



TRADING TECHNOLOGIES®

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Company Backgrounder

Company History and Overview

Trading Technologies International, Inc. (TT) develops high-performance trading software for derivatives professionals, including the world's premier investment banks, brokers, Futures Commission Merchants (FCMs), hedge funds, proprietary trading firms and other trading institutions.

Founder Gary Kemp established TT in Frankfurt, Germany in 1994 when electronic trading was in its infancy. Prior to founding TT, Gary was working in Frankfurt for Andersen Consulting to help develop the Deutsche Terminborse (now Eurex). Gary moved TT's headquarters from Frankfurt to the Chicago area in 1996.

TT's entrepreneurial spirit and unyielding drive helped TT become the first futures independent software vendor (ISV) to record a profit and achieve sustainable financial success.¹ This and other achievements have helped TT garner awards and recognition. The firm has been:

- Honored as the leading technology company in Illinois by the Illinois Information Technology Association (ITA).
- Named for five straight years to the Deloitte Fast 50, which recognized the Chicagoland area's fastest growing technology firms.
- Cited by *Chicago* magazine as the top software company to work for in the Chicago area and ranked the #3 best company to work for overall.

Today, TT's extreme vision and performance are led by Harris Brumfield, a former floor trader who switched to the screen in 1997. Harris has 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 invested in the company over several years, eventually becoming TT's largest shareholder before assuming the CEO post in January 2003.

Under Harris's leadership, TT has grown to more than 600 employees worldwide. Many of TT's engineers, executives, product managers, sales team and support personnel are former traders. This expertise and market insight enables TT to continually develop and deliver advanced trading tools that give professional derivatives traders an undisputable edge. Still headquartered in Chicago where its software development operation is based, TT now also operates offices in New York, Stamford, Houston, London, Geneva, Frankfurt, Singapore, Hong Kong, Tokyo and Sydney.

Product Offerings

Order-Entry Software: TT's flagship product, **X_TRADER®**, is a robust order-entry software platform that allows TT's customers to trade the world's leading derivatives exchanges from a single desktop. X_TRADER is among the most-used professional futures trading platforms. It is the fastest and most powerful order-entry system for futures trading, with single-click trade execution, high-speed connections to the leading global derivatives 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. X_TRADER 7, a reengineered and enhanced version of TT's popular order-entry platform, launched in 2006 and has gained attention for its many innovative features. X_TRADER 7.4 was named "Innovation of the Year" by *FOW* magazine and "Best Buy-Side Commodities Trading Platform" by *Buy-Side Technology* magazine in 2007 and 2008. **X_TRADER Pro**, an enhanced version of X_TRADER, is ideal for traders with even more sophisticated needs. It includes all standard X_TRADER capabilities plus TT's

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

powerful automated trading tools, Autospreader[®] and Autotrader[™], as well as access to the X_TRADER API. X_TRADER Pro also provides more than three-dozen plug-in applications, including Equalizer[™], which supports multi-contract trading from a single order-entry grid, and Navigator[™], which enables basic smart order-routing technology for futures.

Exchange Connectivity: From its inception, TT focused on building the fastest, most stable gateways to the world's primary derivatives exchanges including the CME Group (Chicago Board of Trade and Chicago Mercantile Exchange), Eurex and Liffe. In recent years, TT has launched many new exchange gateways that expand its customers' marketplace connectivity options. These include links to BM&FBOVESPA, BrokerTec, CBOE Futures Exchange, CCX Chicago Climate Futures Exchange, Dubai Mercantile Exchange, European Climate Exchange, ICE Futures, IntercontinentalExchange, Kansas City Board of Trade, London Metal Exchange, Mercado Español de Futuros Financieros (MEFF), Minneapolis Grain Exchange, Montréal Climate Exchange, Montréal Exchange, New York Commodities Exchange, New York Mercantile Exchange, NYSE Liffe, NYSE Liffe US, Singapore Exchange, Sydney Futures Exchange and Tokyo Commodity Exchange. Gateways to EBS, Osaka Securities Exchange, Tokyo Financial Exchange (TFX) and Tokyo Stock Exchange (TSE) are in development, and there are more to come.

Proximity-Based Solutions: TT's Strategy Engine family of server-based products harnesses the power of proximity-based computing. The Strategy Engine products can be co-located with or placed within the closest possible proximity of each exchange's matching engine. Traders can access the server-side execution engines from anywhere in the world and still enjoy extreme performance and minimal latency. The first product in the family, the Autospreader Strategy Engine (Autospreader SE), debuted in 2009. Autospreader SE is a server-based spreader that enhances the performance of TT's traditional client-based Autospreader application. It combines the benefits of high-performance proximity-based computing with the flexibility and ease of use of TT's X_TRADER trading screen. Additional Strategy Engine products are in development, with the next offering scheduled to launch in 2010.

Charting Software: X_STUDY[®], TT's first product for charting and analytics, extends the power of TT's trading software. X_STUDY supports chart-based execution and incorporates traditional charting tools plus many features that are unique to TT. These include innovative capabilities like TT CVD[™] (Cumulative Volume Delta) analysis, new ways to chart spreads and advanced data elements. X_STUDY is fully integrated with X_TRADER and X_TRADER Pro and is provided to users at no additional cost. The X_STUDY application was named "Best Specialist Product" by *The Technical Analyst* magazine in 2009.

Risk Monitoring and Trader Administration Software: X_RISK[®] provides risk managers and administrators with comprehensive user administration and risk monitoring tools. It dynamically displays current position, P&L and working orders for each trader, providing an accurate view of a trader's or trading group's current risk exposure.

API Solutions: TT offers three API solutions for customers who want to develop custom applications or connect external systems to TT's high-speed exchange gateways. Customers can utilize the **X_TRADER API** to develop and deploy robust, versatile applications that complement the popular X_TRADER platform. The **X_TRADER API RTD Server** provides an efficient means of using Excel to access real-time data, including market depth, orders, fills, instruments and P&L. TT's **FIX Adapter** enables external systems, including order management systems, algorithmic black boxes and third-party front-ends, to connect to TT's exchange gateways using industry standard FIX messaging. Through the TT Connected Partner Program, third-party software vendors may connect their trading solutions to TT's high-performance exchange gateways via FIX Protocol or the X_TRADER API.

Hosting Services: The complete X_TRADER platform can be hosted through **TTNET[™]**, TT's fully managed hosting solution. TTNET incorporates the most advanced high-performance technologies and equipment to provide customers with the optimal TT experience. With TTNET, users enjoy virtually immediate access to international futures markets from anywhere in the world. TTNET increases trading platform stability through redundant architecture and mirrored data centers regionally co-located to the exchanges in Chicago, New Jersey, London, Frankfurt, Singapore and Tokyo. TT technicians are responsible for network administration, hardware configuration, infrastructure maintenance, data line management, upgrades, backups, security and user support.

Future Outlook

Even though TT's X_TRADER has been widely recognized as one of the best and most technologically advanced futures trading platforms available today, the company continues to make substantial R&D investments to set the bar for trading solutions. TT strives 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:

- extending the global reach of TTNET with additional hubs in key trading geographies to serve a multi-national customer base
- building connections to additional marketplaces to further expand its customers' trading options
- continuing to evolve MD Trader, which has become the de facto standard for market depth display
- enhancing the functionality of Autospreader and Autotrader while building additional tools for sophisticated program and algorithmic trading
- innovating the realm of charting and analytics with X_STUDY
- leading the industry in the development of FIX protocol connectivity
- developing powerful new plug-in applications to further customize X_TRADER's capabilities
- adding functionality to the X_RISK suite of risk and administration products
- allowing partners to leverage TT's proven technologies through the TT Connected program

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

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