

## Instinet: Update on Instinet.com

December 20, 2000

**London** - Reuters, the global information, news and technology group, said today that Instinet Corporation, a wholly owned subsidiary, will market its equity retail trading product through Instinet's wholesale business on a private label basis. While the development of its new platform for direct online retail brokerage has been completed, it will not now be marketed under the Instinet.com brand.

Key elements of the service will be combined with existing functionality to address the retail market indirectly via the brands of other financial services and brokerage firms which wish to utilise Instinet's execution and clearing services.

Current market conditions in the retail on-line brokerage market, including the high costs of customer acquisition, lower levels of trading activity, slowing rate of new customer growth, and substantial declines in the value of online brokerage businesses, all make the wholesale market a more attractive business model at this time.

Instinet's wholesale business offers access to Instinet's large pool of liquidity in equities, the use of its new retail clearing platform, and the opportunity to hold individual clients' accounts. The first major wholesale customer relationship was established in October this year and over 30,000 trades a day are now being processed.

**Douglas Atkin**, Chief Executive Officer of Instinet Corporation, said: "As we analyse the recent developments related to the online retail brokerage sector, we believe that the most prudent way to deliver an Instinet quality service to individual investors and value to Reuters shareholders, in the current circumstances, is by deploying our retail assets on a wholesale basis."

**Peter Job**, Chief Executive, Reuters, said: "Instinet's strategy is to serve individual investors through a variety of means, including this new line of retail trading and clearing products. We already have a successful wholesale model in the Reuters Group supplying packaged solutions of content and technology to a range of broking clients through Reuters Investor services. Instinet will take this further by providing the complete package including execution and clearing."

**End**

### Contact:

Peter V Thomas Tel: +44 (0)20 7542 4890  
Director, Media Relations  
peter.v.thomas@reuters.com

Geoff Wicks Tel: +44 (0)20 7542 8666  
Director, Corporate Relations  
geoff.wicks@reuters.com

### Note to editors:

Reuters (about.reuters.com), the global information, news and technology group, plays a significant role in the functioning of the financial and media markets. Reuters strategy is to make the financial markets work on the Internet. Reuters is the world's largest international news and television agency with 1,957 journalists, photographers and camera operators in 185 bureaux serving 153 countries, gathering and editing news in 24 languages. Reuters premier position is based on a reputation for speed, accuracy and impartiality as well as for continuous technological innovation. Reuters supplies news and information to over 900 internet websites. Instinet, an independently managed subsidiary of Reuters, is the world's largest electronic agency brokerage firm. It covers the equities and fixed income markets. On 30 June 2000, the Group employed 17,067 staff in 215 cities in 98 countries.

**Reuters** and the dotted and sphere logos are the house trademarks of Reuters Limited.

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 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 Interim Statement for the six months ended 30 June 2000 under the heading "Cautionary Statements". Copies of the Interim Statement are available on request from Reuters Group PLC, 85 Fleet Street, London EC4P 4AJ.