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CLARKSON PLC

PROPOSED ACQUISITION OF RS PLATOU ASA

25 November 2014

Transaction Highlights

- Clarkson PLC ("**Clarksons**" or the "**Company**") today announces its proposed acquisition of the entire issued share capital of RS Platou ASA ("**Platou**") (the "**Acquisition**") for a total consideration of £281.2 million.
- The combination of the Clarksons Group and the Platou Group would create a leading global shipping and offshore services business headquartered in London and employing approximately 1,400 people in 21 countries in key global financial and shipping centres.
- Given the complementary activities, in terms of geographic locations, operations and industry specialisation, with very little overlap, the Boards of Clarksons and Platou believe the enhanced offering of the combined business would position the Enlarged Group as a leading integrated global shipping and offshore group and would generate significant benefits for shareholders, clients and employees.
- The Board of Clarksons believes that the Acquisition would accelerate the execution of Clarksons' strategy to provide clients with an integrated best-in-class offering comprising Broking, Financial, Support and Research across all major shipping and offshore markets. It is also expected that operational synergies arising from the increased scale of the Enlarged Group will drive revenue and margin growth in the future.
- The Board of Clarksons believes that the Acquisition would be earnings enhancing in the 2015 financial year.[1]
- In addition, Clarksons intends to continue with the Company's current policy of paying dividends on a progressive basis following Completion.
- Under the terms of the Acquisition, the proposed total consideration to be received by the Platou Shareholders would be £281.2 million of which 75 per cent. would be satisfied in Consideration Shares, 16.66 per cent. in Loan Notes and 8.34 per cent. in cash.
- Peter M. Anker, the Chief Executive of Platou, Ragnar Horn, the Chairman of Platou, and Birger Nergaard, who are currently members of the board of Platou, would join the Board with effect from Completion.
- In connection with the Acquisition, certain Platou Shareholders who together hold more than 75 per cent. of the Platou Share Capital have agreed to the terms of the proposed Acquisition as contained in the Share Purchase Agreement. Following the publication of this

announcement, Clarksons intends to approach the remaining shareholders of Platou with details of the proposed Acquisition. If sufficient Platou Shareholders agree to the proposed Acquisition to enable Clarksons to acquire at least 90 per cent. of the Platou Share Capital, Clarksons will enter into the Share Purchase Agreement to acquire such shares. Whilst these discussions continue, there can be no certainty that the transaction will complete. The Company will publish a further announcement in due course.

- Completion, which would be conditional on, amongst other things, Shareholder approval, regulatory approval and the readmission of the Company's Ordinary Shares to trading, would be expected to occur in the first quarter of 2015.

Clarksons continues to trade well making positive advances despite continued headwinds in some shipping markets arising from the geopolitical unrest which was particularly prevalent over the summer months. Revenue for the nine months to 30 September 2014 was up year on year and the Clarksons Group's performance has continued in line with the Board's expectations.

Background to the Proposed Acquisition

The Boards of both Clarksons and Platou believe that the Acquisition would:

- accelerate the execution of Clarksons' strategy to provide clients with an integrated best-in-class offering comprising Broking, Financial, Support and Research across all major shipping and offshore markets;
- bring together two heritage market leading brands within Shipping and Offshore broking;
- combine experienced and proven management teams with a strong performance track record of delivering an integrated service and shared vision for the future growth of the Enlarged Group;
- significantly strengthen and broaden the financial offering and client base with leading specialist investment banking and project finance operations;
- enhance the Clarksons Group's data, research and analysis capabilities, which are central to Clarksons' strategy, and strengthen its role as industry validator with the ability to deliver clients a consultancy and execution offering;
- broaden the Clarksons Group's services and enhance its extensive client base. The Platou Group's global relationships, especially with Scandinavian and industrial clients, would establish a broader client mix within global shipping and offshore markets and further increase the geographical reach of the Enlarged Group; and
- realise operational and financial benefits, thus providing the opportunity for significant value creation over the medium term.

The combination of the Clarksons Group and the Platou Group would create a leading global shipping and offshore services business headquartered in London and employing approximately 1,400 people in 21 countries in key global financial and shipping centres. The core divisions would comprise Shipping and Offshore Broking, Financial, Support Services and Research. Following Completion, the Enlarged Group would benefit from stronger brand recognition globally across the key markets of shipping, offshore and oil services and investment banking.

The Enlarged Group would be able to capitalise on new opportunities across its core global shipping and offshore markets through an enhanced, integrated service offering with the ability to source, advise, service and execute a range of transactions on behalf of its clients. Furthermore, the businesses of the Clarksons Group and the Platou Group have little overlap. Clarksons intends to utilise the Enlarged Group's positioning, services and networks to develop broader and deeper relationships with existing clients by offering complementary products and services. Clarksons also intends to use the Enlarged Group's increased product and service offering to win new clients and drive new business growth. It is further anticipated that the combination of technology platforms and infrastructure would enhance information flow and improve its offering to clients.

The Board of Clarksons believes the Enlarged Group would benefit from operational synergies arising from the increased scale of the combined business activities of the Clarksons Group and the Platou Group. Through the consolidation of offices in key locations, notably Oslo, New York and Singapore, the Enlarged Group expects to drive efficiencies and improve operating margins in these countries. Moreover, the scale of the combined operation in Shipping, Offshore and Financial, would enable additional investment in core services, particularly with respect to IT platforms, both client facing and internal, benefitting clients of the Enlarged Group. It is also anticipated that the integration of core services such as IT, legal, compliance, financial and HR would lead to greater operational efficiency.

The Directors believe that operational synergies arising from the increased scale of the Enlarged Group would drive revenue and margin growth in the future. Consequently, the Directors believe that the Enlarged Group would be more efficient and effective than the separate businesses and thus better equipped to provide an even higher level of service to clients.

Clarksons is also considering a placing of up to approximately 1.6 million Ordinary Shares in Clarksons, representing up to 8.5 per cent. of Clarksons' existing issued ordinary share capital, to institutional investors outside of the US. The net proceeds of such Placing would be used to fund the cash consideration and settlement of the Loan Notes payable to the Platou Shareholders. In the event that the Placing does not proceed, Clarksons will fund the cash consideration and settlement of the Loan Notes from the Company's existing and future cash resources. Any Placing would not be conditional upon Completion. A further announcement regarding the Placing will be made at the appropriate time.

Commenting on the Acquisition, Andi Case, Clarkson PLC's Chief Executive Officer, said:

"I am delighted to announce the proposed acquisition of RS Platou ASA. The combination of these two market leading heritage brands will position the enlarged group as the world's leading shipping and offshore broker and specialist investment bank. Strategically the combination of Clarksons and RS Platou ASA is compelling as they are highly complementary with little overlap and combine two teams with similar cultures, experience and vision. The enhanced global platform will enable us to further deliver improved integrated services to existing as well as new clients whilst also providing our staff additional opportunities."

Peter M. Anker, RS Platou ASA's Chief Executive Officer and Managing Partner, said:

"The board of RS Platou ASA believes the proposed transaction represents a compelling opportunity to build upon both Platou's and Clarksons' achievements to date and deliver real benefits to its shareholders, clients and employees. We are excited at the prospect of joining with Clarksons to create an industry leading group with a best-in-class global offering."

This preceding summary should be read in conjunction with the full text of this Announcement and its appendices, which are below and have been included given the size and nature of the transaction.

The Acquisition would require the approval of Clarksons Shareholders. Once the Share Purchase Agreement is executed, Clarksons will send a circular to Shareholders convening a general meeting to approve the Acquisition and certain related matters. Upon Completion, and pursuant to paragraph 5.6.19G of the Listing Rules, it is proposed that the Ordinary Shares of Clarksons would be cancelled and immediately re-admitted, and the Consideration Shares would be admitted, to the premium listing segment of the Official List and to trading on the Main Market of the London Stock Exchange. Clarksons would also be required to publish a Prospectus prior to Re-Admission.

Both the Circular and the Prospectus will include audited and unaudited consolidated financial statements for Platou, as well as certain other financial information. The financial information contained in any such Circular and/or Prospectus may differ from the financial information for Platou set out in this announcement.

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Capitalised terms used in this Announcement shall have the meaning ascribed to them in Appendix 7 unless the context requires otherwise.

Notes

1. This statement is not intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that the earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

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This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "aim", "anticipate", "believe", "anticipate", "intend", "plan", "predict", "may", "will", "could", "estimate", "expect", "should", "shall", and words of similar meaning, reflect the directors' beliefs, intentions or current expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. These forward-looking statements include all matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of the directors concerning, among other things, the Company's results of operations, financial condition, prospects, growth, strategies and the industries in which the Company operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future or are beyond the Company's control. Forward-looking statements are not guarantees of future performance and are based on one or more assumptions. The Company's actual results of operations and financial condition and the development of the industries in which the Company operates may differ materially from those suggested by the forward-looking statements contained in this Announcement. In addition, even if the Company's actual results of operations, financial condition and the development of the industries in which the Company operates are consistent with the forward-looking statements contained in this Announcement, those results or developments may not be indicative of results or developments in subsequent periods. Furthermore, statements contained in this Announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

The information contained in this Announcement is subject to change without notice and, except as required by applicable law, the Company does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement.

Appendix 1
Information on the Enlarged Group

1. Information on the Enlarged Group

Introduction

1.1 The Enlarged Group would be a leading global shipping and offshore services business with combined pro forma revenues of £330.7 million and pro forma operating profit of £47.0 million for the year ended 31 December 2013. On a pro forma basis, the Enlarged Group had gross assets of £549.2 million as at 30 June 2014.

1.2 Employing approximately 1,400 people across 21 countries, the Enlarged Group would deliver best-in-class operations across shipping and offshore broking, financial, support services and research, offering complementary services to existing and new clients.

Shipping and Offshore Broking

1.3 The Enlarged Group would have dedicated broking teams in shipping covering all types of chartering, the sale and purchase and newbuilding of vessels in the dry cargo, tankers, specialised products, LPG and ammonia, petrochemical gases, LNG, containers, car carriers, roll-on roll-off ("**RoRo**") vessels, ferries and cruise sectors and open hatch/forest products. Each of these teams will provide both a service to local clients, and a global service for international conglomerates, from a market leading position in Europe, the Far East, Australasia, the Middle East and US.

1.4 The Enlarged Group would also have teams in offshore covering the chartering, sale and purchase, and newbuilding and demolition of OSVs, PSVs, AHTSs, subsea rigs, jackups, accommodation units, FPSOs, renewables, seismic services and E&P. These best-in-class teams would be located in Europe, Asia, South America and the US.

1.5 The Shipping and Offshore division of the Enlarged Group would have more than 600 brokers globally, supported by more than 300 analysts and support staff, involved in execution and post fixture services.

1.6 On a pro forma basis, for the year ended 31 December 2013, the revenues of the Enlarged Group's Shipping division represent 50.5 per cent. and the Enlarged Group's Offshore division represent 17.2 per cent. of the Enlarged Group's combined pro forma revenues.

Financial

1.7 The Enlarged Group's operations and regulatory permissions would be in Norway, the US and the UK. Specialist analysts would cover US and Oslo listed equities across the core verticals of shipping, oil service, offshore, energy, coal and mining, E&P, refining and MLPs. The Enlarged Group would operate sales and trading desks in both Oslo and New York and will have M&A and investment banking teams in Oslo, London, Houston and New York. The Financial division of the Enlarged Group would also include project finance, debt advisory and risk management offerings. On a combined basis, from 1 January 2013, the Financial division of the Enlarged Group has acted on more than 92 investment banking transactions, raising over US$19.2 billion.

1.8 Institutional investor clients of the Enlarged Group would include private equity, hedge funds, pension funds, sovereign wealth funds, investment banks, fund managers, endowments and family offices.

1.9 Both the Clarksons Group and the Platou Group have extensive client lists, from their broking, research and support operations, in addition to the clients of the two investment banking teams. Working with clients of the Enlarged Group on the execution of their overall strategies would provide a significant source of both capital markets and corporate finance opportunities for the investment banking teams. Clients of the Enlarged Group would come from both the public and private markets and include vessel owners, operators, technical and commercial managers, ports, E&P companies and a variety of other organisations involved in the supply and transportation of commodities.

1.10 The Financial division of the Enlarged Group would have more than 150 employees globally, delivering a range of financial advisory and execution services.

1.11 On a pro forma basis, for the year ended 31 December 2013, the revenues of the Enlarged Group's Financial division represent 24.4 per cent. of the Enlarged Group's combined pro forma revenues.

Support Services

1.12 Based in 20 offices predominantly in the UK, the Support Services division would employ more than 150 staff and provides port and vessel agency services, freight forwarding, stevedoring, logistics, tools and supplies to clients predominantly in the grains, coal, biomass, renewables and offshore markets.

1.13 On a pro forma basis, for the year ended 31 December 2013, the revenues of the Enlarged Group's Support Services division represent 5.0 per cent. of the Enlarged Group's combined pro forma revenues.

Research

1.14 The Research division, based in London, Oslo and Shanghai and comprising more than 90 employees, would collect, analyse, validate and publish data and research, both digitally and physically, on shipping and trade (including data on approximately 114,000 vessels in service or on order, 20,000 companies, 600 shipyards and 100,000 time series), offshore and energy (including data on 25,000 structures, vessels and companies and 6,000 oil and gas fields) and also carry out more than 20,000 valuations per year, making the Research division a key industry validator. As well as a team dedicated to publishing reports and valuations, dedicated analysts would sit throughout the other commercial teams. The Research division would have a broad range of clients including financial institutions, owners, equipment suppliers, insurance companies, governments, trade associations and commodity companies.

1.15 On a pro forma basis, for the year ended 31 December 2013, the revenues of the Enlarged Group's Research division represent 2.9 per cent. of the Enlarged Group's combined pro forma revenues.

2. Financial effects of the Acquisition on the Enlarged Group

2.1 The Directors believe that the Acquisition would be earnings enhancing in the 2015 financial year.[1]

2.2 In addition, the Directors believe that the Acquisition would result in the Enlarged Group having greater diversification of revenues and profits and being well positioned to deliver strong, medium-term organic revenue and margin growth and cash flow generation, particularly as both companies have been historically cash generative. The Directors also believe that the visibility provided by the Platou Group's Forward Order Book (US$57.6 million for 2015 invoicing, as at 30 September 2014) and the increase in investment banking activity supports the positive outlook for the Enlarged Group in the foreseeable future.

2.3 To illustrate the financial effects of the Acquisition, an unaudited pro forma combined statement of net assets as at 30 June 2014 and pro forma income statement for the year ended 31 December 2013 of the Enlarged Group assuming Completion had occurred on 30 June 2014 and 1 January 2013 respectively, is set out in Appendix 4 (*Unaudited pro forma information*). After taking into account the impact of the Acquisition and the RS Platou LLP Transaction (set out in Appendix 3 (*Information on the Platou Group*)) on the net assets of the Clarksons Group, this shows that the Enlarged Group would have had net assets of £341.8 million on 30 June 2014 on a pro forma basis. The Enlarged Group would also have had revenue of £330.7 million and operating profit of £47.0 million for the year ended 31 December 2013 on a pro forma basis.

3. Employees

3.1 Based on the number of employees of the Clarksons Group (as at 30 October 2014) and the Platou Group (as at 30 September 2014), the Enlarged Group would have approximately 1,400 employees worldwide. The Directors attach great importance to retaining the skills and expertise of the management teams and employees of both the Clarksons Group and the Platou Group. The Directors believe the increased size and strength of the Enlarged Group has the potential to offer attractive career prospects for these employees.

3.2 The existing Platou Group bonus schemes would continue following Completion, including the retention scheme in place with respect to the Investment Banking division of the Platou Group. In common with current arrangements in place in the Clarksons Group, 10 per cent. of future bonuses paid to all senior employees of the Platou Group will be paid in four year vesting restricted stock in Clarksons.

3.3 In addition, and to facilitate the integration of the Platou Group into the Enlarged Group, a proportion of the 2014 and 2015 bonuses of certain key Platou employees would be required to be repaid by that employee if that employee leaves the Enlarged Group within two years of Completion other than as a Good Leaver (defined consistently with the terms of the Clarksons 2014 Long Term Incentive Plan).

4. The Board

4.1 Following Re-Admission, the Company would remain an independent company listed and headquartered in the UK and listed in London. Peter M. Anker, the Chief Executive of Platou, Ragnar Horn, the Chairman of Platou, and Birger Nergaard, who are currently members of the board of Platou, would join the Board with effect from Completion.

Proposed Board

4.2 Following Re-Admission, the Board is expected to comprise the following members:

Name	*Existing Position on Board*	*Role on Board following Re-Admission*
Bob Benton*	Chairman	-
Andi Case	Chief Executive Officer	Chief Executive Officer
Jeff Woyda	Chief Financial Officer	Chief Financial Officer
Peter M. Anker	-	President of Brokerage & Investment Banking
Peter Backhouse	Senior Independent Director (Non-Executive)	Senior Independent Director (Non-Executive)
James Hughes-Hallett CMG, SBS*	Director (Non-Executive)	Chairman
James Morley	Director (Non-Executive)	Director (Non-Executive)
Ed Warner OBE	Director (Non-Executive)	Director (Non-Executive)
Ragnar Horn	-	Director (Non-Executive)
Birger Nergaard	-	Director (Non-Executive)

* As announced on 20 August 2014, James Hughes-Hallett CMG, SBS will become Chairman from 1 January 2015 when Bob Benton retires from the Board.

Corporate Governance

4.3 As a company outside of the FTSE 350, the Company is required by the Corporate Governance Code to have at least two independent non-executive directors on the Board. However, following Completion, it is the Board's intention to ensure that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent. Immediately following Completion the Board would be comprised of eight directors (excluding the Chairman) of whom four (Peter Backhouse, James Morley, Birger Nergaard and Ed Warner OBE) are determined by the Board to be independent. On appointment, James Hughes-Hallett CMG, SBS will also meet the independence criteria set out in the Corporate Governance Code.

Proposed Directors

4.4 The business experience and principal business activities outside of Platou of each of the Proposed Directors are as follows:

Peter M. Anker: President of Brokerage & Investment Banking

Peter M. Anker has been the Chief Executive Officer and Managing Partner of RS Platou Shipbrokers AS since 1987. He serves as the Chief Executive Officer and Managing Partner of Platou and also serves as its Head of Platou Group and Offshore Division. He served as Vice President of RS Platou (USA) Inc. from 1982 to 1986. He has been Independent Director of Bluewater Insurance ASA since 2007. He has been a Deputy Board Member of Norwegian Shipowners Association since 1996.

Ragnar Horn: Non-executive Director

Ragnar Horn has been the Chairman of the Platou board of directors since 1999. He is an investor with various financial interests and board memberships. Amongst others, he is a board member of Viking Global Equities, Eiendomsspar, Victoria Eiendom and Berner Gruppen. Mr Horn holds a BA from Williams College and MBA from Harvard Business School. Mr Horn is a Norwegian citizen and resides in Oslo, Norway.

Birger Nergaard: Non-executive Director

Birger Nergaard has been the Deputy Chairman of the Platou board since 2008. Mr Nergaard established Four Seasons Venture (today Verdane Capital) in 1985 and was the company's CEO until 2006. Mr Nergaard is currently a director of Verdane Capital's funds III, V, VI and VII, a director of Nergaard Investment Partners AS and an advisor to Advent International in Norway. Mr Nergaard was awarded King Harald's gold medal in 2006 for pioneering the Norwegian venture capital industry. Mr Nergaard holds a law degree from the University of Oslo.

<u>Notes</u>

1. This statement is not intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that the earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Appendix 2
Summary of key terms of the Acquisition

1. Share Purchase Agreement

Pursuant to the Share Purchase Agreement, the Sellers would conditionally agree to sell, and the Company would conditionally agree to acquire, all of such Sellers' Platou Shares.

If sufficient Platou Shareholders agree to the proposed Acquisition to enable Clarksons to acquire at least 90 per cent. of the Platou Share Capital, Clarksons will enter into the Share Purchase Agreement to acquire such shares. However, Clarksons also reserves the right to execute the Transaction Documents without 90 per cent. of the Platou Share Capital having entered into the Transaction Documents if Clarksons considers it appropriate to so.

2. Consideration

Under the terms of the Acquisition, the Sellers would receive £6.08 for each Platou Share, of which 75 per cent. is to be satisfied in Consideration Shares, 16.66 per cent. in Loan Notes and 8.34 per cent. in cash. A number of Sellers would apply part of the cash and Loan Note consideration that they would otherwise be entitled to receive to settle outstanding loans from certain members of the Platou Group.

The aggregate consideration payable by the Company for the entire Platou Share Capital under the terms of the Acquisition is £281.2 million (approximately NOK 2,993.7 million).

Accordingly, assuming the acquisition by the Company of the entire Platou Share Capital pursuant to the Share Purchase Agreement, the Sellers would receive in aggregate 9,523,001 Consideration Shares subject to the lock-up provisions described in paragraph 8 below, £46.9 million in Loan Notes and £23.4 million in cash. The cash consideration and the settlement of the Loan Notes would be funded by Clarksons either from the proceeds of the Placing and/or the Company's existing and future cash resources.

(a) Loan Notes

The Company would create up to a maximum nominal amount of £46.9 million of unsecured loan notes due 30 June 2017. Until the Loan Notes are repaid, interest on the principal amount of the Loan Notes would accrue from day to day (on the basis of a 365 day year) from the date of issue at the rate of one and a quarter (1.25) per cent. above LIBOR per annum, would compound annually on the anniversary of the first date of issue and would be paid only as part of any redemption amount paid when such Loan Notes are redeemed or repaid in accordance with the provisions of the Loan Note Instrument.

On 30 June 2016 and 30 June 2017 (each a "**Repayment Date**"), the Company would redeem one-half of the principal amount of Loan Notes issued on the date of the Loan Note Instrument. Any redemption of the Loan Notes shall be made pro rata to the holdings of all holders of Loan Notes, together with accrued and unpaid interest (less any tax required by law to be deducted or withheld from such payment) accrued on the relevant Loan Notes up to (and including) such Repayment Date.

The Loan Notes would be transferable only in limited circumstances, not capable of being dealt in or on any stock exchange in the UK or elsewhere and no application would be made to any stock exchange for permission to deal in or for an official or other quotation for the Loan Notes.

(b) Consideration Shares

Assuming that, other than the maximum number of Placing Shares and the Consideration Shares, no further Ordinary Shares would be issued from the date of this Announcement until Re-Admission and Completion, the Consideration Shares would represent approximately 31.6 per cent. of the Enlarged Group's issued share capital immediately following Re-Admission.

The Consideration Shares would be issued at Completion to the Sellers credited as fully paid and would rank *pari passu* in all respects with the Ordinary Shares then in issue, including the right to receive all dividends, distributions or any return of capital declared, paid or made after Completion.

Immediately following Completion, it is anticipated that the Platou selling shareholders would own, in aggregate, approximately 33.4 per cent. of Clarksons' issued share capital, excluding the effects of the Placing.

3. Conditions

Completion would be conditional upon satisfaction or, where capable of being waived, waiver of the following Conditions prior to the Long Stop Date (or such later date as the parties may agree):

(a) the execution of, or adherence to, the Transaction Documents and, as applicable, the US Warranty Agreement by Platou Shareholders with a minimum combined holding of 90 per cent. of the Platou Share Capital by no later than the Execution Longstop Date;

(b) the passing of the Acquisition Resolution;

(c) either the execution of, or adherence to, the Transaction Documents and, as applicable, the US Warranty Agreement by all of the Platou Shareholders who are party to the Platou Shareholders' Agreement or the passing of the Shareholders' Agreement Resolution (which the Sellers have agreed to vote in favour of);

(d) the RS Platou LLP Transaction completing or alternative arrangements relating to the LLPs being implemented on the terms disclosed to the Company (subject to certain exceptions);

(e) certain regulatory approvals or notifications having been obtained or received or certain time periods having elapsed without the relevant regulatory authority taking certain actions;

(f) (i) no Relevant Authority having intervened and there being any statute, regulation or order of any Relevant Authority which would or might make the Acquisition void, illegal or unenforceable or otherwise impede, challenge or interfere with the Acquisition and (ii) no interested party having intervened which the Company reasonably believes, with the consent of the Sellers (not to be unreasonably withheld or delayed), would have such an effect; and

(g) the Re-Admission Condition.

In the event that the Conditions are not satisfied (or, where capable of being waived, waived) by the Long Stop Date (or such later date as the parties may agree) or the Acquisition Resolution is not approved at the General Meeting, the Share Purchase Agreement would automatically terminate.

If the Acquisition Resolution is approved at the General Meeting and each of the other Conditions is satisfied (or, where capable of being waived, waived) prior to the Long Stop Date, the Company would be contractually obliged to proceed to Completion unless the Share Purchase Agreement is otherwise terminated (see paragraph 6 of this Appendix 2). Completion, which would be subject to regulatory approval, is currently expected to occur in the first quarter of 2015.

4. Company Warranties

The Share Purchase Agreement contains warranties that would be given by the Company as to, amongst other things, capacity and authority to enter into and perform its obligations under the Transaction Documents, compliance by the Company in all material respects with all applicable laws and regulations of the UK and any other relevant jurisdiction, the Consideration Shares and Loan Notes being issued free and clear of any third party rights and certain warranties in respect of the information contained in the Circular, the Prospectus and the transaction announcements.

5. Conduct of the Platou Group's business prior to Completion

Under the terms of the Share Purchase Agreement, the Sellers would agree to take certain steps within their power to ensure that the business and assets of the Platou Group are preserved and protected and the Platou Group's business is carried on prior to Completion in all material respects in the ordinary course.

6. Termination of the Share Purchase Agreement

The Share Purchase Agreement would terminate:

(a) if the Conditions have not been satisfied (or, where capable of waiver, waived) on, or before, the Long Stop Date (or such other date as may be agreed by the parties); or

(b) the General Meeting resolves not to approve the Acquisition Resolution; or

(c) on notice from the non-defaulting party to the defaulting party, if either the Sellers or the Company fail(s) to comply with a material closing obligation; or

(d) on notice from the Company to the Sellers, if: (i) there is a material breach of a warranty given by the Sellers on the date of the Warranty Agreement or the US Warranty Agreement provided that such breach has a materially adverse impact on the business of the Platou Group taken as a whole in the context of the Acquisition; or (ii) there is a material breach by one or more of the Sellers of their obligations under any of the Transaction Documents, the US Warranty Agreement or certain other documents related to the Acquisition which has gone unremedied within 5 business days and provided that the facts, matters or circumstances giving rise to such breach have a materially adverse impact on the business of the Platou Group taken as a whole in the context of the Acquisition; or (iii) any event occurs which would constitute a material breach of any warranty given by the Sellers if it were repeated at any time before Completion, provided that such event has a materially adverse impact on the business of the Platou Group taken as a whole in the context of the Acquisition; or (iv) if three or more key managers give notice of resignation to a member of the Platou Group and have not retracted such resignation within 20 business days of having served such notice; or

(e) on notice from the Sellers to the Company, if: (i) there is a material breach of a warranty given by the Company on the date of the Share Purchase Agreement provided that such breach has a materially adverse impact on the business of the Clarksons Group taken as a whole in the context of the Acquisition; or (ii) there is a material breach by the Company of its obligations under any of the Transaction Documents, the US Warranty Agreement or certain other documents related to the Acquisition which has gone unremedied within 5 business days and provided that the facts, matters or circumstances giving rise to such breach have a materially adverse impact on the business of the Clarksons Group taken as a whole in the context of the Acquisition.

7. Costs

The Company and Platou would each agree to pay the costs and expenses incurred by them in connection with the preparation, negotiation, entering into and completion of the Transaction Documents and any other agreements in respect of the Acquisition.

8. Lock-up arrangements

Under the terms of the Share Purchase Agreement, the Sellers would each agree, subject to certain customary exceptions, to enter into the following lock-up arrangements with the Company in respect of the Consideration Shares, pursuant to which:

(a) during the 12 month period following Re-Admission, no Seller shall effect a Disposal of any Consideration Shares;

(b) during the 12 month period following the first anniversary of Re-Admission, each Seller may only Dispose of no more than 33.33 per cent. of the Consideration Shares issued to such Seller; and

(c) during the 12 month period following the second anniversary of Re-Admission, each Seller may only Dispose of no more than 66.66 per cent. of the Consideration Shares issued to such Seller (which shall be calculated to include any Consideration Shares sold pursuant to paragraph (b)),

provided that any Disposal of Consideration Shares by a Seller pursuant to paragraphs (b) and (c) above or during the 12 month period following the third anniversary of Re-Admission would be effected in accordance with the reasonable requirements of the Company so as to ensure an orderly market in the Ordinary Shares (including, without limitation, that any Disposals are effected by the Company's corporate broker (from time to time) and, to the extent applicable in respect of a Seller, in accordance with the Company's share dealing policies).

9. Warranty Agreement and the US Warranty Agreement

9.1 Seller Warranties

The Warranty Agreement contains customary warranties from the Sellers as to their authority to enter into the Transaction Documents, their title and ownership of the Platou Shares and the Platou business (the "**Seller Business Warranties**"). The US Warranty Agreement contains certain warranties from Sellers located in the United States relating to matters of US securities laws.

9.2 Limitations

The Sellers’ liability in respect of the warranties given by them under the Warranty Agreement and the US Warranty Agreement would be subject to customary limitations. In addition, other than in relation to certain warranties which would be given by each Seller in respect of themselves only, each Seller would only be liable for the proportion of the aggregate liability to the Company arising from a breach of any Seller Business Warranty equal to the proportion of the Platou Share Capital being sold by such Seller pursuant to the Share Purchase Agreement.

9.3 Termination of the Warranty Agreement

The Warranty Agreement and the US Warranty Agreement would automatically terminate in the event that the Share Purchase Agreement terminates in accordance with its terms.

Appendix 3
Information on the Platou Group

1. Introduction

1.1 Established in Oslo in 1936, the Platou Group is a leading international broker and investment bank providing high value brokerage, financial and advisory services focused on the offshore and shipping markets, operating from offices in 11 countries located in key global financial and shipping centres and with 321 employees as at 30 September 2014. The Platou Group's business comprises four core divisions: Offshore, Shipbroking, Investment Banking and Project Finance, which are complemented by a variety of research capabilities.

1.2 On 5 November 2014, the members of RS Platou LLP and RS Platou Energy LLP (the "**LLPs**"), in both of which Platou holds a 51 per cent. interest, resolved, among other things, to wind-up the LLPs from 31 December 2014. Pursuant to agreements dated 5 November 2014 and 21 November 2014, the LLPs have agreed to transfer substantially all of their assets to a new entity, established by their respective existing members (other than Platou) (the "**RS Platou LLP Transaction**"). In connection with the RS Platou LLP Transaction, Platou has acquired the shares in Platou held by certain of the existing members of the LLPs. Completion of the RS Platou LLP Transaction is expected to occur on 31 December 2014, subject to certain conditions. If completion of the RS Platou LLP Transaction does not occur on 31 December 2014, the LLPs will nonetheless be wound up in accordance with the resolutions above.

1.3 RS Platou LLP and RS Platou Energy LLP are based in London and formed part of the Platou Group's Shipbroking division with a focus on specific sub-sectors of the shipping market (for the year ended 31 December 2013, the business to be disposed of pursuant to the RS Platou LLP Transaction generated total revenue of £7.5 million and operating profit of £1.5 million). The description of the Platou Group and the Platou Group's financial information set out in this Appendix 3 anticipates the completion of the RS Platou LLP Transaction and therefore does not contain any information on RS Platou LLP or RS Platou Energy LLP or their respective subsidiaries (other than certain customer commissions in the Forward Order Book, which will remain part of the Platou Group).

1.4 For the year ended 31 December 2013, the Platou Group generated total revenues of £132.7 million and operating profit of £33.6 million. (and total revenue of £52.0 million and operating profit of £9.9 million for the six months ended 30 June 2014). As at 30 June 2014, the Platou Group had gross assets of £99.3 million.

1.5 As at 30 September 2014, the Platou Group's Forward Order Book for collection in the year ended 31 December 2015 is US$57.6 million, which comprises a Forward Order Book for Offshore of US$40.0 million, Shipbroking of US$15.3 million and Project Finance of US$2.3 million.

2. Business divisions

2.1 Offshore

The Platou Group has been engaged as a broker in the offshore drilling industry since the 1960s, and the Offshore division was established in 1973. Following the acquisition of a controlling interest in the Stewart Group Limited (the "**Stewart Group**") in 2008, the Platou Group is recognised as one of the leading global players in the sector, advising vessel owners, oil and gas companies, shipyards, designers and maritime architects, class authorities, investors and financial institutions on the chartering, sale and purchase and newbuild construction of all major types of offshore vessel, as well as providing valuation services, market intelligence and analysis. On 24 November 2014, Platou agreed to acquire the remaining minority interest of the Stewart Group, conditional on Completion. As at 30 September 2014, the Offshore division had 117 employees across the Platou Group's offices in Oslo, Singapore, Houston, Cape Town, Moscow, Shanghai, Aberdeen, London, Dubai and Rio de Janeiro.

For the year ended 31 December 2013, the Offshore division generated total revenues of £38.7 million (representing 29.2 per cent. of the Platou Group's total revenue for the year) and operating profit of £8.8 million (representing 26.2 per cent. of the Platou Group's total segment operating profit for the year). For the six months ended 30 June 2014, the Offshore division generated total revenues of £17.4 million (representing 33.5 per cent. of the Platou Group's total revenue for the period) and operating profit of £3.6 million (representing 36.4 per cent. of the Platou Group's total segment operating profit for the period).

2.2 Shipbroking

The Shipbroking division of the Platou Group was established in 1936 and serves clients in the shipping industry worldwide by providing broking services in connection with the chartering, sale and purchase and newbuild construction of dry cargo, container, tanker and more specialised vessels (including cruise vessels and RoRo vessels) as well as providing research regarding the shipping industry through its economic research department. As at 30 September 2014, the Shipbroking division (excluding the businesses which were disposed as part of the RS Platou LLP Transaction) had 105 employees located in Oslo, Houston, Moscow, Piraeus, Shanghai and Singapore.

For the year ended 31 December 2013, the Shipbroking division generated total revenues of £24.9 million (representing 18.8 per cent. of the Platou Group's total revenue for the year) and operating profit of £1.2 million (representing 3.6 per cent. of the Platou Group's total segment operating profit for the year). For the six months ended 30 June 2014, the Shipbroking division generated total revenues of £10.0 million (representing 19.2 per cent. of the Platou Group's total revenue for the period) and loss from operating activity of £1.1 million.

2.3 Investment Banking

The Investment Banking division was established in 2008 and offers a range of financial advisory services to its global clients under regulatory licences in both Norway and the US. Specialising in the energy, shipping and oil service sectors, the Investment Banking division offers services including equity and fixed income sales and trading, equity and credit research and corporate finance services focussing on core maritime sectors, including advising clients on a range of equity and debt capital markets and M&A transactions. As at 30 September 2014, the division had 79 employees located in Oslo and New York. During the year ended 31 December 2013, the Investment Banking division participated in 33 equity and debt capital markets transactions and six M&A transactions with a combined value of US$7.4 billion.

For the year ended 31 December 2013, the Investment Banking division generated total revenues of £61.3 million (representing 46.2 per cent. of the Platou Group's total revenue for the year) and operating profit of £21.7 million (representing 64.6 per cent. of the Platou Group's total segment operating profit for the year). For the six months ended 30 June 2014, the Investment Banking division generated total revenues of £21.5 million (representing 41.3 per cent. of the Platou Group's total revenue for the period) and operating profit of £6.6 million (representing 66.7 per cent. of the Platou Group's total segment operating profit for the period).

2.4 Project Finance

The Project Finance division was established in 2004 and specialises in the shipping, offshore and real estate sectors. The Project Finance division identifies investment opportunities involving the purchase of shipping, offshore or real estate assets and executes project financing solutions on behalf of asset owners and financial investors. In addition, the Project Finance division undertakes certain asset management activities and provides ongoing corporate and management services for its completed projects. As at 30 September 2014, the Project Finance division had 20 employees located in Oslo and Singapore.

For the year ended 31 December 2013, the Project Finance division generated total revenues of £7.8 million (representing 5.9 per cent. of the Platou Group's total revenue for the year) and operating profit of £1.9 million (representing 5.7 per cent. of the Platou Group's total segment operating profit for the year). For the six months ended 30 June 2014, the Project Finance division generated total revenues of £3.1 million (representing 6.0 per cent. of the Platou Group's total revenue for the period) and segment operating profit of £0.8 million (representing 8.1 per cent. of the Platou Group's total operating profit for the period).

3. Current trading and prospects

For the three months ended 30 September 2014, Platou's results were in line with management expectations, with positive developments across each of Shipbroking, Offshore, Investment Banking and Project Finance.

3.1 Shipbroking

Positive developments in the Shipbroking division during the first half of 2014 continued in the three months ended 30 September 2014. Revenues were higher as compared to the same period the previous year due primarily to Platou's strong Forward Order Book and an increase in sale and purchase activity.

3.2 Offshore

A strong performance of the Offshore division during the first half of 2014 was below that of the first half of 2013. This continued during the three months ended 30 September 2014, driven by robust chartering activity. The lower revenues in the six month and three month periods were due to lower newbuild and sale and purchase activity. In July 2014 Platou recruited three specialist subsea brokers who are expected to commence work for Platou in early 2015, and who management believe will broaden the product offering in the offshore sector.

3.3 Investment Banking

The positive development in sales and trading during first half of 2014 continued during the three months ended 30 September 2014. Corporate finance activity was strong during the three months ended 30 September 2014 and in line with management expectations. A number of transactions have been completed for both new and existing clients, and a number of projects could potentially be completed before end of 2014.

3.4 Project Finance

Positive development in the Project Finance division during first half of 2014 continued in the three months ended 30 September 2014. Revenues were higher as compared to the same period the previous year, driven primarily by strong volumes in real estate and project finance.

3.5 Other

On 1 September 2014, Platou completed the sale of its 50 per cent. interest in M62 Holding AS, the holding company of the Platou Group's corporate office building in Oslo which is currently under construction. Platou expects to recognise a gain of approximately £2.2 million in the year ended 31 December 2014.

3.6 The RS Platou LLP Transaction

On 5 November 2014, the members of RS Platou LLP and RS Platou Energy LLP, in both of which Platou holds a 51 per cent. interest, resolved, among other things, to wind-up the LLPs from 31 December 2014. Pursuant to agreements dated 5 November 2014 and 21 November 2014, the LLPs have agreed to transfer substantially all of their assets to a new entity, established by their respective existing members (other than Platou). In connection with the RS Platou LLP Transaction, Platou has acquired the shares in Platou held by certain of the existing members of the LLPs. Completion of the RS Platou LLP Transaction is expected to occur on 31 December 2014, subject to certain conditions. If completion does not occur on 31 December 2014, the LLPs will nonetheless be wound up in accordance with the resolutions above. Further information on the RS Platou LLP Transaction is contained in paragraph 1 of this Appendix 3.

3.7 Acquisition of remaining minority interest of the Stewart Group

On 24 November 2014, Platou agreed to acquire the remaining 22.90 per cent. minority interest of the Stewart Group for consideration of £7.4 million satisfied in Platou Shares currently held in treasury by Platou. The transaction is conditional on Completion.

3.8 Outlook

In spite of continued volatility in the shipping and offshore markets, management believe the Platou Group is well positioned to take advantage of opportunities in its core shipbroking and offshore markets due to Platou's niche strategy and strong teams in all divisions. Platou's management remains confident in the outlook for the remainder of 2014 and its expectations remain unchanged.

Appendix 4
Unaudited pro forma information

The unaudited pro forma statement of net assets and pro forma income statement (together "**Unaudited Pro Forma Financial Information**") of the Enlarged Group set out below have been prepared on the basis set out in the notes below to illustrate the impact of the Acquisition of Platou and the RS Platou LLP Transaction on the net assets of the Clarksons Group as at 30 June 2014 as if they had taken place at that date, and on the income statement of the Clarksons Group for the year ended 31 December 2013 as if they had taken place at the beginning of that financial year.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group's actual financial position or results.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006. Shareholders should read the whole of this Announcement and not rely solely on the summarised financial information contained in this Appendix 4.

The Unaudited Pro Forma Financial Information does not purport to represent what the Enlarged Group's financial position and results of operations actually would have been if the Acquisition had been completed on the dates indicated nor do they purport to represent the results of operations for any future period or the financial condition at any future date.

Unaudited pro forma statement of net assets

	Clarksons Group as at 30 June 2014	Adjustments: Former Platou Group at 30 June 2014	Adjustments: RS Platou LLP Transaction at 30 June 2014	Adjustments: RS Platou LLP Transaction adjustments	Adjustments: Acquisition adjustments	Enlarged Group at 30 June 2014
	£m	£m	£m	£m (Note 1)	£m (Note 2)	£m
ASSETS						
Non-current assets						
Property, plant and equipment	8.3	5.6	(0.3)	-	-	13.6
Investment property	0.3	-	-	-	-	0.3
Intangible assets	40.5	16.1	-	-	266.7	323.3
Trade and other receivables	0.6	5.1	-	-	-	5.7
Investments	1.8	0.2	(0.1)	-	-	1.9
Deferred tax asset	11.6	0.6	-	-	-	12.2
	63.1	**27.6**	**(0.4)**	**-**	**266.7**	**357.0**
Current assets						
Inventories	1.2	-	-	-	-	1.2
Trade and other receivables	50.4	41.7	(2.5)	-	-	89.6
Income tax receivable	3.7	-	-	-	-	3.7
Investments	25.2	8.2	-	-	-	33.4
Cash and cash equivalents	75.1	28.6	(3.9)	(3.6)	(31.9)	64.3
	155.6	**78.5**	**(6.4)**	**(3.6)**	**(31.9)**	**192.2**
TOTAL ASSETS	**218.7**	**106.1**	**(6.8)**	**(3.6)**	**234.8**	**549.2**
LIABILITIES						
Current liabilities						
Interest-bearing loans and borrowings	-	(20.5)	-	-	-	(20.5)
Trade and other payables	(66.1)	(43.5)	3.2	-	-	(106.4)
Income tax payable	(1.3)	(7.0)	0.1	-	-	(8.2)
	(67.4)	**(71.0)**	**3.3**		**-**	**(135.1)**
Non-current liabilities						
Interest-bearing loans and borrowings	-	(12.2)	-	-	(46.9)	(59.1)
Trade and other payables	(2.3)	(0.4)	0.4	-	-	(2.3)
Provisions	(2.2)	-	-	-	-	(2.2)
Employee benefits	(4.9)	(1.3)	-	-	-	(6.2)
Deferred tax liability	(2.5)	-	-	-	-	(2.5)
	(11.9)	**(13.9)**	**0.4**		**(46.9)**	**(72.3)**
TOTAL LIABILITIES	**(79.3)**	**(84.9)**	**3.7**		**(46.9)**	**(207.4)**
NET ASSETS	**139.4**	**21.2**	**(3.1)**	**(3.6)**	**187.9**	**341.8**

Notes

1. The net cash adjustment of £3.6 million is made up of the anticipated payments of £11.7 million and NOK 25.2m due for the shares of Platou, offset by the anticipated proceeds of £10.4 million arising from the transfer of assets. The exchange rate used to translate the NOK payment was 10.61 being the rate in force at close of business on 17 November 2014.

2. The adjustments arising as a result of the Acquisition are set out below:

   (a) The total consideration for the Acquisition is £281.2 million. The consideration is made up of £23.4 million in cash, £46.9 million in Loan Notes and £210.9 million in Consideration Shares. An adjustment has also been made for the expected transaction costs of £8.5 million, this has been reflected in cash and cash equivalents. The total adjustment to cash and cash equivalents is therefore £31.9 million.

   (b) The acquisition will be accounted for using the Acquisition method of accounting. The excess of consideration over the book value of net assets has been reflected in intangible assets as goodwill. A fair value exercise will be completed post completion of the transaction; therefore, no account has been taken of any fair value adjustments that may arise on the Acquisition. The adjustment to goodwill has been calculated as follows:

	£m	£m
Total consideration		**281.2**
Less: Net assets acquired		
Former Platou Group as at June 2014	***21.2***	
RS Platou LLP Transaction as at June 2014	***(6.7)***	**(14.5)**
Adjustment to goodwill		**266.7**

The RS Platou LLP Transaction adjustment is made up of the net liabilities disposed of as part of the RS Platou LLP Transaction of £3.1 million and the net cash payment of £3.6 million set out in Note 1.

3. Clarksons has today announced that it is considering raising up to 8.5 per cent. of the Ordinary Shares in the capital of the Company by way of a placing of up to 1,613,698 Ordinary Shares. The proceeds raised will be dependent on the share price at the time the Placing is undertaken. Using the closing middle market share price as at 24 November 2014 of £20.21, the proceeds raised would be up to £32.6 million.

This adjustment has not been included in the pro forma net asset table as there is no certainty, as at the date of the Announcement, as to the amounts being raised or whether the Placing would proceed. Should the amount raised be £32.6 million, this would increase net assets by £32.6 million (before costs).

Unaudited Pro Forma Income Statement

	Clarksons Group for the year ended 31 December 2013	Adjustments: Former Platou Group for the year ended 31 December 2013	Adjustments: RS Platou LLP Transaction for the year ended 31 December 2013	Adjustments: Acquisition adjustments	Enlarged Group for the year ended 31 December 2013
	£m	£m	£m	£m	£m
				(Note 4)	(Note 6, 7)
Revenue (Note 8)	198.0	140.2	(7.5)	-	330.7
Cost of sales	(6.2)	-	-	-	(6.2)
Trading profit	**191.8**	**140.2**	**(7.5)**	**-**	**324.5**
Administrative expenses (Note 5)	(169.9)	(105.1)	6.0	(8.5)	(277.5)
Operating profit	**21.9**	**35.1**	**(1.5)**	**(8.5)**	**47.0**
Finance revenue	0.7	1.2	-	(0.2)	1.7
Finance costs	(0.1)	(2.1)	0.1	(1.1)	(3.2)
Other finance costs – pensions	(0.5)	-	-	-	(0.5)
Profit before taxation	**22.0**	**34.2**	**(1.4)**	**(9.8)**	**45.0**
Taxation	(6.7)	(10.4)	0.2	0.3	(16.6)
Profit for the year	**15.3**	**23.8**	**(1.2)**	**(9.5)**	**28.4**

Notes

4. The acquisition adjustments are set out below:

   (a) An adjustment is included for transaction costs payable of £8.5 million which are reflected in administrative expenses. These would be shown as acquisition costs in Clarksons' presentation of income statement. See Note 5 for further details.

   (b) An adjustment has been included to reflect one year's interest charge of £1.1 million arising on the Loan Notes which have interest payable at 1.25 per cent. per annum over 12 month LIBOR. This would be shown as finance costs in Clarksons' presentation of income statement. This interest will have a continuing impact on the income statement until the Loan Notes are repaid and will be shown as an acquisition costs in Clarksons' presentation of income statement. See Note 5 for further details. In addition an adjustment has been made to finance revenue of £0.2 million to reflect the loss of interest on the cash outflows associated with the acquisition.

   (c) The taxation impact of the total of all of the above acquisition adjustments is £0.3 million and has been calculated with reference to the UK Corporation tax rate in force as at 31 December 2013 of 23 per cent.

5. Included within the results of Clarksons for the year ended 31 December 2013 are exceptional costs amounting to £1.0 million and acquisition costs amounting to £2.1 million. Thus the stated pro forma results for the year ended 31 December 2013 include total exceptional costs of £1.0 million and total acquisition costs of £11.7 million (including the interest payable on the loan note and transaction cost). The pro forma profit before taxation, exceptional items and acquisition costs for the year ended 31 December 2013 would therefore be £57.7 million.

6. No account has been made of any trading activity post 31 December 2013.

7. All of the adjustments described in Note 4 of the Unaudited Pro Forma Income Statement will have a continuing impact, with the exception of the adjustment in Note 4a in relation to transaction costs of £8.5 million.

8. Pro forma revenue can be further analysed by segment as follows:

	Clarksons for the year ended 31 December 2013	Reclassification for the year ended 31 December 2013	Former Platou Group for the year ended 31 December 2013	RS Platou LLP Transaction for the year ended 31 December 2013	Enlarged Group for the year ended 31 December 2013	Percentage of total revenue
	£m	**£m (Note a)**	**£m**	**£m**	**£m**	**%**
Shipbroking	160.3	(18.2)	32.4	(7.5)	167.0	50.5
Offshore broking	-	18.2	38.7	-	56.9	17.2
Financial	11.6	-	69.1	-	80.7	24.4
Support	16.4	-	-	-	16.4	5.0
Research	9.7	-	-	-	9.7	2.9
Total revenue	**198.0**	**-**	**140.2**	**(7.5)**	**330.7**	**100.0**

(a) Included within Clarksons' Shipbroking revenues for the year ended 31 December 2013 was £18.2m relating to Offshore broking activities which will be disclosed alongside the Platou offshore broking revenue within the Enlarged Group and have therefore been reclassified for the purpose of the pro forma analysis.

(b) Financial revenue includes Platou's Markets and Finance segments.

Appendix 5
Operating and Financial Review of the Clarksons Group

The financial information considered in this Appendix 5 is extracted from the Clarksons Group's Annual Reports for the years ended 31 December 2013, 2012 and 2011, as well as, their interim report for the six months ended 30 June 2014.

The following discussion of the Company's results of operations and financial conditions contains forward-looking statements. The Company's actual results could differ materially from those that it discusses in these forward-looking statements. Factors that could cause or contribute to such differences include certain industry issues as well those discussed below and elsewhere in this Announcement.

1. Overview

The Clarksons Group is a leading provider of integrated shipping services. Established in 1852, the Clarksons Group is headquartered in London, with 43 offices globally, employing 1,082 people as of 30 October 2014.

The Ordinary Shares are admitted to the premium listing segment of the Official List of the UKLA and to trading on the Main Market. The Clarksons Group generated revenue of £198.0 million for the year ended 31 December 2013 and £111.7 million for the six months ended 30 June 2014. As at 30 June 2014, the Clarksons Group had gross assets of £218.7 million.

The Clarksons Group has four main divisions: Broking, Financial, Support and Research.

- *Broking*: Broking acts as an intermediary between (i) ship owners and those wishing to move cargo using voyage charters, time charters, or contracts of affreightment and (ii) buyers and sellers of ships throughout the life cycle of the vessels from the contracting of new buildings, through the sale or purchase of secondhand vessels and finally recycling and demolition at the end of the vessel's useful life.

- *Financial*: Financial provides comprehensive Forward Freight Agreement and specialist commodity derivative broking services; a boutique investment banking service, which is focused on global maritime, oil services and natural resources sectors; and a financial services business, specialising in the shipping and off-shore sectors and experienced in a wide range of debt raising products.

- *Support*: Support provides around the clock vessel agency and port operations; project logistics, including berth and route planning, on-site attendance and liaison with port authorities to arrange crew change requirements; stevedoring and warehouse management with extensive experience in vessel loading and discharging of bulk cargoes, with a focus on the import and export of grains, oil seeds, pulses and bio-mass along with commodity cleaning and bagging; forwarding and logistics, which, through EnShip and Great Yarmouth Forwarding, offer warehousing and full logistics together with management solutions; and supplies and tooling, which provides specialist supplies to the maritime and offshore markets.

- *Research*: The Clarksons Group's team of 81 employees, located in the UK and Shanghai, collects, validates, analyses and manages a wide range of data to inform the key business decisions that shape the Clarksons Group's industry. The Clarksons

Group has specialist research teams in the offshore and energy and shipping and trade. Research is also a leading provider of valuations to the offshore and shipping industry. In addition to off-the-shelf research reports, Research offers bespoke customer service contracts tailored to the specific needs of clients, particularly those in the financial, government, insurance, equipment and shipbuilding sectors.

For the year ended 31 December 2013, £160.3 million (81.0 per cent. of total revenue) was derived from Broking, £11.6 million (5.9 per cent. of total revenue) was generated by Financial, £16.4 million (8.3 per cent. of total revenue) was generated by Support and £9.7 million (4.9 per cent. of total revenue) was generated by Research.

2. Current trading and prospects

Clarksons continues to trade well making positive advances despite continued headwinds in some shipping markets arising from the geopolitical unrest which was particularly prevalent over the summer months. The ClarkSea index is unchanged for the second half of 2014 to date against the first half of the year. The average of the ClarkSea index for the year to date is however up 16 per cent. against the same period in 2013. Revenue in nine months to 30 September 2014 was up year on year and the Clarksons Group's performance has continued in line with the Board's expectations.

2.1 Broking

The signs of improvement in the rate environment highlighted in the first half of the year have continued. The Clarksons Group's broking teams have once again worked hard to take full advantage, ensuring it is at the forefront of all activity. The Clarksons Group have seen particularly good performances across gas, tankers, specialised products and sale & purchase.

2.2 Financial

The autumn saw a drop in overall capital markets activity as financial markets remained fragile; despite this the Clarksons Group has a strong pipeline of activity and are working on a number of active mandates. Since 30 June 2014 the Clarksons Group has also seen increased revenues from sales and trading. The Clarksons Group's derivatives broking business has achieved higher trading volumes following the recent improvement in dry bulk rates.

2.3 Support

Improved grain exports due to the record harvest has benefitted trading in the Clarksons Group's port services business. Gibbs Tools and Ewings continue to integrate well, allowing the Clarksons Group to expand the port and agency offer via improved geographical reach and the increased scope of the its services. Revenue across the support businesses have been in line with expectations and significantly ahead of last year.

2.4 Research

The Clarksons Group has seen an increase year on year in underlying revenue from research activities, as the Clarksons Group continue to grow and develop the breadth and depth of its Research offering which underpins all of its services.

2.5 Outlook

The markets remain volatile. Nevertheless, the Clarksons Group is well positioned to take advantage of the recent improvements in certain rates and has once again experienced an increase in transaction volumes compared to the same period last year. The Clarksons Group continues to trade in line with the Directors' expectations and remains confident for the remainder of the year.

3. Significant factors affecting the Clarksons Group's results of operations

The results of operations and financial condition of the Clarksons Group have been influenced in the years ended 31 December 2011, 2012 and 2013 and the six months ended 30 June 2014, by various factors, including those summarised below. The Clarksons Group expects that these factors may continue to have an impact on its results of operations and financial condition in the future. Further information on some of the risks that may affect the Clarksons Group's results of operations and financial condition is set out in Appendix 6 (*Risk Factors*).

(a) Market conditions and trade flows

The Clarksons Group's success depends to an extent upon the macroeconomic conditions as well as the international maritime industry, in particular the international shipping, seaborne trade flows, shipping capacity and offshore oil and gas sectors. Historically, the shipping and offshore industries have been highly cyclical, experiencing significant volatility in charter rates and asset values, which can have a significant impact on the Clarksons Group's revenue and the demand for its services. The general activity in the shipping and offshore industries, as well as shipping freight rates and day rates for offshore units, varies over time based on, amongst other things, development in global and regional economic conditions, the worldwide supply and demand for oil and gas, fluctuations in energy and commodity prices, fluctuations in global production, weather conditions, government laws and regulations, political development, environmental protection laws and regulations and the competitiveness of alternative energy sources.

Nevertheless, demand for seaborne trade, the ultimate driver of any shipping cycle, has continued its increase, with 10 billion tonnes in 2013 (1990: 4 billion tonnes) of cargo now being moved around the globe, representing approximately 1.4 tonnes per person on the planet (1990: 0.8 tonnes); this at a time following a period of reduced availability of credit, a fall in newbuildings contracted and increased scrapping of vessels. The second half of 2013 brought some tentative signs of recovery. The year ended with the ClarkSea index up 79 per cent. (from an all-time low) and seaborne trade, growing by a healthy 3.8 per cent., year-on-year, close to the 50-year average. The overall improvement in shipping rates has resulted in additional interest and activity in the capital markets and contributed to an increase in the Clarksons Group's revenue, from the prior year, of 21.8 million, or 12.4 per cent., to £198.0 million for the year ended 31 December 2013.

The Clarksons Group's strong client relationships and broad product offerings have helped it offset the cyclical and sometimes unpredictable nature of the international maritime industry. The Clarksons Group has long relationships with many of its clients and has built up an understanding of their businesses. Increasingly, the Clarksons Group is working towards a consulting and execution model with continued investment in research and analysis underpinning this offer. Additionally, the unique product breadth of the Clarksons Group's offer means that once working with a client, the Clarksons Group is able to facilitate all areas of their global trade requirements, and guide on other influences that are not always taken into account. The Clarksons Group's performance over the period shows the strength of its global strategy and understanding of the markets.

The Clarksons Group's global presence enables it to meet client needs wherever and whenever they arise and manage the variations in macroeconomic conditions and the international maritime industry. Further investment in international offices over recent years has also ensured that the Clarksons Group can help clients on both a global and local level. As at 31 December 2013, the Clarksons Group had 42 offices across 18 countries with new broking offices in Morocco and Sweden and further investment to grow the Clarksons Group's Singapore and Dutch offices. Additionally, the Clarksons Group refocused its activities in Clarkson Capital Markets by exiting from the Dubai International Finance Centre ("**DIFC**"), and investing in growing the team in New York and Houston. Across the Clarksons Group's port services business a new branch of the Clarksons Group's industrial supplies business was opened in Great Yarmouth, and new agency offices were opened in Leith and Lerwick. Today over 46 per cent. of the Clarksons Group's workforce is based outside of the UK with 42 per cent. of group revenue generated overseas. The Clarksons Group's ability to deliver a truly local service worldwide assists it in mitigating the risks associated with unfavourable macroeconomic conditions and decreases in seaborne trade flows and demand as the Clarksons Group is able to provide services on both a global and local level and offset unfavourable market conditions by shifting its focus to more favourable markets and opportunities.

(b) Product and service offerings

The Clarksons Group's product and service offerings span the maritime and financial markets, which the Directors believe uniquely place the Clarksons Group to deliver commercial solutions to all of its clients. This breadth enables the Clarksons Group to support its clients in every area of need, develop its relationship with them and ensure that even in challenging trading conditions the Clarksons Group can be at the forefront of activity, whichever sector or geography of the market it is in. Each area of the Clarksons Group's business is supported by research and analysis. This research and analysis has assisted in the significant growth of banking transactions undertaken by Clarkson Capital Markets during 2013.

During 2013 and into 2014 the Clarksons Group continued to make further organic investment, extending its business services into barge broking, increasing its team within iron ore swaps broking and improving its sale and purchase capabilities in container and specialised product assets. In October 2013, the Clarksons Group announced the acquisition of Aberdeen-based Gibb Tools, a leading specialist tool supplier to the industrial maritime and offshore sector. The acquisition extends further the strategy for the Clarksons Group's port and agency and supplies businesses, providing a step change to its client offer, and significantly increasing its capability to tender for larger offshore and renewable contracts.

(c) Foreign exchange

The majority of the Clarksons Group's earnings are denominated in US Dollars and other non-Sterling currencies while the majority of the Clarksons Group's costs are denominated in Pounds Sterling or the local currency of the office concerned. Additionally, the carrying values of the underlying assets of the Clarksons Group's respective overseas subsidiaries are denominated in foreign currencies. Fluctuations in foreign currency exchange rates (and, in particular, movements in the US Dollar relative to Pounds Sterling) affect the profitability, business, financial condition, results of operations or prospects of the Clarksons Group. The Clarksons Group assesses the rate of exchange and non-Sterling balances held continually, and predominantly sells in the spot market, though some forward cover for future years is also taken.

(d) Acquisitions

The Clarksons Group has increased its global presence and product breadth through acquisitions as well as organic growth. Recently, these acquisitions have consisted of the 2014 acquisition of Michael F. Ewings (Shipping) Limited, a Belfast based port agent; the 2013 acquisition of Aberdeen-based Gibb Tools, a leading specialist tool supplier to the industrial maritime and offshore sector; the 2011 acquisitions of Boxton Holding and Bridge Maritime, both Oslo-based shipbroking businesses which expanded the Clarksons Group's presence in Scandinavia; and the 2011 acquisition of EnShip, an Aberdeen based shipping agency and marine industry logistics specialist which further enhanced the Clarksons Group's port and agency activities.

4. Description of key line items

(a) Revenue

Revenue is generated from the Clarksons Group's Broking, Financial, Support and Research segments and is comprised of service revenue, rental income and revenue from the sale of goods. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Clarksons Group and the revenue can be reliably measured.

(b) Cost of sales

Cost of sales primarily consists of inventory costs and freight forwarding costs attributable to the sale of goods and to port and agency services.

(c) Other income

Other income relates to income in relation to the exceptional items.

(d) Administrative expenses

Administrative expenses consist of staff costs, operating lease rent, depreciation, maintenance, insurance, running costs of properties and equipment, IT expenses and other administrative costs of the Clarksons Group.

(e) Finance revenue

Finance revenue consists of bank interest income and income from available-for-sale financial assets. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(f) Finance costs

Finance costs are comprised of interest payable accrued on a time basis.

(g) Other finance revenue/(costs) – pensions

Other finance revenue/costs – pensions consists of the expected return on the schemes' assets, service costs and the interest cost on benefit obligations and minimum funding requirements.

The Clarksons Group applied IAS 19 "Employee benefits" (revised) for the year ended 31 December 2013. The impact on the Clarksons Group of applying IAS 19 "Employee benefits" (revised) was to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. Retrospective implementation of IAS 19

"Employee benefits" (revised) resulted in a net reduction of the profit after taxation for the year ended 31 December 2012 due to a restatement of other finance costs – pensions for the year ended 31 December 2012 in the Clarksons Group's 2013 Annual Report. The other finance costs – pensions were restated from revenue of £0.1 million in the Clarksons Group's 2012 Annual Report to a cost of £0.3 million in the Clarksons Group's 2013 Annual Report.

(h) Taxation

Taxation is comprised of current and deferred income tax. Current income tax consists of tax on profits for the year and adjustments in respect of prior years. Deferred income tax consists of origination and reversal of temporary differences and the impact of changes in tax rates.

(i) Exceptional items

Exceptional items are significant items of a non-recurring nature and considered material in both size and nature. These items are disclosed separately to enable a more fulsome understanding of the Clarksons Group's financial performance. Included in exceptional items are awarded legal costs, settlement income and restructuring costs.

(j) Acquisition costs

Acquisition costs include cash and share-based payments relating to acquisitions, amortisation of intangibles and related legal and professional fees.

5. Results of operations

(a) Results of operations for the six months ended 30 June 2014 against the six months ended 30 June 2013

The following table sets out the Clarksons Group's summary consolidated income statement data for the six months ended 30 June 2014 and 30 June 2013:

	Six months ended 30 June						
	2013				2014		
	(unaudited)				(unaudited)		
(£ millions)	**Before Exceptional items and acquisition costs**	**Exceptional items**	**Acquisition costs**	**After Exceptional items and acquisition costs**	**Before acquisition costs**	**Acquisition costs**	**After acquisition costs**
Revenue	89.1	–	–	89.1	111.7	–	111.7
Cost of sales	(2.4)	–	–	(2.4)	(6.8)	–	(6.8)
Trading profit	**86.7**	**–**	**–**	**86.7**	**104.9**	**–**	**104.9**
Administrative expenses	(76.1)	(1.0)	(0.8)	(77.9)	(89.3)	(1.7)	(91.0)
Operating profit	**10.6**	**(1.0)**	**(0.8)**	**8.8**	**15.6**	**(1.7)**	**13.9**
Finance revenue	0.4	–	–	0.4	0.3	–	0.3
Other finance costs – pensions	(0.2)	–	–	(0.2)	(0.1)	–	(0.1)
Profit before taxation	**10.8**	**(1.0)**	**(0.8)**	**9.0**	**15.8**	**(1.7)**	**14.1**
Taxation	(3.0)	–	0.1	(2.9)	(4.3)	–	(4.3)
Profit for the period	**7.8**	**(1.0)**	**(0.7)**	**6.1**	**11.5**	**(1.7)**	**9.8**

(i) Revenue

Revenue was £111.7 million for the six months ended 30 June 2014, an increase of £22.6 million, or 25.4 per cent., from £89.1 million for the six months ended 30 June 2013. This increase was primarily due to improved freight rates in Broking, increased volumes in both Broking and Financial and the impact on Support of the Gibb Tools acquisition made at the end of 2013.

(ii) Cost of sales

Cost of sales were £6.8 million for the six months ended 30 June 2014, an increase of £4.4 million from £2.4 million for the six months ended 30 June 2013. This increase was primarily due to the activities of Gibb Tools which was acquired at the end of 2013.

(iii) Administrative expenses

Administrative expenses were £91.0 million for the six months ended 30 June 2014, an increase of £13.1 million, or 16.8 per cent., from £77.9 million for the six months ended 30 June 2013. This increase was primarily due to increased staff costs.

(iv) Operating profit

As a result of the foregoing, operating profit, before exceptional items and acquisition costs, increased by £5.0 million, or 47.2 per cent., to £15.6 million for the six months ended 30 June 2014 from £10.6 million for the six months ended 30 June 2013.

(v) Finance revenue

Finance revenue was £0.3 million for the six months ended 30 June 2014, a decrease of £0.1 million, or 25.0 per cent., from £0.4 million for the six months ended 30 June 2013. This decrease was primarily due to a decrease in interest income.

(vi) Other finance costs – pensions

Other finance costs – pensions were £0.1 million for the six months ended 30 June 2014, a decrease of £0.1 million, or 50.0 per cent., from £0.2 million for the six months ended 30 June 2013. This decrease in cost was primarily due to an increase in expected return on schemes' assets outweighing an increase in the interest cost on the defined benefit obligation for the six months ended 30 June 2014.

(vii) Profit before taxation and before exceptional items and acquisitions costs

As a result of the foregoing, profit before taxation and before exceptional items and acquisitions costs increased by £5.0 million, or 46.3 per cent., to £15.8 million for the six months ended 30 June 2014 from £10.8 million for the six months ended 30 June 2013.

(viii) Exceptional items

There were no exceptional items for the six months ended 30 June 2014, while there was a £1.0 million exceptional items charge for the six months ended 30 June 2013, which was related to restructuring the cost base of Clarkson Capital Markets, including the closure of the Dubai operation.

(ix) Acquisition costs

Acquisition costs were £1.7 million for the six months ended 30 June 2014, an increase of £0.9 million from £0.8 million for the six months ended 30 June 2013. This increase was primarily due to costs associated with the acquisition made at the end of the 2013 calendar year.

(x) Profit before taxation and after exceptional items and acquisitions costs

As a result of the foregoing, profit before taxation and after exceptional items and acquisitions costs increased by £5.1 million, or 56.7 per cent., to £14.1 million for the six months ended 30 June 2014 from £9.0 million for the six months ended 30 June 2013.

(xi) Taxation

Taxation was £4.3 million for the six months ended 30 June 2014, an increase of £1.4 million, or 48.3 per cent., from £2.9 million for the six months ended 30 June 2013. This increase was primarily due to an increase in profit before taxation of 56.7 per cent. and offset by decreasing tax rates in the UK.

(xii) Profit for the period

As a result of the foregoing, profit for the period increased by £3.7 million, or 60.7 per cent., to £9.8 million for the six months ended 30 June 2014 from £6.1 million for the six months ended 30 June 2013.

(b) Results of operations for the year ended 31 December 2013 against the year ended 31 December 2012

The following table sets out the Clarksons Group's summary consolidated income statement data for the years ended 31 December 2013 and 31 December 2012:

	Year ended 31 December							
	2012				**2013**			
(£ millions)	**Before Exceptional items and acquisition costs**	**Exceptional items**	**Acquisition costs**	**After Exceptional items and acquisition costs**	**Before Exceptional items and acquisition costs**	**Exceptional items**	**Acquisition costs**	**After Exceptional items and acquisition costs**
Revenue	176.2	–	–	176.2	198.0	–	–	198.0
Cost of sales	(6.3)	–	–	(6.3)	(6.2)	–	–	(6.2)
Trading profit	**169.9**	**–**	**–**	**169.9**	**191.8**	**–**	**–**	**191.8**
Other income	–	4.5	–	4.5	–	–	–	–
Administrative expenses	(150.8)	–	(1.5)	(152.3)	(166.9)	(1.0)	(2.0)	(169.9)
Operating profit	**19.1**	**4.5**	**(1.5)**	**22.1**	**24.9**	**(1.0)**	**(2.0)**	**21.9**
Finance revenue	1.2	–	–	1.2	0.7	–	–	0.7
Finance costs	–	–	(0.1)	(0.1)	–	–	(0.1)	(0.1)
Other finance costs – pensions[1]	(0.3)	–	–	(0.3)	(0.5)	–	–	(0.5)
Profit before taxation	**20.0**	**4.5**	**(1.6)**	**22.9**	**25.1**	**(1.0)**	**(2.1)**	**22.0**
Taxation	(6.0)	(1.1)	0.1	(7.0)	(6.9)	0.1	0.1	(6.7)
Profit for the year	**14.0**	**3.4**	**(1.5)**	**15.9**	**18.2**	**(0.9)**	**(2.0)**	**15.3**

[1] Restated: see 5(b)(viii) below.

(i) Revenue

Revenue was £198.0 million for the year ended 31 December 2013, an increase of £21.8 million, or 12.4 per cent., from £176.2 million for the year ended 31 December 2012. This increase was primarily due to improved freight rates in the second half of the year and a renewed interest in second hand tonnage and ordering of new more efficient tonnage.

(ii) Cost of sales

Cost of sales was £6.2 million for the year ended 31 December 2013, a decrease of £0.1 million, or 1.6 per cent., from £6.3 million for the year ended 31 December 2012. This was primarily due to a decrease in costs related to providing research services.

(iii) Other income

There was no other income for the year ended 31 December 2013, while other income was £4.5 million for the year ended 31 December 2012, which arose from the settlement of the case between Mr Nikitin and H Clarkson & Company Limited, an entity in the Clarksons Group.

(iv) Administrative expenses

Administrative expenses were £169.9 million for the year ended 31 December 2013, an increase of £17.6 million, or 11.6 per cent., from £152.3 million for the year ended 31 December 2012. This increase was primarily due to the restructuring of Clarkson Capital Markets, increased acquisition costs and an increase in staff costs.

(v) Operating profit

As a result of the foregoing, operating profit, before exceptional items and acquisition costs, increased by £5.8 million, or 30.4 per cent., to £24.9 million for the year ended 31 December 2013 from £19.1 million for the year ended 31 December 2012.

(vi) Finance revenue

Finance revenue was £0.7 million for the year ended 31 December 2013, a decrease of £0.5 million, or 41.7 per cent., from £1.2 million for the year ended 31 December 2012. This decrease was due to a decrease in income from available-for-sale financial assets.

(vii) Finance costs

Finance costs were stable at £0.1 million for the year ended 31 December 2013 and for the year ended 31 December 2012.

(viii) Other finance costs – pensions

Other finance costs – pensions were £0.5 million for the year ended 31 December 2013, an increase of £0.2 million, or 66.7 per cent., from the restated other finance costs – pensions of £0.3 million for the year ended 31 December 2012. This increase was primarily due to a decrease in expected return on schemes' assets for the year ended 31 December 2013.

The Company's other finance costs – pensions for the year ended 31 December 2012 were restated in their 2013 Annual Report due to the Clarksons Group applying IAS 19 "Employee benefits" (revised) for the year ended 31 December 2013. The retrospective implementation of IAS 19 "Employee benefits" (revised) resulted in a net reduction of the profit after taxation for the year ended 31 December 2012 due to a restatement of other finance costs – pensions for the year ended 31 December 2012 in the Clarksons Group's 2013 Annual Report.

(ix) Profit before taxation and before exceptional items and acquisitions costs

As a result of the foregoing, profit before taxation and before exceptional items and acquisitions costs increased by £5.1 million, or 25.5 per cent., to £25.1 million for the year ended 31 December 2013 from £20.0 million for the year ended 31 December 2012.

(x) Exceptional items

There was a £1.0 million cost associated with exceptional items for the year ended 31 December 2013, a decrease of £5.5 million from the £4.5 million income associated with exceptional items for the year ended 31 December 2012. This decrease was primarily due to the settlement of the case between Mr. Nikitin and H Clarkson & Company Limited, an entity within the Clarksons Group, which was recorded in the year ended 31 December 2012, while the cost of restructuring the cost base of Clarkson Capital Markets, including the closure of the Dubai operation, was the only exceptional item recorded in the year ended 31 December 2013.

(xi) Acquisition costs

Acquisition costs were £2.1 million for the year ended 31 December 2013, an increase of £0.5 million, or 31.3 per cent., from £1.6 million for the year ended 31 December 2012. This increase was primarily due to the increase in cash and share-based payment charges relating to acquisitions and legal and professional fees relating to the 2013 acquisition of Gibb Tools.

(xii) Profit before taxation and after exceptional items and acquisitions costs

As a result of the foregoing, profit before taxation and after exceptional items and acquisitions costs decreased by £0.9 million, or 3.9 per cent., to £22.0 million for the year ended 31 December 2013 from £22.9 million for the year ended 31 December 2012.

(xiii) Taxation

Taxation was £6.7 million for the year ended 31 December 2013, a decrease of £0.3 million, or 4.3 per cent., from £7.0 million for the year ended 31 December 2012. This was primarily due to a 3.9 per cent. decrease in profit before taxation.

(xiv) Profit for the year

As a result of the foregoing, profit for the year decreased by £0.6 million, or 3.8 per cent., to £15.3 million for the year ended 31 December 2013 from £15.9 million for the year ended 31 December 2012.

(c) Results of operations for the year ended 31 December 2012 against the year ended 31 December 2011

The following table sets out the Clarksons Group's summary consolidated income statement data for the years ended 31 December 2012 and 31 December 2011:

	Year ended 31 December						
	2011			2012			
(£ millions)	**Before Exceptional items**	**Exceptional item**	**After Exceptional items**	**Before Exceptional items and acquisition costs**	**Exceptional items**	**Acquisition costs**	**After Exceptional items and acquisition costs**
Revenue	194.6	–	194.6	176.2	–	–	176.2
Cost of sales	(3.4)	–	(3.4)	(6.3)	–	–	(6.3)
Trading profit	**191.2**	**–**	**191.2**	**169.9**	**–**	**–**	**169.9**
Other income	–	–	–	–	4.5	–	4.5
Administrative expenses	(161.0)	3.2	(157.8)	(150.8)	–	(1.5)	(152.3)
Operating profit	**30.2**	**3.2**	**33.4**	**19.1**	**4.5**	**(1.5)**	**22.1**
Finance revenue	1.0	–	1.0	1.2	–	–	1.2
Finance costs	(0.2)	–	(0.2)	–	–	(0.1)	(0.1)
Other finance revenue - pensions	1.2	–	1.2	0.1	–	–	0.1
Profit before taxation	**32.2**	**3.2**	**35.4**	**20.4**	**4.5**	**(1.6)**	**23.3**
Taxation	(9.5)	(0.8)	(10.3)	(6.1)	(1.1)	0.1	(7.1)
Profit for the year	**22.7**	**2.4**	**25.1**	**14.3**	**3.4**	**(1.5)**	**16.2**

(i) Revenue

Revenue was £176.2 million for the year ended 31 December 2012, a decrease of £18.4 million, or 9.5 per cent., from £194.6 million for the year ended 31 December 2011. This decrease was primarily due to a challenging economic environment, with some markets experiencing the worst freight environment since the 1980s. Due to a lack of trade finance Clarksons experienced lower sale and purchase volumes.

(ii) Cost of sales

Cost of sales was £6.3 million for the year ended 31 December 2012, an increase of £2.9 million, or 85.3 per cent., from £3.4 million for the year ended 31 December 2011. This increase was primarily due to the effect of the EnShip acquisition made at the end of 2011.

(iii) Other income

Other income was £4.5 million for the year ended 31 December 2012 which arose from the settlement of all outstanding matters between Mr. Nikitin and H Clarkson & Company Limited, an entity in the Clarksons Group. There was no other income for the year ended 31 December 2011.

(iv) Administrative expenses

Administrative expenses were £152.3 million for the year ended 31 December 2012, a decrease of £5.5 million, or 3.5 per cent., from £157.8 million for the year ended 31 December 2011. This decrease mainly reflected lower staff costs.

(v) Operating profit

As a result of the foregoing, operating profit, before exceptional items and acquisition costs, decreased by £11.1 million, or 36.8 per cent., to £19.1 million for the year ended 31 December 2012 from £30.2 million for the year ended 31 December 2011.

(vi) Finance revenue

Finance revenue was £1.2 million for the year ended 31 December 2012, an increase of £0.2 million, or 20.0 per cent., from £1.0 million for the year ended 31 December 2011. This was due to an increase in income from available-for-sale financial assets.

(vii) Finance costs

Finance costs were £0.1 million for the year ended 31 December 2012, a decrease of £0.1 million, or 50.0 per cent., from £0.2 million for the year ended 31 December 2011. This was primarily due to a reduction in interest on loans and borrowings.

(viii) Other finance revenue – pensions

Other finance revenue – pensions was £0.1 million for the year ended 31 December 2012, a decrease of £1.1 million, or 91.7 per cent., from £1.2 million for the year ended 31 December 2011. This was primarily due to a decrease in the expected return on schemes’ assets as used under IAS 19.

(ix) Profit before taxation and before exceptional items and acquisition costs

As a result of the foregoing, profit before taxation and before exceptional items and acquisitions costs decreased by £11.8 million, or 36.6 per cent., to £20.4 million for the year ended 31 December 2012 from £32.2 million for the year ended 31 December 2011.

(x) Exceptional items

Income associated with exceptional items was £4.5 million for the year ended 31 December 2012, an increase of £1.3 million, or 40.6 per cent., from an income associated with exceptional items of £3.2 million for the year ended 31 December 2011. The £3.2 million recovery of costs relating to the case between Mr. Nikitin and H Clarkson & Company Limited was recorded in the year ended 31 December 2011. The £4.5 million settlement of the case between Mr. Nikitin and H Clarkson & Company Limited was recorded in the year ended 31 December 2012.

(xi) Acquisition costs

Acquisition costs were £1.6 million for the year ended 31 December 2012 while there were no acquisitions costs for the year ended 31 December 2011. Acquisition costs for the year ended 31 December 2012 relate to cash and share-based payment charges and interest related to acquisitions made in 2011, as well as amortisation of intangibles acquired as part of the 2011 acquisitions.

(xii) Profit before taxation and after exceptional items and acquisition costs

As a result of the foregoing, profit before taxation and after exceptional items and acquisitions costs decreased by £12.1 million, or 34.2 per cent., to £23.3 million for the year ended 31 December 2012 from £35.4 million for the year ended 31 December 2011.

(xiii) Taxation

Taxation was £7.1 million for the year ended 31 December 2012, a decrease of £3.2 million, or 31.1 per cent., from £10.3 million for the year ended 31 December 2011. This decrease was primarily due to lower overall profitability.

(xiv) Profit for the year

As a result of the foregoing, profit for the year decreased by £8.9 million, or 35.5 per cent., to £16.2 million for the year ended 31 December 2012 from £25.1 million for the year ended 31 December 2011.

6. Liquidity and capital resources

(a) Cash flows

The following table sets out the Clarksons Group's summary consolidated statement of cash flows data for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
(£ millions)	**2011**	**2012**	**2013**	**2013 (unaudited)**	**2014 (unaudited)**
Cash and cash equivalents at 1 January	**176.3**	**132.9**	**89.4**	**89.4**	**96.9**
Net cash inflow/(outflow) from operating activities	7.2	(4.4)	22.8	(16.3)	(11.4)
Net cash inflow/(outflow) from investing activities	2.9	(26.3)	(3.8)	(0.3)	(1.9)
Net cash outflow from financing activities	(54.3)	(10.6)	(9.6)	(6.2)	(6.9)
Net foreign exchange differences	0.8	(2.2)	(1.9)	2.6	(1.6)
Cash and cash equivalents at the end of the period	**132.9**	**89.4**	**96.9**	**69.2**	**75.1**

(i) Net cash inflow/(outflow) from operating activities

Net cash outflow from operating activities was £11.4 million for the six months ended 30 June 2014, a decrease of £4.9 million, or 30.1 per cent., from an outflow of £16.3 million for the six months ended 30 June 2013. This movement was primarily due to an increase in profit before taxation and in trade and other payables, which were partially offset by a net decrease in the bonus accrual (which are paid after the year-end), an increase in tax payments, as well as a decrease in the movement in trade and other receivables.

Net cash inflow from operating activities was £22.8 million for the year ended 31 December 2013, an increase of £27.2 million from an outflow of £4.4 million for the year ended 31 December 2012. This movement was primarily due to a net increase in the bonus accrual and in trade and other payables during the year ended 31 December 2013.

Net cash outflow from operating activities was £4.4 million for the year ended 31 December 2012, a decrease of £11.6 million from an inflow of £7.2 million for the year ended 31 December 2011. This movement was primarily due to a net decrease in the bonus accrual, offset by a reduction in taxation paid and a decrease in trade and other receivables during the year ended 31 December 2012.

(ii) Net cash inflow/(outflow) from investing activities

Net cash outflow from investing activities was £1.9 million for the six months ended 30 June 2014, an increase of £1.6 million from an outflow of £0.3 million for the six months ended 30 June 2013. This movement was primarily due to acquisitions of subsidiaries, which were partly offset by an increase in cash acquired on acquisitions.

Net cash outflow from investing activities was £3.8 million for the year ended 31 December 2013, a decrease of £22.5 million, or 85.6 per cent., from an outflow of £26.3 million for the year ended 31 December 2012. This movement was primarily due to the lack of further transfers to current investments and an increase in cash acquired on acquisitions, offset by acquisitions of subsidiaries.

Net cash outflow from investing activities was £26.3 million for the year ended 31 December 2012, a decrease of £29.2 million from an inflow of £2.9 million for the year ended 31 December 2011. This movement was primarily due to a transfer of £25.2 million from cash and cash equivalents to current investments.

(iii) Net cash outflow from financing activities

Net cash outflow from financing activities was £6.9 million for the six months ended 30 June 2014, an increase of £0.7 million, or 11.3 per cent., from an outflow of £6.2 million for the six months ended 30 June 2013. This movement was due to an increase in the dividend paid during the six months ended 30 June 2014.

Net cash outflow from financing activities was £9.6 million for the year ended 31 December 2013, a decrease of £1.0 million, or 9.4 per cent., from an outflow of £10.6 million for the year ended 31 December 2012. This movement was primarily due to a decrease in interest paid and no further ESOP shares being acquired in the year ended 31 December 2013.

Net cash outflow from investing activities was £10.6 million for the year ended 31 December 2012, a decrease of £43.7 million, or 80.5 per cent., from an outflow of £54.3 million for the year ended 31 December 2011. This movement was primarily due to the repayment of £43.6 million of borrowings occurring in the year ended 31 December 2011; while no repayments occurred in the year ended 31 December 2012 as the Clarksons Group had no outstanding borrowings in 2012.

(iv) Net foreign exchange differences

Net foreign exchange differences were a negative £1.6 million for the six months ended 30 June 2014, a decrease of £4.2 million from the positive foreign exchange differences of £2.6 million for the six months ended 30 June 2013. This was primarily due to a decrease in net foreign exchange differences resulting from less favourable foreign exchange rates for the six months ended 30 June 2014.

Net foreign exchange differences were a negative £1.9 million for the year ended 31 December 2013, a decrease of £0.3 million, or 13.6 per cent., from the negative foreign exchange differences of £2.2 million for the year ended 31 December 2012. This was primarily due to an increase in net foreign exchange differences resulting from less favourable foreign exchange rates for the year ended 31 December 2013.

Net foreign exchange differences were a negative £2.2 million for the year ended 31 December 2012, a decrease of £3.0 million from the positive foreign exchange differences of £0.8 million for the year ended 31 December 2011. This was primarily due to a decrease in net foreign exchange differences resulting from less favourable foreign exchange rates for the year ended 31 December 2012.

(b) Net Funds

To better understand the amount of cash it has available, the Clarksons Group focuses on “Net Funds”. Net Funds consists of cash, including funds held on deposit which are classified as a current investment, less amounts reserved for bonus entitlements. This metric provides the Clarksons Group with a better depiction of its available funds than cash and cash equivalents because part of the funds recorded under cash and cash equivalents will be used to pay bonus entitlements from the recently ended period and therefore is not available for other projects. The table below sets the Clarksons Group's Net Funds for the six months ended 30 June 2014 and the years ended 31 December 2013, 31 December 2012 and 31 December 2011.

(£ millions)	**As at 31 December**			**As at 30 June**
	2011	**2012**	**2013**	**2014**
				(unaudited)
Cash and cash equivalents	**132.9**	**89.4**	**96.9**	**75.1**
Current investments	**0.0**	**25.2**	**25.2**	**25.2**
Reserved for bonus (full cost)	**(61.8)**	**(39.4)**	**(47.1)**	**(26.3)**
Net Funds	**71.1**	**75.2**	**75.0**	**74.0**

Net Funds were £74.0 million at 30 June 2014, a decrease of £1.0 million, or 1.3 per cent., from £75.0 million at 31 December 2013. This movement was primarily due to cash generated from operating activities being offset with the final 2013 dividend payment, tax payments in the first six months of 2014, in particular in the US, and cash payments made in relation to current and prior year acquisitions.

Net Funds were £75.0 million at 31 December 2013, a decrease of £0.2 million, or 0.3 per cent., from £75.2 million at 31 December 2012. This movement was primarily due to cash generated from operating activities offset by cash payments in relation to dividends, tax, fixed assets, pension contributions and acquisitions.

Net Funds were £75.2 million at 31 December 2012, an increase of £4.1 million, or 5.8 per cent., from £71.1 million at 31 December 2011. This movement was primarily due to cash generated from operating activities being greater than cash payments in relation to dividends, tax, fixed assets and pension contributions.

(c) Capital expenditure

The following table summarises the Clarksons Group's capital expenditure for the periods indicated:

(£ millions)	**Year ended 31 December**		
	2011	**2012**	**2013**
Purchases of plant, property and equipment	2.3	2.0	1.6

The Clarksons Group's capital expenditure for the year ended 31 December 2013 included £1.0 million of additions relating to office furniture and equipment and £0.4 million of motor vehicle additions.

The Clarksons Group's capital expenditure for the year ended 31 December 2012 included £1.4 million of additions relating to office furniture and equipment and £0.4 million of leasehold improvements.

The Clarksons Group's capital expenditure for the year ended 31 December 2011 included £1.9 million of additions relating to office furniture and equipment.

(d) Borrowings

The Clarksons Group does not have any borrowings as at the date of this Announcement.

(e) Off-balance sheet arrangements

The Clarksons Group does not have any off balance sheet arrangements.

(f) Contractual obligations

The following table summarises the Clarksons Group's contractual obligations, commercial commitments and principal payments scheduled as at 31 December 2013:

(£ millions)	**Within one year or on demand**	**One to five years**	**More than five years**	**Total**
Operating leases	6.6	7.9	0.6	15.1
Trade and other payables	10.8	1.0	–	11.8
Deferred consideration	2.5	0.3	–	2.8
Provisions	–	2.0	–	2.0
Total	**19.9**	**11.2**	**0.6**	**31.7**

(i) Operating lease commitments

The Clarksons Group has entered into commercial leases in relation to land and buildings and other assets on the basis that it is not in the Clarksons Group's best interests to purchase these assets. The leases have an average life of between one and seven years with renewal terms included in the contracts. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the lessee by entering into these leases.

The Clarksons Group has sublet space in certain properties. The future minimum sublease payments expected to be received under non-cancellable sublease agreements as at 31 December 2013 are £7.0 million (2012: £10.5 million).

(g) Contingencies

The Clarksons Group has not given any financial commitments to suppliers or any guarantees. From time to time the Clarksons Group may be engaged in litigation in the ordinary course of business. The Clarksons Group carries professional indemnity insurance. There are currently no liabilities expected to have a material adverse financial impact on the Clarksons Group's consolidated results or net assets.

7. Dividend policy

The Directors intend to continue with the current policy of paying dividends on a progressive basis following Completion.

8. Quantitative and qualitative disclosure about market risks

The Clarksons Group's principal financial liabilities comprise trade payables and accruals. The main purpose of these financial liabilities is to finance the Clarksons Group's operations. The Clarksons Group has various financial assets such as trade receivables, current asset investments and cash and short-term deposits, which arise directly from its operations.

The Clarksons Group has not entered into derivative transactions other than the forward currency contracts described below. It is the Clarksons Group's policy that no trading in derivatives shall be undertaken for speculative purposes.

The main risks arising from the Clarksons Group's financial instruments are credit risk, liquidity risk, foreign exchange risk, interest rate risk and investment risk. The Directors review and agree policies for managing each of these risks.

(a) Credit risk

The Clarksons Group has an extensive client base, across all regions of the world, and is exposed to credit-related losses from the non-payment of invoices by these clients. The Clarksons Group mitigates this risk by closely monitoring outstanding amounts, both locally and globally, and by adopting a conservative approach to accounting for bad debt. Uncertainty in freight markets continues to affect the amount of debt that may be irrecoverable.

The Clarksons Group seeks to trade only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis and any potential bad debts are identified at an early stage. There are no significant concentrations of credit risk within the Clarksons Group.

With respect to credit risk arising from the other financial assets of the Clarksons Group, which include cash and cash equivalents, current investments and available-for-sale financial investments, the Clarksons Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of these instruments.

(b) Liquidity risk

The Clarksons Group's policy is to maintain sufficient funds to meet all of its foreseeable requirements. The generation of cash flow in the business, combined with the cash available in the balance sheet, provides the Clarksons Group with funds for the future developments of its global business. The Clarksons Group monitors its risk to a shortage of funds using projected cash flows from operations.

The following tables summarise the maturity profile of the Clarksons Group's financial liabilities at 31 December 2013, 31 December 2012 and 31 December 2011 based on contractual undiscounted payments.

As at 31 December 2013

(£ millions)	On demand	Less than three months	Three to twelve months	One to five years	Total
Trade and other payables	10.8	–	–	1.0	11.8
Deferred consideration	–	1.2	1.3	0.3	2.8
Provisions	–	–	–	2.0	2.0
Total	**10.8**	**1.2**	**1.3**	**3.3**	**16.6**

As at 31 December 2012

(£ millions)	On demand	Less than three months	Three to twelve months	One to five years	Total
Trade and other payables	10.8	–	–	1.1	11.9
Deferred consideration	–	–	0.4	0.6	1.0
Provisions	–	–	–	1.8	1.8
Total	**10.8**	**–**	**0.4**	**3.5**	**14.7**

As at 31 December 2011

(£ millions)	On demand	Less than three months	Three to twelve months	One to five years	Total
Trade and other payables	12.9	–	–	1.2	14.1
Deferred consideration	–	0.4	0.4	–	0.8
Foreign currency contracts	–	–	0.5	–	0.5
Provisions	–	–	0.2	1.6	1.8
Total	**12.9**	**0.4**	**1.1**	**2.8**	**17.2**

As at 31 December 2013, Clarksons had undiscounted provisions totalling £2.0 million (2012: £1.8 million) which are payable in one to five years.

(c) Foreign exchange risk

The major trading currency of the Clarksons Group is the US Dollar. Movements in the US Dollar relative to other currencies, particularly the Pounds Sterling, have the potential to impact the results of the Clarksons Group both in terms of operating results and the revaluation of the balance sheet. The Clarksons Group assesses the rate of exchange and non-Sterling balances held continually and predominantly sells in the spot market, though some forward cover for future years is also taken.

The Clarksons Group has transactional currency exposures which arise from sales or purchases by an operating unit in currencies other than the unit's functional currency. Approximately 75 per cent. of the Clarksons Group's sales are denominated in currencies other than the functional currency of the operating unit making the sale whilst approximately 95 per cent. of the costs are denominated in the unit's functional currency.

The Clarksons Group uses foreign currency contracts only to reduce exposure to variations in the US Dollar exchange rate and to meet local currency expenditure in the ordinary course of business.

The following table demonstrates the sensitivity to a reasonably possible movement in the US Dollar exchange rate, with all other variables held constant, of the Clarksons Group's profit before taxation and equity (due to changes in the fair value of monetary assets and liabilities) for the periods indicated.

	Strengthening /(weakening) in US Dollar rate	**Effect on profit before taxation**	**Effect on equity**
		(£ millions)	
Year ended 31 December 2013	5%	1.3	3.2
	(5%)	(1.1)	(2.9)
Year ended 31 December 2012	5%	1.2	2.7
	(5%)	(1.1)	(2.4)
Year ended 31 December 2011	5%	1.1	2.4
	(5%)	(1.0)	(2.2)

(i) Derivative financial instruments

It is the Clarksons Group's policy to cover or hedge a proportion of its transactional US Dollar exposures with foreign currency contracts. Where these are designated and documented as hedging instruments in the context of IAS 39 and are demonstrated to be effective, market-to-market gains and losses are recognised directly in equity and transferred to the income statement upon receipt of cash and conversion to Pounds Sterling of the underlying item being hedged.

The following table sets out the fair value of foreign currency contracts as at 31 December 2013, 31 December 2012 and 31 December 2011.

Assets

(£ millions)	**As at 31 December 2011**	**As at 31 December 2012**	**As at 31 December 2013**
Foreign currency contracts	–	1.5	4.3

Liabilities

(£ millions)	**As at 31 December 2011**	**As at 31 December 2012**	**As at 31 December 2013**
Foreign currency contracts	0.5	–	–

As at 31 December 2013, the Clarksons Group had US$80.0 million outstanding forward contracts due for settlement in 2014 and 2015 (2012: US$60.0 million for settlement in 2013 and 2014).

(ii) Interest rate risk

The Clarksons Group had no borrowings as at the date of this Announcement. Monies held on longer 100 day notice accounts earn interest based on a margin above LIBOR, and the actual interest rate is reset each month. The Clarksons Group's exposure to the risk of movements in market interest rates relates primarily to the Clarksons Group's cash and short-term deposits and current investments.

The following table demonstrates, for the periods indicated, the sensitivity to a reasonably possible movement in interest rates, with all other variables held constant, of the Clarksons Group's profit before taxation (through the impact on cash balances and current investments). The Clarksons Group has considered movements in these interest rates over the last three years and has concluded that a 100 basis points increase is a reasonable benchmark. The effect on equity is the same as the effect on profit before taxation.

	Increase in basis points	Effect on profit before taxation
		(£ millions)
Year ended 31 December 2013		
Pounds Sterling	100	0.6
US Dollar	100	0.4
Year ended 31 December 2012		
Pounds Sterling	100	0.6
US Dollar	100	0.5
Year ended 31 December 2011		
Pounds Sterling	100	0.6
US Dollar	100	0.5

(iii) Capital management

The Clarksons Group's objectives when managing capital are to safeguard the Clarksons Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Total capital is calculated as equity as shown in the Clarksons Group's consolidated balance sheet.

The Clarksons Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Clarksons Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 31 December 2013, 31 December 2012 and 31 December 2011.

A number of the Clarksons Group's trading companies are subject to regulation by the FCA in the UK and NFA and FINRA in the US. All such companies complied with their regulatory capital requirements throughout the period.

(iv) Reputational risk

The Clarksons Group has built its strong reputation in the market over the past 162 years, and relies upon this to attract business from all major participants in its markets. The Clarksons Group protects against reputational risks by promoting an ethical work environment and providing training programmes where appropriate. The Clarksons Group has a dedicated training officer and provides a training programme to improve consistency and approach.

Investment in compliance, quality assurance and legal functions also act to ensure that best practices are put in place throughout the Clarksons Group.

(v) Operational risk

Operational risks are where the Clarksons Group may suffer direct or indirect losses from people, systems, external influences or failed processes. The Clarksons Group continually reviews the systems in place to mitigate against operational risk, and puts in place plans to protect against such risks wherever they are significant and practicable. Examples include Business Continuity Plans, Staff Contracts and IT security arrangements. The Clarksons Group also keeps in place and under review appropriate levels of insurance cover.

9. Critical accounting policies and estimates

(a) Changes in accounting policy and disclosures

The Clarksons Group has adopted the following new and amended standards as at 1 January 2013:

(i) IAS 1, "Financial statement presentation" (revised) — the main change resulting from these amendments is a requirement for entities to group items presented in "other comprehensive income" on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in "other comprehensive income".

(ii) IAS 19, "Employee Benefits" (revised) — was applied for the year ended 31 December 2013. The impact on the Clarksons Group was to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. Retrospective implementation has resulted in a net reduction of the profit after taxation for the year ended 31 December 2012 of £0.3 million. There was no effect on the net assets of the Clarksons Group.

(b) Accounting judgements and estimates

The preparation of the Clarksons Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(i) Trade receivables

The provision for impairment of receivables represents management's best estimate at the balance sheet date. A number of judgements are made in the calculation of the impairment, primarily the age of the invoice, the underlying transaction and the debtor's financial position.

(ii) Impairment of non-financial assets

The Clarksons Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(iii) Share-based payments

The Clarksons Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

(iv) Pensions

The cost of defined benefit pension plans is determined using actuarial valuations. Actuarial valuations involve making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Appendix 6
Risk Factors

In considering the proposed Acquisition, the Directors have also considered the material risks associated with the Acquisition and the respective businesses. The Directors consider the following to be the material risk factors relating to the Acquisition and, more generally, to which the Clarksons Group and, following Completion, the Enlarged Group will be exposed. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not presently known to the Directors, or which they currently deem immaterial, may also have an adverse effect on the Enlarged Group's operating results, financial condition and prospects if they materialise. This information given is as at today's date and, except as required by the FCA, the London Stock Exchange, the Listing Rules or the Disclosure and Transparency Rules (and/or any regulatory requirements) or applicable law, will not be updated.

If any or a combination of the following risks and uncertainties actually materialise, the Enlarged Group's business, financial condition and results of operations could be materially and adversely affected. In such case, the price of the Ordinary Shares could decline and Shareholders may lose some or all of their investment.

RISKS RELATING TO THE ACQUISITION

The Acquisition is conditional and the Conditions may not be satisfied

Completion is conditional upon satisfaction (or, where capable of being waived, waiver) of the following Conditions prior to the Long Stop Date (or such later date as the parties may agree):

(a) the execution of, or adherence to, the Transaction Documents and, as applicable, the US Warranty Agreement by Platou Shareholders with a minimum combined holding of 90 per cent. of the Platou Share Capital by no later than the Execution Longstop Date;

(b) the passing of the Acquisition Resolution;

(c) either the execution of, or adherence to, the Transaction Documents and, as applicable, the US Warranty Agreement by all of the Platou Shareholders who are party to the Platou Shareholders' Agreement or the passing of the Shareholders' Agreement Resolution (which the Sellers have agreed to vote in favour of);

(d) the RS Platou LLP Transaction completing or alternative arrangements relating to the LLPs being implemented on the terms disclosed to the Company (subject to certain exceptions);

(e) certain regulatory approvals or notifications having been obtained or received or certain time periods having elapsed without the relevant regulatory authority taking certain actions;

(f) no Relevant Authority or interested party having intervened and there being any statute, regulation or order of any Relevant Authority which would or might make the Acquisition void, illegal or unenforceable or otherwise impede, challenge or interfere with the Acquisition; and

(g) the Re-Admission Condition.

In the event that (a) the general meeting resolves not to approve the Acquisition Resolution; or (b) the Conditions are not satisfied (or, where capable of being waived, waived) by the Long Stop Date (or such later date as the parties may agree), the Share Purchase Agreement will automatically terminate.

If the Acquisition Resolution is approved at the General Meeting and each of the other Conditions is satisfied (or, where capable of being waived, waived) prior to the Long Stop Date, the Company will be contractually obliged to proceed to Completion unless the Share Purchase Agreement is otherwise terminated.

There can be no assurance that the Conditions will be fulfilled (or waived, where capable of being waived) or that the Acquisition will be completed.

The Enlarged Group may not realise, or it might take the Enlarged Group longer than expected to realise, certain or all of the perceived benefits of the Acquisition

The Enlarged Group may fail to achieve certain or all of the anticipated benefits that Clarksons expects to realise as a result of the Acquisition. If the anticipated benefits, such as increased earnings and brand enhancement; operational, managerial and financial efficiencies; increased breadth, depth and geographical reach of products and services and accelerated achievement of its strategic goals, are not achieved this could have a material adverse impact on relationships with clients, employees and other market participants, which could as a result have a material adverse effect on the Enlarged Group's businesses, financial conditions and results of operations.

The Acquisition may result in a loss of clients for the Clarksons Group or the Platou Group and, following Completion, the Enlarged Group

As a result of the Acquisition, some of the Clarksons Group's or the Platou Group's clients or strategic partners may terminate or reduce their business relationships with the Enlarged Group. Such clients may not wish to source a larger percentage of services from a single company. Potential clients of the Clarksons Group or the Platou Group may delay entering into, or decide not to enter into, a business relationship with the Clarksons Group or the Platou Group until Completion on account of any perceived uncertainty over the Acquisition. If the Clarksons Group's or the Platou Group's relationships with their respective clients are negatively impacted by the Acquisition, the Enlarged Group's business, financial condition and results of operations may be adversely affected.

As a result of the Acquisition the Enlarged Group may fail to retain management or other employees

The calibre and performance of the Enlarged Group's management and other employees, taken together, is critical to the success of the Enlarged Group and, while plans are, or will be, put in place for the retention of management and other employees, there can be no assurance that the Acquisition will not result in the departure of management and/or employees from the Enlarged Group. Such departures may take place either before Completion or during the Enlarged Group's integration process following Completion. Failure of the Enlarged Group to maintain or put in place plans or arrangements or otherwise to incentivise employees appropriately could result in the departure of management and/or employees. The departure of a significant number of management or employees could adversely affect both the Enlarged Group's ability to conduct its businesses (through an inability to execute business operations and strategies effectively) and the value of those businesses which could have a material adverse effect on the Enlarged Group's business, financial conditions and results of operations.

The Enlarged Group may experience difficulties in integrating the existing businesses carried on by the Clarksons Group and the Platou Group

The Clarksons Group and the Platou Group currently operate and, until Completion, will continue to operate as two separate and independent businesses. The Acquisition will lead to the integration of the businesses and the success of the Enlarged Group will depend, in part, on the effectiveness of the integration process and the ability of the Enlarged Group to realise the anticipated benefits from combining the respective businesses. Some of the potential challenges in combining the businesses may not be known until after Completion due to the decentralised structure and operational complexity of the Clarksons Group and the Platou Group.

The key potential difficulties of combining the businesses include the following:

- co-ordinating and consolidating services and operations, particularly across different countries, regulatory systems and business cultures;
- consolidating infrastructure, procedures, systems, facilities, accounting functions, compensation structures and other policies;
- implications of change of control and business combination provisions contained in the Clarksons Group's and Platou Group's client and other agreements triggered as a result of the Acquisition;
- integrating the management teams and retaining and incentivising key employees;
- co-ordinating and communicating with a larger, more geographically dispersed workforce and maintaining employee morale;
- co-ordinating communications with and/or the provision of services by the Enlarged Group to clients of the Clarksons Group and Platou Group;
- operating and integrating a large number of different technology platforms and systems;
- disruption to the ongoing businesses of each of the Clarksons Group and the Platou Group; and
- achieving the envisaged benefits of the Acquisition.

The process of integrating the businesses could potentially lead to the interruption of operations of the businesses or a loss of clients and/or key personnel, either or both of which would have an adverse effect on the business, financial condition and results of operations of the Enlarged Group. Any delays or difficulties encountered in connection with the integration of the businesses could also lead to reputational damage to the Enlarged Group.

The Clarksons Group's and the Platou Group's management teams will be required to devote significant attention and resources to integrating their respective business practices and operations. There is a risk that the challenges associated with managing the integration of the Clarksons Group and Platou Group businesses will result in management distraction and that consequently the underlying businesses will not perform in line with expectations.

Third parties may terminate or alter existing contracts with the Clarksons Group or the Platou Group as a result of the Acquisition

The Clarksons Group and the Platou Group each have contracts with suppliers, distributors, clients, licensors, licensees, lessees, lessors, lenders, insurers and other business partners that contain “change of control” or similar clauses that allow the counterparty to terminate or change the terms of their contract upon Completion. The Clarksons Group and the Platou Group will seek to obtain consents from certain of these counterparties. If these third party consents cannot be obtained, however, or are obtained on unfavourable terms, it may have adverse financial consequences for the Enlarged Group.

Acquisition-related costs may exceed expectations

The Clarksons Group and the Platou Group expect to incur a number of costs in relation to the Acquisition, including integration and post-Completion costs, in order to successfully combine the operations of the Clarksons Group and the Platou Group. The actual costs of the integration process may exceed those estimated and there may be further additional and unforeseen expenses incurred in connection with the Acquisition. In addition, the Clarksons Group and the Platou Group will incur legal, accounting and transaction fees and other costs relating to the Acquisition, some of which are payable whether or not the Acquisition reaches Completion. Although the Directors believe that the integration and Acquisition costs will be more than offset by the realisation of the benefits resulting from the Acquisition, this net benefit may not be achieved in the short-term or at all, particularly if the Acquisition is delayed or does not complete. This could adversely affect the operations and/or financial condition of the Clarksons Group and, following Completion, the Enlarged Group.

Regulatory consents may take longer than expected to obtain and/or may not be granted

The Acquisition is subject to regulatory approval in Norway, the UK and the US.

In Norway, any person who decides to acquire 10 per cent. or more of the shares or voting rights in an investment firm, which is authorised in the jurisdiction or in a parent of the investment firm, must notify the NFSA. The acquisition will be deemed approved if the NFSA does not object to the acquisition within the statutory period (three months) for it to determine the application. In the UK, the FCA’s consent is required to acquire 20 per cent. or more of the shares or voting rights of Platou’s subsidiary which is licensed as an asset manager (or in a parent of the firm). The FCA has a statutory period of 60 working days from receipt of a complete application to determine the application, subject to its ability to delay the assessment period for up to 30 working days to request additional information.

A subsidiary of Platou is a broker-dealer registered under the US Securities Exchange Act of 1934, as amended. Accordingly, such subsidiary is a member of, and is subject to regulation in the US by, the Financial Industry Regulatory Authority, Inc. (“**FINRA**”), a private corporation that acts as a self-regulatory agency for certain segments of the US financial industry. Under FINRA rules a member of FINRA must file a continuing membership application (“**CMA**”) if such member undergoes certain changes to its ownership, control, or business operations, including a change in the equity ownership or partnership capital of the member that results in one person or entity directly or indirectly owning or controlling 25 per cent. or more of the equity or partnership capital, for approval of the change, at least 30 days prior to such change. The member may affect the change prior to the conclusion of FINRA’s assessment, subject to certain possible interim restrictions on the member pending final FINRA action. FINRA determines whether to approve, deny or approve with restrictions all such applications within 45 days after the application is complete and otherwise in accordance with its published procedures.

The overriding consideration in any such application is the applicant's ability to continue to meet the 14 criteria for membership in FINRA's rules.

The above regulatory consents may take a longer than expected period of time to obtain and/or may not be granted. This could delay or jeopardise Completion, reduce the anticipated benefits of the Acquisition or result in an adverse effect on the business, financial condition and results of operations of the Enlarged Group.

RISKS RELATING TO THE BUSINESS AND INDUSTRY OF THE CLARKSONS GROUP, THE PLATOU GROUP AND THE ENLARGED GROUP

Adverse economic and financial conditions globally or in any of the regions or industries in which the Clarksons Group and the Platou Group operate could have a material adverse effect on the businesses of the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group

The Clarksons Group's and the Platou Group's businesses are and, following Completion, the Enlarged Group's business will be, dependent upon the international maritime industry, in particular the international shipping and offshore oil and gas sectors. Furthermore, following Completion, macroeconomic factors may have a more significant impact on the Enlarged Group than on the current Clarksons Group, as a result of the increased focus on the Offshore and investment banking sectors. Historically, the shipping and offshore industries have been highly cyclical, experiencing significant volatility in charter rates and asset values. Adverse developments in any of these markets could lead to a decline in client demand for the services of the Clarksons Group, the Platou Group or, following Completion, the Enlarged Group, which could result in a material adverse effect on their respective businesses, financial conditions and results of operations.

The nature, timing and degree of changes to conditions in these industries are generally unpredictable and are impacted by factors beyond the control of the Clarksons Group, the Platou Group or, following Completion, the Enlarged Group or their respective clients. The general activity in the shipping and offshore industries, as well as shipping freight rates and day rates for offshore units, vary over time based on, among other things, development in global and regional economic conditions, the worldwide supply and demand for oil and gas, fluctuations in energy and commodity prices, fluctuations in global production, weather conditions, government laws and regulations, political development, environmental protection laws and regulations and competitiveness of alternative energy sources. The worldwide supply and demand for commodities (particularly hydrocarbons) and global economic and political developments will affect freight rates and day rates in shipping markets and the demand for the services of the Clarksons Group, the Platou Group or, following Completion, the Enlarged Group in the shipping and offshore sectors. The Shipbroking businesses of the Clarksons Group and the Platou Group are and, following Completion, the Shipbroking business of the Enlarged Group will be heavily dependent on the performance of the global economy and in particular levels of import and export activity. Such activity has fluctuated in recent years and may do so in the future.

Unfavourable financial or economic conditions would also likely lead to a reduction in the number and size of transactions undertaken by the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group's investment banking businesses. Following Completion, any downturn in investment banking business may have a greater impact on the Enlarged Group than on the Clarksons Group: for the year ended 31 December 2013, the Enlarged Group's Financial division generated 24.4 per cent. of the Enlarged Group's pro forma revenues as compared to the Clarksons Group's Financial division which, for the same period, generated 5.9 per cent. of the Clarksons Group's revenue. The revenues from such investment banking businesses are directly related to the number and size of the transactions in which the respective business participates, and during periods of unfavourable market and economic conditions, the operating results of these investment banking businesses may be adversely affected by a decrease in the volume and value of transactions. Unfavourable market conditions also may lead to a reduction in revenues from the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's trading, underwriting and placement agent activities. Recent volatility in the global capital markets has impacted the number and size of equity and debt financing transactions taken to market, and continued volatility in such markets could adversely impact the results of the Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's respective financial divisions. Furthermore, the finance businesses of the Clarksons Group and the Platou Group engage and, following Completion, the finance business of the Enlarged Group will engage in project finance activities in the shipping, offshore and commercial real estate markets, all of which have experienced significant volatility in recent years. Any of these developments, alone or in combination, could have a material adverse effect on the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's businesses, financial conditions and results of operations.

The Clarksons Group and the Platou Group are exposed to changing industry dynamics and structural changes, and there can be no assurance that the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group will be able to adapt to changing conditions

The Clarksons Group and the Platou Group and, following Completion, the Enlarged Group will be exposed to structural changes in the shipping and offshore industries which may have an adverse impact on the respective shipbroking and offshore broking businesses of the groups. These structural changes may have a greater impact on the Enlarged Group than on the Clarksons Group, as the Enlarged Group's product and service offering and the markets in which the Enlarged Group will operate, particularly in the financial services and offshore sector, will be more diverse than the Clarksons Group and therefore the Enlarged Group may face increased risk. Structural changes may include events such as the consolidation of companies in the shipping and offshore industries, changes in the geographical location of principal players, structural changes in the supply and demand for shipping and offshore vessels and significant changes in the ownership structures of principal market participants. Structural changes in industry practices for how transactions are completed and financed may also affect the role of brokers, or reduce the number of brokers involved in each transaction. Furthermore, such structural changes might also require the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group to re-focus their investment banking activities, and such change in the market for the investment banking activities may be costly and may not be successful.

The recent decrease in oil prices and the improved economics of producing natural gas and oil from shale, particularly in the U.S., may result in a decrease in offshore exploration and oil imports, which could adversely affect demand for the Clarksons Group's, the Platou Group's, and following Completion, the Enlarged Group's offshore services

A significant portion of the Platou Group's revenues and, to a lesser extent, Clarksons Group's revenues are derived from its broking, financing, advisory and consultancy and research services in relation to the offshore oil and gas industry. The recent decrease in oil prices, due to production and supply continuing at levels exceeding demand, may lead companies to limit their involvement in the oil and gas industry and reduce their investment in offshore oil and gas exploration and oil imports. Additionally, the rise in the production of onshore oil and natural gas as a result of improved drilling efficiencies that are lowering the costs of extraction, particularly from shale, may result in a reduction of capital invested in offshore oil and gas exploration. A significant reduction in investment in offshore exploration and development would have a material adverse effect on the Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's businesses, financial condition and results of operations.

According to the International Energy Agency, a continued decrease in U.S. oil imports is expected with North America becoming a net oil exporter by approximately 2030. In recent years, the share of total U.S. consumption met by total liquid fuel net imports, including both crude oil and products, has been decreasing from over 60 per cent. in 2005, falling to around 39 per cent. in 2013 as a result of lower consumption and the substantial increase in domestic crude oil production. A continued decline in oil imports to the United States, one of the most significant oil trading nations worldwide, may result in decreased demand for vessels transporting crude oil and lower charter rates, which could result in a decline in demand for the Platou Group's, the Clarksons Group's and, following Completion, the Enlarged Group's services from operators in this industry and have a material adverse effect on their respective businesses, financial conditions and results of operations.

The financial services industry is subject to extensive regulation

The Platou Group's investment banking and asset management divisions are regulated by governmental and self-regulatory organisations in Norway, the UK and the US. Whilst certain entities in the Clarksons Group which carry on financial services activities are regulated in the UK and the US, they are not subject to Norwegian regulation. Furthermore, the Platou Group's regulated firms undertake a broader range of licensed financial services activities than those performed by the current Clarksons Group entities which, in turn, will increase the regulation with which the Enlarged Group will be required to comply. In particular, the Platou Group's investment banking division is licensed to provide underwriting of financial instruments or placement of financial instruments on a firm commitment basis and placement of financial instruments without a firm commitment basis. The Platou Group also includes a small authorised UK alternative investment fund manager. In addition, the increased importance of the financial services business to the Enlarged Group will increase the possibility, and the possible effect, of any failure to comply with applicable law and regulation.

The regulated financial services firms are required to satisfy a range of legislative and regulatory requirements, including certain capital adequacy and conduct of business requirements. Financial regulators have extensive powers to supervise and intervene in the affairs of the regulated firms. They can also formally investigate a firm and can take a range of disciplinary enforcement and criminal actions, including public censure, restitution, fines or sanctions, the award of compensation and suspension or cessation of activities or business or withdrawal of licences. Adverse regulatory scrutiny of any of the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group or any of their respective strategic partners, could have a material adverse effect on their respective businesses and reputations.

Evolving regulation of financial services businesses could expose the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group to the potential for increases in costs and significant penalties and fines due to compliance failures

Over the last several years, various international governmental agencies and regulatory bodies have taken, and may take further, actions to introduce or expand the scope of laws, rules, regulations and standards that may be applicable to the financial services activities, some of which may currently be unregulated. As the Enlarged Group's financial services business will be proportionally a larger part of the overall business, expand the services currently offered by the Clarksons Group and also increase the number of markets from those in which the Clarksons Group currently operates, the Enlarged Group's exposure to the financial markets may be greater than that of the Clarksons Group.

The ability of financial services firms to conduct business and their operating results, including compliance costs, may be adversely affected as a result of any new requirements imposed by governmental regulatory authorities or self-regulatory organisations that regulate financial services firms or supervise financial markets. The financial services firms may also be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organisations. In addition, some clients or prospective clients may adopt policies that exceed regulatory requirements and impose additional restrictions.

Extensive and evolving regulation of the Clarksons Group's, the Platou Group's and following Completion, the Enlarged Group's investment banking businesses could result in increases in costs and restrictions on engaging in certain activities.

The increased financial resources requirements under the EU Capital Requirement Directive IV ("**CRD IV**") are likely to increase the amount of resources that the investment firms within the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group are required to hold. In addition, the EU Markets in Financial Instruments Directive II ("**MiFID II**") will introduce expanded requirements in respect of the management of firms, explicit organisational and conduct requirements relating to product governance arrangements, a number of changes to the investor protection regime and increased supervisory powers for regulators, including powers to prohibit or restrict the marketing and distribution of certain products. As a result, MiFID II will impact the Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's products, services and relationships with financial services customers. Implementation of these new measures will take effect from 3 January 2017. The Enlarged Group will likely incur significant compliance costs, which could have a material adverse effect on the Enlarged Group's business, financial conditions and results of operations.

The Clarksons Group's and the Platou Group's investment banking activities are and, following Completion, the Enlarged Group's investment banking activities will be, exposed to competition from alternative trading systems

Investors are increasingly conducting their transactions directly, such as through electronic trading facilities, giving them direct market access rather than using traders for the execution of financial transactions or through electronic trading facilities. Increasing use of products providing direct access to market and related services at a lesser cost, such as electronic trading facilities, may have a negative impact on the commissions and revenues generated by the respective investment banking businesses of the Clarksons Group and the Platou Group and, following Completion, the Enlarged Group, and could reduce their participation in broking and associated access to market information. Furthermore, as the Enlarged Group's financial services offerings will expand those currently offered by the Clarksons Group and also increase the number of markets from those in which the Clarksons Group currently operates such that, the Enlarged Group's exposure to alternative trading systems may be greater than that of the Clarksons Group. It could also lead to the creation of new and stronger competitors, which may have negative consequences for the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group's businesses, financial conditions and results of operations.

The Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's internal financial and risk management controls may be insufficient to manage risks faced by it

The Clarksons Group's and Platou Group's ability to maintain financial controls and provide high-quality service to clients depends in part on the efficient and uninterrupted operation of its management information policies. There can be no assurance that these policies will function as designed. Furthermore, as a result of the increased complexity of the Enlarged Group following the integration of the Clarksons Group and the Platou Group, the burden on internal financial and risk management controls may be greater than that of the current Clarksons Group. Any failure of the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's risk management policies and procedures could have a material adverse effect on their respective businesses, financial conditions and results of operations. Accordingly, there is no certainty that such risk management policies and procedures will be adequate to prevent substantial financial loss, which may have a significant negative impact on the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's respective businesses, financial conditions and results of operations.

The Clarksons Group and Platou Group have each experienced significant growth and diversification in the past several years (in particular in their respective investment banking businesses) and the Acquisition will represent a further significant development for the Clarksons Group. Supporting this growth has placed, and is expected to continue to place, significant demands on the Clarksons Group's and Platou Group's, and, following Completion, the Enlarged Group's respective operational, legal, regulatory and financial systems and resources for integration, training and business development efforts. Any need to commit additional resources to maintain adequate operational, legal, regulatory and financial systems to support expansion could place additional demands on their resources, increase their expenses and adversely affect their ability to grow as planned.

The Clarksons Group, the Platou Group and, following Completion, the Enlarged Group may face losses that are uninsurable or which exceed their insurance coverage

The Clarksons Group and the Platou Group maintain a number of separate insurance policies to protect their core businesses against loss and/or liability to third parties. The insurance policies include property, terrorism, directors' and officers' liability, trustee liability, business interruption, professional indemnity, stevedores liability, public liability, employers' liability, indemnity and material damage. There are also losses that are either uninsurable or not economically insurable, including but not limited to losses occasioned by war, dishonesty, gross negligence, criminal acts and possibly consequential damages or losses. Furthermore, the Enlarged Group's exposure to uninsurable losses or losses which exceed their insurance coverage may be greater than that of the Clarksons Group as a result of, among other things, the increased scale of financial services operations as a proportion of the business. Whilst the Clarksons Group and the Platou Group believe that they maintain appropriate levels of insurance against identified risks (and following Completion, there will be an appropriate level of insurance in respect of the Enlarged Group), there can be no guarantee that coverage thereunder would be sufficient to cover any loss suffered, and insufficient coverage could have a material adverse effect on the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's respective businesses, financial conditions and results of operations.

A substantial portion of the businesses of the Clarksons Group and the Platou Group is and, following Completion, a substantial portion of the business of the Enlarged Group will be, conducted in currencies other than Pounds Sterling, resulting in exposure to risks associated with currency exchange fluctuations

Currency risk will arise as a result of the majority of the earnings of the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group being denominated in US Dollars and other non-Sterling currencies (including for the Platou Group, and following Completion, the Enlarged Group, NOK) while the majority of their costs are denominated in Pounds Sterling or the local currency of the office concerned and from the carrying values of the underlying assets of their respective overseas subsidiaries being denominated in foreign currencies. Fluctuations in foreign currency exchange rates (and, in particular, movements in the US Dollar and, more significantly for the Platou Group and, following Completion, the Enlarged Group, Norwegian Krone relative to Pounds Sterling) may adversely affect the business, financial condition and results of operations of the Platou Group, the Clarksons Group and, following Completion, the Enlarged Group. Any volatility in foreign currency exchange rates, together with the absence of any or appropriate levels or types of hedging transactions by the Clarksons Group, the Platou Group or, following Completion, the Enlarged Group, could result in fluctuations in their respective financial results. Further, if in the future the Enlarged Group expands its operations into new markets with different currencies, this could expose it to additional currency translation risks.

Any failure or data security breach of the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's information technology systems, or technological changes which affect those systems, could have a significant negative impact on their respective businesses

Information technology systems provide key components of many of the services that the Clarksons Group and Platou Group offer across their international operations and therefore play a key role in enabling their respective businesses to compete effectively. Both the Clarksons Group and the Platou Group are dependent on their information technology systems particularly in light of their decentralised operations. Following Completion, the Company may seek to rationalise the information technology systems across the Enlarged Group which may involve the migration of data from one system to another. Any inadequate system design or any failure of current or future systems (including as a result of increased use following the rationalisation described above) could impair the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's ability to conduct the day-to-day operations of their respective businesses. In addition, IT systems are vulnerable to damage or interruption from a variety of sources, including viruses, electronic break-ins or cyber-attacks, theft or corruption of confidential data or other unanticipated problems. Although the Clarksons Group and the Platou Group have introduced various security measures, including both technology and policy controls, it cannot be guaranteed that these measures offer the appropriate level of security or protection.

Similarly, any temporary or permanent failure of the IT systems and/or third-party infrastructure (including any failures arising out of the integration of the Clarksons Group and the Platou Group) on which the Clarksons Group, the Platou Group or, following Completion, the Enlarged Group rely could affect their ability to provide an efficient service to their clients and could lead to costs and disruptions that could adversely affect their businesses, financial conditions and results of operations. Any such failure may result in potentially higher costs in the future to further safeguard against such failure, which could have a material adverse effect on the Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's respective businesses, financial conditions and results of operations.

Finally, the cost of implementation in relation to the integration of the Clarksons Group's and Platou Group's information technology systems and any other emerging and future technologies could be significant, particularly given the size and complexity of the Enlarged Group's business. Any significant disruption of its computer or communication systems could significantly affect the Enlarged Group's ability to manage its information technology systems or lead to recovery costs, litigation brought by clients or business partners, or a diminished ability to operate the business, which in turn could have a material adverse effect on the Enlarged Group's business, results of operations and financial condition.

Liabilities resulting from litigation or other proceedings could have a material adverse effect on the Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's financial positions

The Clarksons Group and the Platou Group are and, following Completion, the Enlarged Group will likely from time to time be involved in various disputes, some of which may result in litigation or proceedings. There can be no assurances that litigation will not be brought against the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group in the future, and that such litigation will not have a material adverse effect on their respective businesses, financial conditions and results of operations. Furthermore, the Enlarged Group will conduct its business in a greater number of jurisdictions, which may have different legal systems, cultures and practices and where the costs and time required to make or defend claims is significant.

In particular, the Clarksons Group and the Platou Group and, following Completion, the Enlarged Group may face potential claims for compensation and other forms of civil liability from clients and third parties in the course of their shipbroking, offshore broking, investment services and financial services businesses. The Clarksons Group, the Platou Group and, following Completion, the Enlarged Group may also be exposed to potential liability for their economic research and related advisory services, which liability could be material. The Clarksons Group and the Platou Group conduct business in various jurisdictions in which dispute resolution procedures and the potential scope of civil liability may vary substantially. It may not always be possible to agree an adequate contractual limitation to potential liability if at all. A substantial claim for compensation or other forms of civil liability from clients or third parties may have a material adverse impact on the Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's reputations as well as their respective businesses, financial conditions and results of operations.

Additionally, the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group face the risk of litigation and regulatory proceedings in connection with their respective investment banking and transactional advisory services. As the Enlarged Group's financial services business will make up a greater proportion of the overall business than is currently the case for the Clarksons Group, these risks may be more significant for the Enlarged Group. In recent years, the volume of claims against financial advisors and the amount of damages claimed in such proceedings has been increasing. The Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's transactional advisory activities may subject them to the risk of significant legal liability to clients and third parties, including clients' stockholders, under securities or other laws for materially false or misleading statements made in connection with securities and other transactions and potential liability for the fairness opinions and other advice provided to participants in corporate transactions. The

Clarksons Group's, the Platou Group's engagements typically include and, following Completion, the Enlarged Group's engagements will typically include, broad indemnities from their respective clients and provisions designed to limit exposure to legal claims relating to their services, but these provisions may not provide sufficient protection or may not be adhered to in all cases. As a result, the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group may incur significant legal expenses in defending against litigation. Furthermore, the Platou Group's asset management business makes investment decisions on behalf of its clients that could result in substantial losses. This also may subject the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group to the risk of legal liability or actions alleging negligent misconduct, breach of fiduciary duty or breach of contract. These risks may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Substantial legal liability or legal expenses incurred in defending against litigation could cause significant reputational harm to the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group and could materially adversely affect their respective businesses, financial conditions and results of operations.

The diverse and complex global operations of the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group subject them to risks in multiple countries that could adversely affect their businesses

The Clarksons Group and the Platou Group currently market their services and have a presence in 18 and 11 countries respectively, including emerging market countries such as China, Russia and various Middle Eastern, African and South American countries, and may expand their geographic presences in the future. Following Completion, the Enlarged Group will have a presence in 21 countries, increasing the number of countries from those in which the Clarksons Group has a presence. The Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's future revenue growth depends upon the efficient delivery of their services through direct and indirect channels in various countries around the world where its current or potential clients are located. The expansion of the Clarksons Group's and Platou Group's businesses have required and, following Completion, the Enlarged Group will require, the establishment of new offices, hiring of new personnel and management of their businesses in widely disparate locations with different economies, legal systems, languages and cultures.

The Clarksons Group, the Platou Group and, following Completion, the Enlarged Group are subject to laws regarding money laundering and the financing of terrorism, as well as laws that prohibit them, their employees or intermediaries from making improper payments or offers of payment for the purpose of obtaining or retaining business, including the UK Bribery Act 2010, the Office of Foreign Assets Control and the Foreign Corrupt Practices Act. Monitoring compliance with anti-money laundering, anti-bribery and sanctions rules and regulations can involve a significant financial burden and requires significant technical capabilities. As the Enlarged Group's geographic footprint will be greater than that of the current Clarksons Group, the Enlarged Group's costs associated with complying with anti-money laundering, anti-bribery and sanctions regulations and the scope and effect of future regulatory requirements and potential violations of such regulations may be greater than for the Clarksons Group and the risk of sanctions or fines for non-compliance may therefore be greater. In recent years, enforcement of these laws and regulations has become more active. In addition, the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group cannot predict the nature, scope or effect of future regulatory requirements to which they might be subject or the manner in which existing laws might be administered or interpreted. Certain operations may involve business environments in which fraud, bribery or corruption may be common, condoned or encouraged by third parties. Although they believe that the current policies and procedures are sufficient to comply with applicable anti-money laundering, anti-bribery and sanctions rules and regulations, the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group cannot guarantee that such policies completely prevent situations of money laundering or bribery, including actions by their employees, for which they might be held responsible. Any such events may have severe consequences, including sanctions and fines which could have a material adverse effect on the Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's respective reputations, businesses, financial conditions, and results of operations.

The financial performance of the Clarksons Group and the Platou Group is, and, following Completion, the financial performance of the Enlarged Group will be, affected by factors outside of their control, including the impact of shipping capacity on freight rates and commissions

The financial performance of the Clarksons Group and the Platou Group is, and, following Completion, the financial performance of the Enlarged Group will be, impacted by the freight rates that their respective shipping clients are able to charge and upon which a broking commission can be earned. If freight rates decline, the commissions received will be reduced accordingly. Freight rates are determined by, among other things, the demand for shipping services, which is driven by, among other things, macroeconomic factors (see risk factor entitled "Adverse economic and financial conditions globally or in any of the regions or industries in which the Clarksons Group, Platou Group and, following Completion, the Enlarged Group operate could have a material adverse effect on the businesses of the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group") and available shipping capacity. The supply of shipping capacity is determined, in particular, by the size of the existing fleet in a particular market, the number of new vessel deliveries, the scrapping of older vessels and the number of vessels out of active service (being laid-up, dry-docked, awaiting repairs or otherwise not available for hire). The market supply of shipping vessels (including dry bulk carriers, containerships and tankers) has been increasing, and the number of vessels on order remains high by historical standards. If the number of new ships delivered exceeds the number of vessels being scrapped and lost, vessel capacity will increase. If the supply of vessel capacity increases but the demand for vessel capacity does not increase correspondingly, freight rates could decline materially.

If a decline in prevailing freight rates occurs, the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's shipping clients may operate at reduced or unprofitable rates, and the demand for new and second-hand vessels will decline. If current market conditions continue, the worldwide shipping fleet could continue to face unprofitable or marginally profitable charter rates and could experience difficulties in securing employment. Any significant or prolonged depression of charter rates could affect the demand for the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's shipbroking, vessel finance and related services, possibly resulting in a material adverse effect to the their respective businesses, financial conditions and results of operations. Furthermore, given the Enlarged Group's additional product spread and its exposure to more diverse markets than that of the Clarksons Group, such events may have a greater impact on the Enlarged Group.

The factors influencing the supply and demand for shipping capacity are outside the control of clients in the shipping industry, and the inability of such clients to correctly assess the nature, timing and degree of changes in industry conditions may result in a decline in demand for the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's services and therefore have a material adverse impact on their respective businesses, financial conditions and results of operations.

The Clarksons Group and the Platou Group are exposed to any decline in the creditworthiness of their clients, which is tied to the strength of the markets in which they operate. Any uncertainty in the shipping or offshore markets may consequently affect the amount of debt which may be recoverable from such clients. Furthermore, following Completion a greater proportion of the Enlarged Group's client base may be based in jurisdictions which it is potentially more difficult, time consuming or expensive to recover amounts owed. Any inability of the Enlarged Group to efficiently recover debts owed by clients could have a material adverse effect on its business, financial condition and results of operations.

The Clarksons Group and the Platou Group are, and, following Completion, the Enlarged Group will be, exposed to significant competition in the industries in which they operate and there can be no assurance that they will maintain a competitive position in the future

The shipbroking, offshore broking and financial services industries are highly competitive, and are expected to remain so in the future and, following Completion, the Enlarged Group's increased product offering and geographic footprint will expose the Enlarged Group to competition from third parties with which the Clarksons Group has not previously competed. The Clarksons Group's and the Platou Group's and, following Completion, the Enlarged Group's future competitiveness will depend in part upon their ability to win and maintain productive and positive client relationships, and to identify, develop and offer innovative services whilst ensuring competitive pricing and market expertise. Some of their divisions generate the majority of their revenue from a limited number of clients, and any loss of or decline in these relationships could have a material adverse effect. Their competitiveness will also depend on their ability to adapt quickly to evolving industry and market trends and technological changes. Continued growth in their respective businesses may depend on their abilities to adapt their existing services in line with client preferences and to develop services that generate client interest. Failure in any of these areas could result in competitors acquiring additional market share, which could have a material adverse effect on the Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's businesses, financial conditions and results of operations.

The Clarksons Group and the Platou Group have each expanded geographically and established presences in new regions. In these markets, each group experiences strong competition from local financial institutions, shipbrokers and offshore brokers, some of which have a stronger local presence and a longer operating history. To the extent the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group enter into new markets or provide new products or services, no assurance can be made that they will be able to compete successfully in these new markets.

Some of the Clarksons Group's and the Platou Group's competitors have greater financial and other resources and, as a result, may be in a better position to compete for future business opportunities. These competitors compete directly for clients and industry personnel. In particular, as a result of substantial consolidation within the financial services industry, many competitors are larger and have greater resources, including the ability to offer a wider range of financial services, such as loans, deposit-taking, insurance, brokerage, asset management and investment banking services, which may enhance their competitive position. The ability of such firms to support investment banking and securities services along with other commercial banking, insurance and financial services may enable them to gain market share, which could result in a reduction in the volume and/or margin for the Investment Banking businesses of the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group. This competition could have a material adverse effect on the Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's businesses, financial conditions and results of operations, as well as their ability to attract and retain highly skilled individuals.

The transactions undertaken by the Clarksons Group, the Platou Group are and, following Completion, the transactions undertaken by the Enlarged Group will be subject to risks arising from employee error, omission, negligence and misconduct

The Clarksons Group and the Platou Group are and, following Completion, the Enlarged Group will be, exposed to the risk of employee error and omissions. Furthermore, as the Enlarged Group's geographic footprint and breadth of operations will be larger than that of the Clarksons Group, the Enlarged Group may be more exposed to the risk that consistent standards and procedures are not maintained across the business which may increase the risk of employee error and omissions. The risks of employee error and omissions could include binding the Clarksons Group, the Platou Group or, following Completion, the Enlarged Group to transactions that present unacceptable risks or which exceed authorised limits or the hiding of unsuccessful or unauthorised activities. Employees could misuse confidential information, resulting in unknown and unmanaged risks or losses for the Clarksons Group, the Platou Group or, after the Acquisition, the Enlarged Group, including but not limited to regulatory sanctions and severe financial harm that could seriously damage the reputation of the Clarksons Group, the Platou Group or, following Completion, the Enlarged Group. Errors or omissions on the part of employees could result in significant loss or a significant claim against the Clarksons Group, the Platou Group or, following Completion, the Enlarged Group. The Clarksons Group and the Platou Group have, and the Enlarged Group will have, in place arrangements intended to reduce the occurrence and mitigate the effects of such errors and omissions by employees. However, these measures, along with other measures to reduce and insure against the risk of error or omission, may not be effective in all cases and, where not effective, such errors or omissions could have a material adverse effect on the respective businesses, financial conditions and results of operations of the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group.

The Clarksons Group and the Platou Group depend and, following Completion, the Enlarged Group will depend on third party service providers

The Clarksons Group and Platou Group rely upon third party service providers for certain aspects of their businesses. Any interruption or deterioration in the performance of these third party service providers could impair the timing and quality of the Clarksons Group's or Platou Group's services. In addition, if the contracts with any of these third party service providers are terminated, there may be difficulties in finding suitable alternative outsource providers on a timely basis or on equivalent terms. Following Completion, the Enlarged Group's service and product offerings will expand beyond those currently offered by the Clarksons Group and also increase the number of markets in which the Clarksons Group currently operates, which in turn will increase the importance of the quality of service provided by third-party service providers as the impact of any interruption or deterioration in performance could have a greater impact on the Enlarged Group's business than that of the Clarksons Group. The occurrence of any of these events could impact the Clarksons Group's, the Platou Group's or, following Completion, the Enlarged Group's reputation and have a material adverse effect on the their respective businesses, financial conditions and results of operations.

Changes in taxation law or the interpretation of taxation law and accounting requirements could have a material negative impact on the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group

The Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's activities are governed by the fiscal legislation of the jurisdictions where they are operating. As the Enlarged Group's service and product offerings will expand beyond those currently offered by the Clarksons Group, and also increase the number of markets from those in which the Clarksons Group currently operates, the Enlarged Group's exposure to fiscal legislation may be greater than that of the Clarksons Group. Thus, the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group are exposed to risks regarding the correct application of applicable tax, including VAT, and social security regulations as well as possible future changes in the tax and social security legislation of countries in which they operate. To the extent corporate and other applicable tax rules or social security rules, or the generally accepted interpretation of any such rules, change, this could have a prospective and retrospective impact on the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group, both of which could have a material negative impact on the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group.

A number of transactions between companies or previous owners of companies within the Clarksons Group or the Platou Group and employees or former employees of the Clarksons Group or the Platou Group have been carried out in relation to the transfer of shares in the Company and various companies within the Clarksons Group or the Platou Group. These transactions have been carried out with the assistance of the Clarksons Group's or the Platou Group's respective financial and legal advisors but there is always a risk that such transactions are scrutinised and/or viewed differently by tax authorities, and that the tax authorities make other tax assessments of the transactions than the assessments contemplated by the Clarksons Group, the Platou Group and, following Completion, the Enlarged Group or its employees and their respective advisors. An adverse determination by tax authorities might result in increased taxes for the employees, increased employers' national insurance contributions or other tax consequences and might divert the time and energy of the management team.

Damage to the Clarksons Group's and the Platou Group's respective brands and reputations or, following Completion, the Enlarged Group's reputation may adversely affect their performance

The Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's ability to retain clients and attract new business will be dependent on the maintenance of the respective reputations of the Clarksons Group and the Platou Group. Following Completion, the Enlarged Group may face additional vulnerability to adverse market perception, particularly as it operates in an industry where a high level of integrity and client trust is paramount. Although the Enlarged Group will seek to maintain the quality of its services, invest in compliance and quality assurance, promote an ethical work environment and provide appropriate training to its employees, it cannot guarantee that it will be able to protect its business against damage to its reputation with particular clients or more generally in the geographic regions in which it operates. Any real or perceived mismanagement, poor performance, fraud or failure to satisfy the Enlarged Group's responsibilities to their respective clients (or the expectations of those clients), or the negative publicity resulting from such activities or the accusation by a third party of such activities (whether well founded or not) associated with the Enlarged Group could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

The Clarksons Group's, the Platou Group's and, following Completion, the Enlarged Group's Forward Order Books may not be indicative of their future revenues

Commissions earned from the execution of newbuilding, sale and purchase and chartering transactions within the Broking division in the Clarksons Group and the Shipbroking and Offshore divisions in the Platou Group include business that will be included in a Forward Order Book for future invoicing when key milestones arise that trigger relevant invoicing.

The nature of the activities in the newbuilding and chartering departments typically result in significant amounts being included in the Clarksons Group's and Platou Group's respective Forward Order Books.

The Forward Order Books are not included in the Clarksons Group's or the Platou Group's respective income statements or balance sheets but are published once a year as they represent the respective board of directors' best estimates of revenues that will be invoiced in the following 12 months. As certainty over invoicing reduces the further out the Forward Order Book goes, it is customary in the industry to not make reference to the Forward Order Book which exists and is due for invoicing more than 12 months from the date of publication.

However, the Forward Order Books include several inherent risks, including in respect of actual payment of the amounts recorded in the Forward Order Book, and the timing of such payment. The contracts underlying the amounts included in the Clarksons Group's and the Platou Group's Forward Order Books and, following Completion, the Enlarged Group's Forward Order Book might be amended, postponed or cancelled, and the revenue from such contracts would be potentially delayed, cancelled or subject to new contract terms. Furthermore, as the Enlarged Group's Forward Order Book will be larger than that of the Clarksons Group, there is potentially a greater uncertainty that all of the revenues will be invoiced in the following 12 months. In the case of long-term charters, commissions can be payable on charter hire for many years, representing significant income over time, but such revenue is subject to actual payment by the parties over such time. Commissions related to newbuilding contracts are normally spread over the construction period and are generally paid in line with the buyers' contract price instalment payments, again subject to actual payment by the parties. Delays in construction lead to delays in receipt of the associated commission. The realisation of the Forward Order Books is dependent on the continued existence of the clients at the time of invoicing.

ADDITIONAL RISKS RELATING TO THE PLATOU GROUP

The Platou Group is subject to certain restrictive covenants in respect of its third party debt financing arrangements which may restrict the ability of the Platou Group to operate its business and, if not complied with, could materially and adversely affect the Platou Group's business, results of operations and financial condition

The Platou Group is subject to and, following Completion, the Enlarged Group will continue to be subject to, outstanding debt and debt service obligations. The Platou Group's existing facilities agreement with DNB Bank ASA contains restrictive debt covenants that may, amongst other things, limit the ability of the Platou Group to make acquisitions or investments, make loans or otherwise extend credit to others, incur indebtedness or issue guarantees, create security, issue shares and pay dividends, and sell, transfer or otherwise dispose of assets. Though the Platou Group is currently in compliance with these covenants and is expected to continue to be in compliance with these covenants, in the longer term such restrictions could however affect the Enlarged Group's ability to operate its business and may limit its ability to react to market conditions or take advantage of potential business opportunities as they arise in the future. In order to remain in compliance with the covenants, which if breached, could result in a significant proportion of the Enlarged Group's debt becoming repayable, the Enlarged Group may have to take actions it would not otherwise have chosen to do and limit its ability to finance discretionary business expansions and capital investment in the longer term, which in turn could materially and adversely affect the Platou Group's or, following Completion, the Enlarged Group's, respective businesses, financial conditions and results of operations.

In addition, if in the longer term the Platou Group, or, following Completion, Enlarged Group were to seek additional borrowings to finance future growth, the Platou Group's and, following Completion, the Enlarged Group's existing debt obligations could increase the cost of such additional borrowings, which in turn could have a material adverse effect on the Platou Group's or, following Completion, the Enlarged Group's, respective businesses, financial conditions and results of operations.

An increase in future payments under the Platou Group's defined benefit pension plans could have a material adverse effect on the Platou Group's financial condition

One Platou Group company operates a defined benefit pension scheme which was closed to new entrants in 2006. At 30 June 2014, the present value of defined benefit obligations of this defined benefit scheme on an IAS19 basis was £10.8 million (31 December 2013: value of defined benefit obligations was £10.4 million) and the net pension liability was £1.3 million (31 December 2013: net pension liability was £1.3 million).

The nature of a defined benefit pension scheme means that the funding levels of the pension plan are subject to factors outside the Platou Group's control, which could increase the deficit in that scheme. These factors include investment returns, discount rates for valuing liabilities, life expectancy and inflation. As a result, it is not possible to accurately predict the future funding level of the defined benefit scheme, deficit-reduction periods, employer cash contribution obligations or accounting charges with any degree of certainty. Currently, annual contributions are assessed every three years and were set at £432,000 at the actuarial valuation as of December 2013.

If future payments increase substantially above current levels, this could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

Appendix 7
Definitions

The following definitions apply throughout this Announcement, including the appendices, unless the context requires otherwise:

"**Acquisition Resolution**"	means the resolution to approve the Acquisition to be set out in the Notice of General Meeting
"**Acquisition**"	means the proposed acquisition by Clarkson PLC of RS Platou ASA
"**AHTS**"	means anchor handling tug supply
"**Announcement**"	means this announcement together with the appendices
"**Board**"	means the board of directors of the Company
"**Circular**"	means the Company's circular in connection with the Acquisition that is expected to be provided to its Shareholders in due course
"**Clarksons Group**"	means the Company and its subsidiaries and subsidiary undertakings prior to Completion
"**CMA**"	has the meaning given to it in Appendix 6 (*Risk Factors*)
"**Company**" or "**Clarksons**"	means Clarkson PLC
"**Completion**"	means completion of the Acquisition pursuant to the terms of the Share Purchase Agreement
"**Conditions**"	means the conditions to Completion as set out in the Share Purchase Agreement
"**Consideration Shares**"	means the Ordinary Shares to be issued by the Company to the Sellers pursuant to the Share Purchase Agreement which is expected to be 9,523,001 Ordinary Shares
"**Corporate Governance Code**"	means the UK Corporate Governance Code dated September 2014 issued by the Financial Reporting Council in the UK
"**CRD IV**"	Means the EU legislative package consisting of the Capital Requirements Regulation (575/2013) and the Capital Requirements Directive (2013/36/EU) as amended
"**DIFC**"	has the meaning given to it in paragraph 3(a) of Appendix 5 (*Operating and Financial Review of the Clarksons Group*)
"**Directors**"	means the current directors of Clarksons
"**Disclosure and Transparency Rules**"	means the disclosure rules and transparency rules made by the UK Listing Authority under Section 73A of FSMA as

	amended from time to time
"**Disposal**"	means any offer, sale, contract to sell, grant or sale of options over, purchase of any option or contract to sell, transfer, charge, pledge, grant of any right or warrant to purchase or otherwise transfer, lend or dispose of, directly or indirectly, any Consideration Shares or any securities convertible into or exercisable or exchangeable for Consideration Shares or the entry into of any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Consideration Shares, whether any such transaction is to be settled by delivery of Consideration Shares or such other securities, in cash or otherwise or any other disposal or agreement to dispose of any Consideration Shares or any announcement or other publication of the intention to do any of the foregoing and "Dispose" shall be construed accordingly
"**E&P**"	means Exploration and Production
"**Enlarged Group**"	means the Company and its subsidiaries and subsidiary undertakings, including the Platou Group, on Re-Admission and from time to time thereafter
"**EU**"	means the member states of the European Union
"**Ewings**"	means Michael F. Ewings (Shipping) Limited
"**Execution Long Stop Date**"	means 30 December 2014
"**Executive Directors**"	means Jeff Woyda and Andi Case
"**FCA**"	means the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
"**FINRA**"	means the Financial Industry Regulatory Authority
"**fixture**"	means an offshore or shipbroking related contract
"**Former Platou Group**"	means Platou and its subsidiaries prior to the completion of the RS Platou LLP Transaction
"**Forward Order Book**"	means the estimated future commissions and other revenues collectable over the duration of the contract as principal payments fall due, on already executed transactions
"**FPSO**"	means floating production storage offloading units
"**FSMA**"	means the Financial Services and Markets Act 2000 of the United Kingdom, as amended
"**General Meeting**"	means the general meeting of the Company to be held at 10

	a.m. on or around 16 December 2014 to consider and if thought fit, approve the Acquisition Resolution, as well as other ancillary resolutions
"**Gibb Tools**"	means Gibb Tools Limited
"**IFRS**"	means International Financial Reporting Standards as adopted by the European Union
"**LIBOR**"	means the London Inter Bank Offered Rate for twelve months' Sterling deposits for an amount equal to the then outstanding principal amount of the Loan Notes, fixed at 11.00 a.m. (London time) on the first day of the relevant interest period and displayed on the appropriate Telerate/Reuters screen
"**Listing Rules**"	means the listing rules made by the UK Listing Authority under section 73A of the FSMA as amended from time to time
"**LLPs**"	has the meaning given to it in paragraph 1.2 of Appendix 3 (*Information on the Platou Group*)
"**LNG**"	means liquefied natural gas
"**Loan Note Instrument**"	means the loan note instrument to be issued by the Company which sets out the terms and conditions of the Loan Notes
"**Loan Notes**"	means the loan notes to be issued by the Company to the Sellers pursuant to the Share Purchase Agreement, the terms of which are contained in the Loan Note Instrument
"**London Stock Exchange**"	means London Stock Exchange plc
"**Long Stop Date**"	means 15 May 2015
"**LPG**"	means liquefied petroleum gas
"**Main Market**"	means the London Stock Exchange's main market for listed securities
"**MiFID II**"	has the meaning given to it in Appendix 6 (*Risk Factors*)
"**MiFID**"	has the meaning given to it in Appendix 6 (*Risk Factors*)
"**MiFIR**"	has the meaning given to it in Appendix 6 (*Risk Factors*)
"**MLP**"	means Master Limited Partnership
"**NFA**"	means the National Futures Association
"**NFSA**"	means *Finanstilsynet*, the Financial Supervisory Authority of Norway

"**Nomura**"	means Nomura International plc
"**Non-Executive Directors**"	means Bob Benton, Peter Backhouse, James Hughes-Hallett CMG, SBS, James Morley and Ed Warner OBE
"**Official List**"	means the official list of the UK Listing Authority
"**Ordinary Shares**"	means the ordinary shares of nominal value 25 pence each in the capital of the Company including, if the context requires, the Consideration Shares and the Placing Shares
"**OSV**"	means offshore supply vessel
"**Panmure Gordon**"	means Panmure Gordon (UK) Limited
"**Placing Shares**"	means the Ordinary Shares that may be issued by the Company pursuant to the Placing
"**Placing**"	means the possible placing of up to 1,613,698 Ordinary Shares, representing up to 8.5 per cent. of the Company's existing issued ordinary capital, to institutional investors located outside of the US and certain other jurisdictions
"**Platou Group**"	means Platou and its subsidiaries following completion of the RS Platou LLP Transaction
"**Platou Share Capital**"	the entire issued share capital of Platou, excluding any shares held in treasury immediately prior to Completion
"**Platou Shareholders' Agreement**"	means the shareholders' agreement in relation to Platou dated 4 March 2013
"**Platou Shareholders**"	means the holders of Platou Shares
"**Platou Shares**"	means the ordinary shares in Platou issued or to be issued prior to Re-Admission other than the shares that are held in treasury by Platou immediately prior to Completion.
"**Platou**"	RS Platou ASA
"**Pounds Sterling**" or "**£**"	means the lawful currency of the United Kingdom from time to time
"**Proposed Directors**"	Peter M. Anker, Ragnar Horn and Birger Nergaard
"**Prospectus Rules**"	means the prospectus rules made by the UK Listing Authority under section 73A of the FSMA as amended from time to time
"**Prospectus**"	means the prospectus, including any supplementary prospectus, to be published by the Company in connection with the Consideration Shares to be issued and Re-Admission

"**PSV**"	means platform supply vessels
"**Re-Admission Condition**"	the UKLA and the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the Consideration Shares and the Re-Admission has been approved and, after satisfaction of any conditions to which such approval is expressed to be subject, will become effective as soon as a dealing notice has been issued by the FCA and any conditions to which such approval is expressed to be subject have been satisfied
"**Re-Admission**"	means admission of the Consideration Shares, and re-admission of the Ordinary Shares, to the premium listing segment of the Official List and to trading on the Main Market
"**Relevant Authority**"	means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, authority (including any national anti-trust or merger control authority) or court in any relevant jurisdiction
"**Repayment Date**"	has the meaning given to it in paragraph 2(a) of Appendix 2 (*Summary of Key Terms of the Acquisition*)
"**Restricted Territory**"	has the meaning given to it in the body of this Announcement
"**RoRo**"	has the meaning given to it in paragraph 1.3 of Appendix 1 (*Information on the Enlarged Group*)
"**RS Platou LLP Transaction**"	has the meaning given to it in paragraph 1.2 of Appendix 3 (*Information on the Platou Group*)
"**Seller Business Warranties**"	has the meaning given to it in paragraph 9.1 of Appendix 2 (*Summary of Key Terms of the Acquisition*)
"**Sellers**"	means Platou Shareholders who have executed the Transaction Documents or a deed of adherence to the Transaction Documents
"**Share Purchase Agreement**"	means the agreement to be entered into between certain Platou Shareholders and Clarksons setting out the terms and conditions governing the acquisition by the Company of certain of the Platou Shares
"**Shareholder**"	means a holder of Ordinary Shares
"**Shareholders' Agreement Resolution**"	means the resolution to approve the waiver or amendment (as appropriate) of the terms of the Platou Shareholders' Agreement in the case of the Acquisition in order to: (a) remove (i) the requirement for the board of Platou to be

	notified of or to approve the Acquisition and for the Company to make a mandatory offer for Platou; (ii) the lock-up restrictions applying to any Platou Shares; and (iii) the non compete undertakings provided by Platou employees in respect of Platou and its subsidiaries; and (b) amend the Platou Shareholders' Agreement to include provisions that, with effect from Completion, the Platou Shareholders' Agreement shall terminate
"**Stewart Group**"	has the meaning given to it in paragraph 2.1 of Appendix 3 (*Information on the Platou Group*)
"**Transaction Documents**"	means the Share Purchase Agreement and the Warranty Agreement
"**UKLA**" or "**UK Listing Authority**"	means the FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA and any successor(s) thereto
"**Unaudited Pro Forma Financial Information**"	has the meaning given to it in Appendix 4 (*Unaudited Pro Forma Information*)
"**United Kingdom**" or "**UK**"	means the United Kingdom of Great Britain and Northern Ireland
"**United States**" or "**US**"	means the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction
"**US Warranty Agreement**"	means the warranty agreement required to be executed by Sellers located in the United States to ensure compliance with the United States Securities Act of 1933, as amended
"**Warranty Agreement**"	means the warranty agreement to be entered into between certain Platou Shareholders and the Company pursuant to which such Sellers provided certain warranties to the Company in relation to the Acquisition

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