

News release

10 September 2009

Merchant Securities announces New Share Option Scheme

Merchant Securities plc ("MS" or the "Company"), the financial services group specialising in private client investment management, institutional research and trading, corporate finance and corporate broking announces that on 9 September 2009, the board approved the grant of options over the Company's ordinary shares to, Mr Patrick Claridge, chief executive, Mr John Foster-Powell, chief financial officer, Mr John Green, non-executive chairman and Mr Charles Price, non-executive director. The options granted to Mr Claridge and Mr Foster-Powell were granted under the terms of the Merchant Securities plc new scheme (The New Scheme") and those granted to Mr Green and Mr Price were individual grants.

The New Scheme was approved by the board of MS on 23 April 2009. Holders of 3,402,463 options under the Merchant Securities old scheme (the "Old Scheme") or, in the case of Mr Green and Mr Price, individual grants, have agreed to waive their former entitlements, including Mr Claridge, Mr Green and Mr Price, who have waived their entitlements to options over 562,514, 100,203 and 66,802 shares respectively.

Under the New Scheme, Mr Claridge has now been granted options over 562,514 shares and Mr Foster-Powell has been granted options over 400,000 shares. Mr Green has been granted options over 100,203 shares and Mr Price has been granted options over 66,802 shares. The total number of options which have now been granted under the New Scheme, and individual grants, including the options being announced today, is 4,158,083, equivalent to 8.87 per cent of the existing issued share capital of the Company. Options over 1,832,700 ordinary shares granted under the terms of the Old Scheme with exercise prices between 36.5p and 15p per share remain in existence, equivalent to 3.91 per cent of the existing issued share capital of the Company. The total number of options granted under the New Scheme and the Old Scheme is 5,990,783, equivalent to 12.77 per cent of the existing issued share capital of the Company

Vesting of the options granted under the rules of the New Scheme to date is not subject to performance conditions, but only one third of the options will vest on grant, with the remainder vesting in equal thirds, on the anniversary of the date of grant, in 2010, 2011 and 2012. The option exercise price is 10 pence per share and the options may be exercised at any time between the first and tenth anniversaries of the date of the grant subject to the vesting periods. The options were awarded by the board on 9 September 2009 following consultation with the Company's major shareholders.

Following the grant of these options, the shareholdings of the directors and the number of options awarded to them is set out below.

Name	Shareholdings		Options	
	Number	%	Number	%
John Green*	125,431	0.27	100,203	0.21
Patrick Claridge	2,348,028	5.01	562,514	1.20
John East	4,495,000	9.58	-	-
John Foster-Powell	500,000	1.07	400,000	0.85
Charles Price	416,009	0.89	66,802	0.14

* 82,574 of these shares are held by Kathleen Green, wife of John Green



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