Date: 24 March 2010
On behalf of: Planet Payment, Inc. ("the Company" or "Planet Payment")
Embargoed until: 0700hrs

Planet Payment
Announces Preliminary 2009 Annual Results

Total Revenue Increases 31%, Gross Profit Up 42%, Positive Adjusted EBITDA for 2009

Planet Payment, Inc. **(UK: LSE:AIM: PPT and PPTR; USA: OTCQX: PLPM)**, a leading international payment and data processor, today announced its preliminary results for the year ended December 31, 2009 and quarterly results for the three month period ended December 31, 2009. During both periods, the Company delivered solid results in a challenging economic climate:

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. See Table 1 in Exhibit 1 for reconciliation of Net loss to Adjusted EBITDA.
- Net loss improved 63% to ($4.0m) (2008 loss: $11.0m).

Fourth Quarter 2009 Financial Highlights

- Total revenue increased 21% to $14.2m (Q4 2008: $11.8m).
- Gross Profit grew 26% to $4.7m (Q4 2008: $3.7m).
- Cash Operating expenses declined 3% to $4.2m (Q4 2008: $4.3m).
- Adjusted EBITDA improved 183% to $0.5m (Q4 2008 loss: $0.6m). See Table 1 in Exhibit 1 for reconciliation of net loss to Adjusted EBITDA.
- Net loss improved 59% to ($0.9m) (Q4 2008 loss: $2.1m).

2009 Operational Highlights

- Broadened international reach:
  - India—launched multicurrency processing services.
  - Canada—commenced domestic and multi-currency processing services in support of a new multi-card acquirer.
- Active merchant locations grew 23% 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 multicurrency solutions through divisions in an additional eight provinces and cities.
- Total settled transaction volume increased 38% to $2.2 billion (2008: $1.5billion).

Current Trading Highlights – First Quarter 2010

- Total revenue projected to increase approximately 25% to over $13m (Q1 2009: $10m)
- Network International, the largest acquirer in the Middle East and North Africa, signed agreement with the Company and has begun marketing Planet Payment's Pay in Your Currency™ service to merchants in the United Arab Emirates
- Preparing to launch multi-currency services in the Philippines in Q2 2010

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

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

Additional analysis of the Company's performance can be found in the Management Discussion and Analysis appended to this release. Copies of the Company's Annual Report and Accounts for 2009 will be sent to shareholders in April together with the Notice of the 2010 Annual Meeting, which is to be held in June 2010 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 2009, including its Audited Consolidated Financial Statements, as of and for the year ended December 31, 2009 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 and Accounts will also be available on request, through the Annual Reports service and on the Company's website upon publication.

Enquiries:

Planet Payment, Inc. Philip D. Beck, Chairman & CEO	www.planetpayment.com At Redleaf on March 24, 2010
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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 40 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, 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 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.

CHAIRMAN & CEO REPORT

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.

GLOBAL EXPANSION – REVIEW OF 2009 ACTIVITIES

During 2009, the Company further extended its international reach with the launch of multicurrency 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 multicurrency 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.

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.

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.

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.

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 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.

Cash operating expenses (excluding $3.1m, 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) decreased 11% to $15.8m (2008: $17.8m).

Cash compensation expense (excluding $1.1m of stock-related compensation expense arising from ASC 718) 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. See Table 1 in Exhibit 1 for a reconciliation of Net loss to adjusted EBITDA.

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 arising from ASC 718 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 arising from ASC 718) 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). See Table 1 in Exhibit 1 for a reconciliation of Net loss to adjusted EBITDA.

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 Beck
Chairman and Chief Executive Officer

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2009 and 2008

	2009	2008
ASSETS		
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	4,873,263	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 DEFICIT		
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	56,476	4,000,000
Convertible debt	8,979,926	9,080,080
Total long-term liabilities	9,036,402	13,080,080
Total liabilities	16,397,867	_17,345,342
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' 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, 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:		
Multicurrency 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:		
Multicurrency 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	(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:		
Noncash 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 FINANCING 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 financing activities	7,080,317	2,934,857
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—Beginning 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 NONCASH FINANCING AND INVESTING 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
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.

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.

EXHIBIT 1.

Table 1. Reconciliation of Net Loss to Adjusted EBITDA

For the three and twelve month periods ended December 31, 2009 and 2008

	Three Months Ended December 31		Year Ended December 31	
	2009	2008	2009	2008
Net loss	$(0.9)	$(2.1)	$(4.0)	$(11.0)
Interest expense, net	0.3	0.4	1.2	1.0
Depreciation and amortization	0.4	0.3	1.5	1.2
Stock compensation expense	0.2	0.4	1.2	1.5
Income taxes	0.0	0.0	0.0	0.0
Other expenses	0.5	0.4	0.6	1.0
Adjusted EBITDA	$0.5	$(0.6)	$0.5	$ (6.3)