



Final Results Announcement

Year ended 31 December 2009

Andi Case & Jeff Woyda
11 March 2010
www.clarksons.com



Agenda

- **Financial overview** – Jeff Woyda, CFO
- **Market overview** – Andi Case, CEO
- **Outlook** – Andi Case, CEO



Financial Review



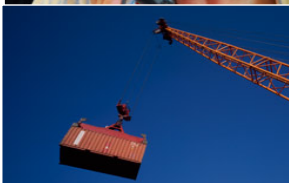
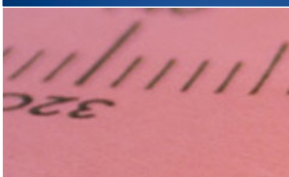


Results summary

	2009 £m	2008 £m	Change %
Revenue Continuing operations	£176.7m	£250.3m	-29%
EBIT Continuing operations before exceptionals	£23.7m	£38.9m	-39%
Profit before taxation Continuing operations before exceptionals	£22.5m	£39.2m	-43%
Profit before taxation Continuing operations after exceptionals	£22.5m	£18.2m	+24%
Earnings per share Continuing operations after exceptionals	90.0p	41.9p	+115%
Dividend per share	43.0p	42.0p	+2%



Clarksons

		2009 Revenue £m	2008 Revenue £m			2009 Result £m	2008 Result £m	
	Broking	139.1	193.3	(28%)	↓	26.7	44.9	↓
	Financial	14.9	33.9	(56%)	↓	(0.5)	4.2	↓
	Support	16.0	17.0	(6%)	↓	(0.4)	(3.8)	↑
	Research	6.7	6.1	10%	↑	1.1	0.8	↑



Profit & Loss

- **Broking Revenue**
 - Transaction volumes increased
 - Reduced average rates
- **Reduction in overheads**
 - Impact of bonus “pressure valve”
 - Tight cost control
 - Merging dry cargo HK & Singapore
 - Closure of Paris
 - Downsizing of South Africa
- **Investment opportunity**
 - New hires – S&P, Tanker projects, Offshore, Containers, Specialised products, Derivatives etc.
- **Growth in research**
 - New products
- **Support Revenue**
 - Growth in Port & Agency
 - Growth in technical services
- **Securities**
 - Higher transaction volumes at lower rates and smaller clips
 - New Container derivative
 - Burgeoning commodity business
- **Taxation**
 - Foreign dividends
 - Changes in advisers

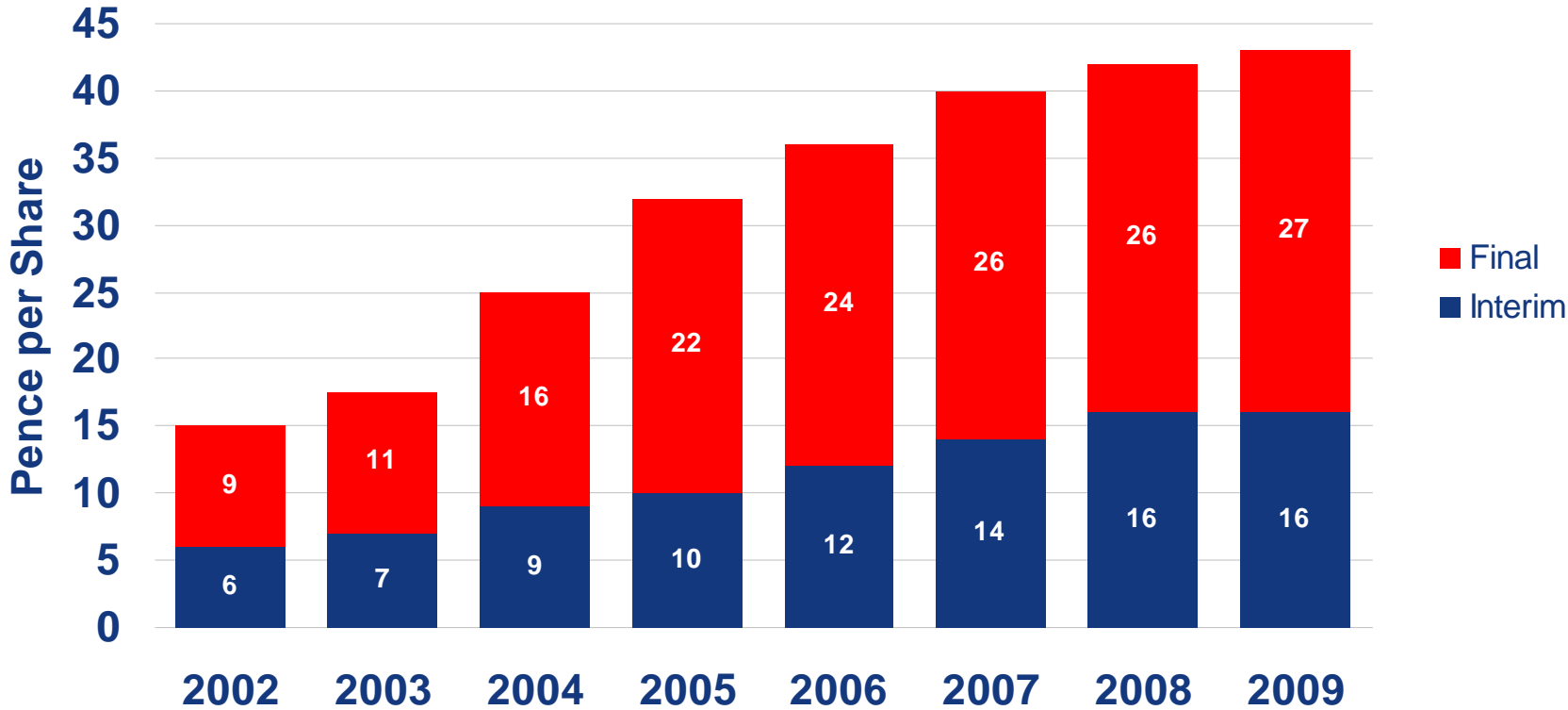


Profit & Loss

- All areas of the business were in profit except:-
 - **Investment Services**
 - Signing and working mandates
 - Market "tough"
 - **Fund Management**
 - Assets under management shrunk to \$32.8m
 - Performance in Clarkson shipping hedge fund +5.5%
 - New freight derivatives fund +15.4% final quarter 2009
 - **Logistics**
 - Hermien – sole remaining vessel
 - Passed special survey
 - Commercially managed



Dividend





Net Funds

	31 December 2009 £m	31 December 2008 £m
Cash and short term deposits	£143.2m	£184.4m
Reserved for Bonus (full cost)	(£56.7m)	(£92.0m)
Net Cash	£86.5m	£92.4m
Borrowings	(£48.3m)	(£54.0m)
Net available Funds	£38.2m	£38.4m
<i>Reserved for Final Dividend</i>	<i>(£5.1m)</i>	<i>(£4.9m)</i>



Balance Sheet

	2005 £m	2006 £m	2007 £m	2008 £m	2009 £m
Fixed Assets	26.5	27.2	25.4	29.1	27.4
Intangibles	17.7	42.4	47.2	32.3	32.5
	44.2	69.6	72.6	61.4	59.9
Investments	2.1	14.0	16.4	16.1	14.9
Working Capital	(12.4)	(18.0)	(25.8)	(22.0)	(9.3)
Net Funds	14.3	(7.3)	10.9	38.4	38.2
	1.9	(25.3)	(14.9)	16.4	28.9
	4.0	(11.3)	1.5	32.5	43.8
Net Assets before pensions	48.2	58.3	74.1	93.9	103.7
Pensions	(0.4)	7.1	9.9	8.5	(6.9)
Net Assets	47.8	65.4	84.0	102.4	96.8



Forward Order Book (for invoicing in the following year)

	2009* \$m	2008* \$m	2007 \$m
Broking	108	106	131
Financials	5	12	26
Total FOB	113	118	157

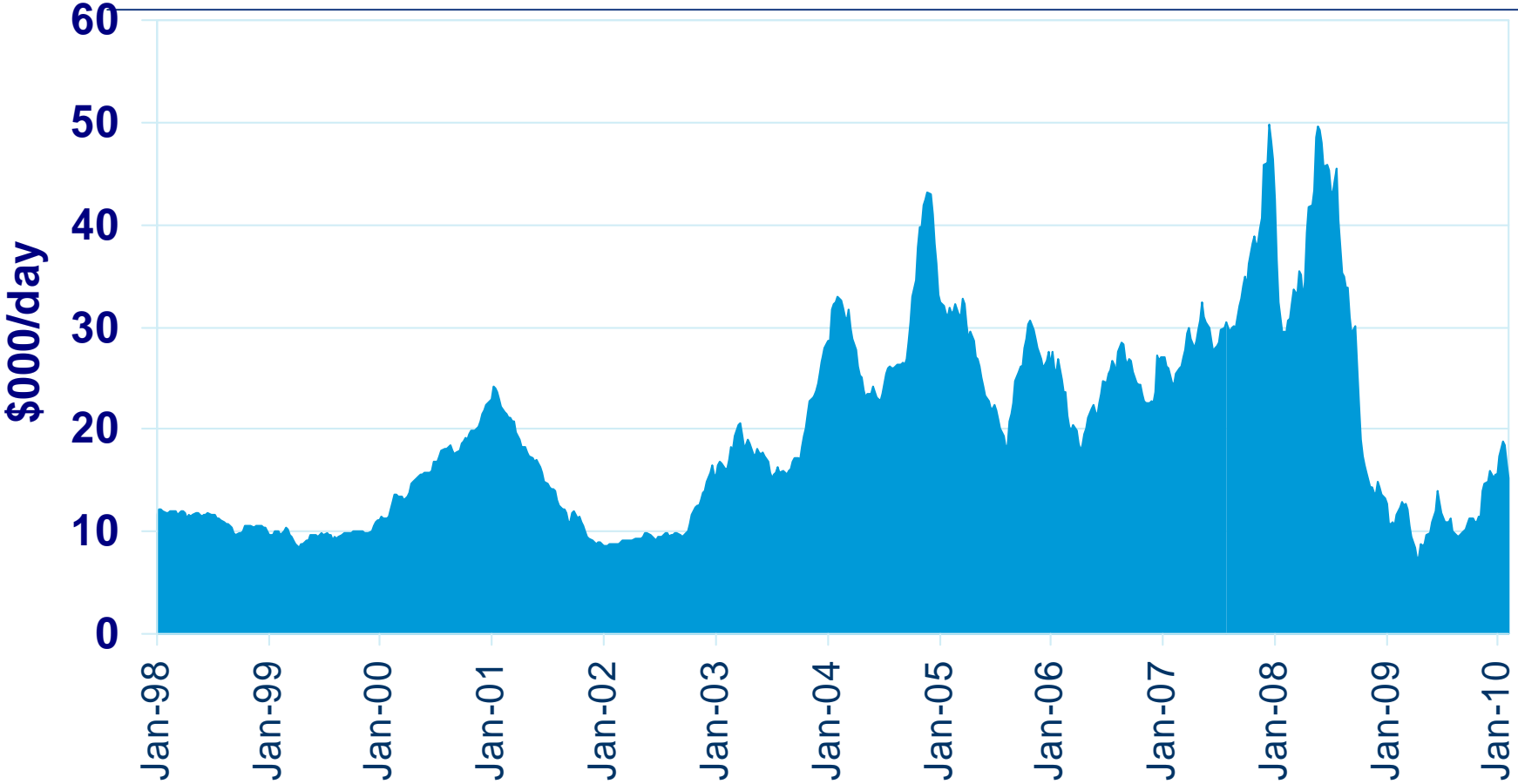
**Best estimates of deliverable FOB*



The Market



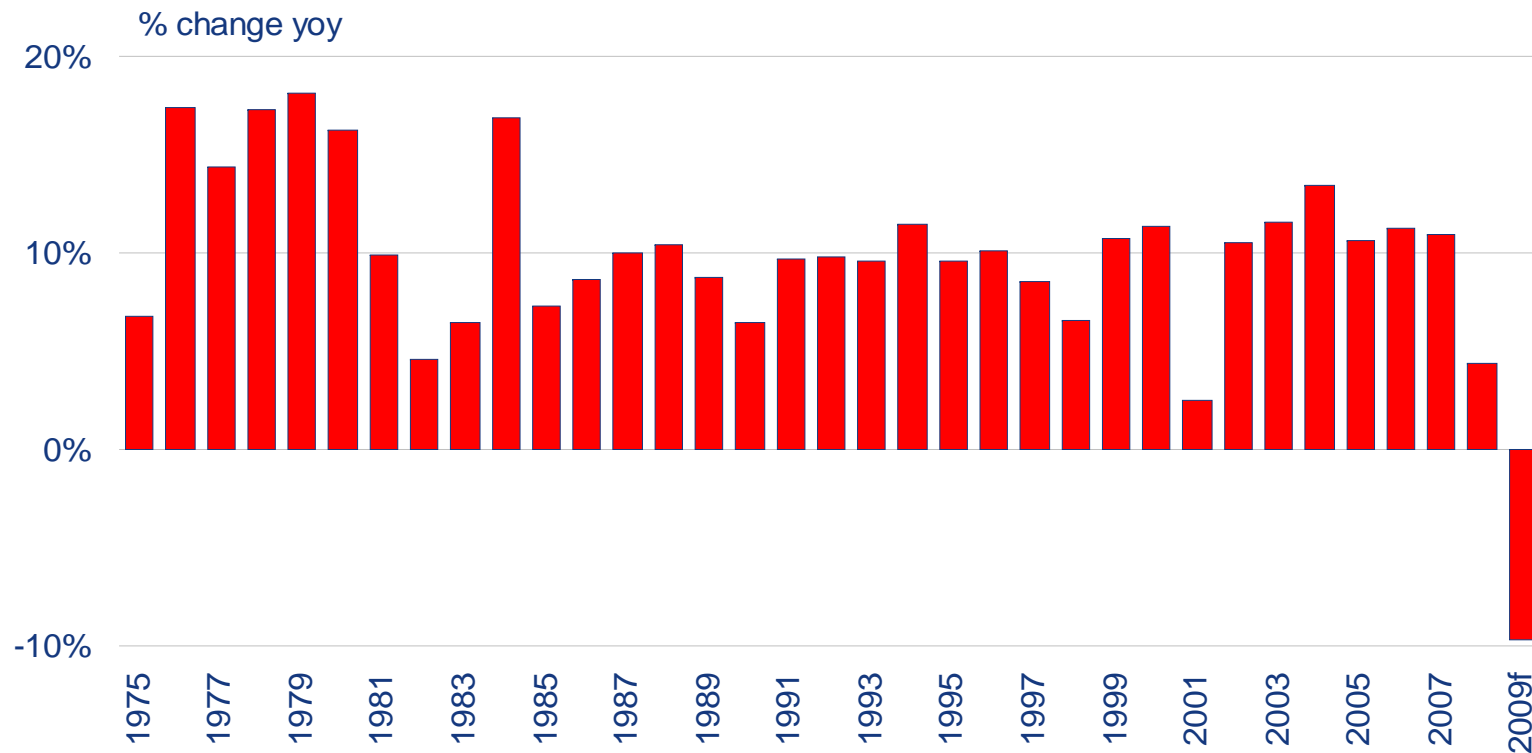
Clarksea Index





Long-Term Demand Growth

Global Container Trade Expansion

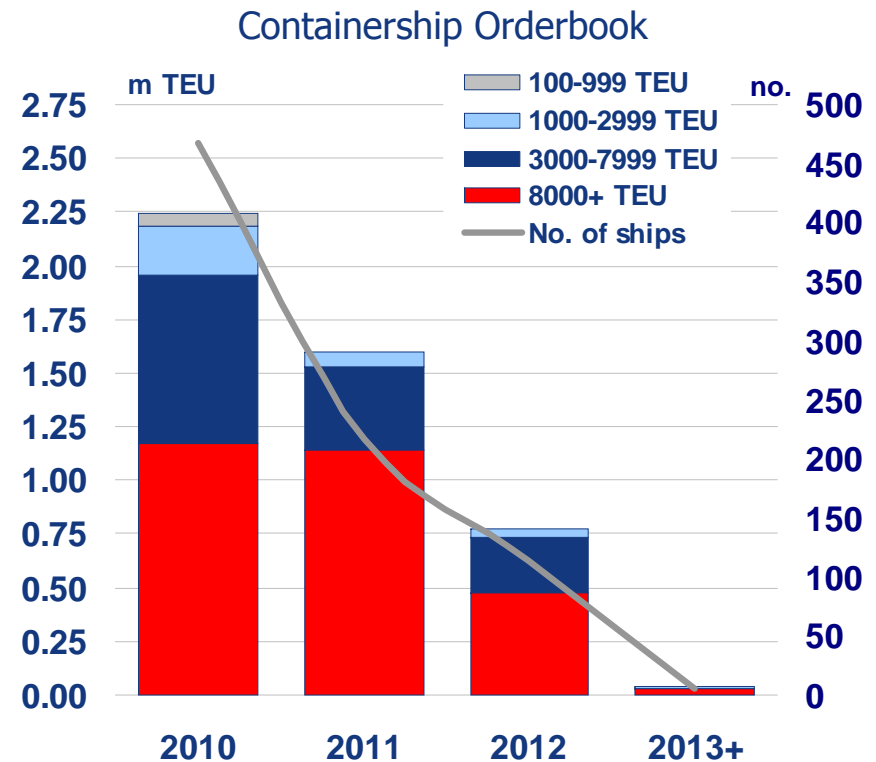


Source : Clarkson Research Services



Containership Orderbook

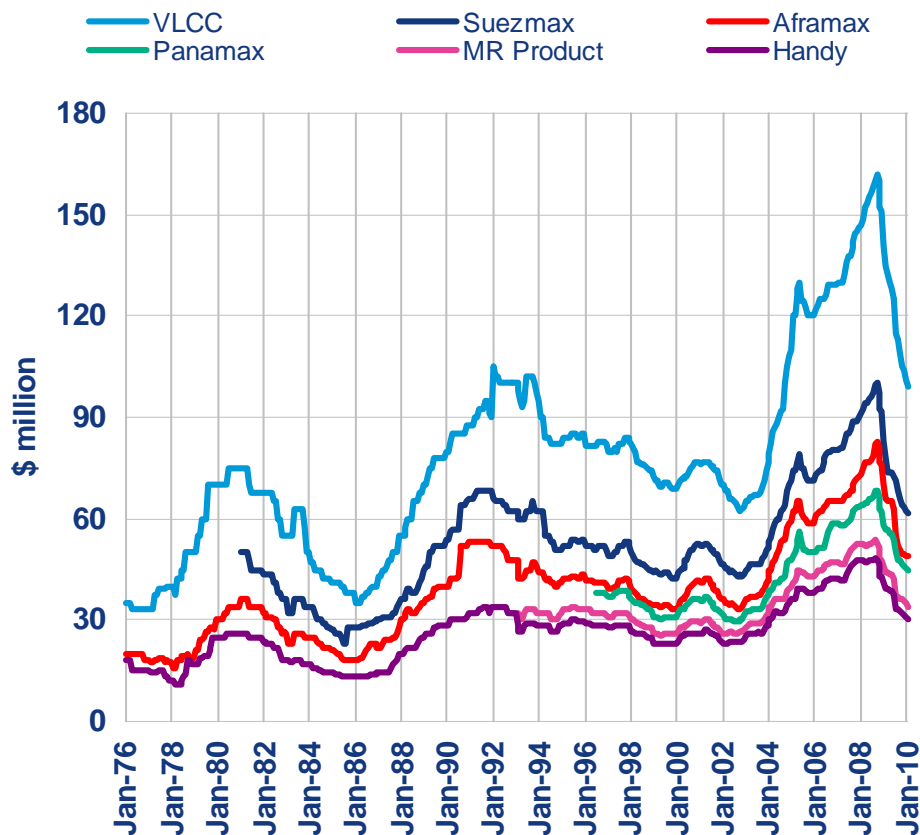
- Record surge in ordering created a huge containership orderbook; at one point reached over 60% of the existing fleet.
- 61% of capacity on order is in the 8000 TEU & above (VLCS) size range.
- 46% capacity originally scheduled for delivery failed to enter the fleet due to slippage or cancellation.



Source : Clarkson Research Services



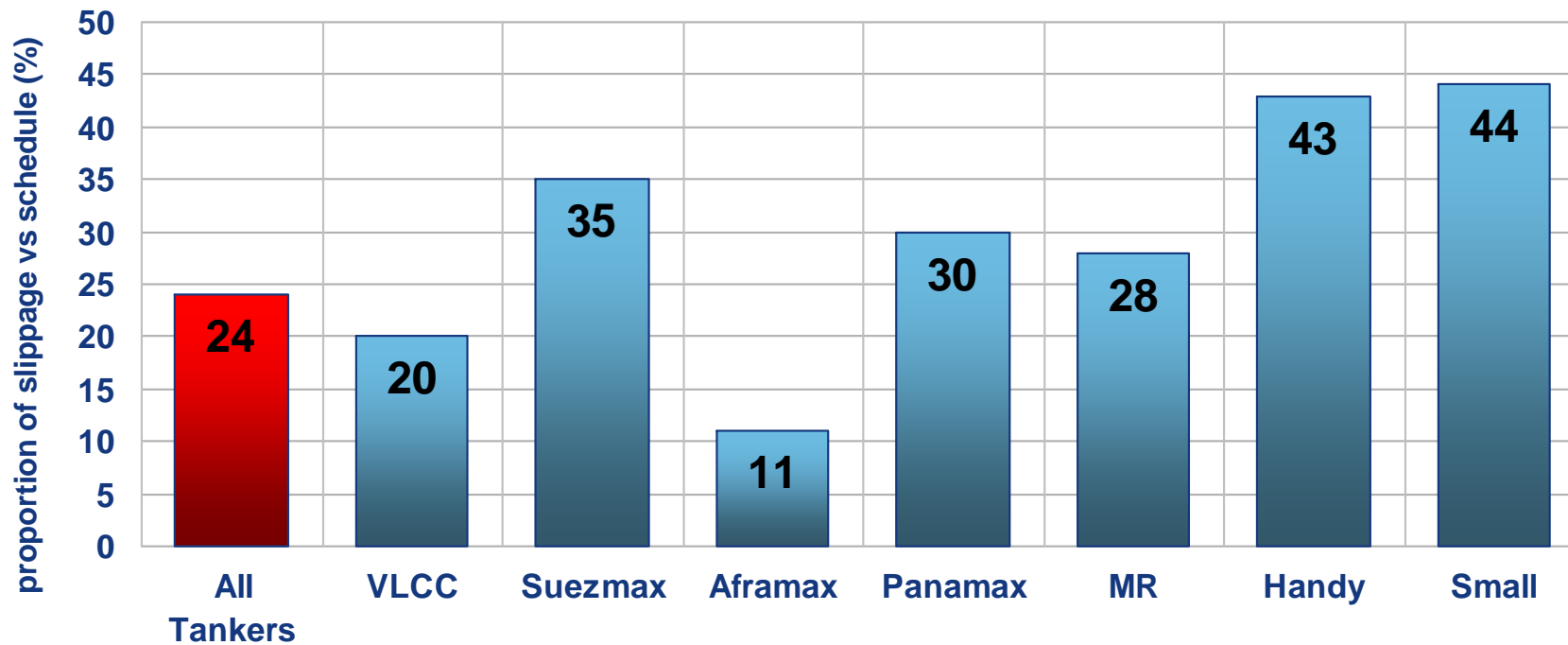
NB tanker prices



	5yr Avg	Jan-10	Drop
VLCC	131.9	99	25%
Suezmax	80.4	61.5	24%
Aframax	65.6	49	25%
Panamax	56.5	45	20%
MR	46.0	34	26%
Handy	41.1	30	27%
Average Drop		25%	

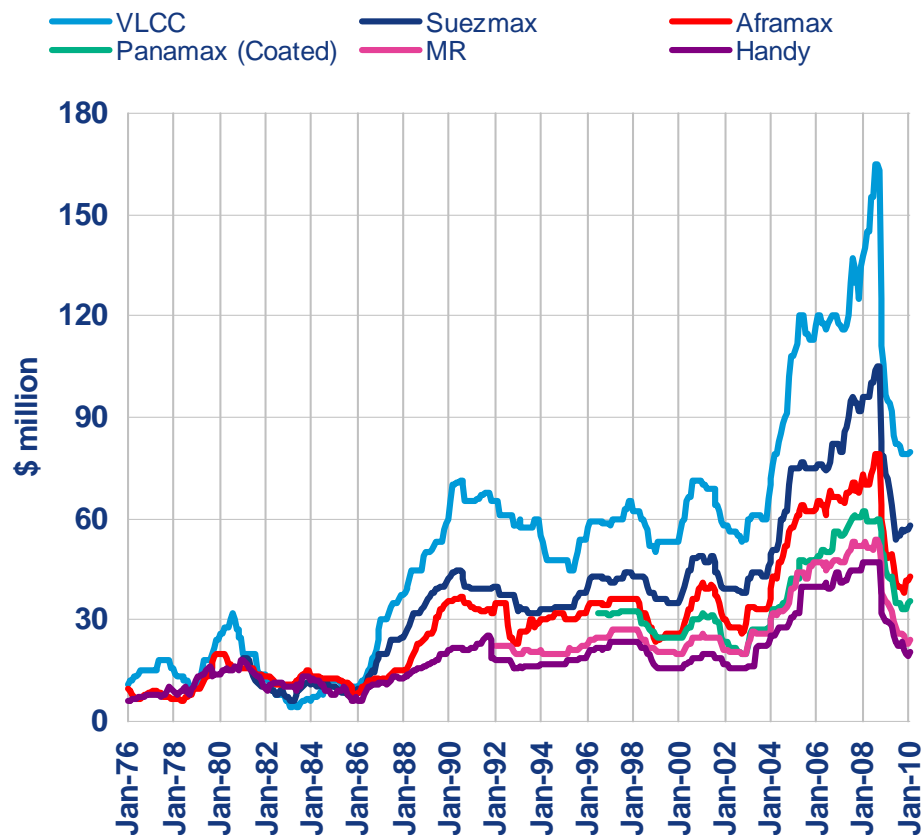


Tanker Slippage 2009





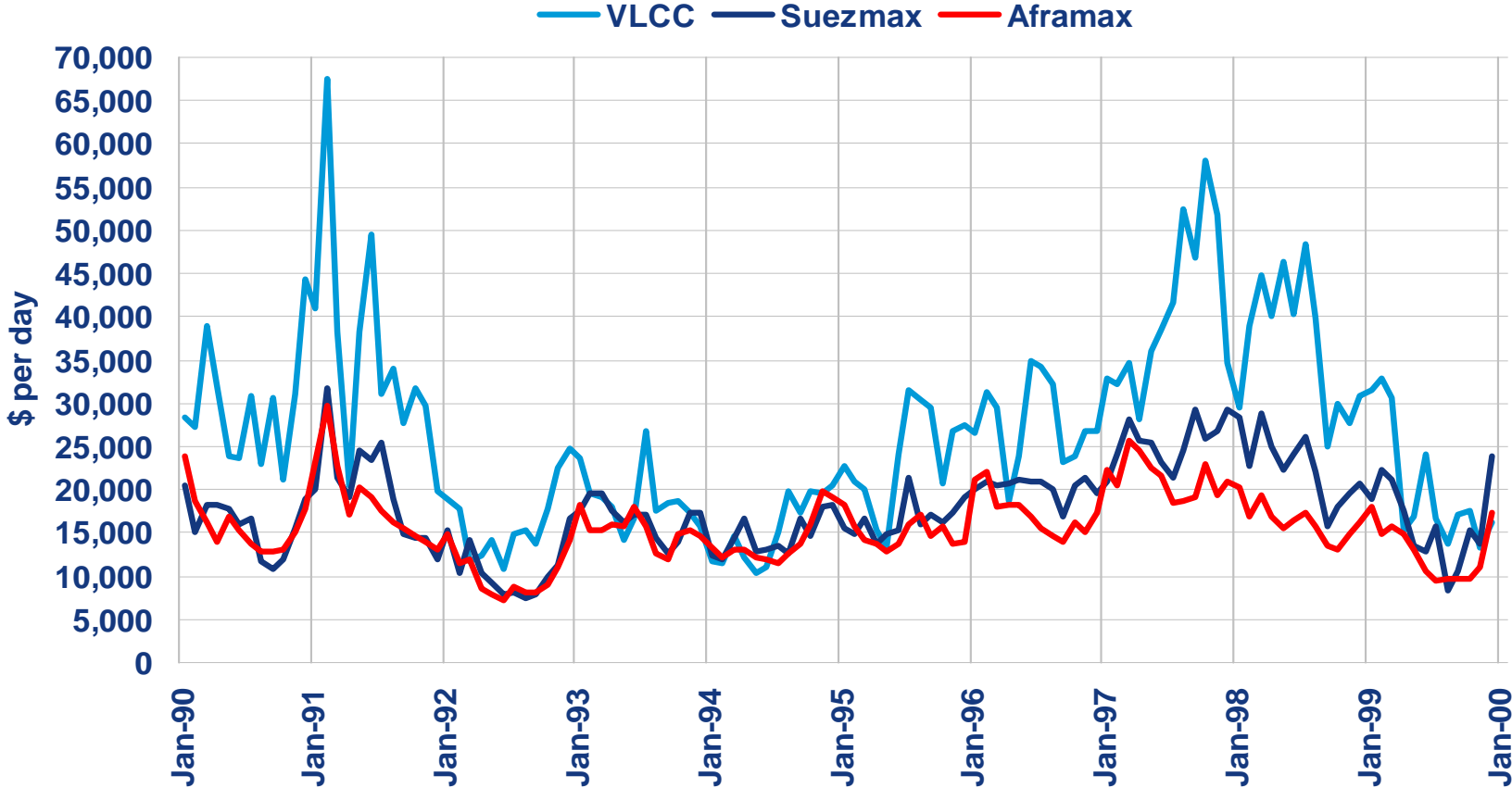
5yr old tanker prices



	5yr Avg	Jan-10	Drop
VLCC	117.1	79.8	32%
Suezmax	79.4	57.9	27%
Aframax	61.6	42.6	31%
Panamax	50.3	35.8	29%
MR	43.6	24.4	44%
Handy	37.7	20.5	46%
Average		35%	

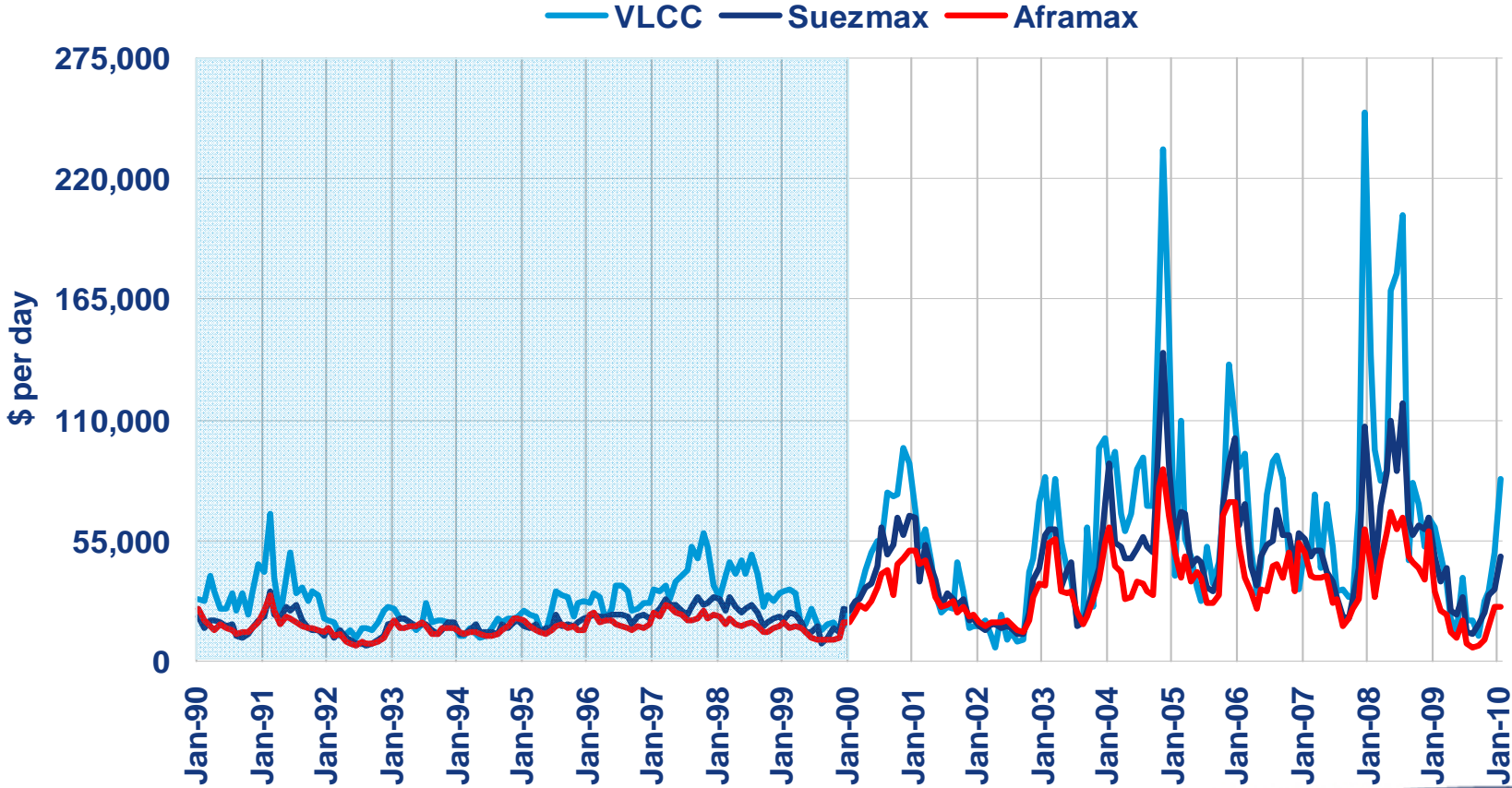


Crude Earnings (TCE) – 1990-2000





Crude Earnings (TCE) – 1990-09

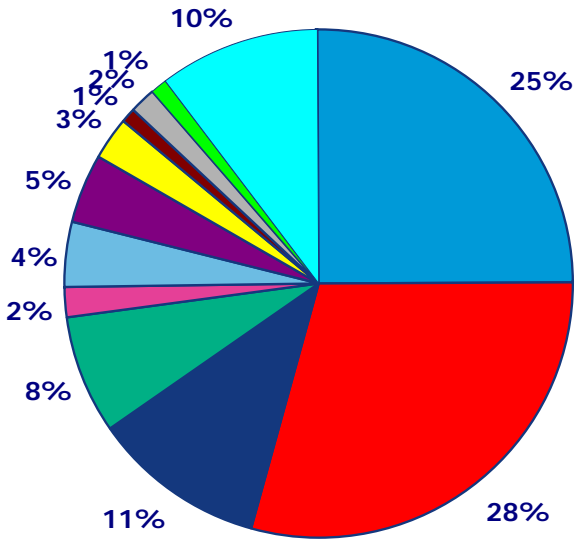




Drybulk seaborne trade

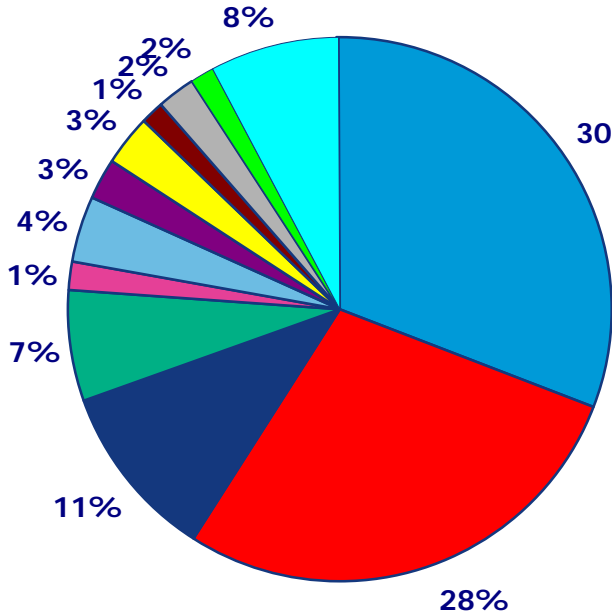
2000

1.75bn tonnes



2009

2.86bn tonnes

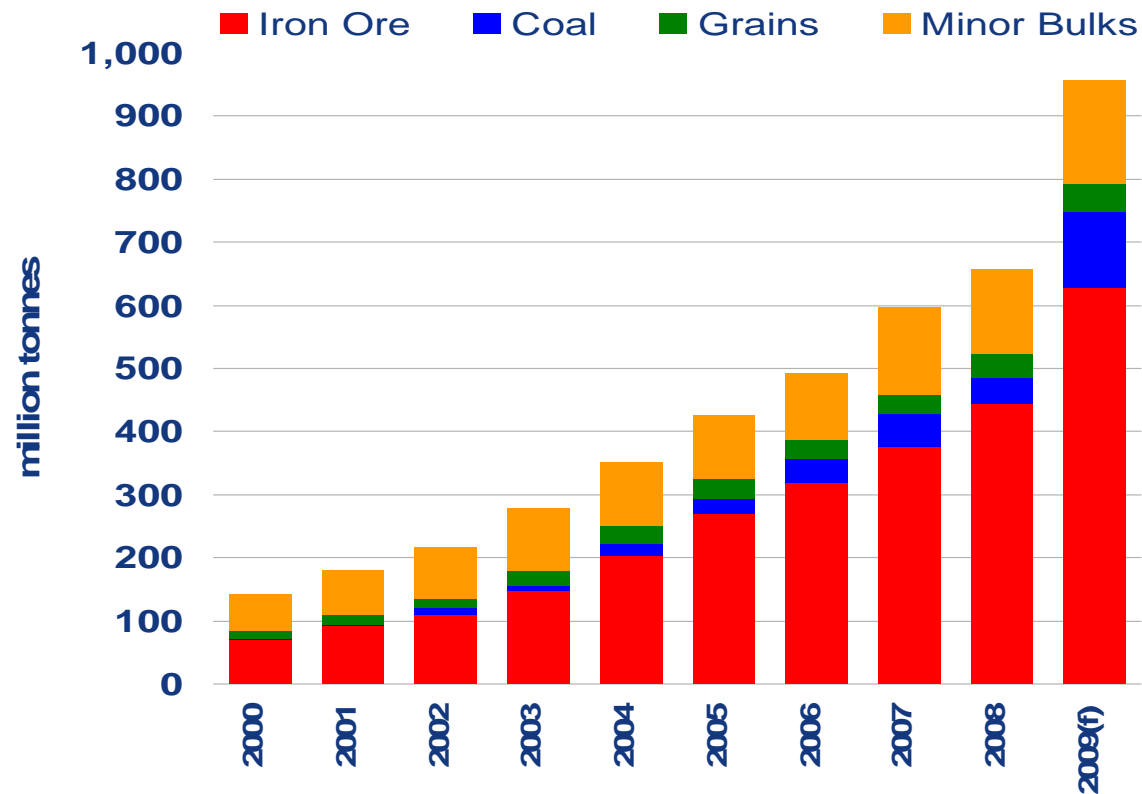


- Iron ore
- Coal
- Grains
- Steel
- Fertilisers
- Cement
- Forest Products
- Aluminium Raws
- Sugar
- Ferrous Scrap
- Non-Ferrous Ores
- Others



China's demand for raw materials drives the drybulk freight market

Chinese Dry Bulk Imports

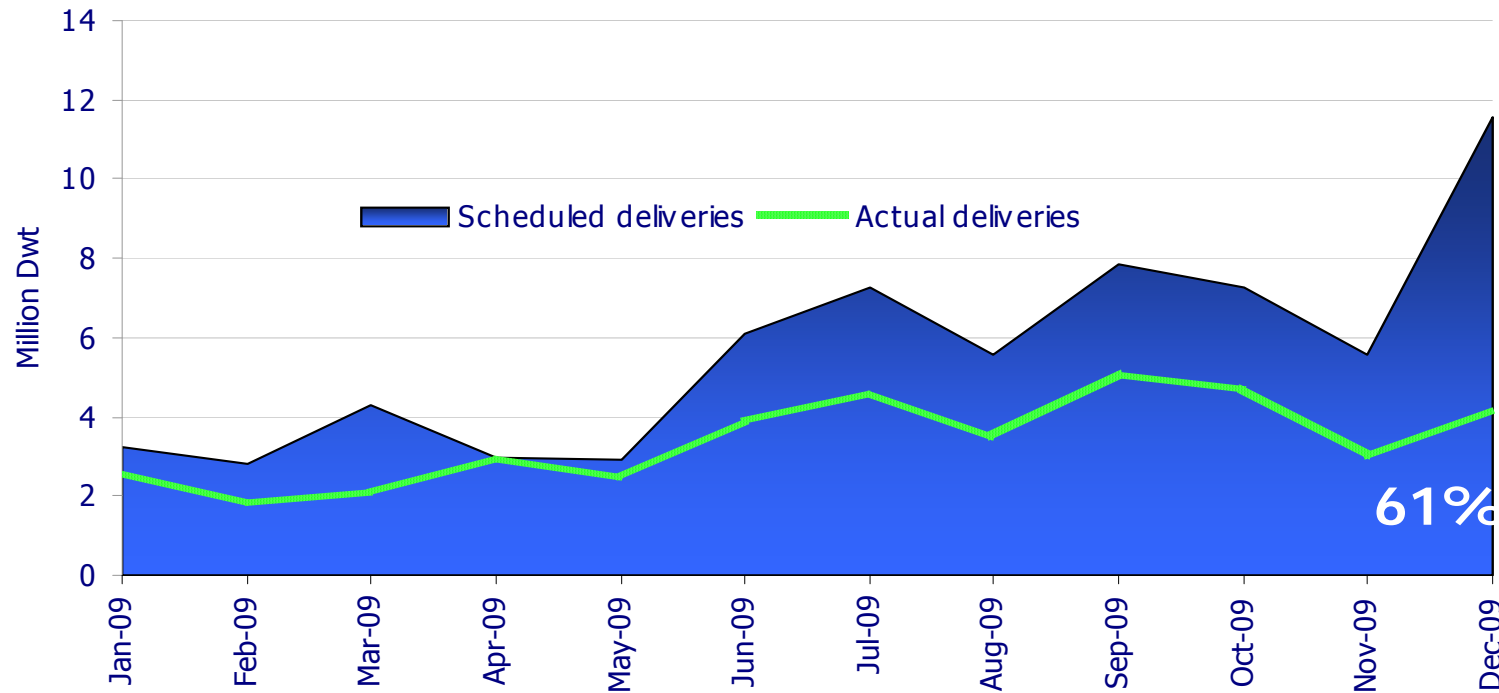


- 63% of China's growth in imports was iron ore. Iron ore imports increased from 70 mt in 2000 to 628 mt in 2009. Chinese iron ore imports constitutes 75% of global iron ore seaborne trade in 2009 (up from 52% in 2008).
- China became a net importer of coal in 2009 - imports grew by 208% to 126mt. Coking coal imports by China and India will remain robust in line with steel production expansions.
- India has embarked on huge coal power station expansions and imports are expect to reach 80mt or more by 2015.



2009 Delivery was 61% of orderbook

Drybulk delivery progress





Financial

- Derivatives
 - Profitable year
 - Increased transaction volumes, lower clip sizes, lower rates
 - Launch of Container Swap
 - Market volume now Cleared
 - Iron Ore and LPG
- Fund Management
 - Good performance
 - Launch of new fund
- Investment Services
 - First transactions executed
 - Broad spectrum of mandates being worked
 - Teams in place



Research

- Relaunch and increased sales for Shipping Intelligence Network on its 10th Anniversary
- World Fleet database hit 80,000 vessels
- Valuations service Non stop growth since 2005
- Launch of new publications
 - World Fleet Monitor
 - Offshore Intelligence Monthly



Outlook



Outlook

- **Uncertainty of pace of global recovery, however...**
 - India and China
 - Global reach more important than ever
- **The benefits of product diversity remain**
 - Target areas include Containers and offshore.
 - Leading teams in all broking areas
- **Client demand driving diversification**
 - Container swaps
 - LPG and Iron Ore
- **Strong balance sheet**
 - Enables investment in teams
 - Underpins future
- **Other factors**
 - FOB
 - Exchange rate

