



Department of Justice

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JUSTICE DEPARTMENT REQUIRES THOMSON TO SELL FINANCIAL DATA AND RELATED ASSETS IN ORDER TO ACQUIRE REUTERS

Enforcement Action Preserves Competition in Markets for Financial Data

WASHINGTON — The Department of Justice said today that it will require The Thomson Corporation (Thomson) to sell financial data and related assets in three markets for financial data in order to proceed with Thomson's proposed \$17 billion acquisition of Reuters Group PLC (Reuters). The Department said that the transaction, as originally proposed, likely would have resulted in higher prices to purchasers of three important types of financial data used by investment managers, investment bankers, traders, corporate managers, and other institutional customers in making investment decisions and providing advice to their firms and clients.

To preserve competition, Thomson must, within 60 days, sell copies of three financial datasets and must license related intellectual property to a firm or firms that will use the data in order to offer products and services in competition with the combined firm.

The Department's Antitrust Division filed a civil antitrust lawsuit today in U.S. District Court in Washington, D.C., to block the proposed acquisition. At the same time, the Division filed a proposed settlement that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

The Department concluded that the transaction would have eliminated competition between Thomson and Reuters and likely would have led to higher prices and reduced innovation for fundamentals data, earnings estimates data, and aftermarket research reports. These data are vital to institutional financial data users, and the merging parties are two of only a few firms that supply such data, which are both purchased on a stand-alone basis and also bundled with other data and distributed through desktop terminals.

"Without the asset sales obtained by the Department, users of institutional financial data likely would have faced higher prices and reduced innovation as a result of this transaction," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The remedy will ensure that participants in the financial markets will continue to receive the benefits of competition."

Under the terms of the proposed settlement, Thomson and Reuters must sell copies of the data contained in the following products: Thomson's WorldScope, a global fundamentals product; Reuters Estimates, an earnings estimates product; and Reuters Aftermarket (Embargoed)

Research Database, an analyst research distribution product. The proposed settlement further requires the licensing of related intellectual property, access to personnel, and transitional support to ensure that the buyer of each set of data can continue to update its database so as to continue to offer users a viable and competitive product. With these assets, the acquirer of each set of data will be able to offer institutional financial data users products comparable to those offered by Thomson or Reuters prior to the merger. Under the proposed settlement, the Department's Antitrust Division must approve the buyer of each of set of assets.

The remedies contained in the proposed settlement with respect to three financial data markets are consistent with those obtained as a result of an antitrust investigation by the European Commission and also announced today. The European Commission, based on market conditions in Europe, obtained relief in an additional product market as to which the Department found no competitive concerns based on market conditions in the U.S. The Department's Antitrust Division and the European Commission cooperated extensively throughout the course of their investigations, with frequent contact between the investigative staffs and the sharing of documents and information with the consent of the parties who provided them. The Antitrust Division also cooperated extensively with the Canadian Competition Bureau.

"This resolution by the Antitrust Division, the European Commission, and the Canadian Competition Bureau is an example of effective cooperation in global competition enforcement," said Barnett.

Thomson is an Ontario, Canada, corporation and is headquartered in Stamford, Conn. Thomson has business divisions in the legal, financial, tax & accounting, scientific and healthcare areas. Thomson Financial is one of the three largest distributors of financial data to institutional users in the world.

Reuters is a United Kingdom public limited company headquartered in London. Reuters distributes and sells financial data products around the world. It is one of the three largest distributors of financial data in the world.

As required by the Tunney Act, the proposed settlement, along with the Department's competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to James Tierney, Chief, Networks and Technology Section, Antitrust Division, U.S. Department of Justice, 600 E Street N.W., Suite 9500, Washington, DC 20530. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

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