

Reuters To Acquire AVT Technologies To Extend Its Automated Trading Business

December 2, 2002

London – Reuters, (LSE: RTR.L) the global information, news and technology group, today announced that it has signed a definitive agreement to acquire AVT Technologies Ltd., a specialist in foreign exchange transaction technology, headquartered in the UK.

AVT Technologies specialises in providing leading-edge technology to financial institutions and their customers to conduct FX and money market transactions in a real-time environment over the Internet.

Commenting on the announcement, Alan Clarke, Head of e-Commerce Treasury & Capital Markets, Europe at HSBC, said, "Part of HSBC's FX strategy has been to offer internet-delivered trade automation, to increase capacity, cut costs and gain competitive advantage. The combination of Reuters and AVT brings together industry best practice and market synergies."

Andrew Kidd, Head of eCommerce Distribution, FX & MM of ABN AMRO, added, "AVT is an integral part of our internet-based foreign exchange trading system named DealStation, which services our global client base with leading eCommerce solutions. We believe the union of AVT and Reuters is positive news and one that will enhance our relationship with them both."

The addition of AVT Technologies strengthens Reuters broad portfolio in the bank to customer space and builds on Reuters leading position in the Treasury markets throughout the past 20 years.

Julie Holland, Managing Director, Reuters Treasury Services, said, "Virtually every financial institution is concerned with eliminating costs in its business and moving to electronic trading. With this acquisition Reuters is now positioned to be a clear leader in the high-growth automated dealing and limit order management markets."

Concurrent with the acquisition, Reuters is establishing a Reuters Automated Dealing Technologies business unit, which will consist of the 100 staff joining from AVT Technologies and additional Reuters staff. This new unit is responsible for the strategy and delivery of Reuters automated dealing and limit order management offerings. Mark Redwood, CEO of AVT Technologies Ltd., will head the new unit and report to Julie Holland.

Mark Redwood, Managing Director of Reuters Automated Dealing Technologies, said, "As successful as AVT is as a stand alone company, by linking up with Reuters we join an established leader in the Treasury market. We will benefit from a global sales force and a highly respected brand. Financial institutions will benefit from our best of breed trading solutions."

The acquisition of privately held AVT Technologies is expected to be completed in late December 2002. The net assets of AVT Technologies are expected to be in the region of £4 million at completion. Reuters expects the acquisition to be earnings neutral for 2002.

Remarking on the announcement, Kenneth Steengaard, Head of e-markets, Nordea, said, "Nordea is pleased to note the initiative to increase focus on the development of electronic dealing systems by Reuters. Expanding Internet based trading on Nordea e-Markets with more products and added value features such as STP and order management is core in the strategy of Nordea and we look forward to co-operating with Reuters on achieving this with the AVT product line."

AVT has established itself as a leader in FX transaction technology for the fast-paced treasury marketplace. The company's blue-chip customer base consists of leading global financial institutions including ABN AMRO, Bank of New York, Dresdner Kleinwort Wasserstein, and UBS Warburg. AVT is also a leading provider of marketplace solutions it developed the underlying transaction technology for the FXAll and Centradia portals.

Fabrice Mativat, CEO & Head of Business Development, of Centradia, a leading multi-product, multi-lingual, multi-bank internet-based marketplace, said, "AVT was a key partner in the creation of our unique multi-bank transaction system which today successfully serves our customers. We are looking forward to the benefits that this union might bring for our expansion."

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Note to editors:

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