

28 September 2012

**First Derivatives PLC
("First Derivatives" or the "Company")**

Acquisitions to expand managed services and real-time trading infrastructure

First Derivatives (AIM: FDP.L, ESM:FDP.I), a leading provider of software and consulting services to the capital markets industry announces the acquisition of three London-based businesses.

- Redshift Horizons Ltd ("Redshift") provides design capability for real-time electronic trading systems;
- Cowrie Financial Ltd ("Cowrie") is a provider of application and consulting services for the implementation of trading systems and platforms; and
- Redshift Horizons LLP an investment management partnership.

Total maximum aggregate consideration for the three acquisitions is £3.15m. The aggregate operating profit of the three acquisitions in the 12 months to 31 December 2011 was £628,000 and the acquisitions are expected to be immediately earnings enhancing, before acquisition related costs. The aggregate net asset value at completion is approximately £150,000.

Redshift has 15 specialist consultants who engage with key thought leaders within the data market and are involved in building the next generation managed service network for leading business data providers. This acquisition deepens First Derivatives' expertise in the provision of managed services for data and trading systems and will enable the Company to build out a real time trading infrastructure service provision and in the managed deployment of its Delta product suite.

Cowrie brings deep domain expertise in the delivery and management of Murex technology to First Derivatives. Murex software is widely used within the capital markets industry across asset classes for trading, risk management and processing. This acquisition will expand First Derivatives' client base and enhance the Company's vendor services practice which was launched last year. Cowrie has 16 permanent employees.

Terms of the Acquisition

The consideration will comprise of £2.05m paid on completion, £0.45m of loan notes, and £0.65m of deferred consideration. Of the £2.05m, £1.1m will be satisfied by the allotment and issue of 232,731 new First Derivatives ordinary shares (the "Consideration Shares"), representing approximately 1.4% of the Company's current issued share capital and £0.95m will be settled in cash. The value of the Consideration Shares is based upon a share price of 472.65 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 26 September 2012 being the last business day prior to date of completion. The Consideration Shares will be subject to an orderly market undertaking.

Repayment of the loan notes will be in either cash or shares and at the Company's discretion. Payment of the deferred consideration of £0.65m will be based on the level of new sales generated by Redshift in 12 months from the date of acquisition.

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 ESM ("Admission"). It is expected that the Consideration Shares will be admitted to trading on 3 October 2012.

The Consideration Shares will, when issued, rank pari passu in all respects with the existing ordinary shares and shall be freely transferable from the date of Admission.

Following Admission the enlarged issued share capital of the Company will be 17,171,267 ordinary shares.

Further information on Redshift and Cowrie

Redshift, Cowrie and Redshift Horizons LLP are owned by founders Tom Kozlowski and Anjum Waheed and others. Following the acquisitions Tom Kozlowski, and Anjum Waheed will remain with the Company in senior executive roles.

Tom Kozlowski has over 20 years investment banking experience at a senior managerial level and has deep technical expertise in third party trading systems. Tom was founder and owner of City Practitioners, the leading Murex consultancy, that was acquired by Capco in 2007.

Anjum Waheed has held senior technical and operational roles within the investment banking sector. He brings to First Derivatives extensive expertise in regard to managed service networks and the design of advanced trading solutions.

Tom Kozlowski, Chief Executive Officer and co-founder of Cowrie Financial Ltd, commented,

"We are excited about the opportunities that this transaction provides for both Redshift and Cowrie. It gives us additional channels to market our services and allows us to accelerate our plans by leveraging First Derivatives' global presence and expertise in trading and managed service solutions. We look forward to bringing our experience and know how, allowing us to build on First Derivatives' success to-date. We believe that our joint capability in application services and managed services will further address demand in the market today. Capability through deep subject matter expertise, capacity through cost effective teams and focused managed services, this is what our clients are asking for in today's tough market. Jointly we will have the ability to deliver against this."

Brian Conlon, Chief Executive Officer of First Derivatives, commented,

"In line with our strategy, the acquisitions of Redshift and Cowrie will further enhance the capabilities and scope of our Delta software suite, while further enhancing our vendor services practice. Both companies have successful track records of developing profitable results and excellent service delivery and we believe the expertise of the Redshift and Cowrie teams will prove highly complementary to our workforce of world-class technology professionals."

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