

Bridge Declares Reuters Winner of Auction

April 30, 2001

London - Reuters, the global information, news and technology group, said today that its bid to acquire certain assets of Bridge Information Systems Inc has been declared the "highest and best" by Bridge. Bridge and some of its affiliates have been in reorganisation proceedings under Chapter 11 of the US Bankruptcy Code since earlier this year in St. Louis, Missouri and have conducted an auction for their business operations. The bid is subject to approval by Bridge's board of directors at a meeting today and by a Bankruptcy Court in St. Louis at a hearing scheduled for Thursday, 3 May. Thereafter necessary regulatory approvals will be sought.

The Reuters bid focuses primarily on Bridge's content and trading applications for US institutional securities businesses, including:

- **Bridge Information Systems** (in North America), a range of products targeted at institutional equities traders and portfolio managers;
- **EJV**, which provides bond pricing, data and analytics services;
- **Bridge Trading Technologies (BTT)**, which provides software, information and transaction services to connect brokers and their buy-side clients, including indications of interest, order routing, order management, portfolio management and valuation services; which includes Bridge Trading, a licensed broker dealer, primarily in NYSE-listed securities;
- **eBridge**, which provides internet solutions to institutional firms; and
- **CRB Index**, a well respected measure of US commodity prices.

These assets should bring significant benefits to the Reuters Group and its customers. Bridge's buy-side position in the US complements Reuters international sell-side position, and would allow Reuters to further develop its services for the benefit of its growing customer base.

The addition of Bridge's transaction services and trading technologies businesses to Reuters product offerings would enable market participants to effect transactions and to reach each other more easily and productively. Additionally, the acquisition of Bridge's fixed income capabilities would enhance Reuters own products by providing comprehensive US data and analytics in this area.

Among assets which Reuters has chosen not to acquire are the ADP retail equity information business, Telerate, Bridge Information Systems outside North America, BridgeNews, the Bridge Commodity business including the Commodity Research Bureau and Bridge's interest in the Australian company Bridge/DFS. However, Reuters will be entitled to share the proceeds of any sale by Bridge of Telerate or Bridge's European or Asian operations.

In a joint statement **Peter Job**, Reuters chief executive, and **Tom Glocer**, Reuters chief executive designate, said: "Our goal for this acquisition is simple: turn these Bridge assets around and provide real benefits to customers. We have already received support from several major customers who believe the deal is in their best interests. This is a significant step for our US business.

"Bridge's core US equities information business has a strong base among institutional investors, an area in which Reuters has traditionally been under-represented and where there are a variety of strong competitors. As a result of the acquisition, Reuters will be able to offer clients a fuller complement of news and data products and link Reuters international and sell-side equities client base to the US buy-side, building a cohesive global financial community. Along with Bridge's assets we are counting on a great deal of talent coming with us to complement our own strong staff."

The cash consideration for the Bridge assets covered by the Reuters bid is \$275 million. Bridge did not calculate financial results for its business segments individually in 2000 but Reuters estimates the 2000 revenue for the Bridge businesses it would acquire was approximately \$435 million (including revenues associated with the provision of soft-dollar services). Bridge indicates that it had a total net loss for all of its businesses, including those not covered by Reuters bid, of \$106 million in 2000. Reuters estimates that the losses on the businesses being acquired are approximately \$6 million per month currently. The bid covers net assets with an approximate book value of \$90 million. Reuters expects the impact of the acquisition on earnings per share (pre-goodwill) to be moderately dilutive during the process of integration which is likely to take around two years and involve integration costs of some \$65 million. Reuters currently anticipates that this acquisition would be earnings enhancing in 2003.

The transaction is expected to close within four months. From 1 July Reuters will pay Bridge up to \$10 million a month through to closing to fund continued operations of the businesses covered by the Reuters bid as well as Telerate's US operations and various bankruptcy administrative costs. Reuters has also agreed to offer financing to Bridge's network provider Savvis Communications of up to \$7.5 million a month to help fund its operations from May until the transaction has closed.

If the transaction is not completed by the end of August both Reuters and Bridge have the ability to terminate the agreement, subject to an extension by Reuters of two months. Also, Reuters and Bridge will have reciprocal options to cause the purchase by Reuters of certain Bridge businesses included in Reuters bid – BTT (which includes Bridge Trading, Bridge Technologies and StockVal), EJV and Wall Street on Demand – for an aggregate purchase price of \$120 million. In addition to the \$5 million deposit required for its original bid, Reuters will make a further deposit into escrow of \$50 million, which will be paid to Bridge if the transaction is terminated or fails to close as a result of delays from regulatory review. However, the deposit will be repayable to Reuters from the proceeds of any subsequent sale of Bridge assets, other than Bridge's interests in Bridge/DFS and Savvis, after Bridge has realised proceeds from the options described above and an additional \$25 million. Reuters will also have an option to purchase Bridge's 48% interest in Savvis until three months after closing at the greater of \$2.50 per share or the average price during the preceding five trading days.

In addition to Bridge board approval, and bankruptcy court approval, the Reuters bid is subject to agreement on key terms of a new network services

contract with Savvis, and to finalising definitive transaction documents with Bridge prior to the 3 May court hearing.

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Note to editors:

Reuters (www.about.reuters.com) premier position as a global information, news and technology group is founded on its reputation for speed, accuracy, integrity and impartiality combined with continuous technological innovation. Reuters strength is based on its unique ability to offer customers around the world a combination of content, technology and connectivity. Reuters makes extensive use of internet technologies for the widest distribution of information and news. Around 73 million unique visitors per month access Reuters content on some 1,400 Internet websites. Reuters is the world's largest international text and television news agency with 2,157 journalists, photographers and camera operators in 190 bureaux, serving 151 countries. In 2000 the Group had revenues of £3.59 billion and on 31 December 2000, the Group employed 18,082 staff in 204 cities in 100 countries.

This news release may be deemed to include forward-looking statements relating to Reuters within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934. Certain important factors that could cause actual results to differ materially from those disclosed in such forward-looking statements are described in Reuters Annual Report and Form 20-F for the year ended 31 December 2000 under the heading 'Risk Factors'. Copies of the Annual Report and Form 20-F are available on request from Reuters Group PLC, 85 Fleet Street, London EC4P 4AJ.

In addition, Reuters may not be able to complete the acquisition on the terms summarized above or other acceptable terms, or at all, due to a number of factors, including failure to enter into a definitive agreement with Bridge, to get Bankruptcy Court or applicable regulatory approval, or to satisfy other closing conditions.

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