



Reuters and ICor form joint venture broker for derivatives market

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London – Reuters, the global news, information and technology group, and ICor Brokerage, the electronic derivatives broker, have today created a new 50/50 joint venture, ICor Brokerage Ltd, to develop electronic brokerage services for the global inter-bank foreign exchange options and interest rate derivatives markets.

Reuters is initially contributing US\$10 million in cash to the joint venture. It will also host the ICor broking system on its Dealing 3000 foreign exchange interbank trading system and license the use of the Reuters brand. The joint venture will also benefit from Reuters global technical and marketing support. ICor Brokerage is contributing all its existing business into the new venture.

The new venture will initially focus on electronic broking services for foreign exchange options, with a planned global roll-out starting in Asia from January next year, extending to Europe and North America later in 2002. The new company also plans to expand to offer interest rate swap and interest rate options broking from the second half of 2002.

Reuters will develop post-trade connectivity which will link the trading desks of ICor's customers to their middle offices for risk management and settlement purposes, so reducing transaction-processing costs.

Jeff Larsen and Neil Chriss, currently Chief Executive and President of ICor Brokerage respectively, will have the same roles in the new venture. Julie Holland, Chief Executive of Reuters Treasury Customer Segment will become Chairperson of the new venture. Reuters will also appoint another director.

Julie Holland, Managing Director, Reuters Treasury Services, commented: "There are opportunities for electronic brokers to gain a share of this US\$800 million market for broking foreign exchange and interest rate derivatives. Currently most transactions are carried out by voice brokers. This joint venture enables us to service this market quickly and to enhance our total service to customers. We are not just buying into sound technology built by traders for traders but a management team with proven expertise."

Jeff Larsen, Chief Executive Officer, ICor Brokerage Ltd, said: "Since January 2000, ICor has attracted over 50 banks to its foreign exchange e-brokerage service. We are very excited to be working with Reuters and to have the backing of the Reuters brand. This will enable us to build liquidity fast. The founding members of ICor all come from banking, broking, trading and systems backgrounds with years of experience in the cash and derivatives markets. We believe that the combination of Reuters presence and our broad view and understanding of this market puts the new venture in a very strong position."

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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. Reuters is the world's largest international text and television news agency with 2,260 journalists, photographers and camera operators in 190 bureaux. In 2000 the Group had revenues of £3.59 billion and on 30 June 2001, the Group employed 19,081 staff in 210 cities in 99 countries. Reuters celebrates its 150th anniversary this year.

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ICor Brokerage is an on-line global broker platform for over-the-counter derivative instruments focusing exclusively on the dealer-to-dealer market. The Company's electronic brokering system offers clients an intuitive state-of-the-art, multi-asset class electronic interdealer brokerage system. The system is designed to have the functionality of a voice broker while being delivered on line. Founded in January 2000 by a team of sophisticated derivatives and IT professionals, ICor currently has offices in New York, London and Tokyo. Tom Binks continues to head up the international operation from London.