

press release

1 July 2011

Sharemark announces major new primary fundraising solution for small businesses

This summer, HM Treasury is intending to implement the doubled Prospectus Directive limit, which will give small and medium-sized enterprises (SMEs) the opportunity to access funding of up to €5 million ahead of the European commission deadline of 1 July 2012. In preparation, Sharemark, the simple, flexible, low cost stock market for smaller companies, has announced the launch of a substantial initiative aimed at helping these businesses secure the funding they need to help them develop.

The innovative, new, fully-integrated, solution will provide SMEs looking to raise between €500,000 and €5 million access to a fundraising channel through which they will be able to gain capital from the retail investor community. Sharemark, working with the retail client functionality provided by The Share Centre, will co-ordinate the entire fundraising package, from due diligence to the completion of the fundraising process.

In order to provide SMEs who sign up with the most comprehensive package to meet their fundraising needs, Sharemark has enlisted the support of some of the leading experts in the country. Lesmoir-Gordon, Boyle & Co Ltd will provide corporate finance expertise; while legal expertise will be provided by Squire Sanders Hammonds. SMEs will also receive access to up to £10m bank debt through Clydesdale Bank under the same due diligence process.

Sharemark will provide the marketplace where investors can find company presentations and offer documents, while investing will take place through The Share Centre and a number of other third party brokers.

Sophie Douglas, manager of Sharemark said: "We're very pleased to be in a position where the services we provide can be used to create a cost effective solution for small business fundraising.

The Government has been calling for SMEs to be the driving force behind an economic recovery and we believe this fundraising initiative will aid and equip many of them with the necessary funds to kick-start their future growth, and therefore help create new employment opportunities.”

Gavin Oldham, Chief Executive of The Share Centre, said: “This venture from Sharemark offers a timely solution for SMEs whose growth has been held back through the restricted lending opportunities available. It also provides retail investors, who have generally been denied access to new issues over recent years, with an excellent chance to share in this success by being able to invest in the companies, free of both dealing commission and stamp duty. Our due diligence test, which has stringent criteria to find UK registered smaller companies across all industry sectors which have been trading for three+ years, means that investors will be offered quality businesses with sound management and clear aims and objectives at good value prices.”

Sharemark’s primary fundraising service will also be extremely competitive compared to market alternatives. Following a pre-admission screening (charged at £2,450 + VAT to ensure that an applicant company is ready for the service, companies will enter a due diligence process which will result in an Admission Document. Companies that successfully attract their minimum threshold of money to be raised will then be charged a £99,000* admission fee with an additional five per cent commission charge deducted from the total funds raised prior to transferring the balance of cash to the fund-raising company. Thus a company raising £2m will face a total cost of just over £200,000: less than one-third of the cost of similar equity fundraising on AIM. .

Sharemark offers a good alternative to companies wishing to avoid an expensive flotation. Owned and operated by The Share Centre, it is an order driven stock market with a visible online trading mechanism available at www.sharemark.com. Formed in 2000 by Share plc as a junior stock market in its shares, it was opened up as a solution for other smaller companies with large shareholder bases in 2002. Currently, 22 stocks are traded across open-ended, closed-ended and monitored markets. Shares are traded in a transparent online auction, where the price is fully determined by supply and demand, monitoring the limit prices at which buyers and sellers are prepared to deal.

---Ends---

Note to editors:

The Share Centre is now on Facebook and Twitter.



Join us on Facebook



Follow us on Twitter

* Includes costs for Lesmoir-Gordon, Boyle & Co and Squire Sanders Hammonds.

For further information please contact:

Sharemark

Sophie Douglas

Manager

01296 439 432

sophie.douglas@share.co.uk

Lansons Communications

Inez de Koning / Adam Harwood

0207 294 3623 / 020 7566 9725

inezd@lansons.com / adamh@lansons.com

To view all The Share Centre's press releases and more from our investment advisers please go to blog.share.com

Risk Warnings:

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPPs are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About Sharemark:

Sharemark is a periodic auction-based dealing facility designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. Shares traded on Sharemark may not be listed. It may be difficult for investors to buy and sell those shares and obtain reliable information about their value or the extent of the risks to which the share price is exposed. The share price of the shares traded on Sharemark may fluctuate and could fall against the investors' interest. The share price may be subject to sudden and large falls in value given the restricted marketability of the shares and the investors may get back less than their initial investment. Sharemark is not a recognised investment exchange, recognised clearing house or regulated market within the meaning of the Markets in Financial Instruments Directive. The Sharemark dealing facility constitutes a Multilateral Trading Facility.

About The Share Centre

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPPs are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration

is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#). The Share Centre blog is also available at <http://blog.share.com>.

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

The Share Centre Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority under reference 146768.

Registered in England No. 2461949. Registered office: Oxford House, Oxford Road, Aylesbury, Bucks. HP21 8SZ.