

For filings with the FSA include the annex

For filings with issuer exclude the annex

## TR-1: NOTIFICATION OF MAJOR INTEREST IN SHARES<sup>i</sup>

<b>1. Identity of the issuer or the underlying issuer of existing shares to which voting rights are attached:</b> <sup>ii</sup>	<b>Merchant Securities Group plc</b>	
<b>2 Reason for the notification</b> (please tick the appropriate box or boxes):		
An acquisition or disposal of voting rights	<b>Yes</b>	
An acquisition or disposal of qualifying financial instruments which may result in the acquisition of shares already issued to which voting rights are attached	<b>No</b>	
An acquisition or disposal of instruments with similar economic effect to qualifying financial instruments	<b>No</b>	
An event changing the breakdown of voting rights	<b>No</b>	
Other (please specify):	<b>No</b>	
<b>3. Full name of person(s) subject to the notification obligation:</b> <sup>iii</sup>	<b>Gartmore Investment Limited</b>	
<b>4. Full name of shareholder(s)</b> (if different from 3.): <sup>iv</sup>	Fund Managing Company <b>Gartmore Fund Managers Limited</b> Shares held: <b>3,020,000</b> % of issued share capital: <b>5.889%</b> UK Registered owner: <b>HSBC Global Custody Nominee Limited</b> Beneficial owner: <b>Gartmore Fund Managers Limited A/C Gartmore UK &amp; Irish Smaller Companies</b>  Fund Managing Company <b>Gartmore Investment Limited</b> Shares held: <b>2,000,000</b> % of issued share capital: <b>3.900%</b> UK Registered owner: <b>Vidacos Nominees Limited A/C 2303</b> Beneficial owner: <b>The Alphagen Volantis Fund Limited</b>	
<b>5. Date of the transaction and date on which the threshold is crossed or reached:</b> <sup>v</sup>	<b>23<sup>rd</sup> February 2011</b>	
<b>6. Date on which issuer notified:</b>	<b>24<sup>th</sup> February 2011</b>	
<b>7. Threshold(s) that is/are crossed:</b> <sup>vi, vii</sup>	<b>10%</b>	

8. Notified details:							
A: Voting rights attached to shares <sup>viii, ix</sup>							
Class/type of shares  if possible using the ISIN CODE	Situation previous to the triggering transaction		Resulting situation after the triggering transaction				
	Number of Shares	Number of Voting Rights	Number of shares	Number of voting rights		% of voting rights <sup>x</sup>	
			Direct	Direct <sup>xi</sup>	Indirect <sup>xii</sup>	Direct	Indirect
GB000B1FRQG0	6,067,005	6,067,005	5,020,000		5,020,000		9.790%

B: Qualifying Financial Instruments				
Resulting situation after the triggering transaction				
Type of financial instrument	Expiration date <sup>xiii</sup>	Exercise/ Conversion Period <sup>xiv</sup>	Number of voting rights that may be acquired if the instrument is exercised/ converted.	% of voting rights

C: Financial Instruments with similar economic effect to Qualifying Financial Instruments <sup>xv, xvi</sup>						
Resulting situation after the triggering transaction						
Type of financial instrument	Exercise price	Expiration date <sup>xvii</sup>	Exercise/ Conversion period <sup>xviii</sup>	Number of voting rights instrument refers to	% of voting rights <sup>xix, xx</sup>	
					Nominal	Delta
	N/A	N/A	N/A			

Total (A+B+C)	
Number of voting rights	Percentage of voting rights
5,020,000	9.790%

**9. Chain of controlled undertakings through which the voting rights and/or the financial instruments are effectively held, if applicable:** <sup>xxi</sup>

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**Proxy Voting:**

<b>10. Name of the proxy holder:</b>	
<b>11. Number of voting rights proxy holder will cease to hold:</b>	
<b>12. Date on which proxy holder will cease to hold voting rights:</b>	

<b>13. Additional information:</b>  <b>Email :</b> <a href="mailto:paul.chapman@merchantsecurities.co.uk">paul.chapman@merchantsecurities.co.uk</a>	All figures are based on the Company's issued share capital of 51,278,428 as provided by Exshare  E mail contact <a href="mailto:RDU@Gartmore.com">RDU@Gartmore.com</a>
<b>14. Contact name:</b>	<b>RDU</b>
<b>15. Contact telephone number:</b>	<b>0207 782 2324</b>