a Swan 65 that has recently enjoyed a major refit. Cirris Capital supported this project in many ways, and it is a good example of the full service we offer in addition to financing.

We thought long and hard before going ahead with these interviews - after all, discretion and confidentiality are as crucial to us as they are to you. But the yachting world is a small one and the contributors to this bulletin all felt that it was right to air their opinions of Cirris Capital. Putting faces to words - real people to real situations - gives you a chance to envisage what we might do for you. Rest assured you will be the only one who knows about it!

Enough from us - we share your desire

to get straight to the point. Contact us soon if are looking to make a financial transaction without having to face 'the men in suits'... you'll have to read Henk de Vries' article to see what we mean.

Cheers

Remco Immink and Hans Groen
Managing Directors



Communicating with the men in suits

Henk de Vries is Managing Director of De Vries, one of the two yards in the Feadship group. As the number one builder of custom-built luxury motoryachts in the world, Feadship serves an exclusive set of owners. Yet says Henk, despite the major role Dutch yards play in the multi-billion world of superyachts, banks in Holland are still way off the pace when it comes to financing.



Holland has achieved global fame in the yachting industry and is the first port of call for owners looking to buy

the very best money can buy. You would think then that Dutch banks would have asset based finance available for this sector. Unfortunately, despite all their claims about financing, when the time comes to talk yachts they do not understand how such large sums can be involved in a product that is usually owned for a relatively short period of time.

These bank employees are used to dealing with commercial ships, which are ten times the size for the same money and generate a regular incoming cash flow. Yachts, by contrasts are often seen by bankers as a complete drain on finance. It seems almost impossible to convince financiers that yachting is an excellent business. It's a mindset thing.

Leading yards like ours have to be aware of the possibilities of financing and be able to help owners in the right direction. Even owners who work in

the financial markets themselves say that they find it difficult when entering the unfamiliar terrain of financing an expensive toy. For Feadship therefore it was a delight to come across two Dutch businessmen who are not conservative and yet have good connections with banks. Cirris Capital offers a great deal of added value because it understands the industry so well. As intermediaries they can explain the situation to financial institutions in a language that bankers understand.

In other words, although they rarely wear one themselves, Hans and Remco know very well how to handle the men in suits! This is an indispensable asset and I am delighted to recommend the services of Cirris Capital to potential Feadship owners.

- We know about yachts and finance -

Creative and flexible

Bart de Ven is a familiar face to many in the yachting world. He was Managing Director of De Valk International yachtbrokers for a decade, served as chairman of the Holland Yachting Group and was a board member of Hiswa. In 2002 Bart set up Tavros, a company providing specialised advice and support in every aspect of yacht ownership. Working one on one with yacht owners, he knows better than most the challenges they face when it comes to finance.

I have known Hans and Remco for many years and they have always proved themselves able to deal with difficult situations in a creative and flexible manner. I encouraged them to set up Ciris Capital, convinced that their expertise and dedication would prove extremely viable in the yachting market. My hunch has proven correct!

Ciris Capital take an awful lot of work out of my hands. I provide the basic details of the yacht and client, and they

take it from there. They have a comprehensive understanding of the VAT situation, bill of sales documentation, registration and the like. This means I don't have to explain everything to them in advance, which is normally the case with a bank.



I sometimes get the feeling that banks are looking for ways to deny owners the chance to finance their yacht unless they are prepared to offer their house, company, wife's jewellery and everything else they own as security. Ciris Capital is much more creative and flexible. They sort the entire

situation out and the next time you hear from them the financial issues are all resolved.

The all-in package is a great advantage for Tavros. I am focused on high level service in quality projects, spending a lot of time with clients on searching for the ideal boat and putting the right deal into place. If this part of the process is resolved, it is great that I can hand over the time-consuming paperwork and related financial matters to Ciris Capital and move onto the next client.

Yacht owners are a special breed. It is marvellous to know that Ciris Capital will be on the right wavelength with my clients. Hans and Remco are serious guys when it comes to business but at the same time they have a sense of humour that suits the yachting business. My clients always tell me that they feel very comfortable – and that can only be good news for me too!

Legal affairs

Where large sums of money are at stake, lawyers will always be involved! The legal issues of yacht ownership hold no secrets for us, partly because of our good relationship with Simmons & Simmons. This leading international law firm has 20 offices located in major business and financial centres throughout



Europe, the Middle East and Asia. Senior Associate Joris Hilhorst, specialist in yacht finance, explains the partnership with Ciris Capital.

Asset finance is one of the main practice areas within our Financial Markets Group. Many of our and Ciris Capital's clients are keen to fly the Dutch or Netherlands Antilles flag and we have ample in-house knowledge in this complex area. Because Simmons & Simmons has offices around the world, we also have expertise at hand when cross-border matters arise.

Around four years ago, we started focussing on the legal issues surrounding yacht ownership after having noticed the lack of specialists in this field. This was at about the same time Ciris Capital recognised a similar gap in the market for yacht financing. Our partnership on the legal front made perfect sense and the volume of services delivered has steadily increased over the last couple of years.

The partnership with Ciris Capital profits from a close working relationship with Barclays Bank. After having

discussed the options and run a credit check, Ciris Capital often brings the potential client into contact with Barclays. Once a financially healthy arrangement is assured, the Bank sets various loan security conditions.

This is where Simmons & Simmons comes in to - structure the entire transaction, take care of the acquisition and registration at the relevant Ship Register, and draft all security documents such as legal opinions, guarantees, pledges, and yacht mortgages.

Undoubtedly, the whole process is made easier due to the excellent expertise of Ciris Capital. Their good relationship with financial institutions sees to transactions usually being processed quicker.

Moreover, Ciris Capital is known for its integrity. Banks know that if Ciris Capital recommends a client, the odds are that everything will go well. Clearly, their long experience in credit approval pays off. Ciris Capital has a great name as a yacht finance intermediary.

A unique restoration

It is rare for someone to purchase a pedigree yacht in poor condition and completely restore it within just 18 months... Especially if that person has never even owned a boat before. But that is exactly what the owner of the Swan 65 Venator managed to do, with a little help from Ciris Capital. The result is hugely impressive.

would help guide me through the refit minefield. This was a good move - just as I can find my way around the real estate market, Remco knows the yachting world inside out. The hardest thing was explaining the change of heart regarding boat ownership to my friend on the plane back home!

"It was a big risk for me to take this project onboard and I was delighted

giving complete electronic and manual control over the technologies and the yacht. The amazing silhouette of the Sparkman & Stephens design made a full restoration of Venator's deck essential. She was re-planked in teak and made flush wherever possible, with sunken Rondal hatches, cleats and air scoops.



"In the spring of 2004, I was a guest on one of the yachts taking part in the British Virgin Islands Regatta & Sailing Festival. Flying over to the event, I reiterated to a friend my view that buying a boat was crazy when you could easily charter one. Remco Immink, co-director of Ciris Capital, was one of the technical supervisors for the regatta. We were discussing the classic fleet and he took me to see a Swan 65. She was totally dried out, the rubbers were peeling and her teak interior was a mess. But the original details and quality still made apparent why this model is known as the Rolls Royce of racing classics.

"My business revolves around restoring old buildings and I felt the urge to act. Much to my own surprise, within hours I was putting pen to paper and buying this dilapidated yacht. The only condition I set was that Ciris Capital

that Ciris Capital dealt with all the paperwork involved in the purchase and the transatlantic shipment. Once in Southampton, we had Venator patched up enough to sail and, despite her condition, had a fantastic trip across to IJmuiden.

"By now completely enamoured with this piece of yachting heritage, the discussions began as to how far to go with a restoration. Although the original intention was to carry out a limited refit, the bar got steadily raised and the project evolved into a thorough rebuild. Carried out with Dutch technology and know-how, we brought Venator back to her original Swan quality and reliability.

"The luxurious teak interior was fully renovated and returned to its original state, with all the characteristics preserved. A Programmable Logic Controller (PLC) system was installed,

"Launched in May 2006 and proudly flying the Dutch flag, I now know that the Swan 65's reputation for seaworthiness and performance is fully deserved. I am grateful that Remco set me on this road and accompanied me throughout. Ciris Capital proved its ability to offer a complete one-stop-shop service. It has the flexibility to adapt to changing circumstances and it was a very secure feeling to know that each area of the transaction was in the hands of a specialist. If I ever go for a bigger boat, Remco will be the first to hear."

Ciris Capital: Your first port of call for advice on:

- Financing the purchase of a new or second hand yacht
- Financing major maintenance projects/refits
- Transitional financing
- Financing during the building phase of the yacht is possible.

We know the market inside out...call + 31 (0) 30 697 08 65 today or email info@ciriscapital.com. All contacts are treated in the strictest confidence.



From left to right: Olga Cornelia - back office documentation, Vrony Stegenga - back office documentation, Hans Groen - managing director, Remko Immink - managing director, Claudia Lehmann - back office sales & marketing

New quotation system

To support our partner yards and brokers we recently launched a new quotation system. Suitable for loans up to € 50 million, this solution enables yacht financing quotations to be



simply and efficiently sent via the internet. The first reactions of the market to this new solution have been extremely positive.

On your screen

In a fast moving industry like ours, traditional paper brochures are soon out of date. They are also very expensive – and we don't like wasting our money anymore than we do yours! This is why we have developed a CD-ROM for our clients and industry



associates, providing a concise and up-to-date overview of how Ciris Capital can be of service. Order your copy today via info@ciriscapital.com.

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