

## Reuters Analytics Inc. - Statement

February 4, 1998

**London**, 4 February, - Reuters is making this statement to set out its understanding of the scope and effect of a US Attorney's investigation in New York arising out of the activities of Reuters Analytics Inc. based in Stamford, Connecticut.

Reuters is aware of the attention this has caused. However, because the investigation is intended to be confidential and Reuters cooperation in that investigation is ongoing, the company has been unable to make any premature comments. Nevertheless, Reuters can now respond to certain recurring questions.

The first question the company has been asked is: *"Do you believe the US Attorney's Office investigation is focused on attempts to break into the Bloomberg central computer in order to extract proprietary code?"* It is Reuters understanding that these issues have not been the focus of the grand jury investigation. Moreover, the company has no knowledge of any such attempted activity.

The second question is: *"What do you understand the US Attorney's Office is investigating?"* Reuters understands the investigation is focused primarily on an arrangement that Reuters Analytics Inc. in Stamford had with a New York-based consultant. The consultant subscribed to the Bloomberg service, which included its associated data and analytics. The investigation is focused on, among other things, whether Reuters Analytics Inc. improperly induced the consultant to breach certain provisions of the consultant's subscription agreement with Bloomberg by arranging for the consultant to provide Bloomberg information to Reuters.

The investigation also is focused on the use by Reuters of the transmitted information - more specifically, for example, whether Bloomberg data obtained from the consultant was improperly incorporated into Reuters products and whether Bloomberg information was used by Reuters Analytics for any improper "reverse engineering" of certain analytics. The company has been advised that the investigation relates to fixed income information and to some extent also to equities information.

Reuters has also been asked: *"Do you think you will need to withdraw any products?"* The company does not believe so, on the basis of its present knowledge. Reuters written Code of Conduct does not permit improper use of competitor proprietary information in its products. If Reuters discovers any proprietary information belonging to Bloomberg in its products, it intends to take remedial action.

The final question Reuters has been asked is: *"Is the investigation looking beyond Reuters Analytics Inc. to the rest of Reuters Group?"* The company's understanding is that the principal focus of the US Attorney's Office investigation is on Reuters Analytics Inc. and certain of its personnel. However, the investigation will also involve an examination of the activities of other individuals and entities outside Reuters Analytics Inc.

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