PLUS MARKETS GROUP PLC
ANNUAL REPORT 2010

Contents

Chairman's Statement

Dear Shareholder,

Building the Next Generation Stock Exchange

I am pleased to report that 2010 was a year of rapid change for your company with some major successes in reversing the company's difficult financial position. Losses were reduced significantly from the 2009 out turn and a new strategy has been implemented by the executive team under the leadership of Cyril Théret. We have made these changes because we are in the process of creating the next generation of stock exchange.

It is important to define what is a next generation stock exchange. Put simply, it should have the following characteristics:

- a neutral listing and trading venue with appropriate ownership and governance arrangements, not prone to influence by any one special interest group;
- transactions that are transparent and open for all to see;
- a very low cost base enabling it to be competitive with any similar organisation in its sector;
- high performance technology, with no legacy systems, and access to central clearing facilities; and
- delivering stakeholder value through product innovation.

Much has been written about the rapid changes in regulation and technology that have occurred in the last few years combined with the continuing aftershocks of the financial crisis in 2008 forcing every type of financial intermediary to rethink its business. We believe that the stock exchange business is right in the centre of these changes. We therefore intend to make sure that your company is correctly positioned to take full advantage of what many others see as threats to their business.

The recently announced mergers amongst some of the world's largest exchanges shows exactly what the challenges are: exchanges are operating in a reducing margin business and consolidation is their way of trying to reduce costs.

We are of the view that your company does not need to consolidate in the near term. Instead, it needs to reconfigure its low margin activities and rapidly move into higher margin products and services, creating new products for investors to trade rather than reproducing existing products which only serve to reinforce dwindling margins.

2010 was the year that we laid the foundations to make PLUS a next generation stock exchange.

Financial Performance

The financial performance of the Group for 2010 reflects a year of transition with revenues stable and a reduced annualised operating costs level of £5 million going into 2011. The Group is reporting a basic loss per share of 1.46 pence down from a loss of 2.37 pence in 2009. The Group has also placed a great emphasis on conserving its cash and bank balances which were £5.9 million at year end, within regulatory requirements.

The Group's share price has not yet reflected the benefits of these changes and for the main part of 2010 traded under enterprise value based on a revenue multiple for our peer group of 5.3 times. It is the Board's view that, having increased the stability of the business in 2010 and developed a strategy around building short term revenue, the Group is now well placed going into the 2011 financial year. We are targeting a further significant reduction in the Group's losses to a very low level indeed in the coming year by leveraging its London RIE licence with the intention to achieve a break-even run rate in 2012.

Strategic Development

In this environment, we at PLUS, as a next generation stock exchange, are determined to optimise the value of our RIE status by adding new services, products and new ways of investing to provide genuine choice to market users. That is why we created PLUS Derivatives Exchange (PLUS-DX) at the end of the year and renamed our existing equity business PLUS Stock Exchange (PLUS-SX),

Your company is focussed on delivering stakeholder value. The focus in 2010 has been to achieve operational efficiency through a reduction in headcount from an average of 52 in 2009 to 31 at the end of 2010, a new technology offering to support all our existing and new products, a new Executive Team and a new regulatory approach.

The existing business we operate has fared reasonably well but we recognise that the needs of SMEs and the investors who use our market are changing. Small cap investing remains a big challenge in terms of research coverage and the companies themselves find compliance costs an uphill struggle. During 2010, we recognised that the growth prospects of our existing business were muted and that new approaches and business lines were required to ensure the company's long term sustainability.

Board Changes

Shareholders will be aware of the board changes which occurred in February 2010 when I became Chairman and Cyril Théret was appointed Chief Executive.

During the year, Simon Brickles, who was appointed Vice Chairman as a result of those changes, decided to leave the Board in September. Simon played an important role as the former Chief Executive in moving PLUS to a Recognised Investment Exchange. Stephen Allcock, who served the company well as both a Non-Executive Director and Chairman of the Remuneration Committee retired from the Board in September. We are very grateful to Stephen for his wise counsel and support over many years to the company.

As a result of these changes, we appointed Malcolm Basing as a Non-Executive Director and Chairman of the Remuneration Committee in November 2010. Malcolm's experience in derivatives markets as well as his long career as a senior international banker will be very helpful to the company in the future.

Giles Vardey

Giles Vardey
Chairman
25 March 2011

Chief Executive's Review

The financial performance of the Group for 2010 represents a year of both internal and external transition. It is also the first year anniversary for myself as CEO and of the new Executive Team. Much has been achieved, as outlined in the Chairman's statement, since we announced the strategic review in March 2010.

The most important objective for the year was to create financial stability for the Company in order to drive stakeholder value. This was not obvious at the start of 2010, however through a clear strategy of cost reduction we have now substantially achieved this. From this more stable base 2011 is focussed on growing our existing and new lines of revenues.

We have worked hard to restore the credibility of the Group with all our stakeholders and in doing so, laid the foundations for a next generation stock exchange. We are leveraging our key asset, the RIE licence, or, in other words, a London-based cash equity infrastructure that comprises an exchange licence; independence in technology; and a competent regulatory function.

The performance of the Group is outlined below in the operating and financial review. Instead, I would like to take this opportunity to update on the strategic review objectives of the past year.

PLUS Stock Exchange plc

We changed the company's name from PLUS Markets plc to PLUS Stock Exchange plc to underline the existing business.

- Capital markets

The PLUS Growth Market is being promoted by a series of initiatives in order to sustain a virtuous circle of visibility, liquidity and investment. Firstly we are launching PLUS Analytix, a financial tool to provide more transparency on key performance indicators of our issuers. This is aimed at addressing the general lack of coverage surrounding microcaps that are not being served by the banks and other financial institutions. Investors will have more easily accessible metrics for decision making. This will be launched in Q2 2011.

Secondly, we remain committed to a number of marketing initiatives (including exchange paid for research through Edison Investment Research; the UK regional investor roadshows; and the mentoring programme) and lobbying the UK Government on promoting the trading of small and mid caps. These initiatives have delivered an average of 70% growth in the value traded and number of trades of PLUS issuers.

Finally, we are currently testing demand with investors on a corporate loan product based on a revenue participation scheme.

- Retail trading services

As a leading venue for retail trading, PLUS plans to improve its offering through a Retail Service Provider ("RSP") hub based on a Request For Quote ("RFQ") model providing on-exchange best execution, single fill and price improvement opportunities to retail investors.

The RFQ model is to be rolled out alongside the new in-house built quote and trade reporting facility and will initially be targeted at the full list of UK securities (PLUS Growth Market, AIM, and officially listed). The roll-out is contingent on the support of liquidity providers and brokers.

PLUS Derivatives Exchange (PLUS-DX)

PLUS-DX is a newly formed company that is currently awaiting regulatory approval. Under the management of Clive Connors, PLUS-DX is expected to begin trading in Q2 this year, offering short to medium term interest rate hedging instruments. PLUS-DX will offer centrally cleared trading in the USD interest rate swap index series (FTSE MTIRS). As previously announced PLUS-DX has key agreements in place with the FTSE Group, the global index provider, and LCH.Clearnet Ltd, the leading independent clearing house.

We are launching PLUS-DX to meet the demands across Europe and the US from governments and regulators to provide exchange based alternatives to over-the-counter (OTC) derivatives. According to the Bank for International Settlements, the amount of OTC single currency interest rate derivatives outstanding for USD only is USD164 trillion. We have identified significant interest from a variety of potential users including asset managers, hedge funds, banks and corporates.

PLUS-DX represents a large and exciting commercial opportunity and we are pleased to enter this market with such well established partners as FTSE Group and LCH.Clearnet Ltd.

Technology Progress

We are in the process of completing our technology requirements which will offer market making, RFQ, and lit book services under an exchange environment. To that end we contracted Algo Technologies Ltd in August 2010 and completed two technology upgrades: AlgoData, which provides ultra-low latency market data services to PLUS, and AlgoSpan, which replaces our old network connectivity between our data centres and other financial institutions. We also have signed Heads of Terms to implement AlgoM2, to provide a multi asset class lit book, which as stated previously is subject to additional funding.

Vision

Your company is not just another traditional stock exchange or multi lateral trading facility. We are actively embracing both the newly formed regulatory landscape and highly advanced technology to deliver the next generation of stock exchange. We will continue to focus on our strategy to transform all operational units of the Group into revenue generating business units.

Cyril Théret
Chief Executive Officer
25 March 2011

Operating and Financial Review

Cautionary Statement

This Operating and Financial Review (OFR) has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The OFR should not be relied on by any other party or for any other purpose.

The OFR contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Operating Review

Operational and Regulatory Environment

The 2008 credit crunch and banking crisis continue to reverberate for us all in 2010, whilst markets sustained most of the recovery in prices and activity of 2009.

Firstly, regulators have been under intense pressure to understand what went wrong and put in place stronger, tighter and more effective rules to prevent a reoccurrence. It is not clear to us whether any of their changes, or proposed changes, will actually do this. These measures also come at a time of a new financial regulatory structure in the UK.

- SMEs (Small and Medium Enterprises)

In the UK, the levels of both corporate and personal debt remain very high but there has been no regulatory (or even fiscal) push to reduce these levels whilst little to nothing is being proposed to encourage more saving and investment at a fundamental level. And yet, political pronouncements in 2010 have stressed the importance of financing SMEs to drive the economic recovery.

These companies are our core franchise. Most regulatory thinking is still based on the idea that buying and selling in the shares of these companies is 'high risk' especially for private investors and should be avoided by them. It is not considered as an investment opportunity.

- MiFID (the EU's Markets in Financial Instruments Directive implemented in 2007)

At the EU level, there was a review of MiFID (called MiFID II), and the Dodd Frank legislation was implemented in the US. The most important change has the been the drive to move OTC trading in derivatives on to stock exchanges, and settle these transactions through central clearing houses. It is our intention to offer attractive new products and services through Plus Derivatives Exchange (PLUS-DX) to capture that trend quickly.

Your company has been very active in responding to these consultations on the changes proposed in the UK and the EU, as well as the UK government's initial thoughts on a private sector recovery.

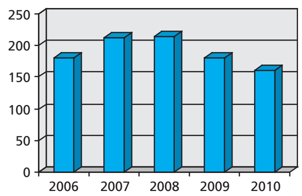
Secondly, the equity market story in 2010 was the growth of new trading venues in Europe which appeared to be gaining large market shares at the expense of existing stock exchanges. Many of these new entrants were classified as MTFs (Multilateral Trading Facilities) and were financed by major banks who were seeking reductions in stock exchange trading fees.

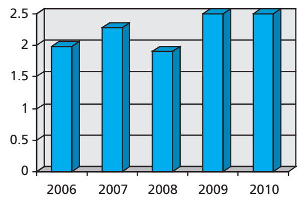
Despite much media attention, none have yet made significant profits and the biggest ones are either for sale, or are merging, or both. They have served their original purpose for their owners and now face the same issues as traditional exchanges.

Key Performance Indicators

Capital Markets

At the year end, 161 companies were admitted to trading on PLUS (down from 179 at end of 2009). The total market capitalisation of PLUS issuers at year end was £2.55 billion, similar to 2009.

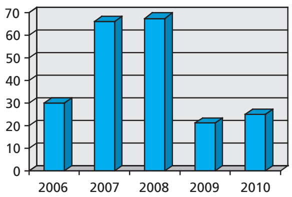


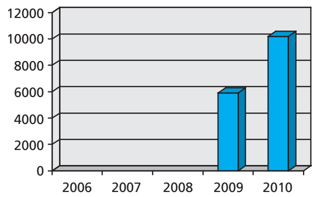


The market includes 42 international companies, of which 7 joined in 2010, making PLUS one of the most international growth markets in Europe (representing 26% of the market by number of companies).

The number of issuers leaving our market has returned to historical levels, down from 52 in 2009 to 35 in 2010. However the low level of new admissions (19 in 2010, of which 2 came via reverse takeover of existing issuers on PLUS) reflects the on-going difficulty for companies to attract investor support for small companies IPOs.

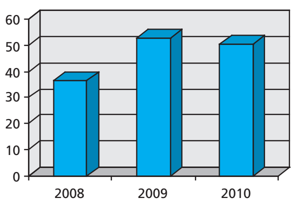
Companies raised £25.3 million on PLUS from new and further issues during the year, which remains at the low end of past experience. However, equity trading in PLUS issuers was up by an average of 70% both by value and number of trades.

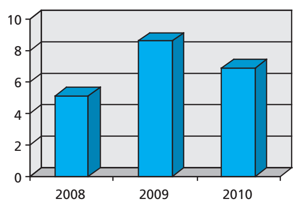




Trading Services

The on-exchange value traded of all equities reported to PLUS was down 4.54% from 2009, at £50.46 billion with an average bargain size of £7,292. This is in line with other markets or indices.





Market Data Services

At the year end, there were 2,089 professional and retail users accessing PLUS real-time data via seven market data vendors. Demand for our real-time data remained stable despite adverse economic conditions affecting our core users.

Financial Review

Income

Revenues stood at £3.05 million (2009 - £3.04 million), reflecting the lack of growth in our current business. All of the Group's revenues during 2010 were generated by the PLUS Stock Exchange, with the majority coming from Capital Markets and the remainder from the sale of real-time data.

- Capital markets

Capital Markets revenue amounted to £2.05 million (2009 - £2.09 million), representing application and annual fees from issuers on the exchange's primary markets, and application and annual fees from PLUS Corporate Advisers.

- Trading services

PLUS does not charge for membership or execution fees, therefore no revenues are directly generated from this business area. This policy will not apply to any new services or products that we plan to introduce.

- Market data services

The sale of real-time PLUS-SX data generated annual income of £0.95 million (2009 - £0.87 million).

Expense

Operational and administrative expenses amounted to £9.04 million (2009 - £11.56 million). These include £1.28 million in respect of restructuring costs relating to the company's cost reduction programme during the year:

- headcount reduction from an average of 52 in 2009 to 31 at the end of 2010;
- notice costs on PLUS's Facilities Management Agreement with OMX Technology Limited (part of Nasdaq OMX), replaced by an in-house built platform; and
- notice costs on other infrastructure and network providers and the replacement with high performance alternatives, including services provided by Algo Technologies Ltd and Progress Apama Ltd.

Following these significant operational changes, we are anticipating operational and administrative expenses to the £5 million level for 2011 for PLUS Stock Exchange.

Loss for the Year

The loss before depreciation, amortisation, interest received and interest payable was £5.78 million (2009 – £8.43 million). The loss after depreciation and amortisation, and a credit of £0.13 million (2009 - £0.22 million) of interest income, was £5.67 million (2009 - £8.26 million). This represents a reduction of 31% in losses in 2010 from 2009.

Balance Sheet

The Group's net assets stood at £5.11 million as at the balance sheet date of 31 December 2010 (2009 - £10.99 million), reflecting the continuing losses of the Group. The Group has no debt.

Cash Flow and Banking Policy

At the year-end the Group had £5.89 million of cash and bank balances on its balance sheet (2009 - £10.74 million). From a regulatory perspective, the Group continues to meet its Financial Resources Requirement, as set by the Financial Services Authority.

The average return on funds achieved over the year was 1.62% (2009 – 1.70%). Finance income contributed £0.13 million (2009 - £0.22 million). The Group has maintained a diversification policy in respect of its cash deposits, using the banking services of Close Brothers plc (on an arms' length basis), Bank of Scotland plc, HSBC Bank plc and the Royal Bank of Scotland Group plc.

Risks and Uncertainties

Risk awareness and risk management are approached through a framework of policies, procedures and controls, as required by our status as a Recognised Investment Exchange. The Group has an independent Risk & Compliance function, administering risk policies approved by the Board and reporting to the Audit Committee. All applicable legal and regulatory standards are applied by our Chief Risk & Compliance Officer and Regulatory Team.

The Group's Audit Committee has a full complement of Non-Executive Directors and is responsible for satisfying itself that a proper internal control framework exists to measure, monitor, manage and mitigate risks, as well as ensuring that the controls that are in place are effective. This is achieved through regular updates from the Finance and Risk Management functions throughout the year.

The key risks facing the Group are as follows:

- policy environment;
- strategic and financial risk;
- operational risk;
- regulatory risk;
- competitor risk; and
- technology infrastructure.

Policy environment

The continued hostile regulatory and policy formation environment negatively impacts on PLUS by subduing the number of issuers on PLUS' primary markets. In order to mitigate this risk, PLUS continues to develop its primary markets and broaden its offering, both by product and by geography. PLUS is also implementing a series of enhancements to the PLUS Growth Market offering to attract new listings to its market. PLUS continues its lobbying efforts.

Strategic and financial risk

In the strategic review undertaken by the new PLUS management in 2010, a number of potential new revenue streams were identified. One of the main areas for diversification is the launch of PLUS Derivatives Exchange (PLUS-DX), to facilitate the clearing of FTSE MTIRS Index derivative trades in line with developments to both EU and US regulation.

Operational risk

As in all companies, PLUS is exposed to day-to-day operational risk which can threaten the operation of the company. PLUS has systems and controls in place to ensure that operational risks are regularly reviewed and quantified where possible. PLUS has in place an internal Risk Committee who work alongside the Chief Risk & Compliance Officer to ensure operational risks are identified, controlled or avoided as necessary.

Regulatory risk

Through its Regulatory and Compliance functions PLUS carefully monitors all actual and potentially relevant regulatory changes which may impact upon the firm's ability to operate as a Recognised Investment Exchange. PLUS recently submitted a response to the European Commission's MiFID Review (commonly known as MiFID II).

PLUS continues to expand its business model in order to diversify risk and continues work to identify threats and opportunities created by changes to the regulatory landscape.

PLUS is authorised by the Financial Services Authority as a Recognised Investment Exchange. There is a potential risk that that authorisation may be revoked due to failings in compliance with FSA regulations and requirements. As far as the directors are aware, no such failings exist and, as stated above, the Group has a framework of policies, procedures, and controls in place to prevent the occurrence of any such failings.

In addition PLUS is required to maintain a level of regulatory capital. The Directors continue to monitor the adequacy of the regulatory capital headroom.

Competitor risk

In each of PLUS's areas of activity, it operates in highly competitive markets. PLUS's existing market share could be eroded by competitors if it fails to introduce new products and services. In response to this threat PLUS is currently working on a number of alternative revenue streams, as mentioned elsewhere.

Technology infrastructure

In December 2010, PLUS migrated from a trading and market surveillance system provided by NASDAQ OMX to an in-house developed system known as PLUS 1 supported by a market surveillance system provided by Progress Apama. The migration to PLUS 1 was completed within six months, culminating in a clean and issue-free switchover. As PLUS now owns and manages its own trading software, many of its previous risks associated with having an outsourced platform are no longer relevant.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. The financial position of the Group, its cash flows and liquidity position are described in this Review. In addition notes 3 ,5 and 27 to the financial statements include the Group's objectives, policies and processes for managing its capital and liquidity, details of its financial instruments and the basis of critical accounting judgements and key sources of estimation uncertainty, while note 28 sets out the externally imposed regulatory requirements.

The Group has sufficient financial resources held on a range of deposits with maturities of up to six months at four different banks. Cognisant of the Group's regulatory capital requirements as described above, the Directors have formed a judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Nemone Wynn-Evans
Chief Financial Officer
25 March 2011

Board of Directors and Advisers

Giles Vardey (54)

Independent Non-Executive Chairman, Chairman of the Nomination Committee

(from 8 February 2010)

Giles has over 29 years' senior management and board experience in financial markets, investment banking and high growth companies. He is a non-executive director of Pipeline Financial Ltd, a specialist equity trading systems provider and at Collins Stewart plc, including acting as Chairman of its Remuneration Committee. Previous roles include Chairman of CQS Management, one of Europe's leading hedge funds, and Chief Executive of Greig Middleton & Co, part of Gerrard plc. Giles served on the main board of the London Stock Exchange between 1992 and 1997, leading the implementation of SETS and the creation of AIM and FTSE International. Prior to that he spent 10 years in securities sales and trading at Salomon Brothers, Swiss Bank Corporation and County NatWest. He holds an MA in PPE from Balliol College, Oxford.

Cyril Théret (40)

Chief Executive Officer

(from 15 February 2010)

Cyril was appointed Chief Executive Officer in February 2010 having joined the Group in January 2004 and being made Business Development Director in January 2007. He previously spent five years with the London Stock Exchange where he held positions in market supervision and issuer services including Business Development Manager for North America. Prior to his time at the London Stock Exchange Cyril worked for State Street Bank and Trust in Paris, Munich and London. He holds a Maitrise d'Ingenierie Financiere and B.A. in International Economics.

Nemone Wynn-Evans (36)

Chief Financial Officer

(from 19 September 2008)

Nemone joined PLUS Markets Group in 2004 as a member of the current management team. She has an MBA from Cranfield School of Management and is a graduate in PPE of Merton College, Oxford. She spent several years working in corporate finance and broking at KPMG and HSBC, prior to a relationship management role at the London Stock Exchange.

Ahmed Ibrahim Al Asfour (55)

Non-Executive Director

(from 1 October 2009)

Ahmed spent his early career working for oil companies. From 1992 to 1996 he worked for the Ministry of Oil for the State of Kuwait and presently serves as Chairman and CEO of Ritaj Insurance Company as well as holding a number of other board appointments. He obtained a Bachelor of Science degree from the University of Minnesota and is a national of the state of Kuwait.

Hisham S Al Otaibi (64)

Non-Executive Director

(from 1 October 2009)

Hisham is the former Minister of Commerce and Industry for the State of Kuwait, and has been a member of the Kuwait Supreme Petroleum Council since 1999. He currently serves as a director of the Kuwait Stock Exchange, having formerly been its President and is Chairman of Contracting & Marine Services Co. Hisham holds a Bachelor of Science degree from the University of Oklahoma and is a national of the state of Kuwait.

Malcolm Basing (54) + *

Independent Non-Executive Director, Chairman of the Remuneration Committee

(from 29 November 2010)

Malcolm has over 30 years' of senior management experience in investment banking and financial markets. Recently he has been Chairman of Primus Guaranty (UK) Ltd, specialising in derivative risk management and fund management. Prior to this, he served in a range of senior management, marketing and trading positions at leading global financial institutions in the UK and North America, including as Chief Operating Officer of UBS Americas. He is a former Director and Chairman of the International Swaps and Derivatives Association (ISDA) and also served as Development Director and Trustee of the City Disputes Panel. He holds an MA from Sidney Sussex College, Cambridge.

Nicholas Smith (59)* +

Independent Non-Executive Director, Chairman of the Audit Committee

(from 1 January 2006)

Nicholas is a Chartered Accountant with a previous career in investment banking. He worked for Flemings, Jardine Fleming and HSBC in Europe and Asia and his roles have included being co-head of investment banking and Chief Financial Officer of the Jardine Fleming Group. He currently serves as Chairman of Ophir Energy plc, and as director of Asian Citrus Holdings Ltd., Sorbic International Ltd., Japan Opportunities Fund II Limited and Schroder Asia Pacific Fund plc.

* Member of the Audit Committee
\+ Member of the Remuneration Committee
\# Member of the Nomination Committee

The independent Non-Executive Directors are independent of management and free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement.

Company Secretary, Registered Office and Registration Number

Celia Whitten FCIS, 33 Queen Street, London EC4R 1BR. Registered in England and Wales No. 4606754

Nominated Adviser and Broker

Brewin Dolphin Limited, 12 Smithfield Street, London EC1A 9BD

Auditors

Deloitte LLP, 2 New Street Square, London EC4A 3BZ

Solicitors

Field Fisher Waterhouse, 35 Vine Street, London EC3N 2AA

Bankers

Bank of Scotland plc, Corporate Banking, Level 2, Pentland House, 8 Lochside Avenue, Edinburgh EH12 9DJ and 155 Bishopsgate, London EC2M 3YB

Close Brothers Limited, 10 Crown Place, London EC2A 4FT

HSBC Bank plc, City of London Branch, 60 Queen Victoria Street, London EC4N 4TR

The Royal Bank of Scotland plc, 36 St Andrews Square, Edinburgh EH2 2YB and 7th Floor, 280 Bishopsgate, London EC2M 4RB

Registrars

Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Corporate Governance

Compliance with the Combined Code

Compliance with the Combined Code of Corporate Governance is not mandatory for the Company under its current listing status. However, the Company is a Recognised Investment Exchange (RIE) and therefore the Board is committed to applying the principles of the Combined Code and complying with provisions where it considers they are appropriate to a company of this size and nature.

Board of Directors and Board Committees

The Board of Directors, which currently comprises two Executive Directors and five Non-Executive Directors, is responsible for corporate governance. The role of the Non-Executive Directors is to bring independent judgement to Board discussions and decisions.

The Board meets at least eight times a year and a schedule of matters reserved for the Board has been adopted and is reviewed periodically. Included in such matters so reserved is approval of the Company's strategy for its business, financing and insurance risk management and approval of its financial results and budgets. At each meeting the directors receive a report on key business matters and strategy from the Chief Executive Officer, financial information on the Company from the Chief Financial Officer. The Head of Regulation reports twice a year on regulatory and compliance matters. The Board is satisfied with the form, quality, timing and appropriateness of the information it receives. There are also weekly meetings of the Executive Directors, who are responsible for overseeing and managing the operations of the Company.

During the year the following were held:

Meetings	**Board**		**Audit**		**Remuneration**	
	Held during appointment	Attended	Held during appointment	Attended	Held during appointment	Attended
Giles Vardey (appointed 8 Feb 2010)	8	7	n/a	n/a	n/a	n/a
Ahmed Al Asfour	9	4	n/a	n/a	n/a	n/a
Hisham Al Otaibi	9	3	n/a	n/a	n/a	n/a
Stephen Allcock (resigned 14 Sep 10)	6	5	2	2	1	1
Malcolm Basing (appointed 29 Nov 2010)	1	1	n/a	n/a	1	1
Simon Brickles (resigned 14 Sep 10)	6	4	n/a	n/a	n/a	n/a
Stephen Hazell-Smith (resigned 8 Feb 2010)	1	1	n/a	n/a	n/a	n/a
Nicholas Smith	9	8	2	2	2	2
Cyril Théret	9	9	n/a	n/a	n/a	n/a
Nemone Wynn-Evans	9	9	n/a	n/a	n/a	n/a

No Nomination Committee Meetings were held.

The Company has appointed committees to make recommendations to the Board in specific areas:

- **Audit Committee**
  Nicholas Smith (Chairman)
  Stephen Allcock (until resignation 14 September 2010)
  Hisham Al Otaibi (from 14 September – 29 November 2010)
  Malcolm Basing (from appointment 29 November 2010)
  The Audit Committee deals with matters relating to audit, financial reporting and internal control systems. The Committee meets at least twice a year to review the half year and full year results prior to their submission to the Board. A representation of the Company's auditor, the Chairman, the Chief Financial Officer and Chief Executive Officer may also attend by invitation. The Committee met three times in relation to the year ended 31 December 2009. The Audit Committee reviews the nature and extent of non-audit services supplied by the external auditor of the Company, seeking to balance objectivity and value for money.

- **Remuneration Committee**
  Stephen Allcock (Chairman - until resignation 14 September 2010)
  Nicholas Smith
  Hisham Al Otaibi (from 14 September – 29 November 2010)
  Malcolm Basing (Chairman - from appointment 29 November 2010)
  Details of the work of the Remuneration Committee are set out in the Directors' Report on Remuneration.

- **Nomination Committee**
  Giles Vardey (Chairman - from appointment 8 February 2010)
  Nicholas Smith
  Stephen Allcock (until resignation 14 September 2010)
  Ahmed Al Asfour (from 14 September – 29 November 2010)
  Malcolm Basing (from appointment 29 November 2010)
  The Nomination Committee meets as necessary to make recommendations to the Board on new Board appointments and to consider executive and Board succession planning. Defined terms of reference have been drawn up for its operation.

Senior Independent Director

Mr Nicholas Smith is the Senior Independent Director. His tasks include being available to shareholders if they have concerns, which contact through the normal channels of Chairman, Chief Executive or Chief Financial Officer has failed to resolve, and chairing the Nomination Committee when it is considering succession to the role of chairman. He also meets with the Non-Executive Directors at least once a year to appraise the Chairman's performance. He also deputises for the Chairman.

Board Effectiveness

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls, which enables risk to be assessed and managed. The Board sets the Company's strategic aims, and ensures the Company has the necessary financial, human and IT resources in place to meet its objectives and review management performance. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met in the context of the commercial risk environment that the company operates within.

Internal Control and Risk Management

The Directors are responsible for ensuring that the Group maintains a system of internal control, which is designed to provide them with reasonable assurance regarding the reliability of information used within the business and to safeguard the Group's assets. At the time of approving the financial statements, the overall internal control system was found by the directors to be appropriate to the nature and size of the business.

The key features of the Group's control framework include:

- Organisational structure: There is a clear organisational structure within which individual responsibilities are identified and can be monitored. The Group also operates a strong system of segregation of duties and control over data;
- Risk management: The risk management approach is to identify the most significant areas of risk and to determine key control objectives. Risk management procedures are documented and used by the Board of Directors in the monitoring process and more frequently by the Chief Risk and Compliance Officer to independently measure, monitor and manage risk;
- Internal audit: Headline risks identified in the risk assessment process are subject to internal audit which is undertaken by the Chief Risk and Compliance Officer. Internal audit findings are presented to the Audit Committee ahead of the Board meetings;
- Delegation of authority: Executive Directors have general responsibility for making and implementing operational decisions and for overseeing the Group's business. Matters reserved for Board approval are clearly defined;
- Planning and reporting: The Board of Directors approves strategic decisions and budgets and receives reports on key business matters from relevant personnel at each meeting. Monthly reports to management contain key performance indicators and compare actual financial performance against the annual budget or forecast. Management action is taken where variances arise and revised forecasts are produced on a regular basis;
- Detailed procedures: Procedures and controls for key business functions, including risk management and internal audit are set out in departmental manuals. These are reviewed and updated in line with changing business needs; and
- Monitoring: The Board of Directors reviews the operation and effectiveness of the framework of internal control and risk management at least annually.

Relations with Shareholders

Directors regularly meet with major shareholders and maintain an open dialogue through an ongoing investor relations programme. Shareholders have the opportunity to meet the Board at the AGM. In addition to the formal business of the AGM, the Board is available to answer any questions a shareholder may have. The Board is also happy to respond to any written queries made by shareholders during the course of the year. The Company's website can be found at www.plusmarketsgroup.com.

Directors' Report on Remuneration

Remuneration Committee

During the year the Committee comprised Stephen Allcock (Chairman of the Committee) until his resignation on 14 September 2010, Malcolm Basing (Chairman of the Committee) from his appointment on 29 November 2010, Hisham Al Otaibi from 14 September to 29 November 2010 and Nicholas Smith. The Remuneration Committee is responsible to the Board for establishing the Company's remuneration policy, taking due note of the recommendations set out in the Combined Code, independently provided industry trends and for determining the targets and the commensurate salary, incentives and other benefits of the Executive Directors, taking advice as appropriate. Additionally, the Committee reviews and approves management recommendations in respect of share option schemes or other performance related incentive arrangements for executives and employees, again taking note of the recommendations set out in the Code. The Committee meets as required.

Remuneration Policy

The objectives of the Company's remuneration policy are to ensure that Executive salaries and incentives are aligned with the performance of the individuals, the Company, the interests of shareholders and taking into account independently provided industry trends. Executive remuneration arrangements are designed to be competitive and to attract, motivate and retain executives of the calibre necessary to maintain and develop the Company.

Share Option Plans (the "PLUS Markets Plans")

The PLUS Markets Plans comprise the PLUS Markets Company Share Option Plan (the 'CSOP'), the PLUS Markets Unapproved Share Option Plan (the 'Unapproved Plan') and the PLUS Markets EMI Share Option Plan (the 'EMI Plan'). The CSOP is approved by the Inland Revenue under Schedule 9 to the Income and Corporation Taxes Act 1988. The EMI Plan provides for the grant of qualifying options under the enterprise management incentive arrangements under Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003 ('Schedule 5').

The PLUS Markets Plans are administered by the Board. The Board may delegate its powers to the Remuneration Committee. All employees who work for the Company and such subsidiaries of the Company as are designated as participating companies by the Board are eligible to participate in the PLUS Markets Plans. Only employees with committed time for the purposes of Schedule 5 of at least 25 hours a week (or, if less, 75% of their working time) are eligible under the EMI Plan.

The total number of share options outstanding under the PLUS Markets Plans at 31 December 2010 was 8,505,498 (2009 – 21,662,389), representing 2.20% (2009 – 5.60%) of the total number of shares in issue. Details were as follows:

Number of Share Options	Exercise Price	Grant Date	Earliest Exercise Date	Expiry Date
65,000	25p	01 04 2003	01 04 2006	31 03 2013
67,800	29.5p	11 03 2004	12 03 2007	11 03 2014
290,909	6.875p	11 03 2005	11 03 2008	11 03 2015
609,091	7.25p	17 03 2005	17 03 2008	17 03 2015
1,000,000	24.125p	16 12 2005	16 12 2008	16 12 2015
475,000	32.75p	18 05 2006	18 05 2009	17 05 2016
2,849,738	17.25p	18 01 2007	18 01 2010	17 01 2017
782,960	25p	11 05 2007	11 05 2010	10 05 2017
710,000	29.58p	21 06 2007	21 06 2010	20 06 2017
1,485,000	8.92p*	23 09 2008	23 09 2011	22 09 2018
170,000	7.63p*	10 10 2008	10 10 2011	09 10 2018

* Subject to a performance condition that the mean average mid-market price must exceed 20p for 30 days immediately preceding the earliest exercise date.

On 21 January 2011 all of the existing EMI options except for those issued to staff with an exercise price of less than 8.0p were cancelled and replaced by a new EMI scheme. Options issued under the new scheme are exercisable from 21 January 2014 to 20 January 2021 at an exercise price of 5.0p, subject to a minimum share price at the exercise date of 7.5p. A total of 12,171,100 options were issued.

Directors' Interests in Options Over Shares of the Company

Details of options over ordinary shares of 5p each of the Company held by the directors are set out below.

Directors	Date of Grant	Earliest Exercise of Grant	Expiry Date	Exercise Price	Number at Date of Grant	Number at 31 December 2010
C Théret	11 03 2004	11 03 2007	10 03 2014	29.5p	67,800	
	17 03 2005	17 03 2008	16 03 2015	7.25p	400,000	
	16 12 2005	16 12 2008	15 12 2015	24.125p	500,000	
	18 05 2006	18 05 2009	17 05 2016	32.75p	450,000	
	18 01 2007	18 01 2010	17 01 2017	17.25p	1,557,449	
	23 09 2008	23 09 2011	22 09 2018	8.92p*	220,000	3,195,249
N L Wynn-Evans	11 03 2005	11 03 2008	10 03 2015	6.875p	290,909	
	17 03 2005	17 03 2008	16 03 2015	7.25p	109,091	
	16 12 2005	16 12 2008	15 12 2015	24.125p	500,000	
	18 01 2007	18 01 2010	17 01 2017	17.25p	1,292,289	
	23 09 2008	23 09 2011	22 09 2018	8.92p*	720,000	2,912,289

* Subject to a performance condition that the mean average mid-market price must exceed 20p for 30 days immediately preceding the earliest exercise date.

The options granted to Cyril Théret and Nemone Wynn-Evans were granted under the PLUS Markets EMI Share Option Plan and The PLUS Markets Unapproved Share Option Plan. All options were granted in respect of qualifying service. None of the terms and conditions of the share options granted was varied during the year.

On 21 January 2011 all of the EMI scheme options held by Cyril Théret and Nemone Wynn-Evans were cancelled. They each received 2,400,000 new EMI options with an exercise price of 5.0p, subject to a performance condition of 7.5p and excercisable between 21 January 2014 and 20 January 2021.

Directors' Remuneration

The remuneration of the directors for the year ended 31 December 2010 was as follows:

		2009			2008	
	Salary/Fees £'000	**Benefits £'000**	**Total £'000**	Salary/Fees £'000	Benefits £'000	Total £'000
A I Al Asfour	63	24	87	6	8	14
H S Al Otaibi	50	16	66	6	8	14
S J Allcock (resigned 14 September 2010)	21	-	21	26	-	26
M Basing (appointed 29 November 2010)	3	-	3	-	-	-
S M Brickles (resigned 14 September 2010)	91	1	92	171	1	172
I G Salter (resigned 25 September 2009)	-	-	-	22	-	22
S J Hazell-Smith (resigned 8 February 2010)	7	-	7	32	-	32
N M N Smith	32	-	32	26	-	26
C Théret	160	1	161	160	2	162
G E Vardey (appointed 8 February 2010)	106	-	106	22	-	22
N L Wynn-Evans	125	1	126	112	2	114
	658	43	701	583	21	604

Simon Brickles' remuneration includes an ex-gratia termination payment of £35,000.

Service Agreements and Letters of Appointment

Cyril Théret and Nemone Wynn-Evans have service agreements with PLUS Markets Group plc which may be terminated by either party giving to the other not less than twelve months' notice in writing.

Giles Vardey has a letter of appointment whereby his appointment will continue until determined by either party on three months' written notice but subject to the provisions of the Company's Articles of Association relating to appointment and retirement.

Each of the Non-Executive Directors has a letter of appointment whereby their appointment will continue until determined by either party on one month's written notice but subject to the provisions of the Company's Articles of Association relating to appointment and retirement.

Copies of the service agreements and letters of appointment are available for inspection by any person at the Company's registered office during normal business hours and will be made available at the Annual General Meeting (for fifteen minutes prior to the meeting and during the meeting).

There are no other service agreements or letters of appointment in existence between any director and the Company or any company in the Group, which cannot be determined by the relevant company without payment of compensation (other than statutory compensation) within one year.

Pensions

The Company does not contribute to pension arrangements for its employees but makes available a provider of stakeholder pension services.

On behalf of the Board

Celia L Whitten FCIS
Company Secretary
25 March 2011

Directors' Report

The directors are pleased to present their Annual Report to shareholders, together with the audited financial statements for the year ended 31 December 2010.

Principal Activities

The Company's principal activity is as a holding company for PLUS Stock Exchange plc (formerly PLUS Markets plc) and PLUS Derivatives Exchange Limited. PLUS Derivatives Exchange, 80% of which was acquired in December 2010, was dormant at 31 December 2010. PLUS Stock Exchange plc is engaged in the operation of the PLUS markets and is authorised and regulated by the Financial Services Authority as a Recognised Investment Exchange and a Trade Data Monitor. PLUS's market offering comprises:

Capital Markets

The exchange provides capital market services to issuers seeking a listing or quotation in London, as an international meeting place for companies and investors. It offers two markets, as follows:

- The PLUS Growth Market, which is an exchange-regulated market, meaning that admission and continuing obligations are set and administered by PLUS's own regulation function via, inter alia, the PLUS Rules for Issuers.

- The PLUS Main Market, which is a fully listed market for established companies and the larger funds who seek admission to the Official List of the Financial Services Authority's UK Listing Authority, and at the same time admission to trading on PLUS.

Trading Services

The exchange offers a quote-driven trading platform, offering market makers the ability to display quotes (pre-trade), and market participants to report business transacted in accordance with the PLUS Trading Rules (post-trade). On the PLUS platform, the whole of the CESR list comprising some 7,500 stocks can be traded and reported, including all UK securities (including AIM) and European securities. PLUS is the dominant UK venue for execution of retail flow and its liquidity places PLUS firmly in the MTF and exchange landscape as a competitive London execution venue.

Market Data Services

PLUS supplies real-time prices and trading data, generated by its trading services activity, which supports the transparency and liquidity of the Group's markets. Real-time regulated information feeds offer proprietary PLUS trading data, which are supplied direct to market participants and indirectly to end-users via vendor terminals.

Review of Business and Future Developments

A review of the business and future developments is contained in the Operating and Financial Review, including Key Performance Indicators for the Group's principal activities as described above.

Results and Dividends

The results for the year are set out in the Consolidated Income Statement. The directors are not recommending the payment of a dividend for the year ended 31 December 2010 (2009 - nil).

Capital Structure

Details of the Company's share capital, including shares issued during the year, are shown in note 22.

Substantial Shareholdings

At 28 February 2011, the following shareholders were registered as holding three per cent or more of the issued share capital of the Company:

Close Securities Holdings	19.69%
Amara Dhari Investments	17.23%
Mr R B Rowan	6.59%
Scottish Widows	6.47%

Directors and Their Interests

The directors of the Company, their biographies and respective appointment dates are set out in the section "Board of Directors and Advisers". In accordance with the Company's Articles of Association, Mr Basing will retire at the forthcoming Annual General Meeting of the Company and, being eligible, will offer himself for reappointment. Messrs Vardey and Smith are retiring by rotation and being eligible will offer themselves for reappointment.

The Board has considered provision A.7.2 of the Combined Code 2006 and believes that Messrs Vardey, Smith and Basing continue to be effective and to demonstrate commitment to their roles, the Board and the Company. They therefore have no hesitation in recommending them for re-election at the forthcoming Annual General Meeting.

The Directors of the Company (including connected persons) during the period and their interests (in respect of which transactions are notifiable under Disclosure and Transparency Rule 3.1.2R) in the issued ordinary shares of 5p are shown in the table below:

Directors	Shareholding as at 31 Dec 09	Shareholding as at 31 Dec10	Shareholding as at 28 Feb 11
A I Al Asfour (appointed 1 October 2009)	-	-	-
H S Al Otaibi (appointed 1 October 2009)	-	-	-
S J Allcock (resigned 14 September 2010)	1,442,857	-	-
M Basing (appointed 29 November 2010)	-	-	-
S M Brickles (resigned 14 September 2010)	1,119,539	-	-
S J Hazell-Smith (resigned 8 February 2010)	2,064,286	-	-
N M N Smith	478,571	478,571	478,571
C Théret	271,428	521,428	521,428
G E Vardey (appointed Chairman 8 February 2010)	-	377,456	377,456
N L Wynn-Evans	484,681	734,681	734,681

Directors' Share Options

Details of directors' share options are provided in the Directors' Report on Remuneration.

Supplier Payment Policy

The Group endeavours to settle trade creditor liabilities in accordance with suppliers' terms and conditions. The number of days' purchases in the trade creditors at the year end was 10 (2009 - 10).

Charitable and Political Contributions

No donations were made during the year for political purposes (2009 – nil). During the year the Group made no charitable donations (2009 – nil).

Enterprise Investment Scheme and Venture Capital Trusts

The directors obtained confirmation from the Inland Revenue that the issue of ordinary shares in the Company up to and including 2004 rank as qualifying investments for the purposes of Enterprise Investment Scheme ('EIS') and will be a 'qualifying holding' for the purposes of investment by Venture Capital Trusts ('VCTs'). No confirmation has been applied for in respect of the Placings in September 2005, January 2007 and October 2009 and shareholders who are interested in such reliefs should contact the Company Secretary.

The continuing availability of EIS reliefs and the status of the ordinary shares, as a qualifying holding for VCT purposes, will be conditional, inter alia, on the Company continuing to satisfy the requirements for a qualifying company throughout the period of three years from the date of the investor making their investment (under EIS) and, for VCT purposes, throughout the period the ordinary shares are held as a qualifying holding.

Investors considering taking advantage of any of the reliefs under the EIS or available to VCTs should seek their own professional advice in order that they may fully understand how the rules apply in their individual circumstances.

Post Balance Sheet Events

Details of events occurring after the balance sheet date are listed in note 26.

Annual General Meeting

The Notice convening the Annual General Meeting of the Company to be held on 8 June 2011 at 12.00 noon is given on page 55.

Disclosure of Relevant Audit Information

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

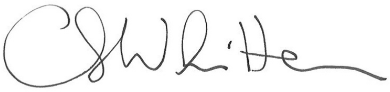
- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



Celia L Whitten FCIS
Company Secretary
25 March 2011

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and group and of the profit or loss of the company and group for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Cyril Théret
Chief Executive Officer
25 March 2011

Nemone Wynn-Evans
Chief Financial Officer
25 March 2011

Independent Auditor's Report to the Members of PLUS Markets Group plc

We have audited the financial statements of Plus Markets Group plc for the year ended 31 December 2010 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Alan Chaudhuri

Alan Chaudhuri (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
25 March 2011

Consolidated Income Statement
for the year ended 31 December 2010

	Note	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Continuing Operations			
Revenue	6	3,046	3,038
Administrative expenses	7	(9,036)	(11,563)
Charge in relation to share-based payments	8	213	91
Loss before depreciation, amortisation and impairment charge		(5,777)	(8,434)
Depreciation and amortisation	15,16	(17)	(40)
Operating loss	10	**(5,794)**	**(8,474)**
Finance income	11	135	218
Finance costs		(8)	-
Loss on ordinary activities before taxation		(5,667)	(8,256)
Taxation	13	-	-
Loss for the period attributable to equity holders of the company		**(5,667)**	**(8,256)**
Loss per share			
Basic	14	(1.46)p	(2.37)p
Diluted	14	(1.44)p	(2.33)p

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2010

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Loss for the year	(5,667)	(8,256)
Total comprehensive loss for the year	**(5,667)**	**(8,256)**
Attributable to:		
Equity holders of the Company	**(5,667)**	**(8,256)**

Consolidated Balance Sheet
As at 31 December 2010

	Note	**31 December 2010 £'000**	31 December 2009 £'000
Non-current assets			
Intangible assets	15	-	-
Property, plant and equipment	16	11	21
Available-for-sale investments	17	-	-
		11	21
Current assets			
Trade and other receivables	18	662	1,027
Cash and bank balances	19	5,888	10,744
		6,550	11,771
Total assets		6,561	11,792
Current liabilities			
Trade and other payables	20	(1,271)	(566)
Provisions	21	-	(177)
Deferred income		(177)	(56)
		(1,448)	(799)
Net current assets		**5,102**	**10,972**
Net assets		**5,113**	**10,993**
Equity			
Share capital	22	19,345	19,345
Share premium account		18,021	18,021
Retained earnings		(32,253)	(26,373)
Equity attributable to equity holders of the Company		**5,113**	**10,993**

Company registration number: 4606754

These financial statements were approved by the Board of Directors and authorised for issue on 25 March 2011.

Signed on behalf of the Board of Directors by

Giles Vardey
Chairman
25 March 2011

Company Balance Sheet
As at 31 December 2010

	Note	**31 December 2010 £'000**	31 December 2009 £'000
Non-current assets			
Investments in subsidiaries	17	928	1,736
		928	1,736
Current assets			
Trade and other receivables	18	3,366	726
Cash and bank balances	19	843	8,563
		4,209	9,289
Total assets		5,137	11,025
Current Liabilities			
Trade and other payables	20	(24)	(32)
		(24)	(32)
Net current assets		**4,185**	**9,257**
Net assets		**5,113**	**10,993**
Equity			
Share capital	22	19,345	19,345
Share premium account		18,021	18,021
Retained Earnings		(32,253)	(26,373)
Equity shareholders' funds		**5,113**	**10,993**

Company registration number: 4606754

These financial statements were approved by the Board of Directors and authorised for issue on 25 March 2011.

Signed on behalf of the Board of Directors by

Giles Vardey
Chairman
25 March 2011

Consolidated Cash Flow Statement

For the year ended 31 December 2010

	Note	**Year ended 31 December 2010**	Year ended 31 December 2009
	Note	**£'000**	£'000
Net loss from operating activities		**(5,794)**	**(8,474)**
Adjustments for non-cash items:			
Depreciation of property, plant and equipment		17	40
Profit on disposal of available-for-sale investment		-	(2)
Share-based payment charge		(213)	(91)
Operating cash flows before movements in working capital		(5,990)	(8,527)
Decrease / (increase) in other bank balances	19	2,000	4,662
Decrease in trade and other receivables		365	583
Increase / (decrease) in trade and other payables		649	(1,371)
Net cash used in operating activities		**(2,976)**	**(4,653)**
Investing activities			
Interest received		135	218
Interest paid		(8)	-
Purchase of non-current assets		(7)	(6)
Net cash generated by investing activities		**120**	**212**
Financing activities			
Net proceeds from issue of equity shares by Placing and exercise of options		-	5,016
Net cash generated by financing activities		**-**	**5,016**
Net (decrease) in cash and cash equivalents		**(2,856)**	**575**
Cash and cash equivalents at beginning of year	19	**5,744**	**5,169**
Cash and cash equivalents at end of year	19	**2,888**	**5,744**

Company Cash Flow Statement

For the year ended 31 December 2010

	Note	**Year ended 31 December 2010**	Year ended 31 December 2009
		£'000	£'000
Net loss from operating activities		**(5,908)**	**(9,036)**
Adjustments for non-cash items:			
Write down investment in Subsidiaries		5,808	8,774
Operating cash flows before movements in working capital		(100)	(262)
Decrease / (increase) in other bank balances	19	4,000	5,662
(Increase) in trade and other receivables		(2,640)	(515)
(Decrease) in trade and other payables		(8)	(552)
Net cash from operations		**1,252**	**4,333**
Investing activities			
Interest received		28	215
Investment in Subsidiaries		(5,000)	(10,000)
Net cash used in investing activities		**(4,972)**	**(9,785)**
Financing activities			
Net proceeds from issue of equity shares by Placing and exercise of options		-	5,016
Net cash generated by financing activities		**-**	**5,016**
Net decrease in cash and cash equivalents		**(3,720)**	**(436)**
Cash and cash equivalents at beginning of year	19	**4,563**	**4,999**
Cash and cash equivalents at end of year	19	**843**	**4,563**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2010

	Share Capital	Share Premium	Retained Earnings	Total
	£'000	£'000	£'000	£'000
Attributable to equity holders of the Company at 1 January 2009	15,734	16,616	(18,023)	14,327
Retained earnings of dormant subsidiary disposed of in the year	-	-	(3)	(3)
Shares issued - options exercised	94	-	-	94
Shares issued - Placing 1 October 2009	3,517	1,405	-	4,922
Reversal of share-based payment charge	-	-	(91)	(91)
Loss for the year	-	-	(8,256)	(8,256)
Attributable to equity holders of the Company at 31 December 2009	**19,345**	**18,021**	**(26,373)**	**10,993**
Attributable to equity holders of the Company at 1 January 2010	19,345	18,021	(26,373)	10,993
Reversal of share-based payment charge	-	-	(213)	(213)
Loss for the year	-	-	(5,667)	(5,667)
Attributable to equity holders of the Company at 31 December 2010	**19,345**	**18,021**	**(32,253)**	**5,113**

Company Statement of Changes in Equity

For the year ended 31 December 2010

	Share Capital	Share Premium	Retained Earnings	Total
	£'000	£'000	£'000	£'000
Attributable to equity holders of the Company at 1 January 2009	15,734	16,616	(17,552)	14,798
Shares issued - options exercised	94	-	-	94
Shares issued - Placing 1 October 2009	3,517	1,405	-	4,922
Write down value of wholly owned subsidiary	-	-	(8,774)	(8,774)
Reversal of share-based payment charge	-	-	(91)	(91)
Profit for the year, excluding write-downs	-	-	44	44
Attributable to equity holders of the Company at 31 December 2009	**19,345**	**18,021**	**(26,373)**	**10,993**
Attributable to equity holders of the Company at 1 January 2010	19,345	18,021	(26,373)	10,993
Write down value of wholly owned subsidiary	-	-	(5,808)	(5,808)
Reversal of share-based payment charge	-	-	(213)	(213)
Profit for the year, excluding write-downs	-	-	141	141
Attributable to equity holders of the Company at 31 December 2010	**19,345**	**18,021**	**(32,253)**	**5,113**

Notes to the Financial Statements
Year ended 31 December 2010

1 General Information

PLUS Markets Group plc ('the Company') is a company incorporated in the United Kingdom under the Companies Act 2006. The Company's principal activity is as a holding company for PLUS Stock Exchange plc (formerly PLUS Markets plc), which is engaged in the operation of the PLUS markets and is authorised and regulated by the Financial Services Authority and PLUS Derivatives Exchange Limited (PLUS-DX). PLUS-DX was formed in 2010 and 80% of the share capital was purchased by PLUS Markets Group plc in December 2010. PLUS-DX was dormant at 31 December 2010. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company and its subsidiary (together 'the Group') operate.

2 Adoption of New and Revised Standards

In the current year, the following new and revised Standards and Interpretations have been adopted and have affected the amounts reported in these financial statements:

Standards Not Affecting the Reported Results nor the Financial Position

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions and arrangements.

- Improvements to IFRSs (2009)
- IFRS 1 amended: Additional exemptions for First-time Adopters
- IFRS 1 amended: Limited exemption from Comparative IFRS 7 Disclosures for First-time Adopters
- IFRS 2 amended: Group Cash-settled Share-based Payment Transactions
- IFRS 3 revised (2008): Business Combinations
- IAS 27 revised (2008): Consolidated and Separate Financial Statements
- IFRIC 17: Distributions of Non-cash Assets to Owners
- IFRIC 18: Transfers of Assets from Customers

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 7 amended: Disclosures – Transfers of Financial Assets
- IFRS 9: Financial Instruments
- IAS 24 revised (2009): Related Party Disclosures
- IAS 32 amendment: Classification of Rights Issues
- Improvements to IFRSs (2010)
- IFRIC 14 amendment: Prepayments of a Minimum Funding Requirement
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments

The directors do not expect that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the Group.

3 Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union.

The financial statements have been prepared on the historical cost basis, except for the revaluation of available-for-sale investments. The principal accounting policies are set out below.

The current year and prior year presentation of the Consolidated and Company Balance Sheets and Cash Flow Statements has been amended for the presentation of cash and bank balances as described in note 4 of the financial statements.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those of estimates.

As set out in the Operating and Financial Review, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

No separate income statement and related notes are presented in respect of the parent company in accordance with section 408 of the Companies Act 2006. The loss for the financial year dealt with in the financial statements of the parent company was £5.43 million (2009 – £8.73 million).

Investment in Subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provision of the instrument.

Available-for-Sale Investments

Investments designated as available-for-sale are measured at fair value, with gains and losses arising from changes in fair value being recognised directly in equity.

3 Accounting Policies (continued)

Trade and Other Receivables

Trade and other receivables are measured at fair value, based on their invoice value. Appropriate allowances for estimated irrecoverable amounts are recognised in the Income Statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the estimated recoverable amount.

Trade and Other Payables

Trade payables are initially measured at fair value, based on their invoice value.

Equity Instruments

Equity instruments issued by the Company are recorded at the proceeds receivable, net of direct issue costs.

Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Foreign Currencies

Transactions in foreign currencies are recorded at the rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains and losses arising during the period on transactions denominated in foreign currencies are treated as normal items of income and expenditure in the income statement.

Non-Current Fixed Assets

Intangible Fixed Assets

An internally generated intangible asset arising from the group's activity to acquire regulatory licences and deploy leading edge trading and surveillance technology is recognised as an intangible asset only if all of the following conditions are met:

- An asset is created that can be identified (licences and technology);
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Impairment of Tangible and Intangible Assets

At each balance sheet date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An intangible asset with an indefinite useful life (Regulatory Licences) is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of the fair value less costs to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a

3 Accounting Policies (continued)

pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its estimated useful life as follows:

Office equipment:	Three years
Furniture and fittings:	Three years
Computer equipment:	Three years
Leasehold improvements:	Three years

Depreciation is charged to the Income Statement.

The carrying values of property, plant and equipment are subject to annual review and any impairment is charged to the Income Statement.

Development Costs

Costs relating to the development, installation and testing of the group's trading platform have been capitalised as described above.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank Balances

Term deposits with maturities of more than three months but less than six are described as other bank balances.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

3 Accounting Policies (continued)

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3 Accounting Policies (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue comprises amounts derived from the provision of services which fall within the Group's ordinary activities after deduction of Value Added Tax, all of which arise in the United Kingdom. The turnover and pre-tax loss are attributable to the operation of the PLUS market. Deferred income arises on annual issuer and membership fees of the market and licences for market data feeds that are invoiced in advance of the service being provided.

Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 8.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Fair value is measured by use of the QCA-IRS Option Valuer™ (based on the Black-Scholes-Merton model). The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Operating Leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

4 Re-statement Note

The Group holds balances with banks for the purposes of meeting short term cash flow requirements, in the ordinary course of its treasury management as stated in note 27. These balances include current accounts with instant access and term deposits with maturities up to six months. For the current and comparative year, these balances are included within the caption "Cash and bank balances" in the Consolidated and Company Balance Sheets. In order to reflect better the Group's range of access terms and deposit maturities, Cash and Cash Equivalents in the Consolidated and Company Cash Flow Statements have been re-defined as those where the Group can require the principal balances to be returned within three months of the placing.

4 Re-statement Note (continued)

Within the Consolidated Cash Flow statement, this has resulted in the Cash and Cash Equivalents balances at the beginning of the year in the comparatives being reduced by £9.66 million and the Cash and Cash Equivalents at the end of the year in the comparatives being reduced by £5.00 million. As a result the movement in Cash and Cash Equivalents has increased by £4.66 million with a corresponding decrease of £4.66 million in other bank balances.

Within the Company Cash Flow statement, this has resulted in the Cash and cash equivalents balances at the beginning of the year in the comparatives being reduced by £9.66 million and the Cash and cash equivalents at the end of the year in the comparatives being reduced by £4.00 million. As a result the net decrease in cash and cash equivalents has increased by £5.66 million with a corresponding decrease of £5.66 million in other bank balances.

These changes are presentational and there is no impact on the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, and the Consolidated Statement of Changes in Equity.

Balances held with banks were shown as Cash and cash equivalents in the Consolidated and Company Balance Sheets in the previous year and are shown as Cash and bank balances in the current year. As there is no overall change in the balances held with banks and the presentational impacts are reflected in the Consolidated Cash Flow statement and the balance sheet description, the directors have not felt it necessary to include a balance sheet as at 31 December 2008.

5 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Equity-settled Share-based Payments

The fair value of share-based payments is calculated by reference to a Black-Scholes-Merton simulation model. Inputs into the model are based on management's best estimates of appropriate volatility, discount rate and share price growth.

Practical Application of Intangible Fixed Asset Policies to the Group's Internally Generated Intangible Assets

Regulatory Licences are valued at their marginal cost of acquisition less provision for any impairment. On an annual basis, the Group undertakes an impairment review of its intangible assets by comparing their recoverable amounts with their carrying amounts.

5 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Given the current market conditions in which the Group operates and therefore the uncertainty in quantifying and estimating the timing of future revenue flows, the carrying value of the licences and the trading platform have been written down to nil. The value of the intangible fixed assets may, if considered appropriate, be increased to a revised value in future, provided this is no greater than the value before impairment.

6 Business and Geographical Segments

Services From Which Reportable Segments Derive Their Revenues

Information reported to the Group's Board for the purposes of resource requirements and assessment of segment performance is specifically focussed on the type of activity. The principal areas of activity are:

- Capital Markets: provides services for the listing and admission to trading of equity, debt and other financial instruments. Revenues derive from application and annual fees for issuers and corporate advisers;
- Trading Services: operates a platform on which some 7,500 stocks can be traded and reported. No charge is currently made for these services; and
- Market Data Services: supplies real-time prices and trading data. Revenues flow from annual licence fees and monthly data terminal sales.
- Other Income: comprises advertising revenues, commissions and credit charges collected.

Information regarding the Group's operating segments is reported below.

	Year ended 31 December 2010	Year ended 31 December 2009
	£'000	£'000
Capital Markets	2,049	2,089
Trading Services	-	-
Market Data Services	950	868
Other Income	47	81
Total Revenue	3,046	3,038

Costs, assets and liabilities are not allocated across the revenue reporting segments in management information provided to the Board, nor is there any analysis by geographical region as the majority of business is sourced from the United Kingdom.

7 Administrative Expenses

Administrative expenses in 2010 include £1.28 million in respect of one-off costs in connection with the company restructuring and trading platform replacement. 2009 included £2.81 million in respect of the costs of PLUS Europe, legal costs and strategic initiatives.

8 Charge in Relation to Share-based Payments

The Group maintains share option schemes for employees of the Group. Options are exercisable at a price equal to the average quoted market price of the Company's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of seven years from the date of grant, the options expire. Options may be forfeited if the employee leaves the Group before the options vest.

Details of the share options outstanding during the year are as follows:

	2010 No. of Share Options	Weighted Average Exercise Price	2009 No. of Share Options	Weighted Average Exercise Price
Outstanding at beginning of period	21,662,389	18.36p	26,875,150	18.11p
Granted during the period	-	-	-	-
Forfeited during the period	(13,156,891)	18.52p	(5,212,761)	17.10p
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	8,505,498	18.11p	21,662,389	18.36p
Exercisable at the end of the period	6,850,498	20.36p	6,638,733	19.64p

No employee share options were exercised during 2010. The options outstanding at 31 December 2010 had a weighted average exercise price of 18.11p, and a weighted average remaining contractual life of 6.0 years.

No options were granted in 2010 or 2009.

The options granted on 23 September and 10 October 2008 are subject to a performance condition that the mean average mid-market price must exceed 20p for 30 days immediately preceding the earliest exercise date.

The Group recognised a total reverse charge of £213,330 relating to equity-settled share-based payments in 2010 (2009 – reverse charge of £91,347). The reversal was due to a large decrease in the number of options expected to vest as a result of the 13.2 million options terminated in the year.

In 2009 Numis Securities Limited exercised options over 1,890,000 shares in the Company which it had received as part of its remuneration in connection with a Placing they achieved for the Company in October 2004. The exercise price was £0.05, the same as the nominal value of the shares.

On 21 January 2011 all of the existing EMI options except for those issued to staff with an exercise price of less than 8.0p were cancelled and replaced by a new EMI scheme. Options issued under the new scheme are exercisable from 21 January 2014 to 20 January 2021 at an exercise price of 5.0p, subject to a minimum share price at the exercise date of 7.5p. A total of 12,171,100 options were issued.

9 Information Regarding Directors and Employees

	2010 No.	2009 No.
The average number of persons employed by the Group (including Directors) during the year was:	39	52

	2010 £'000	2009 £'000
Aggregate staff costs during the year were:		
Wages and salaries	2,617	3,235
Social security costs	302	388
Other benefits	9	71
	2,928	3,694
Emoluments of the directors of the Group (which are included in the above figures) were as follows:	701	604
Highest paid Director's remuneration:		
Aggregate of emoluments	161	172

There were no pension scheme contributions on behalf of directors during the years 2010 or 2009.

10 Operating Loss

	2010 £'000	2009 £'000
The operating loss was arrived at after charging:		
Depreciation and amortisation	17	40
Operating lease costs	2,301	1,854
Auditor's remuneration:		
• audit fees (including £6,000 (2009 - £6,000) in respect of the parent)	24	22
• non-audit fees: interim review;	7	7
and tax services	14	14

11 Finance Income

	2010 £'000	2009 £'000
Interest on bank deposits	135	218
	135	218

12 Impairment of Intangible Fixed Assets

As described in the accounting policies in note 3 above, an impairment review of the Group's intangible fixed assets was undertaken by the Directors as at 31 December 2008.

The assets comprise the bespoke trading platform and the regulatory licences, both internally generated assets.

The expected useful life of the trading platform ran to the end of 2012. Given the market conditions in which the Group was operating and therefore the short-term uncertainty in quantifying and estimating the timing of future revenue flows, the Board adopted a realistic and prudent view and decided to provide for 100% impairment of both the trading platform and the regulatory licences.

As a result of the replacement of the trading platform during the year and the review performed at 31 December 2010 the Directors have decided to continue to carry the intangible assets at nil value and have not, therefore, reversed the impairment write down.

13 Tax on Loss on Ordinary Activities

	2010 £'000	2009 £'000
UK corporation tax at 28% (28%)	-	-
Adjustments in respect of prior years	-	-
	-	-

The actual tax charge for the current and preceding period differs from that resulting from applying the standard rate of corporation tax in the UK of 28% (2009 – 28%), for the reasons set out in the following reconciliation:

	2010 £'000	2009 £'000
Loss on ordinary activities before tax	(5,667)	(8,256)
Tax on loss on ordinary activities at standard rate	1,587	2,312
Add/(less) tax effect of:		
Expenses not deductible for tax purposes	53	17
Depreciation in the current period in excess of capital allowances	(5)	(11)
Increase in tax losses carried forward	(1,635)	(2,318)
Total actual amount of tax	-	-

Deferred tax

A deferred tax asset has not been recognised in respect of timing differences relating to excess tax losses carried forward, capital allowances in excess of depreciation and unexercised share options, as there is insufficient evidence that the asset would be recoverable. The amount of this asset that is not recognised is approximately £5.7 million (2009 - £4.3 million). The asset would be recoverable if sufficient taxable profits are made in the future.

Finance (No 2) Act 2010, which provides for a reduction in the main rate of UK corporation tax from 28% to 27% effective from 1 April 2011, was enacted on 27 July 2010. As such the unrecognised deferred tax asset has been calculated using a corporation tax rate of 27%.

14 Loss per Ordinary Share

Basic loss per share has been calculated by dividing the loss on ordinary activities after taxation by the weighted number of shares in issue during the period. Diluted loss per share is basic loss per share adjusted for the effect of conversion into fully paid shares of the weighted average number of share options vesting during the period.

	2010 **£'000**	2009 £'000
Loss on ordinary activities before tax	(5,667)	(8,256)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic loss per share	386,907,464	347,935,732
Effect of dilutive potential ordinary shares: Share options	6,094,380	6,341,938
Weighted average number of ordinary shares for the purposes of diluted loss per share	393,001,844	354,277,670
	Pence	Pence
Basic loss per share	(1.46)	(2.37)
Diluted loss per share	(1.44)	(2.33)

15 Intangible Fixed Assets

Group	Regulatory Licences £'000	Trading Platform £'000	Total £'000
2010			
Cost			
At 1 January 2010	759	3,258	4,017
Additions	-	-	-
At 31 December 2010	759	3,258	4,017
Accumulated Amortisation			
At 1 January 2010	759	3,258	4,017
Charge for the period	-	-	-
At 31 December 2010	759	3,258	4,017
Net Book Value			
At 31 December 2010	-	-	-
At 31 December 2009	-	-	-
2009			
Cost			
At 1 January 2009	759	3,258	4,017
Additions	-	-	-
At 31 December 2009	759	3,258	4,017
Accumulated Amortisation			
At 1 January 2009	759	3,258	4,017
Charge for the period	-	-	-
At 31 December 2009	759	3,258	4,017
Net book value			
At 31 December 2009	-	-	-
At 31 December 2008	-	-	-

16 Property, Plant and Equipment

Group	Furniture and Fittings £'000	Office Equipment £'000	Computer Equipment £'000	Leasehold Expenditure £'000	Total £'000
2010					
Cost					
At 1 January 2010	51	6	342	23	422
Additions	-	-	7	-	7
At 31 December 2010	51	6	349	23	429
Accumulated depreciation					
At 1 January 2010	44	6	335	16	401
Charge for the period	4	-	6	7	17
At 31 December 2010	48	6	341	23	418
Net book Value					
At 31 December 2010	3	-	8	-	11
At 31 December 2009	7	-	7	7	21
2009					
Cost					
At 1 January 2009	259	150	341	23	773
Additions	5	-	1	-	6
Fully depreciated written off	(213)	(144)	-	-	(357)
At 31 December 2009	51	6	342	23	422
Accumulated depreciation					
At 1 January 2009	248	149	312	9	718
Charge for the period	9	1	23	7	40
Fully depreciated written off	(213)	(144)	-	-	(357)
At 31 December 2009	44	6	335	16	401
Net book value					
At 31 December 2009	7	-	7	7	21
At 31 December 2008	11	1	29	14	55

17 Fixed Asset Investments

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Listed available-for-sale investments at market value	-	-	-	-
Investment in PLUS Stock Exchange plc	-	-	928	1,736
Investment in PLUS Derivatives Exchange Limited	-	-	-	-
	-	-	928	1,736

PLUS Markets Group plc has two subsidiaries. PLUS Stock Exchange plc (formerly PLUS Markets plc) is a wholly-owned subsidiary of PLUS Markets Group plc. In 2010 the investment in PLUS Stock Exchange plc was increased by the issue of 50 million shares at 10p (2009 – 100 million shares at 10p) and written down by £5.81 million (2009 - £8.77 million) to reflect the operating loss in the subsidiary. In December 2010 80% of the ordinary share capital of PLUS Derivatives Exchange Limited was purchased at par. PLUS Derivatives Exchange Limited did not trade in 2010 and was dormant at the year end. All three companies in the group are incorporated and registered in Great Britain. In 2009 the wholly-owned, non-trading subsidiary, Kudosoption plc, was disposed of for a nominal sum.

18 Trade and Other Receivables

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Trade debtors	207	141	-	-
Prepayments	188	713	2	14
Other debtors	18	51	3,362	678
VAT recoverable	143	87	2	5
Accrued income	106	35	-	29
	662	1,027	3,366	726

Other debtors in the Company includes an intercompany loan of £3.36 million (2009 – £0.68 million) which is repayable within one year, but will not be recalled by PLUS Markets Group plc.

In 2009, other debtors included a rental deposit of £35,250 paid in relation to the granting of the lease on the Company's offices, which was due for repayment after more than one year and over which the Company had granted a charge to the landlord.

Total trade receivables held by the Group at 31 December 2010 amounted to £0.21 million (2009 - £0.14 million). The number of days' sales in trade debtors at the year end was 25 (2009 - 17).

18 Trade and Other Receivables (continued)

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Ageing of past due but not impaired				
30 - 60 Days past due	9	28	-	-
60 - 90 Days	-	1	-	-
90 - 120 Days	1	1	-	-
Total	10	30	-	-

	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Movement in the allowance for doubtful debts				
Balance at the beginning of the period	-	-	-	-
Impairment losses recognised on receivables	78	140	-	-
Amounts written off as uncollectable	(77)	(123)	-	-
Amounts recovered during the year	-	(17)	-	-
Balance at end of the year	1	-	-	-

In determining the recoverability of a trade receivable, the Group considers a change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the credit check done on all clients based on credit scoring. The directors believe that no further credit provision is required in excess of the allowance for doubtful debts.

There were no individually impaired trade receivables in 2010 (2009 - nil) where the customers have been placed under liquidation or administration.

Credit Risk

The Group's principal financial assets are bank balances, and trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, where appropriate. Such an allowance is made where there is an identified loss which, based on prior experience, is evidence of a reduction in the recoverability of the anticipated cash flows. The group has no significant concentration of credit risk.

19 Cash and Bank Balances

As stated in note 4, the Group has a range of current accounts with instant access and term deposits with maturities of up to six months, described as Cash and bank balances included in the Consolidated and Company Balance Sheets. A reconciliation to Cash and cash equivalents is given below:

	Group at 31 Dec 2010 £'000	Group at 31 Dec 2009 £'000	Group at 1 Jan 2009 £'000	**Company at 31 Dec 2010 £'000**	Company at 31 Dec 2009 £'000	Company at 1 Jan 2009 £'000
Cash and bank balances per balance sheet	5,888	10,744	14,831	843	8,563	14,661
Bank balances with access after more than 3 months but less than 6 months	(3,000)	(5,000)	(9,662)	-	(4,000)	(9,662)
Cash and cash equivalents per cash flow statement	2,888	5,744	5,169	843	4,563	4,999

20 Trade and Other Payables

	Group 2010 £'000	Group 2009 £'000	**Company 2010 £'000**	Company 2009 £'000
Trade creditors	158	205	8	6
Other creditors	95	143	-	-
Accruals	1,018	218	16	26
	1,271	566	24	32

The number of days' purchases in trade creditors at the year end was 10 (2009 - 10) and all trade creditors are payable within 12 months.

21 Provisions

	Group 2010 £'000	Group 2009 £'000	**Company 2010 £'000**	Company 2009 £'000
Non-reclaimable VAT	-	177	-	-
	-	177	-	-

The provision for non-reclaimable VAT in 2009 represented VAT claimed on developments to the trading platform to enable it to accommodate electronic matching of trades, which is an exempt supply for VAT purposes. The amount provided represented 100% of the VAT claimed and was repaid to HMRC in full in September 2010.

22 Share Capital

	Group 2010 £'000	Group 2009 £'000	**Company 2010 £'000**	Company 2009 £'000
Allotted and fully paid:				
386,907,464 (2009 - 386,907,464) Ordinary shares of 5p each	19,345	19,345	19,345	19,345

The total number of share options outstanding under the PLUS Markets Plans at 31 December 2010 was 8,505,498 (2009 - 21,662,389).

There were no new shares issued during 2010. During 2009 70,333,334 new ordinary shares at 7.5p each were issued as result of the Placing in October 2009. £0.35 million of expenses in connection with the Placing were written off against the share premium account. Furthermore, 1,890,000 shares with an exercise price of 5p were issued in 2009 as a result of share options exercised by Numis.

23 Commitments

Annual commitments at 31 December 2010 under non-cancellable operating leases were as follows:

i An operating lease relating to the Group's office facilities with a lease term of 10 years. The Group did not have an option to purchase the leased asset at the expiry of the lease period and in January 2011 notice was given on this operating lease and a contract entered into in respect of the group's new office premises.

ii During 2007, PLUS Stock Exchange plc (formerly PLUS Markets plc) entered into a Delivery Agreement and a Facilities Management Services Agreement with OMX Technology Limited for the operation of the trading platform and surveillance services. The minimum total value of the contract at the time of signature was £6.70 million with the ability to maintain the same terms for five years if the option to cancel after three years is not exercised. In June 2010 the option to cancel was exercised and the agreement terminated in December 2010. The severance charge of up to £0.50 million has been included in accrued expenses at 31 December 2010.

iii. During 2010 PLUS Stock Exchange plc entered into a number of new agreements in relation to the new trading platform. None of the new agreements has an initial term of more than three years nor an annual cost greater than £0.08 million.

As at the balance sheet date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2010 £'000		Group 2009 £'000		**Company 2010 £'000**		Company 2009 £'000	
	Land & Buildings	**Technology Services**	Land & Buildings	Technology Services	**Land & Buildings**	**Technology Services**	Land & Buildings	Technology Services
Within one year	99	319	99	1,793	-	-	-	-
In the second to fifth year	211	69	308	3,311	-	-	-	-
After five years	-	-	-	-	-	-	-	-

Operating lease payments represent rentals payable by the group for its office property at 21 Mansell Street as at 31 December 2010. In January 2011 the group gave notice in respect of the lease on 21 Mansell Street and entered into a new agreement for premises at 33 Queen Street, London EC4. On 7 February 2011 the group relocated to Queen Street.

24 Contingent Liabilities

There were no contingent liabilities at 31 December 2010. In 2009 there was a contingent liability in respect of the severance charge in relation to the Facilities Management Services Agreement agreed between PLUS Stock Exchange plc (formerly PLUS Markets plc) and OMX Technology Limited payable at the end of three years if the Group elects not to continue with the contract for a further two years. The option to discontinue the agreement was exercised in June 2010 and the severance charge of up to £0.50 million is now payable.

25 Related Party Transactions

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual Directors is provided in the Directors' Report on Remuneration.

	2010 £'000	2009 £'000
Short-term employee benefits	666	604
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	35	-
Share-based payments	-	-
	701	604

There were no loans or quasi-loans with any related parties other than the intercompany loan of £3.36 million (2009 - £0.68 million) which was eliminated on consolidation.

26 Post Balance Sheet Events

On 21 January 2011 all of the existing EMI options except for those issued to staff in 2005 and 2008 with an exercise price of less than 8.0p were cancelled and replaced by a new EMI scheme. 12,171,100 options were issued under the new scheme which are exercisable from 21 January 2014 to 20 January 2021 at an exercise price of 5.0p, subject to a performance condition of 7.5p.

On 7 February 2011 PLUS Markets plc changed its name to PLUS Stock Exchange plc to better reflect the nature of its activities. On the same day the group relocated from its offices at Standon House, 21 Mansell Street, to 33 Queen Street, London EC4.

On 1 March 2011 the group announced that its subsidiary, PLUS Derivatives Exchange Limited, had entered into a Heads of Terms agreement with LCH.Clearnet Limited to provide, subject to regulatory approval, central counterparty clearing services to support a new range of contract for difference ("CFD") interest rate index products.

27 Capital and Liquidity Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 22 and the Statements of Changes in Equity.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk via a centralised Corporate Treasury function using sources of financing from other group entities and investing excess liquidity. The Group maintains adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group has no financial liabilities other than the trade and other payables detailed in note 20.

28 Externally Imposed Regulatory Requirements

As a Recognised Investment Exchange (RIE) the Company's operational subsidiary, PLUS Stock Exchange plc (formerly PLUS Markets plc), is required to monitor and review its working capital requirements and provides such data to the FSA. The Company also examines the orderly cost of closure of the business. Both reviews are undertaken on a regular basis. As at the Balance Sheet date the Company is in a satisfactory position with regard to both metrics.

As an RIE, PLUS Markets is obliged to maintain liquid financial assets amounting to at least six months' operating expenses and net capital of at least this amount. A regulatory capital requirement of £3.29 million was reported to the FSA as at 31 December 2010, representing operating expenses for the prior six months.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of PLUS Markets Group plc will be held at the offices of Field Fisher Waterhouse, 35 Vine Street, London EC3N 2PX on Wednesday, 8 June 2011 at 12.00 noon, for the following purposes:

Ordinary Business

Resolution 1

To receive and adopt the financial statements for the year to 31 December 2010 and the Directors' and Auditor's Reports thereon;

Resolution 2

To approve the Directors' Remuneration Report;

Resolution 3

To re-elect Giles Vardey as a Director;

Resolution 4

To re-elect Malcolm Basing as a Director;

Resolution 5

To re-elect Nicholas Smith as a Director; and

Resolution 6

To re-appoint Deloitte LLP as auditor of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider and if thought fit, pass Resolution 7 as an Ordinary Resolution and Resolution 8 as a Special Resolution:-

Resolution 7

AUTHORITY TO ALLOT RELEVANT SECURITIES

THAT the Directors be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act"), in substitution for all previous powers granted to them, to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £6,442,009 (representing 33.3 per cent of the Company's issued share capital) such authority to, unless previously revoked or varied by the Company in general meeting, expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2012 or on the expiry of 15 months from the passing of this resolution, provided that the Company may, at any time before such expiry, make an offer or enter into an agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

Notice of Annual General Meeting (continued)

Resolution 8

EMPOWERMENT TO MAKE ALLOTMENTS OF EQUITY SECURITIES

THAT the Directors be and they are hereby empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 7 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:-

(a) the allotment of equity securities in connection with an issue in favour of shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (or as nearly as may be practicable) to the respective number of ordinary shares in the capital of the Company held by them on the record date for such allotment, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange, in any territory; and

(b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of further equity securities up to an aggregate nominal amount of £1,934,537 (representing 10 per cent of the Company's issued share capital),

and this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2012 or on the expiry of 15 months from the passing of this resolution, provided that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

By Order of the Board

Celia L Whitten FCIS
Company Secretary
4 May 2011

NOTES

(a) A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member.

(b) A form of proxy is enclosed which, to be effective, must be completed and delivered to the registrars of the Company, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 48 hours before the time the Annual General Meeting is scheduled to begin. The completion and return of the form of proxy will not affect the right of a member to attend and vote at the Annual General Meeting.

(c) Copies of the Directors' Service Agreements, Letters of Appointment, the Register of Directors' Interests in the Ordinary shares of the Company kept in accordance with the AIM Rules and a copy of the Memorandum and Articles of Association of the Company will be available for inspection at the registered office of the Company during usual business hours on any weekday from the date of this notice until the Annual General Meeting, and at the place of that meeting for at least 15 minutes prior to the commencement of the meeting until its conclusion.

Proxy Form

PLUS Markets Group plc

Annual General Meeting – 8 June 2011

I/We

(block capitals please)

of

being a member of PLUS Markets Group plc, hereby appoint

or failing him/her the Chairman of the meeting to be my/our proxy and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 8 June 2011, notice of which was sent to shareholders with the Directors' Report and the accounts for the year to 31 December 2010, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the Notice of Meeting:

☐ Please tick here if you are appointing more than one proxy

☐ Number of shares proxy appointed over

Resolution number	For	Against	Withheld
1 To receive, consider and adopt the financial statements together with the Reports of the Directors and Auditor for the year to 31 December 2010	☐	☐	☐
2 To approve the Directors' Remuneration Report	☐	☐	☐
3 To re-elect Giles Vardey as a Director	☐	☐	☐
4 To re-elect Malcolm Basing as a Director	☐	☐	☐
5 To re-elect Nicholas Smith as a Director	☐	☐	☐
6 To re-appoint Deloitte LLP as auditor and authorise the Directors to agree their remuneration	☐	☐	☐
Special Business			
7 To authorise the Directors to allot shares under s551 of the Companies Act 2006 (Ordinary Resolution)	☐	☐	☐
8 To disapply s561 of the Companies Act 2006 and allot shares otherwise than on a pre-emptive basis (Special Resolution)	☐	☐	☐

Signed: Dated: 2011

NOTES

1 To be valid, the proxy form must be received by the Registrars of PLUS Markets Group plc at, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 48 hours before the commencement of the meeting. If delivering by courier please use the full address of Capita set out in the Notice.

2 Where this form of proxy is executed by a corporation it must be either under its seal or under the hand of an officer or attorney duly authorised.

3 Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided. If the proxy is being appointed in relation to less than your full voting entitlement, please enter next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).

4 To appoint more than one proxy, you may photocopy this form. Please indicate next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

5 The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

6 If the proxy form is signed and returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to whether and how he/she votes.

7 Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6 p.m. on the day which is two days before the day of the meeting or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

8 The address on the envelope containing this notice is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0871 664 0300. (calls cost 10p per minute plus network extras, lines are open 8.30 a.m. - 5.30 p.m. Monday - Friday) to request a change of address form.

9 The completion and return of this form will not preclude a member from attending the meeting and voting in person.

PLEASE USE THE REPLY PAID ENVELOPE PROVIDED