Reuters extends its Order Handling capabilities with acquisition of Liberty

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London - Reuters, the global information and news group, has acquired Liberty SA, a subsidiary of Cedel International SA. This acquisition significantly expands Reuters capabilities in order handling, the electronic transmission of investment business.

Liberty is a leading provider of electronic links for the global securities markets offering order routing and order management services. Liberty, which has some 150 clients, also provides links to other trading processes such as clearing and settlement.

The value of the net assets acquired and the cost of the acquisition are not considered material to Reuters. The acquisition will be funded out of the existing cash resources of Reuters.

Reuters is developing an order handling business providing 'straight through processing' which will enable its clients to automate the trading process, manage order flow and reduce their costs. This strategy will also respond to the growing requirements for cross-border trading.

The acquisition of Liberty follows Reuters recent investment in GL Trade which provides accesses to electronic stock exchanges. Reuters will complement these capabilities with system solutions and integration for customers who require enterprise-wide order management systems.

Reuters and Cedel Bank have separately agreed to develop further 'straight through processing' links which will allow customers to clear and settle transactions in Cedel Bank.

Peter Job, Reuters chief executive, said: "We intend to become a prominent supplier of order handling capabilities for the securities markets. The purchase of Liberty is a significant milestone in this strategy."

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Note to editors

Background
Stock exchanges are automating and consolidating to offer cost-effective pools of liquidity with electronic gateways for execution. Market participants need to improve profitability through lower costs and reduced risk as well as to develop standardised trading processes. There is therefore a need to create electronic links at all levels to trade and process investment business.

Reuters is meeting this need by developing an order handling capability, i.e.: the electronic handling of various stages of the securities business.

Order management systems are used in the front offices of brokers, traders and investment managers to manage enterprise-wide order flow and external links.

Order routing systems allow counterparties to route and manage orders and indications of interest between themselves.

Stock exchange gateways systems deliver order information and trading access to electronic stock exchanges.

Indications of interest are the indicative order messages communicated between market participants.

'Straight through processing' is the development of the entire trading process into an efficient electronic process.

Reuters
Reuters supplies 457,000 users located in 58,000 organisations in global business and news media with the widest range of information and news products including real-time financial data, transaction and risk management systems, numerical, textual, historical and graphical databases, news, news video and news pictures. Reuters designs and installs trading room systems. It extensively uses internet technology for wider distribution of information and news.

Reuters is the world's largest news and television agency with 2,035 journalists, photographers and cameramen in 169 bureaux serving 163 countries. News is published in 25 languages.

Cedel Group
Cedel Group was created in September 1970 and its shareholders consist of the world's major financial institutions. On 1 January 1995 a new corporate structure was introduced, establishing for the first time a parent, Cedel International, with subsidiary companies, including Cedel Bank, the International Depository, which contains the core clearing and settlement business of the former 'Cedel'. The Bank is assigned short-term and long-term ratings of A1+ and AA+ respectively by Standard and Poors and F1+ and AA respectively by FITCH IBCA and holds USD 1.6 trillion of customers' securities in safekeeping; trades worth up to USD 100 billion are settled in a business day. In September 1997 a new subsidiary, Cedel Global Services (CGS) and a sister company to Cedel Bank, was established. CGS brings together the IT Development and Operations functions of Cedel Bank and will provide securities processing services to the Bank. In the longer term, CGS will respond to increasing market demand for centralised securities processing.

GL Trade (GL)
On 29 July 1998 Reuters acquired a 33.5 per cent stake in GL. GL, formerly known as GL Consultants and based in Paris, is a leading developer of interactive software which links equities traders to electronic exchanges in order to monitor the market and enter orders. Reuters has additionally entered into an agreement to market GL's electronic gateway technology. To date, GL has developed over 20 interfaces to electronic exchanges. This agreement will enable members of stock exchanges who are also Reuters clients with open systems to use GL's electronic gateways to link to their exchanges.

Reuters acquired its stake in GL from Société des Bourses Françaises (SBF-Bourse de Paris), the Paris stock exchange, and the founders of GL. SBF retains control over GL

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