



# *Final Results Announcement*

*12 months ended 31 December 2012*

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# Agenda

- Financial Overview – Jeff Woyda, CFO
- The Market – Andi Case, CEO
- Outlook – Andi Case, CEO



# Results summary

	2012	2011	Change %
Revenue	£176.2m	£194.6m	-9.5%
EBITDA*	£22.7m	£34.2m	-33.6%
Profit before taxation*	£20.4m	£32.2m	-36.6%
Profit before taxation**	£23.3m	£35.4m	-34.2%
Earnings per share**	87.2p	134.1p	-35.0%
Dividend per share	51.0p	50.0p	+2.0%

\* Before exceptional item and acquisition costs

\*\* After exceptional item and acquisition costs



# Broking

Revenue £145.7m (2011 - £163.6m) Profit £25.2m (2011 - £35.9m)

- Significant demand/supply imbalance
  - Lower asset values
  - Very challenging freight rates (ClarkSea index down 23% y-o-y)
- Transaction volumes
  - Up across all chartering activities
  - Many show double digit % growth
  - S&P maintained market share in slower market
- Broad spread of market coverage showing importance
- Rate environment worst in
  - Dry Cargo
  - Containers



# Financial

Revenue £5.3m (2011 - £12.1m) Loss £9.9m (2011 – Loss £2.3m)

- CSL
  - FFA market suffering from lack of volatility
  - Perfect storm
    - Market volumes down
    - Rates down
  - Iron Ore swaps and options
- CCM
  - Equity sales
    - NY sales operation start up costs
    - Research coverage extended
    - Revenues now growing month on month
  - Banking
    - Dubai operation closed
    - Reduced and focused headcount



# Support

Revenue £16.0m (2011 - £10.8m) Profit £4.2m (2011 - £1.7m)

- Port & Agency profit £2.8m (2011: £0.8m)
  - EnShip & Opex acquisitions exceeded expectations
  - Integration working well
  - New operations in Tyne and Great Yarmouth in the period
- Property services profit £1.4m (2011: £1.1m)



# Research

Revenue £9.2m (2011 - £8.1m) Profit £2.8m (2011 - £2.0m)

- Martin Stopford retired, remains under consultancy agreement
- Steve Gordon becomes MD, supported by an outstanding board
- Headline revenue growth of 14%, underlying revenue growth 10%
- Major areas of growth
  - Digital Income
  - Customer Services
  - Offshore
  - Valuations



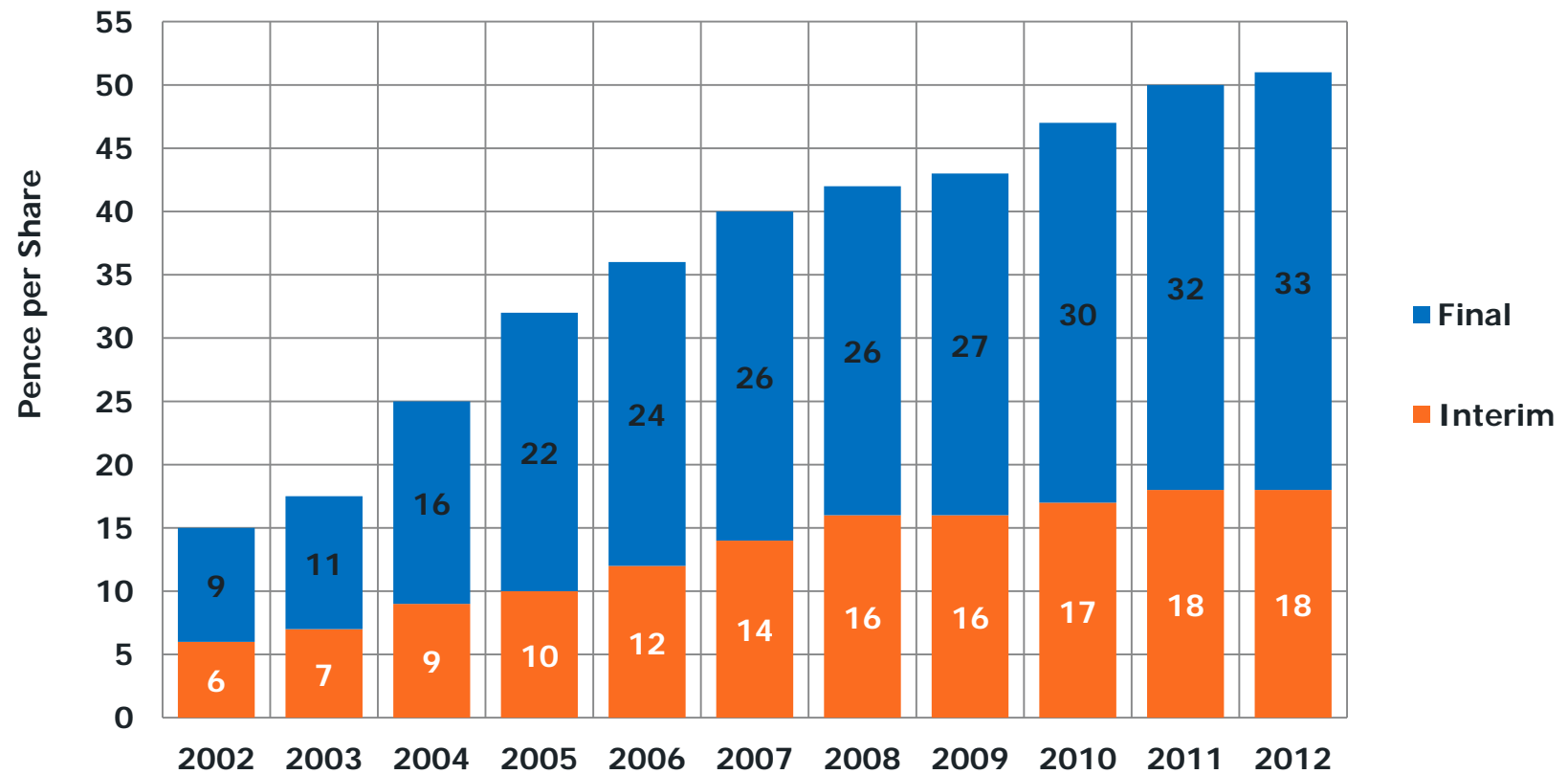
# Profit & Loss

- Acquisition costs £1.6m
  - Share-based payments
  - Amortisation of intangibles
- Non-recurring receipt of US\$7m (£4.5m) – exceptional item
- Taxation – rate 29.9% (2011: 29.1%)
  - Profits in high tax jurisdictions
- Exchange rate
  - Average year ended 31 December 2012: £1:\$1.5929 (2011 £1:\$1.6100)
  - Spot at 31 December 2012 £1:\$1.6255 (2011 £1:\$1.5541)





# Dividend





# Net Funds

	2012 £m	2011 £m
Cash and cash equivalents	89.4	132.9
Current investments	25.2	-
Reserved for bonus (full cost)	(39.4)	(61.8)
Net cash	75.2	71.1
Borrowings	-	-
Net available funds	75.2	71.1
<i>Reserved for final dividend</i>	<i>(6.1)</i>	<i>(6.0)</i>



# Balance Sheet

	2006	2007	2008	2009	2010	2011	2012
	£m	£m	£m	£m	£m	£m	£m
Fixed Assets	27.2	25.4	29.1	27.4	21.6	21.3	23.5
Intangibles	42.4	47.2	32.3	32.5	32.7	40.3	39.8
	<b>69.6</b>	<b>72.6</b>	<b>61.4</b>	<b>59.9</b>	<b>54.3</b>	<b>61.6</b>	<b>63.3</b>
Investments	<b>14.0</b>	<b>16.4</b>	<b>16.1</b>	<b>14.9</b>	<b>13.2</b>	<b>1.9</b>	<b>1.9</b>
Working Capital	(18.0)	(25.8)	(22.0)	(9.3)	(12.8)	(4.7)	(5.0)
Net Funds	(7.3)	10.9	38.4	38.2	62.5	71.1	75.2
	<b>(25.3)</b>	<b>(14.9)</b>	<b>16.4</b>	<b>28.9</b>	<b>49.7</b>	<b>66.4</b>	<b>70.2</b>
	<b>(11.3)</b>	<b>1.5</b>	<b>32.5</b>	<b>43.8</b>	<b>62.9</b>	<b>68.3</b>	<b>72.1</b>
Net Assets before pensions	<b>58.3</b>	<b>74.1</b>	<b>93.9</b>	<b>103.7</b>	<b>117.2</b>	<b>129.9</b>	<b>135.4</b>
Pensions	7.1	9.9	8.5	(6.9)	(0.8)	(6.6)	(9.4)
Net Assets	<b>65.4</b>	<b>84.0</b>	<b>102.4</b>	<b>96.8</b>	<b>116.4</b>	<b>123.3</b>	<b>126.0</b>



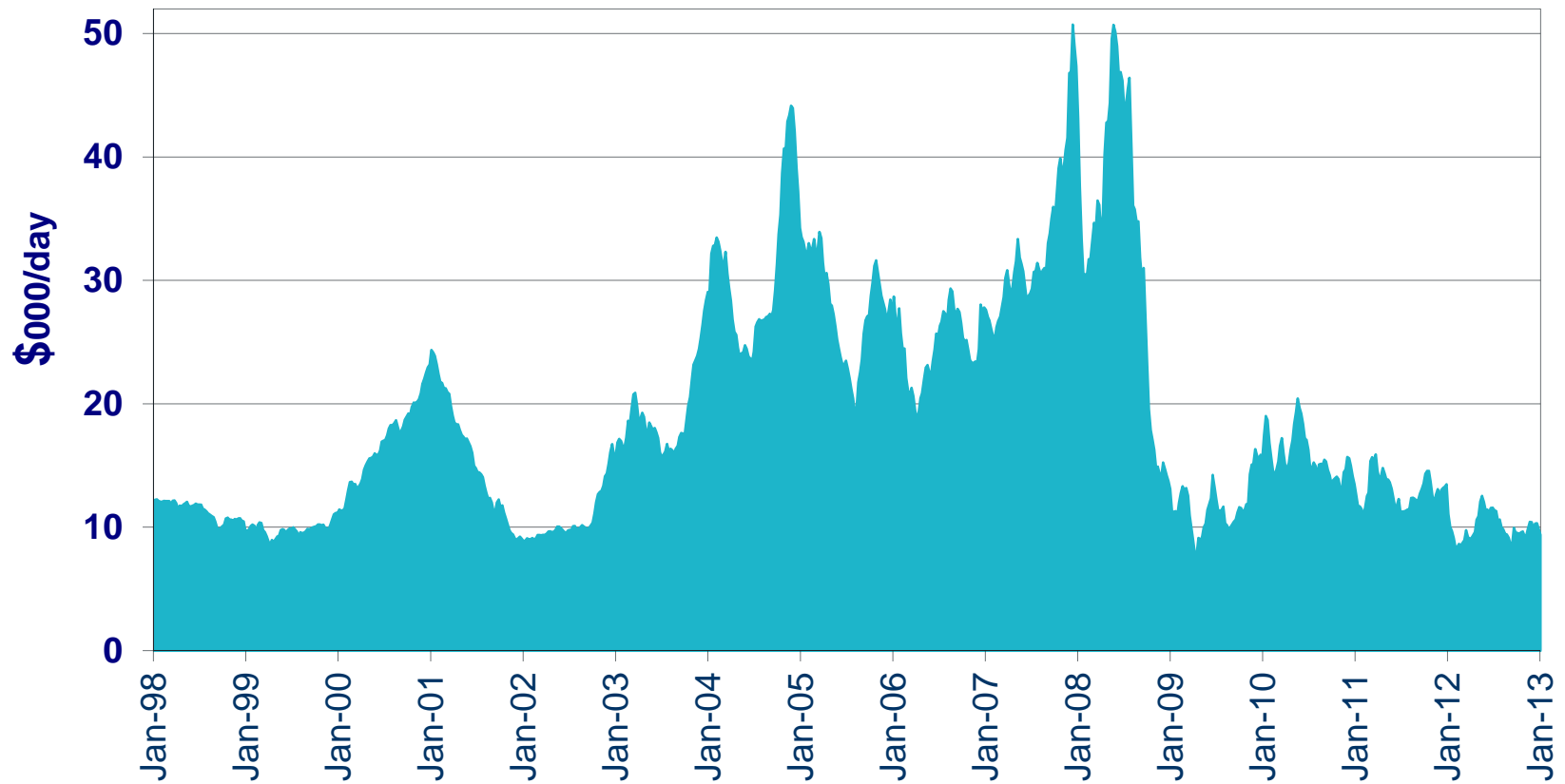
# Forward Order Book (for invoicing in the following year)

	2012* US\$m	2011* US\$m
<b>Broking</b>	<b>81</b>	<b>91</b>
<b>Financial</b>	<b>1</b>	<b>1</b>
<b>Total FOB</b>	<b>82</b>	<b>92</b>

*\*Best estimates of deliverable FOB*

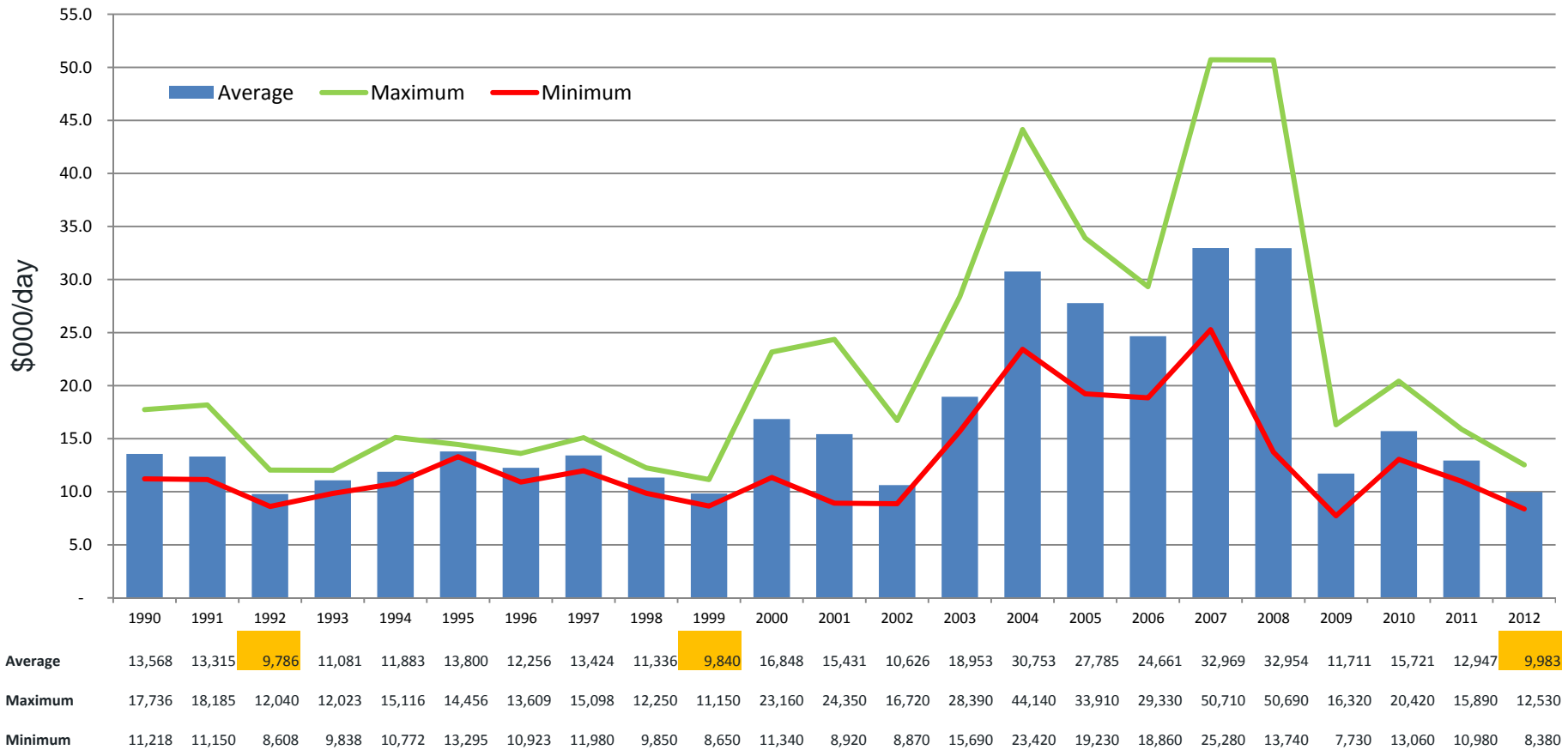


# ClarkSea Index



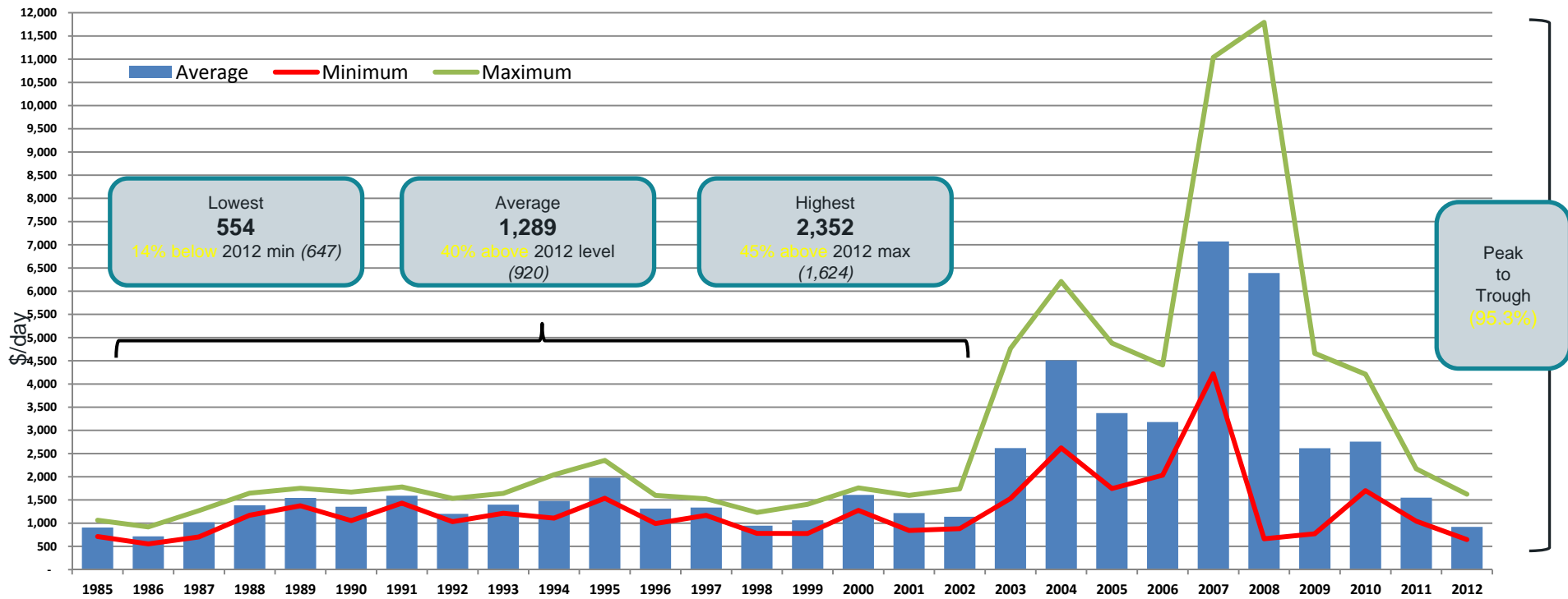


# ClarkSea Index





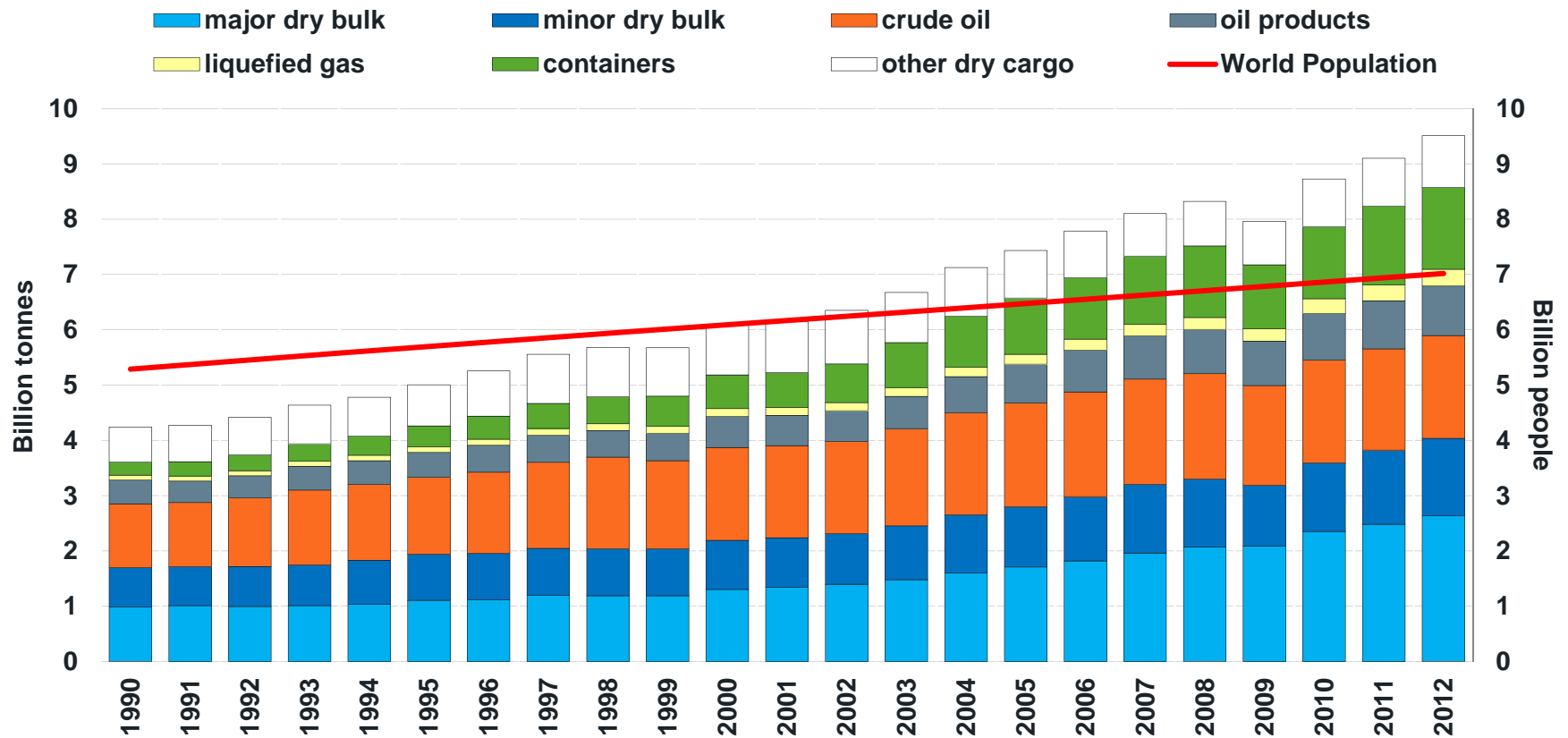
# Baltic Dry Index



Ave	906	715	1,019	1,385	1,543	1,355	1,592	1,202	1,399	1,478	1,981	1,314	1,336	945	1,063	1,608	1,217	1,137	2,617	4,510	3,371	3,180	7,070	6,390	2,617	2,758	1,549	920
Max	1,064	920	1,271	1,648	1,751	1,669	1,780	1,534	1,642	2,043	2,352	1,598	1,526	1,232	1,406	1,762	1,599	1,739	4,765	6,208	4,880	4,407	11,039	11,793	4,661	4,209	2,173	1,624
Min	712	554	703	1,171	1,376	1,056	1,432	1,033	1,215	1,110	1,538	992	1,168	780	776	1,276	843	882	1,530	2,622	1,747	2,033	4,219	663	772	1,700	1,043	647



# World Seaborne Trade

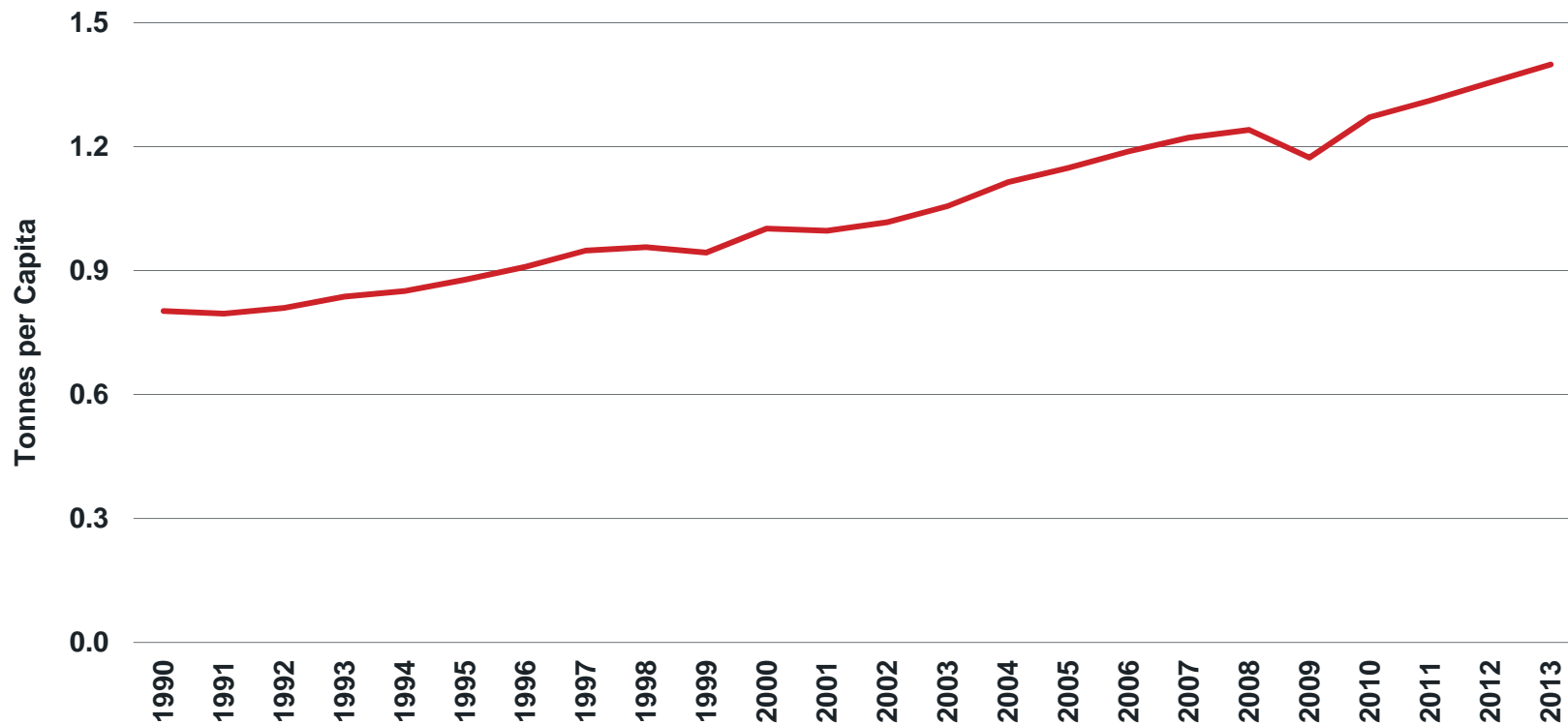


Data Source: Clarksons





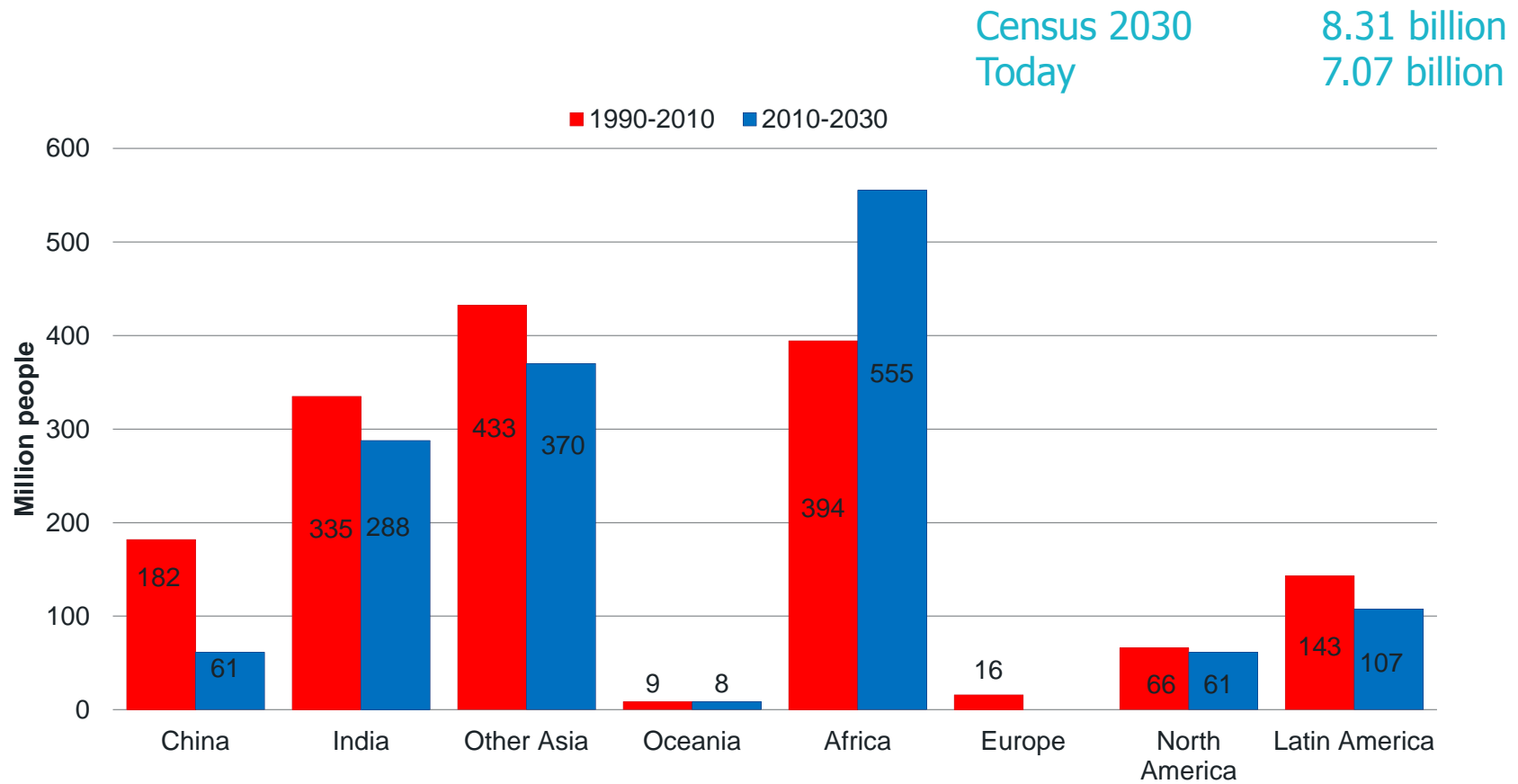
# Seaborne Trade per Capita



Source: Clarksons & US Census of Bureau



# World Population Growth

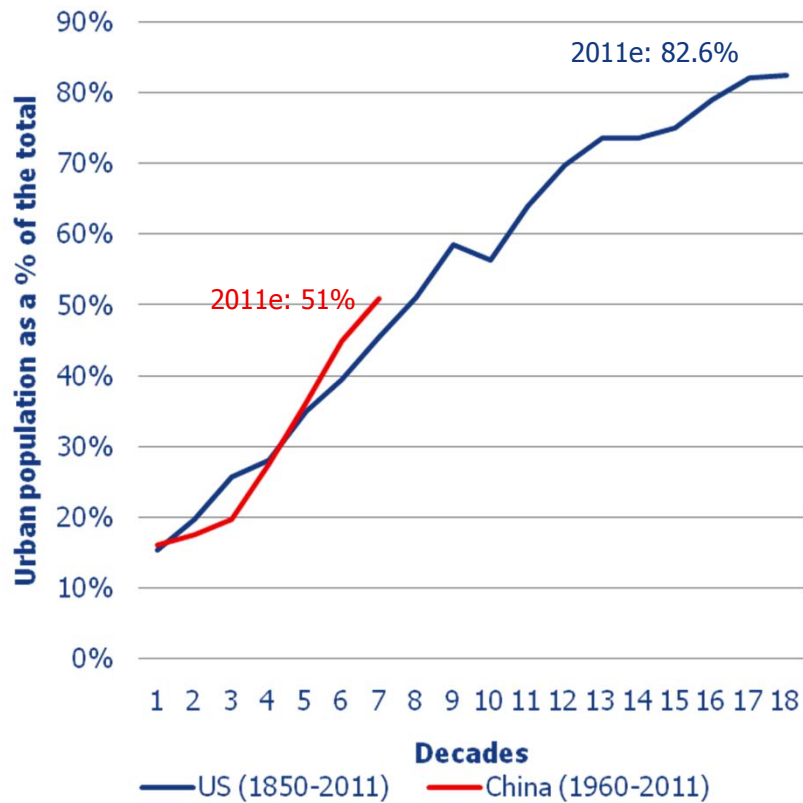


Source: US Census of Bureau

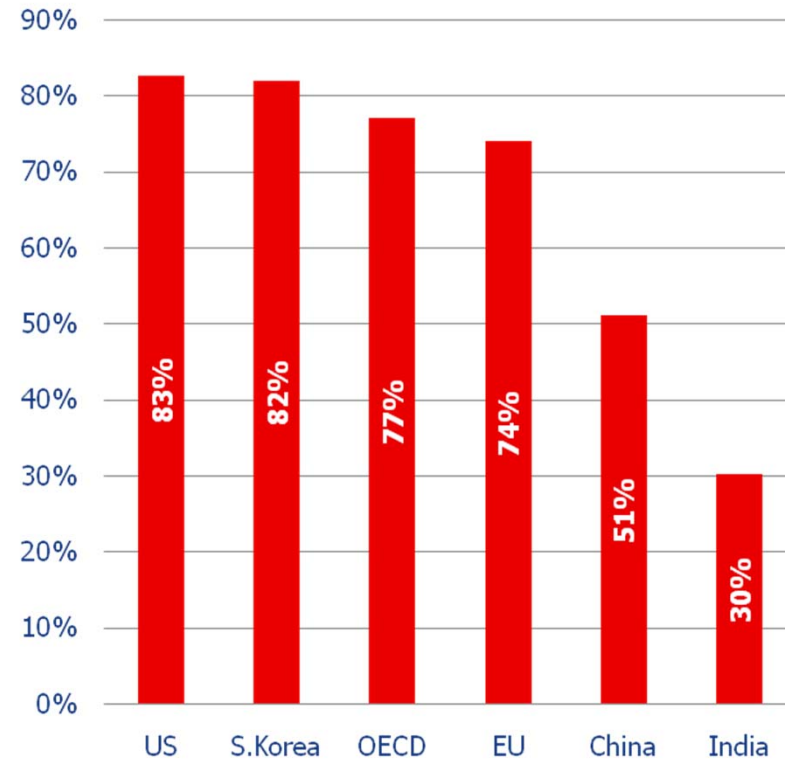


# China's urbanisation ratio is still low

China urbanisation rate



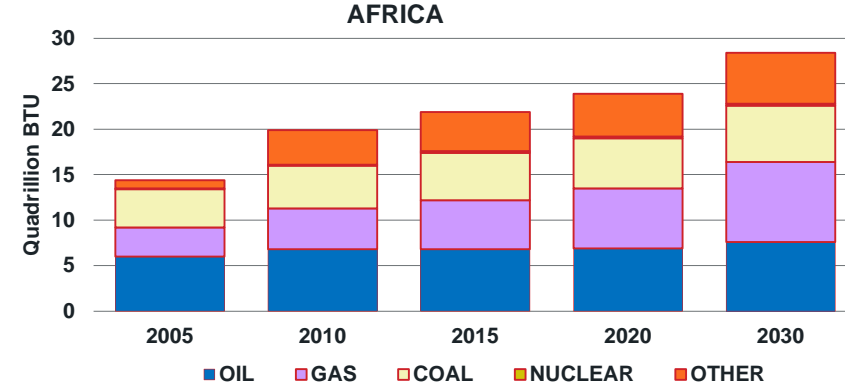
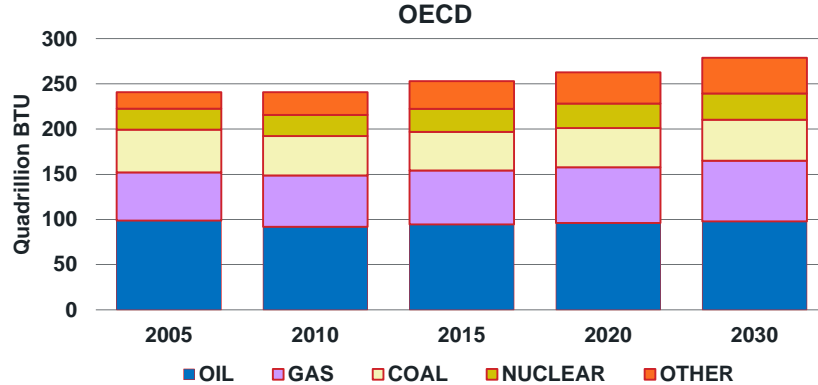
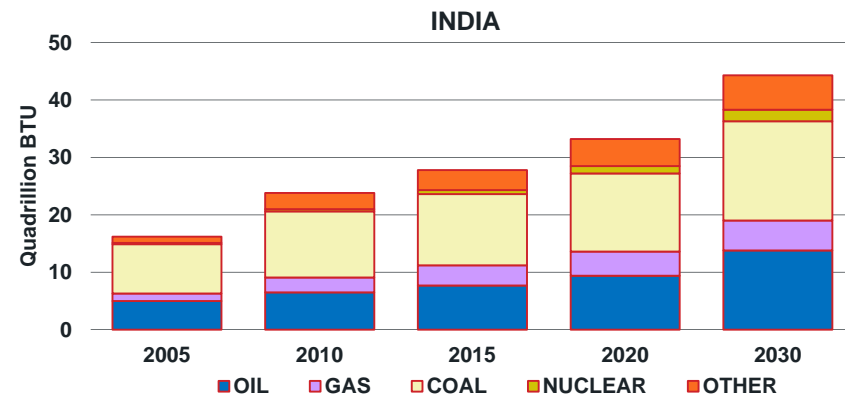
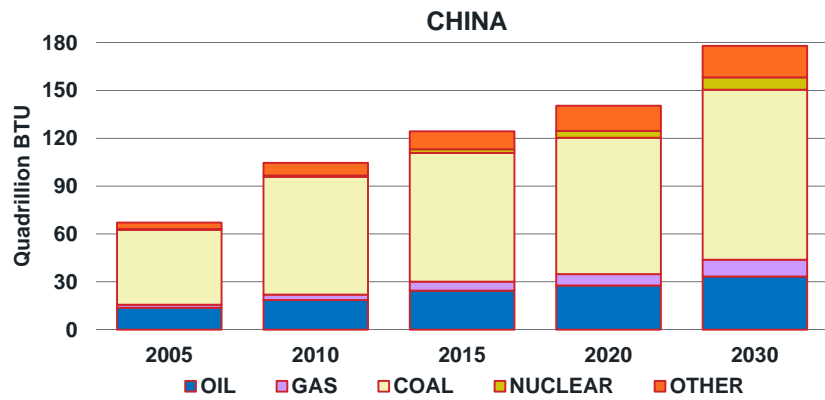
Urban population as a % of total



Source: World Bank



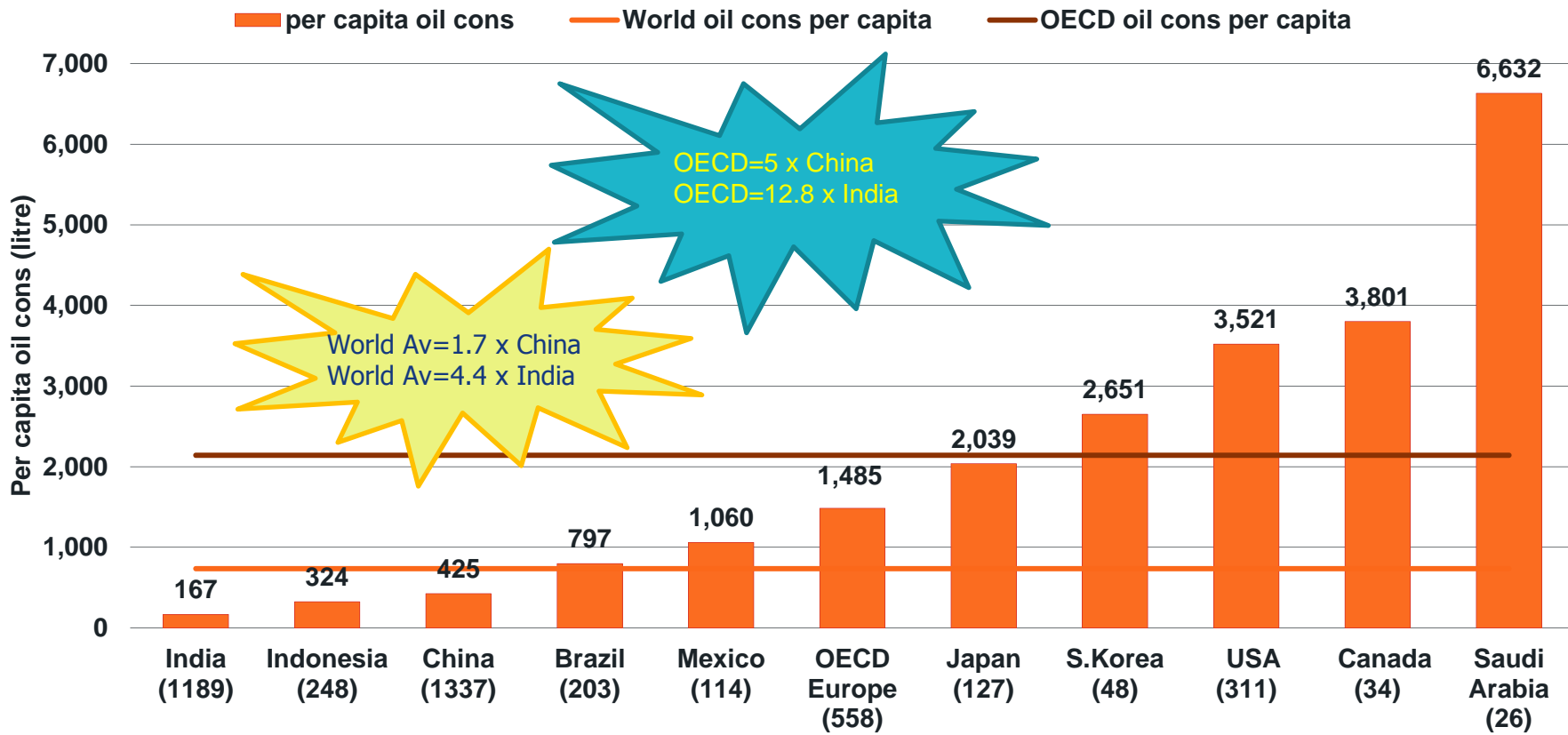
# Energy Demand – Growth



Data source: EIA



# Oil Consumption per Capita

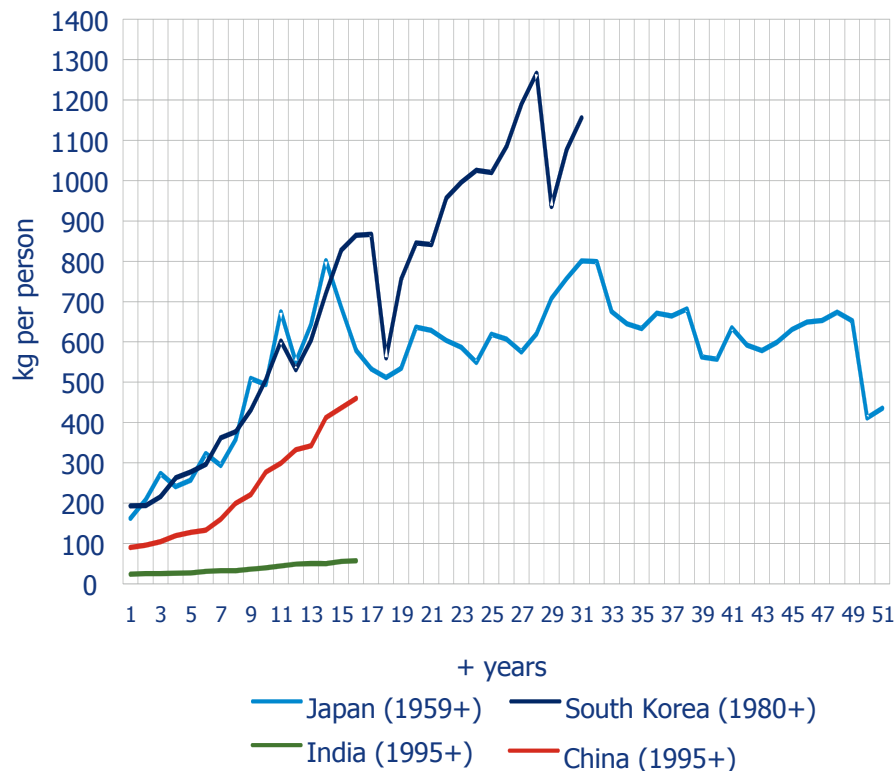


Data source: EIA/US Census Bureau

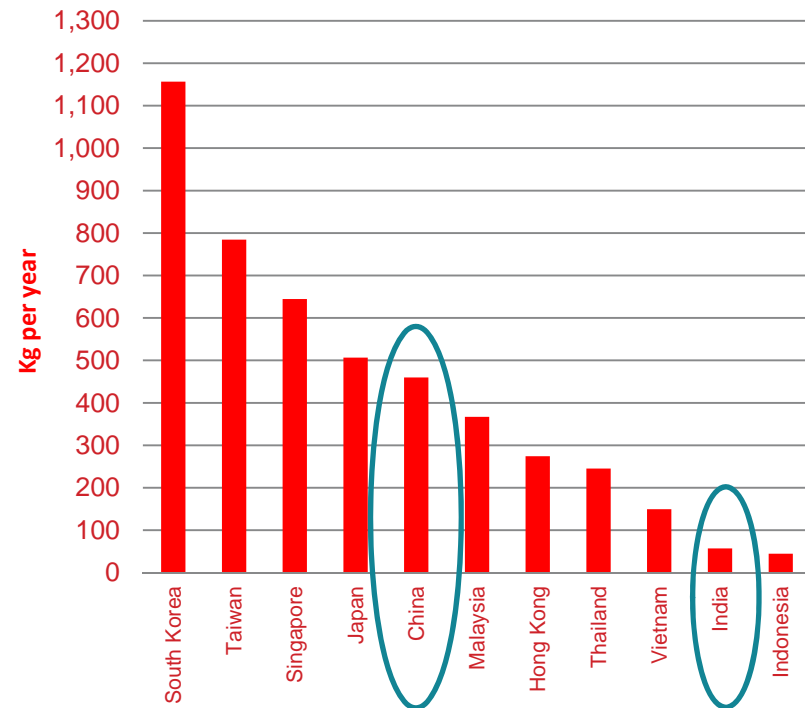


# Emerging market steel consumption is still below industrialised economies

Per capita steel consumption



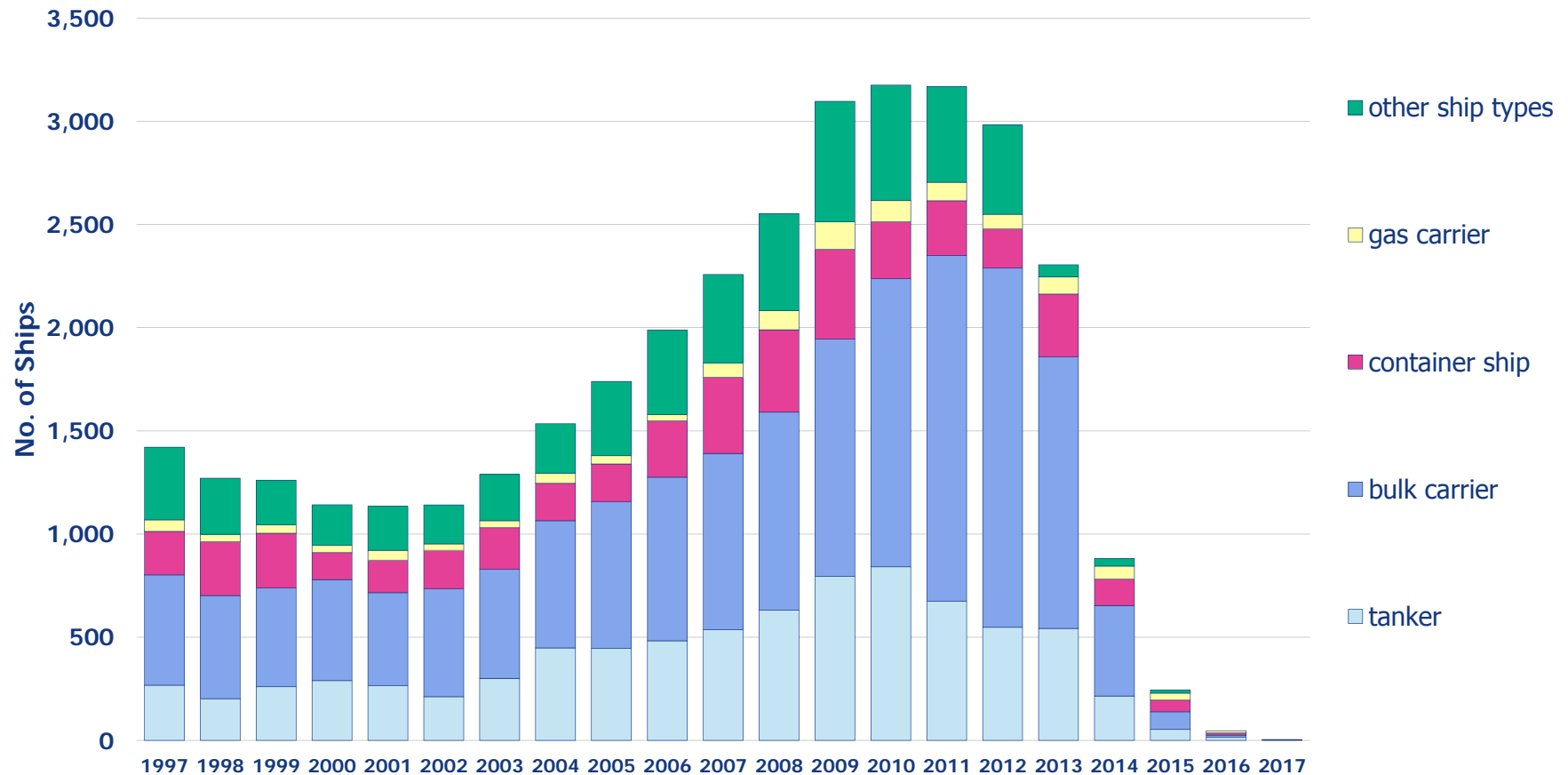
Per capita steel consumption - 2011



Source: World steel



# All Types\* Fleet Deliveries & Orderbook

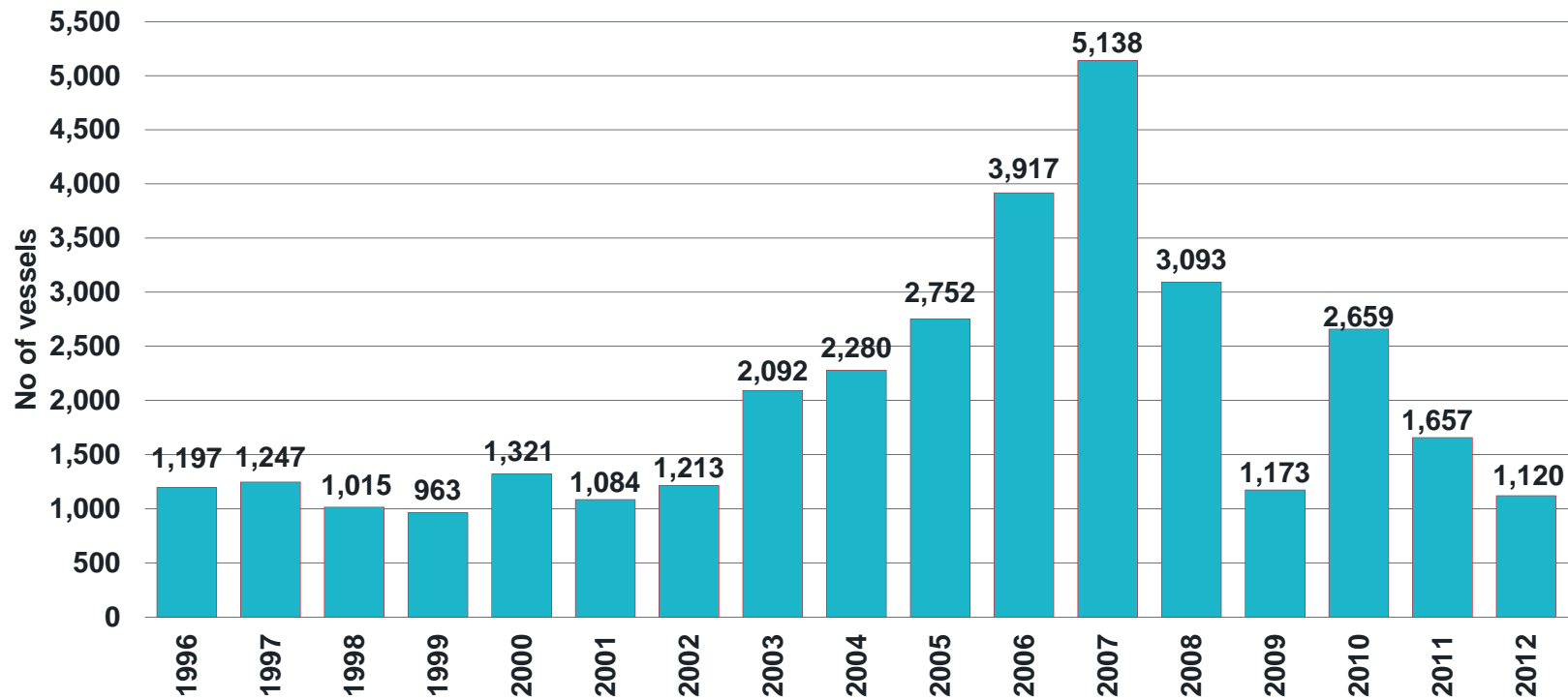


Data source: Clarksons

\*excluding offshore, passenger/cruise, government vessels



# Global Vessel Contracting



Data source: Clarksons





# Outlook

- Very challenging markets highlights importance of:
  - Global reach
  - Product diversity
  - Quality research and analysis
  - Being best in class
- Clarkson Capital Management
- Strong balance sheet
  - Enables investment in teams
  - Optimises ability to take advantage of opportunities
- Strategy of clear focus



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