Date:	22 March 2011
On behalf of:	Planet Payment, Inc. ("the Company" or "Planet Payment")
Embargoed until:	0700hrs

Planet Payment
Announces 2010 Annual Results

Total Revenue Increases 37%, Multicurrency Revenue Up 56%, Gross Profit Up 26%, Adjusted EBITDA Up 286%

Planet Payment, Inc. **(UK: LSE:AIM: PPT and PPTR; USA: OTCQX: PLPM)**, a leading international payment and data processor, today announced its results for the year ended December 31, 2010 and quarterly results for the three month period ended December 31, 2010. During both periods, the Company again delivered solid results, showing strong growth:

2010 Financial Highlights

- Total revenue increased 37% to $64.7m (2009: $47.3m).
- Gross Profit increased 26% to $20.5m (2009: $16.3m).
- Multicurrency Revenue increased 56% to $52.1m (2009: $33.3m).
- Adjusted EBITDA of $1.8m, a substantial improvement over $0.5m in 2009. See Table 1 in Exhibit 1 for reconciliation of net loss to Adjusted EBITDA.
- Net loss improved 18% to ($3.3m) (2009 loss: $4.0m).
- Cash flow from operations of $0.3m a 133% improvement (2009: ($0.9m)).

Fourth Quarter 2010 Financial Highlights

- Total revenue increased 50% to $21.4m (Q4 2009: $14.2m).
- Multicurrency Revenue increased 67% to $18.0m (Q4 2009: $10.8m).
- Gross Profit grew 44% to $6.8m (Q4 2009: $4.7m).
- Adjusted EBITDA improved 286% to $1.8m (Q4 2009: $0.5m). See Table 1 in Exhibit 1 for reconciliation of net loss to Adjusted EBITDA.
- Net loss improved to $0.6m (Q4 2009 loss: $0.9m).
- Cash flow from operations of $1.5m, a 400% increase (Q4 2009: 0.3 m).

2010 Operational Highlights

- Broadened international reach:
  - Launched multicurrency processing services in Singapore, Sri Lanka, the Maldives, Brunei, the Philippines, the United Arab Emirates and South Africa.
  - Canada—commenced domestic and multicurrency processing services in support of a new multi-card acquirer.
- Active merchant locations grew 66% to approximately 16,760.
- Expanded relationships, entering into agreements with:
  - Bank of Communications, China to provide multicurrency solutions in China.
  - Global Payments Asia Pacific for Pay In Your Currency® services in four countries in the region.
  - Global Payments North America, for multicurrency POS and e-commerce solutions in the United States and Canada.

- Renewed multicurrency processing services agreements with Fifth Third Processing Solutions and TSYS Acquiring.
- Total settled transaction volume increased 33% to $2.9 billion (2009: $2.2 billion).

Current Trading Highlights – First Quarter 2011

- Total revenue projected to increase approximately 60% to over $21.0m (Q1 2010: $13.2m).
- Multicurrency Revenue projected to increase approximately 80% to $18.0m (Q1 2010: $10.0m).
- Agreement for Pay in Your Currency at ATMs with Fifth Third Processing Solutions.

Commenting on the results, Philip Beck, Chairman of Planet Payment, Inc., said:

"Our services help acquirers open new sales channels, merchants sell more goods and services and cardholders enjoy informed choice and transparency at the point-of-sale. As a result of our success in increasing customer adoption of our products, we achieved a substantial improvement in our financial results in 2010. 2011 appears to have started with strong growth and we look forward to an exciting year."

Additional analysis of the Company's performance can be found in the "Financial Overview" section of the Chairman's statement appended to this release. Copies of the Company's Annual Report and Accounts for 2010 will be sent to shareholders in April together with the Notice of the 2011 Annual Meeting, which is to be held in June 2011 in New York. Copies of this announcement are available on the Company's website at www.planetpayment.com. In accordance with the rules of the OTCQX market, the Company's Annual Report for 2010, including its Audited Consolidated Financial Statements, as of and for the year ended December 31, 2010 have been posted on the OTCQX website at www.otcqx.com and on the Company's website at www.planetpayment.com. Copies of the Annual Report will also be available on request, through the Annual Reports service and on the Company's website upon publication.

Enquiries:

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About Planet Payment®

Planet Payment's Common shares trade in the UK on AIM under the symbols PPT for unrestricted Common shares and PPTR for Reg S Common shares and in the United States on the OTCQX under the symbol PLPM.

Planet Payment is a leading international payment and data processor, providing banks and their merchants with innovative solutions to accept, process and reconcile payments, anytime, anywhere and in any currency. Our customer base of more than 45 acquiring banks and processors stretches from North America, to the Middle East, to Asia Pacific, including China, Hong Kong, Macau, Taiwan, Malaysia and India.

Planet Payment is headquartered in New York and has offices in Atlanta, Beijing, Bermuda, Delaware, London, Hong Kong, Shanghai and Singapore. Visit www.planetpayment.com for more information on the Company and its services.

Forward-Looking Statements. Information contained in this announcement 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, including information related to the first quarter 2011 financial results, 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 2010, 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 announcement 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 announcement to reflect any changes in its expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Non-GAAP Measures. The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company also 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, should not be considered replacements for and should be read in conjunction with the GAAP financial measures.

CHAIRMAN & CEO REPORT

I am pleased to announce our results for the year ended December 31, 2010. 2010 was a notable year for Planet Payment, as we reached an inflection point and generated positive operational cash flow.

Our revenue growth reflects the increase in transaction processing volumes primarily driven by the addition of active merchant locations as well as the general improving global economic conditions. In 2010, we continued to execute upon our strategy of selective geographic expansion, launching our services in seven new markets, namely United Arab Emirates, South Africa, Singapore, Philippines, Brunei, the Maldives and Sri Lanka. With this expansion of our global footprint, the Company's customer base now includes more than 45 acquiring banks and processors spanning 16 countries in North America, the Middle East and Asia-Pacific, including our existing markets of China, Hong Kong, Macau, Taiwan and Malaysia.

Planet Payment's stable operating expenses, strong revenue growth and scalable platform provide significant operating leverage. Cash operating expenses for the three years from 2008 through 2010 increased only 5%. As a result, we achieved Adjusted EBITDA of $1.8 million for the year on revenue of $64.7 million (an increase of 37% over 2009 revenue) and gross profit of $20.5 million (an increase of 26% over 2009). Our results over the period from 2006 to 2010 represent a compound annual revenue growth rate of 135%.

We continued to focus on building a strong pipeline of new prospects for our multicurrency processing services in both existing and new regions, including the Middle East, South Africa and Latin America. Our ability to deliver a range of processing services into new territories on a single platform creates significant operational leverage. Planet Payment can operate its global business using a single network of systems that supports the particular local requirements of our customers. Our skilled group of business analysts, developers, project managers, quality assurance engineers and operations personnel, allows us to develop, operate and maintain our systems centrally. In addition to increased efficiency and the ability to launch in new markets quickly, our approach allows increases in gross profit to flow substantially through to the bottom line once base operating costs are covered.

When credit card acceptance initially came to market merchants were presented with a helpful payment mechanism to enable them to sell more goods and services as card holders were able to buy on credit. Over the past two decades, card acceptance has become ubiquitous while fees have escalated. Merchants have come to see card acceptance as a cost centre. Planet Payment's suite of products helps merchants sell more goods and services and fulfills the credit card's original promise – that card payment systems should provide helpful functionality and increase efficiencies at a reasonable cost, so that the merchant community may see card acceptance as an aid to profit enhancement, not as a cost centre to be avoided.

Our services help acquirers open new sales channels, merchants sell more goods and services and cardholders enjoy informed choice and transparency at the point-of-sale ("POS"). While merchants in industry verticals such as hospitality, retail and restaurants have been enjoying the benefits of our Pay in Your Currency service for several years, I am pleased to report that we have entered into a new contract with one of our long-standing customers, Fifth Third Processing Solutions, to power its ATM Network in the United States with our Pay in Your Currency solution. Now cardholders withdrawing cash from over 11,000 ATMs powered by Fifth Third Processing Solutions across the United States will have the option to see the final amount of a cash withdrawal in their home currency at the time of the transaction. We consider this to be a significant expansion of our existing multicurrency product set complementing our e-commerce and point of sale capabilities.

We believe that Planet Payment is starting to benefit from a "network effect" as we add more countries and more acquiring institutions using more products on our platform. The addition of new regions, acquirers and products creates more choices for our customers and their merchants and ultimately should make it easier for merchants to work with our acquiring customers. Further, merchants can leverage our single platform and enhanced product set to improve operational efficiency, allowing them to use their preferred point of sale systems in multiple jurisdictions, using a common interface to Planet Payment, with access to consolidated transaction data at the merchant's convenience through our robust online reporting modules.

We believe the regulatory framework governing electronic payments is somewhat neutral as it relates to Planet Payment and our products in the various markets. In the United States the regulatory landscape has continued to evolve during recent months. The Durbin Amendment to the Dodd-Frank Act on financial services regulation was enacted by the U.S. Congress in July 2010, and the actual rules are in the process of being drafted. Based on the information presently available to us, this is not expected to have a direct material impact on Planet Payment's business or revenues. The Durbin Amendment, amongst other things, enables the U.S. government to regulate the amount that can be charged to merchants for acceptance of U.S. debit card transactions.

In 2010 the major Card Associations issued several policy and rule changes which we believe will benefit Planet Payment and its customers. Both Card Associations confirmed the availability of our products, including Pay in Your Currency, in our existing markets in North America and Asia Pacific. Additionally, the service may now be offered for both Visa and MasterCard transactions in Latin America and CEMEA (Central Europe, Middle East & Africa), further increasing the potential opportunity for Planet Payment and its customers in these regions.

REVIEW OF 2010 ACTIVITIES

During 2010, we continued to extend our international reach with the launch of multicurrency processing services in seven new markets while continuing to build a strong pipeline of prospects in new and existing markets. In Canada, the Company also launched a full domestic processing solution, in support of one of the first Canadian multi-card acquirers.

During the third and fourth quarters of 2010, the Company began activating the merchant pipeline from newly signed acquirers in the United Arab Emirates, Philippines, Singapore, Brunei, Sri Lanka, the Maldives and South Africa, adding over 1,600 new merchant locations in these countries alone.

Across Asia-Pacific, our customers continued to attract new merchants to their portfolios, activating over 2,800 new multicurrency and domestic processing merchant locations, thereby substantially increasing the revenue from the region over 2009.

By the end of 2010, our base of active merchants grew more than 66% or nearly 6,700 to approximately 16,760 active locations. Approximately 35% of the multicurrency processing transaction volume processed in December 2010 was attributed to new merchants activated in 2010, with 13% of the December 2010 volume attributable to merchants activated in the fourth quarter 2010. The Company's same store sales volume remained strong for the year with average growth of over 30% for the year.

In 2011 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. By adding incremental volume to our single, scalable, currency neutral platform we can increase our operational leverage.

ENHANCEMENTS TO OUR PROCESSING PLATFORM AND CAPABILITIES

In 2011, we are continuing to use our technology resources to develop enhanced platform capabilities and solutions including multicurrency processing for ATMs, debit card processing, additional EMV support in certain regions as well as additional features to further internationalize the iPAY gateway. These enhancements are intended to enable us to offer our customers additional value-added solutions that allow them and their merchants to grow their businesses.

During 2010, 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 60% of our personnel are involved on a daily basis in maintaining and improving our platform and managing our processing operations.

Each enhancement that we make, whether it is our ability to qualify local interchange, or support particular encryption techniques and product functionality across our customer base, facilitates our ability to go to market quickly for new customers in a cost efficient and expeditious manner.

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 a more comprehensive product and is intended to increase returns on investment by including a broader pool of potential customers.

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. We therefore deployed several new service offerings during the period.

We enriched our e-commerce processing services by:

- developing iPAY Tokens™. Originally launched in 2009, this service protects sensitive customer payment account data by encrypting it and assigning a unique token that is stored securely by Planet Payment. Merchants can process payments by passing us the token, rather than handling and storing sensitive customer data.
- signing agreements to integrate to the iPAY gateway a suite of enhanced e-commerce merchant, fraud mitigation and prevention services.

We also added EMV support for online PIN entry for the POS in Middle East and Africa, building on the Company's existing support of EMV for the Asia Pacific, Canada and Europe regions.

During 2010 the Company again successfully completed its annual independent examination under Statement of Auditing Standards No. 70, Service Organizations ("SAS70") Type II and obtained re-certification of compliance with the PCI-DSS security requirements.

In 2010, Planet Payment was awarded additional patents in the United States and India that protect, among other innovations, our methods to obtain the cardholder's currency selection, including our Cardholder Choice receipt model which has been extensively deployed. Our patents have been issued in Singapore, New Zealand, Sri Lanka and the Philippines and applications are pending for these and other inventions in a number of other jurisdictions. We view the Company's growing catalogue of patents as a validation of the Company's innovative approach to multicurrency payments and believe these patents may serve to strengthen the Company's market position in several key jurisdictions.

FINANCIAL OVERVIEW *All figures are in US dollars.*

Results of Operations

Twelve Months Ended December 31, 2010 compared to Twelve Months Ended December 31, 2009

Revenue: Total revenue in 2010 increased 37% to $64.7m (2009: $47.3m) led by the rollout of our services in the new markets of Singapore, Sri Lanka, the Maldives, Brunei, the Philippines, the United Arab Emirates and South Africa, as well as new merchant deployments with our customers in China, Hong Kong, Macau, Taiwan, India and North America. Multicurrency processing revenue increased 56% to $52.1m (2009: $33.3m) and represented 81% of total revenue (2009: 71%). Processing revenue decreased 9.4% to $12.5m, representing 19% of total revenue (2009: 29%).

Transaction Volume: The Company's total settled transaction volume increased 33% to $2.9b (2009: $2.2b). Settled transaction volume from multicurrency processing services increased 53% to $1.4b (2009: $909m). Settled volume from other processing services increased 18% to $1.5b (2009: $1.2b).

Gross Profit: Gross profit rose 26% to $20.5m (2009: $16.3m). Multicurrency gross profit increased $5.4m or 43% to $18m (2009: $12.6m). Processing revenue gross profit decreased $1.1m or 31% to $2.5m (2009: $3.6m), due to certain customers achieving processing volume tiers and certain 2009 implementation, development and processing fees which had no associated direct costs of sales. The Company's overall gross profit margin decreased to 32% (2009: 34%) for the above reasons and due to changes in business and customer mix.

Operating Expenses: Operating expenses increased 14%, or $2.7m, to $21.6m (2009: $18.8m), including increases of $1.8m in compensation and benefits (due primarily to the reinstatement of salaries, which had been reduced through most of 2009), $0.5m in travel and related expenses substantially in support of launches in new markets, $0.1m in facilities expenses, $0.7m in other expense and $0.2m in depreciation and amortization offset by a decrease of $0.1m in professional fees, and $0.5m recoveries of doubtful accounts. The Company's operating costs as a percentage of revenue decreased from 40% to 33% in 2010.

Cash operating expenses (which exclude $2.8m, comprising the following non-cash expenses: depreciation and amortization, stock-related compensation expense arising from Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 718, Shared Based Payment ("ASC 718") and other non-cash expense) increased 18% or $2.9m to $18.7m (2009: $15.8m) including increases of $2.2m in compensation and benefits (due primarily to the salary reinstatement noted above); and an increase of $0.5m in travel and related expenses in support of launches in new markets.

Cash compensation expense (excluding $0.7m of stock-related compensation expense arising from ASC 718) increased 23% or $2.2m to $11.5m (2009: $9.3m) (due primarily to the salary reinstatement as noted above) and represented 61% of total cash operating expenses. Headcount increased to 153 in December 2010 from 142 in December 2009.

Adjusted EBITDA: The Company achieved adjusted EBITDA for the year of $1.8m, a substantial improvement from $0.5m in 2009. See Table 1 in Exhibit 1 for a reconciliation of net loss to adjusted EBITDA.

Other Income/Expense: Other Income/Expense increased by $1.0m to $2.2m for the year (2009: $1.2m). Interest expense decreased to $1.1m (2009: $1.2m) due to the repayment of $4.0m of long term debt on November 30, 2010. This was offset by a $1.1m charge recognized due to the impairment of software inventory held for resale. This charge represents the write off of the asset value of certain software licenses, which the Company purchased for resale a number of years ago, which is not part of our core business. The Company has thereby eliminated inventory from its balance sheet as of December 31, 2010.

Net Loss: The Company's growing revenues and gross profit led to an 18% improvement in net loss to $3.3m (2009 loss: $4m). Prior to consideration of a $1.1m charge taken for impairment of inventory in Q4 of 2010 (as explained above), net loss for the year was $2.2m, a 45% improvement when compared to 2009.

Results of Operations
Three Months Ended December 31, 2010 compared to Three Months Ended December 31, 2009

Revenue: Total revenue in the fourth quarter 2010 grew 50% over fourth quarter 2009 to $21.4m (Q4 2009: 14.2m). Over the same period, multicurrency processing revenue increased 67% to $18m (Q4 2009: $10.8m), while processing revenue declined 2% to $3.4m (Q4 2009: $3.5m).

The Company's total revenue also grew sequentially over the third quarter 2010, with total revenue in the fourth quarter 2010 increasing by 38% (Q3 2010: $15.5m). This growth was led by 44% growth in multicurrency processing.

Transaction Volume: The Company processed total settled transaction volume of over $935m, an increase of 48% (Q4 2009: $631m). Multicurrency processing services transaction volume for the fourth quarter 2010 increased 54% to $461m (Q4 2009: $300m). Of the December 2010 multicurrency volume, 35% was attributed to merchants activated during 2010, approximately 74% of which were added in the third and fourth quarter of 2010. Processing volume increased by 43% to $474m (Q4 2009: $331m).

Gross Profit: Gross profit rose 44% to $6.8m over fourth quarter 2009 (Q4 2009: $4.7m). Gross margin percentage was 32%, as compared to Q4 2009: 33%.

Operating Expenses: Operating expenses increased 19% or $1m, to $6.0m, (Q4:2009: $5.0m), including an increase of $0.3m in compensation and benefits (due primarily to the salary reinstatement noted above), $0.3m in other expenses and $0.2m in depreciation and amortization expense. The Company's operating costs as a percentage of revenue continued to decline to 28% from 35% in Q4:2009.

Cash operating expenses (excluding $1.0m, comprising the following non-cash expenses: depreciation and amortization, stock-related compensation expense arising from ASC 718 and other non-cash expense) increased 19% or $0.8m to $5.0m (Q3:2009: $4.2m), including an increase of $0.3m in salaries and benefits (due primarily to the salary reinstatement noted above) and $0.3m in other expenses.

Cash compensation expenses (excluding $0.2m of stock-related compensation expense arising from ASC 718) totalled $3.8m, an increase of 22% or $0.9m over fourth quarter 2009 (Q4 2009: $2.4m) (due primarily to the salary reinstatement noted above) and represented 72% of total cash operating expenses for the quarter (Q4:2009: $2.7m, represented 63% of total cash operating expenses).

Adjusted EBITDA: Achieved third consecutive positive EBITDA quarter, with adjusted EBITDA improving to $1.8m, a $1.3m improvement over fourth quarter 2009 (Q4 2009: $.5m). Sequentially, EBITDA improved 375% over third quarter 2010 (Q3 2010: $0.4m). See Table 1 in Exhibit 1 for a reconciliation of net loss to adjusted EBITDA.

Other Income/Expense: Other Income/Expense increased by $1.1m to $1.4m (Q4 2009:$0.3m). Interest expense was $0.3m (2009: $0.3m). This was offset by a $1.1m charge recognized due to the impairment of software inventory held for resale (as explained above). The Company has thereby eliminated inventory from its balance sheet as of December 31, 2010 and the Company does not typically purchase items for resale.

Net loss: The Company's net loss was reduced by 33% to $0.6 m (Q4 2009 loss: $0.9m). Prior to the consideration of a $1.1 million charge for the Impairment of Inventory (as explained above), the Company's net income was $0.5 million in Q4.

CORPORATE FINANCE

The Company completed a private placing of new common shares in November 2010 raising $5.7 million, net of expenses. The Company also raised $2 million as the result of the exercise of approximately 1.5 million warrants in November 2010. A portion of the net proceeds of the private placing and the warrant exercise were used to repay a $4.0 million long term debt as of November 30, 2010. The remainder will support ongoing working capital requirements.

The Company ended 2010 with $5.2 million in cash and cash equivalents (2009: $3.8 million). Accounts receivable increased to $3.3 million (2009: $1.9 million) due to the substantial overall growth in the business. Current assets increased to $12.0 million (2009: $9.7 million). Current liabilities totalled $4.2 million at December 31, 2010, a decrease of $3.2 million over 2009 due to the repayment of $4.0 million in long term debt in the fourth quarter 2010. Long term liabilities totalled $9.1 million (2009: $9.0 million).

The Company ended 2010 with $19.0 million total assets, a 20% increase (2009: $15.8 million) and $5.8 million in Stockholders' Equity as compared to a deficit of $0.6 million at the end of 2009.

CURRENT TRADING AND OUTLOOK

For the first quarter 2011, total revenue is projected to increase approximately 60% to approximately $21.0 m (Q1 2010: $13.2m). Multicurrency revenue is expected to increase approximately 80% to $18.0 million in the first quarter.

The first quarter projection is noteworthy because our historical seasonal pattern for the last two years indicates an average 10% reduction in revenue from the fourth quarter of one year to the first quarter of the next. We believe this positive trend is due to the increasing geographical diversity and expansion of our customer base.

In 2011 we expect to continue to cross sell our innovative products to our acquiring institution customers and to their merchants. We believe the Company is well positioned for further growth in 2011 based on opening new regions, implementing new acquiring customers and activating new merchants on our platform.

We look forward to an exciting 2011.

Philip Beck
Chairman and Chief Executive Officer

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2010 and 2009

	2010	2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$5,182,499	$3,752,423
Restricted cash	1,000,000	1,000,000
Settlement assets	1,810,357	1,763,498
Accounts receivable, net	3,326,111	1,868,713
Prepaid expenses and other assets	638,953	271,850
Inventory	-	1,028,305
Total current assets	11,957,922	9,684,789
OTHER ASSETS:		
Property and equipment, net	1,127,768	992,633
Intangible assets, net	5,714,838	4,873,263
Security deposits and other assets	245,281	297,528
Total other assets	7,087,887	6,163,424
TOTAL	$19,045,807	$15,848,213
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$1,086,918	$855,150
Due to merchants	2,294,252	1,763,498
Current maturities of long term debt	808,288	4,742,817
Total current liabilities	4,189,458	7,361,465
LONG TERM LIABILITIES:		
Long-term debt, less current maturities	125,053	56,476
Convertible debt	8,979,926	8,979,926
Total long-term liabilities	9,104,979	9,036,402
Total liabilities	13,294,437	16,397,867
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY (DEFICIT):		
Convertible preferred stock—4,000,000 shares authorized, $0.01 par 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 authorized, $0.01 par value, 46,068,496 and 39,170,213, respectively, issued and outstanding in 2010 and 2009	460,684	391,701
Warrants	1,607,723	1,517,982
Additional paid-in capital	83,459,133	73,969,455
Cumulative translation adjustment	(27,600)	-
Accumulated deficit	(79,771,008)	(76,451,230)
Total stockholders' equity (deficit)	5,751,370	(549,654)
TOTAL	$19,045,807	$15,848,213

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2010 and 2009

	2010	2009
REVENUE:		
Multicurrency processing revenue	$52,073,798	$33,322,683
Processing revenue	12,523,883	13,817,675
Professional services revenue	56,044	114,348
Total revenue	64,653,725	47,254,706
COST OF SALES:		
Multicurrency processing cost of sales	34,100,561	20,725,949
Processing cost of sales	10.035,070	10,197,993
Professional services cost of sales	16,570	38,893
Total cost of sales	44,152,201	30,962,835
GROSS PROFIT	20,501,524	16,291,871
OPERATING EXPENSES :		
Compensation and benefits	12,191,830	10,365,438
Professional fees	2,135,413	2,247,626
Depreciation and amortization	1,672,423	1,456,042
Facilities	1,644,800	1,552,401
Technology	1,222,224	1,229,888
Travel and entertainment	1,217,979	763,992
Provision for doubtful accounts	(527,024)	14.997
Other	2,017,567	1,255,993
Total operating expenses	21,575,212	18,886,377
LOSS FROM OPERATIONS	(1,073,688)	(2,594,506)
OTHER INCOME (EXPENSE):		
Interest income	429	18,702
Interest expense	(1,134,786)	(1,189,843)
Impairment charge on goodwill	(1,108,514)	-
Total other expense, net	(2,242,871)	(1,171,141)
LOSS FROM CONTINUING OPERATIONS	(3,316,559)	(3,765,647)
Gain (Loss) from discontinued operations	-	(257,596)
LOSS BEFORE PROVISION FOR INCOME TAXES	(3,316,559)	(4,023,243)
PROVISION FOR INCOME TAXES	3,219	4,095
NET LOSS	$(3,319,778)	$(4,027,338)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(3,319,778)	$(4,027,338)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Noncash compensation expense	739,990	1,213,659
Depreciation and amortization expense	1,672,423	1,456,042
(Recovery) provision for doubtful accounts	(36,707)	14,997
Impairment charge for inventory	1,108,514	-
Impairment of note receivable, net	-	212,629
Interest expense on notes payable	-	34,174
Interest expense on convertible debt	808,193	808,193
Interest expense accrued on long-term debt	324,444	337,926
Warrants issued as payment of legal fees	89,741	-
Property and equipment write off	1,114	-
Changes in Operating Assets and Liabilities:		
Increase in settlement assets	(46,859)	(453,130)
Increase in receivables and prepaid expenses	(1,787,795)	(229,105)
Decrease (increase) in inventory	(80,209)	194,225
Decrease (increase) in security deposits	52,247	(110,570)
Increase (decrease) in accounts payable and accrued expenses	231,769	(797,452)
Increase in due to merchants	530,755	453,130
Decrease in due to affiliates	-	(7,430)
Net cash provided by (used in) operating activities	287,842	(900,050)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in restricted cash	-	(495,267)
Purchase of property and equipment	(525,619)	(184,544)
Capitalized internal projects	(1,650,268)	(1,386,777)
Purchase of intangible assets	(474,360)	(617,628)
Net cash provided by investing activities	(2,650,247)	(2,684,216)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	6,030,002	6,999,159
Proceeds from convertible debt	-	350,000
Proceeds from loan payable	223,965	119,449
Repayment of loan payable	(89,917)	(20,157)
Payment of capital-raising expense	(343,969)	(368,134)
Repayment of long-term debt	(2,000,000)	-
Net cash provided by financing activities	3,820,801	7,080,317
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(27,600)	9,523
INCREASE IN CASH AND CASH EQUIVALENTS	1,430,076	3,505,575
CASH AND CASH EQUIVALENTS—Beginning of year	3,752,423	246,848

CASH AND CASH EQUIVALENTS—End of year	$5,182,499	$3,752,423
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	30,850	9,549
Income taxes paid	142	2,917
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING AND INVESTING ACTIVITIES:		
Convertible debt converted to common stock	-	450,000
Common stock issued to pay accrued interest	1,132,638	1,519,336
Common stock issued as payment of accounts payable	-	34,125
Warrants issued as payment of accounts payable	89,741	231,366
Common stock issued for stock options exercised (net exercise method)	19,661	-
Common stock issued for warrants exercised	2,000,000	-
Reduction of long term debt through exercise of warrants	(2,000,000)	-

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2010 and 2009

	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 —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
Options exercised								0
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)	$(549,653)
Stock issued			5,357,897	53,579	6,765,090			$6,818,669
Warrants exercised			1,526,718	15,267	1,984,733			2,000,000
Options exercised			13,668	137	(137)			0
Value of warrants issued						89,740		89,740
Stock option expense					739,992			739,992
Cumulative translation adjustment								(27,600)
Net loss							(3,319,718)	(3,319,718)
BALANCE —DECEMBER 31, 2010	2,243,750	$22,438	46,068,496	$460,684	$83,459,133	$1,607,723	$(79,771,008)	$5,751,370

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 their 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 multicurrency processing solutions, which includes a multicurrency pricing e-commerce service and a Dynamic Currency Conversion service. Through the *iPAY®* gateway, 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 OTC Markets Group, 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 seven wholly owned foreign subsidiaries located in Bermuda, Canada, 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, such adjustments are included in net loss. Assets and liabilities are translated at the balance sheet date exchange rates. Such amounts are reflected in accumulated other comprehensive income.

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, 2010 and December 31, 2009, the Company has included an allowance for doubtful accounts of approximately $1.4 million and $1.9 million due to certain receivables being subject to litigation.

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 multicurrency applications. Inventory is valued at the lower of cost or market price. Market price is estimated based on anticipated sales of licenses. The Company performs an annual impairment test comparing the estimated fair value of the inventory to the carrying value. Based on the results of the impairment test, an impairment charge of $1,108,514 was recorded for the year ended December 31, 2010.

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:

Software	5 years
Trademarks and patents	15 years
Capitalized projects	5 years
Customer contracts	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, 2010 and, 2009.

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, 2010 and 2009, the amount capitalized was $1,650,267 and $1,386,777, respectively.

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

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.

Due to Merchants — Due to merchants represents funds collected on behalf of merchants using the iPAY gateway ACH product. The funds are generally held for an average of three days before payment to the merchant and are included in current liabilities in the consolidated balance sheets.

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

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 cost which approximates 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 consolidated financial statements based on the grant date fair value. The Company uses the Black-Scholes option-pricing model to estimate the grant fair value of stock option award. The Company recognizes the fair value of the award over the period during which an employee is required to provide service in exchange for the award. 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.*

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.

EXHIBIT 1.

Table 1. Reconciliation of Net Loss to Adjusted EBITDA

For the three and twelve month periods ended December 31, 2010 and 2009

	Three Months Ended December 31		**Twelve Months Ended December 31**	
	2010	**2009**	**2010**	**2009**
	US$ Million		*US$ Million*	
Net Loss	$ (0.6)	$ (0.9)	$ (3.3)	$ (4.0)
Interest expense, net	0.3	0.3	1.1	1.2
Impairment of Inventory	1.1	0.0	1.1	0.0
Depreciation and amortization	0.5	0.4	1.7	1.5
Stock compensation expense	0.2	0.2	0.8	1.2
Income taxes	0.0	0.0	0.0	0.0
Other expenses	0.3	0.5	0.4	0.6
Adjusted EBITDA	$1.8	$0.5	$1.8	$ 0.5