

AIM: MERC  
18 May 2011

**MERCHANT SECURITIES GROUP PLC**  
**("Merchant Securities" or "the Group")**

**Trading Update**

Merchant Securities, the financial services group, is pleased to provide the following update on trading for the year ended 31 March 2011.

Revenue for the 12 months to 31 March 2011, subject to audit, is expected to show year on year growth of 10% to £8.4 million (2010: £7.61 million). Profit before taxation, amortisation and non-recurring items is expected to show a rise of approximately 36% to £1.1 million (2010: £0.83 million). Non-recurring items relate primarily to the Group's move to a single larger London office. The Group's balance sheet remains strong, with no debt, and cash balances at 31 March 2011 stood at £2.6 million (2010: net cash of £3.1 million). This is stated after costs associated with the move to new offices and the acquisition of GT Independent Financial Advisers Limited ("GT") mentioned below.

The Board is satisfied with the Group's progress in the year. A key highlight was the acquisition of GT, an independent wealth management firm, in February 2011. Its addition has more than doubled the Group's assets under advisory and discretionary management, which stood at approximately £486 million as at 31 March 2011, and is in line with the Board's strategy to expand Merchant Securities' wealth management division. Merchant Securities' corporate finance and advisory activities have performed well in a difficult marketplace.

Results for the year are expected to be issued at the end of July.

**For further information, please contact:**

**Merchant Securities Group plc**  
Patrick Claridge, Chief Executive

T: 020 7375 9022

**Arden Partners plc**  
Richard Day

T: 020 7614 5917

**Biddicks**  
Katie Tzouliadis/Sophie Lane

T: 020 3178 6378