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Company Backgrounder

Trading Technologies International, Inc. (TT) develops high-performance trading software for trading professionals, including the world's premier exchanges, money-center banks, proprietary and independent traders, global Futures Commission Merchants (FCMs), brokers, Commodity Trading Advisors (CTAs), hedge fund managers and other trading institutions. TT estimates that a significant percentage of the combined electronic volume of the world's four largest futures exchanges moves through its X_TRADER[®] platform.

TT's X_TRADER order entry platform connects electronic traders around the world with the industry's leading futures exchanges. TT focused its efforts on building the fastest, most stable connections to the world's primary derivatives exchanges, including the Chicago Board of Trade (CBOT), Chicago Mercantile Exchange (CME), Eurex, Eurex US, Euronext.liffe. TT also connects to Frankfurt Stock Exchange (Xetra). In 2004, TT brought additional marketplace connectivity options to its customers to complement its current exchange connections. TT became the first Independent Software Vendor (ISV) to connect to the IntercontinentalExchange[®] (ICE[®]) and provide access to ICE's global energy markets. TT customers can execute trades in over-the-counter (OTC) cash energy products listed on ICE as well as all futures products listed on the International Petroleum Exchange (IPE), ICE's regulated futures exchange subsidiary. In 2005, TT added launched connections to the CBOE Futures Exchange (CFE) and Montréal Exchange (MX). Additionally, Hotspot FX, the New York Mercantile Exchange (NYMEX) and the Sydney Futures Exchange (SFE) will soon connect to X_TRADER using the Financial Information eXchange (FIX) protocol.

X_TRADER, TT's flagship order entry product, is among the most-used futures trading platforms. It is the world's fastest and most powerful order entry system for futures trading, with single-click trade execution, high-speed connection to the world's primary futures exchanges, real-time fill and position details and the patented MD Trader[™], a vertical market depth display that allows immediate reaction to market ebb and flow. For traders in training or those who want to test new strategies without risking real capital, TT offers TT Trainer[™], which allows traders to "trade" with X_TRADER using live or recorded exchange data in a simulated environment.

X_TRADER Pro, TT's enhanced order entry screen, includes all of the features of X_TRADER plus TT's powerful automated trading tools, Autospreader[™] and Autotrader[™], as well as access to the X_TRADER API. In 2004, TT introduced Navigator[™], an add-on tool for X_TRADER Pro. It is the first-ever product to enable basic smart order routing technology for futures and provide multi-contract trading from a single order entry grid.

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In addition to the X_TRADER order entry system, TT's platform includes X_RISK[®] and X_RISK Plus risk management software and TTNET[™], which provides TT's platform to professional trading groups on a hosted basis. The company also operates a consulting group, TT Professional Services, which works with TT's customers to develop customized add-on applications and tools for the X_TRADER platform.

Gary Kemp established TT in 1994 in Frankfurt, Germany when electronic trading was in its infancy. Today, TT maintains a worldwide presence with headquarters in Chicago and offices in New York, London, Frankfurt, Sydney and Tokyo. TT's software development operation is based at its headquarters in Chicago. Many of TT's engineers, executives, product managers, sales managers and support personnel are former or current traders. This expertise and market insight enables TT to continually develop and deliver advanced trading tools that give professional derivatives traders an undisputable edge.

TT's extreme vision and performance are led by Harris Brumfield, a former floor trader who switched to the screen in 1997. Harris pioneered electronic trading at TT, first as a customer, then as an investor, and now as its Chief Executive Officer. He so believed in TT's future that he continued to invest in the company over several years and eventually became TT's largest shareholder. Since Harris assumed the CEO post in January 2003, TT has increased its exchange connections, expanded its international presence with new offices in Europe, Australia and Japan, added significant engineering resources and leadership to enhance its technological leadership, forged many new global customer partnerships and increased its visibility on a national and international scale.

In 2002, TT experienced record growth and became the first futures ISV to record a profit and achieve sustainable financial success¹. Since reaching this milestone, the company has continued to grow revenues on a record basis while consistently increasing profitability. TT's annualized revenues based on December 2003 activity set a company record of \$40.2 million, and 2003 software revenues increased at a rate of 77% over the prior year. This consistent growth has earned TT a spot on the annual Deloitte & Touche Fast 50, which ranks the fastest growing Chicago area technology firms, for five consecutive years from 2000 through 2004. Based on 2003 financial results, TT is currently ranked the tenth fastest growing tech firm in the region.

TT is expanding its global employee base as well to capitalize on new market opportunities. Employment has more than doubled since January 2002 to approximately 350 employees worldwide, and hiring is forecasted to continue into and beyond 2005. The company makes employees a priority and invests heavily in providing exceptional benefits, compensation and perks. This approach has garnered recognition for the company: TT was ranked as the top software company to work for in the Chicago area by *Chicago* magazine and ranked the #3 best company to work for overall.

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¹ As reported by *Securities Week* on January 27, 2003 in "Trading Technologies First ISV to Come Out Ahead."

Even though TT's X_TRADER has been widely recognized as one of the best futures trading platforms available today, the company continues to make substantial R&D investments to pioneer advanced software. TT intends to lead the market in innovation and functionality by constantly developing, testing, perfecting and launching new features and tools for the X_TRADER platform; for example, TT is:

- enhancing the functionality of the Autospreader and Autotrader tools, which are among the most sophisticated automated toolsets available today
- launching powerful new trading tools such as Navigator, the first smart order routing tool for the futures industry
- leading the industry in the development of FIX protocol connectivity
- continuing to evolve MD Trader, which has become the de facto standard for market depth display
- adding functionality to the X_RISK suite of risk management products
- expanding the global reach of TTNET with additional hubs in key trading geographies to serve a multi-national customer base

For additional information, including an archive of news releases, visit TT's Website at www.tradingtechnologies.com.

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