



Our Business

We are a global producer of high technology specialty chemical products and provider of technical services.

Our business involves the manufacture of a broad range of specialty chemicals, which we create by blending raw materials, and incorporating these chemicals into multi-step technological processes. These specialty chemicals and processes together encompass the products we sell to the electronics, metal and plastic plating, graphic arts, and offshore oil production and drilling industries.

Our global growth trends are in many of our end markets, including electronic devices such as mobile phones and computers, worldwide automotive production and increasing oil production from offshore, sub-sea wells.

We are effectively expanding the existing market for our dynamic chemistries by developing new applications within the industries we serve. These include surface coatings for solar panels, plated antennas for smart mobile devices, flexographic plates for printing consumer packaging materials, decorative components for automobile interiors and control system fluids to enable offshore production in ultra high temperature oil and gas fields.

Operating Segments

Performance Materials

The Performance Materials segment manufactures and markets dynamic chemistry solutions used in the electronics, automotive, oil and gas production, and drilling industries throughout the Americas, Asia and Europe. Our products range from industrial surface and coating materials to water-based, hydraulic fluids used in oil production. We also provide extensive technical service and support to ensure superior performance of the products and processes we sell. As the sales mix in this segment has shifted toward emerging markets, such as Asia and South America, we have developed state-of-the-art facilities in São Paulo, Brazil and Suzhou, China. These recently added manufacturing facilities allow us to continue to expand our global markets.



Manufacturing facilities and administrative resources that provide specialty chemicals to three industries:

Industrial. Dynamic chemistries used for finishing, cleaning and providing surface coatings for a broad range of metal, non-metal and plastic surfaces. Our functional products reduce wear and provide corrosion resistance to items such as automotive fasteners, and our decorative products improve the appearance and value of numerous products including automotive, architectural and industrial components. We manufacture chemical compounds used in cleaning, activating, polishing, electro and electroless plating, phosphating, stripping and coating, anti-tarnishing and rust inhibiting. Our extensive customer base includes fabricators of automotive parts, industrial machine parts, transportation equipment, electronics equipment, appliances and plumbing goods.

Electronics. One of the leading global suppliers of chemical compounds used in printed circuit board fabrication. We design and formulate a complete line of proprietary "wet" chemistries used to process the surface of printed circuit boards and other electronic components. The product portfolio is focused on specific processes such as final finishes, through hole metallization and circuit formation. Our ongoing technology refinements and product and process developments are driven by industry demands in advanced telecommunication, wireless devices, computers, office equipment, and the increased use of electronics in automobiles.

Offshore. We produce water-based, hydraulic control fluids for major oil companies and drilling contractors for offshore, deep water, and sub-sea oil production and drilling applications. The production fluids are used to control systems that open and close critical valves for deep water oil extraction as well as controlling its flow through processing. The drilling fluids are used in control systems that operate valves on the ocean floor.



Graphic Solutions

Our Graphic Solutions produces and markets photopolymers that offer an extensive line of flexographic printing plates that improve print quality and productivity. The printing plates are used in commercial packaging applications worldwide, including consumer food products, pet foods, printed labels, imprints on beverage containers, and direct printing on corrugated boxes. In addition, we produce photopolymer printing plates for the flexographic and letterpress industry that prints newspapers, books and numerous other publications.



Dear Fellow Shareholders,

It is my pleasure to present our inaugural annual report.

Platform Specialty Products has embarked on an exciting journey that I firmly believe will be very rewarding for not only our shareholders, but management and employees across the company. The asset-lite, high-touch business model that our CEO Dan Leever has focused upon is a unique concentration in the specialty chemicals industry.

My role as a Founder and Chairman of this enterprise is to provide Dan with the architecture I have learned over 25 years that is required to build a world class public company and help navigate the wide opportunity set that exists in the specialty chemicals industry.

PSP is off to a great start. Our first acquisition has provided a high performance business, but perhaps more importantly comes with a highly talented management organization. We are building on this foundation and follow on acquisitions will create more value and add new talent to the management ranks.

Dan will provide a very thorough and open description of Platform's strategic direction in his letter. I can only say that I am proud to be a part of this new partnership and incredibly excited for the journey ahead.

There is enormous opportunity to create value by sticking to the path we have created, and I look forward to reporting on our progress in the many years ahead.

Respectfully,



Martin E. Franklin

Chairman

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

PLATFORM SPECIALTY PRODUCTS CORPORATION

Fellow Shareholders,

Martin E. Franklin and I are delighted to present you with the Platform Specialty Products Corporation (PSP) inaugural annual report. We founded PSP on October 31, 2013 with the acquisition of MacDermid. Martin is our Chairman and I am your CEO. In the short time since the completion of our initial acquisition, we have created solid momentum and are more optimistic than ever about our mission to build a world-class specialty chemical company.

On a pro forma basis, assuming we had owned the business for the full year 2013, the business would have achieved total revenues of \$746 million, up 2% organically from the prior year as revenues of new products surpassed older products that declined. Because the new products are more profitable, our adjusted gross profit grew 8% leading to an adjusted EBITDA growth of 11%. Adjusted EBITDA margin was 24% percent.

Many of you know of Martin's track record. After an early career building Benson Eyecare Corporation, Martin and his long-standing partner Ian Ashken, who serves on our board, were named executive management of what is now Jarden Corporation in September 2001, when annualized revenues were \$300 million. Today, 13 years later, Jarden has annualized revenues of over \$8 billion, a remarkable 30% compound growth rate. Jarden is a successful build-up in the consumer products space, with compound shareholder returns of 34.4% from September 2001 through December 2013.



Since I was appointed CEO of MacDermid in 1990, our team has grown MacDermid's firm value from \$80 million to \$1.8 billion at the time of our purchase last year. What attracted me to Platform, and what gave me confidence to roll over ALL of my equity in MacDermid, is Martin's long-term, even permanent, approach to building a company. We are owners not renters.

We think the name Platform is particularly fitting to describe our strategy. We aim to conduct a build-up strategy using prudent acquisitions to grow into a world scale/world-class enterprise. We believe our senior leadership team has a unique perspective in developing PSP and describe Martin's role as the **architect**, and my role as the **builder**. Martin has deep experience as a firm designer and in judicious capital raising and allocation-skills critical in executing our strategy. As the builder, my 35 years of experience in the specialty chemical space will help us evaluate target growth opportunities and run them through our value creation filter. Then, as CEO, I will be responsible for working with the talented management teams who join with us to deliver the exceptional financial performance our shareholders expect.

Our business model. The specialty chemical industry where we have chosen to focus is very broad. We estimate the companies in the specialty chemical industry generate about \$1 trillion in total revenues. Not all specialty chemical companies follow the same business model. There are at least four distinct models that employ very different strategies and styles.

- 1) *Manufacturing Intensive*, use large amounts of capital creating unique molecules where the real competitive advantage lies in engineering and manufacturing;
- 2) *Blended or formulated chemistry model*, mixes or blends molecules supplied by others to create unique value added formulas;
- 3) *Distribution model*, depends on a global distribution network for success; and
- 4) *Technical development/service model*, provides technical service for their differentiation.

We intend to emphasize the combination of formulated chemistry and technical development/service through a global infrastructure. We call this business model **Asset-Lite, High-Touch**. Asset-Lite describes the blended, formulated, manufacturing model that uses molecules supplied by others and blends them to create unique and special formulations that serve a particular function for the customer. The value is created through the art of choosing and blending existing molecules to achieve performance characteristics that address specific customers' needs. Our products are sold based on what they do, not what they are-functionality versus chemical composition. The manufacturing process we employ is important in producing these products in a repeatable, consistent manner, but is not inherently capital intensive, hence "asset-lite". Meeting our customers' needs often requires extensive development in our R&D departments, sometimes years of work by highly qualified research chemists. Our technical solutions frequently use formulations that are complex and several interrelated products are used together in a line or process where parts are moved from one station to another for subsequent processing to achieve a final result. We refer to our chemistry as dynamic. Over time as parts are processed through these lines the chemistry can change. Some components of the formulas evaporate at one rate, other components degrade over time, and other components are deposited on the part-all at different rates. This creates the situation where keeping the formulas in proper balance is not easy. The result of this changing chemistry creates the potential for many failure modes and customers often need our technical service to ensure their production lines are working to their upmost quality and productivity standard. They cannot wait for a technician to fly in from another state, province or country. They need support the same day, real time, hence the need for an army of technical field staff. Our highly skilled R&D chemists and our customer-facing technical staff make up the "High-Touch" component of our business model.

There are two key metrics that illustrate our business model: (1) Capital expenditures as a percent of sales are typically 2% or less each year, and (2) We have about 2,000 employees, approximately half of which work in R&D or technically support the customer in the field.

Why is this important? We believe this business model can generate unusual shareholder returns. Our Asset-Lite nature drives more of our gross earnings to cash rather than having to be reinvested in the business. Our products are often key in giving our customers important functionality and/or saving them important costs. Typically, our products represent a very small portion of our customers' overall costs. Additionally our network of R&D chemists and customer facing technicians create "sticky" relationships with our customers, which lengthen the product life cycle. As a result of our value-added products and technical service, our customers are usually prepared to pay a fair price that results in attractive margins for us that are sustained over time. This is often referred to as competitive advantage or "moat." We believe we have a wide and deep moat.

Whereas hard assets are not as critical to our business model, our people are. Our most important assets go home every night. Our business model is largely dependent on our colleagues around the world. Long chains of command are not effective when customers are looking for real time answers.

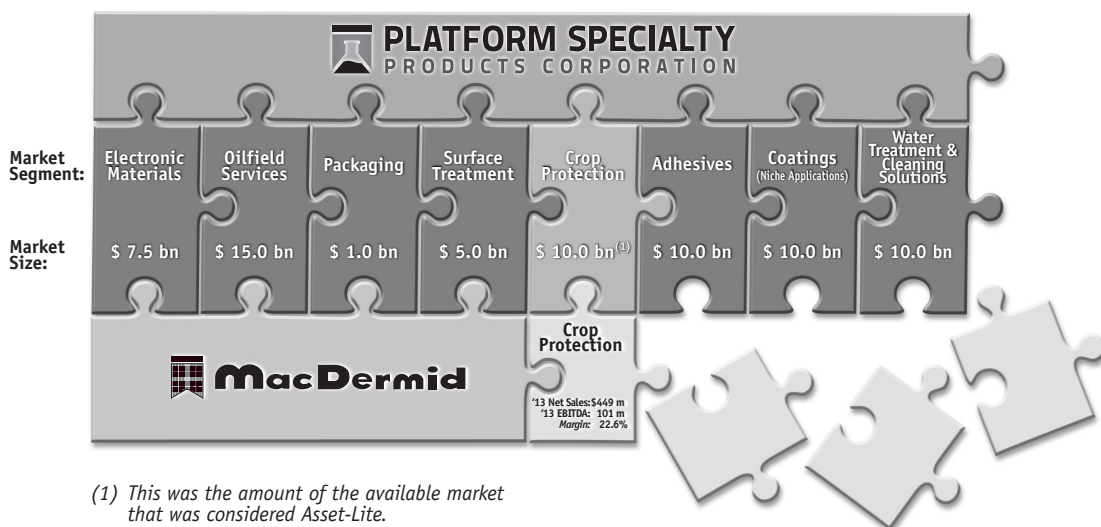
Strategy. We have a proven track record of success adhering to this Asset-Lite, High-Touch model, and will remain steadfast to this model as we pursue both organic and acquisitive growth opportunities.

Organic growth. We will emphasize organic growth by investing in R&D and market development. Our products can be extended to adjacent geographies and markets. Recent examples include products for PET recycling, LED lighting, smart phone and tablet antennas, semiconductor packaging, automotive finishes in emerging markets and global expansion of offshore control fluids. Our approach usually involves a small initial effort that incrementally increases as we gain technical and commercial confidence. By the time we are in full launch mode the risks are modest. Our investment in this area is not small. Each year we invest on the order of approximately \$30 million on these activities. These investments are embedded in our operating expenses each year.

Acquisitions. We intend to perform a buildup in the specialty chemical space. As we mentioned, we estimate companies in the specialty chemical industry have total revenues of roughly \$1 trillion. Those that share our Asset-Lite, High-Touch business model represent at least 20%, or \$200 billion. Given that we are starting at under \$1 billion, we have a large number of opportunities to pursue. Our criterion includes:

- 1) Asset-Lite, High-Touch business model that results in high free cash flow,
- 2) Experienced management team with a track record of success,
- 3) Leading positions in niche markets,
- 4) Diversified revenue base, and
- 5) Available at a reasonable price, accretive to our per share intrinsic value.

This chart illustrates our strategy. PSP serves as the parent company for MacDermid as the first vertical. We have identified other parts of the specialty chemical industry that are Asset-Lite, High-Touch as illustrated in the chart. These are examples. There are more. We will pursue a disciplined acquisition strategy within the MacDermid vertical, which we call bolt on acquisitions, and in new verticals.





We value a business based on its potential to increase our intrinsic value per share. Intrinsic value is the amount of cash that can be taken out of a business by its owners over its life, discounted to the present value. The key variable is the growth of free cash flow over time. Typically acquisitions in the specialty chemical space trade based on a multiple of EBITDA, what some call a measure of cash flow. It is important to understand that in our mind, EBITDA is not a real proxy for cash flow. That is because our definition of cash flow, is free cash flow, that is, the amount of cash available to the owners of a business is **net** cash flow, after everything. When we say everything, we mean everything. Not included in EBITDA is interest, taxes, reinvestment in working capital and capital expenditures. Our emphasis on Asset-Lite, High-Touch insures that the relative acquisition multiple from these businesses is more attractive, all else being equal. Our plan is to use debt judiciously and finance transactions opportunistically through a balance of short term and long term debt as well as equity, if appropriate.

Platform will be a **permanent home** for excellent management teams. Our ability to scale Platform will depend on this important factor. We desire to partner with entrepreneurs who will help us create a world-class/world-scale specialty chemical company. We are long-term owners and believe there are many company builders like the team that worked shoulder to shoulder with me to build MacDermid, who desire a good permanent home with access to capital in which to operate.

As this letter went to press, we announced a definitive agreement to acquire the Agrochemical business of Chemtura Corporation for just under \$1 billion. This Asset-Lite, High-Touch business had 2013 revenues of \$449 million and adjusted EBITDA of \$101 million. This fast growing business meets all of the criteria referenced above. We will lean on a successful, experienced management team to grow this new vertical as a permanent part of PSP. This is an important first step in our vision.

We could not be more pleased with the developments that took place in 2013. The formation of PSP has created a foundation to build what we view as a company with limitless potential. We possess the leadership, financial strength, capital structure, operational platform, innovation capabilities, and entrepreneurial spirit necessary to firmly establish ourselves as a world-class enterprise that delivers increasing value to our fellow shareholders.

Yours sincerely,



Daniel H. Leever

Chief Executive Officer
Platform Specialty Products Corporation

SELECTED FINANCIAL DATA

2013 ANNUAL REPORT

PLATFORM SPECIALTY
PRODUCTS CORPORATION



The following table presents our selected consolidated historical financial data for us and our Predecessor as of the dates and for each of the periods indicated. The selected consolidated historical data for the period from our inception (April 23, 2013) to December 31, 2013 ("Successor 2013 Period") and as of December 31, 2013 has been derived from our audited consolidated financial statements included in this Annual Report. The selected consolidated historical data for our Predecessor for the period from January 1, 2013 to October 31, 2013 ("Predecessor 2013 Period") and the years ended December 31, 2012 and 2011 ("Predecessor 2012 Period" and "Predecessor 2011 Period", respectively) and as of December 31, 2012 and December 31, 2011 have been derived from the audited consolidated financial statements of our Predecessor included in this Annual Report. The selected consolidated historical financial data presented below contain all normal recurring adjustments that, in the opinion of management, are necessary to present fairly our financial position and results of operations as of and for the periods presented. The selected historical consolidated financial data included below and elsewhere in this Annual Report are not necessarily indicative of future results and should be read in conjunction with the section entitled "Financial Statements and Supplementary Data" included in Part II, Item 8 of this Annual Report, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Part II, Item 7 of this Annual Report.

Unless the context otherwise requires, all references in this section to "we", "us", "our" and "Successor" refer to Platform and its subsidiaries, collectively, for all periods subsequent to the MacDermid Acquisition. All references in this section to our "Predecessor" refer to MacDermid and its subsidiaries for all periods prior to the MacDermid Acquisition.

(amounts in thousands, except per share data)	Successor	Predecessor		
	Period from Inception (April 23, 2013) to December 31, 2013	Period from Inception (January 1, 2013) to October 31, 2013	Year Ended December 31, 2012	Year Ended December 31, 2011
Statement of Operations Data				
Net sales	\$ 118,239	\$ 627,712	\$ 731,220	\$ 728,773
Gross profit.	35,652	322,837	355,054	340,475
Operating (loss) profit.	(195,632) (1)	91,749 (2)	115,097	55,948
(Loss) income from continuing operations before income taxes, non-controlling interest and accumulated payment-in-kind dividend on cumulative preferred shares	(201,444) (1)	26,475 (2)	70,939	11,306
Income tax benefit (expense).	5,819	(12,961)	(24,673)	(9,953)
Net (loss) income.	(195,625) (1)	13,514 (2)	46,266	1,353
Basic earnings per share	(2.10) (1)	n/a	n/a	n/a
Diluted earnings per share.	(2.10) (1)	n/a	n/a	n/a

Balance Sheet Data	Successor	Predecessor
	December 31, 2013	December 31, 2012
Cash & cash equivalents	\$ 123,040	\$ 143,351
Working capital (3)	242,847	246,383
Total assets	2,241,888	1,233,917
Total debt & capital lease obligations . .	752,249	720,640
Total Equity	1,128,616	272,437

(1) Includes the following significant items related to the MacDermid Acquisition affecting comparability in the Successor 2013 Period:

- Non-cash charge related to the Founder Preferred Share dividend rights of \$172.0 million;
- Purchase accounting adjustment of \$23.9 million charged to cost of sales for the manufacturer's profit in inventory adjustment; and
- Transaction costs, primarily comprised of professional fees, of \$15.2 million.

(2) Includes the following significant items related to the MacDermid Acquisition affecting comparability in the Predecessor 2013 Period:

- Transaction costs primarily for professional fees and fees paid to Predecessor shareholders resulting from management fees payable in conjunction with consummation of the MacDermid Acquisition of \$16.9 million; and
- Deemed compensation expense related to pre-acquisition share awards of approximately \$9.3 million.

(3) Working capital is defined as current assets less current liabilities.

Platform has not declared or paid any dividends on its shares of Common Stock since its incorporation and does not anticipate that it will do so in the foreseeable future. Beginning in 2014, if the average stock price of our shares of Common Stock exceeds \$11.50 per share for the last ten days of the calendar year, we are required to pay dividends on the Series A Preferred Stock in the form of shares of our Common Stock equal to 20% of the appreciation over \$10.00 of the market price for the last ten days of our calendar year.



Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of our financial condition and results of operations during the Successor 2013 Period and each of the Predecessor 2013 Period, the Predecessor 2012 Period and the Predecessor 2011 Period. We did not own MacDermid for any of the Predecessor periods or for the entirety of the Successor 2013 Period. Consequently, these results may not be indicative of the results that we would expect to recognize for future periods. This discussion should be read in conjunction with the section entitled "Financial Statements and Supplementary Data," included in Part II, Item 8 of this Annual Report, and with the section entitled "Selected Financial Data" included in Part II, Item 6 of this Annual Report.

Unless the context otherwise requires, all references in this section to "we", "us", "our", "Successor" and "Platform" refer to Platform Specialty Products Corporation and its subsidiaries, collectively, for all periods subsequent to the MacDermid Acquisition. All references in this section to our "Predecessor" refer to MacDermid and its subsidiaries for all periods prior to the MacDermid Acquisition.

Overview

We are a global producer of high technology specialty chemical products and provider of post-sale technical services. As our name "Platform Specialty Products Corporation" implies, we continually seek opportunities to act as an acquirer and consolidator of specialty chemical businesses on a global basis, particularly those meeting Platform's "asset lite, high touch" philosophy, which involves dedicating extensive resources to research and development and highly technical, post-sale customer service, while limiting our investments in fixed assets and capital expenditures. To date, Platform has completed one acquisition, the MacDermid Acquisition, on October 31, 2013.

Currently, our business involves the manufacture of a broad range of specialty chemicals, which we create by blending raw materials, and the incorporation of these chemicals into multi-step technological processes. These specialty chemicals and processes together encompass the products we sell to our customers in the electronics, metal and plastic plating, graphic arts, and offshore oil production and drilling industries. We refer to our products as "dynamic chemistries" due to their delicate chemical compositions, which are frequently altered during customer use. Our dynamic chemistries are used in a wide variety of attractive niche markets and we believe that the majority of our operations hold strong positions in the product markets they serve.

We were initially incorporated with limited liability under the laws of the British Virgin Islands on April 23, 2013 under the name Platform Acquisition Holdings Limited. We were created for the purpose of acquiring a target company or business with an anticipated enterprise value of between \$750 million and \$2.50 billion. We completed our initial public offering in the United Kingdom on May 22, 2013, raising \$881.2 million net proceeds and were listed on the London Stock Exchange.

On October 31, 2013, we indirectly acquired substantially all of the equity of MacDermid Holdings, LLC ("MacDermid Holdings"), which, at the time, owned approximately 97% of MacDermid, which we refer to as the "MacDermid Acquisition". As a result, we became a holding company for the MacDermid business. We acquired the remaining 3% of MacDermid (the "MacDermid Plan Shares") on March 4, 2014, pursuant to the terms of an Exchange Agreement, dated October 25, 2013, between us and the fiduciaries of the MacDermid, Incorporated Profit Sharing and Employee Savings Plan (the "MacDermid Savings Plan"). Concurrently with the closing of the MacDermid Acquisition, we changed our name to Platform Specialty Products Corporation ("Platform"). On January 22, 2014, we changed our jurisdiction of incorporation from the British Virgin Islands to Delaware (the "Domestication") and on January 23, 2014, our shares of Common Stock, par value \$0.01 per share ("Common Stock") began trading on the New York Stock Exchange ("NYSE") under the ticker symbol "PAH".

Prior to the MacDermid Acquisition, we had no revenue. During the Successor 2013 Period, we had losses relating to formation and administrative costs and approximately \$4 million of diligence costs related to the MacDermid Acquisition. We had no other operations other than the active solicitation of a target business with which to complete a business combination. We relied upon the sale of our ordinary and preferred shares to fund our limited acquisition-related operations.

We manage our business in two operating segments:

Performance Materials – Our Performance Materials segment manufactures and markets dynamic chemistry solutions that are used in the electronics, automotive and oil and gas production and drilling industries. We operate in the Americas, Asia and Europe. Our products include surface and coating materials and water-based hydraulic control fluids. In conjunction with the sale of these products, we provide post-sale technical service and support when necessary to ensure superior performance of their application.

Graphic Solutions – Our Graphic Solutions segment primarily produces and markets photopolymers through an extensive line of flexographic plates that are used in the commercial packaging and printing industries. Sales in the Graphic Solutions segment are predominately in the Americas and Europe.

We sell our products into three geographic regions: the Americas, Asia and Europe. Because the Performance Materials segment utilizes shared facilities and administrative resources and offers products that are distinct from those within the Graphic Solutions segment, we make decisions about how to manage our operations by reference to each segment and not with respect to the underlying products or geographic regions that comprise each segment.



Global Economic and Industry Conditions

Our products are sold in industries that we believe are sensitive to changes in general economic conditions. Accordingly, net sales, gross profit and financial condition depend significantly on general economic conditions and the impact of these conditions on demand for our dynamic chemistries and services in the markets in which we compete. Our business is particularly impacted by demand for chemistry products utilized in the automotive, printed circuit board, offshore oil production and commercial packaging industries.

Our business is also significantly influenced by trends and characteristics in the specialty chemical industry and the printing industry. We believe that these industries are cyclical and subject to constant and rapid technological change, product obsolescence, price erosion, evolving standards, short product life-cycles, raw material price fluctuations and changes in product supply and demand.

The specialty chemical industry is currently being affected by globalization and a shift in customers' businesses out of traditional geographic markets and into high-growth, emerging markets.

The printing industry is currently shrinking, which is reflected in the newspaper closures and consolidations that have occurred during the past three years. The newspapers are also reducing capital spending due to outsourcing their production. As a result, sales of newspaper plates have been adversely impacted by these trends. This adverse impact has been offset by the double digit growth in the consumer packaging market, which typically commands higher margins.

Net sales in future periods will depend, among other factors, upon a continued general improvement in global economic conditions, our ability to meet unscheduled or temporary changes in demand, and our ability to penetrate new markets with strategic product initiatives in specific targeted markets.

Foreign Currency Exposure

For the Successor 2013 Period and the Predecessor 2013 Period, approximately 68% and 67%, respectively, of net sales, were denominated in currencies other than the U.S. Dollar—predominantly the Brazilian Real, British Pound Sterling, Chinese Yuan, Euro, Hong Kong Dollar and Japanese Yen. For the years ended December 31, 2012 and 2011, approximately 67% and 69%, respectively, of our net sales were denominated in currencies other than the U.S. Dollar. We do not manage our foreign currency exposure in a manner that eliminates the effects of changes in foreign exchange rates on its net sales, cash flows or the reported amount of its assets and liabilities. Therefore, our financial performance is positively or negatively impacted by changes in foreign exchange rates in any given reporting period. For most currencies, we are a net receiver of the foreign currency and therefore benefits from a weaker U.S. Dollar and are adversely affected by a stronger U.S. Dollar relative to the foreign currency.

For both the Successor 2013 Period and the Predecessor 2013 Periods, net sales were negatively impacted as the U.S. Dollar strengthened against the Brazil Real, British Pound Sterling and Euro when compared to 2012. However, the absolute impact on the combined Successor and Predecessor 2013 net sales was not material.

For the year ended December 31, 2012, net sales were negatively impacted as the U.S. Dollar strengthened against the Brazil Real, British Pound Sterling and Euro when compared to 2011. However, the absolute impact on 2012 net sales was not material.

Factors Affecting Comparability of Results of Operations

The MacDermid Acquisition

The MacDermid Acquisition was accounted for using the acquisition method of accounting, or "acquisition accounting", in accordance with Financial Accounting Standard Board ("FASB") Accounting Standard Codification ("ASC") Topic 805, Business Combinations. Acquisition accounting provides a period of up to one year to obtain the information necessary to finalize the fair value of all assets acquired and liabilities assumed at October 31, 2013. As of December 31, 2013, we have recorded preliminary acquisition accounting allocations. Acquisition accounting resulted in certain items that affect the comparability of the results of operations between us and our Predecessor, including changes in asset carrying values (and related depreciation and amortization), and expenses related to assumption of the debt that financed the MacDermid Acquisition that were capitalized and amortized as interest expense. See Note 1 of the accompanying audited consolidated financial statements included in Part II, Item 8 "Financial Statements and Supplementary Data" describing the preliminary allocation of consideration to the net tangible and intangible assets acquired and liabilities assumed.

In connection with the MacDermid Acquisition, fees and expenses related to the MacDermid Acquisition totaled \$41.4 million (\$15.2 million in the Successor 2013 Period and \$26.2 million in the Predecessor 2013 Period), including \$32.1 million (\$15.2 million in the Successor 2013 Period and \$16.9 million in the Predecessor 2013 Period) consisting principally of professional fees and deemed compensation expenses related to pre-acquisition share awards of \$9.3 million (in the Predecessor 2013 Period) all of which are included as a component of our selling, technical, general and administrative expenses.



Results of Operations

The following table summarizes the results of operations for both the Successor 2013 Period and Predecessor 2013 Period:

Statement of Operations Data (amounts in thousands)	<i>Successor</i>		<i>Predecessor</i>		
	Period from Inception (April 23, 2013) to December 31, 2013		January 1, 2013 through October 31, 2013	Year Ended December 31,	
				2012	2011
Net sales	\$ 118,239		\$ 627,712	\$ 731,220	\$ 728,773
Cost of sales.	82,587		304,875	376,166	388,298
Gross profit.	35,652		322,837	355,054	340,475
Operating expenses:					
Selling, technical, general and administrative	54,521		207,554	214,614	260,665
Non-cash charge related to preferred stock dividend rights.	172,006		—	—	—
Research and development	3,995		19,898	25,051	22,966
Restructuring	762		3,636	292	896
Total operating expenses	231,284		231,088	239,957	284,527
Operating (loss) profit	(195,632)		91,749	115,097	55,948
Other income (expense):					
Interest, net	(5,372)		(45,929)	(49,139)	(54,054)
Loss on extinguishment of debt	—		(18,788)	—	—
Other (expense) income, net	(440)		(557)	4,981	9,412
	(5,812)		(65,274)	(44,158)	(44,642)
(Loss) income before income taxes, non-controlling interest and accumulated payment-in-kind dividend on cumulative preferred shares	(201,444)		26,475	70,939	11,306
Income tax benefit (provision)	5,819		(12,961)	(24,673)	(9,953)
Net (loss) income	(195,625)		13,514	46,266	1,353
Net loss (income) attributable to the non-controlling interest	1,403		(295)	(289)	(366)
Net (loss) income attributable to Platform Specialty Products Corporation.	(194,222)		13,219	45,977	987
Accrued payment-in-kind dividend on cumulative preferred shares	—		(22,454)	(44,605)	(40,847)
Net (loss) income attributable to common shares	\$ (194,222)		\$ (9,235)	\$ 1,372	\$ (39,860)



Successor 2013 Period (April 23, 2013 to December 31, 2013)

Net Sales

Net sales for the Successor 2013 Period were approximately \$118 million which were comprised of global sales from our Performance Materials and Graphic Solutions segments of \$92.7 million and \$25.6 million, respectively. We believe that net sales of products that we have identified as new products, which represent opportunities to enter markets adjacent to those we currently serve, were \$11.2 million for the Successor 2013 Period. We not only periodically introduce new products to market, but also continuously modify our existing products, often at the request of, or in collaboration with, our customers. The impact of new product sales is a recurring factor to our results of operations.

For the Successor 2013 Period, net sales in the Americas were \$42.7 million. In Europe and Asia, net sales were \$41.0 million and \$34.6 million, respectively, for the Successor 2013 Period.

Changes in our product mix and the average selling prices of products did not have a material impact on net sales for the Successor 2013 Period.

Gross Profit

For the Successor 2013 Period, gross profit was \$35.7 million and gross margin was 30.2%. The largest driver of the decrease in the gross margin as compared to the Predecessor periods was a \$23.9 million charge to cost of sales for the recognition of two-thirds of the inventory step up in connection with the MacDermid Acquisition. Excluding this charge, our gross margin was 50.4%. Changes in the product mix and the average selling prices of products did not have a material impact on gross profit for the Successor 2013 Period.

Non-Cash Charges related to Preferred Stock Dividend Rights

Preferred stock issued by Platform has dividend rights that were triggered upon the successful close of an acquisition. Beginning in 2014, if the average price of our Common Stock exceeds \$11.50 per share for 10 consecutive trading days, which has occurred, the holders of the Preferred stock are entitled to a dividend in the form of ordinary shares. The dividend amount is calculated at the end of each calendar year equal to 20% of the appreciation of the market price of our Common Stock (calculated as the average Common Stock price for the last ten days of the calendar year) compared to the initial offering price of \$10.00 per ordinary share times the number of common shares issued in the initial offering (approximately 90.5 million shares). In subsequent years, the dividend amount will be calculated based on the appreciated Common Stock price compared to the highest Common Stock price previously used in calculating the dividend. Dividends are paid for the term the Preferred stock is outstanding. The Preferred shares will be automatically converted into shares of our Common Stock on a one for one basis (i) in the event of a change of control of Platform following an acquisition or (ii) upon the last day of the seventh full financial year following the completion of the MacDermid Acquisition, being December 31, 2020 (extendable by our Board of Directors

for three additional years). Each Preferred share is convertible into one share of our Common Stock at the option of the holder until December 31, 2020 and has certain voting rights. We recognized a non-cash charge related to the fair value of the preferred dividend rights of \$172,006 upon the completion of the MacDermid Acquisition. The fair value of the preferred dividend rights was measured based on significant inputs not observable in the market (Level 3 inputs). Key assumptions included the fair value of our Common Stock and an assumption of volatility. The fair value was calculated using a Monte-Carlo simulation.

Selling, Technical, General and Administrative Expense

Selling, technical, general and administrative expense was \$54.5 million for the Successor 2013 Period. As a percentage of net sales, selling, technical, general and administrative expense was 46.1% for the Successor 2013 Period. Such expenses were higher than the Predecessor periods due primarily to acquisition-related charges of \$15.2 million for professional fees in addition to incremental amortization expense on newly valued intangible assets.

Research and Development Expense

Research and development expense for the Successor 2013 Period was \$4.0 million and was the result of additional investments made to support certain strategic projects. As a percentage of net sales, research and development expense was 3.4% for the Successor 2013 Period.

Operating Profit (Loss)

Operating losses for the Performance Materials segment and the Graphic Solutions segment for the Successor 2013 Period were approximately \$(109) million and \$(86.6) million, respectively. The operating losses were due to the segment allocation of adjustments recorded in connection with the MacDermid Acquisition.

Restructuring Expense

Restructuring expense for the Successor 2013 Period was \$0.8 million and was comprised of several small restructuring initiatives in an effort to achieve cost savings.

Interest Expense, net

Interest expense, net for the Successor 2013 Period was \$5.4 million and primarily represents interest, inclusive of amortization of deferred financing fees, on the first lien credit facility assumed in the MacDermid Acquisition of \$5.5 million net of interest income.

Other (Expense) Income, net

Other expense for the Successor 2013 Period was \$0.4 million due primarily to foreign exchange losses.

Income Tax (Benefit) Expense

For the Successor 2013 Period, we recorded an income tax benefit of \$5.8 million. Our effective tax rate was 2.89% income tax benefit on pre-tax losses of \$201.4 million. The effective tax rate was negatively impacted by the non-deductible charge related to preferred stock dividend rights of \$60.2 million and non-deductible transaction costs of \$4.2 million.



Predecessor 2013 Period (January 1, 2013 to October 31, 2013)

The following discussion and analysis compares (1) the operating results of the Predecessor for the period January 1, 2013 to October 31, 2013, which we refer to as the Predecessor 2013 Period, to the year ended December 31, 2012 and (2) the operating results for the years ended December 31, 2012 and 2011 to one another.

Net Sales

MacDermid's net sales decreased in the Predecessor 2013 Period by approximately \$104 million, or 14.2%, as compared to the annual 2012 period. The decrease in net sales is primarily attributable to comparing operating results for a ten month period to a period consisting of a full twelve months. MacDermid believes that net sales of products that it has identified as new products, which represent opportunities to enter markets adjacent to those it currently serves, was \$65.6 million for the Predecessor 2013 Period, compared to \$66.7 million for the year ended December 31, 2012. MacDermid not only periodically introduces new products to market, but also continuously modifies its existing products, often at the request of, or in collaboration with, its customers. The impact of new product sales is a recurring factor to MacDermid's results of operations.

Net sales in the Performance Materials segment decreased by \$77.7 million, or 13.9%, as compared to the annual 2012 period. The decrease in net sales is primarily attributable to comparing operating results for a ten month period to one consisting of a full twelve months. Net sales in the Graphic Solutions segment decreased by \$25.8 million, or 15.0%, as compared to the annual 2012 period. The decrease in net sales is primarily attributable to comparing operating results for a ten month period to a period consisting of a full 12 months.

For the Predecessor 2013 Period, net sales in the Americas were \$237 million. In Europe and Asia, net sales were \$214 million and \$177 million, respectively, for the Predecessor 2013 Period.

Changes in the average selling prices of MacDermid products did not have a material impact on net sales for the Predecessor 2013 Period compared to the year ended December 31, 2012.

Gross Profit

Gross profit decreased in the Predecessor 2013 Period by \$32.2 million, or 9.1%, as compared to the annual 2012 period. The decrease in gross profit is primarily attributable to comparing operating results for a ten month period to a period consisting of a full twelve months. Despite lower gross profit, the gross margin of 51.4% in the Predecessor 2013 Period represented an increase of 280 basis points as compared to the year ended December 31, 2012 period gross margin of 48.6% primarily due to favorable changes in product mix.

Selling, Technical, General and Administrative Expense

Selling, technical, general and administrative expense decreased in the Predecessor 2013 Period by \$7.1 million, or 3.3%, as compared to the annual 2012 period. The decrease in selling, technical, general and administrative is primarily attributable to comparing operating results for a ten month period to a period

consisting of a full twelve months. As a percentage of net sales, selling, technical, general and administrative expense was 33.1% and 29.4% for the Predecessor 2013 Period and the year ended December 31, 2012, respectively. The Predecessor 2013 Period includes \$16.9 million of acquisition-related costs primarily comprised of professional fees in addition to compensation expense of \$9.3 million associated with recognition of legacy MacDermid Class C Junior shares representing 100% of expense for the vested shares due to the MacDermid Acquisition being sufficiently probable. Excluding these charges, selling, technical, general and administrative expense as a percentage of sales was 29.0%.

Research and Development Expense

Research and development expense decreased in the Predecessor 2013 Period by \$5.2 million, or 20.6%, as compared to the annual 2012 period. The decrease in research and development expense is primarily attributable to comparing operating results for a ten month period to a period consisting of a full twelve months. As a percentage of net sales, research and development expense was 3.2% and 3.4% for the Predecessor 2013 Period and the year ended December 31, 2012, respectively. The slight decrease is due to higher investments made to support certain strategic projects for the year ended December 31, 2012 that were non-recurring in the Predecessor 2013 Period.

Operating Profit (Loss)

Operating profit for the Performance Materials segment in the Predecessor 2013 Period decreased by \$8.5 million, or 10.4%, as compared to the year ended December 31, 2012. The decrease in operating profit is primarily attributable to the allocation of approximately \$13.0 million of acquisition-related costs as previously discussed in addition to comparing operating results for a ten month period to one consisting of a full twelve months. Partially offsetting these decreases are increases from higher sales of offshore industry products and higher margins on industrial products sold in the United States and electronics industry products sold in Asia.

Operating profit for the Graphic Solutions segment in the Predecessor 2013 Period decreased by \$14.8 million, or 45.0%, as compared to the annual 2012 period. The decrease in operating profit is primarily attributable to the allocation of approximately \$13.0 million of acquisition-related costs as previously discussed in addition to comparing operating results for a ten month period to a period consisting of a full twelve months. Partially offsetting these decreases are increases in operating profit from higher net sales in the Americas and Europe, as discussed above, and the continued market share gains related to new and higher margin products.

Restructuring Expense

Restructuring expense increased in the Predecessor 2013 Period by \$3.3 million as compared to the year ended December 31, 2012. The primary driver of the increase is due to \$2.2 million of restructuring charges related to the elimination of certain positions in the Graphic Solutions segment in the Americas and \$0.7 million related to the elimination of certain positions in the Performance Materials segment in Europe. MacDermid anticipates that these headcount reductions will have annual cash cost



savings of approximately \$3.4 million going forward. Actual cash cost savings to be realized depend on the timing of payments and many other factors, some of which are beyond MacDermid's control, and could differ materially from its estimates. MacDermid anticipates recognizing the estimated cash cost savings once all payments have been finalized related to these restructuring initiatives.

Interest Expense, net

Interest expense, net decreased in the Predecessor 2013 Period by \$3.2 million, or 6.5%, as compared to the annual 2012 period. The decrease in interest expense is primarily attributable to comparing operating results for a ten month period to a period consisting of a full twelve months. Partially offsetting the favorable impact due to the lower number of months of operations included in each period were higher debt balances outstanding in the Predecessor 2013 Period.

Loss on Extinguishment of Debt

In the Predecessor 2013 Period, we recorded a loss of \$18.8 million related to the refinancing of tranche B and tranche C term loans and senior subordinated notes. This amount consisted of \$12.5 million of call premiums on the senior subordinated notes and \$6.3 million of write-offs of deferred financing fees related to the extinguished debt.

Other (Expense) Income, net

The Predecessor 2013 Period included other expense, net of \$0.6 million compared to other income, net of \$5.0 million for the year ended December 31, 2012. The primary components of other expense, net in the Predecessor 2013 Period were foreign currency exchange losses of \$1.4 million partially offset by a remeasurement gain of \$1.1 million on Euro denominated debt, due to the fluctuation of the Euro compared to the U.S. Dollar. The primary components of other income, net for the year ended December 31, 2012 were a remeasurement gain of \$8.4 million on foreign currency denominated intercompany loans partially offset by a remeasurement loss of \$2.7 million on Euro denominated debt and foreign exchange losses of \$1.1 million.

Income Tax Expense

Income tax expense was \$13.0 million in the Predecessor 2013 Period compared to \$24.7 million for the year ended December 31, 2012. For the Predecessor 2013 Period and the year ended December 31, 2012, MacDermid's effective tax rate was 49.0% and 34.8%, respectively. The effective tax rate for the Predecessor 2013 Period was increased by non-deductible transaction costs of \$1.9 million and an increase in the valuation allowance for federal, state and foreign net operating losses and tax credits of \$3.6 million. MacDermid is a U.S. based company with a statutory income tax rate of 35%. MacDermid operates in various foreign countries, which have tax rates that are different from the U.S. statutory tax rate. The effective tax rate for the period ended December 31, 2012 was impacted by the imposition of foreign taxes at different tax rates of (\$11.6 million), an increase in uncertain tax positions of \$5.7 million and an increase in the valuation allowance for federal, state and foreign net operating losses and tax credits of \$6.9 million.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Net Sales

Net sales of approximately \$731 million for the year ended December 31, 2012 increased by \$2.4 million, or 0.3%, compared to the same period in 2011. Net sales for the year ended December 31, 2011 were negatively impacted by \$18.6 million due to the increase in value of the U.S. Dollar during the year ended December 31, 2012 compared to the same period in 2011. MacDermid believes that net sales of products that it has identified as new products, which represent opportunities to enter markets adjacent to those it currently serves, were \$66.7 million for the year ended December 31, 2012, compared to \$56.0 million for the same period in 2011. MacDermid not only periodically introduces new products to market, but also continuously modifies its existing products, often at the request of, or in collaboration with, its customers. The impact of new product sales is a recurring factor to MacDermid's results of operations.

The Performance Materials segment had lower net sales for the year ended December 31, 2012 of \$9.1 million, or 1.6%, compared to the same period in 2011. This decrease was attributable to an increase of \$17.2 million, or 25.2%, in net sales of offshore industry products due primarily to higher worldwide demand for offshore fluids, offset by a decrease of \$15.3 million, or 4.5%, in net sales of industrial products due to a stronger U.S. Dollar against the Britain Pound Sterling and Euro, lower automotive sales in Brazil and Europe and a decrease of \$10.9 million, or 6.8%, in net sales of electronics industry products primarily attributable to lower product sales in China during 2012. The Graphic Solutions segment had higher net sales for the year ended December 31, 2012 of \$11.5 million, or 7.2%, compared to the same period in 2011 due to higher sales of new products and market share gains.

For the year ended December 31, 2012, net sales in the Performance Materials segment increased by \$14.1 million, or 8.6%, in the Americas due to higher demand for offshore industry products as discussed above. In Asia, net sales in the Performance Materials segment decreased by \$12.1 million, or 6.0%, for the year ended December 31, 2012 compared to the same period in 2011 due to lower sales in Japan as economic conditions in Japan caused lower consumer demand for electronics and MacDermid's strategic decision in 2011 to cease selling low margin products in Asia negatively impacting sales in 2012. In Europe, net sales in the Performance Materials segment decreased by \$11.1 million, or 5.5%, for the year ended December 31, 2012 compared to the same period in 2011 due to a stronger U.S. Dollar which increased by 1.1% against the British Pound Sterling and 7.7% against the Euro. Excluding the impact of the stronger U.S. dollar, the Performance Materials segment in Europe experienced modest growth from the year ended December 31, 2011 to the year ended December 31, 2012.

The Graphic Solutions segment in the Americas reported higher net sales levels for the year ended December 31, 2012 of \$9.0 million, or 10.2%, compared to the same period in 2011 due to stronger customer demand for digital printing sheets and the introduction of new products. This increase primarily reflects a



gain in market share as a result of customers switching to MacDermid's LUX® process. The Graphic Solutions segment in Europe had higher net sales for the year ended December 31, 2012 of \$2.6 million, or 4.6%, compared to the same period in 2011 due to market share gains from new product sales. Changes in MacDermid's product mix and the average selling prices of products did not have a material impact on net sales for the year ended December 31, 2012 compared to the same period in 2011.

Gross Profit

For the year ended December 31, 2012, gross profit increased \$14.6 million, or 4.3%, compared to the same period in 2011 primarily attributable to MacDermid's decision in 2011 to cease selling low margin products in Asia and higher sales levels of high margin products in 2012. Gross profit for the year ended December 31, 2011 was negatively impacted by \$9.7 million due to the increase in value of the U.S. Dollar during the year ended December 31, 2012 compared to the same period in 2011. As a percentage of net sales, gross profit for the year ended December 31, 2012 was 48.6%, as compared to 46.7% for the same period in 2011. Changes in the product mix and the average selling prices of products did not have a material impact on gross profit for the year ended December 31, 2012 compared to the same period in 2011.

Selling, Technical, General and Administrative Expense

Selling, technical, general and administrative expense increased \$1.9 million, or 1.0%, for the year ended December 31, 2012 compared to the same period in 2011 primarily as the result of higher selling expenses associated with higher sales and an increase in salary expenses. As a percentage of net sales, selling, technical, general and administrative expense was 25.6% for the year ended December 31, 2012, compared to 25.5% for the same period in 2011.

Research and Development Expense

Research and development expense for the year ended December 31, 2012 increased \$2.1 million, or 9.1%, from the same period in 2011 primarily due to additional investments made to support certain strategic projects. As a percentage of net sales, research and development expense was 3.4% for the year ended December 31, 2012, as compared to 3.2% for the same period in 2011, due to higher salary expense.

Restructuring Expense

During the year ended December 31, 2012, MacDermid recorded \$0.3 million of restructuring expense primarily due to the elimination of certain positions in the Performance Materials segment in Europe. MacDermid anticipates that these headcount reductions will have annual cash savings of approximately \$0.3 million going forward. The actual cash cost savings to be realized depend on the timing of payments and many other factors, some of which are beyond MacDermid's control, and could differ materially from our estimates.

During the year ended December 31, 2011, MacDermid recorded \$0.9 million of operational restructuring expense primarily due to the elimination of certain positions in the Performance Materials segment in Europe.

Impairment Charges

During 2011, MacDermid recorded \$46.4 million of impairment charges related to a write down of certain customer list intangible assets in the Performance Materials segment in Asia to their estimated fair values. MacDermid concluded that certain indicators were present suggesting a potential impairment of certain customer list intangible assets of the Performance Materials segment in Asia. The indicators of this potential impairment included:

- Recent reductions in gross profit margins of certain products;
- Increases in raw material prices used in manufacturing process that were difficult to pass along to customers;
- Increased pricing pressure for certain products from competitors; and
- Customers' reluctance to accept product price increases and MacDermid's reluctance to continue selling certain products, which require technical support, at low margin levels.

Based upon the above indicators, MacDermid evaluated these customer list intangible assets for potential impairment. In accordance with ASC 360, a long-lived asset (asset group) shall be tested for recoverability whenever events or changes in circumstances indicate that a long-lived asset (asset group) may not be recoverable. Under ASC 360, impairment is defined as the condition that exists when the carrying amounts of a long-lived asset (asset group) exceeds its fair value. MacDermid utilized an "income approach" method to test the Performance Materials Asia customer list intangible assets for impairment. In step one of the testing, MacDermid compared the carrying amounts of the Performance Materials Asia customer list intangible assets to the undiscounted cash flows expected to be generated from the use and eventual disposition of the customer list intangible assets over their remaining useful lives. Four of the customer lists passed the first step of the testing procedures, with significant headroom. Two of the customer lists failed the first step of the testing procedures; therefore, MacDermid performed the second step of impairment testing. In the second step of the testing procedures, the estimated fair value of the Performance Materials Asia customer list intangible assets was determined by estimating the after-tax cash flows attributable to the assets and then discounting these cash flows to a present value using a risk-adjusted discount rate. The cash flow model utilized in the customer list intangible asset impairment test involves significant judgments related to future growth rates, discount rates and tax rates, among other considerations. The step-two testing procedures indicated that the two customer lists that failed the first step of the testing were impaired because the carrying value of these assets exceeded their estimated fair value by \$46.4 million.

Interest Expense, net

Interest expense for the year ended December 31, 2012 decreased by \$4.9 million, or 9.0%, compared to the same period in 2011 due to lower outstanding debt balances.



Other (Expense) Income, net

Other income, net for the year ended December 31, 2012 was \$5.0 million compared to the \$9.4 million of other income, net recorded during the same period in 2011. For the year ended December 31, 2012, MacDermid recorded a net remeasurement gain of \$5.7 million on foreign currency denominated debt partially offset by foreign exchange losses of \$1.1 million. For the year ended December 31, 2011, MacDermid recorded a net remeasurement gain of \$9.2 million on foreign currency denominated debt and a gain of \$0.6 million on settled foreign currency hedges partially offset by foreign exchange of \$0.2 million.

Income Tax Expense

Income tax expense was \$24.7 million in the year ended December 31, 2012 compared to \$10 million for the year ended December 31, 2011. For the year ended December 31, 2012, MacDermid's effective tax rate was 34.8% compared to 88.0% for the same period in 2011. MacDermid is a U.S. based company with a statutory income tax rate of 35%. MacDermid operates in various foreign countries, which have tax rates that are different from the U.S. statutory tax rate. The effective tax rate for the period ended December 31, 2012 was impacted by the imposition of foreign taxes at different tax rates of (\$11.6 million), an increase in uncertain tax positions of \$5.7 million and an increase in the valuation allowance for federal, state and foreign net operating losses and tax credits of \$6.9 million. The effective tax rate for the period ended December 31, 2011 was impacted an increase in the valuation allowance for federal, state and foreign net operating losses and tax credits of \$6.7 million.

Segment Reporting

The following discussion breaks down MacDermid's net sales and operating profit by operating segment for the year ended December 31, 2012 compared to the same period in 2011.

Performance Materials—Net sales decreased by \$9.1 million, or 1.6%, for the year ended December 31, 2012 as compared to the same period in 2011, and were negatively impacted by \$14.8 million due to the increase in value of the U.S. Dollar during the year ended December 31, 2012 compared to the same period in 2011. Our Americas operations experienced the highest net sales growth among the geographic regions in our Performance Materials segment for the year ended December 31, 2012 of \$14.1 million, or 8.6%, due to an increase in our sales of offshore industry products. In Europe, our Performance Materials segment had lower sales of \$11.1 million, or 5.5%, due to a stronger U.S. Dollar against the Euro and British Pound Sterling as discussed above. Our Performance Materials segment in Asia had lower sales of \$12.1 million, or 6.0%, for the year ended December 31, 2012 compared to the year ended December 31, 2011 due to lower sales in China as a result of our strategic decision in 2011 to cease selling low margin products in Asia which negatively impacted sales in 2012 and the sale of our Australian and New Zealand industrial operations in 2011, which negatively impacted 2012 sales by approximately \$6.8 million. Overall our sales of our offshore products increased by 25.5% from the year ended December 31, 2011 compared to same period in 2012 within our Performance Materials segment while our sales of our industrial

and electronics products decreased by 4.5% and 6.8%, respectively, from the year ended December 31, 2011 compared to the same period in 2012 within our Performance Materials segment.

Operating profit for the Performance Materials segment for the year ended December 31, 2012 increased by \$51.8 million, or 170.7%, as compared to the same period in 2011. This increase is primarily attributable to the \$46.4 million of impairment charges related to a write down of certain customer list intangible assets in the Performance Materials segment in Asia recorded during the year ended December 31, 2011 and the decision in 2011 to cease selling low margin products in Asia. The Performance Materials segment operating profit was positively impacted by \$2.3 million for the year ended December 31, 2012 due to the increase in value of the U.S. Dollar during the year ended December 31, 2012 compared to the same period in 2011.

Performance Materials (amounts in thousands)	Year Ended December 31,		
	2012	2011	Change
	<i>Predecessor</i>	<i>Predecessor</i>	
Net sales	\$ 559,520	\$ 568,578	-1.6%
Operating profit	82,101	30,331	170.7%

Graphic Solutions—Net sales increased by \$11.5 million, or 7.2%, for the year ended December 31, 2012 as compared to the same period in 2011, and were negatively impacted by \$3.8 million due to the increase in value of the U.S. Dollar. The Graphic Solutions segment in the Americas reported higher net sales levels for the year ended December 31, 2012 of \$9.0 million, or 10.2%, compared to the same period in 2011 due to stronger customer demand for digital printing sheets and the introduction of new products. This increase primarily reflects a gain in market share as a result of customers switching to MacDermid's LUX® process. The Graphic Solutions segment in Europe had higher net sales for the year ended December 31, 2012 of \$2.6 million, or 4.6%, compared to the same period in 2011 due to market share gains from new product sales.

Operating profit for the Graphic Solutions segment for the year ended December 31, 2012 was \$7.4 million, or 28.8%, higher than the same period in 2011, an increase primarily due to the increase in net sales in the Graphic Solutions segment in the Americas and Europe, as discussed above, and the introduction of higher margin products in 2011 in those operations which carried into the full year of 2012. The Graphic Solutions segment operating profit for the year ended December 31, 2012 was negatively impacted by \$1.1 million due to the increase in value of the U.S. Dollar during the year ended December 31, 2012 compared to the same period in 2011.

Graphic Solutions (amounts in thousands)	Year Ended December 31,		
	2012	2011	Change
	<i>Predecessor</i>	<i>Predecessor</i>	
Net sales	\$ 171,700	\$ 160,195	7.2%
Operating profit	32,996	25,617	28.8%



Liquidity and Capital Resources

Our primary sources of liquidity in the Successor 2013 Period were cash raised from the initial equity offering, the warrant exchange and cash generated from operations. Our primary uses of cash and cash equivalents are raw material purchases, salary expense, capital expenditures and debt service obligations. We believe that our cash and cash equivalent balance and cash generated from operations will be sufficient to meet our working capital needs, capital expenditures and other business requirements for at least the next twelve months. At December 31, 2013, we had \$123 million in cash and cash equivalents.

Of our \$123 million of cash and cash equivalents at December 31, 2013, \$41.5 million was held by our foreign subsidiaries. The majority of the cash held by foreign subsidiaries is generally available for the ongoing needs of our operations. The laws of certain countries may limit our ability to utilize cash resources held in those countries for operations in other countries.

However, these laws are not likely to impact our liquidity in any material way. The operations of each foreign subsidiary generally fund such subsidiary's capital requirements. In the event that other foreign operations or operations within the United States require additional cash, we may transfer cash between and among subsidiaries as needed so long as such transfers are in accordance with law. As of December 31, 2013, we had the ability to repatriate \$10.3 million of cash at our discretion from the foreign subsidiaries and branches while the remaining balance of \$31.2 million was held at subsidiaries in which earnings are considered permanently reinvested. Repatriation of some of these funds could be subject to delay and could have potential tax consequences, principally with respect to withholding taxes paid in foreign jurisdictions. If cash is repatriated from jurisdictions in which earnings are considered permanently reinvested we will be required to accrue and pay U.S. income taxes on such repatriations.

The following is a summary of our cash flows provided by (used in) operating, investing and financing activities during the periods indicated:

(\$ amounts in thousands)	Period from Inception (April 23, 2013) to December 31, 2013	January 1, 2013 through October 31, 2013	Year Ended December 31,	
			2012	2011
	<i>Successor</i>	<i>Predecessor</i>	<i>Predecessor</i>	<i>Predecessor</i>
Cash and cash equivalents, beginning of the period	\$ —	\$ 143,351	\$ 113,452	\$ 106,740
Cash provided by operating activities	7,523	56,062	75,176	49,746
Cash used in investing activities	(920,231)	(7,815)	(18,277)	(3,454)
Cash provided by (used in) financing activities	1,035,656	(104,240)	(27,232)	(37,798)
Exchange rate impact on cash and cash equivalents.	92	(303)	232	(1,782)
Cash and cash equivalents, end of the period	\$ 123,040	\$ 87,055	\$ 143,351	\$ 113,452

Successor 2013 Period (April 23, 2013 to December 31, 2013)

Operating Activities

During the Successor 2013 Period, we generated \$7.5 million in cash from operating activities primarily due to the favorable changes in working capital of approximately \$8.1 million.

Investing Activities

During the Successor 2013 Period, we used cash from investing activities of approximately \$920 million primarily for the MacDermid Acquisition.

Financing Activities

During the Successor 2013 Period, we generated cash from financing activities of \$1.04 billion from proceeds received from the issuance of common and preferred shares and warrants.

Predecessor 2013 Period (January 1, 2013 to October 31, 2013)

Operating Activities

During the Predecessor 2013 Period, we generated cash from operating activities of \$56.1 million which was primarily

comprised of net income of \$13.5 million, depreciation and amortization of \$32.8 million, and \$18.8 million related to the loss on extinguishment of debt partially offset by unfavorable changes in working capital of \$13.6 million.

Investing Activities

During the Predecessor 2013 Period, we used cash from investing activities of \$7.8 million primarily for the purchase of capital expenditures of \$8.9 million.

Financing Activities

During the Predecessor 2013 Period, we used cash from financing activities of approximately \$104 million as borrowings of \$1.10 billion (net of debt discounts of \$5.5 million) were used primarily to (1) pay off tranche B and tranche C terms loans of approximately \$380 million, (2) pay off senior subordinated notes of approximately \$355 million (inclusive of a call premium payment), (3) repurchase approximately \$270 million of outstanding Series A preferred stock, (4) pay accumulated dividends on the Series A preferred stock of approximately \$230 million and (5) pay \$13.6 million of financing costs. Additionally, an advance of \$33.3 million was sent by Platform Acquisition Holdings Limited and received by MacDermid prior to the acquisition.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Operating Activities

MacDermid generated cash flows from operating activities of \$75.2 million for the year ended December 31, 2012, compared to \$49.7 million for the same period in 2011. The increase in cash flow provided by operations, for the year ended December 31, 2012 was primarily attributable to an increase in earnings of \$44.9 million, a decrease of \$46.4 million in impairment charges, a \$3.5 million increase in remeasurement charges on foreign currency denominated debt, an increase of deferred income taxes of \$7.6 million primarily due to a change in the deferred tax balances associated with the Euro denominated debt and the \$46.4 million of impairment charges related to a write down of customer list intangible assets, a decrease in accounts receivable of \$4.5 million, an increase in accounts payable of \$6.8 million attributable to higher inventory levels, a \$9.1 million increase in accrued expenses due to higher bonus accruals and a \$5.3 million increase in income tax balances due to recording higher income taxes payable based upon earnings.

We review accounts receivable on a consolidated basis on a business-by-business level. These quarterly reviews focus primarily on the seasonality and collectability of accounts receivable. As a result of these reviews, MacDermid determined that the composition of accounts receivable did not change in any material respect during (1) the Successor 2013 Period, (2) the Predecessor 2013 Period or (3) the year ended December 31, 2012 compared to the year ended December 31, 2011. MacDermid's management uses days sales outstanding ("DSO") to measure how efficiently MacDermid manages the billing and collection of accounts receivable. MacDermid calculates DSO by dividing the product of 360 and its accounts receivable balance by its annualized net sales. At December 31, 2013 and December 31, 2012, DSO was 73 days and 68 days, respectively.

The primary components of MacDermid's inventory are finished goods, raw materials and supplies and equipment. MacDermid reviews its inventories quarterly on a consolidated basis on a business-by-business level for obsolescence and excess quantities and to evaluate the appropriateness of the composition of its inventory at any given time. MacDermid's management uses days in inventory ("DII") to calculate its efficiency at realizing inventories. MacDermid calculates DII by dividing the product of 360 and its inventory balance, net of reserves, by its annualized cost of sales, excluding any intercompany sales. At December 31, 2013 and December 31, 2012, DII was 88 days (inclusive of finished goods step-up adjustment of \$35.9 million and related recognition of two-thirds of the inventory step-up in the Successor 2013 Period of \$23.9 million in connection with the MacDermid Acquisition) and 73 days, respectively. Its products generally have shelf lives that exceed one year.

Investing Activities

Net cash flows used in investing activities for the year ended December 31, 2012 was \$18.3 million compared to \$3.5 million for the same period in 2011. The decrease of \$14.8 million was primarily attributable to \$13.4 million of capital expenditures and \$5.0 million related to the acquisition of a company in

Brazil during the year ended December 31, 2012 compared to \$3.3 million of proceeds from the sale of business units, \$0.3 million of proceeds from the sale of assets, capital expenditures of \$8.7 million, the purchase of equity securities of \$0.8 million and the redemption of a certificate of deposit of \$2.5 million during the year ended December 31, 2011.

Financing Activities

Net cash flows used in financing activities for the year ended December 31, 2012 was \$27.2 million compared to \$37.8 million for the same period in 2011, a decrease of \$10.6 million primarily due to \$10.9 million in lower payments of long-term debt made during the year ended December 31, 2012 compared to the same period in 2011. The decrease in long-term debt payments was due to a \$14.6 million mandatory excess cash flow payment based upon MacDermid's 2011 operating results made during the first quarter of 2012, compared to a \$24.2 million mandatory excess cash flow payment based upon MacDermid's 2010 operating results made during the same time period in 2011. MacDermid also had a decrease in short term borrowings of \$1.3 million for the year ended December 31, 2012 compared to the same period in 2011, offset by lower proceeds from capital leases of \$1.1 million for the year ended December 31, 2012 compared to the same period in 2011.

Financial Borrowings

Credit Facilities

We are party to an amended and restated credit agreement consisting of (i) a \$755 million first lien credit facility (which we refer to as our "first lien credit facility") and (ii) a \$50.0 million revolving credit facility (which we refer to as our "revolving credit facility", and together with our first lien credit facility, our "credit facilities"). A portion of our revolving credit facility not in excess of \$15.0 million is available for the issuance of letters of credit. As of December 31, 2013, we had approximately \$751 million of indebtedness outstanding under our first lien credit facility and there were no borrowings under our revolving credit facility, other than stand-by letters of credit issued in the amount of \$4.6 million which reduce the borrowings available under our revolving credit facility. Our credit facilities contain various covenants, including limitations on additional indebtedness, dividends and other distributions, entry into new lines of business, use of loan proceeds, capital expenditures, restricted payments, restrictions on liens, transactions with affiliates, amendments to organizational documents, accounting changes, sale and leaseback transactions and dispositions. In addition, the revolving credit facility requires us to comply with certain financial covenants, including consolidated leverage and interest coverage ratios and limitations on capital expenditures if funding under the revolving credit facility exceeds \$12.5 million at the end of any fiscal quarter. In June 2013, we entered into a \$360 million second lien facility that was repaid in connection with the MacDermid Acquisition.

Senior Subordinated Notes

On April 12, 2007, MacDermid issued \$350 million of senior subordinated notes with a fixed interest rate of 9.50% at par. The senior subordinated notes were called and retired in the Predecessor 2013 Period.



Contractual Obligations and Commitments

We own most of our major manufacturing facilities, but we do lease certain office, manufacturing factories and warehouse space and land, as well as other equipment primarily under non-cancelable operating leases.

Summarized in the table below are our obligations and commitments to make future payments in connection with debt and minimum lease payment obligations (net of minimum sublease income) as of December 31, 2013:

(\$ amounts in thousands)	2014	2015	2016	2017	2018	2019 and Thereafter	Total
Debt obligations (including short-term debt) (1) ..	\$ 7,550	\$ 7,550	\$ 7,550	\$ 7,550	\$ 7,550	\$ 713,475	\$ 751,225
Capital Lease obligations (2)	408	342	186	71	17	—	1,024
Operating leases (3)	7,449	4,970	3,625	2,900	2,482	17,295	38,721
Interest payments(4)	29,924	29,611	29,300	28,994	28,690	40,596	187,115
Redeemable 401(k) plan interest (5)	20,972	—	—	—	—	—	20,972
Long term contingent consideration (6)	—	—	—	—	—	100,000	100,000
Total cash contractual obligations	\$ 66,303	\$ 42,473	\$ 40,661	\$ 39,515	\$ 38,739	\$ 871,366	\$ 1,099,057

(1) Reflects the principal payments on the credit facilities.

(2) Excludes interest on capital lease obligations of \$0.1 million at December 31, 2013.

(3) Amounts are net of sublease income on operating leases of approximately \$0.1 million in 2014 and \$0.1 million in 2015.

(4) Amounts are based on currently applicable interest rates in the case of variable interest rate debt.

(5) Reflects payment to be made pursuant to the Exchange Agreement to the fiduciaries of the MacDermid Savings Plan.

(6) Reflects the expected payout of 100% of the contingent purchase price relating to the MacDermid Acquisition in December 2020.

To the extent we can reliably determine when payments will occur pertaining to unrecognized tax benefit liabilities, the related amount will be included in the table above. However, due to the high degree of uncertainty regarding the timing of potential future cash flows associated with the \$25.7 million of such liabilities at December 31, 2013, we are unable to make a reliable estimate of when (if at all) amounts may be paid to the respective taxing authorities.

Off-Balance Sheet Transactions

We use customary off-balance sheet arrangements, such as operating leases and letters of credit, to finance our business. None of these arrangements has or is reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Significant Accounting Policies and Critical Estimates

Our significant accounting policies are more fully described in Note 1 to the audited consolidated financial statements. As disclosed in Note 1, the preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that impact the reported amounts and accompanying disclosures. Such decisions include the selection of the appropriate accounting principles to be applied and also assumptions upon which accounting estimates are based. We apply judgment based on our understanding and analysis of the relevant circumstances to reach these decisions. By their nature, these judgments are subject to an inherent degree of uncertainty. Accordingly, actual results could differ significantly from the estimates applied.

Those areas requiring the greatest degree of management judgment or deemed most critical to our financial reporting involve:

Stock-based Compensation

We expense employee stock-based compensation over the requisite service period based on the estimated grant-date fair value of the awards and forfeiture rates, if any. Compensation cost is determined using the Black-Scholes option pricing model to estimate the fair value of the awards at the grant date. An offsetting increase to stockholders' equity is recorded equal to the amount of the compensation expense charge. The assumptions used in calculating the fair value of stock-based awards represent our best estimates and involve inherent uncertainties and the application of judgment. The amount of the compensation expense is based on the estimated fair value of the awards of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. On May 17, 2013, we issued an aggregate of 250,000 options to our non-founder directors. The expense related to this issuance is included in stock-based compensation expense in the accompanying Statement of Operations.

Revenue Recognition – The Company recognizes revenue, including freight charged to customers, when the earnings process is complete. This occurs when products are shipped to or received by the customer in accordance with the terms of the agreement, title and risk of loss have been transferred, collectability is probable and pricing is fixed or determinable. Shipping terms are customarily "FOB shipping point" and do not include right of inspection or acceptance provisions. Equipment sales arrangements may include right of inspection or acceptance provisions, in which case revenue is deferred until these provisions are satisfied.



Earnings per Share

Basic earnings (loss) per ordinary share excludes dilution and is computed by dividing net income (loss) by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per ordinary share reflect the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted into ordinary shares or resulted in the issuance of ordinary shares that then shared in the earnings of the entity. Since we have only incurred losses, basic and diluted losses per share are the same. The amount of potentially dilutive securities excluded from the calculation at December 31, 2013 was 16,247,554 ordinary shares underlying 48,742,662 warrants, 2,000,000 preferred shares (convertible into ordinary shares on a one-for-one basis) and options to purchase 250,000 ordinary shares.

Fair Value Measurement

We record cash equivalents at fair value. Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosures", establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and our own assumptions (unobservable inputs). The hierarchy consists of three levels:

- Level 1* — Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2* — Quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3* — Unobservable inputs that reflect our own assumptions about the assumptions market participants would use in pricing the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date.

We used Level 1 fair value hierarchy assumptions to measure the fair value of all of our cash and cash equivalents as of December 31, 2013.

Goodwill

Goodwill is tested for impairment at the reporting unit level annually, or when events or changes in circumstances indicate that goodwill might be impaired. We test goodwill for impairment at our reporting unit level in accordance with ASC 350-20 "Intangibles—Goodwill and Other". Our reporting units are determined based upon our organizational structure in place at that date of the goodwill impairment test. Our evaluation of potential impairment of goodwill did not change for the Successor 2013 Period, the Predecessor 2013 Period or the years ended December 31, 2012 and 2011. For goodwill, a two-step impairment test is performed at the reporting unit level. In the first step of impairment testing, the fair value of each reporting unit is compared to its carrying value. The fair value of each reporting unit is determined based on the present value

of discounted future cash flows. The discounted cash flows are prepared based upon cash flows at the reporting unit level for the twelve months ended preceding the date of impairment testing. The cash flows utilized in goodwill impairment testing differ from actual consolidated cash flows due to exclusion of non-recurring charges. The cash flow model utilized in the goodwill impairment test involves significant judgments related to future growth rates, discount rates and tax rates, among other considerations. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to that reporting unit, goodwill is not impaired and no further testing is performed. If the carrying value of the net assets assigned to that reporting unit exceeds the fair value of that reporting unit, then the second step of the impairment test must be performed to determine the implied fair value of the reporting unit's goodwill. If the carrying value of the reporting unit's goodwill exceeds its implied fair value, an impairment charge is recorded equal to the difference. For the Predecessor annual impairment testing related to goodwill performed on April 1, 2011, 2012 and 2013, respectively, no reporting units had lower estimated fair values than carrying values in the first step of goodwill impairment evaluation; therefore no further testing was performed and no goodwill impairment charges were recorded. Platform will perform its annual goodwill assessment on October 1. There were no other events or changes in circumstances indicated that goodwill might be impaired.

As of April 1, 2013 and 2012, we had four reporting units that have been allocated goodwill. As of April 1, 2013, no reporting units had lower estimated fair values than carrying values in the first step of the goodwill impairment evaluation; therefore no further testing was performed and no goodwill impairment charges were recorded. As of April 1, 2013, the estimated fair value of all of the reporting units substantially exceeded their carrying value. The estimated discounted cash flows utilized in our April 1, 2013 goodwill impairment testing procedures were prepared based upon the cash flows at the reporting unit level for the 12 months preceding the date of the impairment testing. The cash flows utilized in the goodwill impairment testing differ from the actual consolidated cash flows due to exclusion of non-recurring charges utilized in the cash flows.

Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets (including our tradenames) are reviewed for potential impairment on an annual basis when events or circumstances indicate that these indefinite-lived intangible assets may be impaired by comparing the estimated fair value of the indefinite-lived purchased intangible assets to the carrying value. An impairment charge is recognized when the estimated fair value of an indefinite-lived intangible asset is less than the carrying value. We use the "relief from royalty" method to test trade name intangible assets for impairment.

The primary assumptions in these calculations are our net sales projections, growth rates and the weighted average cost of capital ("WACC") that we apply to determine the present value of these cash flows. The WACC we utilize is based upon comparable industry averages. We then apply a royalty rate to the projected net sales. The royalty rate is based on market royalty rates and royalties we pay to outside parties. The resulting royalty savings are reduced by income taxes resulting from the annual royalty



savings at a market participant corporate income tax rate to arrive at the after-tax royalty savings associated with owning the trade names. Finally, the present value of the estimated annual after-tax royalty savings for each year is used to estimate the fair value of the trade names. Assumptions concerning net sales are impacted by global and local economic conditions in the various markets we serve as well as uncertainties related to sales growth, economic growth, future product development and cost estimates.

Long-Lived Assets Including Finite-Lived Intangible Assets

Finite-lived intangible assets such as developed technology and customer lists are amortized on a straight-line basis over their estimated useful lives, which are currently range between seven to ten years for developed technology and between eight and twenty years for customer lists. If circumstances require a long-lived asset group to be tested for possible impairment, we first determine whether the estimated undiscounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. When an impairment is identified, the carrying amount of the asset is reduced to its estimated fair value based on a discounted cash flow approach or, when available and appropriate, based on comparable market values.

Income Taxes

We recognize deferred tax assets and liabilities based on the differences between the financial statement bases and the tax bases of assets, liabilities, net operating losses and tax credit carry-forwards. A valuation allowance is required to be recognized to reduce the recorded deferred tax asset to the amount that will more likely than not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income by jurisdiction during the periods in which those temporary differences become deductible or when carry-forwards can be utilized. We consider the scheduled reversal of deferred tax liabilities, projected future taxable and tax planning strategies in this assessment. If these estimates and related assumptions change in the future, we may be required to record additional valuation allowances against our deferred tax assets resulting in additional income tax expense. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences and loss carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date of such change.

We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Significant judgment is required in evaluating its uncertain tax positions and determining its provision for income taxes. The first step in evaluating the tax position for recognition is to determine the amount of evidence that supports a favorable conclusion for the tax position upon audit. In order to recognize the tax position, we must determine whether it is more likely than not that the position is sustainable. The final requirement is to measure the tax benefit as the largest amount that has a more than 50% chance of being realized upon final settlement.

The Company accrues for non-income tax contingencies when it is probable that a liability to a taxing authority has been incurred and the amount of the contingency can be reasonably estimated.

Employee Benefits and Pension Obligations

Amounts recognized in our audited consolidated financial statements related to pension and other postretirement benefits are determined from actuarial valuations. Inherent in such valuations are assumptions including expected return on plan assets, discount rates at which the liabilities could be settled, rates of increase in future compensation levels, mortality rates. These assumptions are updated annually and are disclosed in Note 7 to our audited consolidated financial statements. In accordance with GAAP, actual results that differ from the assumptions are accumulated in other comprehensive income and amortized over future periods and, therefore, affect expense recognized.

We consider a number of factors in determining and selecting assumptions for the overall expected long-term rate of return on plan assets. We consider the historical long-term return experience of our assets, the current and expected allocation of our plan assets, and expected long-term rates of return. We derive these expected long-term rates of return with the assistance of our investment advisors. We base our expected allocation of plan assets on a diversified portfolio consisting of domestic and international equity securities, fixed income, real estate and alternative asset classes. The measurement date used to determine pension and other postretirement benefits is December 31, at which time the minimum contribution level for the following year is determined.

With respect to U.S. plans, our investment policies incorporate an asset allocation strategy that emphasizes the long-term growth of capital and acceptable asset volatility as long as it is consistent with the volatility of the relevant market indexes. The investment policies attempt to achieve a mix of approximately 75% of plan investments for long-term growth and 25% for near-term benefit payments. We believe this strategy is consistent with the long-term nature of plan liabilities and ultimate cash needs of the plans. Plan assets consist primarily of corporate bond mutual funds, limited partnership interests, listed stocks and cash. The corporate bond mutual funds held by the pension plan include primarily corporate bonds from companies from diversified industries located in the U.S. The listed stocks are investments in large-cap and mid-cap companies located in the U.S. The assets from the limited partnership investments primarily include listed stocks located in the U.S. The weighted average asset allocation of the MacDermid, Incorporated Employees' Pension Plan (the "Pension Plan") was 22% equity securities and managed equity funds, 65% limited partnership interests, 9% bond mutual fund holdings and 4% cash at December 31, 2013. Return on asset ("ROA") assumptions are determined annually based on a review of the asset mix as well as individual ROA performances, benchmarked against indexes such as the S&P 500 Index and the Russell 2000 Index. In determining an assumed rate of return on plan assets, we consider past performance and economic forecasts for the types of investments held by the Pension Plan. The asset allocation strategy and ROA assumptions for the non-U.S. plans are determined based on similar set of criteria adapted for local



investments, inflation rates and in certain cases specific government requirements.

JOBS Act

On April 5, 2012, the JOBS Act was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for qualifying public companies. As an "emerging growth company," we may, under Section 7(a)(2)(B) of the Securities Act, delay adoption of new or revised accounting standards applicable to public companies until such standards would otherwise apply to private companies. We may take advantage of this extended transition period until the first to occur of the date that we (i) are no longer an "emerging growth company" or (ii) affirmatively and irrevocably opt out of this extended transition period. We may elect to take advantage of the benefits of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Until the date that we are no longer an "emerging growth company" or affirmatively and irrevocably opt out of the exemption provided by Section 7(a)(2)(B) of the Securities Act, upon issuance of a new or revised accounting standard that applies to our financial statements and that has a different effective date for public and private companies, we will disclose the date on which adoption is required for non-emerging growth companies and the date on which we will adopt the recently issued accounting standard.

Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2013-02, "Comprehensive Income (Topic 220): Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income," which adds additional disclosure requirements for items reclassified out of accumulated other comprehensive income. We adopted the amendments in this ASU effective January 1, 2013, and the initial adoption of the amendments in this ASU concerns presentation and disclosure only and did not have a significant impact on our audited consolidated financial statements.

In March 2013, the FASB issued ASU No. 2013-05, "Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity," which resolves diversity in practice regarding the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investments in a foreign entity. In addition, the standard resolves diversity in practice for the treatment of business combinations achieved in stages involving a foreign entity. The guidance is effective prospectively for fiscal years and interim periods beginning after December 15, 2013. We do not anticipate the adoption of this new ASU to have a material impact on our audited consolidated financial statements.

In July 2013, the FASB also issued ASU No. 2013-11, "Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists," which requires standard presentation of an unrecognized tax benefit when a carryforward

related to net operating losses or tax credits exist. The guidance is effective prospectively for fiscal years and interim periods beginning after December 15, 2013, with early adoption permitted. We adopted this new ASU in the period ended October 31, 2013. The adoption of this ASU did not have a material impact on our audited consolidated financial statements.

In July 2013, the FASB also issued ASU No. 2013-10, "Derivatives and Hedging (Topic 815): Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes, (a Consensus of the FASB Emerging Issues Task Force)," which permits the use of the Fed Funds Effective Swap Rate (OIS) as an acceptable benchmark interest rate for hedge accounting purposes in addition to U.S. Treasury rates and the LIBOR swap rate. This ASU was effective upon issuance and should be applied prospectively for qualifying new or redesignated hedging relationships entered into. We do not anticipate the adoption of this new ASU to have a material impact on our audited consolidated financial statements.

Information Regarding Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of Platform. Platform may from time to time make written or oral statements that are "forward-looking," including statements contained in this Annual Report, other filings with the SEC and in reports to its stockholders. Such forward-looking statements include Platform's adjusted earnings per share, expected or estimated revenue, the outlook for Platform's markets and the demand for its products, estimated sales, segment earnings, net interest expense, income tax provision, restructuring and other charges, cash flows from operations, consistent profitable growth, free cash flow, future revenues and gross operating and adjusted EBITDA margin improvement requirement and expansion, organic net sales growth, bank debt covenants, the success of new product introductions, growth in costs and expenses, the impact of commodities and currencies and Platform's ability to manage its risk in these areas, and the impact of acquisitions, divestitures, restructuring and other unusual items, including Platform's ability to successfully complete as well as integrate and obtain the anticipated results and synergies from its consummated and future acquisitions. These statements are made on the basis of management's views and assumptions as of the time the statements are made and Platform undertakes no obligation to update these statements. There can be no assurance, however, that its expectations will necessarily come to pass. Significant factors affecting these expectations are set forth in Part I, Item 1A.—Risk Factors of this Annual Report.

**Quantitative and Qualitative Disclosures about Market Risk****Foreign Currency Risk**

We conduct a significant portion of our business in currencies other than the U.S. Dollar, the currency in which our audited consolidated financial statements are reported. Generally, each of our operations utilizes the local currency of the operation as its functional currency—the currency in which it incurs operating expenses and collects accounts receivable. Our business is exposed to foreign currency risk primarily from changes in the exchange rate between the U.S. Dollar and the following currencies: the Euro, British Pound Sterling, Hong Kong Dollar, Chinese Yuan, Japanese Yen and Brazilian Real. As a result, our operating results could be affected by foreign currency exchange rate volatility relative to the U.S. Dollar.

Generally, we have not utilized foreign currency hedges to mitigate exchange rate changes between the U.S. Dollar and the foreign currencies of our operations other than with respect to the British Pound Sterling. However, approximately 25% of the net sales of our Autotype foreign subsidiary, which is based in the United Kingdom and utilizes the British Pound Sterling as its functional currency, are denominated in U.S. Dollars. For that reason, we utilize foreign currency hedges between the British Pound Sterling and the U.S. Dollar to help mitigate the risk of a stronger British Pound Sterling for our Autotype foreign subsidiary. To hedge against the risk of a stronger British Pound Sterling with respect to our Autotype foreign subsidiary, in 2013, 2012 and 2011, we contracted with a financial institution to deliver U.S. Dollars at a fixed British Pound Sterling rate and to receive British Pound Sterling in exchange for the U.S. Dollar. We did not pay up-front premiums to obtain the hedge. As of December 31, 2013, the aggregate U.S. Dollar notional amount of foreign currency forward contracts, designated as hedges, was \$9.5 million. These contracts were all denominated in British Pound Sterling. The fair value of the foreign currency forward contract at December 31, 2013, was a \$0.2 million current asset.

Our policies prohibit us from speculating in financial instruments for profit on exchange rate price fluctuations, from trading in currencies for which there are no underlying exposures, and from entering into trades for any currency to intentionally increase the underlying exposure.

Interest Rate Risk

We are also exposed to interest rate risk associated with our cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, long-term debt, and other financing commitments. At December 31, 2013, we had cash and cash equivalents of \$123 million. At December 31, 2013, we had total debt of approximately \$752 million including approximately \$751 million of variable interest rate debt based on 1-month LIBOR. Our remaining variable interest rate debt is subject to interest rate risk, because its interest payments will fluctuate as the underlying interest rates change from market changes. A 100 basis point increase in LIBOR rates would result in a higher interest expense of approximately \$1.3 million annually.

Counterparty Risk

Outstanding financial derivative instruments expose us to credit loss in the event of nonperformance by the counterparties to the agreements. The credit exposure related to these financial instruments is represented by the fair value of contracts with an obligation fair value as of December 31, 2013. On a periodic basis, we review the credit ratings of our counterparties and adjust our exposure as deemed appropriate. As of December 31, 2013, we believe that our exposure to counterparty risk is immaterial.



Market, Market Price and Dividend for our Common Equity

Market for our Common Stock

Our ordinary shares (which were converted into shares of Common Stock upon the Domestication) were previously listed for trading on the London Stock Exchange under the ticker symbol "PAH" in U.S. Dollars. Our shares began trading on

Period	High	Low
Second Quarter 2013 (May 17, 2013 to June 30, 2013)	\$ 11.00	\$ 10.05
Third Quarter 2013	\$ 10.80	\$ 10.13
Fourth Quarter 2013 (through October 10, 2013)	\$ 10.60	\$ 10.46

Our Common Stock commenced trading under the ticker symbol "PAH" on the NYSE on January 23, 2014.

Holders

As of March 26, 2014, we had approximately 373 registered holders of record of our Common Stock, par value \$0.01 per share.

Dividends

We have not declared or paid any dividends on the shares of our Common Stock (or the ordinary shares from which our shares of Common Stock were converted) since our inception and have no current plans to pay dividends on such shares of Common Stock in the foreseeable future. Beginning in 2014, if the average stock price of our shares of Common Stock exceeds \$11.50 per share during the calendar year, we are required to pay dividends on the Series A Preferred Stock in the form of shares of our Common Stock equal to 20% of the appreciation over \$10.00 of the market price for the last ten days of our calendar year. Additionally, we are subject to certain restrictions in our amended and restated credit agreement which may prohibit or limit our ability to pay dividends.

the London Stock Exchange on May 17, 2013 and were traded until October 10, 2013 when trading was halted due to the announcement of the then-pending MacDermid Acquisition. The following table sets forth the quarterly range of high and low reported sale prices of our ordinary shares as reported on the London Stock Exchange for the periods indicated:

Recent Sales of Unregistered Securities

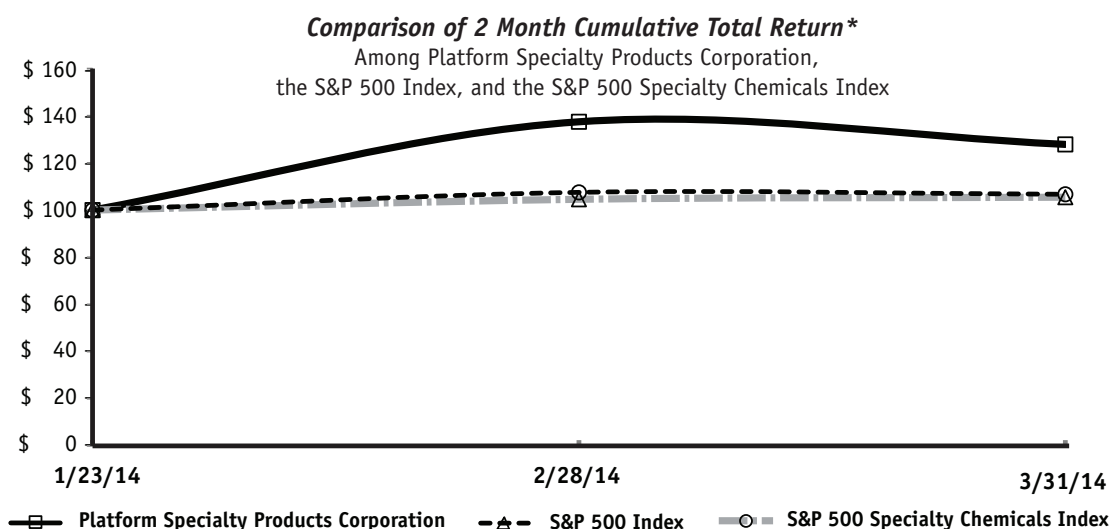
In December 2013, we issued to certain of our employees, pursuant to purchase rights under the Platform Specialty Products Corporation 2013 Incentive Compensation Plan (as may be amended from time to time, the "2013 Plan") an aggregate of 349,691 common shares for aggregate consideration of approximately \$3.8 million. The securities issued under the 2013 Plan were not registered under the Securities Act and were issued pursuant to Rule 701 promulgated by the SEC under the Securities Act.

In December 2013, prior to the Domestication, we sold an aggregate 1,900 ordinary shares to an accredited investor for a total consideration of \$0.02 million. The securities issued under such offering were not registered under the Securities Act and were issued pursuant to Rule 506 of the Securities Act.

Performance Graph

The following performance graph and related information shall not be deemed "soliciting material" or to be "filed" with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that Platform specifically incorporates it by reference into such filing.

The graph below compares total stockholder return on Platform's Common Stock from January 23, 2014 (first day of trading on the NYSE) through March 31, 2014 with the cumulative total return of (a) the Standard and Poor's ("S&P") 500 Index, and (b) the S&P 500 Specialty Chemicals Index, assuming a \$100 investment made on January 23, 2014. The stock performance shown on the graph below is based on historical data and is not indicative of, or intended to forecast, possible future performance on Platform's Common Stock.



* \$100 invested on 1/23/14 in stock or 1/31/14 in index, including reinvestment of dividends. Fiscal year ending December 31.

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To the Board of Directors and Stockholders
of Platform Specialty Products Corporation:

In our opinion, the accompanying consolidated balance sheet as of December 31, 2013 and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for the period from inception (April 23, 2013) to December 31, 2013 present fairly, in all material respects, the financial position of Platform Specialty Products Corporation and its subsidiaries at December 31, 2013, and the results of their operations and their cash flows for the period from inception (April 23, 2013) to December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LP

Stamford, Connecticut
March 31, 2014

The Board of Directors and Stockholders
MacDermid, Incorporated:

We have audited the accompanying consolidated balance sheet of MacDermid, Incorporated and subsidiaries (the "Company") as of December 31, 2012, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity, and cash flows for the ten-month period ended October 31, 2013 and each of the years in the two-year period ended December 31, 2012. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule as of and for the ten-month period ended October 31, 2013 and as of and for each of the years in the two-year period ended December 31, 2012. These consolidated financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MacDermid, Incorporated and subsidiaries as of December 31, 2012, and the results of their operations and their cash flows for the ten-month period ended October 31, 2013 and each of the years in the two-year period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material aspects, the information set forth therein.

KPMG LLP

Hartford, Connecticut
February 11, 2014

CONSOLIDATED STATEMENTS OF OPERATIONS

2013 ANNUAL REPORT

PLATFORM SPECIALTY
PRODUCTS CORPORATION



Consolidated Statements of Operations

(In thousands, except per share amounts)	Period from Inception (April 23, 2013) to December 31, 2013	January 1, 2013 through October 31, 2013	Year Ended December 31,	
	Successor	Predecessor	2012 Predecessor	2011 Predecessor
Net sales	\$ 118,239	\$ 627,712	\$ 731,220	\$ 728,773
Cost of sales.	82,587	304,875	376,166	388,298
Gross profit.	35,652	322,837	355,054	340,475
Operating expenses:				
Selling, technical, general and administrative	54,521	207,554	214,614	260,665
Non-cash charge related to preferred stock dividend rights.	172,006	—	—	—
Research and development	3,995	19,898	25,051	22,966
Restructuring	762	3,636	292	896
Total operating expenses	231,284	231,088	239,957	284,527
Operating (loss) profit	(195,632)	91,749	115,097	55,948
Other income (expense):				
Interest, net	(5,372)	(45,929)	(49,139)	(54,054)
Loss on extinguishment of debt	—	(18,788)	—	—
Other (expense) income, net	(440)	(557)	4,981	9,412
	(5,812)	(65,274)	(44,158)	(44,642)
(Loss) income before income taxes, non-controlling interest and accumulated payment-in-kind dividend on cumulative preferred shares	(201,444)	26,475	70,939	11,306
Income tax benefit (provision)	5,819	(12,961)	(24,673)	(9,953)
Net (loss) income	(195,625)	13,514	46,266	1,353
Net loss (income) attributable to the non-controlling interest	1,403	(295)	(289)	(366)
Net (loss) income attributable to Platform Specialty Products Corporation.	(194,222)	13,219	45,977	987
Accrued payment-in-kind dividend on cumulative preferred shares	—	(22,454)	(44,605)	(40,847)
Net (loss) income attributable to common shares	\$ (194,222)	\$ (9,235)	\$ 1,372	\$ (39,860)
Earning (loss) per share				
Basic	\$ (2.10)	n/a	n/a	n/a
Diluted	\$ (2.10)	n/a	n/a	n/a
Weighted average shares outstanding (In thousands)				
Basic	92,563	n/a	n/a	n/a
Diluted	92,563	n/a	n/a	n/a

The accompanying notes are an integral part of the consolidated financial statements.


Consolidated Statements of Comprehensive Income

<i>(In thousands)</i>	Period from Inception (April 23, 2013) to December 31, 2013	January 1, 2013 through October 31, 2013	Year Ended December 31,	
			2012	2011
	<i>Successor</i>	<i>Predecessor</i>	<i>Predecessor</i>	<i>Predecessor</i>
Net (loss) income	\$ (195,625)	\$ 13,514	\$ 46,266	\$ 1,353
Other comprehensive (loss) income, before tax				
Foreign currency translation adjustments	12,855	(6,136)	(6,232)	(5,683)
Pension and postretirement plans	3,534	30,716	(16,653)	(22,691)
Unrealized gain (loss) on available for sale securities	65	223	290	(153)
Derivative financial instruments revaluation	163	(384)	3,047	3,485
Total other comprehensive (loss) income, before tax	16,617	24,419	(19,548)	(25,042)
Income tax (expense) benefit on comprehensive (loss) income.	(1,838)	(10,082)	4,247	6,085
Other comprehensive income (loss), net of tax.	14,779	14,337	(15,301)	(18,957)
Comprehensive loss (income) attributable to the non-controlling interests.	1,403	(292)	(299)	(366)
Comprehensive (loss) income attributable to Common Shareholders	\$ (179,443)	\$ 27,559	30,666	\$ (17,970)

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

2013 ANNUAL REPORT

PLATFORM SPECIALTY
PRODUCTS CORPORATION



(In thousands, except per share amounts)

Assets

	As of December 31,	
	2013	2012
	Successor	Predecessor
Cash & cash equivalents	\$ 123,040	\$ 143,351
Accounts receivable, net of allowance for doubtful accounts of \$10,113 and \$8,831 at December 31, 2013 and 2012, respectively.	140,525	138,970
Inventories	89,618	76,093
Prepaid expenses & other current assets	30,056	16,115
Total current assets	383,239	374,529
Property, plant & equipment, net	139,670	100,391
Goodwill	1,002,886	476,232
Intangible assets, net	683,004	251,772
Other assets	33,089	30,993
Total assets	2,241,888	1,233,917

Liabilities & Stockholders' Equity

Accounts payable	56,156	53,416
Accrued salaries, wages and employee benefits	22,656	14,289
Accrued interest	143	6,985
Current installments of long-term debt	7,958	26,819
Accrued income taxes payable	6,610	4,443
Accrued expenses and other current liabilities	25,897	22,194
Total current liabilities	119,420	128,146
Long-term debt	744,291	693,821
Long-term retirement benefits, less current portion	25,129	54,207
Long-term deferred income taxes	138,273	49,411
Long-term contingent consideration	34,800	—
Other long-term liabilities	30,387	35,895
Total liabilities	1,092,300	961,480
Commitments and contingencies (Note 16)	—	—
Redeemable 401(k) plan interest	20,972	—

Stockholders' Equity

Successor preferred shares (2,000,000 designated as Series A), 5,000,000 shares authorized, 2,000,000 shares issued and outstanding at December 31, 2013	—	—
Predecessor 9.00% cumulative Series A preferred shares, 316,000 shares authorized and issued, 315,144 shares outstanding at December 31, 2012	—	525,027
Predecessor 9.50% cumulative Series B preferred shares, 44,977 shares authorized and 0 shares outstanding at December 31, 2012	—	—
Successor common shares, 200,000,000 shares authorized, 103,571,941 shares issued and outstanding at December 31, 2013	—	—
Predecessor common shares, 50,000,000 shares authorized and issued, 49,582,936 shares outstanding at December 31, 2012	—	50,000
Additional paid-in capital	1,212,038	2,318
Accumulated deficit	(194,222)	(273,086)
Accumulated other comprehensive income (loss)	14,779	(30,270)
Less: Treasury stock, at stock (856 Predecessor 9% Series A cumulative preferred shares and 417,064 Predecessor common shares at December 31, 2012)	—	(1,264)
Total stockholders equity	1,032,595	272,725
Non-controlling interests	96,021	(288)
Total equity	1,128,616	272,437
Total liabilities, redeemable 401(k) plan interest and stockholders' equity	\$ 2,241,888	\$ 1,233,917

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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PLATFORM SPECIALTY
PRODUCTS CORPORATION



(In thousands, except per share amounts)

	Period from Inception (April 23, 2013) to December 31, 2013	January 1, 2013 through October 31, 2013	Year Ended December 31,	
	Successor	Predecessor	2012	2011
Cash flows from operating activities:				
Net (loss) income	\$ (195,625)	\$ 13,514	\$ 46,266	\$ 1,353
Adjustments to reconcile net (loss) income from operations to net cash flows provided by operating activities:				
Non-cash charge related to preferred stock dividend rights	172,006	—	—	—
Depreciation and amortization	12,778	32,835	42,193	46,745
Deferred income taxes	(7,481)	(4,845)	(8,364)	(16,010)
Manufacturer's profit in inventory adjustment	23,912	—	—	—
Loss on extinguishment of debt	—	18,788	—	—
Equity compensation expense	542	9,317	162	727
Impairment charges	—	427	—	46,438
Other, net	(523)	6,754	335	(877)
Changes in assets & liabilities, net of acquisitions:				
Accounts receivable	6,222	(11,345)	(4,912)	(401)
Inventory	2,090	(4,612)	789	1,481
Accounts payable	(193)	2,367	3,274	(3,498)
Accrued expenses	(8,719)	3,915	(3,603)	(12,743)
Income tax balances	(1,321)	(8,231)	3,315	(2,011)
Long term assets	(419)	(2,243)	(1,550)	(10,977)
Other assets and liabilities	4,254	(579)	(2,729)	(481)
Net cash flows provided by operating activities	7,523	56,062	75,176	49,746
Cash flows from investing activities:				
Capital expenditures	(2,263)	(8,931)	(13,399)	(8,741)
Proceeds from sale of non-financial assets	4,393	2,133	140	3,528
Acquisition of business, net of cash acquired	(922,361)	—	(5,059)	—
Purchases of marketable securities	(359,934)	—	—	—
Redemption of marketable securities	359,934	—	—	—
Other, net	—	(1,017)	41	1,759
Net cash flows used in investing activities	(920,231)	(7,815)	(18,277)	(3,454)
Cash flows from financing activities:				
Proceeds from issuance of debt, net of discount and fees	200	1,109,513	—	—
Repayments of borrowings	(2,180)	(732,873)	(26,092)	(36,983)
Repurchase of Series A preferred stock	—	(270,167)	—	—
Advance from Platform Acquisition Holdings Limited	—	33,268	—	—
Proceeds from issuance of preferred stock, net	20,000	—	—	—
Proceeds from issuance of common stock, net	1,019,491	—	—	—
Payment of accumulated dividends on Series A preferred stock	—	(229,833)	—	—
Payment of financing fees	(1,830)	(13,589)	(321)	(264)
Other, net	(25)	(559)	(819)	(551)
Net cash flows provided by (used in) financing activities	1,035,656	(104,240)	(27,232)	(37,798)
Effect of exchange rate changes on cash and cash equivalents	92	(303)	232	(1,782)
Net increase (decrease) in cash and cash equivalents	123,040	(56,296)	29,899	6,712
Cash and cash equivalents at beginning of period	—	143,351	113,452	106,740
Cash and cash equivalents at end of period	\$ 123,040	\$ 87,055	\$ 143,351	\$ 113,452
Supplemental disclosure information:				
Cash paid for interest	\$ 5,084	\$ 49,958	\$ 45,235	\$ 50,040
Cash paid for income taxes	\$ 2,932	\$ 21,808	\$ 27,144	\$ 25,878
Non-cash financing activities:				
Cash paid by Platform Acquisition Holdings, Ltd for interest	\$ —	\$ 5,028	\$ —	\$ —

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

2013 ANNUAL REPORT

PLATFORM SPECIALTY
PRODUCTS CORPORATION



Predecessor

<i>(In thousands, except per share amounts)</i>	Series A Preferred Shares	Series B Preferred Shares	Common Shares	Additional Paid-In Capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Treasury Shares	Non- con- trolling interest	Total equity (deficit)
Balance at December 31, 2011	\$480,449	\$ —	\$ 50,000	\$ 2,156	\$(274,458)	\$(14,959)	\$ (994)	\$ (388)	\$ 241,806
Net income	—	—	—	—	45,977	—	—	289	46,266
Equity compensation	—	—	—	162	—	—	—	—	162
Accrual of paid in kind dividend on cumulative preferred shares	44,605	—	—	—	(44,605)	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	—	(6,242)	—	10	(6,232)
Pension and postretirement plans, net of tax benefit of \$5,415 . .	—	—	—	—	—	(11,238)	—	—	(11,238)
Derivatives valuation, net of tax expense of \$1,067	—	—	—	—	—	1,980	—	—	1,980
Shares repurchased	—	—	—	—	—	—	(270)	—	(270)
Unrealized gain on available for sale equity securities, net of tax expense of \$101	—	—	—	—	—	189	—	—	189
Dividend paid to non-controlling interest partner	—	—	—	—	—	—	—	(677)	(677)
Dividend paid on preferred stock .	(27)	—	—	—	—	—	—	—	(27)
Assignment of value for non- controlling interest in business acquisition	—	—	—	—	—	—	—	447	447
Sale of noncontrolling interest in subsidiary	—	—	—	—	—	—	—	31	31
Balance at December 31, 2012	525,027	—	50,000	2,318	(273,086)	(30,270)	(1,264)	(288)	272,437
Net income	—	—	—	—	13,219	—	—	295	13,514
Equity compensation	—	—	—	281	—	—	—	—	281
Accrual of paid in kind dividend on cumulative preferred shares	20,805	1,649	—	—	(22,454)	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	—	(6,133)	—	(3)	(6,136)
Pension and postretirement plans, net of tax expense \$10,139 . .	—	—	—	—	—	20,577	—	—	20,577
Derivatives valuation, net of tax benefit of \$135	—	—	—	—	—	(249)	—	—	(249)
Unrealized loss on available for sale equity securities, net of tax expense of \$79	—	—	—	—	—	145	—	—	145
Shares repurchased	(500,000)	—	—	—	—	—	(35)	—	(500,035)
Shares exchanged	(44,977)	44,977	—	—	—	—	—	—	—
Shares canceled	(855)	—	(417)	—	—	—	1,272	—	—
Dividend paid to non-controlling interest partner	—	—	—	—	—	—	—	(552)	(552)
Assignment of value for non- controlling interest in business acquisition	—	—	—	—	—	—	—	17	17
Balance at October 31, 2013	\$ —	\$ 46,626	\$ 49,583	\$ 2,599	\$(282,321)	\$(15,930)	\$ (27)	\$ (531)	\$(200,001)

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

2013 ANNUAL REPORT

PLATFORM SPECIALTY
PRODUCTS CORPORATION



(Continued)

Successor

(In thousands, except per share amounts)	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated deficit	Accumulated other compre- hensive income (loss)	Total Stock- holders' Equity	Non- con- trolling interest	Total equity
	Shares	Amount	Shares	Amount						
Total stockholders' equity as of April 23, 2013 (inception) . . .	—	\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Issuance of 2 preferred shares @ \$10.00 per share on April 25, 2013	2	—	—	—	—	—	—	—	—	—
Issuance of 1,999,998 preferred shares @ \$10.00 per share with matching warrants on May 22, 2013 along with 2 matching warrants matching with previously issued preferred shares	1,999,998	—	—	—	20,000	—	—	20,000	—	20,000
Issuance of 88,529,500 common shares @ \$10.00 per share with matching warrants on May 22, 2013	—	—	88,529,500	—	885,000	—	—	885,000	—	885,000
Equity offering cost	—	—	—	—	(24,078)	—	—	(24,078)	—	(24,078)
Equity compensation	—	—	—	—	542	—	—	542	—	542
Exercise of warrants for 13,071,199 common shares @\$10.50 per share on October 30, 2013	—	—	13,071,199	—	137,248	—	—	137,248	—	137,248
Preferred stock dividend rights . . .	—	—	—	—	172,006	—	—	172,006	—	172,006
Exercise of warrants for 391,081 common shares @ \$10.50 on November 13, 2013	—	—	391,081	—	4,106	—	—	4,106	—	4,106
Issuance of 761,904 common shares @ \$10.50 per share on November 13, 2013	—	—	761,904	—	8,000	—	—	8,000	—	8,000
Exchange of warrants for 466,666 common shares @ \$11.50 per share on November 20, 2013. . .	—	—	466,666	—	5,367	—	—	5,367	—	5,367
Issuance of 349,691 common shares @ \$11.00 per share on December 23, 2013	—	—	349,691	—	3,847	—	—	3,847	—	3,847
Issuance of 1,900 common shares @ \$11.00 per share on Decem- ber 23, 2013 to an unrelated third party for services	—	—	1,900	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	(194,222)	—	(194,222)	(1,403)	(195,625)
Foreign currency translation adjustments	—	—	—	—	—	—	12,855	12,855	16	12,871
Pension and postretirement plans, net of tax expense of \$1,750. . .	—	—	—	—	—	—	1,784	1,784	—	1,784
Derivatives valuation, net of tax expense of \$63.	—	—	—	—	—	—	100	100	—	100
Unrealized gain on available for sale equity securities, net of tax expense of \$25	—	—	—	—	—	—	40	40	—	40
Dividend paid to non-controlling interest partner	—	—	—	—	—	—	—	—	(25)	(25)
Assignment of value for non- controlling interest in business acquisition	—	—	—	—	—	—	—	—	97,433	97,433
Balance at December 31, 2013 . .	<u>2,000,000</u>	<u>\$ —</u>	<u>103,571,941</u>	<u>\$ —</u>	<u>\$1,212,038</u>	<u>\$(194,222)</u>	<u>\$ 14,779</u>	<u>\$1,032,595</u>	<u>\$96,021</u>	<u>\$1,128,616</u>

The accompanying notes are an integral part of the consolidated financial statements.



1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Company – Platform Specialty Products Corporation (“Platform” or the “Company”) (formerly named Platform Acquisition Holdings Limited) is a global producer of high-technology specialty chemical products and provider of technical services and currently operates through its indirect subsidiary, MacDermid, Incorporated (“MacDermid” or the “Predecessor”). Platform was originally incorporated with limited liability under the laws of the British Virgin Islands under the BVI Companies Act on April 23, 2013. Until its acquisition of MacDermid on October 31, 2013, the Company had neither engaged in any operations nor generated any income. As such, the Company was considered to be in the development stage as defined in FASB Accounting Standards Codification 915, or FASB ASC 915, “Development Stage Entities,” and was subject to the risks associated with activities of development stage companies. The Company selected December 31 as its fiscal year end. All activity through October 31, 2013 was related to the Company’s formation, initial public offering (the “Offering”) and identification and investigation of prospective target businesses with which to consummate an initial business combination.

On October 31, 2013, Platform indirectly acquired substantially all of the equity of, MacDermid Holdings, LLC (“MacDermid Holdings”), which owned approximately 97% of MacDermid (the “MacDermid Acquisition”). As a result, we became a holding company for the MacDermid business. We acquired the remaining 3% of MacDermid on March 4, 2014, pursuant to the terms of an Exchange Agreement, dated October 25, 2013, between us and the fiduciaries of the MacDermid, Incorporated Profit Sharing and Employee Savings Plan (the “MacDermid Savings Plan”). Concurrently with the closing of the MacDermid Acquisition, we changed our name to Platform Specialty Products Corporation. On January 22, 2014, we changed our jurisdiction of incorporation from the British Virgin Islands to Delaware (the “Domestication”) and on January 23, 2014, our shares of Common Stock, par value \$0.01 per share (“Common Stock”) began trading on the New York Stock Exchange (“NYSE”) under the ticker symbol “PAH”.

Business Description – The Company develops, produces and markets a broad line of specialty chemical and printing products that are used worldwide. These products are supplied to the metal and plastic finishing markets (for automotive and other applications), the electronics industry (to create electrical patterns on circuit boards), the offshore oil and gas markets (for oil production) and to the commercial printing and packaging industries (for image transfer applications). The Company’s products are delivered primarily to customers directly or secondarily through distributors. The financial statements and information included herein are for the Company as of December 31, 2013 and for the period from April 23, 2013 (inception) through December 31, 2013 (the “Successor 2013 Period”), and for MacDermid (the “Predecessor”) as of December 31, 2012 and for the ten month period ended October 31, 2013 (the “Predecessor 2013 Period”) and the years ended December 31, 2012 and 2011, which was prior to the consummation of the MacDermid Acquisition.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of the Successor or the Predecessor, as applicable, and all of its majority-owned domestic and foreign subsidiaries. All intercompany accounts and transactions were eliminated in consolidation.

Use of Estimates – In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”), Company management must undertake decisions that impact the reported amounts and related disclosures. Such decisions include the selection of the appropriate accounting principles to be applied and also assumptions upon which accounting estimates are based. The Company applies judgment based on its understanding and analysis of the relevant circumstances to reach these decisions. By their nature, these judgments are subject to an inherent degree of uncertainty. Accordingly, actual results could differ significantly from the estimates applied. Significant items subject to such estimates and assumptions include the useful lives of fixed assets; allowances for doubtful accounts and sales returns, deferred tax asset valuation allowances, inventory valuation, share-based compensation, liabilities for employee benefit obligations, environmental liabilities, income tax uncertainties, contingent consideration in connection with the acquisition as discussed in Note 2 below and other contingencies.

Cash and Cash Equivalents – The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Credit Risk Management – The Company’s products are sold primarily to customers in the automotive, electronic and printing industries. This level of concentration exposes the Company to certain collection risks which are subject to a variety of factors, including economic and technological change within these industries. As is common industry practice, the Company generally does not require collateral or other security as a condition of sale, rather relying on credit approval, balance limitation and monitoring procedures to control credit risk on trade accounts receivable. The Company establishes reserves against estimated uncollectible amounts based on historical experience and specific knowledge regarding customers’ ability to pay.

Derivatives – The Company operates internationally, with manufacturing and sales facilities in various locations around the world, and uses certain financial instruments to manage its foreign currency exposures. To qualify a derivative as a hedge at inception and throughout the hedge period, the Company formally documents the nature and relationships between hedging instruments and hedged items, as well as its risk-management objectives and strategies for undertaking various hedge transactions, and the method of assessing hedge effectiveness. Additionally, for hedges of forecasted transactions, the significant characteristics and expected terms of a forecasted transaction must be specifically identified, and it must be probable that each forecasted transaction will occur. If it is deemed probable that the forecasted transaction will not occur, then the gain or loss would be recognized in current earnings. Financial instruments qualifying for hedge accounting must maintain a specified level of effectiveness between the hedging instrument and the item being hedged, both at inception and throughout



(Note 1 continued)

the hedged period. The Company does not engage in trading or other speculative use of financial instruments.

The Company has used and may use forward contracts and options to mitigate its exposure to changes in foreign currency exchange rates on third party and intercompany forecasted transactions. The effective portion of unrealized gains and losses associated with forward contracts and the intrinsic value of option contracts are deferred as a component of Accumulated other comprehensive income until the underlying hedged transactions are reported in the Company's Consolidated Statements of Operations.

Inventories – Inventories are stated at the lower of weighted-average cost or market with cost being determined principally by the first-in, first out method. The Company regularly reviews inventories for obsolescence and excess quantities and calculates a reserve based on historical write-offs, customer demand, product evolution, usage rates and quantities of stock on hand. Inventory in excess of estimated usage requirements is written down to its estimated net realizable value.

Property, Plant and Equipment – Property, plant and equipment are stated at cost less accumulated depreciation. The Company records depreciation on a straight-line basis over the estimated useful life of each asset. Estimated useful lives by asset class are as follows:

Buildings and building improvements –	5 to 20 years
Machinery, equipment & fixtures –	3 to 15 years
Leasehold improvements –	Lesser of useful life or lease life

Maintenance and repair costs are charged directly to expense; renewals and betterments which significantly extend the useful life of the asset are capitalized. Costs and accumulated depreciation on assets, retired or disposed of, are removed from the accounts and any resulting gains or losses are recorded to earnings in the period of disposal.

Goodwill and Indefinite-Lived Purchased Intangible Assets – Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of an acquired business. The Company does not amortize goodwill and other intangible assets that have indefinite useful lives; rather, goodwill and other intangible assets with indefinite lives are tested for impairment. Goodwill is tested for impairment at the reporting unit level annually, or when events or changes in circumstances indicate that goodwill might be impaired. MacDermid's annual test for goodwill impairment was historically performed as of April 1st. Our annual impairment testing date for goodwill is October 1st.

The quantitative goodwill impairment analysis is a two-step process. The first step used to identify potential impairment involves comparing each reporting unit's estimated fair value to its carrying value, including goodwill. The Company uses an income approach derived from a discounted cash flow model to estimate the fair value of its reporting units. The aggregate fair value of the Company's reporting units is compared to the Company's market capitalization on the valuation date to assess its reasonableness. The initial recognition of goodwill, as well

as the annual review of the carrying value of goodwill, requires that the Company develop estimates of future business performance. These estimates are used to derive expected cash flow and include assumptions regarding future sales levels and the level of working capital needed to support a given business. The Company relies on data developed by business segment management as well as macroeconomic data in making these calculations. The discounted cash flow model also utilizes a risk adjusted weighted average cost of capital to discount estimated future cash flows. Changes in these estimates can impact the present value of the expected cash flow that is used in determining the fair value of acquired intangible assets as well as the overall expected value of a given reporting unit.

The second step of the process involves the calculation of an implied fair value of goodwill for each reporting unit for which step one indicated impairment. The implied fair value of goodwill is determined by measuring the excess of the estimated fair value of the reporting unit over the estimated fair values of the individual assets, liabilities and identifiable intangibles as if the reporting unit was being acquired in a business combination. If the implied fair value of goodwill exceeds the carrying value of goodwill assigned to the reporting unit, there is no impairment. If the carrying value of goodwill assigned to a reporting unit exceeds the implied fair value of the goodwill, an impairment charge is recorded for the excess. An impairment loss cannot exceed the carrying value of goodwill assigned to a reporting unit and the subsequent reversal of goodwill impairment losses is not permitted.

Indefinite-lived intangible assets consist of tradenames which are reviewed for potential impairment on an annual basis, or when events or changes in circumstances indicate that indefinite-lived intangible assets might be impaired. MacDermid's annual test for indefinite-lived intangible assets impairment was historically performed as of April 1st. Our annual impairment testing date for indefinite-lived intangible assets is October 1st. Indefinite-lived intangible assets are reviewed for impairment by comparing the estimated fair value of the indefinite-lived intangible assets to the carrying value. The estimated fair value of these intangible assets is determined using the "relief from royalty" approach. An impairment loss is recognized when the estimated fair value of an indefinite-lived intangible asset is less than the carrying value.

Long-lived Assets Including Finite-Lived Intangible Assets – Finite-lived intangible assets such as developed technology and customer lists are amortized on a straight-line basis over their estimated useful lives, which currently range between seven to ten years for developed technology and eight and twenty years for customer lists. The Company evaluates long-lived assets, such as property, plant and equipment and intangible assets with finite lives, for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. If circumstances require a long-lived asset group to be tested for possible impairment, the Company first determines if the estimated undiscounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. When an impairment is identified, the carrying amount of the asset is reduced to its estimated fair value based



(Note 1 continued)

on a discounted cash flow approach or, when available and appropriate, to comparable market values.

Asset Retirement Obligations – The Company records the fair value of legal obligations associated with the retirement of tangible long-lived assets in the period in which they are incurred, if a reasonable estimate of fair value can be made. Upon initial recognition of a liability, the Company capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. Over time, the liability is increased for changes in its present value and the capitalized cost is depreciated over the useful life of the related asset.

Employee Benefits – The Company sponsors a variety of employee benefit programs, some of which are non-contributory. The accounting policies used to account for these plans are as follows:

Retirement – The Company provides non-contributory defined benefit plans to domestic and certain foreign employees.

The projected unit credit actuarial method is used for financial reporting purposes. The Company recognizes the funded status; the difference between the fair value of the plan assets and the projected benefit obligation (pension plans) or the accumulated postretirement benefit obligation (other postretirement plan) in its Consolidated Balance Sheets. The Company's funding policy for qualified plans is consistent with federal or other local regulations and customarily equals the amount deductible for federal and local income tax purposes. Foreign subsidiaries contribute to other plans, which may be administered privately or by government agencies in accordance with local regulations. The Company also provides the defined contribution MacDermid Savings Plan (401(a), (k) and 501(a)) for substantially all domestic employees. The Company may make discretionary contributions to the MacDermid Savings Plan; however, there were no such discretionary contributions made during the Predecessor 2013 Period or Successor 2013 Period or for the years ended December 31, 2012 or 2011. Effective with the MacDermid Acquisition on October 31, 2013, the MacDermid Savings Plan was terminated. Refer to Note 20 for discussion regarding the 401(k) Exchange that occurred on March 4, 2014.

Post-retirement – The Company currently accrues for post-retirement health care benefits for U.S. employees hired prior to April 1, 1997. The post-retirement health care plan is unfunded.

Post-employment – The Company currently accrues for post-employment disability benefits to United Kingdom ("U.K.") employees meeting specified service requirements. The post-employment benefits plan is unfunded.

Financial Instruments – The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, investments, accounts payable, contingent consideration and current and long-term debt. The Company believes that the carrying value of the cash and cash equivalents, accounts receivable and accounts payable are representative of their respective fair values because of the short maturities of these instruments. Available for sale equity investments are carried at fair value

with net unrealized gains or losses reported as a component of accumulated other comprehensive (loss) income. See Note 11 for the fair value of the Company's financial instruments.

Foreign Currency Translation – Primarily all of the Company's foreign subsidiaries use their local currency at their functional currency. The assets and liabilities of the Company's foreign subsidiaries are translated into U.S. Dollars using foreign currency exchange rates prevailing as of the balance sheet dates. Revenue and expense accounts are translated at weighted-average foreign currency exchange rates for the periods presented. Cumulative currency translation adjustments are included in accumulated other comprehensive income (loss) in the stockholders' equity section of the Consolidated Balance Sheets. Gains and losses realized from foreign currency transactions are included in miscellaneous income (expense), net in the Consolidated Statements of Operations.

Revenue Recognition – The Company recognizes revenue, including freight charged to customers, when the earnings process is complete. This occurs when products are shipped to or received by the customer in accordance with the terms of the agreement, title and risk of loss have been transferred, collectability is probable and pricing is fixed or determinable. Shipping terms are customarily "FOB shipping point" and do not include right of inspection or acceptance provisions. Equipment sales arrangements may include right of inspection or acceptance provisions, in which case revenue is deferred until these provisions are satisfied.

Cost of Sales – Cost of sales consists primarily of raw material costs and related purchasing and receiving costs used in the manufacturing process, direct salary and wages and related fringe benefits, packaging costs, shipping and handling costs, plant overhead and other costs associated with the manufacture and distribution of the Company's products. In addition, for the Successor 2013 Period, cost of sales includes a manufacturer's profit in inventory adjustment of approximately \$23.9 million associated with the inventory revaluation related to the MacDermid Acquisition.

Shipping and Handling Costs – Costs related to shipping and handling are recognized as incurred and included in cost of sales in the Consolidated Statements of Operations.

Selling, technical, general and administrative expenses – Selling, technical, general and administrative expenses consist primarily of personnel and travel costs, advertising and marketing expenses, administrative expenses associated with accounting, finance, legal, human resource, amortization of intangible assets, risk management and overhead associated with these functions.

Research and development – Research and development costs, primarily relating to internal salaries, are expensed as incurred.

Income Taxes – The provision for income taxes includes federal, foreign, state and local income taxes currently payable as well as the net change in deferred tax assets and liabilities during the period. Deferred income taxes are recorded at currently enacted tax rates for temporary differences between the financial reporting and income tax basis of assets and liabilities. Deferred federal and state income taxes are not provided on the



(Note 1 continued)

undistributed earnings of certain foreign subsidiaries where management has determined that such earnings have been permanently reinvested.

Equity-based Compensation Plans – The Company accounts for stock-based compensation in accordance with ASC No. 718, “Compensation – Stock Compensation”. Stock-based compensation expense recognized during the period is based on the value of the portion of share-based awards that are ultimately expected to vest. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The fair value of restricted stock is determined based on the number of share granted and the closing price of the Company’s common stock on the date of grant. Compensation expense for all share-based payment awards is recognized using the straight-line amortization method over the vesting period.

Net (Loss) Income Per Common Share

Basic net (loss) income per common share is determined by dividing net (loss) income by the weighted-average number of common shares outstanding during the period.

Diluted net (loss) income per common share assumes the issuance of all potentially dilutive share equivalents using the treasury stock method. For stock options it is assumed that the proceeds will be used to buy back shares. Such proceeds equal the average unrecognized compensation plus the assumed exercise of weighted average number of options outstanding and windfall tax benefits. For unvested restricted shares, the proceeds equal the average unrecognized compensation plus windfall tax benefits.

New Accounting Standards – In February 2013, the Financial Accounting Standards Board (the “FASB”) issued *ASU No. 2013-02, “Comprehensive Income (Topic 220): Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income,”* which adds additional disclosure requirements for items reclassified out of accumulated other comprehensive income. We adopted the amendments in this ASU effective at our inception. The predecessor adopted the amendment in this ASU effective January 1, 2013. As the adoption of the amendments in this ASU only related to presentation and disclosure, it did not impact our consolidated financial position, results of operations or cash flows.

In March 2013, the FASB issued *ASU No. 2013-05, “Foreign Currency Matters (Topic 830): Parent’s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity,”* which resolves diversity in practice regarding the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investments in a foreign entity. In addition, the standard resolves diversity in practice for the treatment of business combinations achieved in stages involving a foreign entity. The guidance is effective prospectively for fiscal years and interim periods beginning after December 15, 2013. We do not anticipate the adoption of this new ASU to have a material impact on our consolidated financial position, results of operations or cash flows.

In July 2013, the FASB also issued *ASU No. 2013-11, “Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit*

When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists,” which requires standard presentation of an unrecognized tax benefit when a carryforward related to net operating losses or tax credits exist. The guidance is effective prospectively for fiscal years and interim periods beginning after December 15, 2013, with early adoption permitted. The Predecessor adopted the amendments in this ASU effective January 1, 2013 and as a result of the adoption, we present liabilities related to unrecognized tax benefits on a net basis which resulted in an initial reduction of the unrecognized tax benefits by the Company upon adoption of \$7,635.

In July 2013, the FASB also issued *ASU No. 2013-10, “Derivatives and Hedging (Topic 815): Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes, (a Consensus of the FASB Emerging Issues Task Force),”* which permits the use of the Fed Funds Effective Swap Rate (OIS) as an acceptable benchmark interest rate for hedge accounting purposes in addition to U.S. Treasury rates and the LIBOR swap rate. This ASU was effective upon issuance and should be applied prospectively for qualifying new or redesignated hedging relationships entered into. The adoption of this ASU did not have a material impact on our consolidated financial position, results of operations or cash flows.

In July 2012, the FASB issued *ASU No. 2012-02, “Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment.”* The guidance in this ASU is intended to reduce complexity and costs of the annual impairment tests for indefinite-lived intangible assets by providing entities with the option of performing a qualitative assessment to determine whether further impairment testing is necessary. The amendments in this ASU include examples of events and circumstances that might indicate that an asset’s fair value is less than its carrying value. The amendments in this ASU are effective for annual and interim indefinite-lived intangible assets impairment tests performed for fiscal years beginning after September 15, 2012 with early adoption permitted. We adopted the amendment at our inception. The Predecessor adopted the amendments in this ASU effective January 1, 2013, without impact on the consolidated financial position, results of operations or cash flows.

2. ACQUISITIONS OF BUSINESSES

MacDermid Acquisition

On October 31, 2013, the Company completed the MacDermid Acquisition. The total consideration paid in connection with the MacDermid Acquisition and the acquisition of the approximately 3% of MacDermid equity interests (the “MacDermid Plan Shares”) not already held by MacDermid Holdings was approximately \$1,800,000 (including the assumption of approximately \$754,200 of indebtedness), plus (i) up to \$100,000 of contingent consideration tied to achievement of EBITDA and stock trading price performance metrics over a seven-year period following the closing of the acquisition and (ii) an interest in certain MacDermid pending litigation. As a result of a favorable adjustment to the preliminary estimated working capital factored into the purchase price, the Company received a payment of approximately \$8,540 in January 2014 which was recorded in Prepaid expenses and other current assets on the Consolidated Balance Sheets at December 31, 2013.



(Note 2 continued)

The fair value of contingent consideration was measured based on significant inputs not observable in the market (Level 3 inputs). Key assumptions included in the fair value calculation of the EBITDA related earnout include a discount rate of approximately 2% and expected future value of payments of \$60,000 calculated using a probability weighted EBITDA assessment with higher probability associated with the Company achieving the maximum EBITDA targets. Key assumptions included in the fair value calculation of the stock price related earnout include the fair value of common stock and an assumption of volatility. The stock price related earnout was calculated using a Monte Carlo simulation. At the inception of the acquisition, the fair value of the contingent payments was \$35,500. As of December 31, 2013, the fair value of the contingent consideration was \$34,800, which was included in Other long-term liabilities in the accompanying Consolidated Balance Sheets.

The Company paid approximately \$15,200 and \$16,925 of MacDermid Acquisition related expenses in the Successor and Predecessor 2013 Periods, respectively. These costs were recorded in Selling, technical, general and administrative expenses in the respective Successor and Predecessor 2013 Periods.

The excess of the cost of the MacDermid Acquisition over the net of amounts assigned to the fair value of the assets acquired and the liabilities assumed is recorded as goodwill. None of the goodwill recorded in connection with the MacDermid Acquisition is expected to be deductible for tax purposes. The purchase price allocation for the MacDermid Acquisition is substantially complete. As the Company finalizes its purchase price allocation, it is anticipated that additional adjustments will be recorded relating to the valuations of certain assets, various opening balance sheet contingencies and income tax matters. The Company anticipates that it will complete its purchase price allocation in the second quarter of 2014. The finalization of the Company's purchase accounting assessment will result in changes in the valuation of assets acquired and liabilities assumed, which the Company does not expect to be material. Based on this preliminary fair valuation, the purchase price is allocated as follows:

Preliminary Purchase Price Allocation

(in thousands)

Preliminary value assigned:

Accounts receivable	\$ 147,400
Inventories	115,300
Other current assets	26,200
Property, plant and equipment	142,800
Customer relationships	458,400
Developed technology	155,000
Tradenames	73,400
Goodwill	993,800
Other assets	30,800
Accounts payable	(55,900)
Other current liabilities	(62,100)
Long-term debt	(754,200)
Non-current deferred tax liability	(140,700)
Contingent consideration	(35,500)
Redeemable 401(k) plan interest	(21,000)
Other liabilities	(66,500)
Total purchase price	<u>\$ 1,007,200</u>

Certain sellers of MacDermid exchanged their equity in MacDermid for equity in a wholly owned subsidiary, PDH and a proportionate share of the contingent consideration described above and an interest in certain MacDermid pending litigation (referred to as "Retaining MacDermid Holdings"). This 6.76% ownership has been accounted for as a non-controlling interest in the financial statements. The holders of the Retaining MacDermid Holdings can exchange their shares for Platform common stock beginning on November 1, 2014 up to 25% a year at their election. Potential platform shares issuable upon the exchange are 8,900,000. This equity is classified as a non-controlling interest on the Consolidated Balance Sheets.

Upon the closing of the MacDermid Acquisition, the MacDermid Savings Plan retained a 3% interest in MacDermid, Incorporated, that was paid subsequent to the listing of stock on the NYSE. The fair value of the obligation to purchase these shares of \$20,972 was recorded as a redeemable 401(k) interest in the mezzanine section of the Consolidated Balance Sheets since it can be settled in either cash or stock. Refer to Note 20 for further discussion.

Customer relationships have useful lives ranging from 8 to 20 years and developed technology have useful lives ranging between 7 to 10 years. This results in weighted average useful lives for customer relationships and developed technology, of approximately 16 years and 10 years, respectively, for an aggregate weighted average useful life of approximately 15 years at December 31, 2013. As the Company's inception date was April 23, 2013, no pro-forma financial disclosures are necessary as all of the results of operations of MacDermid are included in the Successor and Predecessor 2013 Periods.

Other

During the quarter ended March 31, 2012, MacDermid acquired 95% of the stock of a specialty chemical business in Brazil. This business was acquired to complement the service and product offerings within Brazil and its balance sheet and results of operations have been integrated into the Performance Materials segment. The total purchase price was approximately \$8,900. At December 31, 2013, approximately \$1,200 remains payable to the former owners of the acquired business. The payable represents the estimated fair value of contingent consideration expected to be payable in the event that the acquired business achieves specific performance metrics over the next year. Assets and liabilities of the acquired business were recorded as of the date of acquisition based on their estimated fair value as determined in a purchase price allocation, using available information and making assumptions the Company believes are reasonable. The Company's allocation of purchase price for this acquisitions included current assets of approximately \$2,000, property, plant and equipment of approximately \$2,000, goodwill of approximately \$1,900 and intangible assets of \$3,000. No goodwill from this acquisition is expected to be deductible for tax purposes. Of the \$3,000 of acquired intangible assets, \$500 was assigned to registered trademarks that are not subject to amortization. The remaining \$2,500 of acquired intangible assets has a weighted-average useful life of approximately six years.



3. INVENTORIES

The major components of inventory were as follows:

	December 31, 2013	December 31, 2012
	<i>Successor</i>	<i>Predecessor</i>
Finished Goods.....	\$ 58,360	\$ 46,820
Raw materials and supplies.....	29,870	27,657
Equipment	1,388	1,616
Total inventory, net.	<u>\$ 89,618</u>	<u>\$ 76,093</u>

In connection with the MacDermid Acquisition, finished goods were marked up by \$35,868 to reflect fair value. Of this amount, \$23,912 was charged through the Consolidated Statement of Operations in the Successor 2013 period based on our estimated inventory turnover. The remaining portion of the mark up of \$11,956 is included in finished goods at December 31, 2013.

4. PROPERTY, PLANT AND EQUIPMENT

The changes in the carrying amount of goodwill by segment are as follows:

	December 31, 2013	December 31, 2012
	<i>Successor</i>	<i>Predecessor</i>
Land and leasehold improvements	\$ 31,246	\$ 22,370
Buildings and improvements	41,118	63,979
Machinery, equipment and fixtures	63,475	98,401
	<u>135,839</u>	<u>184,750</u>
Less: accumulated depreciation	(3,900)	(89,118)
Construction in process	131,939	95,632
	<u>7,731</u>	<u>4,759</u>
Property, plant and equipment, net	<u>\$139,670</u>	<u>\$ 100,391</u>

5. GOODWILL AND INTANGIBLE ASSETS

The major components of property, plant and equipment were as follows:

	Performance Materials	Graphic Solutions	Total
<i>Predecessor:</i>			
Balance, December 31, 2011.	\$ 446,101	\$ 28,480	\$ 474,581
Addition from acquisitions.	1,940	—	1,940
Foreign currency translation and other. ...	(289)	—	(289)
Balance, December 31, 2012.	<u>447,752</u>	<u>28,480</u>	<u>476,232</u>
Foreign currency translation and other. ...	(4,436)	—	(4,436)
Balance, October 31, 2013.	<u>\$ 443,316</u>	<u>\$ 28,480</u>	<u>\$ 471,796</u>
<i>Successor:</i>			
Balance, April 23, 2013 (Inception).	—	—	—
Addition from acquisitions.	766,994	226,825	993,819
Foreign currency translation and other. ...	6,719	2,348	9,067
Balance, December 31, 2013.	<u>\$ 773,713</u>	<u>\$ 229,173</u>	<u>\$1,002,886</u>

The Company is in the process of completing its analysis of fair value of the assets acquired related to the MacDermid Acquisition as discussed in Note 2 and anticipates that the final assessment of values will not differ materially from the preliminary assessment.

Accumulated goodwill impairment related to the Performance Materials reporting segment recognized prior to December 31, 2011 (Predecessor) was \$57,515. There was no goodwill impairment in either reporting segment in the Successor or Predecessor 2013 Periods or for the years ended December 31, 2012 and 2011, respectively

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Note 5 continued)

The carrying value of indefinite-lived intangible assets other than goodwill was as follows:

	December 31, 2013	December 31, 2012
	<i>Successor</i>	<i>Predecessor</i>
Tradenames	\$ 73,400	\$ 58,417

Intangible assets subject to amortization were as follows:

	December 31, 2013			December 31, 2012		
	<i>Successor</i>			<i>Predecessor</i>		
	Gross Carrying Amount	Accumulated Amortization and Foreign Exchange	Net Book Value	Gross Carrying Amount	Accumulated Amortization and Foreign Exchange	Net Book Value
Customer lists	\$ 458,400	\$ (2,290)	\$ 456,110	\$ 276,480	\$ (119,120)	\$ 157,360
Developed technology	155,000	(1,506)	153,494	83,760	(47,883)	35,877
Other	—	—	—	376	(258)	118
Total.....	\$ 613,400	\$ (3,796)	\$ 609,604	\$ 360,616	\$ (167,261)	\$ 193,355

Customer relationships have useful lives ranging from 8 to 20 years and developed technology have useful lives ranging between 7 to 10 years. This results in weighted average useful lives for customer relationships and developed technology, of approximately 16 years and 10 years, respectively, for an aggregate weighted average useful life of approximately 15 years at December 31, 2013.

For the Successor and Predecessor 2013 Periods, the Company recorded amortization expense on intangible assets of \$8,878 and \$22,376, respectively. For the years ended December 31, 2012 and 2011, the Predecessor recorded amortization expense on intangible assets of \$27,100 and \$28,578, respectively.

Estimated future amortization of intangible assets for each of the next five fiscal years from 2014 through 2018 is \$53,266.

For the year ended December 31, 2011, MacDermid recorded \$46,438 of impairment charges related to a write down of certain customer list intangible assets in the Performance Materials segment to their estimated fair values. This impairment charge is included in Selling, technical, general and administrative expenses in the Consolidated Statement of Operations.

6. EQUITY COMPENSATION PLANS

On October 31, 2013, the Company's Board of Directors approved the Platform Specialty Products Corporation 2013 Incentive Compensation Plan, and on December 16, 2013 the Board of Directors approved the Amended and Restated Platform Specialty Products Corporation 2013 Incentive Compensation Plan (the "2013 Plan"). The 2013 Plan was approved by the Board of Directors on March 6, 2014 and will be submitted to the Company's stockholders for approval within 12 months. The purpose of the 2013 Plan is to assist the Company and its subsidiaries and other designated affiliates in attracting, motivating, retaining and rewarding high-quality executives and other employees, officers, directors, consultants and other persons who provide services to our Company or its affiliates. The 2013 Plan is to be administered by a committee designated by the Company's Board of Directors consisting of not less than two directors (the "Committee"); provided, however, that except as otherwise expressly provided in the 2013 Plan, the Board of Directors may exercise any power or authority granted to the Committee under the 2013 Plan. The Committee is authorized to select eligible persons to receive awards, determine the type, number and other terms and conditions of, and all other matters relating to, awards, prescribe award agreements (which need not be identical for each participant), and the rules and regulations for the administration of the 2013 Plan, construe and interpret the 2013 Plan and award agreements, and correct defects, supply omissions or reconcile inconsistencies therein, and make all

other decisions and determinations as the Committee may deem necessary or advisable for the administration of the 2013 Plan. The total number of common shares of our Company that may be subject to the granting of awards under the 2013 Plan is equal to 15,500,000 shares. At December 31, 2013, no shares were issued under the Plan.

On May 17, 2013, the Company issued an aggregate 250,000 option deeds to its non-founder Directors. The exercise price of each option is \$11.50 and the option deeds expire in five years from the date of completion of acquisition and vest on completion of acquisition.

The Company estimates the fair value of stock option grants using a Black-Scholes option pricing. In applying this model, the Company uses the following assumptions:

- *Risk-Free Interest Rate:* The Company determined the risk-free interest rate equivalent to the expected term based on the U.S. Treasury constant maturity rate.
- *Expected Volatility:* The Company determined its future stock price volatility based on the average historical stock price volatility of comparable peer companies.
- *Expected Term:* The Company determined the expected term equal to the life of the contract.
- *Expected Dividend Rate:* The Company has not paid and does not anticipate paying any cash dividends in the near future.



(Note 6 continued)

The fair value of each option award was estimated on the grant date using the Black Scholes option-pricing model and expensed under the straight line method over the vesting period. The following assumptions were used:

Stock option plans

Exercise price	\$ 11.50
Expected stock price volatility	18.49%
Risk-free rate of interest	0.37%
Expected life of options	5.0 years

Stock-based compensation expense from option deeds was approximately \$247 for the period from inception (April 23, 2013) to December 31, 2013. The options vested on the date of completion of an acquisition, which was October 31, 2013 and accordingly, the total value of the options at issuance are amortized over the period from inception to October 31, 2013.

The following table summarizes stock option activity:

	Number of Shares	Weighted Average Exercise Price	Total Weighted Average Intrinsic Value	Weighted Average Remaining Contractual Life (in years)
Outstanding at April 23, 2013.....	—			
Options granted	250,000			
Options exercised	—			
Options forfeited.....	—			
Options cancelled.....	—			
Outstanding at December 31, 2013	250,000	\$ 11.50	\$ —	4.4
Options vested and exercisable.....	250,000	\$ 11.50	\$ —	4.4

On April 13, 2007, the Predecessor authorized and issued 2,150,000 Class A Junior Shares (the “A Shares”) to employees who purchased both preferred and common shares of the Predecessor as part of a \$7,000 management buy-in of both preferred and common shares of the Predecessor. The issuance of the A Shares was designed to compensate certain of the Predecessor’s employees for their long-term commitment to the Predecessor and, in a liquidation event, to permit employees to share in the value of equity in the Predecessor. Vesting of the A Shares occurred evenly over a five year period and required continued employment. Forfeited A Shares could be reissued at the Board of Directors’ discretion. Holders of the A Shares were not entitled to any dividends at the time that they vest, but were entitled to distributions if declared by the Board of Directors of MacDermid Holdings, LLC. Any such distributions, when declared, would be paid in the order of priority specified in the MacDermid Holdings, LLC operating agreement. The redemption value of the A Shares was based on a sliding formula which took into account the final valuation of MacDermid at a “liquidity event”, such as an initial public offering or sale of the Company. At the point of the liquidity event, the A Shares were to be liquidated in their order of priority or seniority, as compared to each of MacDermid’s debt and equity instruments. If during the liquidity event, there were not enough proceeds to redeem the Company’s debt and equity instruments with senior claims, then the A Shares would potentially have a \$0 value.

The A Shares were valued at \$1.00 per share for equity compensation expense purposes. The Predecessor determined the estimated fair value of the A Shares as of the date of grant based upon the issuance price of the common stock in connection

with the Merger, which was determined based on various factors including the lack of liquidity of the common stock, the general and industry specific economic outlook and the relative rights of the holders of capital stock of the Predecessor and MacDermid Holdings, LLC to receive assets of the Predecessor upon a liquidation event. A key assumption in determining the value of the A Shares was that the Predecessor would attain the performance metrics required for full vesting of the B Shares described below because the number of B Shares vested at the time of any liquidation event would impact the amount of assets available for distribution to the A Shares upon such liquidation event. None of the specific terms of the A Shares, other than their vesting terms and the rights of the holders of the A Shares in a liquidation event relative to the rights of the holders of the common shares, preferred shares and B Shares, impacted the fair value of the A Shares.

As the A Shares vested, the Predecessor recorded equity based compensation expense and the number of vested A Shares reflected on the balance sheet was increased. For the ten month period ended October 31, 2013 the Predecessor recorded equity based compensation expense of \$8, based upon the vesting of the A Shares. The Predecessor did not receive any funds upon the vesting of the A Shares. The total intrinsic value of A Shares exercised for the ten month period ended October 31, 2013 and the year ended 2012 was \$0. As of December 31, 2012, there was \$11 of unrecognized compensation cost related to the A Shares and 1,880,192 vested A Shares, respectively. In connection with the MacDermid Acquisition, the A shares liquidation value was approximately \$22,063.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(Note 6 continued)

The following table presents the activity in the A Shares in the Predecessor 2013 Period:

A Shares:	A Shares	Weighted Average Grant Day Fair Value
Outstanding non-vested balance at December 31, 2012	18,598	\$ 1.00
Changes during the period:		
Vesting	(12,598)	1.00
Forfeited	(6,000)	1.00
Granted	—	—
Nonvested balance at October 31, 2013.	—	\$ 1.00

On April 13, 2007, the Predecessor authorized 1,620,000 B Shares for issuance. In May 2008, the Company issued 1,364,000 Class B Junior Performance Shares ("B Shares"). The B Shares carried a vesting period of one to four years as well as performance conditions when issued. The issuance of the B Shares was designed to compensate certain of the Predecessor's employees for their long-term commitment to the Predecessor, motivate sustained increases in the Predecessor's financial performance and, in a liquidation event, permit employees to share in the value of equity in the Predecessor.

The B Shares were modified by resolution of the Predecessor's Board of Directors on February 28, 2011, subject to MacDermid Holdings, LLC member consent, to take into account the divestitures and acquisitions undertaken by the Company since 2007 and the difficult global economic conditions that occurred in 2009. MacDermid Holdings, LLC's member consent was completed on April 4, 2011. The change resulted in the reinstatement of shares previously forfeited under the former performance metrics. As a result of the modification of the performance metrics, the Predecessor determined the estimated fair value of the B Shares as of the modification date to be \$0.67 per share. The stock valuation model that the Predecessor utilized and that was used to estimate the fair value of the B Shares considered a number of factors including operating and financial performance, the lack of liquidity of the Predecessor's common stock and the relative rights of the holders of capital stock of the Predecessor and MacDermid Holdings, LLC to receive assets of the Predecessor upon a liquidation event. The key assumptions and estimates in determining the value of the B Shares were (1) the assumption that the Predecessor would attain the modified performance metrics required for full vesting of the B Shares and (2) the estimation of the fair value of the Predecessor's common stock on the modification date of the B Shares. None of the specific terms of the B Shares, other than their vesting terms and the rights of the holders of the B Shares in a liquidation event relative to the rights of the holders of the common shares, preferred shares and A Shares, impacted the fair value of the B Shares.

The B Shares were to vest ratably on each of March 31, 2011, 2012, 2013, 2014 and 2015 (each, a "Vesting Date") if the Predecessor attained the modified performance metrics with respect to the calendar year immediately prior to the year of the applicable Vesting Date (a "Performance Vesting Target"), or upon a change in control. The Company met the modified

performance metrics for calendar year 2011 and 2012 resulting in 20% of the B shares vesting as of March 31, 2013 and 2012. As of December 31, 2012, there were 411,756 vested B shares.

Based on the consummation of the MacDermid Acquisition, the change in control provisions caused the B shares to fully vest at October 31, 2013. There were 1,056,640 vested B shares as of October 31, 2013. The Predecessor did not receive any funds upon the vesting of the B Shares.

In connection with the MacDermid Acquisition, the B shares liquidation value was approximately \$12,317.

The following table presents the activity in the non-vested B Shares in the Predecessor 2013 Period:

B Shares:	B Shares	Weighted Average Grant Day Fair Value
Nonvested balance at December 31, 2012	653,064	\$ 0.67
Changes during the period:		
Forfeited	(8,000)	0.67
Canceled	—	—
Vested	(645,064)	0.67
Granted	—	—
Nonvested balance at October 31, 2013.	—	\$ 0.67

On January 29, 2013, the Predecessor authorized for issuance 5,000,000 Class C Junior Shares. The Class C Junior Shares were allocated to three tranches of 1,666,666 shares each and defined as Class C-1 Junior Shares, Class C-2 Junior Shares and Class C-3 Junior Shares (collectively, "C Shares"). The Class C-1 Junior Shares vested upon the grant date of January 29, 2013. Class C-2 Junior Shares were to vest on January 1, 2014 and the Class C-3 Junior Shares were to vest on January 1, 2015. The number of issued and awarded Class C Junior Shares was 4,890,000 shares or 1,630,000 shares each for the Class C-1 Junior Shares, Class C-2 Junior Shares and Class C-3 Junior Shares. The value of the C Shares was measured based upon the performance criteria in the operating agreement of MacDermid Holdings, LLC based on the estimated equity value of the Predecessor. The C Shares were to be paid in cash in accordance with the operating agreement of MacDermid Holdings, LLC upon a change in control, liquidating event or initial public offering. Payment for the C shares required continued employment through a change in control, liquidating event, or initial public offering. The C Shares were considered liability-classified awards with the related fair value recognized as compensation expense ratably over the performance period, with changes in the fair value of the award cumulatively adjusted through compensation expense each period. During the Predecessor 2013 Period, \$9,030 was recognized as compensation expense related to the C Shares due to the consummation of the MacDermid Acquisition eliminating the risk that consummation of the business combination will not occur.

7. PENSION, POST-RETIREMENT AND POST-EMPLOYMENT PLANS

The Company has multiple deferred compensation arrangements, which are described below. The Company has defined benefit pension plans for certain domestic and foreign employees, a



(Note 7 continued)

supplemental executive retirement plan ("SERP") for executive officers and a post-employment benefits program for certain domestic employees. Aggregate amounts charged to earnings for these plans by the Company for the Successor and Predecessor 2013 Periods was (\$2,742) and \$3,544, respectively. In connection with the MacDermid Acquisition as discussed in Note 2, certain benefits in the MacDermid, Incorporated Employees' Pension Plan (the "Pension Plan") were frozen resulting in a curtailment gain of \$3,028 which was recorded in the Successor 2013 Period. For the years ended December 31, 2012 and 2011, amounts charged to earnings were \$3,209 and \$1,873, respectively.

Domestic Defined Benefit Pension Plan

The Company has a non-contributory domestic defined benefit pension plan ("Pension Plan"), which provides retirement benefits based upon years of service and compensation levels. At December 31, 2013 and 2012, the projected benefit obligation for the Pension Plan was \$131,303 and \$137,078, respectively. The measurement date used to determine pension and other post-retirement benefits was December 31, 2013 and 2012, at which time the minimum contribution level for the following year was determined. As the Pension Plan is overfunded as of December 31, 2013, the Company does not currently expect contributions will be required in 2014 or in each of the four years thereafter. In connection with the MacDermid Acquisition as discussed in Note 2, certain benefits in the Pension Plan were frozen resulting in a curtailment gain of \$3,028 which was recorded in the Successor 2013 Period.

The Company's investment policies incorporate an asset allocation strategy that emphasizes the long-term growth of capital and acceptable asset volatility as long as it is consistent with the volatility of the relevant market indexes. The investment policies attempt to achieve a mix of approximately 75% of plan investments for long-term growth and 25% for near-term benefit payments. The Company believes this strategy is consistent with the long-term nature of plan liabilities and ultimate cash needs of the plans. Plan assets consist primarily of corporate bond mutual funds, limited partnership interests, listed stocks and cash. The corporate bond mutual funds held by the Pension Plan include primarily corporate bonds from companies from diversified industries located in the U.S. The listed stocks are investments in large-cap and mid-cap companies located in the U.S. The limited partnership funds primarily include listed stocks located in the U.S. The weighted average asset allocation of the Pension Plan was 22% equity securities, 65% limited partnership interests and managed equity funds, 9% bond mutual fund holdings and 4% cash at December 31, 2013.

An investment committee, appointed by the Board of Directors, manages Pension Plan assets in accordance with the Pension Plan's investment policies. The investment committee meets at least four times per year to assess risk factors, rates of return, investment managers and asset allocation limitations as prescribed by the committee's investment policy statement. Return on asset ("ROA") assumptions are determined annually based on a review of the asset mix as well as individual ROA performances, benchmarked against indexes such as the S&P 500 Index and the Russell 2000 Index. In determining an assumed rate of return on plan assets, the Company considers past

performance and economic forecasts for the types of investments held by the Pension Plan.

Actual pension expense and future contributions required to fund the Pension Plan will depend on future investment performance, changes in future discount rates, the level of contributions the Company makes and various other factors related to the populations participating in the Pension Plan. The Company will re-evaluate the Pension Plan's actuarial assumptions, on an annual basis including the expected long-term rate of return on assets and discount rate, and will adjust the assumptions as necessary to ensure proper funding levels are maintained so the Pension Plan can meet its obligations as they become due.

Supplemental Executive Retirement Plan

The Company sponsors an unfunded Supplemental Executive Retirement Plan ("SERP") that entitles certain executive officers to the difference between the benefits actually paid to them and the benefits they would have received under the Pension Plan were it not for certain restrictions imposed by the Internal Revenue Service Code, which relate to the amount of annual compensation which may be taken into account in determining benefits under the SERP. Covered compensation under the SERP includes an employee's annual salary and bonus. At December 31, 2013 and 2012, the projected benefit obligation under the SERP was \$6,055 and \$7,276, respectively.

Foreign Pension Plans

The Company has retirement and death benefit plans (the "U.K. Pension Plan") covering employees in the U.K. The U.K. Pension Plan is comprised of a defined benefit plan and a defined contribution plan. The defined benefit plan is closed to new entrants and, effective March 31, 2000, existing active members ceased accruing any further benefits exclusive of adjustments for an inflation factor. The defined contribution plan is structured whereby the Company contributes an amount equal to a specified percentage of each employee's contribution up to an annual maximum contribution per participant.

The projected benefit obligation of the U.K. Pension Plan was \$67,567 and, \$68,564 at December 31, 2013 and 2012, respectively. The measurement date used to determine U.K. Pension Plan benefits is December 31, at which time the minimum contribution level for the following year is also determined. The Company does not anticipate making any contribution pension funding payments in each of the next five years as the U.K. Pension Plan is overfunded. The U.K. Pension Plans' assets consist primarily of pooled funds that invest in bonds, listed stocks and property.

The weighted-average asset allocation of the U.K. Pension Plan as of December 31, 2013 was 82% pooled bond funds, 13% pooled equity funds and 5% cash. An independent trustee committee, appointed by Company management and employees participating in the U.K. Pension Plan meet to assess risk factors, rates of return, and asset allocations prescribed by the committee's investment policy statement. In addition, an annual review is conducted to ensure that proper funding levels are maintained so the U.K. Pension Plan can meet its obligations as they become due.

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(Note 7 continued)

The Company also has retirement and death benefit plans covering employees in Taiwan and certain former employees in Germany. The Company also has longevity plans covering employees in France. These plans are not significant, individually or in the aggregate, to the consolidated financial position, results of operations or cash flows. Information for these plans, along with the U.K. Pension Plan, is included in the tables below.

Certain other foreign subsidiaries maintain benefit plans that are consistent with statutory practices but do not meet the criteria for accounting rules under defined benefit plans under ASC 715-30 Compensation – Retirement Benefits – Defined Benefit Plans – Pensions. These benefit plans had obligation balances of \$3,776 as of December 31, 2013 and \$3,741 as of December 31, 2012. Of these amounts, \$3,719 and \$3,698, respectively, are included in Retirement Benefits with the remainder included in Other Current Liabilities on the Consolidated Balance Sheets and are excluded from the accompanying tables of pension benefits.

Domestic Defined Benefit Post-Retirement Medical and Dental Plan

The Company sponsors a defined benefit post-retirement medical and dental plan that covers all of its domestic full-time employees, hired prior to April 1, 1997, who retire after age fifty-five, with at least ten to twenty years of service (depending upon the date of hire).

In 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively, the “Health Care Acts”) were approved in the U.S. The Health Care Acts include several provisions that may affect a company’s postretirement benefit plans. The Company has evaluated the effects of the Health Care Acts and has concluded that there was no current impact on the Company’s domestic defined benefit post-retirement medical and dental plans.

Eligible employees receive a subsidy from the Company towards the purchase of their retiree medical benefits. The subsidy level is based on the date of retirement from MacDermid. The annual increase in the Company’s costs for post-retirement medical benefits is subject to a limit of 5% for those retiring prior to March 31, 1989 and 3% for those retiring after April 1, 1989. Retirees will be required to contribute to the plan costs in excess of their respective Company limits in addition to their other required contributions.

The projected benefit obligation for the post-retirement plan at December 31, 2013 was comprised of 28% retirees, 42% fully eligible active participants and 30% other active participants. As described above, the annual increase in healthcare cost to the Company is subject to a defined limit of 3% or 5% for post-retirement medical benefits, based on the date of retirement; therefore, the healthcare trend rate assumption has no effect on the amounts reported.

Foreign Defined Benefit Post-Retirement Medical Plan

The Company has recorded the obligation for a government sponsored defined benefit post retirement medical plan that covers certain employees located in Brazil. This plan was mandated by the Brazilian government in 2012 at which time the Company recorded the liability related to this plan.

Domestic Defined Benefit Post-Employment Compensation Plan

The Company sponsors a defined benefit post-employment compensation continuation plan that covers all full-time domestic employees. Employees who have completed at least six months of service, and become permanently disabled and are unable to return to work, are eligible to receive a benefit under the plan. The benefit may range from one week to a maximum of six months of compensation. The estimated ongoing after-tax annual cost is not material to the overall consolidated financial statements. The Company does not expect to make any cash contributions to the postretirement benefit plan in 2014 or in each of the four years thereafter.

The components of net periodic benefit cost of the pension, SERP and post-employment benefit plans were as follows:

	For the period from inception (April 23, 2013) through December 31, 2013		For the ten months ended October 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	(Successor)		(Predecessor)		(Predecessor)		(Predecessor)	
Pension & SERP Benefits:	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Net periodic benefit expense:								
Service cost	\$ 698	\$ 130	\$ 3,595	\$ 560	\$ 3,647	\$ 678	\$ 2,982	\$ 654
Interest cost on the projected benefit obligation	1,178	495	5,216	2,453	6,096	3,096	5,806	3,262
Expected return on plan assets	(1,576)	(714)	(6,632)	(4,088)	(7,330)	(4,478)	(7,104)	(4,314)
Amortization of prior service cost ..	—	—	77	—	93	—	54	—
Amortization of net loss	—	—	1,654	433	601	508	(54)	90
Plan curtailments	(3,028)	(2)	—	—	—	68	—	—
Net periodic (benefit) cost	<u>\$ (2,728)</u>	<u>\$ (91)</u>	<u>\$ 3,910</u>	<u>\$ (642)</u>	<u>\$ 3,107</u>	<u>\$ (128)</u>	<u>\$ 1,684</u>	<u>\$ (308)</u>

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	For the period from inception (April 23, 2013) through December 31, 2013		For the ten months ended October 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	(Successor)		(Predecessor)		(Predecessor)		(Predecessor)	
Postretirement Benefits:	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Net periodic benefit expense:								
Service cost	\$ 11	\$ 5	\$ 60	\$ 35	\$ 65	\$ —	\$ 99	\$ —
Interest cost on the projected benefit obligation	54	6	243	31	305	—	398	—
Amortization of prior service cost..	—	—	(117)	24	(140)	—	—	—
Net periodic (benefit) cost	\$ 65	\$ 11	\$ 186	\$ 90	\$ 230	\$ —	\$ 497	\$ —

Key assumptions used to determine the net periodic benefit expense of the pension and post-retirement benefit liabilities are as follows:

Pension and SERP Benefits

	For the period from inception (April 23, 2013) through December 31, 2013		For the ten months ended October 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	(Successor)		(Predecessor)		(Predecessor)		(Predecessor)	
Weighted average assumptions used to determine net periodic benefit cost:	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Discount rate	5.1%	4.1%	4.4%	4.2%	5.2%	4.6%	5.7%	5.1%
Rate of compensation increase.....	4.0%	3.3%	4.0%	3.4%	4.0%	3.4%	4.0%	3.4%
Long-term rate of return on assets.	7.8%	4.9%	7.8%	6.5%	7.8%	6.5%	8.0%	7.4%

Postretirement Medical Benefits

	For the period from inception (April 23, 2013) through December 31, 2013		For the ten months ended October 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	(Successor)		(Predecessor)		(Predecessor)		(Predecessor)	
Weighted average assumptions used to determine net periodic benefit cost:	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Discount rate	5.0%	11.7%	4.4%	10.8%	5.2%	10.8%	5.7%	N/A
Rate of compensation increase.....	**	**	**	**	**	**	**	**
Long-term rate of return on assets.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Not a meaningful statistic

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) are as follows:

For the period from inception (April 23, 2013) through December 31, 2013

	(Successor)		(Predecessor)		
	Postretirement Medical Benefits		Pension		Total
	Domestic	Foreign	Domestic	Foreign	
Current year actuarial gain (loss).....	\$ (71)	\$ 46	\$ 5,655	\$ (1,851)	\$ 3,779
Amortization of actuarial (loss) gain.....	—	—	—	(228)	(228)
Translation adjustment	—	(1)	—	(40)	(41)
Total recognized in other comprehensive (loss) income (pre tax)	\$ (71)	\$ 45	\$ 5,655	\$ (2,119)	\$ 3,510

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(Note 7 continued)

(In thousands, except share and per share amounts)

For the ten months ended October 31, 2013

	(Predecessor)				
	Pension		Postretirement Medical Benefits		Total
	Domestic	Foreign	Domestic	Foreign	
Current year actuarial (loss) gain.....	\$ (22,877)	\$ (5,307)	\$ (171)	\$ (96)	\$ (28,451)
Amortization of prior service cost.....	(77)	—	118	(23)	18
Amortization of actuarial (loss) gain.....	(1,654)	(433)	—	—	(2,087)
Translation adjustment	—	(360)	—	(19)	(379)
Total recognized in other comprehensive (loss) income (pre tax)	\$ (24,608)	\$ (6,100)	\$ (53)	\$ (138)	\$ (30,899)

For the year ended December 31, 2012

	(Predecessor)				
	Pension		Postretirement Medical Benefits		Total
	Domestic	Foreign	Domestic	Foreign	
Current year actuarial (loss) gain.....	\$ (14,830)	\$ (1,792)	\$ (780)	\$ —	\$ (17,402)
Amortization of prior service cost.....	93	—	(139)	(364)	(410)
Amortization of actuarial (loss) gain.....	601	576	—	—	1,177
Translation adjustment	—	(701)	—	—	(701)
Total recognized in other comprehensive (loss) income (pre tax)	\$ (14,136)	\$ (1,917)	\$ (919)	\$ (364)	\$ (17,336)

The Company does not expect to recognize any accumulated other comprehensive income (loss) in net periodic benefit cost for the year ending December 31, 2014 as the amount is de-minimus.

The following table summarizes changes in the funded status of the Company's pension and SERP plans:

Pension and SERP Benefits

Change in Projected Benefit Obligation:	For the period from inception (April 23, 2013) through December 31, 2013		For the ten months ended October 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	(Successor)		(Predecessor)		(Predecessor)		(Predecessor)	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Beginning of period balance	\$ —	\$ —	\$ 144,354	\$ 74,996	\$ 121,459	\$ 67,609	\$ 103,749	\$ 63,323
Acquisitions	142,038	72,860	—	—	—	—	—	—
Service cost	698	130	3,595	560	3,647	678	2,982	654
Interest cost	1,179	495	5,216	2,453	6,096	3,096	5,806	3,262
Plan curtailment	(3,028)	226	—	—	—	—	—	—
Actuarial (gain)/ loss due to assumption change.....	(2,845)	(999)	(7,124)	1,570	15,436	3,871	9,440	4,196
Actuarial (gain)/ loss due to plan experience	10	(183)	(647)	(3,170)	1,492	530	2,582	(129)
Benefits and expenses paid.....	(694)	(869)	(3,356)	(2,686)	(3,776)	(3,570)	(3,544)	(3,124)
Amendments	—	—	—	—	—	—	444	—
Settlement.....	—	(558)	—	—	—	(347)	—	—
Translation adjustment	—	1,994	—	(863)	—	3,129	—	(573)
End of period balance	\$137,358	\$ 73,096	\$ 142,038	\$ 72,860	\$ 144,354	\$ 74,996	\$ 121,459	\$ 67,609

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Pension and SERP Benefits

Change in Fair Value of Plan Assets	For the period from inception (April 23, 2013) through December 31, 2013		For the ten months ended October 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	(Successor)		(Predecessor)		(Predecessor)		(Predecessor)	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Beginning of period balance	\$ —	\$ —	\$ 102,640	\$ 79,639	\$ 90,988	\$ 68,094	\$ 85,909	\$ 65,209
Acquisitions	123,272	86,781	—	—	—	—	—	—
Actual return on plan assets, net of expenses	4,397	(2,317)	21,738	7,368	9,428	6,668	2,623	709
Employer contributions	—	2,478	2,250	2,729	6,000	5,086	6,000	5,260
Benefits paid	(694)	(869)	(3,356)	(2,259)	(3,776)	(3,152)	(3,544)	(2,688)
Settlement	—	(558)	—	—	—	(347)	—	—
Translation adjustment	—	2,623	—	(696)	—	3,290	—	(396)
End of period balance	126,975	88,138	123,272	86,781	102,640	79,639	90,988	68,094
Funded status of plan	\$ (10,383)	\$ 15,042	\$ (18,766)	\$ 13,921	\$ (41,714)	\$ 4,643	\$ (30,471)	\$ 485

The accumulated benefit obligation for all defined benefit pension plans was \$191,810 and \$194,183 at December 31, 2013 and 2012, respectively.

The following table summarizes changes in the Company's post-retirement medical benefit obligations:

Postretirement Medical Benefits

Change in Accumulated Benefit Obligation:	For the period from inception (April 23, 2013) through December 31, 2013		For the ten months ended October 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	(Successor)		(Predecessor)		(Predecessor)		(Predecessor)	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Beginning of period balance	\$ —	\$ —	\$ 6,814	\$ 364	\$ 6,028	\$ —	\$ 7,168	\$ —
Acquisitions	6,671	311	—	—	—	—	—	—
Service cost	11	5	60	35	65	—	99	—
Interest cost	54	6	243	31	305	—	398	—
Employee contributions	35	—	181	—	271	—	—	—
Actuarial loss/(gain) due to assumption change	79	(35)	(56)	(88)	625	—	(458)	—
Actuarial loss/(gain) due to plan experience	(8)	(11)	(115)	(7)	155	—	(2)	—
Other	—	—	—	—	—	364	—	—
Benefits and expenses paid	(90)	—	(456)	(2)	(635)	—	(435)	—
Translation adjustment	—	(23)	—	—	—	—	—	—
Amendments	—	—	—	(22)	—	—	(742)	—
End of period balance	\$ 6,752	\$ 253	\$ 6,671	\$ 311	\$ 6,814	\$ 364	\$ 6,028	\$ —

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Postretirement Medical Benefits

Change in Fair Value of Plan Assets:	For the period from inception (April 23, 2013) through December 31, 2013		For the ten months ended October 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	(Successor)		(Predecessor)		(Predecessor)		(Predecessor)	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Beginning of period balance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employer contributions	55	—	275	2	364	—	435	—
Employee contributions	35	—	181	—	271	—	—	—
Benefits paid	(90)	—	(456)	(2)	(635)	—	(435)	—
End of period balance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Funded status of plan	\$ (6,752)	\$ (253)	\$ (6,671)	\$ (311)	\$ (6,814)	\$ (364)	\$ (6,028)	\$ —

Amounts included in the Consolidated Balance Sheets consist of the following:

	December 31, 2013	December 31, 2012
	Successor	Predecessor
Prepaid pension assets Foreign pension	\$ 19,107	\$ 9,261
Total long term assets	19,107	9,261
Other current liabilities Domestic pension	—	3,000
Total current liabilities	—	3,000
Retirement benefits, less current portion Domestic pension & SERP	10,383	38,714
Foreign pensions	4,022	4,618
Domestic postretirement medical benefits	6,752	6,814
Foreign postretirement medical benefits	253	364
Total non-current liabilities	\$ 21,410	\$ 50,510

Key assumptions used to determine the benefit obligations in the actuarial valuations of the pension and post-retirement benefit liabilities are as follows:

Weighted average assumptions used to measure benefit obligations at measurement date:	Pension and SERP Benefits			
	December 31, 2013		December 31, 2012	
	(Successor)		(Predecessor)	
	Domestic	Foreign	Domestic	Foreign
Discount rate	5.2%	4.2%	4.4%	4.2%
Rate of compensation increase	4.0%	3.3%	4.0%	3.4%

Weighted average assumptions used to measure benefit obligations at measurement date:	Postretirement Medical Benefits			
	December 31, 2013		December 31, 2012	
	(Successor)		(Predecessor)	
	Domestic	Foreign	Domestic	Foreign
Discount rate	5.1%	12.4%	4.7%	10.8%
Rate of compensation increase	**	**	**	**

**Not a meaningful statistic

Amounts recognized in Accumulated other comprehensive income (loss) consist of the following:

	Pension and SERP Benefits							
	For the period from inception (April 23, 2013) through December 31, 2013		For the ten months ended October 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	(Successor)		(Predecessor)		(Predecessor)		(Predecessor)	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Net actuarial gain (loss)	\$ 5,655	\$ (2,119)	\$ 10,473	\$ 10,824	\$ (35,004)	\$ (16,924)	\$ (20,775)	\$ (15,007)
Prior service credits (costs)	—	—	586	—	(663)	—	(756)	—
	\$ 5,655	\$ (2,119)	\$ 11,059	\$ 10,824	\$ (35,667)	\$ (16,924)	\$ (21,531)	\$ (15,007)

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Postretirement Medical Benefits

	For the period from inception (April 23, 2013) through December 31, 2013		For the ten months ended October 31, 2013		For the year ended December 31, 2012		For the year ended December 31, 2011	
	(Successor)		(Predecessor)		(Predecessor)		(Predecessor)	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Net actuarial gain (loss)	\$ (71)	\$ 45	\$ 124	\$ (93)	\$ 295	\$ —	\$ 485	\$ —
Prior service credits (costs)	—	—	(485)	319	(602)	364	742	—
	<u>\$ (71)</u>	<u>\$ 45</u>	<u>\$ (361)</u>	<u>\$ 226</u>	<u>\$ (307)</u>	<u>\$ 364</u>	<u>\$ 1,227</u>	<u>\$ —</u>

The major categories of assets in the Company's various defined benefit pension plans as of December 31, 2013 (Successor) and December 31, 2012 (Predecessor) are presented in the following tables. Assets are segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value (see Note 11 - Fair Value Measurements). The Company's domestic and foreign post-retirement plans are unfunded.

Fair Value Measurements Using

Asset Category	December 31, 2013	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(Successor)			
Domestic equities	\$ 19,124	\$ 19,124	\$ —	\$ —
Pooled funds holding global equity securities	10,945	—	10,945	—
Pooled funds holding global fixed income securities	71,166	—	71,166	—
Mutual funds holding U.S. Treasury Securities	11,762	11,762	—	—
Mutual funds holding domestic securities	4,399	4,399	—	—
Limited partnership interests(b)	82,355	—	82,355	—
Designated benefit fund(c)	1,464	—	1,464	—
Cash and cash equivalents	13,898	13,898	—	—
Total	<u>\$ 215,113</u>	<u>\$ 49,183</u>	<u>\$ 165,930</u>	<u>\$ —</u>

Fair Value Measurements Using

Asset Category	December 31, 2012	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(Predecessor)			
Domestic equities	\$ 17,523	\$ 17,523	\$ —	\$ —
Pooled funds holding global equity securities	42,361	—	42,361	—
Pooled funds holding global fixed income securities	24,285	—	24,285	—
Pooled funds holding property in the United Kingdom(a) .	5,376	—	—	5,376
Mutual funds holding U.S. Treasury Securities	11,774	11,774	—	—
Mutual funds holding domestic securities	3,005	3,005	—	—
Limited partnership interests(b)	62,356	—	62,356	—
Designated benefit fund(c)	1,815	—	1,815	—
Cash and cash equivalents	13,784	13,784	—	—
Total	<u>\$ 182,279</u>	<u>\$ 46,086</u>	<u>\$ 130,817</u>	<u>\$ 5,376</u>

(a) This category represents investments in real estate directly held by the pooled funds.

(b) This category represents limited partner investments with general partners that invest in equity securities.

(c) This category includes assets held in a fund with the Bank of Taiwan as prescribed by the Taiwan government in accordance with local statutory rules.

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(Note 7 continued)

The fair value measurement of plan assets using significant unobservable inputs (Level 3) changed due to the following:

	For the period from inception (April 23, 2013) through December 31, 2013	For the ten months ended October 31, 2013	For the year ended December 31, 2012
	(Successor)	(Predecessor)	(Predecessor)
Beginning balance	\$ —	\$ 5,376	\$ 5,298
Acquisitions	5,424	—	—
Unrealized gains relating to instruments still held in the reporting period	115	293	342
Purchases	—	—	—
Sales	(5,539)	(245)	(264)
Ending balance	\$ —	\$ 5,424	\$ 5,376

The Company's retirement plan assets are reported at fair value. Level 1 assets include investments in publicly traded equity securities and mutual funds. These securities are actively traded and valued using quoted prices for identical securities from the market exchanges. Level 2 assets consist of global fixed-income securities, limited partnership interests and commingled funds that are not actively traded or whose underlying investments are valued using observable marketplace inputs. The fair value of plan assets invested in fixed-income securities is generally determined using market approach pricing methodology, where observable prices are obtained by market transactions involving identical or comparable securities of issuers with similar credit ratings. Plan assets that are invested in limited partnership interests and commingled funds are valued using a unit price or net asset value (NAV) that is based on the underlying fair value of investments of the fund. Level 3 assets include investments in pooled funds holding real estate in the United Kingdom which are valued using discounted cash flow models which consider long-term lease estimates, future rental receipts and estimated residual values. Valuation estimates are supplemented by third-party appraisals on a monthly basis.

As of December 31, 2013, expected future benefit payments related to the Company's defined benefit plans were as follows:

Year End	Domestic	Foreign	Postretirement Benefits	Total
2014	\$ 4,514	\$ 3,254	\$ 398	\$ 8,166
2015	5,671	3,338	408	9,417
2016	5,188	3,448	408	9,044
2017	5,442	3,473	421	9,336
2018	5,796	3,537	430	9,763
Thereafter	39,154	18,859	2,028	60,041
Total	\$ 65,765	\$ 35,909	\$ 4,093	\$ 105,767

8. INCOME TAXES

(Loss) income before income taxes, non-controlling interests and accrued payment-in-kind dividends on cumulative preferred shares are as follows:

	For the period from inception (April 23, 2013) through December 31, 2013	For the ten months ended October 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011
	(Successor)	(Predecessor)	(Predecessor)	(Predecessor)
Domestic (1) (2)	\$ (7,949)	\$ (74,244)	\$ (36,846)	\$ (45,363)
Foreign (1)	(193,495)	100,719	107,785	56,669
Total	\$ (201,444)	\$ 26,475	\$ 70,939	\$ 11,306

(1) Income in the period from inception (April 23, 2013) through December 31, 2013 was impacted by costs associated with the MacDermid Acquisition.

(2) Income for the period ended October 31, 2013 was impacted by the recapitalization transaction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



(Note 8 continued)

Income tax (benefit) expense consisted of the following:

	For the period from inception (April 23, 2013) through December 31, 2013 (Successor)	For the ten months ended October 31, 2013 (Predecessor)	For the year ended December 31, 2012 (Predecessor)	For the year ended December 31, 2011 (Predecessor)
Current:				
U.S.:				
Federal	\$ 282	\$ (5,267)	\$ 1,839	\$ (4,221)
State and local	52	297	473	324
Foreign.....	<u>1,328</u>	<u>22,776</u>	<u>30,725</u>	<u>29,860</u>
Total current.....	<u>1,662</u>	<u>17,806</u>	<u>33,037</u>	<u>25,963</u>
Deferred:				
U.S.:				
Federal	(2,049)	(3,104)	(4,937)	3,459
State and local	(313)	79	100	(615)
Foreign.....	<u>(5,119)</u>	<u>(1,820)</u>	<u>(3,527)</u>	<u>(18,854)</u>
Total deferred	<u>(7,481)</u>	<u>(4,845)</u>	<u>(8,364)</u>	<u>(16,010)</u>
Provision for income taxes.....	\$ <u>(5,819)</u>	\$ <u>12,961</u>	\$ <u>24,673</u>	\$ <u>9,953</u>

Income tax (benefit) expense differed from the amounts computed by applying the U.S. Federal statutory tax rates to pretax income, as a result of the following:

	For the period from inception (April 23, 2013) through December 31, 2013 (Successor)	For the ten months ended October 31, 2013 (Predecessor)	For the year ended December 31, 2012 (Predecessor)	For the year ended December 31, 2011 (Predecessor)
U.S. Federal Statutory tax rate	35.0 %	35.0 %	35.0 %	35.0 %
Taxes computed at U.S. statutory rate	\$ (70,505)	\$ 9,267	\$ 24,829	\$ 3,957
State income taxes, net of Federal benefit	389	(2,232)	(459)	(702)
Preferred dividend valuation	60,202	—	—	—
Tax on foreign operations	396	805	(11,613)	(1,469)
Net change in reserve	(713)	(76)	5,724	(27)
Change in valuation allowances	(880)	3,635	6,915	6,674
Provision for tax on undistributed foreign earnings ...	752	(682)	204	(260)
Change of tax rate	—	(487)	(1,054)	(847)
Foreign exchange impact on provision	—	54	100	1,193
Non-deductible Transaction Costs	4,234	1,901	—	—
Other, net	<u>306</u>	<u>776</u>	<u>27</u>	<u>1,434</u>
Income tax (benefit) expense	\$ <u>(5,819)</u>	\$ <u>12,961</u>	\$ <u>24,673</u>	\$ <u>9,953</u>
Effective tax rate	2.89 %	48.95 %	34.78 %	88.02 %

The Company has not recognized a deferred tax liability for U.S. taxes on the undistributed earnings of certain foreign subsidiaries which have been determined to be indefinitely reinvested in those subsidiaries. A deferred tax liability will be recognized when the Company expects to recover those earnings in a taxable transaction, such as the receipt of dividends or sale of the investment in foreign subsidiary, net of foreign tax credits. A determination of the deferred tax liability related to the undistributed earnings of foreign subsidiaries that are indefinitely reinvested is not practical. The undistributed earnings of those subsidiaries were \$185,067 and \$127,001 at December 31, 2013 and December 31, 2012, respectively.

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(Note 8 continued)

The components of deferred income taxes at December 31, 2013 and 2012 are as follows:

	December 31, 2013	December 31, 2012
	(Successor)	(Predecessor)
Deferred tax assets:		
Accounts receivable.....	\$ 1,758	\$ 1,313
Inventory	3,272	2,414
Accrued liabilities	3,683	1,617
Employee benefits.....	12,166	18,910
Research and development costs	14,093	13,267
Tax credits	34,041	39,541
Net operating losses.....	26,681	12,783
Other	10,876	5,194
Total deferred tax assets	106,570	95,039
Valuation allowance	(22,349)	(41,446)
Total gross deferred tax assets	84,221	53,593
Deferred tax liabilities:		
Plant and equipment	16,467	882
Goodwill and intangibles.....	178,951	73,962
Partnership basis difference.....	179	11,585
Undistributed foreign earnings.....	6,301	6,185
Other	7,627	3,409
Total gross deferred tax liabilities.....	209,525	96,023
Net deferred tax liability	\$ 125,304	\$ 42,430

The following schedule presents net current and net long-term deferred tax assets and liabilities as of December 31, 2013 and 2012:

	December 31, 2013	December 31, 2012
	(Successor)	(Predecessor)
Net current deferred tax asset.....	\$ 10,760	\$ 5,169
Net noncurrent deferred tax asset.....	2,209	1,812
	12,969	6,981
Net noncurrent deferred tax liability	138,273	49,411
Total net deferred tax liability.....	\$ 125,304	\$ 42,430

Net current deferred tax assets are included in prepaid expenses and other current assets and net noncurrent deferred tax assets are included in Other assets on the Consolidated Balance Sheets.

Valuation allowances reflect our assessment that it is more likely than not that certain deferred tax assets for state and foreign net operating losses, foreign tax credits and state tax credit carry-forwards will not be realized. The assessment of the need for a valuation allowance requires management to make estimates and assumptions about future earnings, reversal of existing temporary differences and available tax planning strategies. If actual experience differs from these estimates and assumptions, the recorded deferred tax asset may not be fully realized resulting in an increase to income tax expense in our results of operations. The valuation allowance for deferred tax assets was \$22,349 and \$41,446 at December 31, 2013 and December 31, 2012, respectively.

At December 31, 2013, the Company had Federal, state and foreign net operating loss carry forwards of approximately \$17,019, \$266,640 and \$11,811 respectively. The Federal net operating loss expires in 2033. The majority of the state net operating loss carry-forwards expire between the years 2016 and 2026. The state net operating loss carry-forwards result in a deferred tax asset of \$17,609. A valuation allowance of \$15,182 has been provided against the deferred tax asset because it is more likely than not that the Company will not be able to utilize all of the state net operating losses before they expire based on the Company's domestic operations and structure. The foreign tax net operating loss carry-forwards expire between the years 2016 through 2030, with some being unlimited in utilization. This results in a deferred tax asset of \$3,115. A valuation allowance of \$702 has been provided against the deferred tax assets associated with certain foreign net operating loss carry-forwards because the recent results of the business units associated with the loss carry-forwards indicate that it is more likely than not that the benefits from the net operating loss carry-forwards will not be realized. A valuation allowance of \$1,021 has been provided against the deferred tax asset for interest benefit recorded at a foreign subsidiary where it is more likely than not that the recognition of the benefit will not be realized.

In addition, at December 31, 2013, the Company has approximately \$22,822, \$6,890, \$2,070 and \$2,259 of foreign tax credits, research and development credits, alternative minimum tax credits and state tax credits (net of federal tax), respectively, that are available for carryforward. These carry-forward periods range from ten years to an unlimited period of time. A valuation allowance of \$3,185 and \$2,259 is provided for foreign tax credits and state tax credits, respectively, that the Company believes the benefits from the credits will not be realized.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Note 8 continued)

Tax Uncertainties – The following table summarizes the activity related to the Company's unrecognized tax benefits for the Successor and Predecessor 2013 Periods and the years ended December 31, 2012 and December 31, 2011:

	For the period from inception (April 23, 2013) through December 31, 2013 (Successor)	For the ten months ended October 31, 2013 (Predecessor)	For the year ended December 31, 2012 (Predecessor)	For the year ended December 31, 2011 (Predecessor)
Unrecognized tax benefits at beginning of period	\$ —	\$ 22,759	\$ 18,833	\$ 22,502
Additions based on current year tax positions	328	837	2,308	3,716
Additions based upon prior year tax positions (including acquired uncertain tax positions)	26,349	283	1,748	(3,881)
Reductions due to closed statutes	(1,024)	(379)	(130)	—
Reductions for settlements and payments	—	—	—	(3,504)
Total Unrecognized Tax benefits at end of period	\$ 25,653	\$ 23,500	\$ 22,759	\$ 18,833

The Company has \$25,653 of total unrecognized tax benefits as of December 31, 2013, of which \$25,653, if recognized, would impact the Company's effective tax rate. The Company estimates that \$618 of the total unrecognized benefits will reverse within the next twelve months.

The Company recognizes interest and/or penalties related to income tax matters as part of income tax expense. The Company has approximately \$4,245 and \$3,972 accrued for interest and penalties as of December 31, 2013 and December 31, 2012, respectively. Changes in these balances are recorded in income tax expense or as a reduction of the balance for payments made. The Company made no payments in 2013.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The Company has closed all U.S. federal tax matters for years through 2005. Federal income tax returns for 2006 through December 2013 are currently open to examination although no audits are ongoing. The Company is undergoing audits in the United Kingdom for the 2009 and 2011 tax years as well as a notification requesting that the 2008 tax year remain open for one subsidiary.

As of December 31, 2013 the following tax years remained subject to examination by the major tax jurisdiction indicated:

Major Jurisdiction	Open Years
Brazil	2008 through 2013
China	2011 through 2013
France	2010 through 2013
Germany	2009 through 2013
Italy	2008 through 2013
Japan	2012 through 2013
Netherlands	2007 through 2013
Singapore	2008 through 2013
United Kingdom	2008 through 2013
United States	2006 through 2013

9. DEBT AND CAPITAL LEASES

The Company's debt and capital lease obligations consisted of the following:

	December 31, 2013 (Successor)	December 31, 2012 (Predecessor)
Borrowings under lines of credit	\$ —	\$ —
First lien secured credit facility, due 2020, interest at the greater of 4.00% or LIBOR plus 3.00%, weighted average interest rate of 4.00% at December 31, 2013	751,225	—
Senior secured credit facility, tranche B due 2014, LIBOR plus 2.00%, weighted average interest rate of 0% and 2.29%, respectively; Credit facility paid in full June 7, 2013	—	217,656
Senior secured credit facility, tranche C due 2014, EURIBOR plus 2.25%, weighted average interest rate of 0% and 2.64%, respectively; credit facility paid in full June 7, 2013	—	147,337
Called senior subordinated notes due 2017, 9.5% interest rate; notes paid in full July 8, 2013 ...	—	350,000
Japanese senior secured bank debt, due in 2014, weighted average interest rate of 2.40% and 1.90%, respectively, paid in full October 2013	—	4,698
Capital lease obligations	1,024	949
Total debt and capital lease obligations	752,249	720,640
Less: current portion debt and capital lease obligations	(7,958)	(26,819)
Total long-term debt and capital lease obligations	\$ 744,291	\$ 693,821



(Note 9 continued)

9. DEBT AND CAPITAL LEASES

The Company's debt and capital lease obligations consisted of the following:

Year End	Capital leases	Long-term debt	Total
2014.....	\$ 408	\$ 7,550	\$ 7,958
2015.....	342	7,550	7,892
2016.....	186	7,550	7,736
2017.....	71	7,550	7,621
2018.....	17	7,550	7,567
Thereafter..	—	713,475	713,475
Total.....	\$ 1,024	\$ 751,225	\$ 752,249

Refinancing

On June 7, 2013, the Predecessor completed a refinancing arrangement whereby the outstanding Tranche B term loan, Tranche C term loan, revolving credit facility and senior subordinated notes payable were replaced with two new senior secured credit facilities. The new senior secured credit facilities consist of (i) a \$805,000 first lien credit facility allocated between a \$755,000 term loan denominated in U.S. Dollars ("first lien term loan"), a \$25,000 revolving credit facility denominated in U.S. Dollars and \$25,000 multi-currency revolving credit facility and (ii) a \$360,000 second lien term loan credit facility denominated in U.S. Dollars ("second lien term loan"). The first lien term loan and related revolving credit facilities accrue interest at the greater of 4.00% or LIBOR plus 3.00% and has quarterly principal payments of \$1,888. The revolving credit facility portion of the first lien term loan matures June 7, 2018. The first lien term loan matures June 7, 2020. The second lien term loan accrued interest at the greater of 7.75% or LIBOR plus 6.75% and matures December 7, 2020. The first lien term loan was originally issued at a discount of \$1,887 and the second lien term loan was issued at a discount of \$3,600. The new senior secured credit facilities are guaranteed by MacDermid Holdings and certain of its direct and indirect wholly owned domestic subsidiaries and are secured by the personal property now owned or hereafter acquired of MacDermid Holdings and certain of its direct and indirect wholly owned domestic subsidiaries and also 65% of the stock of the Company's first tier foreign subsidiaries, subject to customary exceptions, exclusions and release mechanisms.

In connection with the MacDermid Acquisition, on October 31, 2013, MacDermid entered into Amendment No. 1 to the First Lien Credit Agreement (the "Amended and Restated First Lien Credit Facility") and MacDermid paid \$373,000 in connection with the repayment of the \$360,000 in principal on the second lien credit facility. Pursuant to the Amended and Restated First Lien Credit Facility, Platform became a co-borrower on all obligations under the \$50,000 Revolving Credit Facility and the term loan (together, the "First Lien Facilities") and the negative and affirmative covenants contained therein were modified to reflect the new corporate structure. Otherwise, the terms relating to the incremental facility, maturity, indicative margin, LIBOR floor, ranking, guarantors, mandatory prepayments and financial covenants remained unmodified by the amendment.

In connection with the MacDermid Acquisition, the first lien term loan was marked to fair value by adding the original discount of \$1,775 to the carrying value at the time.

During the Successor 2013 Period and Predecessor 2013 Period, interest payments of \$5,105 and \$12,241, respectively, were made on the first lien term loan. During each of the Successor 2013 Period and Predecessor 2013 Period, principal payments of \$1,888 were made on the first lien term loan.

During the Predecessor 2013 Period, interest payments of \$11,315 were made on the second lien term loan.

The Company also has letters of credit outstanding of \$4,559 at December 31, 2013. The letters of credit reduce the borrowings available under the new revolving credit facility.

Predecessor Retired Senior Secured Credit Facility

On April 12, 2007, the Predecessor closed three new senior secured credit facilities consisting of (i) a \$360,000 tranche B term loan credit facility denominated in U.S. Dollars ("tranche B"), (ii) a \$250,000 tranche C term loan credit facility denominated in Euros ("tranche C") and (iii) a \$50,000 revolving credit facility denominated in U.S. Dollars.

During the Predecessor 2013 Period, interest payments of \$2,054 were made on the tranche B term loan. During the Predecessor 2013 Period, interest payments of \$1,454 were made on the tranche C term loan.

During the Predecessor 2013 Period, principal payments of \$217,656 were made on the tranche B term loan. The tranche B principal payments for the Predecessor 2013 Period consist of a quarterly payment of \$900, excess cash flow prepayment of \$10,277 and the retirement payoff of the outstanding balance of \$206,479.

During the Predecessor 2013 Period, principal payments of \$146,194 were made on the tranche C term loan. The principal payments for the Predecessor 2013 Period consist of a quarterly payment of \$647, excess cash flow prepayment of \$6,810 and the payoff of the outstanding balance of \$138,737.

During the Predecessor 2013 Period, the Company recorded \$1,137 of other income related to the remeasurement gain on the foreign currency denominated tranche C term loan.

During the year ended December 31, 2012, \$3,600 and \$5,066 of principal and interest payments, respectively, were made on the tranche B term loan and \$2,606 and \$3,878 of principal and interest payments, respectively, were made on the tranche C loan.

During the year ended December 31, 2011, \$3,600 and \$5,316 of principal and interest payments, respectively, were made on the tranche B term loan and \$2,756 and \$5,750 of principal and interest payments, respectively, were made on the tranche C loan.

During the year ended December 31, 2012, the Predecessor recorded \$2,710 of other expense related to the remeasurement loss on the foreign currency denominated tranche C term loan.

During the year ended December 31, 2011, the Company recorded \$4,736 of other income related to the remeasurement gain on the foreign denominated tranche C term loan.



(Note 9 continued)

In addition to scheduled repayments, the tranche B and tranche C loans contain mandatory prepayment provisions, whereby the Company was required to reduce the outstanding principal amounts of these loans based on excess cash flow (as defined in the credit agreement for the tranche B and tranche C loans) as of the most recent completed fiscal year. The Predecessor estimated mandatory excess cash flow prepayments, based upon 2012 operating results, of \$10,199 on the tranche B term loan and \$6,904 on the tranche C term loan. These prepayments were due by March 31, 2013 and are included in current installments of long-term obligations in the Consolidated Balance Sheet as of December 31, 2012. During the year ended December 31, 2012, the Predecessor made a mandatory excess cash flow prepayment, based on 2011 operating results, of \$8,726 on the tranche B loan and \$5,882 on the tranche C loan.

Predecessor Retired Revolving Credit Facility

As discussed above, on April 12, 2007, the Predecessor entered into a \$50,000 revolving credit facility. In May 2012, the revolving credit facility was amended and extended; the facility was retired on June 7, 2013 as part of the refinancing. There were no balances outstanding under the revolving credit facility on the retirement date or as of December 31, 2012. During the Predecessor 2013 Period, the Company paid commitment fees of \$118 for the revolving credit facility. During the year ended December 31, 2012, the Predecessor paid commitment fees of \$292 for the revolving credit facility.

The Predecessor had letters of credit outstanding of \$3,874 at December 31, 2012. The letters of credit reduced the borrowings available under the revolving credit facility. Upon the retirement of this revolving credit facility, the outstanding letters of credit were reissued under the new revolving credit facility.

Predecessor Senior Subordinated Notes

On April 12, 2007, the Predecessor issued \$350,000 of senior subordinated notes with a fixed interest rate of 9.50% at par. As discussed above and as part of the refinance and recapitalization, the senior subordinated notes were called on June 7, 2013 and \$249,519 of principal and a redemption premium of \$9,357 were paid to retire the tendered senior subordinated notes. Additionally, \$105,864 of the new debt proceeds from the refinance and recapitalization were escrowed to pay the outstanding called senior subordinated notes of \$100,481. Additionally, proceeds from the refinance were escrowed for a redemption premium of \$3,182 on the called senior subordinated notes outstanding and accrued interest of \$2,201 related to these called senior subordinated notes. The escrowed funds were paid to the holders of the remaining senior subordinated note holders on July 8, 2013.

During the Predecessor 2013 Period, the Company made interest payments of \$20,049 under the senior subordinated notes. During each of the years ended December 31, 2012 and 2011, \$33,250 of interest payments were made on the senior subordinated notes.

Japanese Senior Secured Bank Debt

In February 2007, the Predecessor borrowed approximately \$15,000 denominated in Japanese Yen in three separate notes that were paid in full by their respective maturity dates between 2009 and 2013. In May 2007 the Predecessor borrowed an additional \$7,557, denominated in Japanese Yen which was paid in

full in May 2012. In September 2007, the Predecessor borrowed an additional \$2,519 denominated in Japanese Yen which was paid in full in July 2013. In October 2009, the Predecessor borrowed \$5,569 denominated in Japanese Yen which was paid in full in October 2013.

During the Predecessor 2013 Period, the Company made principal and interest payments of \$4,179 and \$50, respectively, on Japanese senior secured bank debt. During the year ended December 31, 2012, \$4,624 and \$144 of principal and interest payments, respectively, were made on the Japanese senior secured bank debt. During the year ended December 31, 2011, \$5,935 and \$245 of principal and interest payments, respectively, were made on the Japanese senior secured bank debt.

Debt Covenants

The new senior secured credit facilities contain various covenants including restrictions on liens, limitations on additional indebtedness, dividends and other distributions, entry into new lines of business, transactions with affiliates, use of loan proceeds, capital expenditures, restricted payments, amendments to organizational documents, accounting changes, sale and leaseback transactions and dispositions. In addition, the new revolving credit facilities requires the Company to comply with certain financial covenants, including a maximum consolidated leverage ratio, a minimum interest coverage ratio and limitations on capital expenditures if the Company's funding under the revolving credit facility exceeds \$12,500 at the end of the fiscal quarter. As of December 31, 2013, the Company was in compliance with the debt covenants contained in the new senior secured credit facilities.

Other debt facilities

The Company carries various short-term debt facilities worldwide which are used to fund short-term cash needs. As of December 31, 2013 (Successor) and December 31, 2012 (Predecessor), there were no borrowings under these other debt facilities. The Company also has various overdraft facilities available. At December 31, 2013 (Successor) and December 31, 2012 (Predecessor), the capacity under these overdraft facilities was approximately \$22,075 and \$18,761, respectively. As of December 31, 2013, the Company's overdraft lines bore interest rates ranging from 1% to 6.25%.

10. DERIVATIVE INSTRUMENTS

In the normal course of business, the Company is exposed to risks relating to changes in foreign currency exchange rates, interest rates and commodity prices. Derivative financial instruments, such as interest rate collars are used to manage changes in market conditions related to debt obligations. All derivatives are recognized on the consolidated balance sheets at fair value at the end of each year. The counterparty to the Company's derivative agreements is a major international financial institution. The Company continually monitors its positions and the credit ratings of its counterparties, and does not anticipate nonperformance by the counterparties.

(Note 10 continued)

Interest Rates

The Predecessor entered into an interest rate collar agreement ("collar") in June 2007 to protect against interest rate changes on its floating rate U.S. Dollar denominated debt. The collar had a floor of 5.20% and a ceiling of 6.25%, a notional amount of \$100,000 and covered the period from June 30, 2010 through June 30, 2012.

Changes in the fair value of a derivative that is designated as and meets all the required criteria for a cash flow hedge are recorded in accumulated other comprehensive income (loss) and reclassified into earnings as the underlying hedged item affects earnings. Amounts reclassified into earnings related to the interest rate collar are included in interest expense. For the year ended December 31, 2012, \$(13) was recorded as other expense in the statement of operations for hedge ineffectiveness. For the year ended December 31, 2012, the Predecessor recorded \$1,462 of unrealized gains, net of tax, to Other Comprehensive Income.

During the years ended December 31, 2012 and 2011, the Company made payments of \$2,364 and \$4,949, respectively, related to the difference between the interest rate collar agreement rate of 5.20% and the actual interest rate on the Company's floating rate U.S. Dollar denominated debt. These payments were recorded as interest expense in the Consolidated Statement of Operations.

Foreign Currency

The Company conducts a significant portion of its business in currencies other than the U.S. Dollar, the currency in which the consolidated financial statements are reported, and as a result, the Company's operating results are affected by foreign currency exchange rate volatility relative to the U.S. dollar. The Company's Autotype subsidiary in the United Kingdom uses the British Pound Sterling ("GBP") as its functional currency while approximately 25 percent of its revenues are denominated in U.S. Dollars. In order to protect against the risk of a strengthening GBP, the Corporate Treasury Group entered into forward contracts in 2012 and 2013, on behalf of the Autotype subsidiary to deliver U.S. dollars at a fixed GBP rate and to receive GBP in exchange for the U.S. dollar.

As of December 31, 2013, the aggregate U.S. Dollar notional amount of foreign currency forward contracts, designated as hedges, was \$9,500. The Company uses the discounted period-end forward rates methodology to determine market value of its forward contracts.

During the Successor and Predecessor 2013 Periods, \$163 and \$(384), respectively, of unrealized gains (losses) were recorded in other comprehensive income relating to foreign currency exchange contracts. During the Successor and Predecessor 2013 Periods, the Company recorded realized gains (losses) of \$115 and \$(387), respectively, in other income (expense) related to the settlement of foreign exchange contracts. During the year ended December 31, 2012, unrealized gains and (losses) of \$518, net of tax, was recorded to other comprehensive income related to foreign currency hedges. During the years ended December 31, 2012 and 2011, the Predecessor recorded realized gains of \$128 and \$555, respectively, in other income (expense) related to the settlement of hedged foreign exchange contracts.

The following table summarizes foreign currency forward contract derivative instrument amounts as of December 31, 2013, by currency and the portion of the asset that settles within the next twelve months.

Derivative Assets	Local Currency Amount	U.S. Dollar Amount	Percentage Settled Within One Year	Date Contracts are Through
Great Britain Pound.....	£ 2,796	\$ 4,500	100%	March 31, 2014
Great Britain Pound.....	£ 3,107	5,000	100%	June 30, 2014
		<u>\$ 9,500</u>		

The following table summarizes the fair value of derivative instruments reported in the Consolidated Balance Sheets:

Derivatives designated as hedging instruments:	Assets Balance Sheet Location	December 31, 2013 U.S. Dollar Amount (Successor)	December 31, 2012 U.S. Dollar Amount (Predecessor)
Foreign exchange contracts	Other current assets	\$ 163	\$ 336
Total derivative contracts		<u>\$ 163</u>	<u>\$ 336</u>

An accumulated other comprehensive pre-tax gain of \$163 related to the foreign exchange contracts is expected to be reclassified into earnings by June 30, 2014.



11. FAIR VALUE MEASUREMENTS

The Company determines fair value measurements used in its consolidated financial statements based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants exclusive of any transaction costs, as determined by either the principal market or the most advantageous market. The principal market is the market with the greatest level of activity and volume for the asset or liability. Absent a principal market to measure fair value, the Company has used the most advantageous market, which is the market in which the Company would receive the highest selling price for the asset or pay the lowest price to settle the liability, after considering transaction costs. However, when using the most advantageous market, transaction costs are only considered to determine which market is the most advantageous and these costs are then excluded when applying a fair value measurement.

Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy. The basis for fair value measurements for each level within the hierarchy is described below with Level 1 having the highest priority and Level 3 having the lowest.

The three levels of the fair value hierarchy are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in non-active markets; and model derived valuations whose inputs are observable or whose significant valuation drivers are observable.

Level 3 – significant inputs to the valuation model are unobservable and/or reflect the Company's market assumptions.

The following tables present the Company's financial instruments, assets and liabilities that are measured at fair value on a recurring basis:

Fair Value Measurements Using				
<u>Asset Category</u>	<u>December 31, 2013</u>	<u>Quoted prices in active markets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
<i>Successor</i>				
Money market accounts.....	\$ 78,633	\$ 78,633	\$ —	\$ —
Available for sale equity securities.....	2,302	1,470	832	—
Derivatives.....	163	—	163	—
Total.....	\$ 81,098	\$ 80,103	\$ 995	\$ —
<i>Liability Category</i>				
Long term contingent consideration.....	\$ 34,800	\$ —	\$ —	\$ 34,800

Fair Value Measurements Using				
<u>Asset Category</u>	<u>December 31, 2012</u>	<u>Quoted prices in active markets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
<i>Predecessor</i>				
Money market accounts.....	\$ 110,867	\$ 110,867	\$ —	\$ —
Available for sale equity securities.....	2,233	2,233	—	—
Derivatives.....	336	—	336	—
Total.....	\$ 113,436	\$ 113,100	\$ 336	\$ —

Money market accounts are included in cash and cash equivalents in the balance sheet. Available for sale equity securities are included in other long term assets in the balance sheet.

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(Note 11 continued)

Nonrecurring Fair Value Measurements

In accordance with the provisions of ASC Topic 350, an indefinite lived intangible asset with a carrying amount of \$4,300 in the Graphic Solutions segment was written down to its estimated fair value of \$3,900, resulting in impairment charges of \$400 recorded as in Selling, technical, general and administrative expenses in the Predecessor 2013 Period.

The following table presents the Company's financial instruments, assets and liabilities that are measured at fair value on a nonrecurring basis in the Predecessor 2013 Period and for the year ended December 31, 2011. No such measurements were required in the Successor 2013 period or for the year ended December 31, 2012.

Fair Value Measurements Using					
For the ten months ended October 31, 2013	Carrying Value Prior to Impairment Analysis	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Losses
Asset Category	<i>Predecessor</i>				
Other intangible assets – Graphic Solutions	\$ 4,300	\$ —	\$ —	\$ 3,900	\$ (400)
Total	\$ 4,300	\$ —	\$ —	\$ 3,900	\$ (400)

Fair Value Measurements Using					
For the ten months ended December 31, 2011	Carrying Value Prior to Impairment Analysis	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total Losses
Asset Category	<i>Predecessor</i>				
Customer list intangible assets – Performance Materials	\$ 51,138	\$ —	\$ —	\$ 4,700	\$ (46,438)
Total	\$ 51,138	\$ —	\$ —	\$ 4,700	\$ (46,438)

The following table presents the carrying value and estimated fair value of the Company's first lien, second lien, tranche B, tranche C and Senior subordinated notes debt:

	December 31, 2013		December 31, 2012	
	<i>Successor</i>		<i>Predecessor</i>	
	Carrying Value	Fair Value	Carrying Value	Fair Value
First lien loan, including current portion	\$ 751,225	\$ 752,637	\$ —	\$ —
Tranche B, tranche C and senior subordinated notes debt outstanding, including current portion	—	—	714,993	727,589
	\$ 751,225	\$ 752,637	\$ 714,993	\$ 727,589

The carrying value of the Company's Japanese senior secured bank debt approximates fair value as of December 31, 2012. As discussed in Note 9, this debt was paid in full in connection with the MacDermid Acquisition.

The following methods and assumptions were used to estimate the fair value of each class of the Company's financial instruments, assets and liabilities:

Money market accounts - The Company invests in various money market funds which are managed by financial institutions. These money market funds are not publicly traded, but historically have been highly liquid. The fair value of the money market accounts is determined by the banks based upon the funds' net asset values ("NAV"). All of the money market accounts currently permit daily investments and redemptions at \$1.00 NAV.

(Note 11 continued)

Derivatives - The fair values of foreign currency derivatives were determined using pricing models based upon observable market inputs including both forward and spot prices for the underlying currencies.

Available for sale equity securities - Equity securities classified as available for sale are measured using quoted market prices at the reporting date multiplied by the quantity held.

First Lien, Tranche B, Tranche C and senior subordinated notes debt - The first lien tranche B, tranche C and senior subordinated debt are measured using quoted market prices at the reporting date multiplied by the carrying amount of the related debt. Such instruments are valued using Level 2 inputs.

12. STOCKHOLDERS' EQUITY

Successor

Founder Preferred Shares

On April 25, 2013, the Company issued two preferred shares, one to each of the founder entities ("Founders") for \$20. In connection with the initial public offering on May 22, 2013, the Founders purchased an additional 1,999,998 preferred shares ("Preferred" shares or stock; no par value) for \$20,000. Beginning in 2014, if the average stock price of the common shares exceeds \$11.50 per share for ten consecutive trading days, which it has, the holders of the Preferred stock receive a dividend in the form of common shares equal to 20% of the appreciation of the market price of common shares issued to common shareholders in the initial offering (90,500,000 shares). In the first year a dividend is payable (if any), the dividend amount will be calculated at the end of each calendar year based on the appreciated stock price as determined above (the "Dividend Price") compared to the initial offering price of \$10.00 per ordinary share. In subsequent years, the dividend amount will be calculated based on the appreciated stock price compared to the highest Dividend Price previously used in calculating the Preferred stock dividends. Dividends are paid for the term the Preferred stock is outstanding. The Preferred shares will be automatically converted into ordinary shares on a one for one basis (i) in the event of a Change of Control of the Company following an acquisition or (ii) upon the last day of the seventh full financial year following acquisition, being December 31, 2020 (extendable by our Board of Directors for three additional years). Each Preferred share is convertible into one ordinary share at the option of the holder until December 31, 2020 and has certain voting rights. During the Successor 2013 Period, the Company recognized a non-cash charge related to the fair value of the preferred dividend rights of \$172,006. The fair value of the preferred dividend rights was measured based on significant inputs not observable in the market (Level 3 inputs). Key assumptions included the fair value of the common stock and an assumption of volatility. The fair value was calculated using a Monte-Carlo simulation.

Ordinary Shares

In connection with the initial offering on May 22, 2013, the Company issued 88,500,000 common shares (no par value) for gross proceeds of \$885,000. Also, on May 22, 2013, the Company issued an aggregate of 29,500 common shares to non-founder directors for \$10.00 per share. Each common share has voting rights and winding-up rights.

Each of the 2,000,000 Preferred shares, 88,500,000 Common shares issued with the initial offering as well as the 29,500 Common shares issued to the non-founder directors was issued with a warrant (90,529,500 warrants in aggregate), entitling the holder of each warrant to purchase one-third of common shares with a strike price of \$11.50 per common share. Each warrant is exercisable until three years from the date of an acquisition, unless mandatorily redeemed by the Company. The warrants are mandatorily redeemable by the Company at a price of \$0.01 should the average market price of a common share exceed \$18.00 for 10 consecutive trading days.

In order to fund a portion of the cash consideration for the MacDermid Acquisition, the Company conducted an offer to issue common shares of the Company in exchange for \$10.50 and 3 warrants, up to a maximum of half of the warrants outstanding (the Warrant Exchange Offer") in which 40,386,840 warrants and \$141,354 in cash were exchanged in return for the issuance of 13,462,280 common shares. In conjunction with the Warrant Exchange Offer not being fully subscribed, the Company issued 380,952 shares at \$10.50 per share to the Founders and issued 190,476 shares each to two of its independent directors at \$10.50 per share.

During the fourth quarter of 2013, the Company issued 818,257 common shares in connection with the exercise of 1,399,998 warrants and issuances of common stock to employees and consultants. At December 31, 2013, there were 48,742,662 warrants outstanding.

Non-Controlling Interest

In connection with the MacDermid Acquisition, approximately \$97,500 was raised in new equity consisting of shares of a wholly owned subsidiary of Platform that may be exchanged for shares of Platform at a rate of 25% per year over a four year period. This equity is classified as a non-controlling interest on the Consolidated Balance Sheets at December 31, 2013 and will continue to be until such time as it is exchanged for Platform ordinary common shares. As the holders of this equity have a 6.76% interest in PDH, approximately \$1,434 of net loss has been allocated to them as included in the Consolidated Statements of Operations.

(Note 12 continued)

Predecessor

The Company had previously issued 50,000,000 shares at \$1.00 par value per share of common share prior to the MacDermid Acquisition. As of December 31, 2012, there were 49,582,936 common shares outstanding.

The Company also issued 316,000 preferred shares at \$1,000 original cost per share. The preferred shares accrued a 9% cumulative payment in kind dividend compounded quarterly. At December 31, 2012, the amount of the cumulative payment in kind dividend was \$209,027. At December 31, 2012, there were 315,144 preferred shares outstanding. The preferred shares were not redeemable and had no voting rights, covenants or restrictions. Upon the liquidation of the Company, the preferred shares would first receive, to the extent funds are available, proceeds equal to the payment in kind dividend then the unreturned preferred share original cost, which was \$1,000 per share. Then, the holders of the common shares will receive the unreturned common share original issue cost, which was \$1.00 per share. The holders of the common shares and junior Class A and B shares shall be entitled to receive the remaining portion of the proceeds from liquidation. Based on the MacDermid Acquisition described in Note 2, the respective shareholders were paid in accordance with these terms.

Accumulated other comprehensive (loss) income consisted of the following:

	December 31, 2013	December 31, 2012
	(Successor)	(Predecessor)
Foreign currency translation adjustments.....	\$ 12,855	\$ 3,317
Pension and postretirement benefit plans, net of tax	1,784	(33,908)
Foreign currency hedges - derivative valuation, net of tax	100	217
Available for sale securities, net of tax.....	40	104
Accumulated other comprehensive income (loss).....	\$ 14,779	\$ (30,270)

13. EARNINGS PER SHARE

A computation of the weighted average shares outstanding for the Successor 2013 Period follows. No such computation is necessary for the Predecessor 2013 Period or for the years ended December 31, 2012 and 2011.

(in thousands)	2013
Weighted average shares outstanding:	
Basic.....	92,563
Convertible securities	— ¹
Diluted.....	92,563

¹ No share adjustments are included in the dilutive weighted average shares outstanding computation as the Successor 2013 Period resulted in a net loss.

At December 31, 2013, the portion of 16,247,554 outstanding common shares convertible from the 48,742,662 outstanding warrants, accounted for under the treasury stock method, have been excluded from the computation of diluted earnings per share as the effect would be antidilutive.

14. OPERATING LEASE COMMITMENTS

The Company leases certain land, office space, warehouse space and equipment under agreements which are classified as operating leases for financial statement purposes. Certain of these leases provide for payment of real estate taxes, common area maintenance, insurance and certain other expenses. Lease terms may have escalating rent provisions and rent holidays which are recognized on a straight-line basis over the term of the lease. The leases expire at various dates through 2047. Total rental expense for leases for the Successor and Predecessor 2013 Periods was \$1,458 and \$9,142, respectively. Total rental expense for leases for the years ended December 31, 2012 and 2011 was \$9,700 and \$10,224, respectively. The fixed operating lease commitments detailed below assume that the Company continues the leases through their initial lease terms.

Minimum future non-cancelable operating lease commitments are as follows:

2014.....	\$ 7,449
2015.....	4,970
2016.....	3,625
2017.....	2,900
2018.....	2,482
Thereafter.....	17,295
	\$ 38,721

**15. OTHER (EXPENSE) INCOME, NET**

The major components of other (expense) income, net are as follows:

	For the period from inception (April 23, 2013) through December 31, 2013	For the ten months ended October 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011
Other income:	(Successor)	(Predecessor)	(Predecessor)	(Predecessor)
Remeasurement gain on foreign currency denominated debt..	\$ —	\$ 1,137	\$ —	\$ 4,093
Remeasurement gain on foreign currency denominated intercompany loans	—	—	8,430	5,063
Other, net	190	93	521	986
Total other income	\$ 190	\$ 1,230	\$ 8,951	\$ 10,142
Other expense:	(Successor)	(Predecessor)	(Predecessor)	(Predecessor)
Remeasurement loss on foreign currency denominated debt...	\$ —	\$ —	\$ (2,728)	\$ —
Foreign exchange loss, net	(630)	(1,380)	(1,050)	(208)
Other, net	—	(407)	(192)	(522)
Total other expense	(630)	(1,787)	(3,970)	(730)
Net other (expense) income.....	\$ (440)	\$ (557)	\$ 4,981	\$ 9,412

16. CONTINGENCIES, ENVIRONMENTAL AND LEGAL MATTERS**Asset Retirement Obligations**

The Company has recognized asset retirement obligations ("AROs") for properties where it can make a reasonable estimate of the future expenditures necessary to satisfy the related obligations. The Company considers identified legally enforceable obligations, estimated settlement dates and appropriate discount and inflation rates in calculating the fair value of its AROs. At December 31, 2013 (Successor) and December 31, 2012 (Predecessor), the Company has accrued \$4,765 and \$2,283, respectively, for its AROs at sites in the U.S., Europe and Japan. The AROs are included in the other long-term liabilities in the Consolidated Balance Sheets as of December 31, 2013 and December 31, 2012. Changes in the Company's AROs for the Successor and Predecessor 2013 Periods are as follows:

Successor:

Balance, April 23, 2013 (inception) ...	\$ —
Acquisitions	2,206
Additional obligations incurred.....	2,558
Accretion expense	31
Foreign currency adjustments	(30)
Balance, December 31, 2013.....	\$ 4,765

Predecessor:

Balance, December 31, 2012.....	\$ 2,283
Settlements.....	(96)
Accretion expense	117
Foreign currency adjustments	(98)
Balance, October 31, 2013	\$ 2,206



(Note 16 continued)

Changes in the Company's AROs for the years ended December 31, 2012 and 2011, respectively, are as follows:

Predecessor:

Balance, December 31, 2011.....	\$ 2,497
Additional obligations incurred.....	100
Settlements.....	(259)
Accretion expense	227
Revisions	(200)
Foreign currency adjustments	(82)
Balance, December 31, 2012.....	<u>\$ 2,283</u>

Predecessor:

Balance, December 31, 2010.....	\$ 2,283
Accretion expense	170
Foreign currency adjustments	44
Balance, December 31, 2011.....	<u>\$ 2,497</u>

Environmental

The Company is a manufacturer and distributor of specialty chemical products, and is exposed to claims with respect to environmental cleanup or other matters, including those in connection with the disposal of hazardous materials. The Company is subject to extensive domestic and foreign laws and regulations relating to environmental protection and worker health and safety, including those governing discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes, and the cleanup of contaminated properties. The Company has incurred, and will continue to incur, costs and capital expenditures in complying with these laws and regulations. Additional costs could be incurred, including cleanup costs, fines, sanctions, and third-party claims, as a result of violations of or liabilities under environmental laws.

Remediation activities vary substantially in duration and cost from site to site. These activities, and their associated costs, depend on the mix of unique site characteristics, evolving remediation technologies, diverse regulatory agencies and enforcement policies, as well as the presence or absence of potentially responsible parties. The Company has received notices of violation with respect to instances of non-compliance with environmental laws. A number of facilities and former facilities of the Company have been environmentally impacted from historic operations and some facilities are in the process of being investigated and remediated. As of December 31, 2013 (Successor) and December 31, 2012 (Predecessor), \$2,896 and \$2,142, respectively, was reserved for various environmental matters. Ultimate costs may vary from current estimates, and the discovery of additional contaminants at these facilities or other sites, or the imposition of additional cleanup obligations or third-party claims relating thereto could result in additional costs. The Company's management believes that any possible losses related to environmental remediation in addition to the amounts recorded as of December 31, 2013 (Successor) and December 31, 2012 (Predecessor) would not be material to the consolidated financial position, results of operations or cash flows.

Legal Proceedings

From time to time, the Company is involved in various legal proceedings in the normal course of its business. MacDermid believes that the resolution of these claims, to the extent not covered by insurance, will not individually or in the aggregate, have a material adverse effect on its consolidated financial position, results of operations or cash flows. As of December 31, 2013 (Successor) and December 31, 2012 (Predecessor), the Company has reserved approximately \$2,881 and \$1,041, respectively, for its outstanding legal proceedings.



17. RELATED PARTY TRANSACTIONS

For the Predecessor 2013 Period, the Company paid management fees of \$7,515 to Court Square Capital Partners II LP ("Court Square" or "CSC"), an investor. For the years ended December 31, 2012 and 2011, the Predecessor paid management fees of \$305 and \$509, respectively, to Court Square. Three of MacDermid's board members prior to the MacDermid Acquisition were employees of Court Square. The significant increase in management fees paid compared to the year ended December 31, 2012 was due to a final payment made to CSC in connection with the consummation of the MacDermid Acquisition and per the terms of the Management Agreement.

For the Predecessor 2013 Period, the Company paid management fees to Weston Presidio, an investor, of \$1,723. For the years ended December 31, 2012 and 2011, the Predecessor paid management fees to Weston Presidio of \$116 and \$70, respectively.

On August 26, 2013, MacDermid loaned \$275 to an officer in exchange for a promissory note bearing interest at Prime plus 1% per annum. As collateral, the note was secured by real estate owned by the officer. The principal amount of the loan and the accrued interest was repaid in full on October 31, 2013.

On October 31, 2013, in order to complete the MacDermid Acquisition, Platform advanced \$33,268 to MacDermid representing the portion of the cash consideration required to purchase the equity held by MacDermid employee shares in connection with the MacDermid Acquisition. Also in conjunction with closing of the MacDermid Acquisition, Platform paid \$5,028 of interest on the first and second lien credit facilities on MacDermid's behalf.

Immediately prior to the closing of the MacDermid Acquisition, each holder of a portion of MacDermid Holdings not owned by Platform (each, a "Retaining Holder"), including certain officers of MacDermid, executed a Retaining Holder Securityholders' Agreement (a "RHSA") with the Company pursuant to which they agreed to exchange their respective interests in MacDermid Holdings for shares of common stock of Platform's subsidiary Platform Delaware Holdings, Inc. (the "PDH Common Stock"), at an exchange rate of \$11.00 per share plus, with respect to the common, class A and class B unit equity interests of MacDermid Holdings held by the Retaining Holder (i) a proportionate share of a contingent interest in certain pending litigation (the "CLP"), and (ii) a proportionate share of up to \$100 million of contingent purchase price payable upon the attainment of certain EBITDA and stock trading price performance metrics during the seven-year period following the Closing Date (the "CPP") as discussed further in Note 2. Immediately prior to the closing of the MacDermid Acquisition, members of MacDermid management and certain affiliates, including certain officers of MacDermid, contributed all or a portion of their MacDermid Holdings interests to Tartan Holdings, LLC, a newly-formed Delaware limited liability company ("Tartan"), and Tartan agreed to receive the PDH Common Stock in exchange for such MacDermid Holdings equity interests. The resulting noncontrolling interest percentage for the Retaining Holders was 6.76%.

On October 31, 2013, the Company entered into an Advisory Services Agreement with Mariposa Capital, LLC, an affiliate of one of our founder directors. Under this agreement, Mariposa Capital, LLC will provide certain advisory services. In connection with these services, Mariposa Capital, LLC will be entitled to receive an annual fee equal to \$2,000, payable in quarterly installments. This agreement will expire on October 31, 2014 but will be automatically renewed for successive one-year terms unless either party notifies the other party in writing of its intention not to renew this agreement no later than 90 days prior to the expiration of the term. This agreement may only be terminated by the Company upon a vote of a majority of its directors. In the event that this agreement is terminated by the Company, the effective date of the termination will be six months following the expiration of the initial term or a renewal term, as the case may be. The Company paid \$440 during 2013 under this agreement.

On November 7, 2013, the Company entered into a registration rights agreement with Pershing Square Capital Management, L.P. ("Pershing Square"), the beneficial owner of approximately 31.0% of the Company's outstanding shares. Those shares were acquired by Pershing Square in the Offering and the Warrant Exchange Offer. Pursuant to the agreement, for so long as any of the included funds managed by Pershing Square holds any Platform shares, the Company agreed to cooperate with such holders' reasonable requests to facilitate any proposed sale of shares by the requesting holder(s) in accordance with the provisions of Rule 144 promulgated under the Securities Act or any successor rule ("Rule 144"), including, without limitation, by complying with the current public information requirements of Rule 144 and providing opinions of counsel, to the extent required. Additionally, the Company agreed that promptly after becoming eligible to utilize a Form S-3 registration statement, the Company will file with the SEC a registration statement on Form S-3 registering (among other securities) the resale of the Company shares held by the holders and use its commercially reasonable efforts to have such registration statement declared effective as soon as practicable after its filing. The Company's obligations under the registration rights agreement shall terminate on the earlier of (i) the date on which all of a holder's shares have been sold, and (ii) the date on which all of a holder's shares may be sold pursuant to Rule 144 without volume or other restrictions.

**18. RESTRUCTURING ACTIVITIES**

The Company continuously evaluates all operations to identify opportunities to improve profitability by leveraging existing infrastructure to reduce operating costs and respond to overall economic conditions. The Predecessor implemented certain restructuring actions which were intended to better align the Company's manufacturing capacity, eliminate excess capacity by lowering operating costs, and streamline the organizational structure for improved long-term profitability. The restructuring actions consist of facility consolidations and closures and employee terminations. The Company expects to incur incremental manufacturing costs at the operating locations impacted by the restructuring actions during the related restructuring implementation period. The restructuring plans initiated in 2013 primarily related to the consolidation of manufacturing processes which affected a manufacturing facility in the Graphic Solutions segment.

During the Successor 2013 Period and the Predecessor 2013 Period, the Company recorded \$762 and \$3,636, respectively, of restructuring expense primarily relating to the elimination of certain positions in both the Graphic Solutions the Performance Materials segments. As of December 31, 2013, the Company has accrued restructuring costs of \$2,029 that are anticipated to be paid out in the next twelve months.

During the year ended December 31, 2012, the Company recorded \$292 of restructuring expense primarily relating to the elimination of certain positions in the Performance Materials Europe reporting unit.

<i>Successor</i>	Balance, November 1, 2013	For the Successor 2013 Period			Total Costs and Adjustments	Balance, December 31, 2013
		Charges to Expense	Cash Payments	Non-cash Payments		
<u>Graphic Solutions:</u>						
Severance and other benefits	\$ 666	\$ —	\$ —	\$ 33	\$ 33	\$ 699
Total Graphics Solutions	666	—	—	33	33	699
<u>Performance Materials:</u>						
Severance and other benefits	1,671	762	(1,117)	14	(341)	1,330
Total Performance Materials	1,671	762	(1,117)	14	(341)	1,330
Total restructuring liability	\$ 2,337	\$ 762	\$ (1,117)	\$ 47	\$ (308)	\$ 2,029

<i>Predecessor</i>	Balance, December 31, 2012	For the Predecessor 2013 Period			Total Costs and Adjustments	Balance, October 31, 2013
		Charges to Expense	Cash Payments	Non-cash Payments		
<u>Graphic Solutions:</u>						
Severance and other benefits	\$ —	\$ 2,159	\$ (1,493)	\$ —	\$ 666	\$ 666
Total Graphics Solutions	—	2,159	(1,493)	—	666	666
<u>Performance Materials:</u>						
Severance and other benefits	632	1,477	(458)	20	1,039	1,671
Total Performance Materials	632	1,477	(458)	20	1,039	1,671
Total restructuring liability	\$ 632	\$ 3,636	\$ (1,951)	\$ 20	\$ 1,705	\$ 2,337

<i>Predecessor</i>	Balance, December 31, 2011	For the year ended December 31, 2012			Total Costs and Adjustments	Balance, December 31, 2012
		Charges to Expense	Cash Payments	Non-cash Payments		
<u>Graphic Solutions:</u>						
Severance and other benefits	\$ 20	\$ 67	\$ (87)	\$ —	\$ (20)	\$ —
Total Graphics Solutions	20	67	(87)	—	(20)	—
<u>Performance Materials:</u>						
Severance and other benefits	1,012	396	(814)	22	(396)	616
Other	215	(171)	(28)	—	(199)	16
Total Performance Materials	1,227	225	(842)	22	(595)	632
Total restructuring liability	\$ 1,247	\$ 292	\$ (929)	\$ 22	\$ (615)	\$ 632

**19. SEGMENT INFORMATION**

The Company's operations are organized into two reportable segments: Performance Materials and Graphic Solutions. The segments represent businesses for which separate financial information is utilized by the chief operating decision maker (the "CODM") for purpose of allocating resources and evaluating performance. Each of the reportable segments has its own president who report to the CODM.

The Performance Materials segment manufactures and markets dynamic chemistry solutions that are used in the electronics, automotive and oil and gas production and drilling industries. Its products include surface and coating materials and water-based hydraulic control fluids. In conjunction with the sale of these products, we provide extensive technical service and support to ensure superior performance of their application. Within the Performance Materials segment, the Company has two primary categories of products. Industrial products are materials used to improve the performance or look of a component of an industrial part or process. Electronic products are materials used to manufacture and improve the performance of circuit boards and similar electronic items.

The Graphic Solutions segment primarily produces and markets photopolymers through an extensive line of flexographic plates that are used in the commercial packaging and printing industries. The Company evaluates the performance of its operating segments based on net sales and operating profit. Operating profit for each segment includes net sales to third parties, related cost of sales and operating expenses directly attributable to the segment. Operating profit for each segment includes an allocation of corporate costs such as corporate salary and wages, equity compensation expense and legal costs.

Segment assets include cash, prepaid expenses, receivables, inventories, capital assets, goodwill, intangible assets, deferred taxes and other long term assets. Segment assets exclude corporate assets, which consist primarily of cash and cash equivalents, corporate property, plant and equipment, goodwill and other intangible assets.

The following table summarizes financial information regarding each reportable segment's results of operations for the periods presented:

	For the period from inception (April 23, 2013) through December 31, 2013	For the ten months ended October 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011
	(Successor)	(Predecessor)	(Predecessor)	(Predecessor)
Net Sales:				
Performance Materials.....	\$ 92,671	\$ 481,823	\$ 559,520	\$ 568,578
Graphic Solutions.....	25,568	145,889	171,700	160,195
Consolidated net sales	<u>118,239</u>	<u>627,712</u>	<u>731,220</u>	<u>728,773</u>
Depreciation and amortization:				
Performance Materials.....	9,698	26,520	33,965	37,827
Graphic Solutions.....	3,080	6,315	8,228	8,918
Consolidated depreciation and amortization	<u>12,778</u>	<u>32,835</u>	<u>42,193</u>	<u>46,745</u>
Operating (loss) profit:				
Performance Materials.....	(109,043)	73,588	82,101	30,331
Graphic Solutions.....	(86,589)	18,161	32,996	25,617
Consolidated operating (loss) profit	<u>\$ (195,632)</u>	<u>\$ 91,749</u>	<u>\$ 115,097</u>	<u>\$ 55,948</u>

Total assets by reportable segment as of December 31, 2013 (Successor) and December 31, 2012 (Predecessor) were as follows:

	December 31, 2013	December 31, 2012
	(Successor)	(Predecessor)
Performance Materials.....	\$ 1,260,840	\$ 665,354
Graphic Solutions.....	803,446	421,402
Corporate/ Unallocated	177,602	147,161
Total consolidated assets	<u>\$ 2,241,888</u>	<u>\$ 1,233,917</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Note 19 continued)

The following tables provide information for those countries that represent 10 percent or more of net sales and long-lived assets:

	For the period from inception (April 23, 2013) through December 31, 2013	For the ten months ended October 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011
	(Successor)	(Predecessor)	(Predecessor)	(Predecessor)
Net Sales*:				
United States	\$ 31,506	\$ 176,390	\$ 205,567	\$ 187,480
Foreign Net Sales:				
United Kingdom	17,756	93,395	115,160	113,129
China	13,524	64,179	66,294	72,763
Other countries	55,453	293,748	344,199	355,401
Total Foreign Net Sales	86,733	451,322	525,653	541,293
Total consolidated net sales	\$ 118,239	\$ 627,712	\$ 731,220	\$ 728,773

* Net sales are attributed to countries based on the country which generates the sale.

	December 31, 2013	December 31, 2012
	(Successor)	(Predecessor)
Long lived assets, net (1):		
United States	\$ 57,267	\$ 39,818
Foreign countries		
United Kingdom	30,649	21,463
Italy	13,687	14,266
China	17,162	8,766
Other countries	20,905	16,078
	82,403	60,573
Total long lived assets, net	\$ 139,670	\$ 100,391

(1) Long-lived assets represent property, plant and equipment, net.

The following table shows the Company's external party sales by product for the periods presented:

	For the period from inception (April 23, 2013) through December 31, 2013	For the ten months ended October 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011
	(Successor)	(Predecessor)	(Predecessor)	(Predecessor)
Performance Materials				
Industrial Group	\$ 67,807	\$ 353,397	\$ 411,091	\$ 409,251
Electronics Group	24,864	128,426	148,429	159,327
	92,671	481,823	559,520	568,578
Graphic Solutions	25,568	145,889	171,700	160,195
Total consolidated net sales	\$ 118,239	\$ 627,712	\$ 731,220	\$ 728,773

20. SUBSEQUENT EVENTS

In connection with the MacDermid Acquisition, the Company agreed to apply to list its shares on the New York Stock Exchange and to change its jurisdiction of incorporation from the British Virgin Islands to Delaware. The Company filed a registration statement on Form S-4 with the Securities and Exchange Commission to effect these changes. The registration statement was declared effective on January 22, 2014 and on that same date the Company changed its jurisdiction of incorporation from the British Virgin Islands to Delaware (the "Domestication"). On January 23, 2014, the Company's common stock began trading on the New York Stock Exchange under the ticker symbol "PAH." On March 4, 2014, pursuant to the terms of an Exchange Agreement, dated October 25, 2013, between the Company and the fiduciaries of the MacDermid Savings Plan, the Company acquired the remaining approximately 3% of the MacDermid Plan Shares not already held by MacDermid Holdings. In connection with the closing of the transactions contemplated by the Exchange Agreement, Platform issued to the fiduciaries of the MacDermid Savings Plan, for the benefit of the individual Plan participants, an aggregate of approximately \$2,600 in cash and 1,670,386 shares of the Company's common stock in exchange for all remaining outstanding equity interests of MacDermid, Incorporated owned by the Plan.

In connection with the Domestication, (i) each ordinary share of the Company that was issued and outstanding immediately prior to the Domestication was automatically converted into one share of common stock of the Company, (ii) outstanding options, warrants and other rights to acquire ordinary shares became options, warrants or rights to acquire the corresponding shares of common stock of the Company, and (iii) each Founder Preferred Share that was issued and outstanding immediately prior to the Domestication was automatically converted into one share of Series A Preferred Stock of the Company. The Series A Preferred Stock will be automatically converted into shares of Common Stock on a one-for-one basis upon the occurrence of certain events.

As of March 4, 2014, a mandatory redemption event occurred with respect to all of the Company's outstanding warrants. The Company fixed April 3, 2014 as the date of the mandatory redemption of the warrants, and accordingly, on or after that date, holders of warrants will have no further rights with regard to such warrants except to receive \$0.01 per warrant. As of March 26, 2014, there were 4,573,602 warrants outstanding and 119,969,706 common shares outstanding. If all warrants are exercised, an additional 1,524,534 common shares would be issued at a price of \$11.50 per share.

In March 2014, the initial target trading price relating to the stock trading price component of the contingent consideration arrangement discussed in Note 2 was achieved. As a result, the Company will adjust the fair value of the long-term contingent consideration accordingly in the first quarter of 2014.

The Company has evaluated subsequent events through the date of the filing of its Annual Report on Form 10-K. There were no events or transactions during this evaluation that require recognition or disclosure in the financial statements.



21. SUPPLEMENTARY DATA

Selected Quarterly Financial Data (Unaudited)

<i>Successor</i>			
2013			
	For the period from inception (April 23, 2013) to June 30, 2013		
		Third Quarter	Fourth Quarter (b)
Net sales	\$ —	\$ —	\$ 118,239
Gross profit	—	—	35,652
Net (loss) income attributable to common shareholders ..	(80)	(4,710)	(189,432)
Basic earnings (loss) per share (a)	—	(0.05)	(2.05)
Diluted earnings (loss) per share (a)	—	(0.05)	(2.05)

<i>Predecessor</i>				
2013				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter (c)
Net sales	\$ 182,132	\$ 189,992	\$ 188,433	\$ 67,155
Gross profit	93,314	96,541	98,972	34,010
Net income (loss) attributable to MacDermid, Inc.	15,248	(5,855)	14,497	(10,671)
Basic earnings (loss) per share (a)	n/a	n/a	n/a	n/a
Diluted earnings (loss) per share (a)	n/a	n/a	n/a	n/a

<i>Predecessor</i>				
2012				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	\$ 182,195	\$ 186,203	\$ 180,427	\$ 182,395
Gross profit	86,311	90,289	89,686	88,768
Net income (loss) attributable to MacDermid, Inc.	4,887	25,533	10,012	5,545
Basic earnings (loss) per share (a)	n/a	n/a	n/a	n/a
Diluted earnings (loss) per share (a)	n/a	n/a	n/a	n/a

- (a) Earnings per share calculations for each quarter are based on the weighted average number of shares outstanding for each period. As MacDermid was not a Registrant prior to the Successor 2013 Period, no earnings per share data is presented;
- (b) Platform's fourth quarter includes the results of MacDermid from November 1, 2013 through December 31, 2013;
- (c) MacDermid's fourth quarter includes results from October 1, 2013 through October 31, 2013.



Valuation and Qualifying Accounts and Reserves (in thousands)

Reserves against accounts receivable ⁽¹⁾ :	Balance at beginning of period	Charges to costs and expense	Deductions from reserves	Other ⁽²⁾	Balance at end of period
Successor					
April 23, 2013 (Inception) to December 31, 2013 ...	\$ —	\$ (285)	\$ 586	\$ (10,414)	\$ (10,113)
Predecessor					
December 31, 2012 to October 31, 2013.....	(8,831)	(2,077)	555	(51)	(10,404)
December 31, 2011 to October 31, 2012.....	(8,730)	(1,694)	1,736	(143)	(8,831)
December 31, 2010 to October 31, 2011.....	(8,179)	(1,955)	1,278	166	(8,730)
Valuation allowances against deferred tax assets:					
Successor					
April 23, 2013 (Inception) to December 31, 2013 ...	—	880	—	(23,229)	(22,349)
Predecessor					
December 31, 2012 to October 31, 2013.....	(41,446)	(3,634)	—	—	(45,080)
December 31, 2011 to October 31, 2012.....	(34,531)	(6,915)	—	—	(41,446)
December 31, 2010 to October 31, 2011.....	\$ (27,858)	\$ (6,673)	\$ —	\$ —	\$ (34,531)

(1) Principally consisting of reserves for uncollectable accounts and sales returns and allowances.

(2) Principally consisting of the opening balance sheet as a result of the MacDermid Acquisition.



PLATFORM SPECIALTY
 PRODUCTS CORPORATION

Platform Specialty Products Corporation Annual Report.

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Corporate Information 2013 Annual Report

Board of Directors

Martin E. Franklin

Chairman

Founder and Executive Chairman

Jarden Corporation

Daniel H. Leever

Chief Executive Officer,

President and Vice Chairman

Ian G.H. Ashken (1)(3)

Co-Founder, Vice-Chairman,

President and Chief Financial Officer

Jarden Corporation

Nicolas Berggruen (2)(3)

Chairman

Berggruen Holdings Ltd

Michael F. Goss (1)

Managing Director

and Head of Global Investor Relations

Bain Capital

Ryan Israel (1)(2)(3)

Partner

Pershing Square Capital Management, L.P.

E. Stanley O'Neal (2)

Director

(1) Member of the Audit Committee

(2) Member of Compensation Committee

(3) Member of Nominating and Policies Committee

Executive Officers

Daniel H. Leever

Chief Executive Officer,

President and Vice Chairman

Frank J. Monteiro

Senior Vice President and Chief Financial Officer

John L. Cordani

General Counsel (MacDermid)

and Corporate Secretary (Platform)

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

New York, New York

Registrar of Stock and Transfer Agent

Computershare

P.O. Box 30170

College Station, TX 77842

Annual Report on Form 10-K

This 2013 Annual Report and our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, including our financial statements and the financial statement schedule, are available without charge by written request to:

John L. Cordani

Corporate Secretary

Platform Specialty Products Corporation

245 Freight Street

Waterbury, CT 06702

Securities Listing

Our common shares are listed on the New York Stock Exchange. Ticker symbol: **PAH**





PLATFORM SPECIALTY PRODUCTS CORPORATION

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