

28 April 2009

Merchant Securities plc (“Merchant Securities” or the “Company”)

Trading update

Merchant Securities, the financial services group specialising in institutional and private client stockbroking, corporate finance, corporate broking and private equity, announces a trading update for the year ended 31 March 2009.

Despite the continuing difficult market conditions, the Company’s trading in the second half of the financial year ended 31 March 2009 has seen the improvement predicted by the board at the time of the interim results.

The board, currently and subject to audit, expects to report a modest profit before tax, goodwill impairment, revaluation of investments and non-recurring items for the second six months of the year, following the loss, on the same basis, of £581,575 announced for the first half of the financial year. The board also expects revenue for the year to be similar to that generated in the year ended 31 March 2008, which was £5.3 million.

As at 31 March 2009, the Company had net tangible assets of £2.9m, cash of £2.2 million and no debt.

The Company acquired John East & Partners Limited, (“John East & Partners”) a corporate finance adviser, nominated adviser and corporate broker, in October 2007. It is now intended to merge its business with that of the Company’s other operating subsidiary, Merchant Securities Group Limited, to create a single entity which will carry out all the activities currently conducted within the group. The name of the trading subsidiary will be Merchant John East Securities Limited and it is hoped to have completed the necessary restructuring by 30 September 2009.

John East & Partners was recently shortlisted for the Growth Company Investor AIM Adviser of the Year award for the sixth time in the last seven years and for the AIM Broker of the year award for the first time.

Patrick Claridge, Chief Executive, Merchant Securities plc, says:

“Although trading conditions remain difficult, the second half of the year ended 31 March 2009, saw the Company return to an operating profit. The decisive action taken by the board

and focus on the core objectives of the business, combined with tough cost control, have helped to return the Company to the black.”

The Company expects to announce its results for the year ended 31 March 2009 by the end of July 2009.

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