

NYFIX Marketplace Growth and Expense Management Improve Results

NEW YORK, May 7, 2009 (GLOBE NEWSWIRE) -- NYFIX, Inc. (Nasdaq:NYFX) ("NYFIX" or the "Company"), a trusted provider of innovative solutions that optimize trading efficiency, today reported results for first quarter 2009. Continued growth of the NYFIX Marketplace and a reduced cost structure improved net results over first quarter 2008.

Revenues were \$25.9 million for first quarter 2009, compared to the \$31.4 million of revenues generated in first quarter 2008. This decline included a \$3.5 million reduction across all business lines due to the Company's decision to discontinue its Fusion OMS product. Overall expenses declined 20% during first quarter 2009, compared to first quarter 2008. EBITDA was \$0.5 million for first quarter 2009, reflecting the recognition of an insurance benefit, net of related costs, of \$0.6 million and \$(0.1) million of EBITDA from other operations. EBITDA was \$(1.2) million for first quarter 2008, reflecting \$0.2 million of a net restructuring charge reversal, \$(0.1) million in costs related to the historical stock options matters and \$(1.3) million of EBITDA from other operations. On a GAAP basis, the Company's net loss narrowed to \$(2.2) million for first quarter 2009 as compared to \$(3.4) million for first quarter 2008.

Other developments during the first quarter included:

- * a net increase of 207 billable order routing channels on the NYFIX Marketplace, bringing the total number to 9,795;
- * a 166% increase over fourth quarter 2008 in average daily matched value in Euro Millennium to EUR 62.4 million (\$80.6 million), including a record day on January 13th, when value of more than EUR 200.0 million was matched;
- * the launch of NYFIX ioinet in January, a product which combines the advanced analytic and filtering capabilities of ioinet, acquired along with FIXCITY in April 2008, with global IOI content contributed by brokers who are part of the 1,000-member strong NYFIX Marketplace community; and
- * the upgrade of the NYFIX Millennium dark pool in March to the Company's high performance technology architecture (HPX), making Millennium a faster, more resilient, and higher throughput dark pool that is well suited for latency sensitive order flow.

"The net growth in order routing channels on the NYFIX Marketplace during these challenging times demonstrates the important role we play in enabling financial institutions to trade efficiently and effectively with their most valued counterparties," said Howard Edelstein, CEO of NYFIX. "The continued growth of our core Marketplace offering, the introduction of some newer products and enhancements, and our continued focus on controlling costs has positioned the Company well in the current environment."

Three Month Results

Financial highlights for first quarter 2009 include:

- * EBITDA of \$0.5 million compared to EBITDA of \$(1.2) million for first quarter 2008;
- * a 17% decrease in total revenues to \$25.9 million compared to \$31.4 million for first quarter 2008;
- * a 6% increase in FIX Division net revenues to \$17.1 million compared to \$16.1 million for first quarter 2008, reflecting revenues of \$0.5 million from FIXCITY (acquired in April 2008) and a reduction in revenues from Fusion OMS clients of \$0.5 million;
- * a 40% decrease in Transaction Services Division net revenues to \$8.1 million compared to \$13.4 million for first quarter 2008, reflecting revenues of \$0.8 million from Euro Millennium and a reduction in revenues of \$2.2 million from Fusion OMS clients;
- * a 63% decrease in OMS Division net revenues to \$0.7 million compared to \$1.9 million for first quarter 2008, reflecting a reduction in revenues of \$0.8 million from Fusion OMS clients; and
- * a net loss of \$(2.2) million, or \$(0.05) per share, compared to a net loss for first quarter 2008 of \$(3.4) million, or \$(0.09) per share, which excludes the impact of accumulated preferred dividends of \$(0.3) million, or \$(0.01) per share, and \$(1.1) million, or \$(0.03) per share, for first quarter 2009 and first quarter 2008, respectively.

Other items that affected the net loss amounts disclosed above include the following:

	Three Months Ended March 31,			
	2009		2008	
	Amount	per share	Amount	per share
(in millions, except per share amounts)				
Euro Millennium loss	\$ (1.9)	\$ (0.05)	\$ (2.2)	\$ (0.06)
Stock-based compensation	(1.4)	(0.04)	(2.8)	(0.08)
SEC investigation, restatement and other related expenses,				

net of insurance recoveries	0.6	0.02	(0.1)	(0.00)
Loss on Fusion OMS wind-down	--	--	(0.3)	(0.01)
Transitional employment costs	--	--	(0.1)	(0.00)
Transitional rebuilding and remediation costs	--	--	(0.1)	(0.00)
Restructuring charges, net of reversal	--	--	0.2	0.00

Since second quarter 2007, NYFIX has incurred costs for Euro Millennium. Launched in March 2008 for matching U.K. listed equities, Euro Millennium later expanded its scope to match cash equities in other European markets including Belgium, France, Germany and the Netherlands. The \$1.9 million loss for first quarter 2009 is net of the \$0.8 million of revenue reported above for the Transaction Services Division.

The Company's equity incentive program was designed to award large upfront grants rather than smaller annual grants to maximize the incentive and retention impacts of the grants and to better align the interests of employees with stockholders. As a result, stock-based compensation will remain at high levels until the significant equity grants made in October 2007, following the adoption of the Company's new equity incentive plan, fully vest.

During first quarter 2009, the Company recognized an insurance benefit of \$0.7 million for advances received under its D&O insurance policy for costs incurred related to the historical stock option matters. This amount is partially offset by additional costs related to these matters during first quarter 2009 of \$0.1 million. The \$0.7 million benefit is reflected as a reduction to SEC investigation, restatement and other related expenses, as the amounts recovered were previously expensed in this line item.

Outlook for the Remainder of 2009 and Subsequent Events

In 2009, NYFIX will continue to focus on expanding its core businesses in the United States and Europe.

For 2009, stock-based compensation expense is estimated to be \$1.5 million per quarter. Stock-based compensation amounts may vary, however, depending on the fair value of performance awards when the applicable criteria are established, whether such performance awards actually vest and whether additional awards are granted.

In April 2009, NYFIX ceased using a portion of the office space in its New York headquarters and agreed on terms for a sublease. As a result, the Company expects to record a restructuring charge in second quarter 2009 of \$0.7 million, primarily related to the difference between the fair value of lease payments NYFIX is committed to make and the fair value of sublease payments it expects to receive through January 2014 as well as the write-off of certain fixed assets. Occupancy and related costs are expected to decrease by \$0.4 million per year as result of this restructuring.

In consultation with the U.K. Financial Services Authority (FSA), NYFIX modified Euro Millennium's functionality to only match at the pre-determined reference point of the mid-point between bid and offer. NYFIX expects to make further modifications throughout 2009 to provide for matching at other pre-determined reference points (e.g. bid and offer). These modifications are not expected to have a material impact on Euro Millennium's service or revenues.

NYFIX, Inc. and Subsidiaries

Consolidated Statements of Operations (in thousands, except per share amounts)

	Three Months Ended March 31,	
	2009	2008
	(Unaudited)	(Unaudited)
Revenue:		
Subscription and maintenance	\$ 17,680	\$ 17,518
Transaction	7,746	13,268
Product sales and services	486	621
Total revenue	25,912	31,407
Cost of revenue:		
Subscription and maintenance	7,151	7,651
Transaction	6,601	6,412
Product sales and services	40	81
Total cost of revenue	13,792	14,144
Gross profit	12,120	17,263
Operating expense:		
Selling, general and administrative	14,428	20,396
Depreciation and amortization	416	447
SEC investigation, restatement and other related expenses	(634)	137
Restructuring charge	--	(158)
Loss from operations	(2,090)	(3,559)

Interest expense	(199)	(211)
Investment income	89	546
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Loss before income tax provision	(2,200)	(3,224)
Income tax provision	--	128
	-----	-----
Net loss	(2,200)	(3,352)
Accumulated preferred dividends	(291)	(1,142)
	-----	-----
Loss applicable to common stockholders	\$ (2,491)	\$ (4,494)
	=====	=====
Basic and diluted loss per common share	\$ (0.06)	\$ (0.12)
	=====	=====
Basic and diluted weighted average common shares outstanding	38,622	37,312
	=====	=====

NYFIX, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except share amounts)

	March 31, 2008 (Unaudited)	December 31, 2008 (Audited)
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Assets		
Current assets:		
Cash and cash equivalents	\$ 51,673	\$ 55,966
Accounts receivable	11,006	14,120
Clearing assets	773,429	400,638
Prepaid expenses and other current assets	3,652	3,702
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Total current assets	839,760	474,426
Property and equipment	19,586	20,508
Capitalized software costs	9,245	8,701
Goodwill	47,158	47,170
Acquired intangible assets	7,186	7,422
Other assets	539	564
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Total assets	\$ 923,474	\$ 558,791
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 16,578	\$ 21,656
Clearing liabilities	770,876	399,927
Current portion of capital lease obligations	1,329	1,358
Current portion of long-term debt	9,978	9,971
Current portion of other long-term liabilities	670	1,014
Deferred revenue	5,612	5,271
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Total current liabilities	805,043	439,197
Long-term portion of capital lease obligations	1,168	1,469
Other long-term liabilities	940	1,021
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Total liabilities	807,151	441,687
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Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$1.00 par value; 5,000,000 shares authorized:		
Series A, none issued	--	--
Series B Voting Convertible, 1,500,000 shares issued and outstanding; liquidation preference of \$76,313 at March 31, 2008	62,092	62,092
Series C Non-Voting Convertible, none issued	--	--
Common stock, \$0.001 par value; 100,000,000 shares authorized; 39,621,113 and 39,510,917 shares issued, respectively	272,762	271,319
Accumulated deficit	(202,212)	(200,012)
Treasury stock, 923,108 shares, at cost	(12,600)	(12,600)
Accumulated other comprehensive loss	(3,719)	(3,695)
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Total stockholders' equity	116,323	117,104

Total liabilities and stockholders' equity	-----	-----
	\$ 923,474	\$ 558,791
	=====	=====

NYFIX, Inc. and Subsidiaries
Reconciliation of Net Loss to EBITDA
(in thousands)

	Three Months Ended March 31,	
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	2009	2008
	-----	-----
	(Unaudited)	(Unaudited)
Net loss	\$ (2,200)	\$ (3,352)
Deduct:		
Investment income	(89)	(546)
Add:		
Income tax provision	--	128
Interest expense	199	211
Depreciation and amortization	2,604	2,388
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EBITDA	\$ 514	\$ (1,171)
	=====	=====