

ARCHIPELAGO MOVES TO SUN FOR POWERING NEXT-GENERATION ALL-ELECTRONIC STOCK EXCHANGE

Archipelago Says Consolidated Systems Create Solid Footing for Handling Company's Growth

SANTA CLARA, California - February 24, 2003 -- Open. Transparent. Connected. And as cost effective as possible. These are the technical principles on which Jerry Putnam, Co-Founder and CEO of Chicago-based Archipelago, has built his industry-changing company. They are also the guiding philosophies that Scott McNealy, Chairman, President, and CEO of Sun Microsystems, knows all too well. Add to that speed, reliability, flexibility and scalability, and it was a no-brainer for Putnam to choose Sun to power his rapidly expanding, next-generation electronic stock exchange.

Sun was chosen by the Archipelago leadership team wanting an exchange trading system that would be capable of handling a 300% increase in trading volume. As the nation's first totally open, all-electronic stock exchange, the Archipelago Exchange (ArcaEx) began transitioning Nasdaq-listed stocks from its Electronic Communications Network (ECN), which currently interacts with approximately 1 in 4 Nasdaq shares traded, to the new trading platform on February 14, 2003. Since Archipelago has seen share volume grow from 30 million shares per day in 1999 to approximately 400 million shares per day today, a trading system that could handle accelerated growth was critical.

"To achieve our goal of becoming a fair, efficient and open marketplace for all investors, we need to provide an exchange platform that is reliable, scalable and fast. It's no secret that Sun has the expertise and systems to handle the volume that we see today and the volume we anticipate tomorrow," said Putnam, who will be participating at Sun's Worldwide Analyst Conference today. "That's why we were able to replace hundreds of servers with just a handful of Sun Fire systems and still improve overall performance."

"Archipelago required the type of availability that a traditional exchange would require, and then to really win, they required an aggressive timetable. Nobody thought that Archipelago and Sun could get the system into production so quickly," said McNealy. "What they've done here is tighten their security, improve their efficiency, and maximize their readiness to grow. I like to think of Archipelago as a poster child for Wall Street."

The enhanced electronic exchange will now run on a range of Sun Fire [TM] servers, including Sun Fire V880, V480 and 4800 servers. The enhanced system must accept and book orders at 5,000 orders per second, and provide up to 500 simultaneous customer connections. The maximum number of orders in a day required for the system is 15 million. The maximum number of trades per day is 10 million with 15,000 events at its peak.

"Over the last four years, ECNs have fundamentally changed the competitive landscape in the

U.S. securities industry. After much uncertainty over the last six months, we have entered a new period of market consolidation with the emergence of only a few powerful market hubs providing strong liquidity, and through this, opportunity for best execution," said Octavio Marenzi, Managing Director of Celent Communications, an industry analyst firm who closely watches the financial services industry. "We expect this consolidation and evolution to continue with Archipelago becoming one of the few market hubs capable of delivering value to the marketplace. Synergies between Archipelago and Sun Microsystems are well positioned in this competitive landscape."

About Archipelago

Dedicated to openness, transparency and equal access to equity markets, Archipelago has been a dynamic agent of change in the financial services industry since its inception. Archipelago's leading-edge technology, open architecture and unbiased trading platform provide investors with fast, cost-efficient and anonymous market access. The parent company of both the Archipelago Exchange (ArcaEx) and the Archipelago ECN, Archipelago features a trading system that employs a proprietary algorithm to search for the best execution for each order. ArcaEx is the first totally open fully electronic stock market that will trade in all New York Stock Exchange, Nasdaq, American Stock Exchange and Pacific Exchange (PCX) securities and is regulated by the PCX. The Archipelago ECN, one of four original ECNs, was formed in December 1996. It contends for the greatest trading volume in Nasdaq and listed stocks among all ECNs. For more information about Archipelago, please visit <http://www.archipelago.com>

About Sun Microsystems, Inc.

Since its inception in 1982, a singular vision -- "The Network Is The Computer[tm]" - has propelled Sun Microsystems, Inc. (Nasdaq: SUNW) to its position as a leading provider of industrial-strength hardware, software and services that make the Net work. Sun can be found in more than 100 countries and on the World Wide Web at <http://sun.com>

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