

Reuters subsidiary Instinet acquires German Broker - Montag Popper

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London - Reuters electronic broking subsidiary, Instinet, has acquired Montag, Popper & Partner GmbH (MPP), one of Germany's leading fixed income and equity brokers, based in Frankfurt. The unaudited net assets of MPP on 30 June 1999 were DM9.2 million. The costs of the acquisition are not material to Reuters.

The acquisition of MPP's bond business will enhance Instinet's entry into the European fixed income markets and enable Instinet to offer a broader range of services to its European clients. Instinet also plans to build upon MPP's OTC bond options business.

MPP's fixed income and options businesses will be fully integrated into Instinet's newly developed fixed income operations to provide a combined brokerage capability in Frankfurt and London. The enlarged business will offer a service to the professional market for Sovereign debt, euro-denominated instruments and US Treasuries. MPP will continue to participate in the daily fixing process for German bonds through the Frankfurt Stock Exchange, where it has a leading position in this activity.

MPP's equity unit will transfer into a separate company, managed independently from Instinet, which will be run by two of the existing MPP partners and a number of its staff.

Michael Ezra, Managing Director and Head of Brokerage Operations in Europe at Instinet, said: "The prime objective of this acquisition is to harness an effective and accessible liquidity pool for the benefit of professional fixed income market participants in Europe. Our aim is to migrate MPP's solid and long-standing voice-based broker relationships into our core customer group so that execution can be delivered by means of an advanced electronic platform."

The goal of Instinet Fixed Income Markets is to provide greater efficiency, liquidity and transparency to the global fixed income marketplace, delivered via a purpose-built, leading-edge, secure and scalable electronic platform that will offer real-time trading, reduced transaction costs, greater control and neutrality.

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Contact:

Instinet:

London: Lorrie Harte Benwell Tel: (44) 171 680 3008
Director of Communications
lorrie.harte_benwell@instinet.co.uk

New York: Terrence Mulry Tel: (212) 310 9554
Vice President of Corporate Communications
t.mulry@instinet.com

Reuters:

Geoff Wicks Tel: (44) 171 542 8666
Director, Corporate Relations
geoff.wicks@reuters.com

Adrian Duffield Tel: (44) 171 542 4728
Manager, Corporate Communications
adrian.duffield@reuters.com

Note to editors

Instinet is the world's largest agency broker and pioneered the use of advanced technology to enhance the efficiency of broker services in the equity markets. Its business model provides clients with anonymity, neutrality, liquidity, transparency and control. Instinet is a member of 17 exchanges around the world and trades in more than 40 markets. Instinet has taken the expertise built up over 30 years in the equities markets and applied it to fixed income. Instinet Fixed Income Markets combines the best attributes of electronic trading with a dedicated broker desk staffed by market professionals to deliver the first full-service electronic brokerage solution to the fixed income marketplace.

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