Form

    Unknown document format

-RIGHT: 0pt" align="left">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 |

See accompanying notes to consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

| | Period from Inception (April 23, 2013) through December 31, 2013 Successor | January 1, 2013 through October 31, 2013 Predecessor | Year Ended December 31, 2012 Predecessor | Year Ended December 31, 2011 Predecessor |
|---|---|---|---|---|
| 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 | $ - | $ - |

See accompanying notes to consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share and per share amounts)

Predecessor

| | Series A Preferred Shares | Series B Preferred Shares | Common Shares | Additional Paid-In Capital | Accumulated deficit | Accumulated other comprehensive income (loss) | Treas Shares | Non-cont intere |
|---|---|---|---|---|---|---|---|---|
| Balance at December 31, 2011 | $480,449 | $- | $50,000 | $2,156 | $(274,458) | $(14,959) | $(994 ) | $(38 |
| Net income | - | - | - | - | 45,977 | - | - | 289 |
| Equity compensation | - | - | - | 162 | - | - | - | - |
| Accrual of paid in kind dividend on cumulative preferred shares | 44,605 | - | - | - | (44,605 ) | - | - | - |
| Foreign currency translation adjustments | - | - | - | - | - | (6,242 ) | - | 10 |
| Pension and postretirement plans, net of tax benefit of $5,415 | - | - | - | - | - | (11,238) | - | - |
| Derivatives valuation, net of tax expense of $1,067 | - | - | - | - | - | 1,980 | - | - |
| Shares repurchased | - | - | - | - | - | - | (270 ) | - |
| Unrealized gain on available for sale equity securities, net of tax expense of $101 | - | - | - | - | - | 189 | - | - |
| Dividend paid to non-controlling interest partner | - | - | - | - | - | - | - | (67 |
| Dividend paid on preferred stock | (27 ) | - | - | - | - | - | - | - |
| Assignment of value for non controlling interest in business acquisition | - | - | - | - | - | - | - | 447 |
| Sale of noncontrolling interest in subsidiary | - | - | - | - | - | - | - | 31 |
| Balance at December 31, 2012 | 525,027 | - | 50,000 | 2,318 | (273,086) | (30,270) | (1,264) | (28 |
| | | | | | | | | |
| Net income | - | - | - | - | 13,219 | - | - | 295 |
| Equity compensation | - | - | - | 281 | - | - | - | - |
| Accrual of paid in kind dividend on cumulative preferred shares | 20,805 | 1,649 | - | - | (22,454 ) | - | - | - |
| Foreign currency translation adjustments | - | - | - | - | - | (6,133 ) | - | (3 |
| Pension and postretirement plans, net of tax expense of $10,139 | - | - | - | - | - | 20,577 | - | - |
| Derivatives valuation, net of tax benefit of $135 | - | - | - | - | - | (249 ) | - | - |
| Unrealized loss on available for sale equity securities, net of tax expense of $79 | - | - | - | - | - | 145 | - | - |
| Shares repurchased | (500,000) | | - | - | - | - | (35 ) | - |
| Shares exchanged | (44,977 ) | 44,977 | - | - | - | - | - | - |
| Shares canceled | (855 ) | - | (417 ) | - | - | - | 1,272 | - |
| Dividend paid to non-controlling interest partner | - | - | - | - | - | - | - | (55 |
| Assignment of value for non controlling interest in business acquisition | - | - | - | - | - | - | - | 17 |
| Balance at October 31, 2013 | $- | $46,626 | $49,583 | $2,599 | $(282,321) | $(15,930) | $(27 ) | $(53 |

See accompanying notes to consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (continued)
(In thousands, except share and per share amounts)

| | Successor | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Preferred Stock | | Common Stock | | | | | |
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Accumulated other comprehensive income (loss) | N |
| 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 |
| 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 |
| Equity offering cost | - | - | - | - | (24,078 ) | - | - | (24,078 |
| Equity compensation | - | - | - | - | 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 |
| Preferred stock dividend rights | - | - | - | - | 172,006 | - | - | 172,006 |
| Exercise of warrants for 391,081 common shares @ $10.50 on November 13, 2013 | - | - | 391,081 | - | 4,106 | - | - | 4,106 |
| Issuance of 761,904 common shares @ $10.50 per share on November 13, 2013 | - | - | 761,904 | - | 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 |
| Issuance of 349,691 common shares @ $11.00 per share on December 23, 2013 | - | - | 349,691 | - | 3,847 | - | - | 3,847 |
| Issuance of 1,900 common shares @ $11.00 per share on December 23, 2013 to an unrelated third party for services | - | - | 1,900 | - | - | - | - | - |
| Net loss | - | - | - | - | - | (194,222) | - | (194,222 |
| Foreign currency translation adjustments | - | - | - | - | - | - | 12,855 | 12,855 |
| Pension and postretirement plans, net of tax expense of $1,750 | - | - | - | - | - | - | 1,784 | 1,784 |
| Derivatives valuation, net of tax expense of $63 | - | - | - | - | - | - | 100 | 100 |
| Unrealized gain on available for sale | - | - | - | - | - | - | 40 | 40 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| equity securities, net of tax expense of $25 | | | | | | | | |
| Dividend paid to non-controlling interest partner | - | - | - | - | - | - | - | - |
| Assignment of value for non controlling interest in business acquisition | - | - | - | - | - | - | - | - |
| Balance at December 31, 2013 | 2,000,000 | $- | 103,571,941 | $- | $1,212,038 | $(194,222) | $14,779 | $1,032,595 |

See accompanying notes to consolidated financial statements

F-9

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

## 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 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.

(In thousands, except share and per share amounts)

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 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 | $ 1,007,200 |

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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 Successor | December 31, 2012 Predecessor |
|---|---|---|
| Finished goods | $ 58,360 | $ 46,820 |
| Raw materials and supplies | 29,870 | 27,657 |
| Equipment | 1,388 | 1,616 |
| Total inventory, net | $ 89,618 | $ 76,093 |

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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)
4. PROPERTY, PLANT AND EQUIPMENT

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

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

For the Successor and Predecessor 2013 Periods, the Company recorded depreciation expense of $3,900 and $10,459, respectively. For the years ended December 31, 2012 and 2011, the Company recorded depreciation expense of $15,093 and $18,167, respectively.

5. GOODWILL AND INTANGIBLE ASSETS

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

| | Performance Materials | Graphic Solutions | Total |
|---|---|---|---|
| Predecessor: | | | |
| 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 | 447,752 | 28,480 | 476,232 |
| Foreign currency translation and other | (4,436) | - | (4,436) |
| Balance, October 31, 2013 | $ 443,316 | $ 28,480 | $ 471,796 |
| | | | |
| Successor: | | | |
| 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 | $ 773,713 | $ 229,173 | $ 1,002,886 |

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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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

| | December 31, 2013 Successor | December 31, 2012 Predecessor |
|---|---|---|
| Tradenames | $ 73,400 | $ 58,417 |

Intangible assets subject to amortization were as follows:

| | December 31, 2013 Successor | | | December 31, 2012 Predecessor | | |
|---|---|---|---|---|---|---|
| | 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.

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 |

F-18

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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.

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

| A Shares: | A Shares | Weighted Average Grant Date 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 Date 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 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 postretirement 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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.

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 Retirements 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 (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) | |
|---|---|---|---|---|---|---|---|---|
| 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 | $(2,728 ) | $(91 ) | $3,910 | $(642 ) | $3,107 | $(128 ) | $1,684 | $(308 ) |

| | 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) | |
|---|---|---|---|---|---|---|---|---|
| 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 cost (benefit) | $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:

F-23

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

| | Pension and SERP Benefits | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | |
| | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign |
| Weighted average assumptions used to determine net periodic benefit cost: | | | | | | | | |
| 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 (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) | |
| | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign |
| Weighted average assumptions used to determine net periodic benefit cost: | | | | | | | | |
| 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) | | | | |
|---|---|---|---|---|---|
| | Pension | | Postretirement Medical Benefits | | |
| | Domestic | Foreign | Domestic | Foreign | Total |
| Current year actuarial gain (loss) | $5,655 | $(1,851 ) | $(71 ) | $46 | $3,779 |

| | | | | | |
|---|---|---|---|---|---|
| Amortization of actuarial (loss) gain | - | (228) | - | - | (228) |
| Translation adjustment | - | (40) | - | (1) | (41) |
| Total recognized in other comprehensive income (loss) (pre tax) | $5,655 | $(2,119) | $(71) | $45 | $3,510 |

F-24

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

| | For the ten months ended October 31, 2013 (Predecessor) | | | | |
|---|---|---|---|---|---|
| | Pension | | Postretirement Medical Benefits | | |
| | Domestic | Foreign | Domestic | Foreign | Total |
| 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 | | |
| | Domestic | Foreign | Domestic | Foreign | Total |
| 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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

| | Pension and SERP Benefits | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | |
| | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign |
| Change in Projected Benefit Obligation: | | | | | | | | |
| 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 |

| | Pension and SERP Benefits | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | |
| | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign |
| Change in Fair Value of Plan Assets: | | | | | | | | |
| 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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

| | Postretirement Medical Benefits | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | |
| | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign |
| Change in Accumulated Benefit Obligation: | | | | | | | | |
| 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 | $- |

| | Postretirement Medical Benefits | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | |
| | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign |
| Change in Fair Value of Plan Assets: | | | | | | | | |
| 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 ) | $- |

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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

| | December 31, 2013 (Successor) | December 31, 2012 (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:

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

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

**Not a meaningful statistic

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 (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) | |
| | 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) |

| | Postretirement Medical Benefits | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | |
| | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign | Domestic | Foreign |
| Net actuarial (loss) gain | $(71) | $45 | $124 | $(93) | $295 | $- | $485 | $- |
| Prior service (costs) credits | - | - | (485) | 319 | (602) | 364 | 742 | - |
| | $(71) | $45 | $(361) | $226 | $(307) | $364 | $1,227 | $- |

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 | | |
|---|---|---|---|---|
| | December 31, 2013 (Successor) | Quoted prices in active markets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Asset Category | | | | |
| 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 | $ 215,113 | $49,183 | $ 165,930 | $ - |

F-29

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| | December 31, 2012 (Predecessor) | Quoted prices in active markets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Asset Category | | | | |
| 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 | $ 182,279 | $46,086 | $ 130,817 | $ 5,376 |

(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.

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 (Successor) | For the ten months ended October 31, 2013 (Predecessor) | For the year ended December 31, 2012 (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 |

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 (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) |
|---|---|---|---|---|
| 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 | 1,328 | 22,776 | 30,725 | 29,860 |
| Total current | 1,662 | 17,806 | 33,037 | 25,963 |
| Deferred: | | | | |
| U.S.: | | | | |
| Federal | (2,049) | (3,104) | (4,937) | 3,459 |
| State and local | (313) | 79 | 100 | (615) |
| Foreign | (5,119) | (1,820) | (3,527) | (18,854) |
| Total deferred | (7,481) | (4,845) | (8,364) | (16,010) |
| Provision for income taxes | $ (5,819) | $ 12,961 | $ 24,673 | $ 9,953 |

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 | | 306 | | | 776 | | | 27 | | | 1,434 | |
| Income tax (benefit) expense | $ | (5,819 | ) | $ | 12,961 | | $ | 24,673 | | $ | 9,953 | |
| 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.

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

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

| | December 31, 2013 (Successor) | December 31, 2012 (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 (Successor) | December 31, 2012 (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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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.

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:

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

| 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 |

Minimum future principal payments on short-term debt, long-term debt and capital leases are as follows:

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

| 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

(In thousands, except share and per share amounts)

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.

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

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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.

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

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 | | $ 163 | $ 336 |

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:

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

| | December 31, 2013 Successor | Fair Value Measurement Using Quoted prices in active markets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Asset Category | | | | |
| 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 | $ - |
| | | | | |
| Liability Category | | | | |
| Long term contingent consideration | $ 34,800 | $- | $ - | $ 34,800 |

| | December 31, 2012 Predecessor | Fair Value Measurement Using Quoted prices in active markets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|---|---|---|---|
| Asset Category | | | | |
| 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.

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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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

| For the year ended December 31, 2011 | Carrying Value Prior to Impairment Analysis Predecessor | Fair Value Measurement Using Quoted prices in active markets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Total Losses |
|---|---|---|---|---|---|
| Asset Category | | | | | |
| 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 (Successor) | | December 31, 2012 (Predecessor) | |
|---|---|---|---|---|
| | 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.

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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 (Successor) | December 31, 2012 (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 |
| Avaialble 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 (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) |
|---|---|---|---|---|
| Other income: | | | | |
| 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 |

| | 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) |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Other expense: | | | | |
| 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 |

F-45

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 |

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 | $2,283 |
| | |
| Predecessor: | |
| Balance, December 31, 2010 | $2,283 |
| Accretion expense | 170 |
| Foreign currency adjustments | 44 |
| Balance, December 31, 2011 | $2,497 |

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 atPrime 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%.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

The activity in the restructuring liabilities was as follows:

| Successor | For the Successor 2013 Period<br>Balance, November 1, 2013 | Charges to Expense | Cash Payments | Non-cash Adjustments | Total Costs and Adjustments | Balance, December 31, 2013 |
|---|---|---|---|---|---|---|
| Graphic Solutions: | | | | | | |
| Severance and other benefits | $ 666 | $ - | $ - | $ 33 | $ 33 | $ 699 |
| Total Graphics Solutions | 666 | - | - | 33 | 33 | 699 |
| | | | | | | |
| Performance Materials: | | | | | | |
| 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 |

| Predecessor | For the Predecessor 2013 Period<br>Balance, December 31, 2012 | Charges to Expense | Cash Payments | Non-cash Adjustments | Total Costs and Adjustments | Balance, October 31, 2013 |
|---|---|---|---|---|---|---|
| Graphic Solutions: | | | | | | |
| Severance and other benefits | $ - | $ 2,159 | $ (1,493) | $ - | $ 666 | $ 666 |
| Total Graphics Solutions | - | 2,159 | (1,493) | - | 666 | 666 |
| | | | | | | |
| Performance Materials: | | | | | | |
| 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 |

| Predecessor | For the year ended December 31, 2012<br>Balance, December 31, 2011 | Charges to Expense | Cash Payments | Non-cash Adjustments | Total Costs and Adjustments | Balance, December 31, 2012 |
|---|---|---|---|---|---|---|
| Graphic Solutions: | | | | | | |
| Severance and other benefits | $ 20 | $ 67 | $ (87) | $ - | $ (20) | $ - |
| Total Graphics Solutions | 20 | 67 | (87) | - | (20) | - |
| | | | | | | |
| Performance Materials: | | | | | | |
| 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 |

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 (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) |
|---|---|---|---|---|
| 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 | 118,239 | 627,712 | 731,220 | 728,773 |
| | | | | |
| 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 | 12,778 | 32,835 | 42,193 | 46,745 |
| | | | | |
| 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 | $ (195,632 ) | $ 91,749 | $ 115,097 | $ 55,948 |

F-50

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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

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

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 (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) |
|---|---|---|---|---|
| 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 (Successor) | December 31, 2012 (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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

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 (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) |
|---|---|---|---|---|
| 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 this Annual Report. There were no events or transactions during this evaluation that require recognition or disclosure in the financial statements.

F-52

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share amounts)

21. SUPPLEMENTARY DATA

Selected Quarterly Financial Data (Unaudited)

| (in thousands, except per share amounts) | Successor 2013 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) |

| | Predecessor 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 |

| | Predecessor 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share amounts)

| | Three months ended March 31, 2014 Successor | Three months ended March 31, 2013 Predecessor |
|---|---|---|
| Net sales | $ 183,726 | $ 182,132 |
| Cost of sales | 99,504 | 88,818 |
| Gross profit | 84,222 | 93,314 |
| | | |
| Operating expenses: | | |
| Selling, technical, general and administrative | 74,032 | 55,980 |
| Research and development | 6,198 | 5,952 |
| Restructuring | - | 1,606 |
| Total operating expenses | 80,230 | 63,538 |
| | | |
| Operating profit | 3,992 | 29,776 |
| | | |
| Other (expense) income: | | |
| Interest, net | (7,742) | (11,718) |
| Other (expense) income, net | (89) | 3,587 |
| | (7,831) | (8,131) |
| | | |
| (Loss) income before income taxes, non-controlling interests and accrued payment-in-kind dividends on cumulative preferred shares | (3,839) | 21,645 |
| Income tax provision | (2,109) | (6,308) |
| Net (loss) income | (5,948) | 15,337 |
| Net income attributable to the non-controlling interests | (1,469) | (89) |
| Net (loss) income attributable to common shareholders | (7,417) | 15,248 |
| Accrued payment-in-kind dividend on cumulative preferred shares | - | (11,794) |
| Net (loss) income attributable to common shares | $ (7,417) | $ 3,454 |
| | | |
| Earnings (loss) per share | | |
| Basic | $ (0.07) | n/a |
| Diluted | $ (0.07) | n/a |
| | | |
| Weighted average shares outstanding (In thousands) | | |
| Basic | 107,160 | n/a |
| Diluted | 107,160 | n/a |

See accompanying notes to condensed consolidated financial statements

F-54

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands)

| | Three months ended March 31, 2014 Successor | Three months ended March 31, 2013 Predecessor |
|---|---|---|
| Net (loss) income | $ (5,948) | $ 15,337 |
| Other comprehensive (loss) income, before tax | | |
| Foreign currency translation adjustments | (9,276) | (16,524) |
| Unrealized (loss) gain on available for sale securities | (52) | 145 |
| Derivative financial instruments revaluation | 15 | (780) |
| Total other comprehensive loss, before tax | (9,313) | (17,159) |
| Income tax benefit on comprehensive loss | 18 | 222 |
| Other comprehensive loss, net of tax | (9,295) | (16,937) |
| Comprehensive income attributable to the non-controlling interests | (1,465) | (57) |
| Comprehensive loss attributable to common shareholders | $ (16,708) | $ (1,657) |

See accompanying notes to condensed consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share and per share amounts)

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| Assets | | |
| Cash & cash equivalents | $ 316,604 | $ 123,040 |
| Accounts receivable, net of allowance for doubtful accounts of $10,242 and $10,113 at March 31, 2014 and December 31, 2013, respectively | 141,384 | 140,525 |
| Inventories | 79,870 | 89,618 |
| Prepaid expenses & other current assets | 21,347 | 30,056 |
| Total current assets | 559,205 | 383,239 |
| | | |
| Property, plant & equipment, net | 135,743 | 139,670 |
| Goodwill | 1,001,748 | 1,002,886 |
| Intangible assets, net | 665,577 | 683,004 |
| Other assets | 31,957 | 33,089 |
| Total assets | $ 2,394,230 | $ 2,241,888 |
| | | |
| Liabilities & Stockholders' Equity | | |
| Accounts payable | 54,230 | 56,156 |
| Accrued salaries, wages and employee benefits | 13,426 | 22,656 |
| Current installments of long-term debt | 7,911 | 7,958 |
| Accrued income taxes payable | 4,656 | 6,610 |
| Accrued expenses and other current liabilities | 26,903 | 26,040 |
| Total current liabilities | 107,126 | 119,420 |
| | | |
| Long-term debt | 742,327 | 744,291 |
| Long-term retirement benefits, less current portion | 21,532 | 25,129 |
| Long-term deferred income taxes | 135,287 | 138,273 |
| Long-term contingent consideration | 47,800 | 34,800 |
| Other long-term liabilities | 36,127 | 30,387 |
| Total liabilities | 1,090,199 | 1,092,300 |
| | | |
| Commitments and contingencies (Note 13) | | |
| Redeemable 401(k) plan interest | - | 20,972 |
| | | |
| Stockholders' Equity | | |
| Preferred shares (2,000,000 designated as Series A), 5,000,000 shares authorized, 2,000,000 shares issued and outstanding at March 31, 2014 and December 31, 2013, respectively | 20 | - |
| Common shares, $0.01 par value (effective January 23, 2014), 200,000,000 shares authorized, 120,239,236 and 103,571,941 shares issued and outstanding at March 31, 2014 and December 31, 2013, respectively | 1,182 | - |
| Additional paid-in capital | 1,401,673 | 1,212,038 |
| Accumulated deficit | (201,639 ) | (194,222 ) |
| Accumulated other comprehensive income | 5,484 | 14,779 |

| | | | | |
|---|---|---|---|---|
| Total stockholders equity | | 1,206,720 | | 1,032,595 |
| Non-controlling interests | | 97,311 | | 96,021 |
| Total equity | | 1,304,031 | | 1,128,616 |
| | | | | |
| Total liabilities, redeemable 401(k) plan interest and stockholders' equity | $ | 2,394,230 | $ | 2,241,888 |

See accompanying notes to condensed consolidated financial statements

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

| | Three months ended March 31, 2014 Successor | Three months ended March 31, 2013 Predecessor |
|---|---|---|
| Cash flows from operating activities: | | |
| Net (loss) income | $ (5,948) | $ 15,337 |
| Adjustments to reconcile net (loss) income from operations to net cash flows provided by operating activities: | | |
| Depreciation and amortization | 16,890 | 9,887 |
| Non-cash fair value adjustment to contingent consideration | 13,000 | - |
| Manufacturer's profit in inventory adjustment | 11,956 | - |
| Other, net | (2,132) | 625 |
| | | |
| Changes in assets & liabilities, net of acquisitions: | | |
| Accounts receivable | (1,035) | (4,328) |
| Inventories | (1,886) | (5,758) |
| Accrued expenses | (7,945) | 7,179 |
| Other assets and liabilities | (1,835) | 174 |
| Net cash flows provided by operating activities | 21,065 | 23,116 |
| | | |
| Cash flows from investing activities: | | |
| Capital expenditures, net | (2,025) | (1,331) |
| Acquisition of business, net | 5,941 | - |
| Other, net | (1,114) | (1,290) |
| Net cash flows provided by (used in) investing activities | 2,802 | (2,621) |
| | | |
| Cash flows from financing activities: | | |
| Repayments of borrowings | (2,013) | (19,868) |
| Proceeds from issuance of common stock, net | 172,463 | - |
| Other, net | (191) | (156) |
| Net cash flows provided by (used in) financing activities | 170,259 | (20,024) |
| | | |
| Effect of exchange rate changes on cash and cash equivalents | (562) | (781) |
| | | |
| Net increase (decrease) in cash and cash equivalents | 193,564 | (310) |
| | | |
| Cash and cash equivalents at beginning of period | 123,040 | 143,351 |
| Cash and cash equivalents at end of period | $ 316,604 | $ 143,041 |

See accompanying notes to condensed consolidated financial statements

F-57

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

## 1. BASIS OF PRESENTATION

Platform Specialty Products Corporation and its subsidiaries ("Platform," the "Company," "we" or "us") (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.

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, Platform 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".

The accompanying unaudited condensed consolidated interim financial statements and information included herein are for the Company as of March 31, 2014 and December 31, 2013 and for the period from January 1, 2014 through March 31, 2014 (the "Successor Period"), and for MacDermid for the period from January 1, 2013 through March 31, 2013 (the "Predecessor Period"), which preceeded the consummation of the MacDermid Acquisition. These unaudited condensed consolidated interim financial statements and related information have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and in accordance with the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These unaudited condensed consolidated interim financial statements reflect all adjustments that are, in the opinion of management, normal and recurring and necessary for a fair statement of the results for the interim period but are not necessarily indicative of the results of operations for the full fiscal year 2014 or any future period. The Condensed Consolidated Balance Sheet at December 31, 2013 has been derived from the audited financial statements as of that date, but does not include all of the information and footnotes required by GAAP for complete financial statements. These unaudited condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements and the related notes thereto included in the Company's latest Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on March 31, 2014.

Out of period adjustment - During the period ended March 31, 2014, the Company identified a prior period adjustment totaling approximately $4 million related to foreign currency translation adjustments to goodwill, intangible assets and deferred tax liabilities which was corrected within the current quarter and had no impact to net income in 2013. Management has determined these out of period correcting adjustments are not material to the prior period financial statements and has therefore recorded them in the three months ended March 31, 2014.

In March 2013, the Financial Accounting Standards Board (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, (a consensus of the FASB Emerging Issues Task Force)" 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. The adoption of this new ASU did not have a material impact on our consolidated financial position, results of operations or cash flows in the Successor Period.

## 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 MacDermid 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 is reflected in "Acquisition of business, net" in the accompanying Condensed Consolidated Statements of Cash Flows.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

The fair value of contingent consideration was measured based on significant inputs not observable in the market, which are considered to be Level 3 inputs under the ASC 820 fair value hierarchy (see Note 10). 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 MacDermid Acquisition, the fair value of the contingent payments was $35,500. As of March 31, 2014 and December 31, 2013, the fair value of the contingent consideration was $47,800 and $34,800, respectively, which was included in “Other long-term liabilities” in the accompanying Condensed Consolidated Balance Sheets. The $13,000 increase in fair value during the three months ended March 31, 2014, which is recorded in “Selling, technical, general and administrative expenses” in the accompanying Condensed Consolidated Statements of Operations, was primarily due to the first target of the stock trading price metric being achieved.

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 was recorded as goodwill. None of the goodwill recorded in connection with the MacDermid Acquisition is expected to be deductible for tax purposes. As the Company completes its purchase price allocation, it is anticipated that additional adjustments may 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 was 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 | $ 1,007,200 |

Certain sellers of MacDermid exchanged their equity in MacDermid for equity in a wholly owned subsidiary, Platform Delaware Holdings, Inc. (“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 Company’s 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 shares of Common Stock issuable upon the exchange are 8,900,000. This equity is classified as a “Non-controlling interest” in the accompanying Condensed Consolidated Balance Sheets.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

Upon the closing of the MacDermid Acquisition, the MacDermid Savings Plan retained a 3% interest in MacDermid. 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 at December 31, 2013 since it could be settled in either cash or stock. 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 for approximately $2,600 in cash (which is reflected in “Acquisition of business, net” in the accompanying Condensed Consolidated Statements of Cash Flows) and 1,670,386 shares of the Company’s Common Stock.

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 Periods.

Other

During the quarter ended March 31, 2012, MacDermid acquired 95% of the stock of a specialty chemical business in Brazil for a total purchase price of $8,900. 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. During the first quarter of 2014, the remaining $1,114 purchase price was paid.

3. INVENTORIES

The major components of inventory were as follows

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| Finished goods | $ 48,072 | $ 58,360 |
| Raw materials and supplies | 29,736 | 29,870 |
| Equipment | 2,062 | 1,388 |
| Total inventory, net | $ 79,870 | $ 89,618 |

In connection with the MacDermid Acquisition, the fair value assessment of inventory resulted in an increase to finished goods of $35,868 consisting of $23,992 charged through earnings in the prior year and $11,956 charged through the Condensed Consolidated Statement of Operations in the three months ended March 31, 2014 based on our estimated inventory turnover.

4. PROPERTY, PLANT AND EQUIPMENT

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

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| Land and leasehold improvements | $ 29,848 | $ 31,246 |
| Buildings and improvements | 39,969 | 41,118 |
| Machinery, equipment and fixtures | 64,518 | 63,475 |
| | 134,335 | 135,839 |
| Less: accumulated depreciation | (7,473) | (3,900) |
| | 126,862 | 131,939 |

| | | | | |
|---|---|---|---|---|
| Construction in process | | 8,881 | | 7,731 |
| Property, plant and equipment, net | $ | 135,743 | $ | 139,670 |

For the Successor and Predecessor Periods, the Company recorded depreciation expense of $3,573 and $3,152, respectively.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

## 5. GOODWILL AND INTANGIBLE ASSETS

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

| | Performance Materials | Graphic Solutions | Total |
|---|---|---|---|
| Balance, December 31, 2013 | $ 773,713 | $229,173 | $1,002,886 |
| Acquisition adjustments | 3,453 | - | 3,453 |
| Foreign currency translation and other | (4,129 ) | (462 ) | (4,591 ) |
| Balance, March 31, 2014 | $ 773,037 | $228,711 | $1,001,748 |

The carrying value of indefinite-lived intangible assets other than goodwill which consist solely of tradenames was $73,400 at both March 31, 2014 and December 31, 2013.

Intangible assets subject to amortization were as follows:

| | March 31, 2014 | | | December 31, 2013 | | |
|---|---|---|---|---|---|---|
| | 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 | $ (14,992 ) | $443,408 | $458,400 | $ (2,290 ) | $456,110 |
| Developed technology | 155,000 | (6,231 ) | 148,769 | 155,000 | (1,506 ) | 153,494 |
| Total | $613,400 | $ (21,223 ) | $592,177 | $613,400 | $ (3,796 ) | $609,604 |

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 March 31, 2014.

For the Successor and Predecessor Periods, the Company recorded amortization expense on intangible assets of $13,317 and $6,735, respectively.

## 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 Platform Specialty Products Corporation Amended and Restated 2013 Incentive Compensation Plan (the "2013 Plan"), which 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 shares of Common Stock of our Company that may be subject to the granting of awards under the 2013 Plan is equal to 15,500,000 shares.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

The Company has granted 329,823 restricted stock units with a maximum value of $7,100 pending approval of the Amended and Restated Incentive Compensation Plan at the annual shareholders meeting. There was no compensation expense associated with these awards for the three months ended March 31, 2014 as an accounting grant date will be established upon approval. The Company also granted 9,242 restricted stock units to directors of the Company that will vest upon approval of the Amended and Restated Incentive Compensation Plan at the annual shareholders meeting. Compensation expense associated with these awards was not material for the three months ended March 31, 2014.

Effective March 6, 2014, the Board of Directors adopted the Company's 2014 Employee Stock Purchase Plan (the "ESPP"), subject to approval by our stockholders within 12 months. If stockholder approval is not obtained, then the ESPP and any grants made thereunder will immediately terminate and be null and void. The purpose of the ESPP is (i) to provide eligible employees of the Company and participating companies (as defined in the ESPP) who wish to become stockholders of Platform a convenient method of doing so, (ii) to encourage employees to work in the best interests of Platform's stockholders, (iii) to support recruitment and retention of qualified employees, and (iv) to provide employees an advantageous means of accumulating long-term investments. The Board of Directors approved a maximum of 5,178,815 shares of the Company's Common Stock, to be reserved and made available for issuance under the ESPP. As of March 31, 2014, no shares have been issued under the ESPP.

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 "Merger"). 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. Any such distributions, when declared, would be paid in the order of priority specified in the MacDermid Holdings 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 MacDermid. 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 MacDermid'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 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 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.

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 three months ended March 31, 2013 the Predecessor recorded equity based compensation expense of $3, based upon the vesting of the A Shares. The total intrinsic value of A Shares exercised for the three month period ended March 31, 2013 was $0.

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 B Shares were modified by resolution of the Predecessor's Board of Directors on February 28, 2011, subject to MacDermid Holdings member consent, to take into account the divestitures and acquisitions undertaken by MacDermid since 2007 and the difficult global economic conditions that occurred in 2009. MacDermid Holdings 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 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

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. MacDermid met the modified performance metrics for calendar year 2012 resulting in 20% of the B shares vesting as of March 31, 2013.

During the three months ended March 31, 2013, $36 was recognized as equity compensation expense was recorded related to the B Shares. Compensation expense related to the B Shares is recorded when the Company's management concludes that the achievement of the performance condition contained in the B Shares is probable.

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 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 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 Period no compensation expense was recognized related to the C Shares as a change in control, liquidating event or initial public offering related to the Company (as defined in the MacDermid Holdings operating agreement) was not probable. The estimated fair value of the Class C Shares (all tranches) was approximately $9,030 at March 31, 2013.

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

The components of net periodic pension and postretirement benefit costs for the Successor and Predecessor Periods are as follows:

| | For the three months ended March 31, 2014 (Successor) | | For the three months ended March 31, 2013 (Predecessor) | |
|---|---|---|---|---|
| Pension & SERP Benefits: | Domestic | Foreign | Domestic | Foreign |
| Net periodic cost (benefit): | | | | |
| Service cost | $- | $208 | $1,078 | $174 |
| Interest cost on the projected benefit obligation | 1,728 | 755 | 1,565 | 768 |
| Expected return on plan assets | (2,433) | (898) | (2,005) | (1,283) |
| Amortization of prior service cost | - | - | 23 | - |
| Amortization of net loss | - | - | 505 | 135 |
| Net periodic (benefit) cost | $(705) | $65 | $1,166 | $(206) |

F-64

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

| | For the three months ended March 31, 2014 (Successor) | | For the three months ended March 31, 2013 (Predecessor) | |
|---|---|---|---|---|
| Postretirement Benefits: | Domestic | Foreign | Domestic | Foreign |
| Net periodic cost (benefit): | | | | |
| Service cost | $14 | $7 | $18 | $11 |
| Interest cost on the projected benefit obligation | 83 | 8 | 73 | 10 |
| Amortization of prior service cost | - | - | (35) | 7 |
| Net periodic cost | $97 | $15 | $56 | $28 |

No service cost was recognized in the Successor Period, or will be in future periods, as benefits in the domestic pension plan were frozen in connection with the MacDermid Acquisition.

8. DEBT

The Company's debt consisted of the following:

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| 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 March 31, 2014 | 749,338 | 751,225 |
| Other | 900 | 1,024 |
| Total debt | 750,238 | 752,249 |
| Less: current portion debt | (7,911) | (7,958) |
| Total long-term debt | $ 742,327 | $ 744,291 |

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 "Refinancing"). 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 MacDermid Holdings' first tier foreign subsidiaries, subject to customary exceptions, exclusions and release mechanisms.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

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 and $13,000 in early termination fees and accrued and unpaid interest. 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 three months ended March 31, 2014, principal and interest payments of $1,888 and $7,512, respectively, were made on the first lien term loan.

The Company also has letters of credit outstanding of $3,774 at March 31, 2014. 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 Period, principal and interest payments of $900 and $1,158, respectively, were made on the tranche B term loan. During the Predecessor Period, principal and interest payments of $647 and $824, respectively, were made on the tranche C term loan.

During the Predecessor Period, the Company recorded $3,823 of other income related to the remeasurement gain on the foreign currency denominated tranche C term loan.

In addition to scheduled repayments, the tranche B and tranche C loans contained 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. During the three months ended March 31, 2013, the Predecessor made a mandatory excess cash flow prepayment, based upon 2012 operating results, of $10,277 on the tranche B term loan and $6,810 on the tranche C term 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. During the Predecessor Period, the Company paid commitment fees of $57 for the 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 Refinancing, 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 Period, no principal or interest payments were made on the senior subordinated notes.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

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 Period, the Company made principal and interest payments of $1,120 and $27, respectively, on Japanese senior secured bank debt.

Debt Covenants

The 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 March 31, 2014, 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 March 31, 2014 and December 31, 2013, there were no borrowings under these other debt facilities. The Company also has various overdraft facilities available. At March 31, 2014 and December 31, 2013, the capacity under these overdraft facilities was approximately $20,529 and $22,075, respectively. As of March 31, 2014, the Company’s overdraft lines bore interest rates ranging from 1% to 6.25%.

9. 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 foreign currency exchange rate hedges are used to manage changes in market conditions related to foreign currency exchange rate volatility. All derivatives are recognized on the consolidated balance sheets at fair value at the end of each period. 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.

Foreign Currency

The Company conducts a significant portion of its business in currencies other than the U.S. Dollar, the currency in which the Company’s 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 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 March 31, 2014, the aggregate U.S. Dollar notional amount of foreign currency forward contracts, designated as hedges, was $5,000. The Company uses the discounted period-end forward rates methodology to determine market value of its forward contracts.

During the three months ended March 31, 2014 and 2013, $15 and $(780), respectively, of unrealized gains (losses) were recorded in other comprehensive income relating to foreign currency exchange contracts. During the three months ended March 31, 2014 and 2013, the Company recorded realized gains (losses) of $159 and $(223), respectively, in other income (expense) related to the settlement of foreign exchange contracts.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

The following table summarizes foreign currency forward contract derivative instrument amounts as of March 31, 2014, by currency and the portion of the asset that settles within the next twelve months.

| | Local Currency Amount | U.S. Dollar Amount | Percentage Settled Within One Year | Dates Contracts are Through |
|---|---|---|---|---|
| Derivative Assets | | | | |
| Great Britain Pound | £ 3,107 | $ 5,000 | 100 % | June 30, 2014 |

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

| Derivatives designated as hedging instruments: | Assets Balance Sheet Location | March 31, 2014 U.S. Dollar Amount | December 31, 2013 U.S. Dollar Amount |
|---|---|---|---|
| Foreign exchange contracts | Other current assets | $ 178 | $ 163 |
| Total derivative contracts | | $ 178 | $ 163 |

10. 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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

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

| | | Fair Value Measurement Using | | |
|---|---|---|---|---|
| | March 31, 2014 | Quoted prices in active markets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Asset Category | | | | |
| Money market accounts | $ 80,621 | $80,621 | $ - | $ - |
| Available for sale equity securities | 2,264 | 1,399 | 865 | - |
| Derivatives | 178 | - | 178 | - |
| Total | $ 83,063 | $82,020 | $ 1,043 | $ - |
| Liability Category | | | | |
| Long term contingent consideration | $ 47,800 | $- | $ - | $ 47,800 |

| | | Fair Value Measurement Using | | |
|---|---|---|---|---|
| | December 31, 2013 | Quoted prices in active markets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Asset Category | | | | |
| 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 | $ - |
| Liability Category | | | | |
| Long term contingent consideration | $ 34,800 | $- | $ - | $ 34,800 |

Money market accounts are included in cash and cash equivalents in the Condensed Consolidated Balance Sheets. Available for sale equity securities are included in other long term assets in the Condensed Consolidated Balance Sheets.

Nonrecurring Fair Value Measurements

The following table presents the carrying value and estimated fair value of the Company's first lien credit facility:

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| | Carrying | Carrying |

| | Value | Fair Value | Value | Fair Value |
|---|---|---|---|---|
| First lien credit facility, including current portion | $749,338 | $750,649 | $751,225 | $752,637 |

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.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

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 credit facility– The first lien credit facility is 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.

## 11. STOCKHOLDERS' EQUITY

Successor

Founder Preferred Shares

On April 25, 2013, the Company issued two preferred shares, one to each of the Mariposa Acquisition, LLC and Berggruen Acquisition Holdings, IV, Ltd, our founder entities (collectively, the "Founders"), for $20.0. 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 our shares of Common Stock 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 shares of Common Stock equal to 20% of the appreciation of the market price of common shares issued to common shareholders in the initial offering multiplied by total initial offering shares (90,500,000 shares). In the first year a dividend is payable (if any), the dividend amount will be calculated at the calendar year-end 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 the MacDermid Acquisition, being December 31, 2020 (extendable by the Board of Directors for three additional years). Each Preferred share is convertible into one ordinary share of Common Stock at the option of the holder until December 31, 2020 and has certain voting rights. No shares were issued or dividends paid in the Successor Period.

Common Shares

In connection with the initial public 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 in connection with the initial public 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 was 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 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 SEC to effect these changes. The registration statement was declared effective on January 22, 2014 and on that same date the Company completed its 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 for approximately $2,600 in cash (which is reflected in "Acquisition of business, net" in the accompanying Condensed Consolidated Statements of Cash Flows) and 1,670,386 shares of the Company's Common Stock.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

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 (par value $0.01) 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. In order to fund a portion of the cash consideration for the MacDermid Acquisition in November 2013, the Company conducted an offer to issue shares of Common Stock 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 (representing $141,354 in cash) were exercised and 13,462,280 underlying shares of Common Stock were issued. In conjunction with the Warrant Exchange Offer not being fully subscribed, on November 13, 2013, 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.

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 had no further rights with regard to such warrants except to receive $0.01 per warrant. Subsequent to March 31, 2014, an additional 3,755,232 warrants were exercised for 1,251,744 common shares resulting in proceeds to the Company of $14,395. On April 3, 2014, Platform completed the mandatory redemption of the remaining 8,580 outstanding warrants for $0.01 per warrant.

During the three months ended March 31, 2014, the Company issued 14,996,909 shares of Common Stock in connection with the exercise of a total of 44,978,850 warrants and issuances of shares of Common Stock to employees. At March 31, 2014, there were 3,763,812 warrants outstanding.

Non-Controlling Interest

In connection with the MacDermid Acquisition, certain sellers elected to receive shares of common stock of Platform's subsidiary PDH (the "PDH Common Stock") representing approximately $97,500, which may be exchanged for shares of Platform's Common Stock at a rate of 25% per year over a four year period. Such PDH Common Stock is classified as a non-controlling interest on the Condensed Consolidated Balance Sheets at March 31, 2014 and December 31, 2013 and will continue to be until such time as it is exchanged for Platform's Common Stock. As the holders of PDH Common Stock have a 6.76% interest in PDH, approximately $1,314 of net income has been allocated to them for the three months ended March 31, 2014 and is included in the accompanying Condensed Consolidated Statements of Operations.

A reconciliation of consolidated changes in equity for the three months ended March 31, 2014 (Successor) and March 31, 2013 (Predecessor) is as follows:

| | Successor | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Preferred Stock | | Common Stock | | | | | |
| | Shares | Amount | Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Accumulated other comprehensive income | Total Stockholders' Equity |

| | | | | | | | (loss) | | |
|---|---|---|---|---|---|---|---|---|---|
| Balance at December 31, 2013 | 2,000,000 | $- | 103,571,941 | $- | $1,212,038 | $(194,222) | $14,779 | $1,032,595 | $ |
| Impact of Domestication | - | 20 | - | 1,016 | (1,036) | - | - | - | |
| Issuance of 3,959 common shares @ $11.00 per share on January 5, 2014 | - | - | 3,959 | - | 44 | - | - | 44 | |
| Exercise of warrants for 14,992,950 common shares @ $11.50 per share | - | - | 14,992,950 | 150 | 172,269 | - | - | 172,419 | |
| Issuance of 1,670,386 common shares @$11.00 per share in connection with 401(k) Exchange Agreement | - | - | 1,670,386 | 16 | 18,358 | - | - | 18,374 | |
| Net (loss) income | - | - | - | - | - | (7,417) | - | (7,417) | |
| Foreign currency translation adjustments | - | - | - | - | - | - | (9,276) | (9,276) | |
| Pension and postretirement plans, tax benefit of $11 | - | - | - | - | - | - | 11 | 11 | |
| Derivatives valuation, net of tax expense of $11 | - | - | - | - | - | - | 4 | 4 | |
| Unrealized gain on available for sale equity securities, net of tax benefit of $18 | - | - | - | - | - | - | (34) | (34) | |
| Dividend paid to non-controlling interest partner | - | - | - | - | - | - | - | - | |
| Balance at March 31, 2014 | 2,000,000 | $20 | 120,239,236 | $1,182 | $1,401,673 | $(201,639) | $5,484 | $1,206,720 | $ |

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

| | Predecessor | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Series A Preferred Shares | Common Shares | Additional Paid-In Capital | Accumulated deficit | Accumulated other comprehensive income (loss) | Treasury Stock | Total Stockholders' Equity | Non-controlling interest | Total equity (deficit) |
| Balance at December 31, 2012 | $525,027 | $50,000 | $2,318 | $(273,086) | $(30,270) | $(1,264) | $272,725 | $(288) | $272,437 |
| Net income | - | - | - | 15,248 | - | - | 15,248 | 89 | 15,337 |
| Equity compensation | - | - | 39 | - | - | - | 39 | - | 39 |
| Accrual of paid in kind dividend on cumulative preferred shares | 11,794 | - | - | (11,794) | - | - | - | - | - |
| Foreign currency translation adjustments | - | - | - | - | (16,524) | - | (16,524) | (32) | (16,556 |
| Derivatives valuation, net of tax benefit of $273 | - | - | - | - | (507) | - | (507) | - | (507 |
| Unrealized loss on available for sale equity securities, net of tax expense of $51 | - | - | - | - | 94 | - | 94 | - | 94 |
| Dividend paid to non-controlling interest partner | - | - | - | - | - | - | - | (173) | (173 |
| Contribution from non-controlling interest | - | - | - | - | - | - | - | 17 | 17 |
| Balance at March 31, 2013 | $536,821 | $50,000 | $2,357 | $(269,632) | $(47,207) | $(1,264) | $271,075 | $(387) | $270,688 |

12. EARNINGS PER SHARE

A computation of the weighted average shares outstanding for the Successor Period follows. No such computation is necessary for the Predecessor Period.

| (in thousands) | Three months ended March 31, 2014 | |
|---|---|---|
| Weighted average shares outstanding: | | |
| Basic | 107,160 | |
| Convertible securities | - | 1 |
| Diluted | 107,160 | |

1 No share adjustments are included in the dilutive weighted average shares outstanding computation as the three months ended March 31, 2014 resulted in a net loss.

At March 31, 2014, weighted average warrants to purchase 4.5 million shares of the Company's common stock, were outstanding during the three months ended March 31, 2014, but were not included in the computation of diluted shares as the effect would be anti-dilutive. Weighted average options to purchase 0.1 million shares of the Company's common stock, were outstanding during the three months ended March 31, 2014, but were not included in the computation of diluted shares as the effect would be anti-dilutive.

The number of shares contingently issuable for the contingent consideration during the three months ended March 31, 2014 was 0.5 million, but were not included in the computation of diluted shares as the effect would be anti-dilutive. The number of shares contingently issuable for the founder preferred share dividend right during the three months ended March 31, 2014 was 8.8 million, but were not included in the computation of diluted shares as the effect would be anti-dilutive.

The number of shares issuable upon conversion of the PDH non-controlling interest and founder preferred shares was 8.8 million and 2.0 million, respectively, but were not included in the computation of diluted shares as the effect would be anti-dilutive. Weighted average shares issuable upon conversion of the 401k exchange rights were 1.1 million, but were not included in the computation of diluted shares as the effect would be anti-dilutive.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

## 13. 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 March 31, 2014 and December 31, 2013, the Company has accrued $4,864 and $4,765, respectively, for its AROs at sites in the U.S., Europe and Japan. The AROs are included in “Other long-term liabilities” in the accompanying Condensed Consolidated Balance Sheets as of March 31, 2014 and December 31, 2013.

### 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 March 31, 2014 and December 31, 2013, $2,816 and $2,896, 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. Management believes that any possible losses related to environmental remediation in addition to the amounts recorded as of March 31, 2014 and December 31, 2013 would not be material to the Company’s 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. Management 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 the Company’s consolidated financial position, results of operations or cash flows. As of March 31, 2014 and December 31, 2013, the Company has reserved approximately $3,708 and $2,881, respectively, for its outstanding legal proceedings.

## 14. INCOME TAXES

The tax impact of the year to date fair value adjustment to the long term contingent consideration liability was fully recorded in the interim period as a reliable estimate of the full year adjustment could not be reasonably made.

## 15. RELATED PARTY TRANSACTIONS

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 PDH Common Stock of Platform’s subsidiary PDH, 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, 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 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%.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

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. Advisory fees paid to Mariposa for the three months ended March 31, 2014 were $500.

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 initial public 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 or any successor rule ("Rule 144") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), 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.

For the Predecessor Period, the Company paid management fees of $102 to Court Square Capital Partners II LP ("Court Square"), an investor. Three of MacDermid's board members prior to the MacDermid Acquisition were employees of Court Square.

For the Predecessor Period, the Company paid management fees to Weston Presidio, an investor, of $23.

## 16. 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 the three months ended March 31, 2013 primarily related to the consolidation of manufacturing processes which affected a manufacturing facility in the Graphic Solutions segment.

During the three months ended March 31, 2013, the Company recorded $1,606 of restructuring expense primarily relating to the elimination of certain positions in both the Graphic Solutions and the Performance Materials segments. There were no restructuring charges recorded for the three months ended March 31, 2014. As of March 31, 2014, the Company has accrued restructuring costs of $1,311 that are anticipated to be paid out in the next twelve months.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

The activity in the restructuring liabilities for the three months ended March 31, 2014 (Successor) and 2013 (Predecessor) was as follows:

| | For the Successor Period | | | | | |
|---|---|---|---|---|---|---|
| Successor | Balance, December 31, 2013 | Charges to Expense | Cash Payments | Non-cash Adjustments | Total Costs and Adjustments | Balance, March 31, 2014 |
| Graphic Solutions: | | | | | | |
| Severance and other benefits | $ 699 | $ - | $ (202) | $ | $ (202) | $ 497 |
| Total Graphics Solutions | 699 | - | (202) | - | (202) | 497 |
| Performance Materials: | | | | | | |
| Severance and other benefits | 1,330 | | (516) | | (516) | 814 |
| Total Performance Materials | 1,330 | - | (516) | - | (516) | 814 |
| Total restructuring liability | $ 2,029 | $ - | $ (718) | $ - | $ (718) | $ 1,311 |

| | For the Predecessor Period | | | | | |
|---|---|---|---|---|---|---|
| Predecessor | Balance, December 31, 2012 | Charges to Expense | Cash Payments | Non-cash Adjustments | Total Costs and Adjustments | Balance, March 31, 2013 |
| Graphic Solutions: | | | | | | |
| Severance and other benefits | $ - | $ 1,504 | $ (57) | $ - | $ 1,447 | $ 1,447 |
| Total Graphics Solutions | - | 1,504 | (57) | - | 1,447 | 1,447 |
| Performance Materials: | | | | | | |
| Severance and other benefits | 632 | 102 | (85) | (19) | (2) | 630 |
| Total Performance Materials | 632 | 102 | (85) | (19) | (2) | 630 |
| Total restructuring liability | $ 632 | $ 1,606 | $ (142) | $ (19) | $ 1,445 | $ 2,077 |

## 17. 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 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.

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

| | For the three months ended March 31, 2014 (Successor) | For the three months ended March 31, 2013 (Predecessor) |
|---|---|---|
| Net Sales: | | |
| Performance Materials | $ 143,111 | $ 138,824 |
| Graphic Solutions | 40,615 | 43,308 |
| Consolidated net sales | 183,726 | 182,132 |
| | | |
| Operating (loss) profit: | | |
| Performance Materials | 8,839 | 21,447 |
| Graphic Solutions | (4,847) | 8,329 |
| Consolidated operating profit | $ 3,992 | $ 29,776 |

18. SUBSEQUENT EVENTS

On April 16, 2014, Platform entered into a Stock and Asset Purchase Agreement (the "Agreement") with Chemtura Corporation, a Delaware corporation ("Chemtura," and together with certain of its subsidiaries, the "Sellers") pursuant to which Platform will acquire the Sellers' agrochemicals business, Chemtura AgroSolutions, consisting of the manufacture, distribution, marketing and sale of seed treatments and crop protection in niche markets across seven major product lines – seed treatments, insecticides, miticides, herbicides, fungicides, plant growth regulators and adjuvants, for approximately $1.00 billion, consisting of $950 million in cash, subject to working capital and other adjustments, 2,000,000 shares of Platform's Common Stock and the assumption of certain liabilities by Platform (the "Chemtura Acquisition"). The closing of the Chemtura Acquisition is subject to the satisfaction or waiver of certain customary and other closing conditions for transactions of this type, including expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and approvals of government authorities.

In connection with the Agreement, on April 16, 2014, Platform entered into a commitment letter (the "Debt Commitment Letter") with Barclays Bank PLC for (i) $600 million of incremental first lien term loans (the "First Lien Facility") to be incurred under our amended and restated credit agreement dated as of June 7, 2013 (as amended, restated and/or otherwise modified on October 31, 2013 and from time to time, the "Existing Credit Agreement") and (ii) a second lien facility (the "Second Lien Facility" and together with the First Lien Facility, the "Facilities") in an aggregate principal amount of $120 million for the purposes of financing the Chemtura Acquisition and the fees and expenses in connection therewith, on the terms and subject to the conditions set forth in the Debt Commitment Letter. The Facilities will be subject to representations, warranties and covenants that are substantially as set forth in the Existing Credit Agreement, which was previously filed as Exhibit 10.13 to Platform's registration statement on Form S-4 filed with the SEC on January 2, 2014, and other conditions precedent as defined in the Debt Commitment Letter).

Schedule II

Platform Specialty Products Corporation

Valuation and Qualifying Accounts and Reserves
(in thousands)

| | Balance at beginning of period | Charges to costs and expense | Deductions from reserves | Other (2) | Balance at end of period |
|---|---|---|---|---|---|
| Reserves against accounts receivable (1): | | | | | |
| 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 December 31, 2012 | (8,730 ) | (1,694 ) | 1,736 | (143 ) | (8,831 ) |
| December 31, 2010 to December 31, 2011 | (8,179 ) | (1,995 ) | 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 December 31, 2012 | (34,531 ) | (6,915 ) | - | - | (41,446 ) |
| December 31, 2010 to December 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.

F-77

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

On October 31, 2013, we completed our acquisition of substantially all of the outstanding equity of MacDermid, a global provider of high value-added specialty chemicals, for approximately $1.8 billion (including the assumption of approximately $754 million of indebtedness), plus (i) approximately $100 million 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 (the “MacDermid Acquisition”).

At the closing of the transaction, we paid approximately $925 million in cash and delivered approximately $100 million of new equity in the acquisition. The equity issued primarily consisted of shares of a wholly owned subsidiary of Platform that may be exchanged for shares of Platform in one year. In addition 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 401K Plan). Most of the 401K Plan participants received shares of our common stock for their interests in MacDermid. We funded the cash portion of the purchase price and related transaction expenses with a combination of cash on hand and approximately $137 million of proceeds from a warrant exchange offer.

The following unaudited pro forma condensed consolidated statements of operations for the period from inception (April 23, 2013) through December 31, 2013 (the Successor 2013 Period) and the period from January 1, 2013 through October 31, 2013 (the Predecessor 2013 Period) give effect to the MacDermid Acquisition as if it had occurred on January 1, 2013. The Company’s actual balance sheet as of December 31, 2013 incorporated by reference in this Registration Statement already includes the MacDermid Acquisition.

The following unaudited pro forma condensed consolidated statement of operations was derived from the audited historical Consolidated Statement of Operations of MacDermid for the ten months ending October 31, 2013 (Predecessor 2013 Period), combined with our audited Consolidated Statement of Operations since inception (April 23, 2013) through December 31, 2013 (Successor 2013 Period), with acquisition-related adjustments reflected in the period presented. The unaudited pro forma condensed consolidated financial information presented below should be read in conjunction with the “Platform Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Annual Report on Form 10-K as of December 31, 2013 filed with the SEC on March 31, 2014, which is included elsewhere in this prospectus.

The pro forma adjustments are described in the accompanying notes and include the following:

- The completion of the acquisition of MacDermid;
- The exchange of approximately 42 million Platform warrants and approximately $137 million of cash for approximately 14 million of Platform ordinary shares (the “Platform Warrant Exchange Offer”). The proceeds from the Platform Warrant Exchange Offer were used to fund a portion of the cash consideration for the MacDermid Acquisition;
- The delivery of approximately 9 million ordinary share equivalents to fund the equity portion of the consideration (exchange rights for shareholders of MacDermid who elected to receive equity in lieu of cash consideration);
- The amendment to and assumption of MacDermid’s first lien credit facility;

Pro forma adjustments to historical financial information are subject to assumptions described in the following notes. We believe that these assumptions and adjustments are reasonable and appropriate under the circumstances and are factually supported based on information currently available.

The unaudited pro forma condensed consolidated financial information reflects all adjustments that, in the opinion of our management, are necessary to present, for comparative and informational purposes only, the consolidated results of operations for the twelve months ended December 31, 2013 (inclusive of both the Successor 2013 and Predecessor 2013 Periods), as if the MacDermid Acquisition had occurred on January 1, 2013. The unaudited pro forma condensed consolidated financial information is not intended to represent or be indicative of what our results of operations would have been had the MacDermid Acquisition occurred on the dates indicated. The unaudited pro forma condensed consolidated financial information also should not be considered indicative of our future consolidated results of operations.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

| ($ in thousands, except per share amounts) | (1) As Reported Platform Speciality Products Corporation (April 23, 2013) through December 31, 2013 Successor | (2) MacDermid, Incorporated January 1, 2013 through October 31, 2013 (Predecessor) | Combined Income Statement Twelve Months Ended Dec. 31, 2013 | Pro forma Adjustments | | Pro Form Incom Statem Twel Mont Ende Dec 31, 20 |
|---|---|---|---|---|---|---|
| Revenue | $118,239 | $627,712 | $745,951 | $- | | $745,9 |
| Cost of sales | 82,587 | 304,875 | 387,462 | (23,912 ) | a | |
| | | | | 3,226 | b | 366,7 |
| Gross profit | 35,652 | 322,837 | 358,489 | 20,686 | | 379,1 |
| | | | | | | |
| Operating expenses: | | | | | | |
| Selling, technical, general and administrative | 54,521 | 207,554 | 262,075 | (247 ) | c | |
| | | | | (9,317 ) | d | |
| | | | | (32,125 ) | e | |
| | | | | (31,254 ) | f | |
| | | | | 53,400 | g | |
| | | | | 626 | b | 243,1 |
| Non-cash charge related to preferred stock dividend rights | 172,006 | - | 172,006 | (172,006) | h | - |
| Research and development | 3,995 | 19,898 | 23,893 | (24 ) | b | 23,86 |
| Restructuring | 762 | 3,636 | 4,398 | - | | 4,398 |
| Total operating expense | 231,284 | 231,088 | 462,372 | (190,947) | | 271,4 |
| | | | | | | |
| Operating (loss) profit | (195,632) | 91,749 | (103,883) | 211,633 | | 107,7 |
| | | | | | | |
| Other income (expenses): | | | | | | |
| Interest expense | (5,488 ) | (46,288 ) | (51,776 ) | 51,776 | i | - |
| | | | | (30,631 ) | j | (30,6 |
| Interest income | 116 | 359 | 475 | - | | 475 |
| Loss on extinguishment of debt | - | (18,788 ) | (18,788 ) | | | (18,7 |
| Other (expense) income | (440 ) | (557 ) | (997 ) | - | | (997 |
| Total other (expense) income | (5,812 ) | (65,274 ) | (71,086 ) | 21,145 | | (49,9 |
| | | | | | | |
| (Loss) income before income taxes, non-controlling interests and accrued payment-in-kind dividends on cumulative preferred shares | (201,444) | 26,475 | (174,969) | 232,778 | | 57,80 |
| Income tax (benefit) provision | (5,819 ) | 12,961 | 7,142 | 16,014 | k | 23,15 |
| Net (loss) income | (195,625) | 13,514 | (182,111) | 216,764 | | 34,65 |
| Net (loss) income attributable to non-controlling interests | 1,403 | (295 ) | 1,108 | (3,603 ) | l | (2,49 |
| Net (loss) income attributable to the Company | (194,222) | 13,219 | (181,003) | 213,161 | | 32,15 |
| Accrued payment-in-kind dividend on cumulative preferred shares | - | (22,454 ) | (22,454 ) | 22,454 | m | - |

| | | | | | |
|---|---|---|---|---|---|
| Net (loss) income attributable to common shares | $(194,222) | $(9,235 ) | $(203,457) | $235,615 | $32,15 |
| | | | | | |
| Earnings (loss) per share - basic | $(2.10 ) | n/a | $n/a | n/a | $0.31 |
| Earnings (loss) per share - diluted | $(2.10 ) | n/a | n/a | n/a | $0.25 |
| | | | | | |
| (shares in millions) | | | | | |
| Weighted shares outstanding – basic | 93 | n/a | n/a | n/a | 104 |
| Weighted shares outstanding – diluted | 93 | n/a | n/a | n/a | 131 |

Notes:
(1) Derived from the audited statement of operations of Platform Specialty Products Corporation from April 23, 2013 to December 31, 2013 (Successor Period).
(2) Derived from the audited statement of operations of MacDermid for the ten months ended October 31, 2013 (Predecessor Period).

F-79

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

a. Adjustment to eliminate manufacturer's profit in inventory adjustment in connection with MacDermid acquisition.

b. Adjustment to reflect incremental depreciation expense in connection with fair value increases to fixed assets resulting from the MacDermid Acquisition.

c. Adjustment to eliminate stock based compensation expense for Director options that vested upon closing of the MacDermid Acquisition.

d. Adjustment to eliminate Predecessor stock based compensation expense for awards that vested upon closing of the MacDermid Acquisition.

e. Adjustment to eliminate non-recurring MacDermid acquisition related expenses, including but not limited to financial advisory fees, attorney’s fees and accountants fees, recorded during the year ended December 31, 2013.

f. Adjustment to eliminate recorded amortization expenses on MacDermid’s intangible assets.

g. Adjustment to reflect amortization expense to be recorded in conjunction with the estimated fair value of the intangible assets of MacDermid as of the closing date based on a preliminary outside valuation by a third party obtained by Platform subsequent to closing and broken down as follows:

(In thousands)

| Asset | Estimated Fair Value | Annual Amortization |
|---|---|---|
| Trade names-indefinite lives | $73,000 | $ — |
| Technology (7-10 years) | $155,000 | $16,800 |
| Customer relationships (8-20 years) | $459,000 | $36,600 |

Annual amortization is calculated as Estimated Fair Value divided by the calculated life of the related asset

h. Adjustment to reflect Platform’s recording of a one-time, non-cash expense of $172 million upon the closing of the acquisition, which represents the fair value of the founder preferred dividend rights at that time. As this will not have an ongoing impact to the income statement, it is presented as an adjustment in the pro forma statements of operations. This estimate was calculated using a monte carlo simulation that simulates the daily price of shares over the potential dividend period with an estimate of volatility and interest to arrive at an estimated fair value of future dividend payments as of October 31, 2013

i. Adjustment to eliminate recorded interest expense at MacDermid for indebtedness not assumed at closing.

j. Adjustment to record interest expense related to indebtedness assumed comprised of the following:

- Interest on the first lien debt of $753 million at a rate of approximately 4% based on the terms of the credit agreement. Such interest rate is based on an applicable margin of 3% applied to a LIBOR floor of 1% and is variable in nature. The pre-tax effect of a 1/8% change effective interest rate would be $0.9 million annually.

- Amortization of deferred financing fees of $1.8 million for the first lien term debt over the five year life of the loan.

- Interest on other assumed indebtedness ($44,000 of interest annually).

k. Adjustment to reflect income tax expense related to the earnings (loss) before taxes generated by the pro forma adjustments based upon the estimated applicable statutory tax rates. The Company's estimated United States statutory tax rate of approximately 38% was applied to interest expense in the United States, where the debt resides as well as to the portion of acquisition costs which were incurred in the US and to stock compensation. Additionally, the applicable blended rates were applied to inventory, amortization, depreciation and predecessor stock compensation.

l. Adjustment to reflect the non-controlling interest represented by equity interests in a subsidiary of Platform provided as a portion of the consideration of the acquisition. Such equity interest represents 6.76% of Platform multiplied by the pro forma combined net income before such adjustment.

m. Adjustment to reflect the elimination of dividends paid to sellers for an equity interest which has been repaid and eliminated in conjunction with the MacDermid Acquisition.

n. Represents the number of Platform ordinary shares outstanding at the closing consisting of 88.5 million ordinary shares outstanding before the closing, approximately 14 million shares issued in the Platform Warrant Exchange Offer, the proceeds of which were used to fund a portion of the cash consideration for the MacDermid Acquisition and 2 million ordinary shares of consideration issued in connection with the purchase of the MacDermid 401(k) plan.

PLATFORM SPECIALTY PRODUCTS CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

o. Represents the Platform ordinary shares outstanding plus (i) 250,000 options outstanding; (ii) approximately 9 million ordinary share equivalents based upon the $97 million of equity interests delivered in connection with the Merger; (iii) 2 million ordinary share equivalents for convertible preferred shares outstanding; and (iv) 16 million ordinary share equivalents issuable upon conversion of the remaining Platform warrants outstanding.

# PART II

# INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, other than the placing agents' commissions, payable by us in connection with the sale of common stock being registered. All amounts are estimated except the SEC registration fee.

| | |
|---|---|
| Securities and Exchange Commission Registration Fee | $41,855 |
| Accounting Fees and Expenses | $200,000 |
| Legal Fees and Expenses | $350,000 |
| Miscellaneous | $50,000 |
| | |
| Total | $641,855 |

Item 14. Indemnification of Directors and Officers.

Section 102(b)(7) of the DGCL permits a corporation, in its certificate of incorporation, to limit or eliminate the personal liability of a director to the corporation or its stockholders for monetary damages for breaches of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL (regarding, among other things, the payment of unlawful dividends) or (d) for any transaction from which the director derived an improper personal benefit.

Under Section 145(a) of the DGCL, a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation (or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Under Section 145(b) of the DGCL, a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another enterprise, against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit, provided that such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. Notwithstanding the preceding sentence, except as otherwise provided in our amended and restated bylaws, we shall be required to indemnify any such person in connection with a proceeding (or part thereof) commenced by such person only if the commencement of such proceeding (or part thereof) by any such person was authorized by our Board.

As permitted by Section 102(b)(7) of the DGCL, our certificate of incorporation provides that no director shall be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director except to the extent that such exemption from liability or limitation thereof is not permitted under the DGCL as currently in effect or as the same may be amended.  This provision of our certificate of incorporation does not eliminate the directors' fiduciary duties, and in appropriate circumstances, equitable remedies such as injunctive or other forms of nonmonetary relief, which will remain available under Delaware law. In addition, each director will be subject to liability for breach of the director's duty of loyalty to us, including for actions leading to improper personal benefit to the director, for acts or omissions not in good faith or involving intentional misconduct, for knowing violations of law and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. This provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

Our amended and restated by-laws also provide that we shall indemnify and advance expenses to our officers and directors to the fullest extent permitted by applicable law as currently in effect or as the same may be amended.

We have entered into director and officer indemnification agreements with each of our current directors and officers which, in certain respects, are broader than the specific indemnification and advancement provisions contained in our amended and restated by-laws. Specifically, such indemnification agreements provide our directors and officers with specific contractual assurances of such persons' rights to indemnification and advancement of expenses to protect against litigation risks and expenses (regardless, among other things, of any change in our ownership or the composition of our Board).

Additionally, we maintain directors' and officers' liability insurance for each of our directors and officers.

Item 15. Recent sales of unregistered securities.

On May 20, 2014, we issued to the selling stockholders, all of whom qualify as "accredited investors" (as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act), including the selling stockholders, an aggregate of 15,800,000 shares of our common stock for an aggregate consideration of $300.2 million through a private placement. Such shares were not registered under the Securities Act and were issued pursuant to an exemption from the registration provided under Section 4(a)(2) of the Securities Act. In connection with the private placement, we agreed to file a resale registration statement with the SEC within thirty (30) days following the issuance of the shares thereunder to register the shares held by any purchaser in the private placement which elected to have its shares registered. We are filing this registration statement to fulfill our registration obligation under the private placement.

In December 2013, we issued to certain of our employees, pursuant to purchase rights under the Platform Specialty Products Corporation 2013 Plan an aggregate of 353,650 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 of 1,900 ordinary shares to certain accredited investors 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.

Item 16. Exhibits and financial statement schedules.

| | | Incorporated by Reference | | | | Included in this Registration Statement |
|---|---|---|---|---|---|---|
| Exhibit No. | Exhibit Description | Form | File No. | Exhibit No. | Filing Date | |
| 2.1 | Business Combination Agreement And Plan Of Merger, dated as of | S-4 | 333-192778 | 2.1 | 12/11/13 | |

October 10, 2013, by and among Platform Acquisition Holdings Limited, Platform Delaware Holdings, Inc., Platform Merger Sub, LLC, MacDermid Holdings, LLC, MacDermid, Incorporated, Tartan Holdings, LLC, and CSC Shareholder Services LLC as seller representative for the direct and indirect beneficial owners of MacDermid, Incorporated

| Exhibit No. | Exhibit Description | Incorporated by Reference Form | File No. | Exhibit No. | Filing Date | Included in this Registration Statement |
|---|---|---|---|---|---|---|
| 2.2 | Exchange Agreement, dated as of October 25, 2013, by and between Platform Acquisition Holdings Limited and the MacDermid Incorporated Profit Sharing and Employee Savings Plan | S-4 | 333-192778 | 2.2 | 12/11/13 | |
| 2.3 | Stock and Asset Purchase Agreement, dated April 16, 2014, between Chemtura Corporation and Platform Specialty Products Corporation | 8-K | 001-36272 | 2.1 | 04/17/14 | |
| 3.1(a) | Certificate of Incorporation | S-4 | 333-192778 | 3.1 | 01/24/14 | |
| 3.1(b) | Certificate of Amendment of Certificate of Incorporation | POS 8-K | 001-36272 | 3.1 | 06/13/14 | |
| 3.2 | Amended and Restated By-laws | 10-K | 001-36272 | 3.2 | 03/31/14 | |
| 4.1 | Specimen Common Stock certificate | S-4 | 333-192778 | 4.1 | 01/02/14 | |
| 4.2 | Warrant Instrument, dated as of May 17, 2013, executed by Platform Acquisition Holdings Limited (form of Warrant contained in Schedule 1 thereto) | S-4 | 333-192778 | 4.2 | 01/02/14 | |
| 5.1 | Opinion of Greenberg Traurig, P.A. | | | | | X** |
| 10.1 | Severance Agreement Letter, dated as of May 23, 2011, between MacDermid, Incorporated and Daniel H. Leever | S-4 | 333-192778 | 10.1 | 01/02/14 | |
| 10.2 | Severance Agreement Letter, dated as of January 7, 2003, between MacDermid, Incorporated and Frank J. Monteiro | S-4 | 333-192778 | 10.2 | 01/02/14 | |
| 10.3 | Severance Agreement Letter, dated as of July 22, 2002, between MacDermid, Incorporated and John L. Cordani | S-4 | 333-192778 | 10.3 | 01/02/14 | |
| 10.4 | Memorandum of Agreement, dated as of July 9, 2001, between MacDermid, Incorporated and John L. Cordani | S-4 | 333-192778 | 10.4 | 01/02/14 | |
| 10.5 | MacDermid, Incorporated Profit Sharing and Employee Savings Plan (as amended and restated generally effective January 1, 2010) | S-4 | 333-192778 | 10.5 | 12/11/13 | |
| 10.6 | MacDermid, Incorporated Employees' Pension Plan (as amended and restated generally effective January 1, 2009) | S-4 | 333-192778 | 10.6 | 12/11/13 | |
| 10.7 | MacDermid, Incorporated Supplemental Executive Retirement Plan, effective April 1, 1994, as | S-4 | 333-192778 | 10.7 | 01/02/14 | |

| | | | | | |
|---|---|---|---|---|---|
| | amended on February 25, 2005, and as further amended on July 11, 2013 | | | | |
| 10.8 | Second Amendment to MacDermid, Incorporated Employees' Pension Plan, 2009 Restatement | S-4 | 333-192778 | 10.8 | 01/02/14 |
| 10.9 | Amendment No. 1 to MacDermid, Incorporated Supplemental Executive Retirement Plan (as Previously Amended and Restated) | S-4 | 333-192778 | 10.9 | 01/02/14 |
| 10.10 | Platform Specialty Products Corporation Amended and Restated 2013 Incentive Compensation Plan | S-8 | 333-194012 | 10.1 | 02/18/14 |
| 10.11 | Form of Restricted Stock Agreement – Platform Specialty Products Corporation Equity Incentive Plan | S-4 | 333-192778 | 10.11 | 01/02/14 |

| Exhibit No. | Exhibit Description | Incorporated by Reference Form | File No. | Exhibit No. | Filing Date | Included in this Registration Statement |
|---|---|---|---|---|---|---|
| 10.12 | Form of Director and Officer Indemnification Agreement | S-4 | 333-192778 | 10.12 | 01/02/14 | |
| 10.13 | Amended and Restated Credit Agreement, dated as of October 31, 2013, among, inter alia, Platform Acquisition Holding Limited, MacDermid Holdings, LLC, Matrix Acquisition Corp., MacDermid, Incorporated (as successor to Matrix Acquisition Corp., the borrower), the subsidiaries of the borrower from time to time parties thereto, the lenders from time to time parties thereto and Credit Suisse AG, as administrative agent and as collateral agent | S-4 | 333-192778 | 10.13 | 01/02/14 | |
| 10.14 | Form of Retaining Holder Securityholders Agreement | S-4 | 333-192778 | 10.14 | 01/02/14 | |
| 10.15 | Advisory Services Agreement, dated October 31, 2013, by and between Platform Specialty Products Corporation and Mariposa Capital, LLC | S-4 | 333-192778 | 10.15 | 01/02/14 | |
| 10.16 | Letter Agreement with respect to Supplemental Executive Retirement Plan payment, dated as of October 29, 2013, between Platform Acquisition Holdings Limited and Daniel H. Leever | S-4 | 333-192778 | 10.16 | 01/02/14 | |
| 10.17 | Security Holder's Agreement dated as of November 7, 2013 | S-4 | 333-192778 | 10.17 | 01/02/14 | |
| 10.18 | Placing Agreement, dated May 17, 2013, by and between Platform Acquisition Holdings Limited, certain of its Directors, Berggruen Acquisition Holdings IV Ltd., Mariposa Acquisition, LLC, and Barclays Bank and Citigroup Global Markets Limited as placing banks | S-4 | 333-192778 | 10.18 | 01/02/14 | |
| 10.19 | Form of Option Deeds | S-4 | 333-192778 | 10.19 | 01/02/14 | |
| 10.21 | Third Amendment to Amended and Restated MacDermid, Incorporated Employees' Pension Plan | S-4 | 333-192778 | 10.21 | 01/02/14 | |
| 10.22 | Form of Non-Qualified Stock Option Agreement – Platform Specialty Products Corporation Equity Incentive Plan | S-4 | 333-192778 | 10.22 | 01/02/14 | |
| 10.23 | Form of Incentive Stock Option Agreement – Platform Specialty Products | S-4 | 333-192778 | 10.23 | 01/02/14 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Corporation Equity Incentive Plan | | | | | | |
| 10.25 | Amended and Restated Pledge and Security Agreement, amended and restated as of October 31, 2013 | 10-K | 001-36272 | 10.25 | 03/31/14 | | |
| 10.26 | Commitment Letter dated April 16, 2014, between Barclays Bank PLC and Platform Specialty Products Corporation | 8-K | 001-36272 | 10.1 | 04/17/14 | | |
| 10.27 | Registration Rights Agreement, dated May 20, 2014, between Platform Specialty Products Corporation, the placement agents and the purchasers stated therein | 8-K | 001-36272 | 10.1 | 05/21/14 | | |
| 10.28 | Form of Lock-up Agreement | 8-K | 001-36272 | 10.2 | 05/21/14 | | |
| 10.29 | Platform Specialty Products Corporation 2014 Employee Stock Purchase Plan | DEF14A | 001-36272 | Appendix B | 04/25/14 | | |
| 21.1 | List of subsidiaries | 10-K | 001-36272 | 21.1 | 03/31/14 | | |
| 23.1 | Consent of PricewaterhouseCoopers LLP | | | | | | X |

II-4

| Exhibit No. | Exhibit Description | Incorporated by Reference Form | File No. | Exhibit No. | Filing Date | Included in this Registration Statement |
|---|---|---|---|---|---|---|
| 23.2 | Consent of KPMG LLP | | | | | X |
| 23.3 | Consent of Greenberg Traurig, P.A. (form contained in Exhibit 5.1 herein) | | | | | X** |
| 24.1 | Power of Attorney | | | | | X** |

101* The following materials from Platform Specialty Products Corporation’s fiscal year ended December 31, 2013, formatted in XBRL (Extensible Business Reporting Language) are included in this registration statement: (i) the Consolidated Statements of Operations for the period from inception (April 23, 2013 through December 31, 2013), the period from January 1, 2013 through October 31, 2013, and the years ended December 31, 2012 and 2011, (ii) the Consolidated Statements of Comprehensive Income for the period from inception (April 23, 2013 through December 31, 2013), the period from January 1, 2013 through October 31, 2013, and the years ended December 31, 2012 and 2011, (iii) the Consolidated Balance Sheets at December 31, 2013 and December 31, 2012, (iv) the Consolidated Statements of Cash Flows for the period from inception (April 23, 2013 through December 31, 2013), the period from January 1, 2013 through October 31, 2013, and the years ended December 31, 2012 and 2011, (v) the Consolidated Statements of Changes in Stockholders' Equity for the period from December 31, 2011 through December 31, 2012, the period from December 31, 2012 through October 31, 2013 and the period from inception (April 23, 2013 through December 31, 2013), and (vi) Notes to Consolidated Financial Statements.

The following materials from Platform Specialty Products Corporation’s quarterly period ended March 31, 2014, formatted in XBRL (Extensible Business Reporting Language) are included in this registration statement: (i) the Condensed Consolidated Statements of Operations for the three months ended March 31, 2014 and 2013, (ii) the Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2014 and 2013, (iii) the Condensed Consolidated Balance Sheets at March 31, 2014 and December 31, 2013, (iv) the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2014 and 2013, and (v) and Notes to Condensed Consolidated Financial Statements.

* Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed furnished and not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under these sections.

** Previously filed.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by the controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Miami, State of Florida, on June 13, 2014.

PLATFORM SPECIALTY PRODUCTS CORPORATION

| | |
|---|---|
| By: | /s/ Daniel H. Leever |
| Name: | Daniel H. Leever |
| Title: | Chief Executive Officer, President and Vice Chairman of the Board |

Pursuant to the requirements of the Securities Act of 1933, this Amendment to Registration Statement has been signed by the following persons in the capacities indicated below.

| Signature | Title | Date |
|---|---|---|
| /s/ Daniel H. Leever<br>Daniel H. Leever | Chief Executive Officer, President and Vice Chairman of the Board<br>(principal executive officer) | June 13, 2014 |
| /s/ Frank J. Monteiro<br>Frank J. Monteiro | Senior Vice President and Chief Financial Officer<br>(principal financial officer and principal accounting officer) | June 13, 2014 |
| *<br>Martin E. Franklin | Chairman of the Board | June 13, 2014 |
| *<br>Ian G.H. Ashken | Director | June 13, 2014 |
| *<br>Nicolas Berggruen | Director | June 13, 2014 |
| *<br>Michael F. Goss | Director | June 13, 2014 |
| *<br>Ryan Israel | Director | June 13, 2014 |
| *<br>E. Stanley O'Neal | Director | June 13, 2014 |

*The undersigned, pursuant to a power of attorney, executed by each of the officers and directors above and filed with the SEC on May 23, 2014 on the signature page to the Registration Statement on Form S-1 and incorporated herein by reference, by signing his name hereto, does hereby sign and deliver this Amendment to Registration Statement on behalf of each of the persons noted above in the capacities indicated.

| | |
|---|---|
| By: | /s/ Frank J. Monteiro |
| Name: | Frank J. Monteiro, Attorney-in-fact |

II-7