

royalblue to acquire LatentZero

London, 16th April 2007 - Bringing together leading financial software vendors to the global buy-side and sell-side markets.

London – 16th April, 2007 - royal**blue** group plc (LSE:RYB) the company behind Fidessa, a world leading solution for multi-asset trading systems, market data and global connectivity, announced today that it has entered into a conditional agreement to acquire the entire fully-diluted share capital of LatentZero Limited (“LatentZero”), a privately owned, leading supplier of front-office software to investment managers.

LatentZero will continue to operate as a separate entity within the royal**blue** group and the existing management team, including Richard Jones (co-founder and CEO) and Dan Watkins (co-founder and director), will remain in place as part of the transaction.

Formed in 1999 and headquartered in the UK, LatentZero is a leading supplier of front-office software to the asset management industry and counts several of the world’s largest asset management firms amongst its 75 clients. With offices in London, Boston, New York and Paris, LatentZero employs around 170 staff and provides software for fund manager decision support, order management, execution management and investment compliance. LatentZero has set new standards for investment systems through their unique combination of business knowledge, market vision and technology innovation and its products are used to manage more than \$8 trillion of assets, across equity, fixed income, foreign exchange and derivatives.

The maximum total consideration for the acquisition is £63 million comprising an initial consideration of £38 million and deferred consideration for each of the calendar years 2007 and 2008.

Strategic Rationale

royal**blue**’s Fidessa product suite is one of the most successful global sell-side trading platforms in the market being used by over 85% of global, tier-one equity brokers as well as numerous smaller firms. The acquisition therefore provides considerable strategic benefit to royal**blue**, LatentZero and their respective customers by providing, for the first time, the potential for true integration of multi-asset buy-side and sell-side trading flows on a significant scale. Furthermore, with the buy-side increasingly requiring sell-side style trading tools integrated into their investment and order management processes and the sell-side striving to deliver enhanced execution solutions to their customers, both royalblue and LatentZero will be able to leverage the other’s services within their own customer base.

royalblue and LatentZero also believe that the growing sophistication of trading and the increasing regulatory burdens will continue to fuel demand for automation of business flows in both the buy-side and the sell-side and the need for rapid communication and information flow between the two sides will become increasingly important over the coming years. With around 1,000 buy-side firms already sending order-flow to sell-side brokers over the Fidessa network, there is already a compelling opportunity to integrate and extend the two product sets and this will be further strengthened through this transaction.

Chris Aspinwall, Chief Executive of royalblue, comments: "This transaction delivers on royalblue's well documented strategy to provide the best products and services to both the buy-side and sell-side communities. Providing this unparalleled solution to market participants will open up significant new business opportunities for us across the world. We welcome LatentZero's staff and proven buy-side experience, and look forward to collectively taking our business to the next level."

Richard Jones, Chief Executive of LatentZero, adds: "We are very excited at the prospect of working together with royalblue to develop an integrated buy-side and sell-side business. The products and services that royalblue offers match closely what our buy-side customers are asking for and this transaction will enable LatentZero to accelerate its strategy of delivering connectivity services, market data and analytics to its customers as well as expanding its geographic reach, scale and support services. The combination of our products positions us very well in the fast moving investment and trading landscape and we look forward to working with royalblue as we develop these opportunities together."

Arma Partners LLP acted as financial advisor to royalblue group plc and its Board of Directors in this transaction. Financial Technology Partners LP and FTP Securities LLC (together "FT Partners") acted as strategic and financial advisor to LatentZero and its Board of Directors in this transaction.

About **Fidessa** group

Fidessa group is the leading supplier of multi-asset trading, portfolio analysis, decision support, compliance, market data and connectivity solutions for firms involved in trading the world's financial markets. Fidessa's products and services are built on the simple vision of making it easier to buy, sell and own financial assets of all types on a global basis.

Pedigree

A dynamic, growing company with a proven track record, **Fidessa** is recognised as the thought leader in the marketplace, with an unrivalled set of products and services which set the benchmark for this industry and, uniquely, serve both the buy-side and sell-side communities globally.

Experience

With over 28 years' experience delivering powerful, resilient, mission-critical systems, **Fidessa** develops all its products itself from the ground up, investing heavily in their continual evolution. The resulting leading-edge, truly integrated solutions have established **Fidessa** as the industry's number one choice, and are used by over 85% of tier-one, global financial institutions.

Scale

Headquartered in London and with regional operations across Europe, North America, Asia, and the Middle East, **Fidessa** supports 25,000 users across 850 clients, serving a broad spectrum of customers from major investment banks and asset managers through to specialist niche brokers and hedge funds.

Established

Fidessa group is listed on the London Stock Exchange (symbol FDSA) and is a FTSE 250 company.

Fidessa has a turnover of around £240m, has delivered 30% compound growth since its 1997 listing and now employs 1,500 people globally.

www.fidessa.com