Board Changes

18/12/2007

Knowledge Technology Solutions plc ("KTS", "the Company") Completion of the acquisition of Arcontech Limited Admission of New Ordinary Shares to trading on AIM

Arcontech's continued run of success: This time for best real-time market data management solution

17/12/2007

Arcontech, a leading developer of real-time market data software, has won an award for the best real-time market data management solution – its fourth industry award in 13 months.

Financial-i magazine, together with leading analyst firms and industry figures, selected Arcontech to receive the award at the annual Leaders in Innovation Awards.

The awards were decided based upon product innovation over the last 12 months, specifically looking at companies that have demonstrated their ability to innovate, whether in terms of business strategy or the development of wholesale transaction banking solutions, and for that innovation to have significantly impacted customers in terms of their ability to deploy business solutions cost effectively, more readily interact and integrate them with other applications, and the ability to use these solutions to solve business specific issues or concerns.

Andrew Miller, managing director at Arcontech, said: “This is the second year in a row for Arcontech, and I am delighted at the recognition from such a prestigious publication. It proves that the teamwork, hard graft and strategic significance of CityVision StarNet have not gone unnoticed.

“The applicability and readiness of CityVision’s innovative data publication, aggregation and controlled re-distribution capabilities in a MiFID context are bound to have been factors in the decision.”

This is the second year that Arcontech has been recognised by Financial-i, having been awarded ‘Most Innovative real-time data management’ in 2006. It is also their third award this year having won two awards for ‘Best Market Data Management System’ and ‘The best Best Execution initiative’ at The Banker’s awards in June 2007 continuing a 5 year run.

Retail derivatives and cross border markets to provide big MiFID opportunities from 1st November

29/10/2007

Cross-border customers and retail derivatives markets, such as Contracts for Difference (CfD) and Spread Betting, will be two areas presenting significant opportunity after the introduction on 1 November of MiFID (Markets in Financial Instruments Directive) predicts Andrew Miller, Managing Director of Arcontech (part of KTS plc). Arcontech is an award-winning City software firm whose specialist products are being used by dozens of financial institutions affected by MiFID.

Andrew Miller says: “I anticipate that the MiFID passporting regulations will lead to a growing swell of competition in many regions, particularly with UK firms expanding into continental Europe. Firms within countries which may be expecting ‘business as usual’ may be in for some surprises, especially as banks in some countries are reported to be collaborating over MiFID in a protectionist manner.

“For example, MiFID allows UK firms which are regulated and expert in providing retail services to operate on a pan-European basis without further regulation and with very little operational change. Likewise, the UK market will be vulnerable to players large and small from European countries that may not have such strict governance as that provided by the FSA in the UK.

“Exchanges and data vendors such, as Reuters and Bloomberg, may also be exposed. Currently they make considerable income through charging investment banks for data contribution and distribution services. Thanks to MiFID, new platforms – such as Chi-X and the proposed Projects Boat and Turquoise – will lead to cheaper market data and a shifting of liquidity to more cost-effective venues, threatening the status quo.

“Many firms are not ready and will take several months to be anywhere near complying. One of the biggest changes will be around Ã¢â‚¬Å“best execution” which, put simply, is ensuring you get the best deal for your client when you buy them equities, bonds or other financial instruments. It sounds simple, but is actually fiendishly complex as price is only one consideration and there is an obligation to keep records for many years to prove that a firm acted in accordance with its execution policy at the time. Depending on the policy, this may require data from a large number of sources, not all of which may be available cost-effectively via a single source. You can imagine that sophisticated software will be needed to collect, record and analyse this data.

“Spread-betting is another rapidly growing area which is likely to suffer considerable regulatory impact through MiFID’s requirements, but many areas appear unclear and some firms are late in their preparations. UK spread-betting firms that are prepared have considerable opportunity to expand into new EU markets.”

Contract Win

20/09/2007

Arcontech, the award-winning developer of mission-critical software for real-time market data transmission and trading, which was recently acquired by KTS, has been awarded a significant contract to provide contract for difference (CFD) and spread betting trading platforms to Hichens Harrison, the City’s oldest firm of stock brokers.

The contract comprises Arcontech’s AXE software suite to provide a trading platform for web-based online trading, a high performance price calculation engine, order management and position keeping and a full back office administration system.

Dr. Marc Pinter-Krainer, Chief Executive of KTS, commented:

“I am delighted to be able to announce this major contract win for our Arcontech subsidiary. We are pleased to add Hichens Harrison, with its 203-year heritage to our blue chip client base that includes national treasury, central banking and major investment banking firms as well as supporting many other online CFD and spread betting operations. Hichens Harrison's decision to use Arcontech's software is a tremendous endorsement of the quality of the product, and this reinforces my confidence that Arcontech will make an important contribution to KTS over the coming years."

Adam Wilson, Chief Executive of Hichens Harrison, commented:

"Arcontech's high quality technology is the perfect update to our CFD and spread betting capabilities. Arcontech's solution offers excellent reliability and functionality, and will help us broaden our online service offering, allowing us to continue our commitment to offering the highest quality service to our clients."

Completion of the acquisition of Arcontech Limited

05/09/2007

Knowledge Technology Solutions plc ("KTS", "the Company") Completion of the acquisition of Arcontech Limited Admission of New Ordinary Shares to trading on AIM

Knowledge Technology Solutions plc, a provider of professional market information services in the finance sector, is pleased to announce that its acquisition of Arcontech Limited ("Arcontech") was completed today following the admission of the Placing and Consideration Shares to trading on AIM.

This follows the announcement, on 3 September 2007 that the Company had successfully completed a placing of 111,111,111 new ordinary shares (“Placing Shares”) to raise approximately Â£930,000 net of expenses in additional working capital and the announcement, on 7 August 2007, of KTS’ intention to acquire Arcontech, the award-winning provider of middleware solutions for institutional, vendor and brokerage customers.

Arcontech is an award winning specialist software company, founded in 1979, specialising in middleware solutions for real time publishing, distribution and aggregation of financial data, which can be integrated into any software platform. It has strong and contractual relationships with a broad base of blue chip customers including major investment banks, data vendors and leading spread betting and Contracts For Difference (CFD) brokerages.

Arcontech’s CityVision suite is highly scaleable, being able to easily accommodate from one to hundreds-of- thousands of users whilst its CityVision’s StarNet components extend the suite to facilitate the immediate, simultaneous and secure delivery of market data to financial institutions via multiple networks and the internet. It can deliver very high message rates with exceptionally low latency.

Dr Marc Pinter-Krainer, KTS’ Chief Executive, said:

“City firms are currently facing unprecedented demands on their market data infrastructure and information technology, particularly in the light of the Markets in Financial Instruments Directive (MiFID) which is expected to come into effect on 1 November 2007.

“The combination of KTS’ proven front end display application MarketTerminal with Arcontech’s award-winning middleware products puts us in the unique position of being able to offer a full product set into this market, which we believe will be highly compelling to new and existing customers.”

Arcontech announces its AXE Trading System

03/09/2007

Arcontech – a leading developer of real-time market data software – today unveiled its AXE software product, aimed at brokers and start-ups wishing to cash-in on the burgeoning market for Contract for Difference (CfD) trading and Spread Betting.

The AXE software utilises the award winning CityVision real-time software, coupled with 4th generation trading software, making it one of the most feature-rich and high performance business-to-consumer products for CfD and Spread Betting in the marketplace.

Contracts for Difference now account for a third of the UK’s share trading activity and Spread Betting is a lucrative market, with many reporting business up substantially on last year, with some saying they won more new clients in the first half of 2007 than they did in the whole of 2006.

This latest product launch from Arcontech reflects its ongoing strategy away from custom-made systems, whilst still delivering high quality products. It aims to use its experience in these markets to repeat the success of it award winning CityVision enterprise middleware.

Andrew Miller, managing director of Arcontech, says: “We have had a strong offering and great track record in integrating our web and pricing technology with firms’ existing trading systems. We now offer a well rounded full trading system also, making AXE an ideal fast-to-market choice”.

Arcontech adds Calculation Engine to its award-winning CityVision suite

01/09/2007

Arcontech, a leading developer of real-time market data software, has launched CityVision Calculation Engine, the latest addition to its award-winning CityVision software suite.

CityVision, Arcontech’s platform for real-time data publishing, is well established and proven with major City institutions. The CityVision Calculation Engine (CCE) adds power to the platform by enabling high performance calculations on data from a wide range of sources (such as data feeds, internal data and spreadsheets). The derived data is then available for publishing in real-time to many destinations including trading systems, third party systems like Microsoft Excel and Reuters RMDS, and data re-distributors (such as Reuters and Bloomberg), as well as direct to customers via the internet and web.

The CCE is capable of many thousands of transformations per second, operating in true real-time with low latency. It achieves amazing performance from standard Wintel PCs, with full real-time reporting of pricing anomalies. It provides full Application Programming Interface (API) support for both pricing and status mean that integration with advanced algorithmic trading system is simplified – early users have reported speed improvement of around 30ms over existing systems – which can be vital for securing the best deals ahead of the competition.

Andrew Miller, the managing director of Arcontech, said: “This is an important addition to our CityVision suite, particularly in support of pricing for on-line trading, such as our recently announced AXE trading system.

“It also has value in MiFID best execution and market monitoring scenarios, as it handles multiple sources and can be programmed according to individual execution policies. Its modular approach means that functionality can be added without the need to rebuild, speeding up development cycles and improving reliability.”

The new CityVision Calculation Engine provides:

- The ability for users to create “plug-in” calculations to their own specification;
- Support for record and chain-based calculations;
- Plug ‘n’ play integration with other CityVision components to distribute results over intranets and internet works, such as the Web and BT Radianz;
- Integrates with market data platforms (e.g. Triarch/RMDS) and Microsoft SQL Server;
- Custom integration via APIs for Java, C++ and .net;
- Windows GUI and API for calculation configuration;
- Scalable Wintel architecture.

Market Data Professionals Migrating to Windows Vista

25/06/2007

Knowledge Technology Solutions PLC (KTS), providers of professional market information services in the finance sector, is pleased to announce that MarketTerminal – its internet-delivered real-time information service â€“ is fully compatible with Microsoftâ€™s Windows Vista operating system, and Internet Explorer 7.

According to KTS, banks, brokers and other financial professionals are increasingly demanding live market data display applications that can run on Windows Vista, the operating system released by Microsoft for business users in October 2006 after a reported five years in development.

MarketTerminal, first launched in 2002, employs KTSâ€™s unique ASP technology platform, which allows clients to receive automatically all upgrades (including Vista compatibility), without having to install additional hardware or software.

Dr Marc Pinter-Krainer, Chief Executive of KTS PLC, said:

“We have been approached by clients of a major market data display application vendor requesting MarketTerminal because their provider is not Windows Vista compatible. Anyone facing this situation will be pleased to hear that our popular MarketTerminal service is fully compatible with Windows Vista and IE 7. New MarketTerminal users can be up and running in a matter of minutes and access essential equities prices, news and analytics from their Windows Vista desktop.”

For a MarketTerminal demonstration and free trial call KTS on 020 7256 2300.
Notes to Editors:

MarketTerminal was launched in 2002 as an internet-based on-line service for professionals. The service is highly user friendly due to its simple point and click means of obtaining data. MarketTerminal is a very portable service which can be accessed from any internet connection including the Blackberry and other PDAs. It enables financial practitioners to access essential financial information anywhere, anytime.
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Arcontech unveils first independent feed handler for Chi-X

14/06/2007

Arcontech – a leading developer of real-time market data software – has announced the first independent feed handler for Chi-X, the recently launched pan-European ATS (to be known as a multi-lateral trading facility on the introduction of MiFID). This brings free market data a step closer by enabling Chi-X data to be distributed via Arcontech's CityVision StarNet applications, used by financial institutions for publishing market data on large networks and the Internet.

The Chi-X Handler will become part of Arcontech’s EuroVision suite (announced earlier this year) that helps institutions with their new MiFID obligations regarding pre and post trade reporting and best execution.

Chi-X offers its market data at no cost to qualifying organisations and Arcontech’s CityVision makes this data easily available and in a vendor-independent way.

Andrew Miller, managing director of Arcontech, said: “We are finding that more firms want to take data direct from the source, for reasons such as quality and speed. If more data sources follow the Chi-X example of providing free market data, then the cost of traditional vendors will become an issue. Our software will give firms direct and cost-effective access to the emerging venues and price sources.”

Hirander Misra, Director of Instinet Chi-X Limited, said: “Chi-X seeks to provide investors with a faster, cheaper and smarter alternative for trading European equities. We welcome Arcontech’s Chi-X handler, which will help our clients access Chi-X market data whilst also meeting MiFID requirements.”
Technical details:

The new Arcontech handler takes the real-time CHIX MD protocol feed and constructs the full order book, normalising the data into ISIN symbology and categorising by market. It then creates the best bid/offer ladder and maintains it in real-time.

The data is available for access via any of CityVision’s StarNet distribution applications. These include: the Excelerator real time add-in for Microsoft Excel; the JClient browser-based displays; the CityVision Publisher for Reuters, a direct interface into RMDS; and a variety of APIs in popular languages giving third parties simple unified access for custom applications such as algorithmic trading.

Double awards win for Arcontech

01/06/2007

Arcontech, a leading developer of real-time market data software, has taken first place in two categories in the prestigious 2007 The Banker Technology awards announced today.

The Banker magazine, together with leading analyst firms and consultants from the banking industry, selected Arcontech to receive the awards for the ‘best market data management system’ and ‘best best execution initiative’ ahead of many other high quality entrants.

The awards recognise the continual improvement of Arcontech’s CityVision StarNet low latency market data platform. Key factors included proven global deployment and its swift return on investment, combined with its flexibility and scalability. These make StarNet ideal in fast-moving organisations where requirements are changing dynamically and fast deployment remains critical. Arcontech’s strategic applications in areas such as on-line and mobile trading and its MiFID Eurovision “best execution” initiative were also important differentiators.

The awards are in their fifth year and received a record number of entries. They were decided based upon new concepts and ideas that allow financial services businesses to get ahead of the competition, highlighting vendors who have made a real contribution within financial institutions over the past 12 months and innovation was the key.

Andrew Miller, managing director at Arcontech said:

“Recognition from The Banker is one of the most prestigious accolades a company in financial services IT can win. It is a testament to the team and proves that our hard work has not gone unnoticed”.

Arcontech has gained recognition from The Banker for four consecutive years, winning ‘Networking Initiative of the Year’ award in 2006, gaining a highly commended award for the global inter-networking capabilities its StarNet application in 2005, and winning the ‘Best Technology to the Sell-Side’ award in 2004.

It has also received other awards including, an award for ‘the most innovative real-time data management solution’ from Financial-i magazine in 2006.

Speedy CityVision is the fastest real-time data suite on the market

01/06/2007

Arcontech – a leading developer of market data software – asserts that its CityVision suite is the fastest application on the market for publishing prices and other data in real time, with latest performance details showing competitors are still struggling to match its speed.

Andrew Miller, managing director of Arcontech, says: “In today’s electronic markets with increasing volumes and high levels of algorithmic trading, speed and throughput are essential since having prices that are ‘behind the market’ by even a fraction of a second can prove costly. In IT jargon, speed is measured by ‘latency’ – the time it takes for a piece of information to get from one point to another. The lower the latency, the more accurate the data is for the user and the lower the risk to the institution.

“I follow competitive announcements with interest, such as the recent release from Gissing that their latest upgrade can now ‘deliver data to its destination in less than a millisecond’. This may be an improvement on their current offering, but I’d be surprised if firms with serious needs were impressed, particularly as no throughput figures or hardware requirements are given. CityVision crossed the millisecond boundary many years ago and now demonstrates latency over ten times lower – well under 100 microseconds – and sustained rates of over 50,000 mps running on $1000 PCs.”

“CityVision continues to be the financial markets’ most complete and flexible industrial-strength true real-time data platform, covering distribution, contribution and on-line trading. It’s used by over a hundred firms with tens of thousands of end users.”

Continuous upgrades ensure that CityVision can rapidly address new opportunities and requirements such as MiFID price transparency, best execution and the burgeoning on-line trading markets. Arcontech technology has recently been selected for on-line trading and price distribution at two new London based dealing operations (yet to be announced but planned to go live later this year).

Arcontech launches new Excelerator giving market data users the fastest performance

01/05/2007

Faster than RTD and compatible with Chi-X and other MiFID data sources

Arcontech – a leading developer of real-time market data software – has today unveiled version 4 of CityVision Excelerator, its flagship application for allowing traders, analysts and other market data users to receive data real-time into Microsoft Excel, whether from a network or from the internet.

Andrew Miller, managing director of Arcontech, says: “Excelerator has always been the fastest product in the market, allowing users of market data to publish and exchange data between spreadsheets in true real-time across the globe. It’s like instant messaging for data, with the added ability to manipulate and visualise it in real-time using the full power of Excel.

“Excelerator has been updated to be even faster and to incorporate automatic dynamic control of update rates in anticipation of ever-increasing data volumes as a result of MiFID, and to take account of new trends such as firms looking to distribute internal data and data direct from emerging venues such as Chi-X. We believe Excelerator offers the best overall performance in the market.

“Bankers and analysts are expecting cheaper and higher quality data as a result of MiFID’s price publication obligations.

They want to be able to take advantage without being tied into ‘bundled’ vendor products: Excelerator provides a no-compromise solution for those who don’t want to incur the high cost of traditional vendor terminals just to use the Excel components.”

Excelerator is currently licensed by institutions ranging from leading investment banks and brokers, such as Tullett Prebon Information, through to on-line bookmakers such as Sporting Index. It is also provided on a ‘white-labelled’ basis by firms wishing to publish data direct as provided for under MiFID, disintermediating vendors.

Other highlights include:

Users have more choice to suit the way they work: A revised, more efficient RTD approach for simple sheets and ad hoc use; or Arcontech’s own CVCom which is faster and more flexible for larger, structured sheets;

Excelerator incorporates dynamic permission control so that changes to a user’s entitlements are recognised and acted on immediately, another step towards zero down-time for busy dealing rooms;

Excelerator supports pages, records, chains and tickers in true real-time, automatically adjusting for chain content and size changes, signalling stale data and source and service failure. Users will be aware when data is suspect;

A new ‘formula wizard’ allows users to convert spreadsheets from existing providers in bulk or individually, easing migrations;

Dialog boxes automate the creation of formulae from scratch, easing initial setup, whilst context sensitive menus provide one-click conversion between CVCom and RTD;

Users can choose to receive data in real-time or they can opt for a user configurable ‘conflation period’ where rapid updates are collated before updating Excel. This allows large and complex spreadsheets to be built without the processor overload often suffered in busy markets with competitive products.

Arcontech unveils European Best Execution application for banks & brokers to meet MiFID requirements

01/03/2007

Arcontech – a leading developer of real-time market data software has unveiled EuroVision – an application which will help banks and brokers with their best-execution obligations under MiFID.

It will allow firms to check equities prices across any number of pan-European execution venues to give best prices visibility in-line with their best execution policy.

EuroVision (part of Arcontech’s CityVision suite) is a new development for Arcontech, utilising its core components but extending the value-added processing right out to the client, rather than simply providing low-latency data feed technology.

Andrew Miller, Arcontech’s Managing Director, said: “Arcontech’s CityVision suite can help investment firms, data aggregators, data distributors and service providers achieve compliance in the three relevant areas of MiFID: pre-trade quotes, post-trade reporting and best execution.

“Best Execution is a key obligation of MiFID, with the requirement that firms must achieve the best result for their clients, consistent with their execution policy. Our application gives them visibility, not only on those venues where they currently deal, but also across Europe on those that they may wish to consider. We already have one client for the application and anticipate considerable demand.”

EuroVision will take data from multiple exchanges, MTFs (Multilateral Trading facilities) and SIs (Systematic Internalisers), build the order books and depth of market data and then combine the books to produce real-time European Best Bid/Offer (EBBO) displays, in-line with a particular bank’s or broker’s execution policy.

It is also unlimited in terms of the numbers and classes of instruments it can process. It can supply web browsers, Excel spreadsheets and direct low-latency feeds to 3rd party systems. In combination with other value added applications in the range, such as our arbitrage alerter and trades-by-market displays, Eurovision will be a great help to both the buy and sell side of the market.

Andrew Miller continued “Our EuroVision application is particularly powerful since it will monitor any number of exchanges, MTFs and SIs. The CityVision aggregator announced last year takes care of data acquisition from multiple sources in different protocols and normalisation to a standard symbology such as ISIN.

“Utilisation of our user authentication and entitlements system means that users will be able to see data from the venues that are currently relevant to their needs. For example, traders will want to see the EBBO for the venues within their firm’s current policy, whereas those responsible for policy can be given greater permission to review other liquidity pools, assess their suitability and instigate policy change where appropriate.

“This is important since with the new regime of price transparency, clients will be aware of the best prices in the market and are likely to vote with their feet if their intermediary’s policy does not give them access to those markets”.

Arcontech unveils MiFID-ready components

26/01/2007

Arcontech unveils MiFID-ready components at User Group.

Arcontech – a leading developer of real-time market data software – at its user group meeting yesterday (Thursday 25 January) unveiled full information detailing how its CityVision suite can facilitate compliance with MiFID (Market in Financial Instruments Directive).

Capabilities explained and demonstrated were:

- Construction of per-venue market depth (level 2) order books;
- Price and symbology normalisation;
- Pan-European best bid/offer display; and
- Pan-European arbitrage alerting.

Andrew Miller, Arcontech’s managing director, said: “We’ve had a busy quarter with several new orders, and were delighted to have been selected as the data aggregation and value-added processing partner by a number of leading players from the investment banking, vendor and broking communities. Arcontech's tool-kit approach enabled us to deliver these projects against aggressive timescales despite a variety of quite different requirements."

Andrew, who is an active member of various MiFID-related working parties (including several subgroups of the MiFID Joint Working Group), demonstrated at the Arcontech User Group how its CityVision StarNet suite maps onto the model proposed by the real-time market data subgroup. Specifically, the suite addresses the requirements of investment firms, data aggregators, data distributors and service providers in achieving compliance for three important areas of MiFID: pre-trade quotes; post-trade reporting; and best execution.

The session was well attended by representatives from data vendors, network providers, financial institutions and end-users, and sparked interesting discussion on subjects such as Chi-x, Equiduct, projects Boat and Turquoise, as well as yet-to-be-announced initiatives.

Andrew Miller added: "Our work for clients over the Christmas period reaffirmed the inherent flexibility of the CityVision system, and stands us in good stead for the impending avalanche of MiFID projects that will be hitting the market shortly."