



# Merchant Securities Group

**AIM: MERC**  
**17 January 2012**

**Merchant Securities Group plc**

**("Merchant Securities" or the "Company")**

**Issue of Equity**

**Cancellation of Trading on AIM**

**Transaction in Own Shares**

**Directorate Changes**

On 14 December 2011, Sanlam Private Investment Holdings UK Limited ("SPIH") announced that as at 1:00 p.m. (London time) on 13 December 2011, it had received valid acceptances in respect of 28,971,985 Offer Shares, representing 94.36 per cent. of the Offer Shares, and that the Offer for the Company had been declared unconditional in all respects.

As a result, Merchant Securities has applied to the London Stock Exchange for the cancellation of admission to trading of the Company's shares on AIM ("Cancellation") and Cancellation will take place at 7.00am on 14 February 2012.

As SPIH owns or has acceptances in respect of more than 75 per cent. of Merchant Shares, Cancellation will take place without the approval of Merchant shareholders. Such Cancellation will significantly reduce the liquidity and marketability of any Merchant Shares not acquired by SPIH. Following Cancellation, SPIH intends to procure that Merchant re-registers from a public limited company to a private limited company.

As SPIH has received acceptances under the Offer in respect of 90 per cent. or more in value of Merchant Shares to which the Offer relates and 90 per cent. or more of the voting rights carried by those shares and all of the other conditions of the Offer have been satisfied or waived (if capable of being waived), SPIH intends to exercise its rights in accordance with sections 974 to 991 of the Companies Act to acquire compulsorily the remaining Merchant Shares on the same terms as the Offer as soon as reasonably practicable. The Offer will however remain open for acceptance until further notice. All other terms and conditions as outlined in the Offer Document still apply. Shareholders who wish to accept the Offer and have not already done so should refer to the announcement by SPIH of 31 October 2011 and to the relevant Offer documentation.

The Company also announces that on 16 January 2012 it sold a total of 2,174 Merchant Shares, representing its entire holding of treasury shares, to SPIH for cash at the Offer Price.

In addition, following the Offer being declared wholly unconditional and the Acquisition Agreement having completed, the Company announces that John Green (Non-executive Chairman), John East (Executive Director) and Charles Price (Non-executive Director) have



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stepped down from the Board with effect from 16 January 2012. The Company would like to take this opportunity to thank all three for their significant contribution to the business.

*Capitalised terms used but not defined in this announcement shall have the meaning given to them in the Offer Document.*

Enquiries:

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