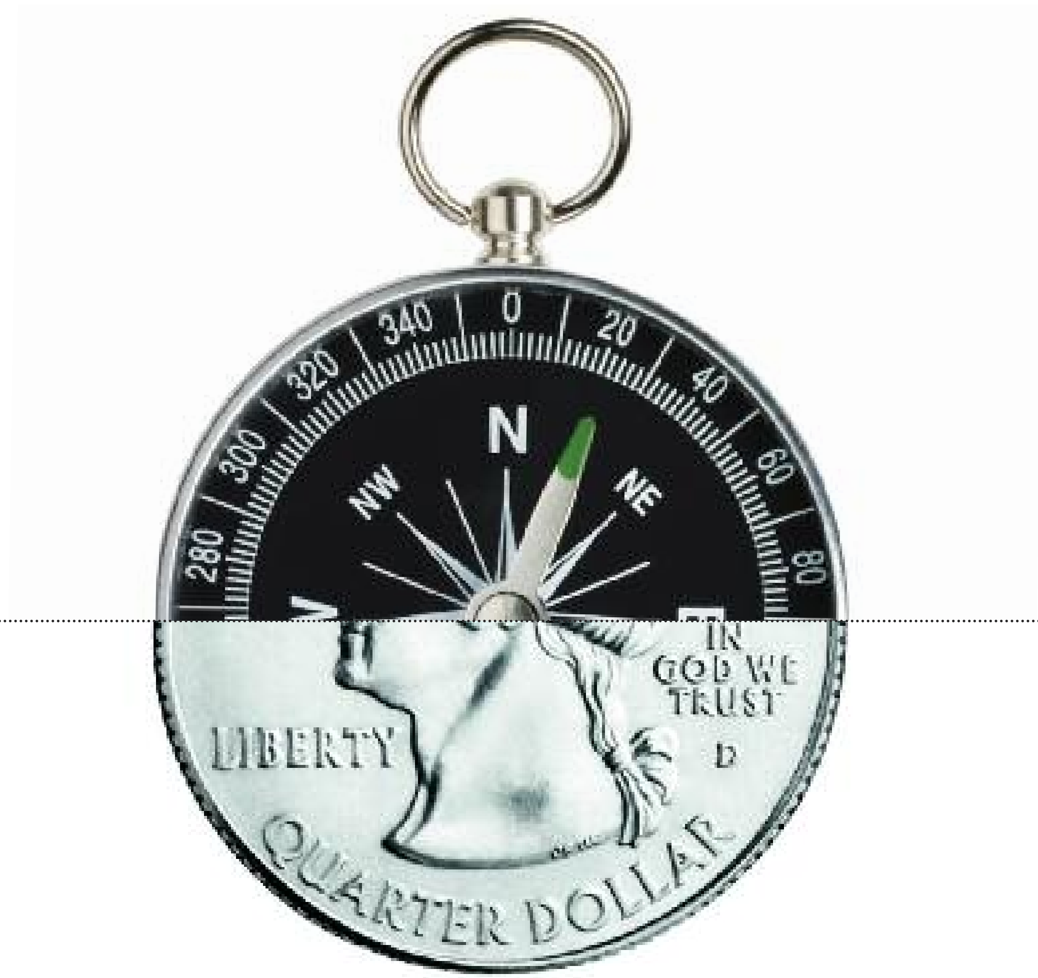
ANNUAL REPORT
& ACCOUNTS 2009



Planet
PAYMENT

“Over 6 million cardholders used pay in your currency in 2009.”

Planet Payment, a leading international payment processor, provides acquiring banks and processors and their merchants with innovative solutions that enable them to accept, process and reconcile payment transactions, anytime, anywhere and in any currency.

INNOVATION

Planet Payment’s outsourced-services business model enables it to offer state-of-the-art technology to its customers at a fraction of the cost and time it would take for them to develop or enhance their own systems. Our proprietary, currency-neutral processing platform allows the Company to nimbly support our customers and their merchants, no matter where in the world they operate. Our development personnel leverage our single platform, to respond quickly to emerging technology developments, changing industry regulations and continuing security requirements.

Our integrated process, within the credit card transaction flow offers our banking and processing partners significant competitive differentiators that help them attract new merchants and enhance merchant satisfaction and retention. By offering increased transparency in international commerce, our services help merchants sell more goods and services and transform card processing from a cost of doing business into a marketing and sales tool to offer enhanced customer service. We offer international cardholders – whether online or at their favorite store, restaurant or hotel – increased clarity, comfort and convenience when they pay in the currency they know best – their own.

Our patent portfolio in the United States and several other international jurisdictions as well as additional patents pending in various countries are strong testaments to Planet Payment’s track record of innovation.

EXPANSION

The Company’s customer base of more than 40 acquiring banks and processors spans North America, the Middle East and Asia-Pacific, including China, Hong Kong, Macau, Taiwan and Malaysia, with India and Canada newly activated in 2009. This year, we are working to deploy our services to new markets, including the United Arab Emirates, South Africa, the Philippines and other Asia-Pacific countries.

Our new relationships together with recent renewals of customer agreements evidence the attractiveness of our services and provide a robust pipeline of new merchants. Our presence in key international markets, cited by analysts as poised for economic recovery, bodes well for our continued growth. Planet Payment’s business development teams around the globe remain focused on nurturing new opportunities to cross-sell our solutions in current markets and enter new geographic regions in order to enhance our long-term success.

REPUTATION

Since 1999, Planet Payment has established a reputation for best-in-class, multi-currency payment solutions. Our range of services is recognized to deliver enhanced value to our customers and help facilitate international commerce. Our personnel around the world are dedicated to fulfilling the promise of providing reliable and secure data processing for all our customers.

The Company’s continued growth with existing and new partners around the world and the sustained year on year increase in revenues, demonstrate the attractiveness of our business model and the increasing awareness of the benefits that Planet Payment offers.

ANYTIME, ANYWHERE, ANY CURRENCY

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

"These results reflect the strength of our business model and the continued execution of our strategic objectives."

2009 FINANCIAL HIGHLIGHTS

- Total revenue increased 31% to $47.3m (2008: $36.2m)
- Gross profit increased 42% to $16.3m (2008: $11.5m)
- Cash operating expenses declined 11%, to $15.8m (2008: $17.8m)
- Adjusted EBITDA of $0.5m, a substantial improvement over the 2008 loss of $6.3m
- Net loss improved 63% to ($4.0m) (2008 loss: $11.0m)

CURRENT TRADING HIGHLIGHTS

- Preparing to launch multi-currency services in new markets including the United Arab Emirates, South Africa and the Philippines
- Completed multi-year extensions of our agreements with key customers including Fifth Third Processing Solutions and TSYS Acquiring Solutions

2009 OPERATIONAL HIGHLIGHTS

- Broadened international reach:
  - India, launched multi-currency processing services.
  - Canada, commenced multi-currency and domestic processing services in support of a new multi-card acquirer.
- Active merchant locations grew 24% to over 10,000.
- Expanded relationships, entering into agreements with:
  - JCB, to provide back-end settlement and clearing processing for all merchants acquired directly by JCB in Hong Kong and multi-currency processing and acquiring services for North American merchants;
  - Agricultural Bank of China, to provide our multi-currency solutions through divisions in an additional eight provinces and cities.
- Total settled transaction volume increased 38% to $2.2 billion (2008: $1.5billion).

Total revenue increase

+31%

Gross profit increase

+42%

Active merchant locations

+24%

Acquiring customers

>40

CHAIRMAN & CEO REPORT

"We are pleased that Planet Payment has outperformed the market during this difficult economic climate. We continue to cross sell our existing and new innovative products to our acquiring institution customers and to their customers. We believe the Company is well positioned for further growth in 2010 as we continue to expand into new countries and are poised for the recovery in our existing markets."

Philip D. Beck

Chairman and Chief Executive Officer

I am pleased to announce our results for the year ended December 31, 2009. Once again the Company delivered strong results, despite a challenging business climate that persisted throughout the year. The 31% increase in revenue to $47.3 million, and 42% increase in gross profit to $16.3 million demonstrate that Planet Payment has continued to execute upon its business plan. Our 2009 performance has resulted in our first year of positive Adjusted EBITDA. Our results over the period from 2006 to 2009 represent a compound annual revenue growth rate of 115%.

The Company's customer base of more than 40 supported acquiring banks and processors now spans North America, the Middle East and Asia-Pacific, including China, Hong Kong, Macau, Taiwan and Malaysia, with India and Canada newly activated in 2009. Our revenue in Greater China as a whole grew approximately 49% during the year, which supports the view that the Company is well positioned for the recovery by virtue of its exposure to one of the fastest growing economies in the world.

By the end of 2009, our base of active merchants grew more than 25% to over 10,000 active locations. Approximately 40% of the multi-currency processing transaction volume processed in December 2009 was attributed to new merchants activated in 2009, with 11% of the December 2009 volume attributable to merchants activated in the fourth quarter 2009.

Although the Company's same store sales volume experienced significant declines in the first half of the year as compared to the same period in 2008, during the second half of 2009 this trend began to reverse so that same store sales volume approached 2008 levels again.

Planet Payment's stable operating expenses, strong revenue growth and scalable platform provide significant operating leverage, as evidenced in 2009 when our operating costs as a percentage of revenue decreased to 40% from 60%. In 2010, as we increase our processing volumes, the Company should see an increasing proportion of its revenue and gross profits falling to the bottom line.

During 2009 we continued to make a substantial investment in our systems to support new markets and products. Our innovative services help merchants sell more goods and services by allowing them to simplify the shopping experience by allowing customers to pay in their own currencies. Using our analytic products, merchants can also better understand their customer spending habits. Our solutions can deliver more operational efficiencies at the point of sale through the use of a common point of sale technology connected to our platform, no matter the acquiring bank, region or currency in which the merchant wishes to conduct business.

"During 2009, the Company further extended its international reach with new partners in Greater China and the launch of services in India and Canada."

GLOBAL EXPANSION – REVIEW OF 2009 ACTIVITIES

During 2009, the Company further extended its international reach with the launch of multi-currency processing services in India and Canada. In Canada, the Company additionally launched domestic processing services, in support of one of the first Canadian multi-card acquirers.

In mainland China we signed new agreements with Agricultural Bank of China to provide our multi-currency solutions through ABC divisions in an additional eight provinces and cities including support for integrated systems and local terminal solutions.

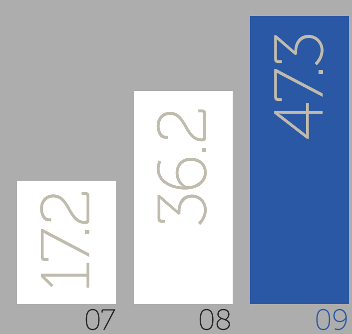
The Company signed agreements with JCB, the leading Japanese card issuer, to provide back-end settlement and clearing processing for all Hong Kong merchants acquired directly by JCB and multi-currency processing and acquiring services for North American merchants. Our multi-currency services were launched in Guam, a prime Japanese tourist destination, through First Hawaiian Bank, a TSYS Acquiring Solutions customer, which also offers the service in Hawaii. We also signed agreements with American Express, to provide front end, authorization processing for merchants in Hong Kong and in the United States.

Across Asia-Pacific, our customers continued to attract new merchants to their portfolios, activating over 2,800 new multi-currency and processing merchant locations, thereby increasing the revenue contribution from the region by more than 50% over 2008.

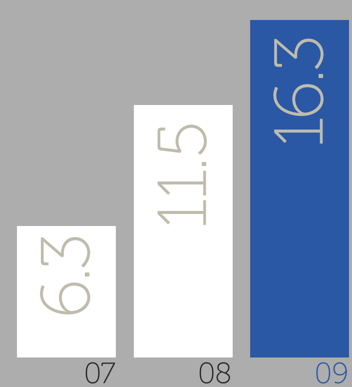
We also benefit from the fact that in many of the countries in which we operate, our revenue is earned in US Dollars, or currencies that track closely to the US Dollar. Although currency fluctuations do impact our margins on multi-currency processing, our overall financial results are less sensitive to major fluctuations in the US Dollar exchange rate, as compared to other companies with significant foreign earnings.

In 2010 we expect to continue to add processors, acquiring banks and active merchants to our platform. With each new customer win, we can increase our transaction volume and our revenue. In all cases, we are adding transaction volume to our single, scalable, currency neutral platform resulting in increased operational leverage.

Total Revenue $m



Gross Profit $m



Innovation

United States Patent Award

GLOBAL INNOVATION – ENHANCEMENTS TO OUR PROCESSING PLATFORM AND CAPABILITIES

During 2009, we continued to enhance our proprietary systems in order to offer our acquiring partners and their merchants increased opportunities to capture additional revenue with new products and services. The Company invested over 45% of total cash operating costs in developing new technology infrastructure and services. In addition, approximately 65% of our personnel are involved daily in maintaining and improving our platform and managing our processing operations.

To support our Canadian solution, we added several capabilities for both in-store and online merchants, including local interchange clearing as well as certification with Visa Debit and Interac Debit – the dominant transaction type in that market. The iPAY e-commerce gateway was launched in Canada to enable e-commerce merchants to price in currencies other than Canadian dollars. The Company also supported further rollout in Canada and Asia-Pacific markets of EMV 'chip and pin' point of sale terminals, which offer enhanced security to merchants and cardholders.

We have continued to ensure our processing platform remains robust, reliable, scalable and secure. To that end, the Company upgraded components of our authorization systems which resulted in increased reliability, cost improvements and greater efficiencies. We also invested in state-of-the-art hardware upgrades to our merchant accounting system, which offer enhanced performance and increased scalability for our expanding customer portfolio.

The provision of best-in-class secure processing solutions to our acquiring customers, their merchants and cardholders continues to be a key priority for the Company. To that end, we deployed several new service offerings. We enriched our e-commerce processing services by developing iPAY Tokens™, which was launched in 2010. This service protects sensitive customer payment account data by encrypting and assigning a unique token that is stored securely in Planet Payment's Payment Card Industry Data Security Standard (PCI) compliant data vault. Merchants have the ability to process payments by passing the token, rather than handling and storing sensitive customer data, facilitating a merchant's PCI compliance and reducing exposure related to the storage of sensitive customer account data.

> "During 2009 we continued to make a substantial investment in our technology to support new markets and products."

The Company also expanded its processing to over 45 authorization currencies to support our existing customers and is testing additional currencies to support the delivery of new services to new markets. This expansion allows us to offer our acquiring customers and their merchants access to additional revenue streams.

The Company also implemented a new portfolio risk and fraud monitoring system which allows both Planet Payment and its acquirers to better identify potential transactional anomalies and more effectively minimize potential losses within their merchant portfolios.

"Our results over the period from 2006 to 2009 represent a compound annual revenue growth rate of 115%."

Our processing platform was also certified to support the Verified by Visa and MasterCard SecureCode programs, which offer increased e-commerce transaction processing security through cardholder validation.

During the year the Company again successfully completed its annual examination under Statement of Auditing Standards No.70, Service Organizations ('SAS70') Type II and obtained re-certification of compliance with the PCI security requirements.

In March, 2010 Planet Payment was awarded a patent from the United States Patent and Trademark Office that protects, among other innovations, our methods to obtain the cardholder's currency selection, including our Cardholder Choice receipt model which has been extensively deployed in the market. Furthermore, we obtained patents in Singapore, New Zealand and the Philippines covering certain of the unique methodology and processes comprising our Pay in Your Currency service.

Additional patent applications are also pending in the US and in a number of other jurisdictions for technological innovations developed by Planet Payment. We view the Company's growing catalogue of patents as a validation of the Company's innovative approach to multi-currency payments and believe these patents should serve to strengthen the Company's market position in several key jurisdictions.

In 2010, we are continuing to use our technology resources to develop enhanced platform capabilities and solutions including multi-currency processing for ATMs, debit card processing, enhanced merchant fraud screening tools for e-commerce customers, as well as additional opportunities to further internationalize the iPAY gateway. These enhancements will, when delivered, enable us to offer our customers additional value-added solutions that allow them and their merchants to grow their businesses.

FINANCIAL OVERVIEW

All figures are in US Dollars.

Results of Operations

Twelve Months Ended December 31, 2009 compared to Twelve Months Ended December 31, 2008.

Revenue: Total revenue in 2009 increased 31% to $47.3m (2008: $36.2m) led by the rollout of our services in the new markets of India and Canada, as well as new merchant deployments with our customers in China, Hong Kong, Macau, Taiwan, India and North America. Multi-currency processing revenue increased 40% to $33.3m (2008: $23.8m) and represented 71% of total revenue (2008: 66%). Processing revenue increased 12% to $13.8m, representing 29% of total revenue (2008: 34%).

Transaction Volume: The Company's total settled transaction volume increased 38% to $2.2b (2008: $1.5b). Settled transaction volume from multi-currency processing services increased 32% to $909m (2008: $689m). Settled volume from other processing services increased 42% to $1.2b (2008: $874m).

Gross Profit: Gross profit rose 42% to $16.3m (2008: $11.5m). Multi-currency gross profit increased $3.5m or 38% to $12.6m (2008: $9.1m). Processing revenue gross profit increased $1.3m or 56% to $3.6m (2008: $2.3m). The Company's overall gross profit margin increased to 34.5% (2008: 31.7%) as a result of the Company's actions to enhance the profitability of its direct acquiring portfolio for which gross profit margins increased to 26% (2008: 18.6%).

Operating Expenses: Operating expenses declined 13%, or $2.9m, to $18.8m (2008: $21.8m), including a reduction of $1.3m in compensation and benefits, $0.6m in professional fees and $0.5m in provision for doubtful accounts The Company's operating costs as a percentage of revenue decreased to 40% from 60% in 2008.

Our 2009 performance has resulted in our first year of positive Adjusted EBITDA.

"Planet Payment's stable operating expenses, strong revenue growth and scalable platform provide significant operating leverage."

Total Settled Transaction Volume

08
$1.5bn
09
$2.2bn

Cash operating expenses (excluding $3.1m, comprising the following non-cash expenses: depreciation and amortization, stock-related compensation expense and other non-cash expense) decreased 11% to $15.8m (2008: $17.8m).

Cash compensation expense (excluding $1.1m of stock-related compensation expense) declined 9% to $9.3m (2008: $10.2m) and represented 59% of total cash operating expenses. Headcount declined from 138 in December 2008 to 134 in December 2009.

Adjusted EBITDA: The Company achieved positive adjusted EBITDA for the year of $0.5m, a substantial improvement from the 2008 loss of $6.3m. Adjusted EBITDA loss excludes $4.5m, comprising the following non-cash expenses: depreciation and amortization, stock-related compensation expense, allowance for doubtful accounts, and other non-cash expense.

Other Income/Expense: Interest expense increased to $1.2m (2008: $1.0m).

Gain (Loss) from Discontinued Operations: A loss of $0.3m was recognized as the Company wrote off as uncollectable a note receivable and related interest from a third party at December 31, 2009.

Net Loss: The Company's growing revenues and reduction in operating expenses led to a 64% improvement in Net loss to $4m (2008 loss: $11m).

Results of Operations

Three Months Ended December 31, 2009 compared to Three Months Ended December 31, 2008.

Revenue: Total revenue in the fourth quarter 2009 grew 21% over fourth quarter 2008 to $14.2m (Q4 2008: 11.8m). Over the same period, multi-currency processing revenue increased 41% to $10.8m (Q4 2008: $7.6m), while processing revenue declined 16% to $3.5m (Q4 2008: $4.1m). The Company's total revenue also grew sequentially over the third quarter 2009, with total revenue in the fourth quarter 2009 increasing by 21% (Q3 2009: $11.7m). This growth was led by 26% growth in multi-currency processing.

Transaction Volume: The Company processed total settled transaction volume of over $631m, an increase of 24% (Q4: 2008: $510m). Multi-currency processing services transaction volume for the fourth quarter 2009 increased 37% to $300m (Q4 2008: $218m). Of the December 2009 multi-currency volume, 40% was attributed to merchants activated during 2009, approximately 58% of which were added in the third and fourth quarter of 2009. Processing volume increased by 13% to $331m (Q4 2008: $292m).

Gross Profit: Gross profit rose 26% to $4.7m over fourth quarter 2008 (Q4 2008: $3.7m). Gross margin percentage was 32.9%, as compared to Q4 2008: 31.6%.

Operating Expenses: Operating expenses declined 13%, to $5.0m, (Q4:2008: $5.7m), including a reduction of $0.5m in compensation and benefits, and $0.2m in other expenses. The Company's operating costs as a percentage of revenue continued to decline to 35% from 49% in Q4:2008.

Cash operating expenses (excluding $0.8m, comprising the following non-cash expenses: depreciation and amortization, stock-related compensation expense and other non-cash expense) declined 5% to $4.2m (Q3:2008: $4.3m).

Cash compensation expenses (excluding $0.2m of stock-related compensation expense) totalled $2.4m, a decline of 11% over fourth quarter 2008 and represented 58% of total cash operating expenses for the quarter (Q4:2008: $2.7m, represented 63% of total cash operating expenses).

Adjusted EBITDA: Achieved third consecutive positive EBITDA quarter, with adjusted EBITDA improving to $0.5m, a $1.1m improvement over fourth quarter 2008 (Q4 2008 loss: $0.6m). Sequentially, EBITDA improved 158% over third quarter 2009 (Q3 2009: $0.2m). Adjusted EBITDA loss excludes $1.4m, comprising the following non-cash expenses: depreciation and amortization, stock-related compensation expense, allowance for doubtful accounts, and other non-cash expense.

Other Income/Expense: Interest expense increased to $0.4m (2008: $0.3m).

Gain (Loss) from Discontinued Operations: A loss of $0.3m was recognized as the Company wrote off as uncollectable a note receivable and related interest from a third party at December 31, 2009.

Net Loss: The Company's increasing revenues and reduction in operating expenses led to an improvement of approximately 59% in net loss to $0.9m (Q4 2008 loss: $2.1m).

The Company provides certain non-GAAP financial measures in this statement, in order to provide investors with additional perspective of underlying business trends and results. These non-GAAP key business indicators, which include Adjusted EBITDA, cash operating expense and cash compensation expense, transaction volumes, and active merchant locations and points of sale, should not be considered replacements for and should be read in conjunction with the GAAP financial measures.

CORPORATE FINANCE

The Company completed private placings of new common shares in March and November raising $6.7 million, net of expenses.

The Company also issued $0.4 million in convertible debt during 2009, which were converted to common stock at December 31, 2009. The net proceeds of the private placings and the convertible debt were used to fund 2009 operations and support ongoing working capital requirements. The Company ended 2009 with $3.8 million in cash and cash equivalents (2008: $0.2 million). Accounts receivable increased only marginally to $1.9 million (2008: $1.8 million), notwithstanding the substantial overall growth in the business. Current assets increased to $9.7 million (2008: $5.2 million).

Current liabilities totalled $7.4 million at December 31, 2009, an increase of $3.1 million over 2008 due to the fact that $4 million in long term debt has become current as of the fourth quarter 2009. Excluding the $4 million note, current liabilities declined by $0.9 million as of December 31, 2009. There was a corresponding reduction in long term debt of $4 million to $9 million.

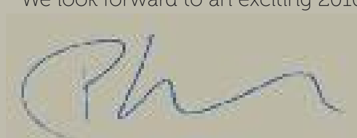
The Company ended 2009 with $15.8 million total assets, a 48% improvement (2008:$10.8 million) and $0.5 million in Stockholders' Deficit as compared to a deficit of $6.6 million at the end of 2008.

CURRENT TRADING AND OUTLOOK

For the first quarter 2010, total revenue is projected to increase approximately 25% to approximately $13m (Q1 2009: $10m). First quarter is historically the slowest quarter of the year due primarily to reduced international business travel in Greater China during January and February around the Chinese New Year, while fourth quarter is the most active. Accordingly, as with prior years, first quarter revenue is expected to be approximately 9% lower than fourth quarter 2009 (Q1 2009 was down 14% from Q4 2008). Multi-currency transaction volume is expected to rebound in March, as it typically has in the past, back up towards levels achieved in Q4 2009.

In 2010 we expect to launch our services in new markets in the United Arab Emirates and the Philippines and to continue to cross sell our existing and new innovative products to our acquiring institution customers and to their customers. The Company is well positioned for further growth in 2010 based on our own activities, as well as the potential for recovery in various regions around the world.

We look forward to an exciting 2010.



Philip D. Beck
Chairman and Chief Executive Officer

As retailers, hoteliers and e-commerce merchants expand their international reach, acquiring banks are looking to support and retain their merchants with a portfolio of value added processing solutions that differentiate them from their competitors. Businesses across the globe are seeking innovative payment solutions to increase efficiency and profitability. The increasing adoption around the world of electronic payments as an alternative to cash and checks is also driving the growth of the global payment processing industry, despite the impact of the recession on overall spending.

GLOBAL THINKING

Acquiring customers

>40

Planet Payment's international processing services for credit and debit cards, electronic funds transfers and mobile payments provide the solutions to meet these market demands. Our multi-currency processing services allow our acquiring customers to earn new, high-margin revenue streams and help attract and retain merchants. Acquirers outsourcing to Planet Payment can quickly and cost-effectively enter new markets, without lengthy development costs and time.

Our proprietary platform allows the Company to seamlessly deliver end-to-end processing solutions around the world. Having a single processing platform enables us to respond quickly to emerging technology developments, changing industry regulations and continuing security requirements. Point-of-sale technology providers, once integrated to our platform, have the ability to support their merchants wherever they are, without having to replicate the effort to connect to different regional platforms.

This distinction from other processors, allows our acquiring customers' merchants to more easily deploy their preferred point-of-sale technology, enjoy the same operational efficiencies and offer similar customer-service features anywhere, in any currency.

Planet Payment's global reporting system provides our acquiring customers immediate and comprehensive reconciliation of transaction data and card scheme funding across regions – and in any currency. Online tools for merchant pricing, interchange management, merchant profitability and customer exception items help acquirers more easily manage their diverse merchant portfolios.

Planet Payment's global access comes with the added advantage of localized support. Our online system and reporting are available in Chinese for our Greater China acquiring partners and their merchants. The system supports local card types in various international markets. Specifically designed receipt formats accommodate local market and regulatory demands.

With our robust product set and business model, Planet Payment is well positioned to remain among the leaders of processing innovation around the globe.

Seeking new growth, hoteliers and retailers are expanding into new markets. Merchants are looking to capitalize on increased worldwide Internet usage and e-commerce. With these opportunities, however, come the burden of increasing costs of foreign card acceptance, the challenges of managing high levels of security and customer data protection, and the difficulties in operating seamlessly in any country, across various acquirers and systems.

SELLING ANYWHERE

Active merchants

>10,000

Planet Payment's proprietary, currency-neutral processing platform allows us to support our customers and their merchants, no matter where in the world they operate. By accepting transactions from disparate locations around the world through our single platform, merchants can enjoy the efficiency of using their preferred point-of-sale technology and deliver similar customer experiences, at any supported location.

Pay in Your Currency™ allows merchants to sell more and strengthen brand loyalty when international customers choose to pay in the currency they are most familiar with – their own. Merchant profitability is also enhanced through rebates on eligible international transactions that help offset increased foreign processing fees. Multi-Currency Pricing lets merchants more easily convert international, on-line browsers into customers and achieve additional sales with market-specific pricing, without the need for establishing an international entity or foreign bank accounts.

Our iPAY® global gateway helps merchants accelerate e-commerce growth with a robust payment application that processes online retail payments, subscription management and recurring billing, at any time and in any currency.

Merchant compliance with cardholder data security is facilitated with our iPAY Token™ service, when merchants rely on Planet Payment to store their customers' sensitive card details in our secure vault.

MWEB, our user-friendly, online reporting system, delivers comprehensive transaction data with real-time reconciliation and reporting tools, enabling merchants to make timelier, more proactive business decisions. With sophisticated reporting hierarchy that ascends six corporate levels and spans disparate points of sale, regions, acquirers and currencies, our system offers multi-national merchants increased transparency of activity across their global operations.

Planet Payment's suite of payment, data management and security solutions facilitate international commerce, deliver enhanced operational efficiencies and transform card processing from a cost of doing business into a management and marketing tool to offer enhanced service to customers anywhere in the world.

Today's digital technology and mobile consumer lifestyle create limitless opportunities for customer personalization. Online banner advertisements and product displays are varied to meet browsers' spending or demographic profiles.

INDIVIDUAL CHOICE

Cardholders used pay in your currency in 2009

6m

Hoteliers and retailers are capturing customer preferences to offer targeted promotions and deliver personalized services to loyal patrons. In this increasingly global marketplace where products and services from all over the world are available at your fingertips, consumers are increasingly expecting personalized attention.

Planet Payment's innovative payment solutions offer cardholders convenience, choice and complete price transparency when offered the choice to pay in the currency they know best – their own. Business and leisure travellers enjoy the certainty of knowing that the amount they decide to spend on their purchase will be reflected on their card statements when they return home. Online browsers around the world, seeing prices in their chosen currency, can make confident, informed buying decisions and gain a higher appreciation of the value of their purchase.

Merchants using our processing platform can capture an extensive range of customized data with each payment transaction, to help create targeted promotions to individual cardholders. We also offer merchants a variety of real-time notification capabilities that can be used to confirm recent payment activity and market new products to consumers.

Our online data analytic tools offer in-depth, new profiles of customers' spending habits and country of origin, facilitating merchant development of personalized marketing programs designed to attract more international customers and encourage the return of valued visitors.

Planet Payment's services enable merchants to offer their customers individual choice and thereby help them sell more goods and services anywhere, and in any currency.


500

DIRECTORS

Philip D. Beck

Chairman and Chief Executive Officer

Philip Beck founded the Company in 1999, having previously practiced for almost 20 years as an international banking and corporate lawyer working with a range of businesses, from start-ups to multi-national corporates. As a partner in New York law firms, he also represented a number of international banking institutions. Mr. Beck, recognized as an international payments expert, has steered the Company since its entrepreneurial inception to its current operational focus providing innovative multi-currency payment processing solutions in multiple regions to more than 40 acquiring banks and processors. Mr. Beck graduated from London University's Queen Mary College with a degree in law.

Graham N. Arad

Director, SVP and General Counsel

Graham Arad is an experienced international lawyer, practicing principally in the area of corporate and commercial law. Mr. Arad has been Planet Payment's General Counsel since its founding in 1999 and has throughout that time supervised the legal aspects of the Company's business, which now encompasses operations in more than 10 countries. Mr. Arad was admitted as an English Solicitor in 1983 and has been practicing as an attorney in New York since 1991 and in the British Virgin Islands since 1995. Mr. Arad was a partner in law firms in London, New York and the British Virgin Islands for over 20 years in total and obtained his law degree from the London School of Economics.

"With the launch of our services in new markets including the United Arab Emirates, South Africa and the Philippines, Planet Payment is well positioned for further growth in 2010."

Cameron R. M. McColl

Non-Executive Director

Cameron McColl has significant experience in setting up and developing new companies. An electronics engineer by training, Mr. McColl has worked for a number of firms in the technology sector. Mr. McColl serves as Chairman of the Company's Audit and Remuneration Committees.

Jon Kaiden

Non-Executive Director

Jon Kaiden has more than 20 years of private equity and investment banking experience, with a strong focus on healthcare and information technology.

Lady Judge

Non-Executive Director

Lady Judge is currently Chairman of the UK Atomic Energy Authority and Deputy Chairman of Friends Provident plc. Previously, she was a lawyer in New York and Commissioner of the US Securities & Exchange Commission – the youngest person to be appointed to the position.

SENIOR MANAGEMENT

"The provision of best-in-class, secure processing solutions to our acquiring customers, their merchants and cardholders continues to be a key priority for the Company."

Robert Cox
SVP and Chief Financial Officer
Robert Cox, with over 20 years of financial management experience, joined Planet Payment from Harris Interactive, where he served as the Chief Financial Officer and Treasurer. Previously, he served as the Chief Financial Officer with DealerTrack Holdings, Inc, holding the top financial role since 2001. Prior to that, Mr. Cox served as Chief Financial Officer at Triton International Inc. and Green Stamp America Inc. He is a New York State licensed CPA and began his career in the audit practice at KPMG LLP.

Alan Lubitz
Chief Technology Officer
Alan Lubitz has over 25 years of experience in the sale and support of credit card payment infrastructure and point-of-sale systems. He has held senior positions at Paymentech, TermNet Merchant Services, National Card Processing Systems and Chase Merchant Services.

Jason Taylor
Chief Information Officer
Jason Taylor has over 12 years of experience in credit card processing, e-commerce and POS solutions. Prior to joining Planet Payment, Mr. Taylor managed the card processing system for a third party processor and has been working directly with Planet Payment for ten years.

Kesh Talwar
SVP Revenue Management & Strategic Initiatives
Kesh Talwar previously spent 14 years at First Data in various roles managing portfolios, building new products and business lines, revenue enhancements and profitability programs. He built the mobile commerce platform in Germany, the DCC platform for the FDC US businesses and grew the FDC global acquiring product and business.

Seth Asofsky
SVP US Region
Seth Asofsky, with over 20 years of business development and financial management experience, is responsible for our United States business and strategy. Mr. Asofsky served as Chief Financial Officer for Planet Payment from October 2003 to November 2009. Prior to that, he was an investment and corporate banker, leading the business process services investment banking practice at ThinkEquity Partner, and serving as Vice President with SG Cowen's Technology Investment Banking Group.

Raymond Tang
General Manager, Greater China
Raymond Tang has over 30 years of experience in the merchant payment processing industry in Greater China. Mr. Tang was previously Senior Manager, Merchant Services for Standard Chartered Bank, Hong Kong and held senior roles with American Express

Jonathan Ellis
Managing Director, Europe and CEMEA
Jonathan Ellis has over 20 years experience in the European restaurant and hospitality industry, with particular emphasis on sales management and strategic development. Mr. Ellis was previously Managing Director of the restaurant group Prezzo.

Pauline Clark
General Manager, Canada
Pauline Clark has over 20 years experience in strategic business development within the International Restaurant and Hospitality industry. Previously Ms. Clark was Director, Business Development North America at Global Refund.

Joel Mayer
SVP Product and Corporate Development
Joel Mayer joined Planet Payment in 2000 and is involved in product management and corporate development. Prior to Planet Payment, Mr. Mayer worked for American Express, providing commercial and legal support to various units of the Company.

Victor R Marotta
SVP Risk and Compliance
Victor Marotta, a NYS licensed CPA, has over 25 years experience in accounting, auditing, and credit/risk management. Mr. Marotta was previously Director of Corporate Credit/Risk Management for First Data Corporation.

Kieth Flaherty
SVP Operations & Project Management
Kieth Flaherty has over 25 years experience in banking and information systems with 22 of those being directly in the electronic payments area. Prior to Planet Payment, Mr. Flaherty was CTO for Transworld Payment Solutions and First Ecomm Data Services. Keith also held senior positions at the Bank of Bermuda and Arab National Bank in Saudi Arabia.

Henry Tan
Director of Operations, Asia Pacific
Henry Tan joined Planet Payment from the Singapore regional office of Visa International. He previously worked at American Express in a variety of roles, including regional head of the Asian Systems Group, and at Citigroup as South Asia Head, Technology Group.

Paul Whittle
SVP Front End Systems
Paul Whittle founded Whittle Transaction Group, which was acquired by Planet Payment in 2005 after developing the company's "PlanetSwitch" technology. Prior to founding his own company, Mr. Whittle was SVP POS Systems Development at Hypercom Corporation.

Vish Ramakrishnan
SVP Research and Development
Vish Ramakrishnan has over 20 years of experience in software product development and information systems management, with 10 years of specializing in developing banking and enterprise web application infomations systems. Prior to Planet Payment, Mr. Ramakrishnan was VP of Systems Design at Innovius Inc and EBalance.

Slim Zouaoui
SVP Infrastructure and Security
Slim Zouaoui has 15 years of experience in managing security and infrastructure systems for financial institutions. Prior to joining the Company, Mr. Zouaoui served as Chief Security Officer for a third-party processor in Europe and Tunisia.

CORPORATE GOVERNANCE

The Directors are committed to maintaining high standards of Corporate Governance. While the Company is not required to comply with the provisions of the UK Combined Code on Corporate Governance ('Combined Code') the Board takes account of the requirements of the Combined Code to the extent they consider it appropriate having regard to the Company's size, stage of development and resources, and the fact that Planet Payment, Inc. is incorporated in the US rather than the UK.

There are a number of differences between the corporate structure of the Company and that of a public limited company incorporated in the UK under the Companies Acts. While the Directors consider that it is appropriate to retain the majority of the usual features of a US corporation, they have taken certain actions, where practicable, to meet UK standard practice.

However, investors should be aware that the rights of stockholders in the Company may be different from the rights of shareholders in a UK incorporated company. The corporation law of Delaware establishes a different governance and executive management structure from that of a typical English company. The control and management of the Company is divided between Shareholders, a Board of Directors and Officers of the Company. The Board is elected by the Shareholders at a meeting called for that purpose. The Board is entitled to exercise its powers through committees and to appoint Officers. Officers have general powers and duties of day-to-day supervision and management of the Company. For example, the functions of 'Managing Director' and 'Finance Director' in English companies are typically undertaken in a Delaware corporation by the Chief Executive Officer and Chief Financial Officer, respectively (who in these roles are officers, not Directors, of the Company). 'Management' comprises the Senior Executive Officers of the Company. The 'Executives' comprise the CEO, CFO and General Counsel.

In addition, although the Company's shares are publicly traded via the OTCQX in the United States, the Company is not a 'reporting company' in accordance with SEC rules. The Company complies with reporting, disclosure and notification obligations under AIM and OTCQX rules, however it is not subject to the same extent of reporting, disclosure and notification obligations as companies listed on US national exchanges.

RELATIONSHIPS WITH SHAREHOLDERS

The Board remains fully committed to maintaining regular communication with the Shareholders. The Company encourages two-way communication with both its institutional and private investors and attempts to respond quickly to all queries received verbally or in writing, subject to the Company's publicity policies and obligations under the AIM rules for Companies published by the London Stock Exchange plc. The Company's website at www.planetpayment.com includes all of the information required to be maintained pursuant to Rule 26 of the AIM Rules for Companies. The CEO and CFO typically attend meetings with analysts and shareholders, at the time of the announcements of both the Company's interim and final results. The Board has sought to use the Annual Meeting to communicate with private investors and encourages their participation.

THE BOARD

During almost all of 2009 the Board consisted of five members; the Chairman and Chief Executive Officer, General Counsel, and three Non-Executive Directors. The Chief Financial Officer, while not a Director, attends all Board meetings and is available for access by all Directors. Cameron McColl and Lady Judge are regarded by the Company as independent Non-Executive Directors for the purposes of the Combined Code. Mr. Noblett resigned from the Board on January 2, 2009 due to ill health, and subsequently passed away. The Board takes this opportunity once again to express our condolences to Paul's family for their sad loss and the tremendous debt of gratitude owed by the Company to Paul Noblett for his efforts, insight and counsel from the earliest beginnings of Planet Payment, Inc.

The Board holds regular meetings during the year. All Directors in office attended all regular Board meetings held in 2009. The Board has a formal schedule of matters that are reserved to it and the Directors are responsible for formulating, reviewing and approving the Company's strategy, budget and major capital expenditures.

All Directors are subject to election by Shareholders at the first opportunity after their initial appointment to the Board and to re-election thereafter at intervals of not more than three years. The Board is divided into three classes. Directors are assigned to each class in accordance with the Company's Bylaws and resolutions adopted by the Board, with the number of Directors in each class to be divided as equally as reasonably possible. At each annual meeting of shareholders, one class of Directors is nominated for re-election, while the other classes are not. With respect to the class up for re-election, Directors are then elected for a new three year term. This structure is intended to provide greater stability on the Board, as it staggers the turnover of the Board over three years. Biographical information on all the Directors can be seen on pages 14-15.

COMMITTEES OF THE BOARD

The Board has established an Audit Committee, a Remuneration Committee and a Nomination Committee with formally delegated rules and responsibilities. Each committee operates under a written charter adopted by the Board, the current version of which is available on the Company's website at www.planetpayment.com

- **The Audit Committee** of the Board consisted of two non-executive directors during 2009: Mr. McColl, who serves as Chairman of the Audit Committee, and Mr. Kaiden. The Audit Committee assists the Board in fulfilling its oversight responsibility by supervising and reviewing (i) the conduct of the accounting and financial reporting process and the integrity of the financial statements provided to Shareholders and others; (ii) the functioning of the systems of internal accounting and financial controls; and (iii) the engagement, compensation, performance, qualifications and independence of the independent registered public accounting firm. The Audit Committee meets at least four times per year. The report of the Audit Committee appears on pages 19-20.

- **The Remuneration Committee** of the Board consisted of three Non-Executive Directors during 2009: Mr. McColl, who serves as Chairman of the Remuneration Committee, Mr. Kaiden and Lady Judge who was appointed during the year. The Remuneration Committee of the Board reviews the scale and structure of the remuneration and benefits packages of the Executive Directors and the Chief Financial Officer (the 'Executives'). The remuneration committee also administers the Company's Equity Incentive Plan (the 'Plan') and approves all grants of share options to Directors, Senior Management, Employees and Consultants. The remuneration and terms and conditions of appointment of the Non-Executive Directors are determined from time to time by the entire Board of Directors. The Board adopted a remuneration policy for the Non-Executive directors with effect from the date of admission to AIM. The Remuneration Committee meets at least two times per year. The report of the Remuneration Committee appears on page 20.

- **The Nomination Committee** of the Board consisted during 2009 of Mr. Beck, who serves as Chairman of the Nomination Committee and Mr. McColl. The Nomination Committee of the Board identifies and nominates candidates for election to the Board of Directors, oversees evaluation of the Board of Directors, and handles various corporate governance matters. In accordance with the Company's Bylaws, Cameron McColl and Jon Kaiden have been nominated for re-election by the stockholders at the forthcoming Annual Meeting, as their current term of office expires at this meeting.

AUDIT COMMITTEE REPORT

Following is the report of the Audit Committee with respect to the year ended December 31, 2009 and in particular the Company's 2009 financial statements, which comprise the Group's consolidated balance sheets as of December 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity and cash flows for the two years then ended, the notes thereto and the auditors' report thereon ('2009 Financial Statements').

Responsibilities

The Audit Committee assists the Board in fulfilling its oversight responsibility by supervising and reviewing (i) the conduct of the accounting and financial reporting process and the integrity of the financial statements provided to stockholders and others; (ii) the functioning of the systems of internal accounting and financial controls; and (iii) the engagement, compensation, performance, qualifications and independence of the independent registered public accounting firm.

It is not the duty of the Audit Committee to plan or conduct audits or to prepare the Company's financial statements. Management is responsible for preparing the financial statements and for assuring their accuracy and completeness, and the independent registered public accounting firm is responsible for auditing those financial statements and expressing its opinion as to whether the financial statements present fairly, in accordance with US generally accepted accounting principles, the Company's financial condition, results of operations and cash flows. However, the Audit Committee does consult with management and the independent registered public accounting firm prior to the presentation of financial statements to stockholders and, as appropriate, inquires into various aspects of the Company's financial affairs.

The members of the Audit Committee generally rely on the information provided to them by and on the representations made by management and the independent registered public accounting firm. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls. Furthermore, the Audit Committee's authority and oversight responsibilities do not independently assure that the audits of the financial statements have been carried out in accordance with applicable standards or that the financial statements are presented in accordance with US generally accepted accounting principles.

Activities in 2009

During the year 2009 the Audit Committee met on four occasions and each meeting was attended by all members, in person or by conference telephone call. Those meetings were also attended by members of management and representatives of the auditors. The purposes of the meetings were to consider and approve the engagement and remuneration of the auditors and review the draft financial statements and report of the auditors in relation to the twelve month period ended December 31, 2008 (audited) and the draft financial statements in relation to the three month periods ended March 31, 2009, June 30, 2009 and September 30, 2009 (unaudited). The Company has reappointed Deloitte & Touche LLP ('Deloitte') as the Company's independent registered public accounting and auditors firm for the year ended December 31, 2009.

Review of Financial Statements with Management and Independent Registered Public Accounting Firm

The Audit Committee has reviewed and discussed the 2009 Financial Statements (including the adequacy of the Company's accounting principles) with management and Deloitte. In addition, the Audit Committee consulted with management and Deloitte prior to recommending to the Board the approval and presentation of the audited 2009 Financial Statements to the stockholders. The Audit Committee has discussed with Deloitte the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, including, among other items, matters related to the conduct of the audit of the consolidated financial statements by the independent registered public accounting firm and its review of internal control over financial reporting for such purposes. The Audit Committee has discussed with Deloitte the latter's independence in accordance with AICPA standards, including whether its provision of non-audit services has compromised such independence.

Conclusion

Based upon the reviews and discussions referred to above, the Audit Committee recommended that the Board approve the 2009 Financial Statements and include the 2009 Financial Statements in the Company's Annual Report for the year ended December 31, 2009 to be filed with the London Stock Exchange and presented to stockholders.

REMUNERATION COMMITTEE REPORT

Following is the report of the Remuneration Committee with respect to the year ended December 31, 2009.

Activities in 2009

The Committee had four meetings during the year and approved limited grants of options to employees of The Company. No option grants, nor salary increases were made for the Executives who were in office at the beginning of the year 2009. The Remuneration Committee did approve the salary and option grants and Executive Retention Agreement given to Mr. Cox upon the occasion of his hiring as the new CFO of the Company, at which time Mr. Asofsky ceased to be CFO and was appointed Senior Vice President, US Business.

The total remuneration received by the Executives during the year 2009 was $653,028 (2008:$862,603). The remuneration payable to Non-Executive Directors under the Board's compensation policy was at the rate of $42,000 per annum (2008:$48,333). The cash compensation payable to the Executives and the fees payable to the Non-Executive Directors were temporarily reduced by 20% effective November 1, 2008, and such reductions ended in December 2009.

On 28 February 2006, the Company entered into employment retention agreements with Philip Beck, Graham Arad, Paul Noblett and Seth Asofsky, which were approved by the Board. In December 2009 the Company entered into a similar employment retention agreement with Robert Cox. The key elements are as follows:

- Term: The initial term of the agreement in each case is for three years with automatic renewal for one year terms thereafter until cancelled or terminated by either party. Notwithstanding the foregoing, either the Executive or the Company may terminate the employment at any time, and for any reason, with or without notice (subject to the severance provisions set out below).

- Employment Compensation: Each Executive's basic salary in place prior to execution of the relevant agreement remains in effect. In each case such salary is subject to periodic review and adjustment in the discretion of the Company's Remuneration Committee. An annual bonus may be paid, subject to the discretion of the Remuneration Committee except in the case of Mr. Cox who has a contractual right to a bonus subject to both he and the Company achieving certain targets. The Executives also participate in the benefits plans, which the Company makes available to all employees, upon the same terms, including Company-contributory health insurance, life insurance and disability plans, and a section 401k retirement benefits plan to which the Company does not contribute.

• Non-Competition: To the extent permitted by law, for a period of one year following termination of his employment with the Company, the Executive is barred from directly competing with the Company throughout the world if the Executive's employment is terminated.

• Severance Benefit: Subject to execution of a general release of claims against the Company, if an Executive's employment is terminated by the Company without cause or constructively terminated, then the Executive receives a lump sum payment equal to one year's basic salary, full vesting of all equity awards held by the Executive, and one year of continued coverage under the Company's health insurance programme. Under Mr. Cox's agreement he would be entitled to a lump sum payment equal to one and one half year's basic salary in the event of termination following a change of control.

• Change in Control Benefit: Subject to execution of a general release of claims against the Company, if an Executive's employment is terminated by the Company without cause or by the Executive in circumstances constituting a constructive termination, following public announcement of and within the 12 month period following a change in control of the Company, then the Executive receives full vesting of all equity awards held by him and one year of continued coverage under the Company's health insurance programme.

DIRECTORS AND EXECUTIVE OFFICERS – STOCK OPTIONS, WARRANTS AND SHARE OWNERSHIP

The following table sets out stock options and warrants (over common shares) and exercise prices, in US$, as well as issued shares held by Directors, the Executives, and their related parties (as that term is defined in the AIM Rules) as of 31 December 2009:

Directors and CFO	Vested Stock Options and Warrants	Unvested Stock Options	Exercise Price $	Number of Common Shares	Percentage of Total Issued Share Capital (1)
Philip D. Beck	717,379		2.50	1,692,628 (2)	3.7%
	76,514		2.88		
	50,666	25,333	3.01		
	68,099 (3)		1.20		
Graham N. Arad	221,092		2.50	1,201,406	2.6%
	51,009		2.88		
	31,365	15,682	3.01		
	42,717 (3)		1.20		
Jon Kaiden	75,000		2.50	56,312	0.1%
	25,000		3.07		
	11,250 (3)		1.20		
	5,500	27,500	1.28		
Lady Judge	75,000		2.50	55,000	0.1%
	25,000		3.07		
	11,250 (3)		1.20		
	5,500	27,500	1.28		
Cameron R. M. McColl	75,000		2.50	718,841	1.6%
	25,000		3.07		
	11,250 (3)		1.20		
	5,500	27,500	1.28		
Robert Cox		200,000	1.65	–	–

(1) Percentage ownership is based on issued shares only held by the Directors, as a percentage of 46,021,357 Common Shares, comprising 39,170,213 Common Shares issued and outstanding as of 31 December 2009 and 6,851,144 Common Shares arising on conversion of 2,243,750 Series A Preferred Shares, which were issued and outstanding as of 31 December 2009.
(2) Includes 22,000 shares held by BDP Realty Associates, LLC in which Mr. Beck has a one third membership interest.
(3) Options granted in connection with cash compensation reduction.

Each of the options listed in the table above vests over three years from the date of grant (other than those granted to the Non-Executive Directors and granted for cash compensation reduction), one third after each year, subject to any performance contingency as noted above, and expires ten years from the date of grant (or earlier, upon termination of service with (or provision of services to) the Company). Each of the options granted to the Non-Executive Directors upon their initial appointment listed in the table above vests over three years from the date of grant, one third after the first year and monthly thereafter. Subsequent grants to the Non-Executive Directors vest on a monthly basis over one year. Information as to the grant, exercise and forfeiture of stock options during the year ended December 31, 2009 is provided in Note 11 to the Company's Financial Statements for that year.

BENEFICIAL OWNERSHIP OF MAJOR STOCKHOLDERS

The following table sets forth a list of stockholders having to the knowledge of the Company, a direct or indirect interest in three percent or more of the voting rights of the Company in accordance with AIM Rules and their holdings as of April 23, 2010:

Shareholder	Number of Common Shares	Percentage of Total Voting Rights (1)
Andwel Partners and Trust	5,034,776 (2)	11%
FIL Ltd	3,682,000	8%
Blackrock, Inc.	3,679,978	8%
Kinderhook Partners LP	3,502,165	8%
Andrew Paul	3,376,390 (3)	7%
Integrated Core Strategies (Europe) S.a.r.l.	1,821,052	4%
Camden Partners Strategic Manager, LLC	1,726,830 (5)	4%
Philip D. Beck	1,630,128 (5)	4%
Eagle & Dominion Growth Master Fund Ltd	1,522,753	3%
Inter-Atlantic Fund, LP	1,486,977 (6)	3%
Graham N. Arad	1,191,406 (7)	3%

(1) Percentage ownership is based on 46,031,638 Common Shares, comprising 39,180,494 Common Shares issued and outstanding as of April 23, 2010 and 6,851,144 Common Shares arising on conversion of 2,243,750 Series A Preferred Shares, which were issued and outstanding as of April 23, 2010.
(2) Includes Common Shares arising upon conversion of Series A Preferred Shares.
(3) Includes Common Shares arising upon conversion of Series A Preferred Shares.
(4) In addition, Camden's related parties hold Convertible Promissory Notes convertible into 3,697,591 Common Shares, which are not reflected in this table.
(5) Includes 22,000 shares held by BDP Realty Associates, LLC in which Mr. Beck has a one third membership interest. In addition, Mr. Beck holds stock options to purchase an aggregate of 1,012,991 Common Shares, which are not reflected in this table, including those set forth in the table under 'Directors & Executive Officers – Stock Options, Warrants & Share Ownership'.
(6) In addition, the Fund holds Warrants to purchase 3,053,435 Common Shares, which are not reflected in this table.
(7) In addition, Mr. Arad holds stock options to purchase an aggregate of 361,865 Common Shares, which are not reflected in this table, but are set forth in the table under 'Directors & Executive Officers – Stock Options, Warrants & Share Ownership'.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
of Planet Payment, Inc

We have audited the accompanying consolidated balance sheets of Planet Payment, Inc. and its subsidiaries (the "Company"), as of December 31, 2009 and 2008, and the related statements of operations, cash flows and stockholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Planet Payment, Inc. and its subsidiaries at December 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company's recurring losses and negative cash flows from operations raise substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also discussed in Note 2 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Deloitte & Touche LLP

March 22, 2010

CONSOLIDATED BALANCE SHEETS

As of December 31, 2009 and 2008

Assets	2009 $	2008 $
Current assets:		
Cash and cash equivalents	3,752,423	246,848
Restricted cash	1,000,000	504,733
Settlement assets	1,763,498	1,310,368
Accounts receivable, net	1,868,713	1,751,372
Prepaid expenses and other assets	271,850	175,084
Inventory	1,028,305	1,222,530
Total current assets	9,684,789	5,210,935
Other assets:		
Property and equipment, net	992,633	1,179,154
Intangible assets, net	4,873,268	3,953,838
Notes receivable, net	–	212,629
Security deposits and other assets	297,528	186,958
Total other assets	6,163,424	5,532,579
Total	**15,848,213**	**10,743,514**
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	855,150	2,247,464
Due to merchants	1,763,498	1,310,368
Current maturities of long-term debt	4,742,817	700,000
Due to affiliates	–	7,430
Total current liabilities	7,361,465	4,265,262
Long-term liabilities:		
Long-term debt, less current maturities	56,467	4,000,000
Convertible debt	8,979,926	9,080,080
Total long-term liabilities	9,036,402	13,080,080
Total	**16,397,867**	**17,345,342**
Commitments and contingencies		
Stockholders' deficit		
Convertible preferred stock – 4,000,000 shares authorized, $0.01 per value:		
Series A – 2,243,750 issued and outstanding in 2009 and 2008; $8,975,000 aggregate liquidation preference	22,438	22,438
Common stock – 70,000,000 shares authorised, $0.01 per value, 39,170,213 and 26,931,007, respectively, issued and outstanding	391,701	269,310
Warrants	1,517,982	1,286,617
Additional paid-in capital	73,969,455	64,243,699
Accumulated deficit	(76,451,230)	(72,423,892)
Total stockholders' deficit	(549,654)	(6,601,828)
Total	**15,848,213**	**10,743,514**

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, 2009 and 2008

	2009 $	2008 $
Revenue:		
Multi-currency processing revenue	33,322,683	23,769,206
Processing revenue	13,817,675	12,349,023
Professional services revenue	114,348	70,381
Total revenue	47,254,706	36,188,610
Cost of Sales:		
Multi-currency processing cost of sales	20,725,949	14,663,597
Processing cost of sales	10,197,993	10,020,842
Professional services cost of sales	38,893	27,960
Total cost of sales	30,962,835	24,712,399
Gross profit	16,291,871	11,476,211
Operating expenses:		
Compensation and benefits	10,365,438	11,670,510
Professional fees	2,247,626	2,896,309
Depreciation and amortization	1,456,042	1,166,309
Technology	1,229,888	1,519,952
Travel and entertainment	763,992	991,704
Facilities	1,552,401	1,450,512
Provision for doubtful accounts	14,997	600,000
Other	1,255,993	1,456,752
Total operating expenses	18,886,377	21,752,048
Loss from operations	(2,594,506)	(10,275,837)
Other income (expense):		
Interest income	18,702	140,191
Interest expense	(1,189,843)	(988,510
Impairment charge on goodwill	–	(129,887)
Total other expense, net	(1,171,141)	(978,206)
Loss from continuing operations	(3,765,647)	(11,254,043)
Gain (loss) from discontinued operations – net of tax	(257,596)	272,847
Loss before provision for income taxes	(4,023,243)	(10,981,196))
Provision for income taxes	4,095	1,681
Net loss	(4,027,338)	(10,982,877)

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2009 and 2008

	2009 $	2008 $
Cash flows from operating activities:		
Net loss	(4,027,338)	(10,982,877)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash compensation expense	1,213,659	1,487,493
Depreciation and amortization expense	1,456,042	1,166,309
Provision for doubtful accounts	14,997	600,000
Impairment charge for goodwill	–	129,887
Impairment of note receivable, net	212,629	(272,847)
Interest expense accrued on notes payable	34,174	–
Interest expense accrued on convertible debt	808,193	608,563
Interest expense accrued on long-term debt	337,926	338,887
Changes in operating assets and liabilities:		
Increase in settlement assets	(453,130)	1,310,368
Increase in receivables and prepaid expenses	(229,105)	(970,640)
Decease (increase) in other current assets	194,225	(479,754)
Decrease in security deposits and other assets	(110,570)	15,259
Decrease (increase) in note receivable	–	(212,629)
Increase (decrease) in accounts payable and accrued expenses	(797,452)	608,233
Increase in due to merchants	453,130	1,310,368
Decrease in due to affiliates	(7,430)	–
Net cash used in operating activities	**(900,050)**	**(7,964,116)**
Cash flows from investing activities:		
Increase in restricted cash	(495,267)	(504,733)
Proceeds from redemption of investments	–	6,000,000
Acquisition of business, net of cash acquired	–	(1,224,294)
Purchase of property and equipment	(184,544)	(237,362)
Capitalized internal projects	(1,386,777)	(1,062,180)
Purchase of intangible assets	(617,628)	(552,582)
Net cash (used in) provided by investing activities	**(2,684,216)**	**2,418,849**
Cash flows from financial activities:		
Proceeds from issuance of common stock	6,999,159	–
Proceeds from convertible debt	350,000	3,100,000
Proceeds from loan payable	119,449	–
Repayment of loan payable	(20,157)	–
Payment of capital-raising expense	(368,134)	–
Repayment of long-term debt	–	(165,143)
Net cash provided by financial activities	**7,080,317**	**2,934,857**

	2009 $	2008 $
Effect of changes in exchange rates on cash and cash equivalents	9,523	32,519
Increase (decrease) in cash and cash equivalents	3,505,575	(2,577,891)
Cash and cash equivalents – Begining of year	246,848	2,824,739
Cash and cash equivalents – End of year	**3,752,423**	**246,848**
Supplemental disclosure of cash flow information:		
Interest paid	9,549	41,059
Income taxes paid	2,917	–
Supplemental disclosure of non-cash financing and investment activities:		
Convertible debt converted to common stock	450,000	–
Common stock issued to pay accrued interest	1,519,336	337,926
Common stock issued as payment of accounts payable	34,125	–
Warrants issued as payment of accounts payable	231,366	318,974

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

For the years ended December 31, 2009 and 2008

	Preferred Stock $0.01 Par value – 4,000,000 Shares Authorized Series A		Common Stock $0.01 Par value – 70,000,000 Shares Authorized					
	Shares Issued	Par Value $	Shares Issued	Par Value $	Additional Paid-in Capital $	Warrants $	Accumulated Deficit $	Total Stockholders Equity (Deficit) $
Balance – January 1, 2008	2,243,750	22,438	26,375,518	263,755	62,020,354	1,371,124	(61,441,015)	2,236,656
Stock issued			108,498	1,085	336,841			337,926
Warrants exercised			429,065	4,291	399,190	(403,481)		–
Options exercised			17,926	179	(179)			–
Value of warrants issued						318,974		318,974
Stock option expense					1,487,493			1,487,493
Net loss							(10,982,877)	(10,982,877)
Balance – December 31, 2008	2,243,750	22,438	26,931,007	269,310	64,243,699	1,286,617	(72,423,892)	(6,601,828)
Stock issued			12,239,206	122,391	8,512,097			8,634,488
Warrants exercised			–	–	–	–		-
Options exercised			–	–	–			–
Value of warrants issued						231,366		231,366
Stock option expense					1,213,659			1,213,659
Net loss							(4,027,338)	(4,027,338)
Balance – December 31, 2009	2,243.750	22,438	39,170,213	391,701	73,969,455	1,517,983	(76,451,230)	(549,654)

See notes to consolidated financial statements.

NOTES

Notes to Consolidated Financial Statements as of and for years ended December 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Description — Planet Payment, Inc. (the "Company") was incorporated in the State of Delaware in October 1999 as Planet Group, Inc. and changed its name to Planet Payment, Inc. on June 18, 2007. The Company enables processors, acquiring banks and merchants to accept, process, and reconcile credit card transactions in multiple currencies, allowing cardholders to view prices and settle transactions in their native currency. The Pay in Your Currency™ service is the Company's suite of multi-currency processing solutions, which includes a multi-currency pricing e-commerce service and a Dynamic Currency Conversion service. The Company's BuyVoice™, a mobile payment and commerce solution, allows merchants to accept payments and sell product to customers using any mobile or landline phone. With the acquisition of the iPAY™ business, the Company also offers comprehensive internet processing solutions for credit card and electronic check payments. On March 20, 2006, the Company's common shares were admitted to trading on the London Stock Exchange's Alternative Investment Market (AIM) market. On November 19, 2008, the Company's common shares were also admitted to trading on the OTCQX market tier operated by Pink OTC Markets Inc. in the United States.

The Company is a registered third-party processor for acquiring banks under Visa, MasterCard, Discover, American Express and JCB card association rules. Visa and MasterCard operating regulations require the Company to be sponsored by an acquirer in order to process card transactions; the Company has third party processor agreements with American Express and JCB. The Company is currently registered with Visa and MasterCard for each bank with which it has a processing agreement. Accordingly, although not a member of either card association (all members are banks), the Company is required to comply with all applicable card association rules.

Principles of Consolidation — The consolidated financial statements include the accounts of the Company, one wholly owned U.S. subsidiary and six wholly owned foreign subsidiaries located in Bermuda, Hong Kong, Ireland, Isle of Man, The People's Republic of China and Singapore. All inter-company accounts and transactions are eliminated on consolidation.

Foreign Currency Translation — Statement of operations accounts are translated at the average exchange rates during the period. Assets and liabilities are translated at the balance sheet date exchange rates. The related adjustments for all accounts are included in net income. These amounts were $22,729 and $71,512 for 2009 and 2008, respectively.

Cash and Cash Equivalents — Cash and cash equivalents consist of cash and highly liquid instruments purchased with an original maturity of three months or less.

Accounts Receivable — The Company evaluates the collectability of its accounts receivable based on a combination of factors. In cases where the Company is aware of circumstances that may impair a specific customer's ability to meet its financial obligations, an allowance is recorded against amounts due thereby reducing the net recognized receivable to the amount that the Company reasonably believes will be collected. For all other customers, the Company recognizes an allowance for doubtful accounts based on the length of time the receivables are past due, the current business environment and historical experience. As of December 31, 2009 and December 31, 2008, the Company has included an allowance for doubtful accounts of approximately $1.9 million due to certain receivables being subject to litigation (see Note 14).

Inventory — Certain payments made to Servebase Computers, Ltd. ("Servebase") have been applied to the purchase of software licenses for resale. The licenses are for a point-of-sale credit card application that has been customized to the Company's specifications, in order to support the Company's multi-currency applications. Inventory is valued at the lower of cost or market price. Cost is arrived at using the first-in, first-out method. Market price is estimated based on anticipated sales of licenses.

Property and Equipment — Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Equipment	5 years
Hardware	5 years
Software	5 years
Furniture and fixtures	5–7 years

Leasehold improvements are amortized using the straight-line method over the lesser of the estimated useful life of the assets or the term of the underlying lease arrangements.

Expenditures for maintenance and repairs, which do not improve or extend the useful life of the respective asset, are charged to expense as incurred.

Intangible Assets — Intangible assets are recorded at cost less accumulated amortization. Intangible assets are being amortized on a straight-line basis over their estimated lives, as follows:

License agreements	7 years
Patents	15 years
Trademarks	15 years
Customer contracts	5 years
Capitalized projects	5 years

The Company performs an annual impairment test comparing the estimated fair value of the intangibles to their carrying value. No impairment was recorded for the years ended December 31, 2009 and 2008.

The Company follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, Intangibles, Goodwill and Other ("ASC 350"). The Company develops software that is used in providing processing services to customers. Software development costs are capitalized once technological feasibility of the software has been established. Costs incurred prior to establishing technological feasibility are expensed as incurred. Technological feasibility is established when the Company has completed all planning, designing, coding and testing activities that are necessary to determine that a product can be produced to meet its design specifications, including functions, features and technical performance requirements. Capitalization of costs ceases when the product is available for general use. Software development costs are amortized using the straight-line method over the estimated useful life of the software, which is generally five years. During the years ended, December 31, 2009 and 2008, the amount capitalized was $1,386,777 and $1,062,180, respectively.

Security Deposits — Security deposits are primarily held by landlords to cover rental obligations and are included in other assets in the consolidated financial statements.

Restricted Cash — Restricted cash is primarily held by processing partners where the Company holds a share of underwriting risk and for other potential liabilities under processing agreements and is included in other current assets in the consolidated financial statements.

Due to Merchants — Due to merchants represents funds collected on behalf of merchants using the iPAY gateway ACH product, which are held on average for three days before payment to the merchant, as part of our risk management procedures and the amount held is included in settlement assets and are included in current liabilities in the consolidated financial statements.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make certain estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include valuation of stock options and warrants, provision for doubtful accounts, asset capitalization and impairment testing. Actual results could differ from those estimates.

Revenue Recognition — Processing revenue is based on the mark up and fees charged to customers for services provided in facilitating the sale of goods and services by means of credit and debit cards and does not include the gross sales price paid by the ultimate buyer. Revenues are recorded on a gross basis and offset by the associated costs of sales and are recognized at the time of settlement of the transactions.

Revenue from multi-currency processing is based on the margin earned on the conversion of credit card transactions from one currency into another currency. Multi-currency conversion revenue is recognized when the settlement proceeds of relevant credit card transactions are paid by the Card Associations to the relevant acquiring bank, with which the Company undertakes the multi-currency processing service.

Transaction based fees are earned at the time the transaction is submitted for processing. Administrative fees revenue comprises fixed monthly amounts, which are recognized at the time charged to each customer. Fees arising from referral of business to third-party processors are recognized upon receipt.

Certain members of the Company's point-of-sale software development team provide external development and consulting services to third parties under the name Planet Technology Services (PTS). The revenue associated with PTS is principally time and materials consulting revenue that is recognized when earned and invoiced.

Income Taxes — The Company accounts for income taxes in accordance with FASB ASC 740, Income Taxes, which requires the recognition of deferred income taxes for differences between the bases of assets and liabilities for financial statement and income tax purposes. Deferred tax assets and liabilities represent the future tax consequence for those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred taxes are also recognized for operating losses that are available to offset future taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Fair Value of Financial Instruments — FASB ASC 825, Financial Instruments, requires certain disclosures regarding the fair value of financial instruments. Cash and cash equivalents, receivables, debt, accounts payable, due to merchants, accrued expenses and amounts due to affiliates are reflected in the consolidated financial statements at fair value because of the short-term nature of these instruments. The carrying value of the short-term portion of the long-term and convertible debt approximates fair value primarily due to the short-term nature of the debt and because the interest rates applicable to the debt are consistent with current market rates.

Stock Incentive Plan — FASB ASC 718, Compensation – Stock Compensation ("ASC 718") requires compensation cost related to share-based payments to employees to be recognized in the financial statements based on their fair value. This method requires that the provisions of ASC 718 be applied to new awards and awards modified, repurchased or cancelled after the effective date. See Note 11 for disclosure on the Company's stock incentive plan.

Warrants — The Company has issued detachable warrants to purchase common shares as part of certain debt instruments. These warrants have been accounted for as equity in accordance with the provisions of ASC 470-20, Debt with Conversion and Other Options. The fair value of the warrants is determined using the Black-Scholes Merton methodology. The fair value of the warrants is expensed to interest over the expected life of the loans. See Note 12 for disclosure on the Company's warrants.

Recently Adopted Accounting Pronouncements — In June 2009, the FASB issued The FASB Accounting Standards Codification™ (the Codification) which became the single authoritative U.S. accounting and reporting standards applicable for all nongovernmental entities, with the exception of guidance issued by the Securities and Exchange Commission (SEC). The Codification does not change current U.S. GAAP, but changes the referencing of financial standards, and is intended to simplify user access to authoritative U.S. GAAP by providing all the authoritative literature related to a particular topic in one place. The Codification is effective for interim and annual periods ending after September 15, 2009, and was effective for our third quarter of 2009. At that time, all references made to U.S. GAAP used the new Codification numbering system prescribed by the FASB.

The Codification does not change or alter existing U.S. GAAP and did not have any impact on our consolidated financial position, cash flows, or results of operations.

In May 2009, the FASB issued ASC 855, Subsequent Events ("ASC 855"). ASC 855 introduces the concept of financial statements being available to be issued and requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. ASC 855 is effective for reporting periods ending after June 15, 2009. The Company adopted ASC 855 on June 30, 2009 and its subsequent amendment in February 2010. Adoption of ASC 855 did not have a material impact on the Company's consolidated financial statements.

In December 2007, the FASB issued ASC 805, Business Combinations ("ASC 805"). The new standard will significantly change the financial accounting and reporting of business combination transactions in the consolidated financial statements. It will require an acquirer to recognize, at the acquisition date, the assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree at their full fair values as of that date. In a business combination achieved in stages (step acquisitions), the acquirer will be required to re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in earnings. The acquisition-related transaction and restructuring costs will no longer be included as part of the capitalized cost of the acquired entity but will be required to be accounted for separately in accordance with applicable generally accepted accounting principles in the U.S. ASC 805 applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of this standard had no impact on our consolidated financial statements.

In December 2007, the FASB issued ASC 810, Consolidation ("ASC 810"). ASC 810 clarifies the classification of non-controlling interests in consolidated statements of financial position and the accounting for and reporting of transactions between a company and holders of such non-controlling interests. Under ASC 810, non-controlling interests are considered equity and should be reported as an element of consolidated equity. The current practice of classifying minority interests within a Mezzanine section of the statements of financial position will be eliminated. Under ASC 810, net income will encompass the total income of all consolidated subsidiaries and will require separate disclosure on the face of the statements of operations of income (loss) attributable to the controlling and non-controlling interests. Increases and decreases in the non-controlling ownership interest amount will be accounted for as equity transactions. When a subsidiary is deconsolidated, any retained, non-controlling equity investment in the former subsidiary and the gain or loss on the deconsolidation of the subsidiary must be measured at fair value. ASC 810 is effective for fiscal years beginning after December 15, 2008 and earlier application is prohibited. The adoption of this standard will have no impact on our consolidated financial statements.

2. GOING CONCERN

The Company has incurred net operating losses during the years ended December 31, 2009 and 2008. During the year ended December 31, 2009, the Company's operations were largely funded by equity capital and other financing including a March 2009 private placement of common shares that raised approximately $3,000,000 (before expenses) and a November 2009 private placement of common shares that raised approximately $4,000,000 (before expenses) (see Note 13). During the year ended December 31, 2009, additional merchant locations were launched in the United States, Canada, Greater China, India and Malaysia, which have resulted in an increase in the Company's gross profit. During the year ended December 31, 2009, revenue and gross profit grew 31% and 42%, respectively, as compared to the year ended December 31, 2008. Further new bank and merchant implementations are planned for the rest of 2010. The Company believes these implementations will have a positive impact on the Company's revenue and cash flows. The Company believes that the operating plans and implementations, together with the investment capital raised, will be sufficient to support the Company's current liquidity requirements, but there are no assurances that these plans and proposals will come to fruition and the ultimate ability of the Company to continue as a going concern is dependent on the Company achieving positive cash-flow from operations.

3. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

A summary of receivables by major class is as follows at December 31, 2009 and 2008:

	2009 $	2008 $
Accounts receivable from banks and processors	3,750,407	3,585,954
Accounts receivable from others	9,703	41,818
Total accounts receivable, gross	3,760,110	3,627,772
Less allowance for doubtful accounts	1,891,397	1,876,400
Accounts receivable, net	1,868,713	1,751,372

A summary of the activity in the allowance for doubtful accounts for the years ended December 31, 2009 and 2008 is as follows:

	2009 $	2008 $
Begining balance	1,876,400	1,276,400
Additions to allowance	14,997	600,000
Ending balance	1,891,397	1,876,400

Prepaid expenses as of December 31, 2009 and 2008 of $271,850 and $175,084, respectively included costs attributable to the Company's support and service agreements.

4. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2009 and 2008 consisted of the following:

	2009 $	2008 $
Equipment	592,627	555,739
Computer hardware	1,246,602	1,143,730
Furniture and fixtures	174,138	181,025
Leasehold improvements	331,228	314,251
Sub total	2,344,595	2,194,745
Less accumulated depreciation	1,351,962	1,015,591
Total	992,633	1,179,154

Depreciation expense amounted to $371,062 and $349,651 during the years ended December 31, 2009 and 2008, respectively. During 2009 and 2008 the Company had additions totaling $184,544 and $495,427 and dispositions totaling $34,694 and $0 respectively.

5. INTANGIBLE ASSETS

Intangiable assets at December 31, 2009 and 2008 consisted of the following:

	2009 $	2008 $
Software:		
Costs	3,740,522	3,244,213
Less accumulated amortization	2,276,238	1,779,710
	1,464,284	1,464,503
Trademarks and patents:		
Costs	581,760	460,455
Less accumulated amortization	105,834	65,397
	475,926	395,058
Capitalized projects:		
Costs	2,904,222	1,517,445
Less accumulated amortization	578,317	203,787
	2,325,905	1,313,658
Customer contracts:		
Costs	876,354	867,354
Less accumulated amortization	260,206	86,735
	607,148	780,619
Intangible assets (net)	4,873,263	3,953,838

The Company purchases third party software for use in its business. The costs of these purchases are capitalized as software. For 2009 and 2008, the amount capitalized was $496,309 and $533,434 respectively.

The Company incurs legal and government application and registration fees which are capitalized as trademark and patent costs. For 2009 and 2008, the amount capitalized was $121,305 and $112,585.

The capitalized projects met the characteristics of internal use software as set forth in Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use. Amounts capitalized are based on actual development hours incurred and the developers' average hourly rate. During 2009 and 2008, the amount capitalized was $1,386,777 and $1,062,180.

Acquired customer contracts were capitalized as part of the April 2008 iPay e-commerce processing business acquisition. The amount capitalized in 2008 was $867,354.

Amortization expense for the years ended December 31, 2009 and 2008 was $1,084,966 and $816,658, respectively.

The estimated aggregate amortization expense for each of the next five years is as follows:

2010	$1,177,921
2011	$1,211,549
2012	$1,033,552
2013	$682,677
2014	$350,881

6. LONG TERM DEBT

Long term debt at December 31, 2009 and 2008 consisted of the following:

	2009 $	2008 $
8% Note payable to Inter-Atlantic Fund, L.P. due November 2010. Interest is payable annually in cash or common stock at the Company's election. The Company issued one warrant exercisable for 3,053,435 shares of common stock as additional consideration for entering into the note. As long as the note remains outstanding and Inter-Atlantic chooses to exercise the warrant, in part or in full, the principal amount of note must be offset against the purchase price of the common stock under the warrant. The note and warrant are only assignable together.	4,000,000	4,000,000
9.29% Note payable to Hewlett Packard Financial Services Company. Principal and interest payable monthly through January 2014. The note is secured by the financed equipment.	34,988	–
18.59% Note Payable to Alternative Capital Financing. Principal and interest payable monthly through August 2010. The loan is secured by financed software.	21,016	–
13.78% Note Payable to Alternative Capital Financing. Principal and interest payable monthly through August 2012. The loan is secured by financed software.	43,289	–
Non-interest bearing amount from First Horizon Merchant Services, Inc. ("FHMS") and First Tennessee Bank National Association ("FTB") payable on demand. The advance is secured by the underlying cash flow associated with the contract in respect of which the advance was made.	660,000	660,000
Non-interest bearing amount from FHMS and FTB payable on demand. The advance is secured by the underlying cash flow associated with the contract in respect of which the advance was made.	40,000	40,000
	4,799,293	4,700,000
Less current portion	4,742,817	700,00
Long-term portion	56,476	4,000,000

In June 2006 the Company received a request for repayment of the $700,000 of debt which is payable on demand. The Company does not believe it is liable to repay such amount and no action has been taken by the creditor to collect it.

Total interest expense related to long-term debt for the year ended December 31, 2009 and 2008 was $337,926 and $348,016, respectively. Accrued interest for the twelve months ended November 30, 2009 and 2008 was subsequently paid through the issuance of 521,745 common shares in 2009 (see Note 13).

7. CONVERTIBLE DEBT

In February 2007, the Company issued a $5 million five-year term note convertible into 2,272,727 common shares as part of a $7.6 million private placing which included the issuance of 1,141,491 new common shares at a price of $2.28 per share (equivalent to £1.16 per share). The note carries an interest rate of 8% per annum and is convertible at any time at the option of the Noteholders, or automatically upon the achievement by the Company of certain milestones, namely a qualified U.S. initial public offering (IPO) or the achievement of certain liquidity and market value in the trading of the Company's common shares. Interest is payable semi-annually commencing June 30, 2007, but at the Company's sole option, interest payments through December 31, 2008, totaling $811,057 were capitalized and added to the principal amount. Also, at the Company's election, subject to specified conditions, at any time after January 1, 2009, interest may be payable in the form of common shares at the fair market value. As a result of the $100,000 convertible note referred to below, the interest rate increased to 9% per annum.

In April 2008, concurrent with the iPay acquisition (Note 8), the Company issued a $3 million convertible promissory note, with a four year term, convertible into 1,333,333 common shares at a conversion price of $2.25 per share. The note carries an interest rate of 8% per annum and is convertible at any time at the option of the Noteholders, or automatically upon the achievement of certain milestones, namely a qualified U.S. IPO or the achievement of certain liquidity and market value in the trading of the Company's common shares. Interest is payable semi-annually commencing June 30, 2008, but at the Company's sole option, interest payments through December 31, 2008, totaling $168,870 were capitalized and added to the principal amount. Also, at the Company's election, subject to specified conditions, at any time after January 1, 2009, interest may be payable in the form of common shares at the fair market value. As a result of the $100,000 convertible note referred to below, the interest rate increased to 9% per annum.

In December 2008, the Company issued a $100,000 convertible promissory note, with a five year term, convertible into 100,000 common shares at a conversion price of $1.00 per share, to an existing shareholder. The Noteholder also received 25,000 warrants at an exercise price of $1.00. In January and February 2009, the Company issued $350,000 in convertible promissory notes, with a five year term, convertible into 350,000 common shares at a conversion price of $1.00 per share, to existing shareholders. The Noteholders also received 87,500 warrants at an exercise price of $1.00. The Company may prepay the unpaid balance of the notes at any time on or after July 31, 2009 (First Measurement Date) without prior consent of the Noteholders and without penalty. As a result of the March 2009 private placing, the conversion price of the notes and the exercise price under the Warrants were adjusted to $0.45. The notes carry an interest rate of 8% per annum. The interest rate was to increase to 12% per annum after the First Measurement Date (which by subsequent agreement with the Noteholders was deferred to December 31, 2009) and adjust to a rate equal to the United States Prime Rate after June 30, 2010 (Second Measurement Date) if the notes are not prepaid before either date. The notes were convertible at any time at the option of the Noteholders, or automatically upon the Second Measurement Date at a conversion price of $0.70 per share if the fair market value of the common shares is $1.40 per share or higher. The notes shall automatically convert upon maturity at a conversion price of $0.70 per share, or the fair market value of the common shares subject to a minimum conversion price of $0.35 per share. Interest was payable upon the First Measurement Date, but at the Company's sole option, interest payments through July 31, 2009 totaling $18,613 were capitalized and added to the principal amount. The Noteholders exercised their rights to convert the principal amount and all accrued interest under the notes to an aggregate of 1,076,283 common shares as of December 31, 2009 and the notes were discharged as paid in full as of that date.

Convertible debt as of December 31, 2008, was comprised of the following:

Principal $	Accrued Interest $	Total Convertible Debt $	Maturity Date	Interest Rate	Conversion Price $
5,000,000	811,057	5,811,057	February 7, 2012	9%	2.20
3,000,000	168,870	3,168,870	April 21, 2012	9%	2.25
100,000	153	100,153	December 24, 2013	8%	1.00
8,100,000	980,080	980,080			

Convertible debt as of December 31, 2009, was comprised of the following:

Principal $	Accrued Interest $	Total Convertible Debt $	Maturity Date	Interest Rate	Conversion Price $
5,000,000	811,056	5,811,056	February 7, 2012	9%	2.20
3,000,000	168,870	3,168,870	April 21, 2012	9%	2.25
8,000,000	979,926	8,979,926			

Total interest expense related to convertible debt for the years ended December 31, 2009 and 2008 was $842,367 and $608,563, respectively. The interest accrued for the year ended December 31, 2009 is not included in the above table. Of the interest expense for the period ended December 31, 2009, $808,193 related to convertible notes issued in February 2007 and April 2008. In July 2009, the Company issued 609,679 new common shares at a price of £0.40 per share (approximately $0.66) and as of December 31, 2009 the Company issued a further 240,187 new common shares at a price of £1.05 per share (approximately $1.70) in payment of such interest on the notes.

8. ACQUISITIONS AND JOINT VENTURE / DISCONTINUED OPERATION

In January 2008, the Company terminated its joint venture with JourneyPay Limited by mutual agreement. As a result, in 2009 and 2008 the Company no longer contributed capital to the joint venture business and no longer consolidates the results of the joint venture's operations. Processing of transactions for JourneyPay continues under a prior processing agreement. In November 2008, the Company entered into an amendment Agreement and sold its interest in the joint venture to JourneyPay Limited for consideration of a note receivable in the amount of $212,629 repayable with interest at a rate of 7% per annum over a period of approximately five years. This note receivable (including accrued interest) in the amount of $257,596 was subsequently written off as uncollectable in 2009 and is included in the Gain (Loss) from discontinued operations.

In April 2008, the Company acquired certain assets relating to the former iPay e-commerce processing business. The consideration was $1,000,000 paid in cash upon closing. In addition, the Company incurred $224,294 in additional costs; $120,608 in assumed liabilities under contracts which were assigned as part of the transaction and $103,686 in legal costs, thereby raising the total cost of the transaction to approximately $1.22 million. The assets purchased consisted of hardware and equipment, software, licenses and intellectual property. The contracts assumed include contracts relating to a direct merchant acquiring portfolio and agent bank acquiring portfolio. In addition, the Company entered into a new lease of premises in New Castle, Delaware, where the business is based, for a period expiring October 2011, subject to a right to renew, at an initial rental of approximately $312,000 per annum.

The assets purchased are as follows:

	$
Hardware	159,698
Software	98,875
Other fixed assets	98,376
Intangible asset – Customer contracts	876,354
Net assets acquired	1,224,294

9. OTHER OPERATING EXPENSE

The other operating expense is comprised of insurance, telecommunications, general and administrative and marketing expenses which for the years ended December 31, 2009 and 2008 totaled $1,255,993 and $1,456,752.

10. RELATED-PARTY TRANSACTIONS

During the years ended December 31, 2009 and 2008, the Company incurred the following general and administrative expenses to three affiliated companies that are principally owned by executives, directors or stockholders of the Company (N & A Consulting LLC, Synergy Corporate Technologies Ltd., and BDP Realty Associates LLC):

	2009 $	2008 $
Rent	463,936	416,047
Consulting / Professional fees	–	161,267

Rent expense is included in the facilities expense on the Consolidated Statement of Operations.

11. STOCK INCENTIVE PLAN

The Board of Directors and Stockholders approved a new equity incentive plan ("2006 Equity Incentive Plan" or "Plan") in January 2006. The Remuneration Committee of the Board of Directors (the "Committee") administers the Plan. Employees and certain contractors, who in the judgment of the Committee render significant service to the Company, are eligible to participate.

Under the terms of the Plan, participants may be granted restricted shares or options to purchase the Company's common stock at the fair market value on the date the option is granted. Options granted generally vest equally over three years and expire ten years after the grant date. At December 31, 2009 and December 31, 2008, a total of 6,793,299 and 6,851,397 shares, respectively, were reserved for issuance under the Plan. No restricted shares have been issued as of December 31, 2009 and of the stock options granted in 2008 and 2009, none were at a strike price lower than the market price at the time of the grant. At December 31, 2009, 1,505,756 common shares remained available for future stock option and restricted stock awards under the Plan.

Stock option plan activity for the years ended December 31, 2009 and 2008 was as follows:

	Options	Weighted Average Exercise Price $
Balance – January 1, 2008	5,883,339	2.75
Granted	1,462,325	1.48
Exercised	(17,926)	1.67
Cancelled	(314,646)	3.98
Forfeited	(161,695)	2.88
Balance – December 31, 2008	6,851,397	2.44
Granted	348,500	1.52
Exercised	–	–
Cancelled	(229,139)	2.46
Forfeited	(177,459)	3.01
Balance – December 31, 2009	6,793,299	2.36
Options exercisable at December 31, 2008	4,410,228	2.26
Options exercisable at December 31, 2009	5,535,148	2.32

Options Outstanding at December 31, 2009

Exercise Price $	Number Outstanding	Weighted Average Exercise Price $	Weighted Average Remaining Life (Years)	Number Exercisable
0.60	115,000	0.60	2.2	115,000
1.20	1,195,373	1.20	8.5	1,170,375
1.28	99,000	1.28	9.5	–
1.65	200,000	1.65	9.5	–
1.75	24,500	1.75	9.5	–
2.50	2,987,529	2.50	5.1	2,899,030
2.53	334,167	2.53	6.5	280,833
2.88	705,638	2.88	6.5	488,229
3.01	828,925	3.01	7.6	290,514
3.05	19,167	3.05	7.5	7,167
3.07	75,000	3.07	7.5	75,000
4.00	50,000	4.00	5.5	50,000
4.40	159,000	4.40	1.3	159,000
	6,793,299	2.36		5,535,148

The Company's Plan provides for acceleration of exercisability of the options upon the occurrence of certain events related to a change in control, merger, and sale of assets or liquidation of the Company.

FASB ASC 718 requires compensation cost related to share-based payments to employees to be recognized in the financial statements based on their fair value. Under the public company standard, companies must adopt FASB ASC 718 using the modified prospective application method. This method requires companies to (1) record compensation cost for the unvested portion of previously issued stock option awards that remain outstanding at the initial date of adoption and (2) record compensation cost for any awards issued, modified, repurchased or cancelled after the effective date of FASB ASC 718. For the year ended December 31, 2009, the Company incurred total share-based expense of $1,213,659; $1,096,588 related to employee compensation and $117,071 related to non-employee directors and professionals. For the year ended December 31, 2008, the Company incurred total share-based expense of $1,487,493; $1,249,394 related to employee compensation and $238,099 related to non-employee directors and professionals. As of December 31, 2009, the total remaining unrecognized compensation expense related to the Company's unvested stock options was $595,545. This unrecognized compensation expense is expected to be recognized over a weighted-average period of one year.

For awards granted in 2008 and 2009, the Company used the Black-Scholes model for valuation. Assumptions, including volatility, term and risk-free rate, utilized in the model were provided by or confirmed by an independent entity. Since the Company had little historical information regarding the volatility of its share price, estimated volatility was based on the historic volatility of comparative companies from the same industry. The Company believes that its historical share option experience does not provide a reasonable basis upon which to estimate expected term. Following the guidance of SAB ASC Topic 14, Share-Based Payment, the Company used a "simplified" method to determine expected term based on the vesting and original contractual terms. The valuation for stock option awards for the year ended December 31, 2009 and 2008 was:

Award Date	February 2008	May 2008	June 2008	December 2008
Exercise price	$3.01	$2.50	$2.50	$1.20
Implied volatility	39.21%	37.68%	36.61%	36.67%
Expected term (years)	6.5	6.5	6.5	5.3
Risk-free rate	3.21%	3.47%	3.77%	1.89%
Fair value per share of stock option	$1.35	$1.10	$1.10	$0.43

Award Date	May 2009	October 2009	November 2009	December 2009
Exercise price	$1.20	$1.28	$1.65	$1.75
Implied volatility	36.50 – 36.81%	36.17%	36.15%	35.43%
Expected term (years)	5.6 – 6.0	5.5	6.0	5.8
Risk-free rate	2.31 – 2.47%	2.57%	2.40%	2.47%
Fair value per share of stock option	$0.10 – 0.11	$0.48	$0.64	$0.66

12. WARRANTS

The Company had outstanding warrants to purchase 3,785,328 shares of common stock as of December 31, 2009, in addition to the stock options granted under the stock incentive plan.

Warrant activity for the years ended December 31, 2009 and 2008 was as follows:

	Warrants	Weighted Average Exercise Price $
Balance – January 1, 2008	6,398,821	1.72
Granted	110,059	0.42
Exercised	(429,065)	0.94
Cancelled	(1,553,416)	2.24
Balance – December 31, 2008	4,526,399	1.57
Granted	149,198	0.37
Exercised	–	–
Cancelled	(890,269)	1.73
Balance – December 31, 2009	3,785,328	1.50
Warrants exercisable – December 31, 2008	4,526,399	1.57
Warrants exercisable – December 31, 2009	3,785,328	1.50

Warrants Outstanding at December 31, 2009

Exercise Price $	Number Outstanding	Weighted Average Exercise Price $	Weighted Average Remaining Life (Years)	Number Exercisable
0.25	215,402	0.25	3.5	215,402
0.45	112,500	0.45	4.3	112,500
1.31	3,053,435	1.31	0.8	3,053,435
2.50	220,903	2.50	3.8	220,903
5.50	183,088	5.50	3.8	183,088
	3,785,328	**1.50**		**3,785,328**

During the years ended December 31, 2009 and 2008, the Company issued 61,698 and 85,059 warrants respectively with an exercise price of $0.25 per share as partial payment for legal services rendered and recognized an expense of $231,365 and 318,974 respectively. These expenses are included in Professional fees on the Consolidated Statements of Operations.

13. CAPITAL STOCK

During the year ended December 31, 2009, the Company issued 521,745 new common shares, in payment of $676,816 of accrued interest upon long-term debt.

During the year ended December 31, 2009, the Company issued 849,866 new common shares, in payment of $808,193 of accrued interest upon the convertible debt, which remains outstanding as of December 31, 2009.

The Company issued 1,076,283 new common shares, in payment of $484,327 of principal and accrued interest on the convertible debt, which was converted and discharged as of December 31, 2009

On March 16, 2009, the Company completed a private placing of 6,659,000 new common shares at a price of GBP £0.32 per share (approximately US$0.45 per share) raising approximately $3 million (before expenses). The common shares were issued to institutional and other investors. The net proceeds of this private placing provided additional working capital.

In May 2009, a director was issued 56,312 new common shares at a price of GBP £0.40 (approximately US$0.61 per share) in lieu of payments of director's fees owed to him for past services.

On November 4, 2009, the Company completed a private placing of 3,076,000 new common shares at a price of US$1.30 per share (approximately GBP £0.80 per share) raising approximately $4 million (before expenses). The common shares were issued to institutional and other investors The net proceeds of this private placing provided additional working capital.

The terms on the Company's various classes and series of capital stock are summarized as follows:

Series A Convertible Preferred Stock —The Series A preferred stock had the following right as of December 31, 2009:

Liquidation Preference — The holders of the Series A preferred stock are entitled upon a liquidation event, to receive back their original investment, in priority to any return of capital to all other stockholders, with no further participation.

Common Stock — The common stockholders are entitled to a distribution of all remaining assets (which may be more or less than the original investment), on a proportionate basis, in the event of the dissolution or winding up of the Company, after payment of all liabilities of the Company and the liquidation preference of all series of preferred stock then outstanding. The common stock has no conversion or redemption rights. The common stock is entitled to one vote per share at all general meetings of the Company. The common stockholders are entitled to share in all dividends and distributions, which may be declared by the Company, on a proportionate basis with all other classes and series of stock outstanding.

14. COMMITMENTS AND CONTINGENCIES

Leases — The Company leases office facilities under operating leases expiring at various dates through December 2016. One of the operating leases, which was entered into on August 15, 2005, is from a related company, BDP Realty Associates, LLC. Minimum future lease payments due on the non-cancelable operating leases in excess of one year are as follows:

2010	$1,106,543
2011	$869,787
2012	$414,336
2013	$421,941
Thereafter	$1,343,303

Rental expense amounted to $1,284,851 and $1,193,072 during the years ended December 31, 2009 and 2008, respectively. Rent is included in facilities expense on the Consolidated Statement of Operations.

Service Agreements — The Company has entered into seven agreements for technology, consulting and processing services expiring at various dates through 2013. Future minimum payments due on the service agreements are as follows:

2010	$448,596
2011	$254,211
2012	$72,337
2013	$21,780

Contingent Liabilities — In certain instances, the Company bears a risk that a merchant may engage in fraud by submitting for payment certain credit card transactions that have been manipulated, are fictitious, or are otherwise not bona fide. Similarly, the Company sometimes bears the risk that a merchant becomes insolvent, owing money to Cardholders. To the extent that such fraud or insolvency occurs in circumstances where the Company is liable to make good any resultant losses, this could negatively affect the Company's operating results and cash flows. The Company has required merchants to post cash reserves with the acquirer against such liabilities and has itself paid the acquirer a security deposit in connection therewith, as shown on the consolidated balance sheets. Under FASB ASC 460, Guarantees, the Company evaluates its ultimate risk and records an estimate of potential loss for chargebacks related to merchant fraud based upon an assessment of actual historical fraud loss rates compared to recent bank card processing volume levels. No contingent liability has been recorded as of December 31, 2009 as the risk of loss is considered remote.

In June 2006, the Company received a request for repayment of the $700,000 long-term debt which is payable on demand. The Company does not believe it is liable to repay such amount due to a dispute and no action has been taken by the creditor to collect it.

Outstanding Litigation — The Company is involved in litigation arising in the normal course of business. Although the amount of any ultimate liability arising from these matters cannot presently be determined, the Company does not anticipate that any such liability will have a material effect on the Company's consolidated financial position or results of operations. The Company has commenced proceedings in the United States against various parties seeking to recover receivables and other sums owed arising from breaches of contract and related wrongful acts and omissions. The Company has reserved $1.9 million as of December 31, 2009 and 2008, as allowance for these doubtful accounts.

15. INCOME TAXES

The income tax provision for the years ended December 31, 2009 and 2008 consisted of the following:

Current:	2009 $	2008 $
Federal	–	–
State	4,095	1,681
Total tax provision	4,095	1,681

The Company has incurred net operating losses since inception and thus has not recorded any Federal tax expense. The Company has recorded applicable minimum state income taxes due. There are no federal, state or foreign current or deferred tax liabilities.

A reconciliation of the statutory income tax to the effective income tax provision is as follows:

	2009 $	2008 $
Tax benefit at statutory rate (34%)	(1,724,094)	(2,944,594)
State tax – net of federal tax benefit	4,095	1,681
Valuation allowance	1,724,094	2,944,594
	4,095	1,681

The major sources of temporary differences and their deferred tax effect at December 31, 2009 and 2008, were as follows:

	2009 $	2008 $
Depreciation	(384,892)	(574,637)
Stock options	1,484,009	1,120,757
Provision for doubtful accounts	637,976	637,976
Deferred asset/Net operating loss carry-forwards	21,838,033	20,113,939
Total net deferred tax assets	23,575,126	21,298,035
Less valuation allowance	23,575,126	21,298,035
Net deferred tax asset	–	–

The Company has provided a valuation allowance to fully offset the amount of the net deferred asset due to continued operating losses. Management's conclusion is that it is not more likely than not that the Company would be able to realize its deferred tax assets as of December 31, 2009.

The foreign subsidiaries have a net operating loss in respect of which a full valuation allowance has been established.

The Company has available, at December 31, 2009, unused operating loss carry-forwards of $64,229,509, which may be applied against future taxable income expiring in various years from 2020 through 2029.

16. CONCENTRATIONS OF CREDIT RISK

The Company maintains cash balances at financial banking institutions that are insured by the Federal Depository Insurance Corporation ("FDIC") up to $250,000 as of December 31, 2009 and 2008. The Company also maintains cash balances at foreign banking institutions, which are not insured by the FDIC. At December 31, 2009 and 2008, the Company's uninsured cash balances totaled $2,986,036 and $0, respectively. During the years ended December 31, 2009 and 2008, one and three of the Company's customers each accounted for greater than 10% of total revenue, respectively, representing approximately 38% and 51% of the total revenue, respectively, as follows:

	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008
Customer A	*	18%
Customer A	*	10%
Customer C	38%	23%
	38%	51%

*Customers' revenue represented less than 10% of total revenue.

17. LOSS PER SHARE

Computation of Loss per Common Share

Basic loss per common share is computed using the weighted-average number of common shares outstanding during the period. Diluted loss per common share is computed using the weighted-average number of common and dilutive common equivalent shares outstanding during the period. Dilutive common equivalent shares consist primarily of preferred shares, warrants, stock options and convertible debt. Due to the Company's net loss for all periods presented, the diluted loss calculation is not provided, in that the results of this calculation would be anti-dilutive.

The basic loss per share is calculated on the following data:

	2009	2008
Weighted average number of common shares (for basic loss per share)	33,725,727	26,720,171
Potential dilutive ordinary shares:		
Preferred shares	6,851,144	6,851,144
Warrants	4,279,472	5,423,118
Stock incentive plan	6,605,583	5,826,661
Convertible debt	4,867,730	3,513,608
Diluted basis	56,329,656	48,334,702
Loss from continuing operations, net of tax	(3,769,742)	(11,255,724)
Gain (loss) from discontinued operations, net of tax	(257,596)	272,847
Net loss	(4,027,338)	(10,982,877)
Basic loss per share	(0.11)	(0.41)
Basic eanings (loss) per share from discontinued operations and write off of note receivable, net	(0.01)	0.01
Basic loss per share	(0.12)	(0.41)

18. SUBSEQUENT EVENTS

We evaluated subsequent events through March 22, 2010, the date on which these financial statements were finalized. There were no events or transactions occurring during this subsequent event reporting period that require recognition or disclosure in the financial statements.

LEGAL INFORMATION

Planet Payment's Common Shares trade on the London Stock Exchange's AIM market under the tickers "PPT" (unrestricted) and "PPTR" (Reg. S shares), with the stock price quoted in Pounds Sterling, and in the United States on the OTCQX under the ticker "PLPM", with the stock price quoted in US dollars. All shares carry the same rights and privileges but PPT shares are admitted to electronic settlement through CREST in the United Kingdom and DTC in the United States, while PPTR shares remain certificated.

The legend on the PPTR share certificates will not generally restrict sales and purchases of the shares, which are conducted in the ordinary course through the AIM market, except that the seller and seller's broker will be required to provide standard representation letters. PPTR shares can be purchased through AIM by United States residents, as well as residents of the United Kingdom and other countries, subject to delivery of the seller representations noted above and a physical share certificate on settlement.

If you have any questions about the trading of PPT/PLPM or PPTR shares, please contact us at investors@planetpayment.com.

SPECIAL NOTE REGARDING OWNERSHIP REPORTING OBLIGATION

Holders of PPT/PLPM and PPTR shares are hereby reminded that the holders of such shares are subject to a reporting obligation on ownership set forth in Section 7.8 of the Bylaws, which provides, in summary, that any security holder of the Company that becomes the beneficial owner of three percent (3%) or more of the Company's outstanding shares must submit notice to the Company within three business days of reaching or exceeding such beneficial ownership threshold, or thereafter upon acquiring additional shares representing one percent (1%) or more of the Company's outstanding shares.

A copy of the Bylaws is available upon written request to the Secretary of the Company, or may be obtained from the Company's website at www.planetpayment.com on the 'Investor Relations' page.

Planet Payment may discontinue or make changes in the information, products or services described herein at any time without prior notice to you and without any liability to you. Any dated information is published as of its date only and Planet Payment does not undertake any obligation or responsibility to update or amend any such information. Nothing herein constitutes an offer to sell, or the solicitation of an offer to buy common shares or any other securities of the company in any jurisdiction.

FORWARD-LOOKING STATEMENTS AND CERTAIN RISK FACTORS

Information contained in this Annual Report may include 'forward-looking statements'. All statements other than statements of historical facts included herein, including, without limitation, those regarding the financial position, business strategy, plans and objectives of management for future operations of both Planet Payment and its business partners, are forward-looking statements. Such forward-looking statements are based on a number of assumptions regarding Planet Payment's present and future business strategies, and the environment in which Planet Payment expects to operate in future, which assumptions may or may not be fulfilled in practice. Implementation of some or all of the new services referred to is subject to regulatory, or other third party approvals. Actual results may vary materially from the results anticipated by these forward-looking statements as a result of a variety of risk factors, including the risk that implementation, adoption and offering of the service by processors, acquirers, merchants and others may take longer than anticipated, or may not occur at all, regulatory changes and changes in card association regulations and practices; general economic risk and volume of international travel and commerce and others. Additional risks may arise with respect to commencing operations in new countries and regions of which Planet Payment is not fully aware at this time. See the Company's Annual Report for 2009, filed at www.otcqx.com for other risk factors which investors should consider. These forward-looking statements speak only as to the date of this Annual Report and cannot be relied upon as a guide to future performance. Planet Payment expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this report to reflect any changes in its expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

TRADEMARK NOTICES

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