

Planet Payment[®] Inc. Case Study



(LSE: AIM: PPT, PPTR; OTCQX:PLPM)

Planet Payment[®] Inc. (Planet Payment), founded in 1999, is an international credit card data and payment processor that enables globally focused processors, acquiring banks and merchants to accept process and reconcile credit card transactions in multiple currencies. The company is headquartered in Long Beach, New York, and has regional offices in the United Kingdom, Singapore, Atlanta, Delaware, Bermuda, Hong Kong, Shanghai and Beijing

Planet Payment's services enable merchants in the United States, Europe, and Greater China to offer international cardholders the comfort and convenience of paying for their purchases in the currency they understand best - their own. This service allows Visa or MasterCard credit card purchases to be made in the merchant's local currency and converted after the card is presented, in real time at the point of sale, into the cardholder's home currency.

Do you remember when you traveled internationally or tried to buy from a foreign reseller on eBay? What did you do? Most likely, you guessed at the "real" price of your purchase and waited until you received your next credit card statement to learn how much you actually paid. With Planet Payment's Dynamic Currency Conversion (DCC) capability, you pay in your own currency at point of purchase. Planet Payment's DCC capability offers several benefits to cardholders. In addition to knowing that the amount they see on the payment page is the amount they will pay (no nasty surprises), the cardholders often receive a more competitive rate on foreign exchange than that provided by their credit card issuing bank. Also, since conversion is done at point of purchase, cardholders will not be subject to currency fluctuation which can occur over the period between the point of purchase and the conversion of the transaction by the cardholder's issuing bank.

DCC also offers benefits to the merchant. Offering customers the ability to pay for goods and services in their own currency has been shown to increase both sales and customer satisfaction. DCC eliminates the problem many customers experience due to currency fluctuations where the refund the cardholder receives is less than the original purchase price.

Planet Payment's multi-currency solutions work within the popular credit card infrastructure, easily integrating with top acquirers, processors, gateways and POS solution providers in the United States, Canada, Europe and the Asia Pacific region.



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Background

In 1998, Planet Payments' founder, Philip Beck, an Anglo-American attorney, was working with a number of large, global banks. Mr. Beck and his banking clients were frustrated with the problems inherent in processing multi-currency credit card transactions. In 1999, Mr. Beck decided to resolve

these processing issues by founding Planet Payment® Inc. The Planet Payment team began to design and build a truly global credit card processing system that would offer international cardholders the comfort and convenience of paying for their purchases in the currency they understand best - their own. Designing and building any payment processing is a very complicated and complex undertaking. Designing and building one with multi-currency pricing and dynamic currency conversion is significantly more difficult.

Planet Payment embarked on this difficult mission in 1999. As we know, however, "build it and they will come" applies only in the movies. With a complex, mission-critical system such as payment processing, gaining adoption from banks and merchants requires compelling capabilities and rock-solid reliability. Planet Payment worked untiringly for years improving and selling their global credit card processing system, and investors invested significantly to bring this dream to fruition.

In 2007, just as Planet Payment's business was beginning to grow significantly, the economic downturn hit, resulting in not only a downturn in Planet Payment's business because of a tightening in consumer and business spending, but also a reluctance on the part of investors to invest.

Planet Payment and the Littlebanc Team

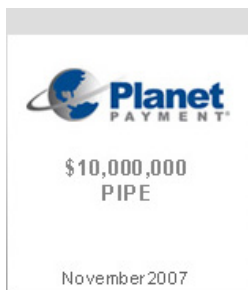
In late 2007, Mr. Beck knew that the company needed a significant infusion of capital to continue to grow. He also knew that raising money during a severe economic downturn would be a challenge. He decided to turn to longtime colleague and friend, Michael Margolies, an investment banker with a reputation for delivering quality results quickly. Mr. Beck felt confident that Mr. Margolies would be able to raise the necessary capital, minimize dilution, and ensure a stable shareholder base with partner-mined investors.

As Mr. Beck expected, Mr. Margolies and the Littlebanc team delivered. Despite the very difficult environment for raising capital, the Littlebanc team was able to raise \$10,000,000 in November 2007. In fact, the \$10 million capital raise consisted of common stock at a slight premium to the market, no warrants, and the highest valuation ever received by Planet Payment.

November 2007

\$10m Capital Raise

\$28m Valuation





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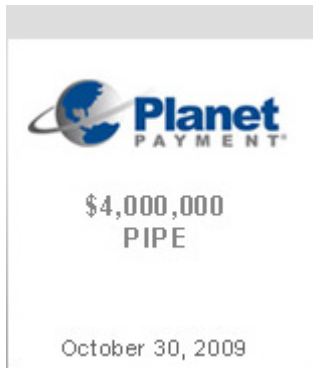
With the infusion of this \$10 million, the company doubled sales in 2008 to \$36,190,000 and increased sales by 30% in 2009 to \$47,250,000.

In 2009, when Planet Payment needed additional funding to expand sales further, Mr. Beck once again turned to the Littlebanc team.

October 2009

\$4 m Capital Raise

\$28m Valuation



"The Littlebanc team has really delivered for Planet Payment. At a time when most investment firms were not able to raise capital, the Littlebanc team raised a significant amount of funding at a favorable valuation. I believe that they were able to do this because they are a true partner. They quickly learned our business and the payment processing industry and they were able to convey our value proposition to their very impressive investors. Because of their credibility, investors listened and invested. We, of course, came back to them in 2009."

*Philip Beck, President & CEO
Planet Payment® Inc.*

Planet Payment's 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. With the help of the Littlebanc team, Planet Payment continues to expand its presence and improve their financial performance.



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PPT Financial Summary (\$000)

