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

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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%*

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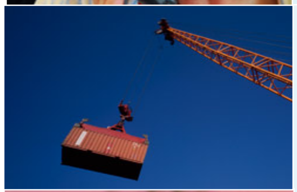
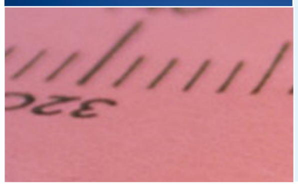
	2009 Revenue £m	2008 Revenue £m			2009 Result £m	2008 Result £m	
 Broking	**139.1**	193.3	(28%)	↓	**26.7**	44.9	↓
 Financial	**14.9**	33.9	(56%)	↓	**(0.5)**	4.2	↓
 Support	**16.0**	17.0	(6%)	↓	**(0.4)**	(3.8)	↑
 Research	**6.7**	6.1	10%	↑	**1.1**	0.8	↑

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**

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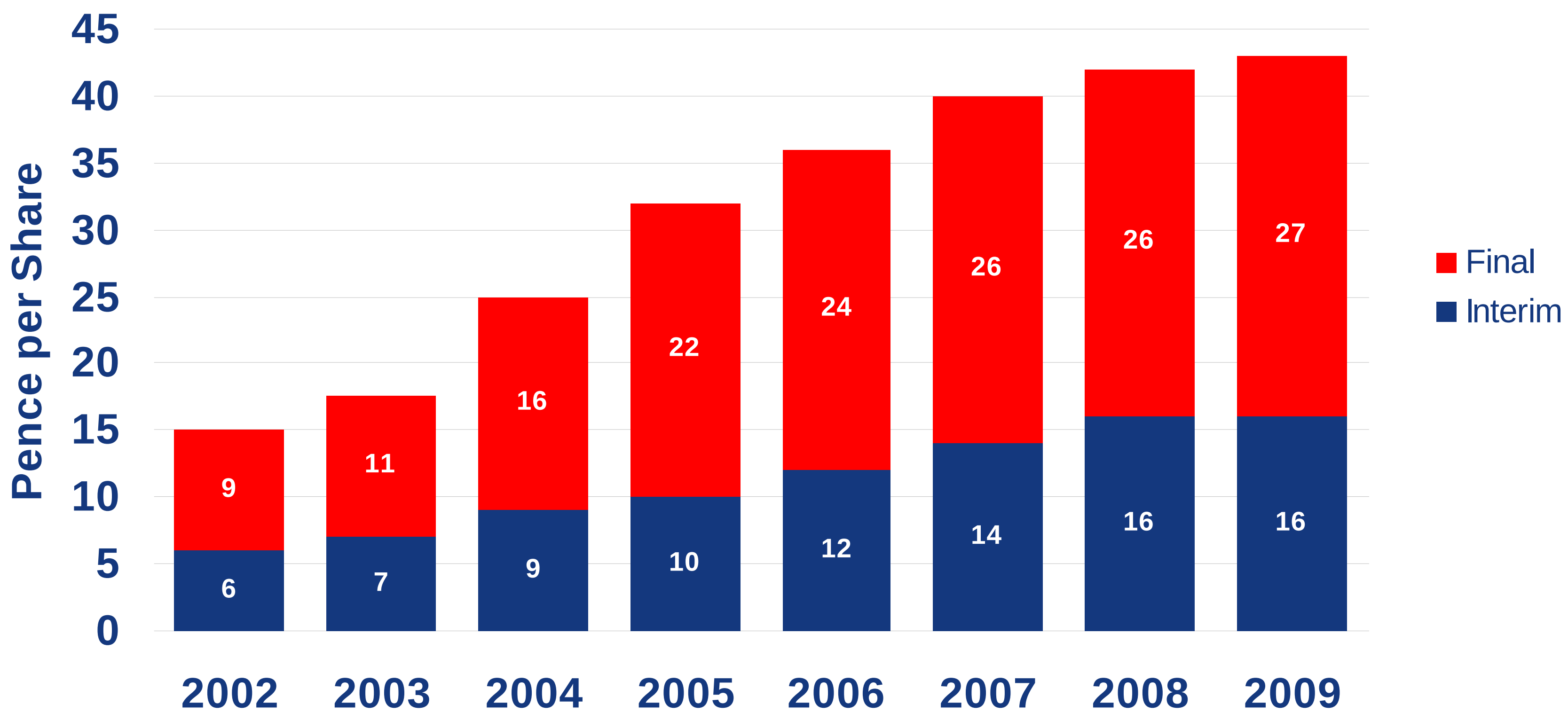
Profit & Loss

- 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



45
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2003
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2006
2007
2008
2009
Final
Interim

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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
Reserved for Final Dividend	*(£5.1m)*	*(£4.9m)*

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**

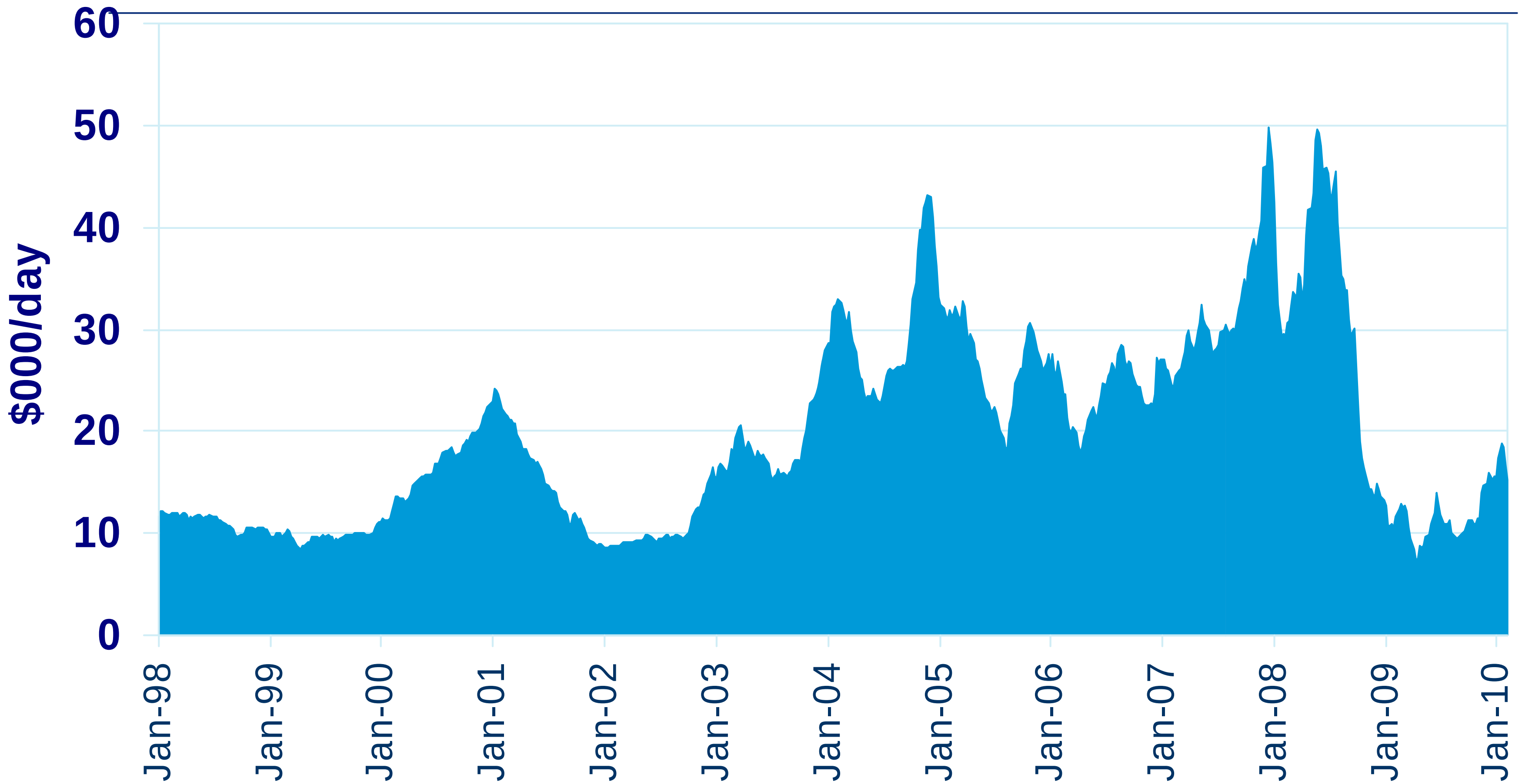
Forward Order Book (for invoicing in the following year)

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

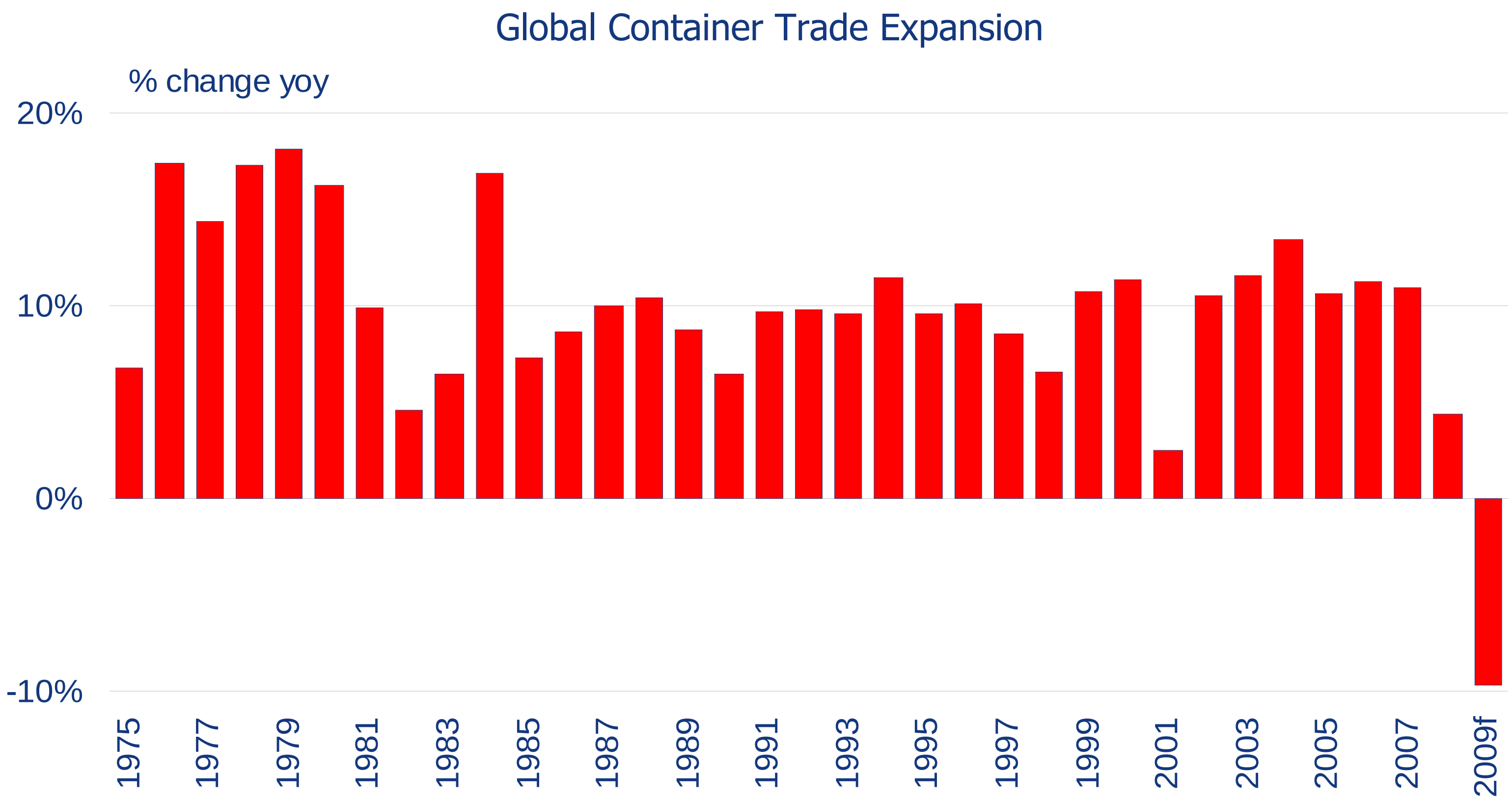
**Best estimates of deliverable FOB*

The Market

Clarksea Index



Long-Term Demand Growth



Source : Clarkson Research Services

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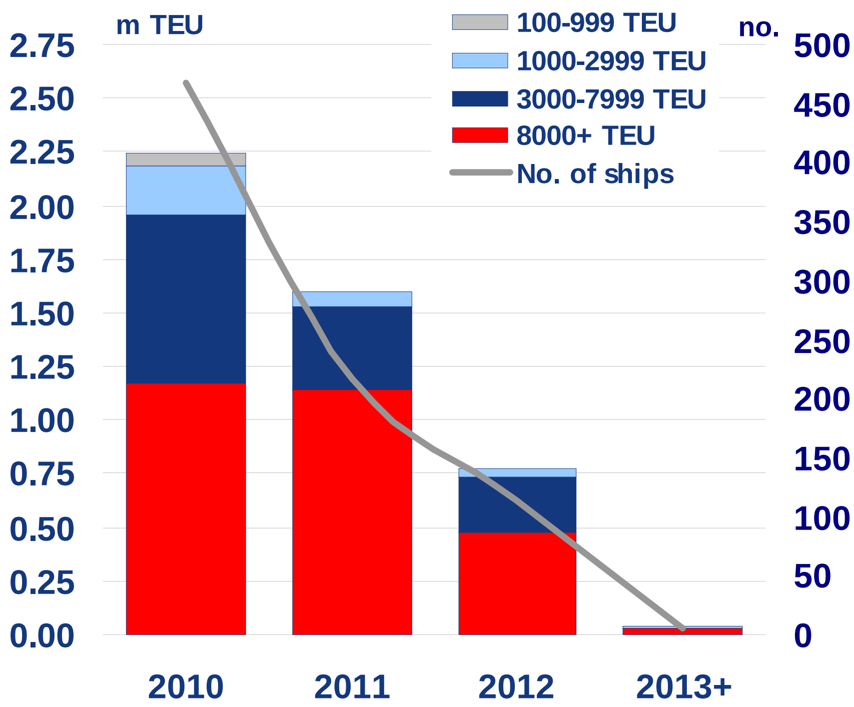
Containership Orderbook

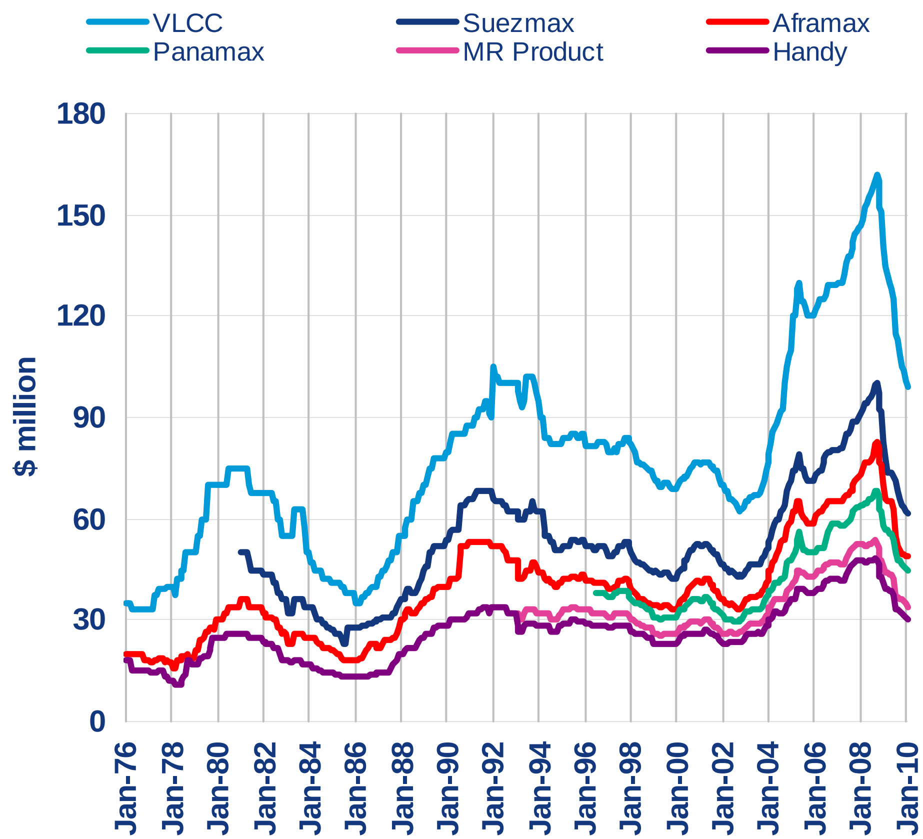
- Record surge in ordering created a huge containership orderbook; at one point reached over 60% of the existing fleet.
- 61% of capacity on order is in the 8000 TEU & above (VLCS) size range.
- 46% capacity originally scheduled for delivery failed to enter the fleet due to slippage or cancellation.

Containership Orderbook



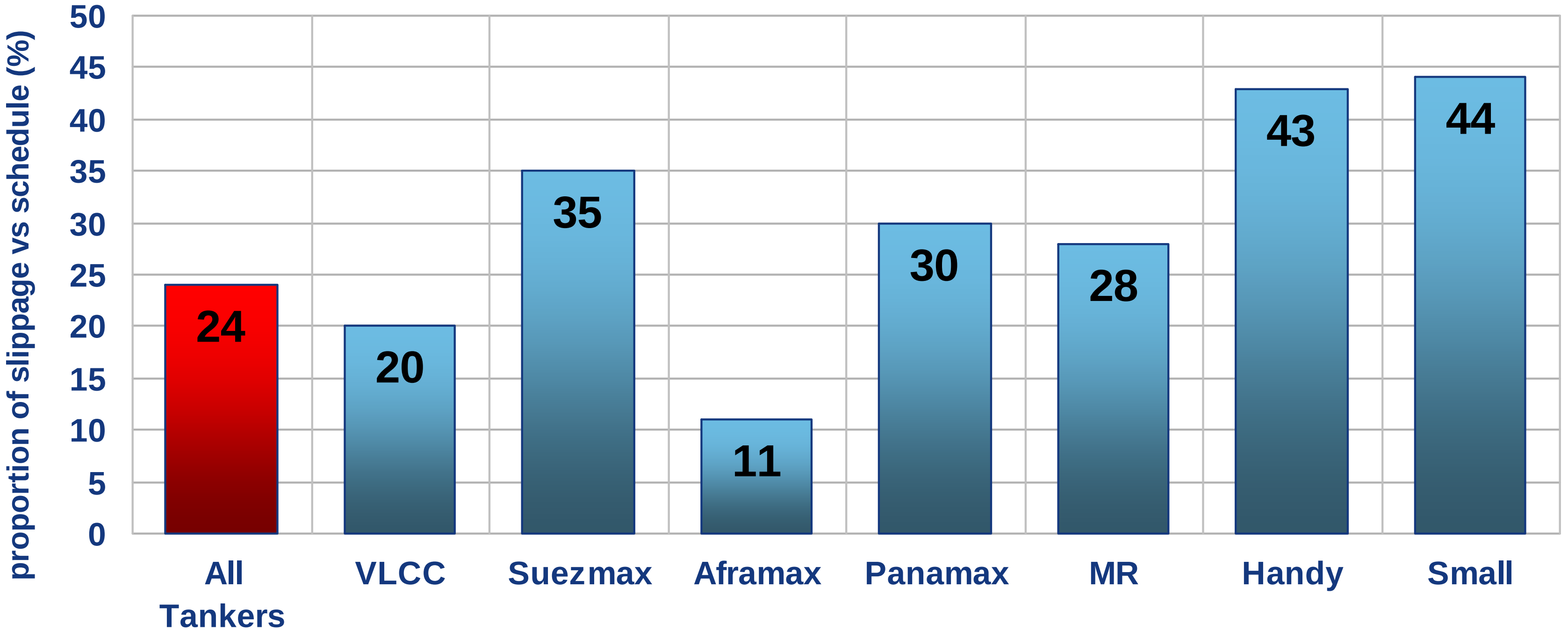
Source : Clarkson Research Services

NB tanker prices

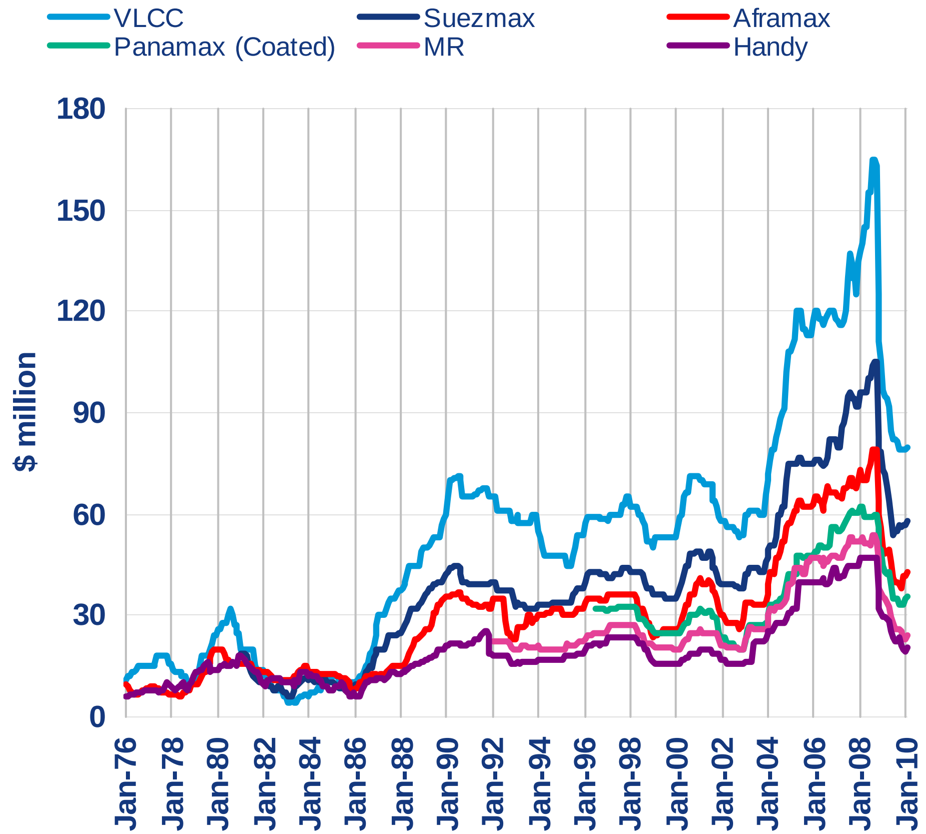


	5yr Avg	Jan-10	Drop
VLCC	131.9	99	25%
Suezmax	80.4	61.5	24%
Aframax	65.6	49	25%
Panamax	56.5	45	20%
MR	46.0	34	26%
Handy	41.1	30	27%
Average Drop	25%		

Tanker Slippage 2009

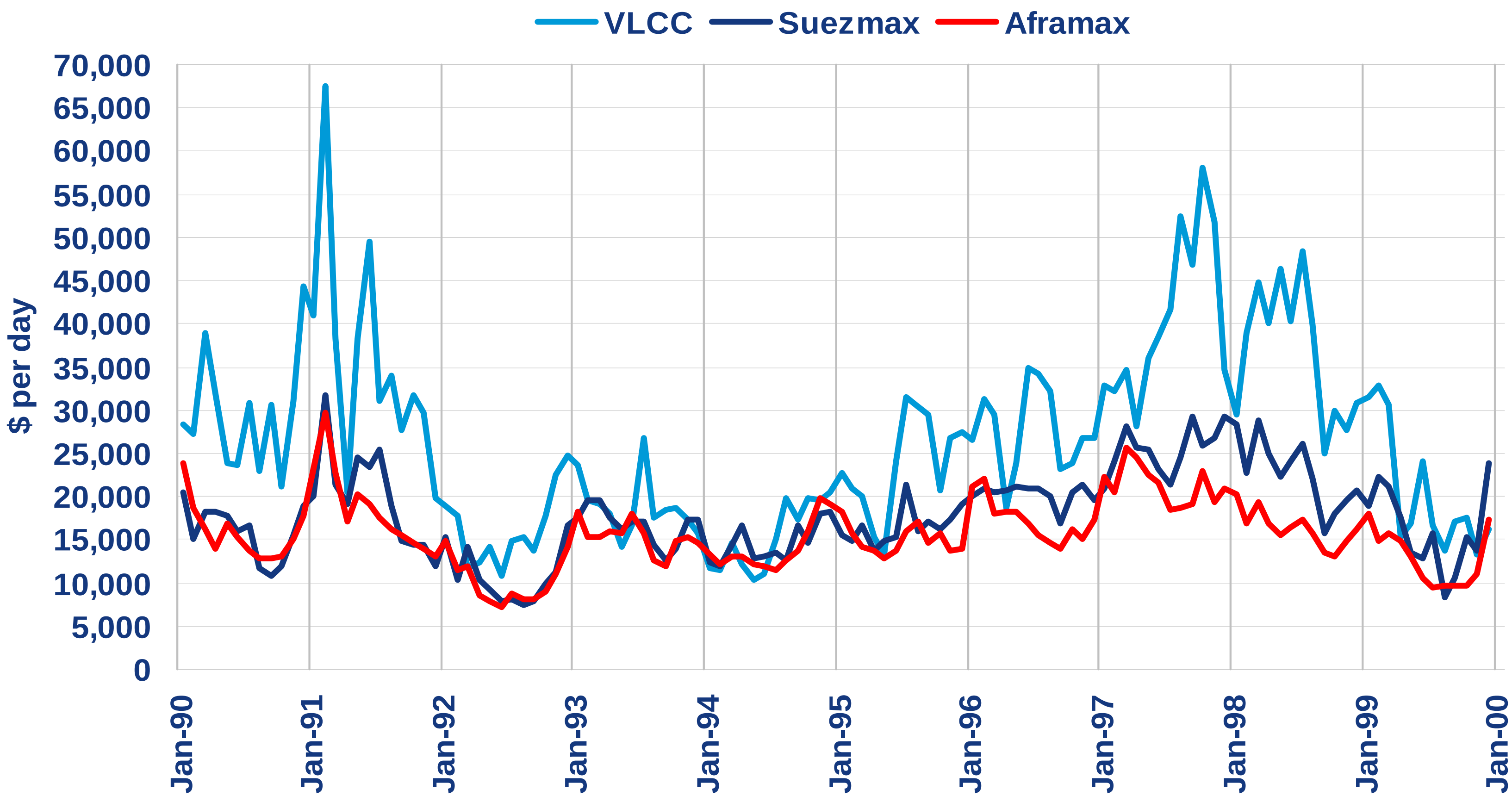


5yr old tanker prices

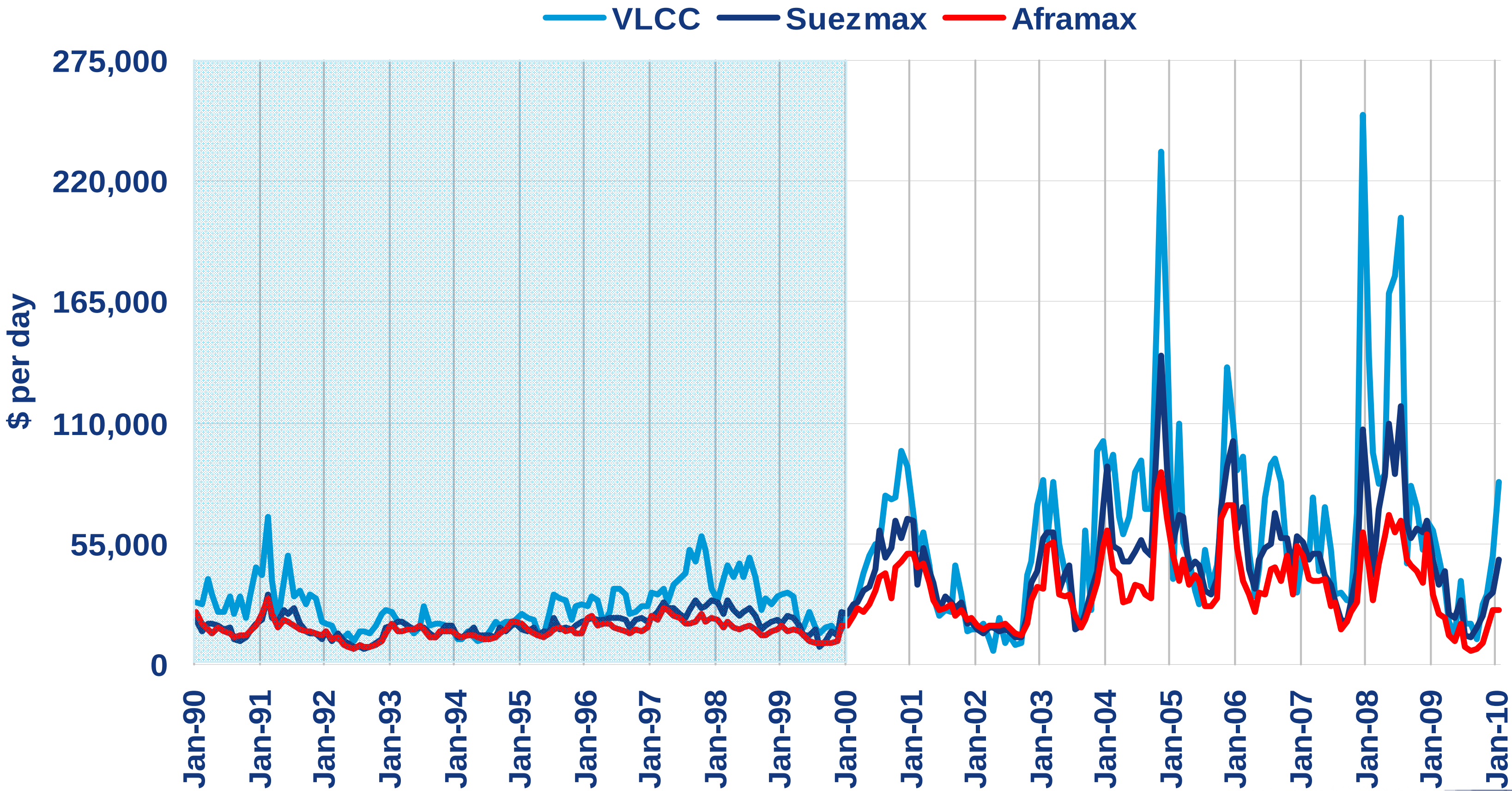


	5yr Avg	Jan-10	Drop
VLCC	117.1	79.8	32%
Suezmax	79.4	57.9	27%
Aframax	61.6	42.6	31%
Panamax	50.3	35.8	29%
MR	43.6	24.4	44%
Handy	37.7	20.5	46%
Average		35%	

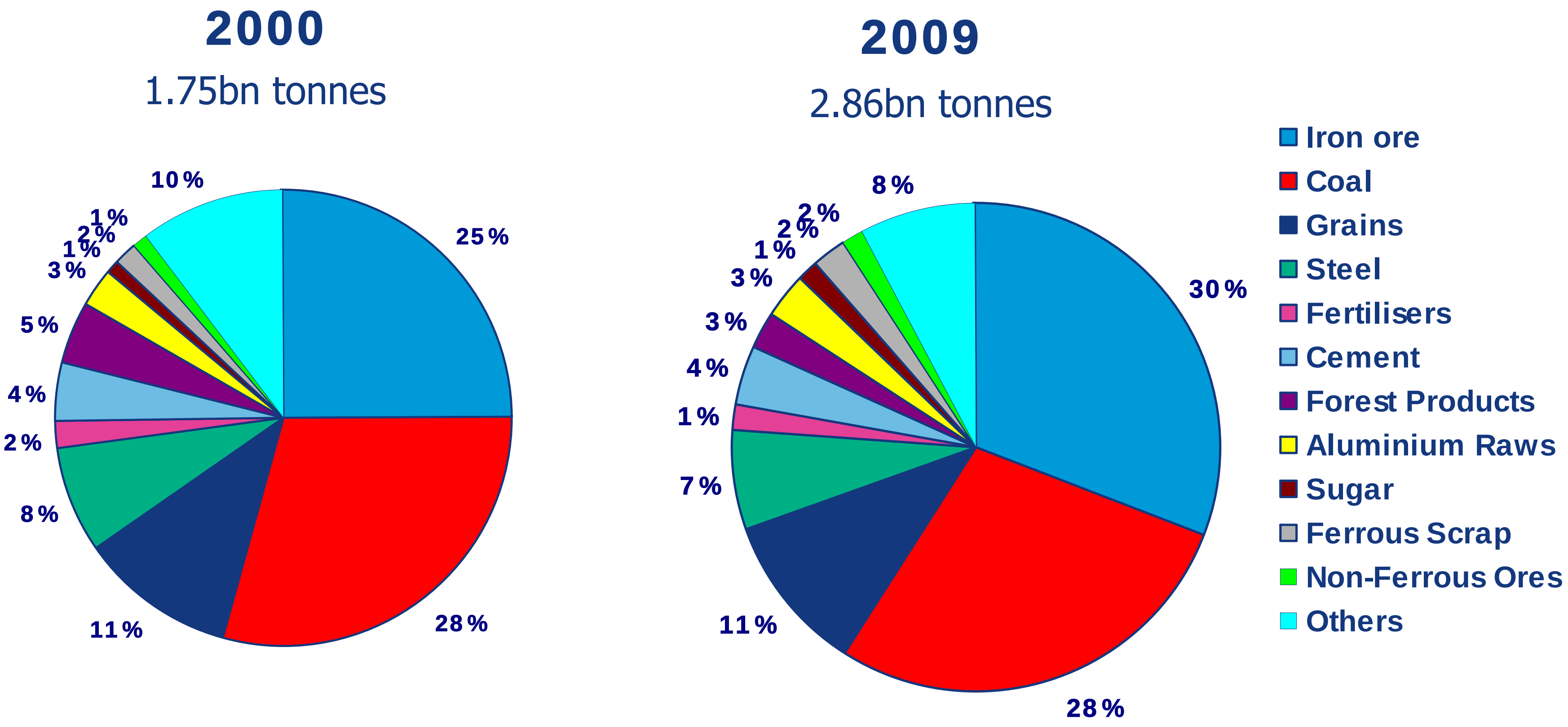
Crude Earnings (TCE) – 1990-2000



Crude Earnings (TCE) – 1990-09

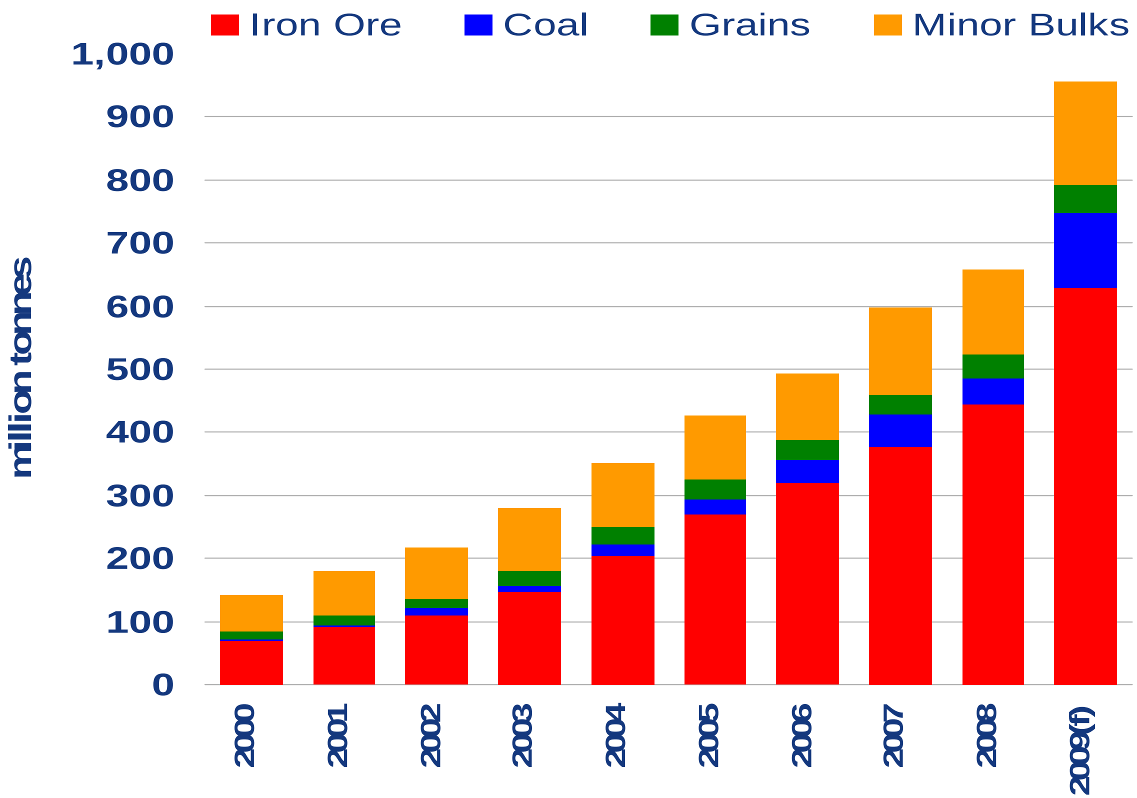


Drybulk seaborne trade



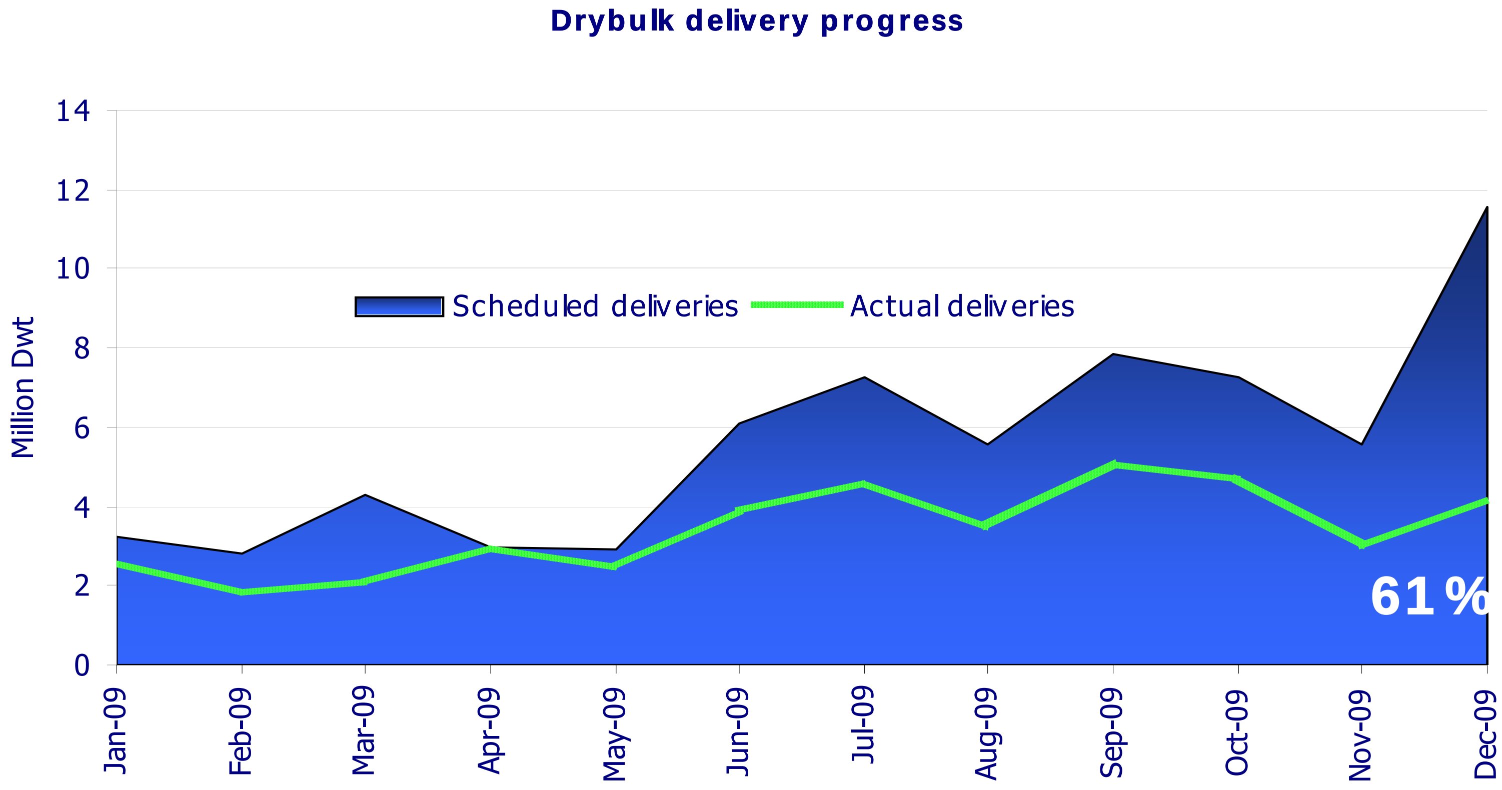
China's demand for raw materials drives the drybulk freight market

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



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