



RNS release

**29 December 2006**

### **Annual General Meeting Update**

At today's Annual General Meeting of Knowledge Technology Solutions PLC ("KTS" or the "Company"), the Chief Executive will outline to shareholders the main developments over the year and discuss current prospects.

#### **Chief Executive's AGM Report**

As previously reported in our final results statement released on 4 December, we introduced a new strategy aimed at building a broader, higher margin revenue base.

The new strategy maintains the focus on the strength and flexibility of our technology, but reduces the Company's dependency on revenues derived solely from market data subscription services.

As part of the diversification, a new area of focus has been the creation of specific solutions that address the requirements arising from the planned introduction of the Markets in Financial Instruments Directive, MiFID. As you may be aware, MiFID is an EU directive aimed at creating transparency throughout the European Union for market participants dealing in securities and is expected to become law from 1 November 2007.

Complying with MiFID will require considerable investment from financial institutions, creating for KTS many revenue earning opportunities where we can work with partners such as major investment banks and brokers to build solutions that not only meet MiFID's regulatory requirements, but also potentially lead to tangible commercial benefits among our target partner base.

Importantly, through participation in MiFID implementation forums over the last 15 months, we believe we have identified separate but equally compelling opportunities among both the investing side and the securities' sales side of the target financial institutions, again if successful, significantly broadening our market beyond its current revenue base.

Again, as part of KTS's strategy to increase market share, we have also introduced MarketTerminal ON-SITE. This is a new product that provides global banks with customised viewing applications that are designed to improve the interface between a bank's internally originated and derived information and the external data and prices sourced from a plethora of third party suppliers.

MarketTerminal ON-SITE uses the same proprietary technology platform as MarketTerminal and integrates seamlessly with the bank's existing infrastructure. It is being sold on a licence model and aimed at a new market for KTS - mid-tier users within major international investment banks operating in the City of London.

We are delighted that the response to MarketTerminal ON-SITE has been very encouraging because clients have recognised it brings vital new competition to a market traditionally dominated by just a few large data vendors. Increased flexibility, seamless integration with existing infrastructures and immediate cost savings make MarketTerminal ON-SITE a highly attractive proposition for major investment banks.

A 'proof of concept' phase with one global investment bank has been successfully completed and we are looking forward to reporting to shareholders key developments on this and our MiFID solutions.

Looking ahead, we are pleased that our recent financing rounds have been well supported by new and existing shareholders. We are delighted that they share our excitement and belief in our new products and strategy, and the strength and track record of KTS's proprietary technology. With over £1.8 million in new funds now secured, we believe we have the financing in place that will enable us to make 2007 a year which KTS strengthens considerably its position in the live financial data services market.

Marc Pinter-Krainer, Chief Executive  
29 December 2006

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**Notes to Editors**

**About Knowledge Technology Solutions PLC**

Knowledge Technology Solutions PLC is an innovative provider of financial market data application services and the company is listed on AIM, a market operated by the London Stock Exchange (ticker symbol: KTS).

Utilising its proprietary advanced technologies, KTS focuses on developing and providing real-time market data services to the financial marketplace by delivering essential market data and news via more cost-effective communications channels.

KTS differentiates itself from other leading information providers as its services are technology driven. They are designed to run on standard PCs and laptops without the need for any installation of dedicated hardware, software or infrastructure, as the application runs on the server side on powerful clusters of highly resilient and secure servers.

Financial professionals can log on to KTS's services by using a standard Internet connection from any geographical location across fixed and wireless networks. KTS's "zero-client" application service requires no client-side components and upgrades are automatic. Other benefits include flexibility and cost savings in support and maintenance using any market data infrastructure. More than 130 client organisations currently subscribe to KTS's financial information service KTS MarketTerminal.