

## Reuters and Capco form joint venture to develop data management services for STP

October 9, 2001

**London** - Reuters, the global news, information and technology group, and Capco, the global services and technology solutions provider focused exclusively on the financial services industry, have formed a 50/50 joint venture. The new venture will develop a range of software data management services which will enable financial institutions to increase operational efficiency and enhance the straight through processing (STP) of financial transactions.

Reuters and Capco are each investing £16 million of cash each in the joint venture. Capco is licensing its e-STP software platform to the new venture and providing consulting and software development services. Reuters will sell the range of services developed by the new company and provide global customer support. Reuters and Capco will each appoint three directors to the new venture's board.

Competitive pressures in securities trading, increased visibility on performance and shorter trade settlement cycles focused on T+1 are driving financial institutions to apply STP and improve their operational efficiency across all markets. The Securities Industry Association (SIA) recently cited inconsistent and inaccurate reference data as a major issue for the industry in achieving T+1.

The new company will focus on developing products and services that will complement the existing range of Reuters Data Management Solutions, addressing areas such as data cleansing and failed trades. The services, which will be web-based, will enable customers to achieve a significant increase in the accuracy and quality of their data.

This development is the first major venture of the Reuters and Capco alliance initiated in February 2001, when both companies committed to develop back-office software solutions for the financial services industry.

**Devin Wenig**, President, Reuters Investment Banking and Brokerage Services, said:

"Effective management of data is key to all our customers achieving STP and the requirement for T+1. Providing fast accurate data and ways to manage it is one of Reuters core competencies. Our new venture with Capco will enable us to provide the most sophisticated and well-supported range of data management solutions for financial institutions worldwide."

**Rob Heyvaert**, Chairman and Chief Executive Officer of Capco, added: "We believe this new venture will enable financial institutions to achieve greater efficiency as they move to STP. As a proven thought leader in STP and T+1 strategy, we are delighted to be able to work with Reuters to lead this initiative for the industry."

**End**

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### Note to editors:

The new venture's senior management team consists of Cormac Kelly and Kurt Vandenberg from Capco, who will be Chief Executive Officer and Chief Technology Officer respectively, and Martin Haines and Jonathan Steinberg from Reuters, who will be Chief Marketing Officer and Chief Financial Officer respectively.

Reuters ([www.about.reuters.com](http://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.

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 Interim Statement for the six months to 30 June 2001 under the heading 'Risk Factors'. Copies of the Interim Statement are available on request from Reuters Group PLC, 85 Fleet Street, London EC4P 4AJ.

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