

26 October 2009

First Derivatives plc
("First Derivatives or "the "Company")

Acquisition of Reference Data Factory LLC ("RDF")
Issue of Equity

First Derivatives expands presence in financial data management

First Derivatives (AIM: FDP.L, IEX:GYQ.I), a leading provider of software and support services to the financial services and technology industries, today announces the acquisition of Reference Data Factory LLC ("RDF"), a New Jersey-based software company specialising in reference data management systems, for an approximate total consideration of up to a maximum of \$10m (£6m).

The RDF acquisition strengthens First Derivatives' range of software products in the field of Financial Data Management. RDF's products closely fit with First Derivatives existing in-house Delta software products such that they can be incorporated into the Delta product suite with minimal integration requirements.

RDF's software manages and distributes security master and securities reference data for financial institutions. It provides one of the most complete and configurable data management models in the industry along with a highly configurable data distribution layer such that it is able to meet the many diverse needs of users working within financial institutions today. RDF's software is currently in use in several Wall Street banks and other related entities such as Fitch Ratings.

Terms of the Acquisition

The consideration will comprise of an initial payment of \$2.5m (£1.5m) paid on completion, (the "Initial Consideration"). The vendors will also receive further payments of up to a maximum \$7.5m (the "Deferred Consideration"), which will be paid in cash based on the level of new sales generated by RDF in the three year period to 23 October 2012.

The Initial Consideration will be satisfied by a cash payment of \$2.0m (£1.2m) and an additional \$0.5m (£0.3m) will be satisfied by the allotment and issue of 109,556 new First Derivatives ordinary shares (the "Consideration Shares") representing approximately 0.8% per cent. of the Company's enlarged issued share capital. The value of the Consideration Shares is based upon a share price of 273.5 pence per share, being the average closing middle market price of the Company's ordinary shares, as derived from the London Stock Exchange Daily Official List, for each of the 20 business days up to and including 23 October 2009, being the date of completion. The exchange rate used to determine the number of shares to be allotted to the vendors was £1 = US\$1.6687. The cash element of the Initial Consideration has been funded from the Company's existing financial resources.

The Deferred Consideration of up to a maximum of \$7.5m (£4.5m) will be paid in cash. The amount of deferred consideration payable is based on the level of new sales generated by RDF in the three year period to 23 October 2012.

In addition the Company will issue the four vendors of RDF, each of whom will remain with RDF following completion, with options over 400,000 shares in the Company which will vest in tranches of 100,000 shares upon the attainment of sales other from certain existing clients of RDF of \$3.0m (£1.8m), \$6.0m (£3.6m), \$9.0m (£5.4m) and \$12.0m (£7.2m) in the period to 23 October 2012. Once vested the share options are exercisable at a price 273.5 pence per share at any time until 23 October 2015.

For the year ended 31 December 2008 RDF's profit before tax, after adjusting for one-off management drawings of \$0.5m, was \$0.5m (£0.3m). The sellers have warranted that RDF's net assets as at 23 October 2009 (the effective date of the transaction) were not less than \$25,000 (£14,982).

Application will be made to the London Stock Exchange and the Irish Stock Exchange for the Consideration Shares to be admitted to trading on AIM and IEX. It is expected that the Consideration Shares will be admitted to trading on 4 November 2009.

The Consideration Shares will, when issued, rank *pari passu* in all respects with the existing ordinary shares.

Following admission the enlarged issued share capital of the Company will be 14,394,726 Ordinary Shares.

Garry Wright, Chief Technology Officer of RDF stated, "We are excited about the opportunities that this transaction provides for RDF. It gives us additional channels to market our systems and allows us to accelerate our plans by leveraging First Derivatives' global presence and expertise in market data. We are looking forward to growing First Derivatives' sales and consulting presence in the reference data management space."

Brian Conlon, Chief Executive Officer of First Derivatives commented, "In line with our strategy, the acquisition of RDF will further enhance the capabilities and scope of our Delta software suite. RDF has a successful track record of developing enterprise data management software and we believe the expertise of the RDF team will prove highly complementary to our workforce of world-class technology professionals."

Enquiries:

First Derivatives plc,
Brian Conlon, Managing Director
Graham Ferguson, Finance Director

Tel. +44(0)28 3025 2242
Web. www.firstderivatives.com

Charles Stanley Securities,
Nominated Advisor
Russell Cook
Carl Holmes

Tel. +44 (0)20 7149 6000

Goodbody Corporate Finance,
IEX Advisor
Diane Hodgson
Linda Hickey

Tel. +353 1 667 0420

ICIS Limited,
Financial PR
Tom Moriarty
Bob Huxford

Tel. +44 (0)20 7651 8688

About First Derivatives

Founded in 1996, First Derivatives is a specialist provider of software and consulting services to the capital markets technology sector. The Company's Delta product suite includes enterprise risk, algorithmic/program trading and data management solutions which deliver true real-time performance.

First Derivatives currently employs over 300 people worldwide and counts many of the world's top investment banks and hedge funds as its customers. It has operations in London, New York, Stockholm, Shanghai, Singapore, Toronto and Hong Kong.