

FORM 8 (OPD)

PUBLIC OPENING POSITION DISCLOSURE BY A PARTY TO AN OFFER  
Rules 8.1 and 8.2 of the Takeover Code (the "Code")

1. KEY INFORMATION

(a) Identity of the party to the offer making the disclosure:	Merchant Securities Group plc
(b) Owner or controller of interests and short positions disclosed, if different from 1(a): <i>The naming of nominee or vehicle companies is insufficient</i>	
(c) Name of offeror/offeree in relation to whose relevant securities this form relates: <i>Use a separate form for each party to the offer</i>	Merchant Securities Group plc ("MSG plc")
(d) Is the party to the offer making the disclosure the offeror or the offeree?	OFFEREE
(e) Date position held:	09 September 2011
(f) Has the party previously disclosed, or is it today disclosing, under the Code in respect of any other party to this offer?	NO

2. POSITIONS OF THE PARTY TO THE OFFER MAKING THE DISCLOSURE

- (a) Interests and short positions in the relevant securities of the offeror or offeree to which the disclosure relates

Class of relevant security:	1 penny ordinary shares			
	Interests		Short positions	
	Number	%	Number	%
(1) Relevant securities owned and/or controlled:	0	0	0	0
(2) Derivatives (other than options):	0	0	0	0
(3) Options and agreements to purchase/sell:	0	0	0	0
<b>TOTAL:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Class of relevant security:	Warrants			
	Interests		Short positions	
	Number	%	Number	%
(1) Relevant securities owned and/or controlled:	0	0	0	0
(2) Derivatives (other than options):	0	0	0	0
(3) Options and agreements to purchase/sell:	0	0	0	0
<b>TOTAL:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

All interests and all short positions should be disclosed.

Details of any open derivative or option positions, or agreements to purchase or sell relevant securities, should be given on a Supplemental Form 8 (Open Positions).

Details of any securities borrowing and lending positions or financial collateral arrangements should be disclosed on a Supplemental Form 8 (SBL).

**(b) Rights to subscribe for new securities**

<b>Class of relevant security in relation to which subscription right exists:</b>	None
<b>Details, including nature of the rights concerned and relevant percentages:</b>	None

If there are positions or rights to subscribe to disclose in more than one class of relevant securities of the offeror or offeree named in 1(c), copy table 2(a) or (b) (as appropriate) for each additional class of relevant security.

**(c) Irrevocable commitments and letters of intent**

<b>Details of any irrevocable commitments or letters of intent procured by the party to the offer making the disclosure or any person acting in concert with it (see Note 3 on Rule 2.11 of the Code):</b>
None

**3. POSITIONS OF PERSONS ACTING IN CONCERT WITH THE PARTY TO THE OFFER MAKING THE DISCLOSURE**

<b>Details of any interests, short positions and rights to subscribe of any person acting in concert with the party to the offer making the disclosure:</b>			
<b>Name</b>	<b>Number of Ordinary 1p Shares interested in</b>	<b>%</b>	
<b>Directors MSG plc:</b>			
Patrick Claridge	2,563,028	4.99	
John East	4,495,000	8.75	
John Foster-Powell	600,000	1.17	
*John Green	125,431	0.24	
Charles Price	416,009	0.81	
<b>Directors MSL:</b>			
*David Worlidge	2,748,572	5.35	
Simon Clements	517,857	1.00	
Graeme Smith	74,630	0.15	
Paul Chapman	40,000	0.08	
<b>Directors MSWM:</b>			
*Tim Wall	4,130,435	8.04	
Wayne Ellis	100,833	0.20	
<b>Employee Benefit Trust:</b>	1,350,000	2.63	

<b>**MSL Discretionary Clients Holdings:</b>	445,000	0.87	
<p>*includes 928,572 shares for David Worlidge, 173,912 shares for Tim Wall and 82,574 shares held by their close relatives.  **includes 85,000 shares for Patrick Claridge and 225,000 shares for Simon Clements, managed under a discretionary mandate by MSL, which are not included in their individual holdings above as they are not able to exercise the votes on these shares at a general meeting of the Company.</p>			
<b>Name</b>	<b>Number of Warrants interested in</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Name</b>	<b>Options to purchase shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
<b>Directors MSG plc:</b>			
Patrick Claridge	562,514	£0.10	08-Sep-19
Patrick Claridge	550,000	£0.30	22-Jul-20
John Foster-Powell	400,000	£0.10	08-Sep-19
John Green	100,203	£0.10	08-Sep-19
Charles Price	66,802	£0.10	08-Sep-19
<b>Directors MSL:</b>			
Simon Clements	214,286	£0.10	08-Sep-19
Simon Clements	400,000	£0.30	22-Jul-20
Graeme Smith	243,600	£0.10	08-Sep-19
Paul Chapman	100,000	£0.10	08-Sep-19
<b>Directors MSWM:</b>			
Wayne Ellis	150,000	£0.10	08-Sep-19
Wayne Ellis	300,000	£0.30	22-Jul-20
<p>Options expiring on 08-Sep-19 are subject to a vesting schedule whereby one third of the award vests on grant (09-Sep-09) and the balance of the award vests in three equal instalments on the first, second and third anniversaries of the grant. Options expiring on 22-Jul-20 vest in three equal instalments on the first, second and third anniversaries of the grant (23-Jul-10). In the event of a general offer to acquire the whole of the issued ordinary share capital of the company, all Options may be exercised following the announcement of a firm intention to make an offer, conditional on completion of the offer.</p>			

*If there are positions or rights to subscribe to disclose in more than one class of relevant securities of the offeror or offeree named in 1(c), copy table 3 for each additional class of relevant security.*

*Details of any open derivative or option positions, or agreements to purchase or sell relevant securities, should be given on a Supplemental Form 8 (Open Positions).*

*Details of any securities borrowing and lending positions or financial collateral arrangements should be disclosed on a Supplemental Form 8 (SBL).*

#### 4. OTHER INFORMATION

##### (a) Indemnity and other dealing arrangements

<p><b>Details of any indemnity or option arrangement, or any agreement or understanding, formal or informal, relating to relevant securities which may be an inducement to deal or refrain from dealing entered into by the party to the offer making the disclosure or any person acting in concert with it:</b>  <i>If there are no such agreements, arrangements or understandings, state "none"</i></p>
None

##### (b) Agreements, arrangements or understandings relating to options or derivatives

<p><b>Details of any agreement, arrangement or understanding, formal or informal, between the party to the offer making the disclosure, or any person acting in concert with it, and any other person relating to:</b>  <b>(i) the voting rights of any relevant securities under any option; or</b>  <b>(ii) the voting rights or future acquisition or disposal of any relevant securities to which any derivative is referenced:</b>  <i>If there are no such agreements, arrangements or understandings, state "none"</i></p>
None

##### (c) Attachments

Are any Supplemental Forms attached?

Supplemental Form 8 (Open Positions)	NO
Supplemental Form 8 (SBL)	NO

Date of disclosure:	09 September 2011
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