

REUTERS
FIRST QUARTER 2007
CONFERENCE CALL
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Miriam McKay: Ladies and gentlemen, good morning and welcome to Reuters first quarter conference call. It is my pleasure to introduce Tom Glocer, our CEO, who will give you a brief business update, and David Grigson, our CFO, who will walk you through the numbers. Before we kick off, I need to remind you that our comments today may include forward-looking statements, and the risk factor section of our Annual Report and today's press release describe certain important factors which could cause actual results to change materially from our forward-looking statements today. You can get copies of our Annual Report from our website or from our Corporate Relations offices here in London or New York. With that, Tom, over to you.

Tom Glocer: Good morning, everyone. It is less than two months since we last updated you, so I do not intend to take up too much of your time this morning. Instead, let me give you my summary view of Reuters progress in the first quarter, touch on market share and then outline progress in our FX franchise, before handing you over to David for a more systematic review of our Q1 revenue.

Personally, I am really pleased with the strong start we have made to the year. Our conversations with customers suggest that market momentum remains strong, and

our sales this quarter have been very good. Just as I am sure you are, we are watching consolidation moves very carefully, but we have not seen anything yet which could blow us substantially off course, including ABN. The big moves in the currency markets are hurting our reported numbers, but boosting our Treasury business. In short, operating conditions are well in line with what we were expecting when we spoke to you in March and as a result revenue and margin guidance for 2007 remain unchanged.

Today, we announced the results of our annual market share study which we have been publishing for the last four years. In our core financial information and services business, our research shows that we saw a small improvement in our market share, year on year. This is consistent with the enterprise wide deals that we have struck during the year and the read-across from our own rate of revenue growth in 2006. We are doing better at the big banks, better in the Enterprise data space and overall our progress is steady and favourable.

There are a couple of things I would like to pick up on in FX. The market remains strong and we saw record volumes in Matching and Prime Brokerage in March. We are also pleased that the Chinese renminbi now is trading electronically on a Reuters platform. FX MarketSpace, our joint venture with the CME, launched on schedule on 26 March, and the venture is very much on track.

There are a number of aspects of FX MarketSpace that please me. First, we are seeing good growth in the number of users in the community. Secondly, the customers are diverse in terms of geography and trading style. Thirdly, feedback from customers is that they are very happy with the bid-ask spread, liquidity and depth of book and, last but not least, volumes are growing steadily and, although these are early days, we are quite pleased with progress. FX MarketSpace will go on to provide volume on a monthly basis, beginning with the April figures, which will be released on 7 May. With that, I would like to hand you over to David.

David Grigson: Thank you, Tom. I shall briefly run through our first quarter numbers, without repeating everything from the trading statement, and then talk a little about our expectations for the remainder of the year. Needless to say, if there are any aspects of our revenue performance that you would like to cover in more detail, we shall be happy to pick those up under Q&A.

Let me start by reinforcing Tom's view that we are pleased to have made a good start to 2007 and we remain confident of delivering on our targets for the year as a whole, which we set out at the time of our preliminary results.

In the first quarter, our business grew 6.5% on an underlying basis, which excludes the effects of currency and acquisitions. This 6.5% growth was driven by a healthy growth in the numbers of installed desktops across the business and by strong trading volumes, as well as the 2007 price increase and a good first quarter contribution from Core Plus. Revenue on an actual basis declined by 1.1%, as the impact of currency more than offset our underlying growth. Exchange rate movements caused a 7.6 percentage point reduction in our first quarter revenue growth, as sterling strengthened against all major currencies in which we derive our revenue. This is mainly down to the US dollar, which weakened by 12% year on year and accounts for around half our revenue. In addition, the euro, which contributes about one quarter of our revenue, fell 2%. Lastly the yen, which is about 5% of our revenue, weakened by 13%.

Returning to our underlying growth rate of 6.5% for the quarter, you can see that we grew in all four divisions and in all three regions, with a particularly strong performance in Research & Asset Management and in the Americas. I will now touch on each of the divisions in turn.

Sales & Trading was driven by a combination of volume growth and the 2007 price increase and recoveries. Our best performing products were in the top tier, with 3000 Xtra growing by 13%, thanks to a combination of new sales, migrations and the benefit of our price increases. Our FX franchise continues to see good growth, driven by increased levels of FX market activity and volatility. Conversational Dealing subscriptions were up 4%, with increased user numbers in emerging and established markets while usage revenue from transactions systems grew 32%, driven by strong volumes.

The effect of migrating our Telerate customers over to Reuters services resulted in a drag on underlying Sales & Trading growth in the quarter. The migration process is proceeding apace in the Americas and in our larger customers and we are confident that overall migrations will result in a one percentage point drag on full year Group revenue growth, as we set out at the prelim results in March.

The Research & Asset Management division grew by 24% on an underlying basis. Seven percentage points of this underlying revenue growth resulted from customers migrating from Sales & Trading products to the Research & Asset Management family, primarily the Reuters Knowledge/3000 Xtra combination. This migration is revenue-advantageous to the Group as a whole but does tend to slightly flatter the Research & Asset Management division at the expense of the much larger Sales & Trading division.

Investment Banking & Investment Management grew revenue by 35% on an underlying basis, thanks to the sales of our desktop product – Knowledge – as well as our content in datafeed format. Wealth Management grew 10% underlying, driven by our content businesses such as Lipper and client demand for feed and web-based solutions to support their Wealth Management businesses.

The Enterprise division grew 7% on an underlying basis, with excellent sales of real-time and reference datafeed products driving 15% growth in Enterprise Information. Trade and Risk Management grew 10% on an underlying basis, while Information Management continued to see the effect of planned withdrawals. Overall, we are very pleased by the continued growth of the Enterprise division, which is a leader in this higher growth segment of the market. Not only is this business highly resilient but it continues to outperform the Group as a whole.

Moving on to Media, revenue grew by 2% on an underlying basis, versus a tough comparable last year. The Agency business grew 2%, as Reuters continues to benefit from the demand for multi-media content, for example, the demand for video for newspapers to use on their websites. The growth this quarter was partially offset by a decline in TV usage revenue, which tends to be unevenly phased.

Let me return to Group revenue and deal with progress against our Core Plus targets. The 6.5% underlying revenue growth that we achieved in the quarter includes two percentage points from Core Plus initiatives, which represents about £15 million of revenue. This performance is consistent with our guidance for the full year that Core Plus initiatives would contribute 2+ percentage points to underlying revenue growth. All four of the main elements of Core Plus contributed to growth in the quarter: electronic trading; high value content; Enterprise solutions and new markets.

In summary, we feel that we have made a strong start to the year, driven by robust market conditions and by good customer uptake of our recently launched products.

With that, I shall hand over to Miriam for your questions.

Miriam McKay: Thank you, David, and thank you, Tom.

Questions & Answers

Colin Tennant (Lehman Brothers): I have a couple of questions. The first is on the market share data. I wondered whether you could elaborate across the different divisions or product lines and say how the market share is developing. Are there any take-aways that you have spotted from the trends there, that you might want to highlight.

The other question is on the Core Plus momentum. Obviously, the Core Plus number in Q4 was pushed up by some outright sales. Could you give us a little more detail on the nature of those outright sales and how the Core Plus will split out between monthly outright stuff and recurring sales through the year?

Tom Glocer: I will comment on the market share data. This really is fresh off the press and so we are still trying to extract meaning from it, but a couple of trends are emerging.

First, I was very pleased to see progress by us on the buy side, borne out obviously, in the revenue figures that you see for Q1 but also in the continued strong march of Reuters Knowledge. We are obviously still sell-side very oriented in a lot of our revenues, but it is really great for me to see that we are beginning to build a beach-head and that it can be done, and that it is around a strong product.

Secondly, the whole Enterprise data story, both real-time data to power applications and trading engines and historical and reference data, is an area in which we have always been strong. It is pleasing to see that the market as a whole is shifting from being very terminal-oriented to being a mix of terminals and Enterprise. That structural shift helps us and is borne out in the numbers. The Asia market share was strong regionally and I would expect, as we go forward, that the improved performance that we are beginning to see in RAM may show us picking up some market there over time, which would be great.

And then the final take-away is all around these Enterprise agreements. We are doing well with that client base and what you see is both the players in the market doing well, with Bloomberg probably doing a bit better on the individual hedge fund expansion.

But I am quite pleased, and it is positive that we are growing now for the first time organically. In the past, whatever market share we have picked up has tended to be by acquisition.

David Grigson: On the Core Plus, Q4 through to Q1 progression, you are right that Q4 Core Plus revenues, which were £16 million were boosted by a number of outright deals. They were included in Core Plus because they were almost exclusively in China and related to a small number of risk and trade management deals that we did there. A big chunk of it was delivering the final drop of the CFETS system – that is the Chinese foreign exchange trading system that we have been working on for some while that incidentally is now starting to see some trading on the renminbi there as well, which is clearly good news – and that revenue, as we know from previous quarter by quarter progressions, can be quite lumpy.

So the £15 million this year is pretty well exactly where we expected it to be and, insofar as we might see some outright components in Core Plus, they will not be materially different in terms of the overall revenue mix and what you see for the firm as a whole. So do not expect anything particularly different there.

Colin Tennant: Okay, thanks. And can I just follow up quickly on the Enterprise deal? I see you have just announced one with Barclays Wealth Managers and 800 desktops? Is that incremental? Or are those already in place? Maybe you can just tell us a little bit more about that deal.

Tom Glocer: Yes. Most of it is incremental. I consider that a mini Enterprise deal, so it is an Enterprise deal with a large division of Barclays. We are obviously present on the BarCap side and the BGI side as well. It is positive for us again, (1) because of the ability to penetrate the buy side, (2) because it is a combination of Xtra Knowledge and Wealth Manager, and (3) because I would expect, in its wake, there is other Enterprise solutions business being pulled through. We flagged it because it follows the pattern of our large Enterprise deals. We have been working on it for a good long while and the level of engagement is high.

Colin Tennant: Thanks very much.

Paul Sullivan (Merrill Lynch): A couple of questions. First, can you provide a bit more colour about what you have been saying this morning about the net

sales performance in the quarter and how, other things being equal, that will translate into the underlying revenue growth performance through the rest of this year? Secondly, just a question on the recoveries: is that 11% growth sustainable? And just a small point – the revenue you restated out of recoveries: is that growing at the same rate as recoveries? Or more in line with the underlying business? Then finally, can you just quantify the Telerate impact in the quarter within Sales & Trading. I may have missed that earlier on.

Tom Glocer: I get the easy ones! So I will take the first one and leave all the good technical points to David. What more can I tell you on net sales? It is generally out there now that January was the best month we have on record going back to when we started keeping records in this form in 1994. February and March were very strong in their own rights, not quite at the January level. I am pleased because of the fact that we front end loaded it and we have been working to get out of the blocks in good form in Reuters, rather than just wait; and in the subscription business, the earlier you can get your net sales in the year, the better. I am not sure I have much to add – I do not think there are any new or different patterns in terms of how or when they flow through into installs and net revenue. But I will turn over to David for the other parts of the question.

David Grigson: So, on the recoveries question, Paul – 11% growth in the quarter. Obviously we do not obviously control pricing for third party content, including data from exchanges, so it is difficult to be precise about what we might see going forward. Our own guidance makes an assumption that overall for the year, recoveries revenues will be growing pretty well in line with the rest of our business. So it does not make any assumption about recoveries boosting our growth, although it clearly did a bit in the first quarter. The reason for that, as you will recall, is that last year, when the prices went through, they mainly impacted through the second quarter and we are seeing, if you like, the last quarter of that annual effect in the first quarter of this year. So there is a rather 'one off' feel to that. But we will see what happens in the second quarter. As I said, our guidance assumes that recoveries stayed pretty well in line with the rest of our revenue.

Previously we had included in recoveries the sort of local cost that we incur when we deliver products and services to our customers. Under our BT contract, the commercial arrangements around all that have changed, so we are now no longer

treating comms costs as a recovery; where appropriate we are charging it on to our customers in the normal course of business. Therefore, it is a revenue stream which is closely connected to products and products, of course, appear under different divisions according to where they are managed. Therefore, we have taken this particular revenue stream out and put it where it is now managed as part of the kind of product revenue.

Coms revenues are declining slightly year on year, which has helped to boost the recovery number, now ex-coms, but it is a very small number. Most of it stays within Sales & Trading so from a divisional perspective, it does not really make too much difference. It simply reflects the way we are managing the business.

On MLT migration, particularly in Sales & Trading, which is where most of the MLT revenues are, for the quarter as a whole, for the Group as a whole, MLT was a little over the 1% average that we are expecting for this year but within Sales & Trading it is a little more than that – closer to 2%. It has had an effect on this year's underlying recurring revenue movement in Sales & Trading and, of course, last year it did not appear in underlying numbers at all, so that is a peculiarly 2007 impact.

Paul Gooden (ABN): I have two questions please. The first one is on the Enterprise licence agreements that you signed HSBC up for at the beginning of the year, and it looks like you signed another one up today. Can you give us a rough sense of what proportion of your customers you currently have signed up to these types of deals and, realistically, where do you expect to get? Do you expect most customers to sign up, or do you think that it will just be a few?

The second question is on FXMarketSpace. You gave us some colour this morning and I know we have the volume data out on 7 May. When you launch a new liquidity pool, it tends to be fairly binary, so I wonder if you can give us a little more colour on how things are going there? For example, are the trading volumes that are taking place at the moment happening at full list price, or are you having to discount significantly off your published list price?

Tom Glocer: Let me try to answer both, and I shall start off with FXMS. I would agree with you that, ultimately, the results of a given transaction service are pretty binary, and it either gets critical mass, and then you get that positive feedback of liquidity begetting more liquidity, or not. However, the starts, if we just take any of the Reuters

platforms, can take quite a lumpy path. Instinet was a little before my time but I know that for two or three years, absolutely nothing happened – it was quite ahead of its time. Then, again, when Reuters launched the original Matching service, there was even talk in the company at one point of pulling the plug, because it just did not seem to be going anywhere. There are many factors at play, including whether the market is yet ready for the particular model of trading being presented. Some folk sit on the sidelines until it seems inevitable that the service is getting critical mass.

Turning specifically to FXMS, we shall provide the transparency of what the average daily volumes are, so that the venture itself will begin to publish those figures: 7 May for April and then on and on with trailing monthly figures. I certainly look at that and it is positive that we have seen a peak already of \$1 billion a day as CME disclosed in their first quarter. However, in the early days what I look for is the quality of names coming into the community, the pipeline waiting to come on and why are they climbing on, and both of those are very good. Right now, most of the trading still comes from a pretty narrow band of players, but we are taking more and more in, so that is part of it.

Finally, on the pricing discount etc, there is a very formal introduction plan, which seeks to motivate clearers to bring through their ultimate trading members, and the pricing is all out there. Much of it is on the website itself, so to my knowledge from being on the Board of the venture, there are no special deals, we have not had to break the policy. All of that is favourable but I would not look for May or June: I doubt you will get the definitive word that, yes, this is absolutely a guaranteed success, or not. We are in it for a good, steady improvement which is what the results today show.

Let me say a quick word on the Enterprise deals. Overall, we manage roughly our top 25 accounts globally on a global basis, and that certainly includes ABN and Barclays. Of those 25 firms, we get almost that amount of revenue as a percentage of our total. To me, all of them are, in theory, the right sort of firms who would benefit from an Enterprise approach, largely because they are so global, because their operations span many markets, because they are both terminal users as well as very heavy consumers of data and solutions. We do not necessarily have a target that we get all 25 on Enterprise, and these are long sale-cycle deals whereby, at any one time, we are working on a couple. However, I would think that over time we shall see at least half of the large ones and a few others who may not be in the global accounts but, nonetheless, benefit from that sort of an approach.

Paul Gooden: Thank you, and of those top 25 is it fair to say that just one of them at the moment has an enterprise agreement?

Tom Glocer: Oh no. I am trying to think about how many we have talked about publicly: HSBC, Citi, Goldman, Merrill and there are probably one or two others that we have not mentioned. There are probably four on the new style, six or seven in total.

Paul Gooden: Great, thank you.

Redwan Ahmed (Oriental Securities): A quick question on consolidation. I know it is early days and we do not have the full details yet, but could you just talk a little about the potential impact of banking consolidation, considering that RBS, ABN and Barclays are amongst your top 20 clients?

Tom Glocer: Sure. The first point to note is that, built right into the run rate at Reuters, is a healthy amount of consolidation, an ability to weather without significantly moving the numbers. In our first quarter, there is some level of consolidation activity flowing through from Italy. We have seen big mergers over the years and, as I have been flagging, I think there is more to come there. There has been a certain amount of merger activity as we have seen with the Landesbanken at Sparkasse level in Germany.

The first point is that we expect there to be a reasonable amount of consolidation. The second point is that there is an interesting process in financial services of creative disruption – so yes, you see some consolidation at the top end among the very largest firms, but then there is a very interesting process of creation down below, hedge funds being the big story and lots of the firms who now, for instance, are on FXMarketSpace did not exist five years ago, but also on the advisory and banking boutique side. There are a lot that tend to come on in ones and twos, even when the big ones come out in, let us say, a hundred.

The final thing I would point to very specifically about ABN is that it is early days. They have signed up to the Barclays deal but it is not yet 100% clear as to whether that will win the day – and that is the first point. The second point is there is a fairly significant regulatory process of approval and only then can we go in and engage in an integration plan, which we tend to do on a proactive basis. So this will have no effect on

2007, and a possible net sales effect in 2008, and probably revenues to the extent that there is a down-tick from it in 2009.

Wrapping it all up, I am not particularly worried about ABN because that has been on the market for a couple of years. If you told me that there were going to be five or six of those big deals among our big accounts, or if every quarter there was a sizeable one, then we would have moved beyond the historical rate of consolidation which we can manage, through to something that might take a point or so off of our growth.

Patrick Wellington (Morgan Stanley): Good morning everybody. I have a couple of questions. The first is on FXMarketSpace. Is it possible to give us an idea of what a good number is at this stage? What is \$1 billion in the context of the market and future run rates? I know that the management of FXMarketSpace has talked about being bigger than some of the existing trading systems by the end of the year.

Secondly, on the core business, could you comment on Europe? Europe grew by 5%, which is a marked improvement over recent times. Can you tell us what is going on there, given that you are still getting some consolidation in those markets.

Tom Glocer: I will start with Europe. Europe, for us, is an even more expansive concept than for the European Commission. EMEA includes the fast-growing Gulf, Russia – where we do well - and Africa where this may be a long-term growth opportunity. I think one day we will sit around on calls like this and talk about the emerging Africa.

Probably what has moved the needle the most within the core of Europe is Germany turning around and now performing well. The Nordics went through a very significant period of consolidation, with really only a handful of banks, and they are now growing very nicely again. In Italy, we have been seeing some continued negative performance, largely from consolidation. France is beginning to pick up. Given the size of Europe in our numbers, this is particularly nice to see.

Speaking of numbers, and segue-waying over to FXMarketSpace, I do not know, one month in, what an impressive number is. The average trading is in the hundreds of millions. What will be important to me will be to see the trend over several months – say, look at the six monthly trend – and see how much additional volume we are bringing in, proportional to new entrants in the system. How intensively are those entrants using

it? In what currency pairs is it coming? As a static 'May' number, if you told me that it was £200 million, that might be good, or if you told me that it was £500 million, that might be good. I am not deep enough, as a professional trading in the alternative systems, to know when it is really exciting.

Polo Tang (UBS): I have two follow-up questions. The first is about the revenue progression throughout the year. Asking the question a different way, if you have done 6.5% revenue growth in Q1 and if your net sales momentum is very good – if you are adding more terminals across the year – then mathematically, should your organic revenue growth profile accelerate quarter by quarter as we go through the year? That is the first question.

The second question is really just a follow up in terms of FXMarketSpace. In terms of the way that you are talking about it – and you sound quite optimistic – if you look at what is baked into consensus numbers at the moment, there is a £5 million or £6 million loss for this year. Are you optimistic that perhaps – and this is early days – you will be able to do better than that? I know it is binary, but when can we really start to see revenues and profits coming in for FXMarketSpace? Will it really be 2008, or can we see potentially a decent amount of profits coming in for FX MarketSpace in 2007?

David Grigson: FXMarketSpace – let us deal with that – we are not changing our views on FXMarketSpace at all in terms of the financials, certainly not at this stage and there is no basis for doing that. This year's numbers, some £10 million to £11 million of loss is our expectation. The run rate is a little less than that up to now but that is all pre-launch, post-launch, and clearly you see other things building in cost terms, and we are not expecting a significant amount of revenue this year. We do not expect to see very much at all until the back end of the year. That is what we have built into our model and it is too early to make any changes to that at this time.

On the revenue progression, we knew about the strong January and the strong February at the time of our prelims and clearly that was taken into our guidance. In that sense, it is already in the numbers and in the expectations.

On the progression point, the only thing you need to factor into the mathematics of this is just what the comparatives looked like last year. That is one issue, and you can recall particularly that, in our first quarter performance last year, the recurring revenues

grew 2% but this year that has been 6%. The comparable there was not very tough and you will also recall that last year the quarter by quarter progression moved around from quarter to quarter. In fact, our strongest quarters were Q2 and Q3, both of which exceeded our overall performance for the year. So there is an element of lumpiness that contributed particularly to first quarter lumpiness again in that recoveries number – ex-recoveries, we grew closer to about 6%. The recoveries - as I said earlier in answer to a question from Paul – is more likely to be a first quarter factor and then wind its way out of the system a little. This means that if you want to take the progression, perhaps it is worth taking it from a 6% number towards something that averages 6% or better.

I hope that has given you a little more flavour around that.

Polo Tang: Could I just double check that, in terms of FX MarketSpace, you are saying that there will be £10 million of losses for this year? Is that for the joint venture as a whole, or is that just your share?

David Grigson: That is our share, I think. That is what we said when we launched it.

Alfred Tadros (Hyde Park Corporation): Good morning, gentlemen. I just wanted to ask another question about FX MarketSpace, but I will focus instead on asking a question about customer additions to the platform, and also about where FX MarketSpace is or is not. Of course, you need regulatory approval to roll out in some markets, so I would like to have a sense of where you are now and where it will be rolled out to this year.

Tom Glocer: In terms of regulatory approvals, we have basically hit all of the large jurisdictions. We are regulated by the FSA, which gives us a passport across Europe. In the US, we have obtained whatever Fed approvals were necessary. We have been going systematically through Asia, which tends to be the area where you still have country-by-country. I do not have full recall, but I think we are up in Hong Kong and Singapore, which are the key markets. If you are really interested in Asia, we can obtain that information.

In terms of the customer profile, we are now at 36 institutions that are live on the platform. Of those, it includes 15 clearing prime brokers, which is key because they pull in their wake, obviously, a lot of the buy side institutions. It is a good community. The

pipeline is particularly good. So there are a whole bunch of firms which, for a variety of reasons – some were not in the early access programme to start with, others had their own technology integration issues where they were waiting for one of the feed companies to get into the market – so we should see that community of 36 build nicely.

Alfred Tadros: Thank you very much.

Charles Peacock (Seymour Pierce): I have one follow up question on the sales in the first quarter, as to whether there are any particular geographical trends that you could draw out, whether they are similar to the underlying revenue growth that you had seen geographically or whether there are different trends emerging?

David Grigson: No trends which would suggest that revenue progression, quarter by quarter, is going to be diverted upwards or downwards in any particular area. We did have some stronger growth in some of the European markets that Tom mentioned, and certainly, when you compare this year's first quarter performance with, say, that of last year, that is really a good improvement – France, Germany, particularly Switzerland as well – and that was helpful. In the Americas, we had a stronger year last year, both revenue and sales terms, and that has continued; similarly in Asia. So no real changes in the pattern of those sales.

Craig Watson (JP Morgan): Just to go back to the Enterprise deals. I believe CS and Citi are actually up for renewal later this year. Can you confirm that that is the case? Can you also give us an idea of what the discussions are like? What the feedback is? Also, can you give us an idea of how you drive those deals forward in terms of revenue growth? What do you base your pricing on going forward? And how do you get more money out of your customers?

Tom Glocer: There is nothing new under the sun so, ultimately, we get more money out of our customers as we deliver them the best possible value and price. The Enterprise deals tend to be three or four year contracts. There may be flexibility in the terms within them to go up or down and, typically, one of the advantages we bring is a comprehensive pricing policy, which gets away from the old style market data confrontation, where people are going around chasing every single terminal and, 'Did my data appear here? Or there?' 'Did you redistribute it from a paying access to a non-

paying one?' 'Did you calculate VAR using my real fund data?' 'Can I charge you for the VAR or not?' What we have done, essentially, is reorient our commercial policy to be much more user friendly, in the sense of understanding what our clients are using a lot of the content for – say the driver pricing engine, or the driver risk management system – and then coming up with a package price to allow them to use our data flexibly to embed our RIC symbology deeply into their systems, use our data models and so on. I think of it as a real deepening of the Reuters relationship. That does not mean that if we fail to deliver adequate service they cannot rip us out. But it is more a relationship of trust. It takes a long time to negotiate and understand it.

Some of these are coming up for renewal. Citi is certainly good for this year – but I do not expect any dramatic changes because, if anything, the direction that all of our customers are going is towards more of a need for precisely the set of tools we show up with. I am pretty hopeful that that will result in more of these sorts of deals, rather than fewer.

Simon Baker (Credit Suisse): Two questions, please. One is in terms of the core revenue growth, which I think is 4.5% in the first quarter, or if we should adjust it for the Telerate migration impact, maybe it is over 5.5%. I am wondering whether your whole outlook for the medium term, 2-4%, in the light of your market share analysis as well, can be nudged up? Whether you think it is actually a 3-5% market for the core, now that past investment is kicking in?

Secondly, in terms of the banking consolidation, Tom, you have been quite clear in terms of the potential ABN Amro/Barclays possible impact in 2009. Just to be clear, is that nevertheless still within your normal budgetary process – the extent to which such a consolidation is factored in?

Tom Glocer: Yes. We have seen, certainly in my time, the entire Japanese banking industry consolidate into three or four groups; in the US, the interesting creation of JP Morgan out of Chase, Manny Hannny, Chemical, J P Morgan, H&Q – all sorts of Reuters customers. So that is just in the natural run rate but again, I would not want to see an ABN – one or two of those – every quarter. And it is not likely that we will, given some of the challenges.

I will let David figure out whether we are beyond 2-4% to 3-5%. Our guidance looks good to us where we are. We have said 6% or better. We work very hard to make sure that it is on the better end of that continuum and we seem well-placed coming out of the first quarter.

David Grigson: The only correction that I think I would make to your analysis is that at the same time you factor out, if you like, the Telerate drag, you probably also need to factor out the kind of one-off benefit from recoveries in this particular quarter. So those two really just cancel each other out, so your 4.5%, which is just over the top end of that 2-4%, is a reasonable number to take as our core growth rate.

Miriam McKay: As there are no more questions, thank you everybody.

- End of Conference call -