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NYFIX Inc. Q2 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) With Nollenberger Capital, we have Bill Gibson.

William Gibson - Nollenberger Capital

Hi, Howard, my first question however is for Steve, and that relates to the \$5 million of annualized savings. In terms of just building a model was some of that realized in the second quarter?

Steven Vigliotti

A slight amount of that was realized in the second quarter, probably \$200,000 towards the end of June.

William Gibson - Nollenberger Capital

Oh, Okay. And I noticed you had, you know, had signed a partnership in South America and yet you didn't mention that. Did something happen with that?

P. Howard Edelstein

Bill, this is Howard. Hi, Bill. Well something is happening in the sense that we are starting to get channels sold down in South America and that we had mentioned that earlier, so we just added the new partnerships that we had discussed since last time. But it is clear that we are partnering more and more to try and expand the marketplace and to basically peer our community or broaden our community through peering with other communities.

William Gibson - Nollenberger Capital

Okay thank you, and then one last question and I'll hand it over to somebody else. In terms of, you know, the Fusion OMS shutdown and those customers going away, I know you were going to try to retain as many as you could as Millennium users, but it sounds like they've gone to alternative pools?

Steven Vigliotti

Yes, well those customers were never really big Millennium users. They were primarily users of our Nexus algorithm suite, as well as some of our over the counter DMA services.

P. Howard Edelstein

So its part of the transactions group revenue but it was not part necessarily of Millennium revenue.

William Gibson - Nollenberger Capital

Okay, thank you.

Operator

And next up we have Bob Jones with Wachovia Securities

Robert Jones - Wachovia Securities

Good afternoon. I was looking over the S1 from Liquidnet , which I suspect you all approved as well, and was trying to make some comparisons. Apparently for the year through July we've averaged about 49.6 million shares a day in Millennium. Liquidnet in '06 averaged a little less than that, 47.8 million, yet during that year they did revenues of \$252 million and an incredible pre-tax profit of \$165 million or 65%. If you annualize our numbers, the NYFIX's numbers, we're at about half that run rate with a loss instead of a profit. I'm not sure exactly how to phrase my question. Can we one day aspire to numbers like they're producing and is there a way to move our business model more toward the shape of their business model?

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