
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal quarter ended May 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-11869

FactSet Research Systems Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

13-3362547
(I.R.S. Employer
Identification No.)

601 Merritt 7, Norwalk, Connecticut
(Address of principal executive office)

06851
(Zip Code)

Registrant's telephone number, including area code: (203) 810-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** **No**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer **Accelerated filer** **Non-accelerated filer** **Smaller reporting company**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** **No**

The total number of shares of the registrant's common stock, \$.01 par value, outstanding on May 31, 2008 was 47,995,377.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FactSet Research Systems Inc.

CONSOLIDATED STATEMENTS OF INCOME – Unaudited

(In thousands, except per share data)	Three Months Ended		Nine Months Ended	
	May 31,		May 31,	
	2008	2007	2008	2007
Revenues	\$ 147,399	\$ 121,075	\$ 421,812	\$ 346,269
Operating expenses				
Cost of services	48,134	39,429	140,555	111,100
Selling, general and administrative	51,346	42,429	147,601	122,746
Total operating expenses	99,480	81,858	288,156	233,846
Income from operations	47,919	39,217	133,656	112,423
Other income	852	2,143	4,325	5,427
Income before income taxes	48,771	41,360	137,981	117,850
Provision for income taxes	16,229	12,785	46,548	38,999
Net income	\$ 32,542	\$ 28,575	\$ 91,433	\$ 78,851
Basic earnings per common share	\$ 0.68	\$ 0.58	\$ 1.90	\$ 1.61
Diluted earnings per common share	\$ 0.65	\$ 0.56	\$ 1.82	\$ 1.54
Weighted average common shares (Basic)	47,934	48,911	48,127	48,942
Weighted average common shares (Diluted)	49,821	51,387	50,218	51,310

The accompanying notes are an integral part of these consolidated financial statements.

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FactSet Research Systems Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION – Unaudited

(In thousands, except share data)	May 31, 2008	August 31, 2007
CURRENT ASSETS		
Cash and cash equivalents	\$ 166,829	\$ 168,834
Investments	24,845	17,388
Accounts receivable, net of reserves	69,369	59,579
Deferred taxes	3,121	2,808
Prepaid taxes	3,385	—
Other current assets	5,674	3,723
<i>Total current assets</i>	<u>273,223</u>	<u>252,332</u>
LONG-TERM ASSETS		
Property, equipment and leasehold improvements, at cost	150,074	135,419
Less accumulated depreciation and amortization	(61,949)	(56,474)
Property, equipment and leasehold improvements, net	88,125	78,945
Goodwill	160,211	146,187
Intangible assets, net	36,239	36,789
Deferred taxes	9,249	7,211
Other assets	2,747	2,286
TOTAL ASSETS	<u>\$ 569,794</u>	<u>\$ 523,750</u>
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 27,116	\$ 23,461
Accrued compensation	25,322	30,105
Deferred fees	23,409	25,730
Dividends payable	8,639	5,802
Taxes payable	—	5,552
<i>Total current liabilities</i>	<u>84,486</u>	<u>90,650</u>
NON-CURRENT LIABILITIES		
Deferred taxes	5,785	6,450
Taxes payable	3,688	—
Deferred rent and other non-current liabilities	20,112	17,339
TOTAL LIABILITIES	<u>\$ 114,071</u>	<u>\$ 114,439</u>
Commitments and contingencies (See Note 8)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$.01 par value, 10,000,000 shares authorized, none issued	\$ —	\$ —
Common stock, \$.01 par value, 100,000,000 shares authorized, 56,943,734 and 56,160,500 shares issued; 47,995,377 and 48,348,703 shares outstanding at May 31, 2008 and August 31, 2007, respectively	569	562
Capital in excess of par value	197,816	162,561
Treasury stock, at cost: 8,948,357 and 7,811,797 shares at May 31, 2008 and August 31, 2007, respectively	(299,105)	(233,372)
Retained earnings	542,431	469,880
Accumulated other comprehensive income	14,012	9,680
TOTAL STOCKHOLDERS' EQUITY	<u>455,723</u>	<u>409,311</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 569,794</u>	<u>\$ 523,750</u>

The accompanying notes are an integral part of these consolidated financial statements.

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FactSet Research Systems Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS – Unaudited

(In thousands)	Nine Months Ended	
	May 31,	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 91,433	\$ 78,851
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	22,498	21,223
Stock-based compensation expense	10,630	6,827
Deferred income taxes	(3,043)	(5,428)
Gain on sale of assets	(65)	(62)
Tax benefits from share-based payment arrangements	(8,040)	(5,365)
Changes in assets and liabilities, net of effects of acquisition		
Accounts receivable, net of reserves	(9,314)	4,265
Accounts payable and accrued expenses	3,266	(1,809)
Accrued compensation	(4,894)	(1,589)
Deferred fees	(2,674)	178
Taxes payable, net of prepaid taxes	3,043	66
Landlord contributions	674	432
Other working capital accounts, net	(98)	1,473
Net cash provided by operating activities	103,416	99,062
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of business, net of cash acquired	(13,891)	—
Proceeds from sales of investments	31,353	12,984
Purchases of investments	(38,781)	(13,490)
Purchases of property, equipment and leasehold improvements	(25,841)	(25,407)
Net cash used in investing activities	(47,160)	(25,913)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payments	(17,251)	(8,792)
Repurchase of common stock	(65,737)	(33,737)
Repayment of note	—	(2,258)
Proceeds from employee stock plans	16,431	11,436
Tax benefits from share-based payment arrangements	8,040	5,365
Net cash used in financing activities	(58,517)	(27,986)
Effect of exchange rate changes on cash and cash equivalents	256	333
Net (decrease) increase in cash and cash equivalents	(2,005)	45,496
Cash and cash equivalents at beginning of period	168,834	126,549
Cash and cash equivalents at end of period	<u>\$ 166,829</u>	<u>\$ 172,045</u>

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FactSet Research Systems Inc.

May 31, 2008

(Unaudited)

1. DESCRIPTION OF BUSINESS

FactSet Research Systems Inc. (the “Company” or “FactSet”) is a leading provider of global financial and economic information, including fundamental financial data on tens of thousands of companies worldwide. FactSet offers access to financial data and analytics to thousands of investment professionals around the world. Combining hundreds of databases into its own dedicated online service, FactSet provides the tools to download, combine, and manipulate financial data for investment analysis. FactSet applications support and make more efficient workflows for buy and sell-side professionals. These professionals include portfolio managers, research and performance analysts, risk managers, marketing professionals, sell-side equity research professionals, investment bankers and fixed income professionals. FactSet applications provide users access to company analysis, multicompany comparisons, industry analysis, company screening, portfolio analysis, predictive risk measurements, alphatesting, portfolio optimization and simulation, real-time news and quotes and tools to value and analyze fixed income securities and portfolios. FactSet is also available via wireless, handheld devices and is fully integrated with Microsoft Office applications such as Excel, Word and PowerPoint that allows for the creation of extensive custom reports.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial data as of May 31, 2008 and for the three and nine months ended May 31, 2008 and 2007 has been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations. The August 31, 2007 Consolidated Statement of Financial Condition was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States. However, the Company believes that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and notes to them included in the Company’s Annual Report on Form 10-K for the fiscal year ended August 31, 2007.

In the opinion of management, the accompanying statements of financial condition and related interim statements of income and cash flows include all normal adjustments in order to present fairly the results of the Company’s operations for the periods presented in conformity with accounting principles generally accepted in the United States. Certain prior year amounts have been reclassified to conform to current year presentation.

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany activity and balances have been eliminated from the consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates have been made in areas that include receivable reserves, valuation of goodwill, useful lives and valuation of fixed and intangible assets, accrued compensation, asset retirement obligations, income and other taxes, stock-based compensation and allocation of purchase price to assets and liabilities acquired. Actual results could differ from those estimates.

Revenue Recognition

FactSet revenues are derived from month-to-month subscriptions to services such as workstations (also referred to as users), content and applications. At the option of investment management clients, FactSet services may be paid either in commissions from securities transactions or in cash. To facilitate the payment for services in commissions, the Company’s wholly owned subsidiary, FactSet Data Systems, Inc. (“FDS”), is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and is a registered broker-dealer under Section 15 of the Securities and Exchange Act of 1934. Services paid in commissions are derived from securities transactions introduced and cleared on a fully disclosed basis through a

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designated clearing broker. That is, a client paying subscription charges on a commission basis directs the clearing broker to credit the commission on the transaction to FDS at the time the client executes a securities transaction. Clients may also direct commissions to unrelated third party brokers and request payment be transmitted to FactSet to pay for its services.

FactSet applies Staff Accounting Bulletin No. 104 ("SAB 104"), *Revenue Recognition*, to its business arrangements for revenue recognition. Primarily all clients are invoiced monthly to reflect the actual services provided. Remaining clients are invoiced quarterly or annually in advance. Subscription revenue is earned each month as the service is rendered to clients on a monthly basis. A receivable reserve is estimated for uncollectible amounts previously billed. This provision is accounted for as a reduction of revenue, with a corresponding reduction to accounts receivable. FactSet recognizes revenue when all the following criteria are met:

- the client subscribes to FactSet services,
- the FactSet service has been rendered and earned during the month,
- the amount of the subscription is fixed and determinable based on established rates for each product offering, quoted on an annualized basis, and
- collectibility is reasonably assured.

Under the guidance in SAB 104, the Company's subscriptions represent a single earnings process. Collection of subscription revenues through FDS's external clearing broker does not represent a separate service or earnings process since FDS is not the principal party to the settlement of the securities transactions for which the clearing broker charges clearing fees. Clearing fees are recorded as a reduction to revenues in the period incurred, at the time that a client executes securities transactions through the designated clearing broker. The Company earns the right to recover the clearing fee from its clients at the time the securities transactions are executed, which is the period in which the clearing fees are incurred.

Amounts that have been earned but not yet paid are reflected on the Consolidated Statements of Financial Condition as accounts receivable, net of reserves. Amounts invoiced in advance or client payments that are in excess of earned subscription revenues are reflected on the Consolidated Statements of Financial Condition as deferred fees. As of May 31, 2008, the amount of accounts receivable, net of reserves that was unbilled totaled \$1.1 million, which was billed at the beginning of June 2008.

The Company calculates its receivable reserve through analyzing aged client receivables and reviewing the recent history of client receivable write-offs. As of May 31, 2008 and August 31, 2007, the receivable reserve was \$1.5 million and \$1.4 million, respectively.

Property, Equipment and Leasehold Improvements

Computers and related equipment are depreciated on a straight-line basis over estimated useful lives of three years or less. The Company completed its upgrade from Hewlett Packard ("HP") Alpha mainframe machines to HP Integrity mainframe machines during the second quarter of fiscal 2008. All HP Integrity machines purchased during fiscal 2008 are depreciated over a useful life of three years.

Effective as of the beginning of the fourth quarter of fiscal 2007, the Company elected to change its method of depreciation for furniture and fixtures to straight-line from the double declining balance method. Furniture and fixtures are depreciated over their estimated useful lives between five and seven years. This change did not have a material impact to the Company's consolidated financial statements. Leasehold improvements are amortized on a straight-line basis over the terms of the related leases or estimated useful lives of the improvements, whichever period is shorter.

The Company performs a test for impairment whenever events or changes in circumstances indicate that the carrying amount of an individual asset or asset group may not be recoverable. Should projected undiscounted future cash flows be less than the carrying amount of the asset or asset group, an impairment charge reducing the carrying amount to fair value is required. Fair value is determined based on the most appropriate valuation technique, including discounted cash flows.

Income Taxes

In June 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation ("FIN") No. 48, *Accounting for Uncertainty in Income Taxes*, which supplements SFAS 109, *Accounting for Income Taxes*, by defining the confidence level that a tax position must meet in order to be recognized in the financial statements. FIN 48 requires the tax effect of a position to be recognized only if it is "more-likely-than-not" to be sustained based solely on its technical merits as of the reporting date. If a tax position is not considered more-likely-than-not to be sustained based solely on its technical merits, no benefits of the position are recognized. This method constitutes a different standard for recognition than was previously required. The more-likely-than-not threshold must continue to be met in each reporting period to support continued recognition of a benefit. At adoption, companies must adjust their financial statements to reflect only those tax positions that

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are more-likely-than-not to be sustained as of the adoption date. Any necessary adjustment is recorded directly to opening retained earnings in the period of adoption and reported as a change in accounting principle. FIN 48 is effective for fiscal years beginning after December 15, 2006 and as a result was effective for the Company on September 1, 2007. See Note 12 for information relating to the implementation of this interpretation and other required disclosures pertaining to uncertain tax positions.

Derivative Instruments

The Company conducts business globally in several currencies including the British Pound Sterling, Euro Dollar and Japanese Yen. As such, it is exposed to movements in foreign currency exchange rates compared to the U.S. dollar. To limit the financial exposure related to the effects of foreign exchange rate fluctuations, the Company may utilize derivative instruments (foreign currency contracts). The Company does not enter into foreign exchange forward contracts for trading or speculative purposes.

FactSet entered into foreign currency forward contracts to reduce the short-term effects of foreign currency fluctuations during fiscal 2008. At May 31, 2008, the aggregated notional amount of all foreign currency forward contracts outstanding was 1.0 million Euros, a decrease from 3.5 million Euros as of the beginning of the fiscal third quarter. These hedging programs are not designed to provide foreign currency protection over longer time horizons. In designing a specific hedging approach, FactSet considered several factors, including offsetting exposures, significance of exposures, forecasting risk and potential effectiveness of the hedge. The gains and losses on foreign currency forward contracts partially offset the variability in operating expenses associated with currency movements. The Company's market risks associated with its foreign currency expenses relate to variances from the Company's forecasted versus actual foreign currency transactions and balances. These transactions are designated and accounted for as cash flow hedges in accordance with SFAS 133, *Accounting for Derivative Instruments and Hedging Activities*. The effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income and subsequently reclassified into earnings when the hedged exposure affects earnings. FactSet did not enter into any new foreign currency forward contracts during the third quarter of fiscal 2008. See Note 13 for additional disclosure of the use of foreign currency forward contracts by FactSet.

3. NEW ACCOUNTING PRONOUNCEMENTS

In September 2006, the FASB issued SFAS 157, *Fair Value Measurements*. SFAS 157 defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. In February 2008, the FASB issued FSP 157-1, *Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13* and FSP 157-2, *Effective Date of FASB Statement No. 157*. FSP 157-1 amends SFAS 157 to remove certain leasing transactions from its scope. FSP 157-2 delays the effective date of SFAS 157 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until fiscal years beginning after November 15, 2008. The provisions of SFAS 157 will be applied prospectively to fair value measurements and disclosures beginning in the first quarter of fiscal 2009 and is not expected to have a material effect on the Company's financial position and results of operations.

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities, Including an Amendment of FASB Statement No. 115*, which will permit the measurement of many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis (the fair value option). The guidance is applicable for fiscal years beginning after November 15, 2007. The Company will adopt SFAS 159 in the first quarter of fiscal 2009 and does not expect the adoption of this Statement to have a material effect on the Company's financial position and results of operations.

In December 2007, the FASB issued SFAS 141 (revised 2007), *Business Combinations* and SFAS 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51*. SFAS 141(R) will significantly change current practices regarding business combinations. Among the more significant changes, SFAS 141(R) expands the definition of a business and a business combination; requires the acquirer to recognize the assets acquired, liabilities assumed and noncontrolling interests (including goodwill), measured at fair value at the acquisition date; requires acquisition-related expenses and restructuring costs to be recognized separately from the business combination; requires assets acquired and liabilities assumed from contractual and non-contractual contingencies to be recognized at their acquisition-date fair values with subsequent changes recognized in earnings; and requires in-process research and development to be capitalized at fair value as an indefinite-lived intangible asset. SFAS 160 will change the accounting and reporting for minority interests, reporting them as equity separate from the parent entity's equity, as well as requiring expanded disclosures. The Company will adopt SFAS 141(R) and SFAS 160 in the first quarter of fiscal 2010 and does not expect the adoption of these standards to have a material effect on the Company's financial position and results of operations.

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In March 2008, the FASB issued SFAS 161, *Disclosures about Derivative Instruments and Hedging Activities*, an amendment of SFAS 133. SFAS 161 requires disclosures of how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for and how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS 161 is effective for fiscal years beginning after November 15, 2008, with early adoption permitted. The Company will adopt SFAS 161 in the first quarter of fiscal 2010 and does not expect the adoption of this standard to have a material effect on the Company's financial position and results of operations.

In May 2008, the FASB issued SFAS 162, *The Hierarchy of Generally Accepted Accounting Principles*. SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with US generally accepted accounting principles ("GAAP"). The GAAP hierarchy previously resided in the American Institute of Certified Public Accountants' statements on auditing standards, which are directed to the auditor rather than the reporting entity. SFAS 162 moves the GAAP hierarchy to the accounting literature, thereby directing it to reporting entities since it is the entity (not its auditor) that is responsible for selecting accounting principles for financial statements that are presented in conformity with GAAP. The Company will adopt SFAS 162 when it becomes effective which is 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles* and does not expect the adoption of this standard to have an effect on the Company's financial position and results of operations.

In May 2008, the FASB issued FASB Staff Position ("FSP") SFAS 142-3, *Determination of the Useful Life of Intangible Assets*. The FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS 142, *Goodwill and Other Intangible Assets*. The FSP is intended to improve the consistency between the useful life of an intangible asset determined under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141(R) and other U.S. GAAP. The Company will adopt FSP 142-3 in the first quarter of fiscal 2010 and does not expect the adoption of this standard to have a material effect on the Company's financial position and results of operations.

4. COMMON STOCK AND EARNINGS PER SHARE

On May 8, 2008, the Company's Board of Directors approved a 50% increase in the regular quarterly dividend from \$0.12 per share to \$0.18 per share, or \$0.72 per share per annum, beginning with the Company's dividend payment in June 2008. The cash dividend of \$8.6 million was paid on June 17, 2008, to common stockholders of record on May 29, 2008. Shares of common stock outstanding were as follows (in thousands):

	Nine Months Ended	
	May 31,	
	2008	2007
Balance at September 1	48,349	48,889
Common stock issued for employee stock plans (see Note 10)	780	551
Repurchase of common stock	(1,134)	(569)
Balance at May 31	<u>47,995</u>	<u>48,871</u>

Share Repurchase Program

On January 25, 2008, the Company's Board of Directors approved an expansion of the existing share repurchase program by an additional \$125 million. At that time, the Company completed the \$100 million expansion to the existing share repurchase program authorized by the Board on March 19, 2007. Repurchases will be made from time to time in the open market and privately negotiated transactions, subject to market conditions. No minimum number of shares to be repurchased has been fixed. There is no timeframe to complete the repurchase program and it is expected that share repurchases will be paid using existing and future cash generated by operations. During the nine months ended May 31, 2008, the Company repurchased 1,126,131 shares at an average cost of \$57.78 per share under the program. At May 31, 2008, \$117.1 million remains authorized for future share repurchases. The remaining 7,613 shares repurchased during the first nine months of fiscal 2008 were repurchases of common stock owned by employees in the Employee Stock Ownership Plan, which was terminated on June 20, 2005.

Earnings per Share

Basic earnings per share ("EPS") is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common shares and dilutive potential common shares outstanding during the period. Dilutive potential common shares consist of employee stock options and

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restricted stock. Diluted shares outstanding include the dilutive effect of in-the-money options which is calculated based on the average share price for each fiscal period using the treasury stock method. Under the treasury stock method, the exercise price paid by the optionee, future stock-based compensation expense that the Company has not yet recognized, and the amount of tax benefits that would be recorded in additional paid-in capital when the award becomes deductible are assumed to be used to repurchase shares. A reconciliation between the weighted average shares outstanding used in the basic and diluted earnings per share computations is as follows (in thousands, except per share data):

	<u>Net Income (Numerator)</u>	<u>Weighted Average Common Shares (Denominator)</u>	<u>Per Share Amount</u>
For the three months ended May 31, 2008			
Basic EPS			
Income available to common stockholders	\$ 32,542	47,934	\$ 0.68
Diluted EPS			
Dilutive effect of stock options and restricted stock	—	1,887	
Income available to common stockholders plus assumed conversions	\$ 32,542	49,821	\$ 0.65
For the three months ended May 31, 2007			
Basic EPS			
Income available to common stockholders	\$ 28,575	48,911	\$ 0.58
Diluted EPS			
Dilutive effect of stock options and restricted stock	—	2,476	
Income available to common stockholders plus assumed conversions	\$ 28,575	51,387	\$ 0.56
For the nine months ended May 31, 2008			
Basic EPS			
Income available to common stockholders	\$ 91,433	48,127	\$ 1.90
Diluted EPS			
Dilutive effect of stock options and restricted stock	—	2,091	
Income available to common stockholders plus assumed conversions	\$ 91,433	50,218	\$ 1.82
For the nine months ended May 31, 2007			
Basic EPS			
Income available to common stockholders	\$ 78,851	48,942	\$ 1.61
Diluted EPS			
Dilutive effect of stock options and restricted stock	—	2,368	
Income available to common stockholders plus assumed conversions	\$ 78,851	51,310	\$ 1.54

Dilutive potential common shares consist of stock options and unvested restricted stock awards. For the three and nine months ended May 31, 2008, 597,378 and 17,049, respectively, stock options were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. No stock options were excluded from the calculation of diluted earnings per share for the three months ended May 31, 2007. However, 11,313 stock options were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive for the nine months ended May 31, 2007.

No restricted stock awards were excluded from the calculation of diluted earnings per share for the three and nine months ended May 31, 2008 and 2007, respectively.

For the three and nine months ended May 31, 2008, 1,738,648 of performance-based stock options were excluded from the calculation of diluted earnings per share in accordance with SFAS 128, *Earnings per Share*. For the three and nine months ended May 31, 2007, 894,062 of performance-based stock options were excluded. As indicated in SFAS 128, performance-based stock options should be omitted from the calculation of diluted earnings per share until the performance criteria have been met. The criteria have not yet been met at May 31, 2008 and 2007, respectively.

5. BUSINESS COMBINATIONS

DealMaven, Inc.

On January 31, 2008, the Company acquired DealMaven, Inc. (“DealMaven”) for \$14.0 million in cash. Formed in 1999, DealMaven provides tools to improve the workflow of investment bankers when working in Microsoft Excel and helps firms gather, analyze, check and present data more efficiently. The company was headquartered in New York City with 17 employees.

The acquisition is consistent with the Company’s strategy of developing tools to make client workflows more efficient. This factor contributed to a purchase price in excess of fair value of the DealMaven net tangible and intangible assets, and as a result, the Company has recorded goodwill in connection with this transaction.

The total purchase price of the acquisition is as follows (in thousands):

Cash consideration	\$14,000
Working capital	780
Direct acquisition costs	10
Total purchase price	<u>\$14,790</u>

Allocation of the purchase price to the assets acquired and liabilities assumed has been finalized for this acquisition. The total purchase price was allocated to DealMaven’s net tangible and intangible assets based upon their estimated fair value as of the date of acquisition. Based upon the purchase price and the valuation, the purchase price allocation is as follows (in thousands):

Tangible assets acquired	\$ 1,414
Amortizable intangible assets:	
Software technology	1,856
Client relationships	1,040
Non-compete agreements	105
Goodwill	11,996
Total assets acquired	16,411
Liabilities assumed	(1,621)
Net assets acquired	<u>\$14,790</u>

Intangible assets of \$3.0 million have been allocated to amortizable intangible assets consisting of software technology, amortized over five years using a straight-line amortization method; client relationships, amortized over five years using an accelerated amortization method; and non-compete agreements, amortized over two years using a straight-line amortization method.

Goodwill totaling \$12.0 million represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. In accordance with SFAS 142, *Goodwill and Other Intangible Assets*, goodwill will not be amortized and will be tested for impairment at least annually. Goodwill generated from the DealMaven acquisition is included in the U.S. segment and is not deductible for income tax purposes.

The results of operations of DealMaven have been included in the Company’s Consolidated Statement of Income since the completion of the acquisition on January 31, 2008. Pro forma information has not been presented because the effect of this acquisition was not material on the Company’s consolidated financial results.

6. INTANGIBLE ASSETS

The Company’s identifiable intangible assets consist of certain acquired content databases, software technology, client relationships, trade names, and non-compete agreements resulting from prior acquisitions. During the first nine months of fiscal 2008, \$3.0 million of identifiable intangible assets were added as a result of the acquisition of DealMaven. The acquired business and related assets have been fully integrated into the Company’s operations.

The Company amortizes intangible assets over their estimated useful lives. The weighted average useful life of all acquired intangible assets at May 31, 2008 is 10.6 years. Amortizable intangible assets are tested for impairment based on undiscounted cash flows, and, if impaired, written down to fair value based on either discounted cash flows or appraised values. No impairment of intangible assets has been identified during any of the periods presented. These intangible assets have no assigned residual values.

The gross carrying amounts and accumulated amortization totals related to the Company’s identifiable intangible assets are as follows (in thousands):

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<u>At May 31, 2008</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
Data content	\$ 23,740	\$ 6,651	\$ 17,089
Software technology	19,166	9,301	9,865
Client relationships	15,995	7,053	8,942
Trade names	560	440	120
Non-compete agreements	873	650	223
Total	<u>\$ 60,334</u>	<u>\$ 24,095</u>	<u>\$ 36,239</u>

<u>At August 31, 2007</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
Data content	\$ 22,746	\$ 6,084	\$ 16,662
Software technology	19,432	9,139	10,293
Client relationships	14,697	5,387	9,310
Trade names	1,739	1,512	227
Non-compete agreements	1,365	1,068	297
Total	<u>\$ 59,979</u>	<u>\$ 23,190</u>	<u>\$ 36,789</u>

The intangible assets acquired during the nine months ended May 31, 2008 in connection with the acquisition of DealMaven were as follows (in thousands):

	<u>Weighted Average Amortization Period</u>	<u>Acquisition Cost</u>
Software technology	5.0 years	\$ 1,856
Client relationships	5.0 years	1,040
Non-compete agreements	2.0 years	105
	5.0 years	<u>\$ 3,001</u>

Amortization expense recorded for intangible assets for the three months ended May 31, 2008 and 2007 was \$2.0 million, respectively. Amortization expense recorded for intangible assets for the nine months ended May 31, 2008 and 2007 was \$5.7 million and \$5.9 million, respectively. Estimated intangible asset amortization expense for the remainder of fiscal 2008 and the succeeding years are as follows (in thousands):

<u>Years Ended August 31,</u>	<u>Estimated Amortization Expense</u>
2008 (Remainder)	\$ 1,978
2009	7,547
2010	7,011
2011	4,566
2012	3,588
Thereafter	11,549
Total	<u>\$ 36,239</u>

7. GOODWILL

Goodwill has resulted from the acquisitions of the Insyte, LionShares, Mergerstat, CallStreet, JCF, TrueCourse, Derivative Solutions ("DSI"), AlphaMetrics, Global Filings and DealMaven businesses. Goodwill resulting from the acquisitions of LionShares, Mergerstat, TrueCourse and DSI are income tax-deductible based on the structure of the acquisition. On an ongoing basis, the Company evaluates goodwill at the reporting unit level for indications of potential impairment. Goodwill is tested for impairment based on the present value of discounted cash flows, and, if impaired, written down to fair value based on discounted cash flows. Based on the guidance in SFAS 142, the Company has determined that there were three reporting units during fiscal years 2008 and 2007, which are consistent with the operating segments reported under SFAS 131, *Disclosures about Segments of an Enterprise and Related Information* because there is no discrete financial information available for the subsidiaries within each operating segment. The Company's reporting units evaluated for potential impairment during fiscal years 2008 and 2007 were the U.S., Europe and Asia Pacific, which reflects the level of internal reporting the Company uses to manage its business and operations. The Company performs its annual goodwill impairment test during the fourth quarter of each fiscal year, as well as any additional impairment test required on an event-driven basis. In the fourth quarter of fiscal 2007 the Company performed its annual goodwill impairment test and determined that goodwill was not impaired.

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Changes in the carrying amount of goodwill by segment for the nine months ended May 31, 2008 are as follows (in thousands):

	<u>U.S.</u>	<u>Europe</u>	<u>Total</u>
Balance at August 31, 2007	\$62,999	\$83,188	\$146,187
Goodwill acquired during the period	11,996	—	11,996
Foreign currency translation adjustments	—	2,028	2,028
Balance at May 31, 2008	<u>\$74,995</u>	<u>\$85,216</u>	<u>\$160,211</u>

8. COMMITMENTS AND CONTINGENCIES

Lease Commitments

At May 31, 2008, the Company leases office space in the U.S. in Norwalk, Connecticut; Newark, New Jersey; Boston, Massachusetts; New York, New York; Chicago, Illinois; Manchester, New Hampshire; Reston, Virginia; Austin, Texas; Tuscaloosa, Alabama; San Mateo and Santa Monica, California; and outside the U.S. in London; Tokyo; Hong Kong; Sydney; Amsterdam; Frankfurt; Milan; Hyderabad, India; and Paris and Avon, France. The leases expire on various dates through March 2021. Total minimum rental payments associated with the leases are recorded as rent (a component of selling, general and administrative expenses) on a straight-line basis over the periods of the respective non-cancelable lease terms.

At May 31, 2008, the Company's lease commitments for office space provide for the following future minimum rental payments under non-cancelable operating leases with remaining terms in excess of one year (in thousands):

<u>Years Ended August 31,</u>	
2008 (Remainder)	\$ 3,561
2009	17,053
2010	19,037
2011	18,442
2012	18,063
Thereafter	95,482
Minimum lease payments	<u>\$171,638</u>

In June 2008, the Company entered into a new lease agreement in the ordinary course of business to support operations in Boston, Massachusetts, which will result in incremental future minimum rental payments of \$17.4 million over the remaining non-cancelable lease term and was included in the future minimum rental payment disclosure above. The new lease expanded total office space in Boston by 18,503 square feet. During the second half of fiscal 2009, the Company expects to consolidate the Boston office locations into one.

During the fourth quarter of fiscal 2008, FactSet entered into a new lease agreement in the ordinary course of business to support operations in Hyderabad, India, which will result in incremental future minimum rental payments of \$5.1 million over the remaining non-cancelable lease term and was included in the future minimum rental payment disclosure above. The new space will accommodate approximately 500 professionals to support FactSet fundamentals.

Revolving Credit Facilities

In February 2008, the Company renewed both its 364-day revolving credit facility and its three-year credit facility. The credit facilities (the "facilities") are available in an aggregate principal amount of up to \$25.0 million for working capital and general corporate purposes, with the facilities split into two equal tranches and maturing in March 2009 and 2011. Approximately \$4.0 million in aggregate of these credit facilities has been utilized for letters of credit issued during the ordinary course of business as of May 31, 2008. The Company is obligated to pay a commitment fee on the unused portion of the facilities at a weighted average annual rate of 0.125%. The facilities also contain covenants that, among other things, require the Company to maintain minimum levels of consolidated net worth and certain leverage and fixed charge ratios.

Derivative Instruments

The Company uses derivative instruments to manage exposures to foreign currency. The Company's primary objective in holding derivatives is to reduce the volatility of earnings and cash flows associated with changes in foreign currency. As a result of the use of derivative instruments, the Company is exposed to counterparty credit risk. To mitigate such risk, FactSet enters into contracts with only one large financial institution. The Company regularly reviews its credit exposure balances as well as the creditworthiness of the counterparty. At May 31, 2008, the Company does not expect any losses as a result of default by the counterparty.

9. STOCK-BASED COMPENSATION

The Company accounts for share-based compensation under the provisions of SFAS 123(R), *Share-Based Payment*. SFAS 123(R) requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to the Employee Stock Purchase Plan (“employee stock purchases”) based on estimated fair values of the share awards that are scheduled to vest during the period.

The following table summarizes stock-based compensation expense recognized under SFAS 123(R) for the three months ended May 31, 2008 and 2007, which was allocated as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Cost of services	\$ 942	\$ 685
Selling, general and administrative	2,076	1,538
Stock-based compensation included in operating expenses	3,018	2,223
Tax impact of stock-based compensation**	(1,055)	(843)
Stock-based compensation, net of tax	<u>\$ 1,963</u>	<u>\$ 1,380</u>

The following table summarizes stock-based compensation expense recognized under SFAS 123(R) for the nine months ended May 31, 2008 and 2007, which was allocated as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Cost of services	\$ 3,046	\$ 2,102
Selling, general and administrative	7,584	4,725
Stock-based compensation included in operating expenses*	10,630	6,827
Tax impact of stock-based compensation**	(3,646)	(2,486)
Stock-based compensation, net of tax	<u>\$ 6,984</u>	<u>\$ 4,341</u>

* Included in fiscal 2008 was a pre-tax charge of \$2.4 million related to an increase in the estimate of the number of performance-based stock options that will vest in August 2008. During the second quarter of fiscal 2008, the Company estimated that it was probable it would achieve organic annualized subscription value (“ASV”) and diluted earnings per share growth of at least 20% on a compounded annual basis for the two years ended August 31, 2008. This revised estimate reflects a performance level of “excellent” and increased the number of options that is estimated to vest at the end of fiscal 2008. Refer to note 10 for further information regarding performance-based stock options.

** Based on the Company’s effective tax rate for the nine months ended May 31, 2008.

As of May 31, 2008, \$24.8 million of total unrecognized compensation costs related to non-vested awards is expected to be recognized over a weighted average period of 3.2 years. There were no stock-based compensation costs capitalized as of May 31, 2008 and 2007.

10. EMPLOYEE STOCK OPTION AND RETIREMENT PLANS

Stock Option Awards

Options granted without performance conditions under the Company’s stock option plans (the “Option Plans”) expire either seven or ten years from the date of grant and the majority vest at a rate of 20% after the first year and 1.67% per month thereafter for years two through five. The stock options granted on January 31, 2008 to key employees of DealMaven vest at a rate of 40% after the first two years and 1.67% per month thereafter for years three through five. Options become vested and exercisable provided the employee continues employment with the Company through the applicable vesting date, and remain exercisable until expiration or cancellation. Options granted with performance conditions under the Company’s 2004 Stock Option Plan expire seven years from the date of grant and vest at a rate of 40% after the first two years and 1.67% per month thereafter for years three through five. Options generally are not transferable or assignable other than by will or the laws of descent and distribution. During the grantee’s lifetime, they may be exercised only by the grantee.

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General Option Activity

A summary of option activity follows (in thousands, except per share data):

	<u>Options Available for Grant</u>	<u>Number Outstanding</u>	<u>Weighted Average Exercise Price Per Share</u>
Balance at August 31, 2007	4,918	8,407	\$ 32.76
Granted	—	—	—
Exercised	—	(308)	\$ 21.64
Forfeited	16	(16)	\$ 48.53
Balance at November 30, 2007	4,934	8,083	\$ 33.15
Granted	(120)	120	\$ 56.04
Exercised	—	(297)	\$ 13.05
Forfeited	48	(48)	\$ 42.03
Balance at February 29, 2008	4,862	7,858	\$ 34.20
Granted	—	—	—
Exercised	—	(101)	\$ 22.84
Forfeited	33	(33)	\$ 43.76
Balance at May 31, 2008	4,895	7,724	\$ 34.31

The total number of in-the-money options exercisable as of May 31, 2008 was 4.3 million with a weighted average exercise price of \$23.06. As of August 31, 2007, 4.5 million outstanding options were exercisable with a weighted average exercise price was \$21.53.

The aggregate intrinsic value represents the difference between the Company's closing stock price of \$64.71 as of May 31, 2008 and the exercise price multiplied by the number of options outstanding as of that date. The aggregate intrinsic value of stock options exercisable at May 31, 2008 and August 31, 2007 was \$177.8 million and \$172.9 million, respectively. The aggregate intrinsic value of stock options exercised during the three months ended May 31, 2008 and 2007 was \$3.4 million and \$8.8 million, respectively. The aggregate in-the-money value of stock options exercised during the nine months ended May 31, 2008 and 2007 was \$29.6 million and \$19.0 million, respectively.

Stock Option Fair Value Determination

The Company utilizes the lattice-binomial option-pricing model ("binomial model") to estimate the fair value of new employee stock option grants. The Company's determination of fair value of share-based payment awards on the date of grant using the binomial model is affected by the Company's stock price as well as assumptions regarding a number of variables. These variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, interest rates, option forfeitures and employee stock option exercise behaviors.

In connection with the acquisition of DealMaven, on January 31, 2008, 120,000 stock options were granted to key employees of DealMaven now employed by the Company. No other stock options were granted to employees of the Company during the three and nine months ended May 31, 2008. The weighted average estimated fair value of the 120,000 employee stock options granted to key employees of DealMaven was \$17.72 per share, using the lattice-binomial option model with the following weighted average assumptions:

Term structure of risk-free interest rate	2.0% - 3.2%
Expected life *	5.44 years
Term structure of volatility	28.9% - 38.9%
Dividend yield	0.86%

* Expected life is an output in a binomial model as opposed to being an input in the Black-Scholes model.

During the third quarter of fiscal 2007, 1,135 stock options were granted to employees with a weighted average estimated fair value of \$22.49 per share. No other stock options were granted to employees of the Company during the three and nine months ended May 31, 2007.

The risk-free interest rate assumption for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Expected volatility is based on the historical volatility of the Company's stock. The Company uses historical data to estimate option exercises and employee termination within the valuation model. The dividend yield assumption is based on the Company's history and expectation of dividend payouts.

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The expected life of employee stock options represent the weighted average period the stock options are expected to remain outstanding and is a derived output of the binomial model. The expected life of employee stock options is impacted by all of the underlying assumptions and calibration of the Company's model. The binomial model assumes that employees' exercise behavior is a function of the option's remaining vested life and the extent to which the option is in-the-money. The binomial model estimates the probability of exercise as a function of these two variables based on the entire history of exercises and cancellations of all past option grants made by the Company.

Non-Employee Director Stock Option Grants

The Company utilizes the Black Scholes option-pricing model to estimate the fair value of new non-employee Director stock option grants. The Company's determination of fair value of share-based payment awards on the date of grant using the Black Scholes model is affected by the Company's stock price as well as assumptions regarding a number of variables. These variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, interest rates, option forfeitures and employee stock option exercise behaviors.

There were no stock options granted to the Company's non-employee Directors during the three and nine months ended May 31, 2008 due to the expiration of the Company's non-employee Directors plan.

During the second quarter of fiscal 2007, 22,500 stock options were granted to the Company's non-employee Directors with a weighted average estimated fair value of \$21.20 per share, using the Black Scholes option-pricing model with the following weighted average assumptions:

Risk-free interest rate	4.7%
Expected life	5.9 years
Expected volatility	32.5%
Dividend yield	0.4%

There were no other stock options granted to the Company's non-employee Directors during the three and nine months ended May 31, 2007.

Performance-based Stock Awards

Performance-based stock options require management to make assumptions regarding the likelihood of achieving Company performance targets. The number of performance-based options that vest will be predicated on the Company achieving the least favorable performance levels of organic ASV or diluted earnings per share during the two fiscal years ending August 31, 2009 and 2008. Dependent on the financial performance levels attained by FactSet during the two subsequent fiscal years, 0%, 20%, 60% or 100% of the performance-based stock options will vest to the grantees of those stock options. There is no current guarantee however that such options will vest in whole or in part.

August 2006 Performance-based Option Grant Review

In August 2006, the Company granted 924,989 performance-based employee stock options. The number of performance-based options that vest is based on the Company achieving the least favorable performance levels of organic ASV or diluted earnings per share during the two fiscal years ended August 31, 2008. During the second quarter of fiscal 2008, FactSet estimated that it was probable the Company would achieve ASV and diluted earnings per share growth of at least 20% on a compounded annual basis for the two years ended August 31, 2008. This reflects a higher performance level than previously estimated and accordingly increased the number of options that is estimated to vest at the end of fiscal 2008. As such, at May 31, 2008, the Company estimated that 60% or 554,993 of the performance-based stock options should vest which results in stock-based compensation expense of \$3.6 million to be recognized over the next thirty-nine months as of May 31, 2008. A change in the financial performance levels achieved by the Company could result in the following changes to the Company's current estimate of the vesting percentage and related expense (in thousands):

<u>Vesting Percentage</u>	<u>Total Unamortized Stock-based Compensation Expense at May 31, 2008</u>	<u>One-time Adjustment (A)</u>	<u>Average Remaining Quarterly Expense to be Recognized</u>
0%	\$ —	\$ (4,218)	\$ —
20%	\$ 1,199	\$ (2,812)	\$ 92
60%	\$ 3,597	\$ —	\$ 276
100%	\$ 5,995	\$ 2,812	\$ 460

(A) Amounts represent the one-time cumulative adjustment to be recorded if there was a change in the vesting percentage as of May 31, 2008. The one-time cumulative adjustment increments each quarter by the amount stated in the average remaining quarterly expense to be recognized column.

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August 2007 Performance-based Option Grant Review

In August 2007, the Company granted 896,194 performance-based employee stock options. The number of performance-based options that vest is based on the Company achieving the least favorable performance levels of organic subscriptions or diluted earnings per share during the two fiscal years ended August 31, 2009. At May 31, 2008 the Company estimated that none of the performance-based stock options should vest. This results in zero unamortized stock-based compensation expense as of May 31, 2008. The Company's estimate considered the current environment in which many large banks are carefully managing expenses. A change in the financial performance levels achieved by the Company could result in the following changes to the Company's current estimate of the vesting percentage and related expense (in thousands):

<u>Vesting Percentage</u>	<u>Total Unamortized Stock-based Compensation Expense at May 31, 2008</u>	<u>One-time Adjustment (A)</u>	<u>Average Remaining Quarterly Expense to be Recognized</u>
0%	\$ —	\$ —	\$ —
20%	\$ 2,375	\$ 735	\$ 140
60%	\$ 7,125	\$ 2,205	\$ 420
100%	\$ 11,875	\$ 3,675	\$ 700

(A) Amounts represent the one-time cumulative adjustment to be recorded if there had been a change in the vesting percentage as of May 31, 2008. The one-time cumulative adjustment increments each quarter by the amount stated in the average remaining quarterly expense to be recognized column.

Employee Stock Purchase Plan

The Company implemented an Employee Stock Purchase Plan (the "Purchase Plan") in fiscal 2001 for all eligible employees. Under the Purchase Plan, shares of the Company's common stock may be purchased at three-month intervals at 85% of the lower of the fair market value of FactSet common stock on the first or the last day of each three-month period. Employee purchases may not exceed 10% of their gross compensation during an offering period. Employees purchased 29,399 shares at an average price of \$44.33 during the third quarter of fiscal 2008.

The Company continues to use the Black-Scholes model to calculate the estimated fair value for the employee stock purchase plan. The weighted average estimated value of employee stock purchase plan grants during the three months ended May 31, 2008 and 2007 was \$10.09 and \$10.98 per share, respectively, with the following weighted average assumptions:

	<u>Three Months Ended May 31,</u>	
	<u>2008</u>	<u>2007</u>
Risk-free interest rate	1.4%	4.9%
Expected life	3 months	3 months
Expected volatility	25.5%	10.1%
Dividend yield	1.1%	0.5%

The weighted average estimated value of employee stock purchase plan grants during the nine months ended May 31, 2008 and 2007 was \$10.11 and \$9.64 per share, respectively, with the following weighted average assumptions:

	<u>Nine Months Ended May 31,</u>	
	<u>2008</u>	<u>2007</u>
Risk-free interest rate	2.5%	5.0%
Expected life	3 months	3 months
Expected volatility	19.3%	10.2%
Dividend yield	0.9%	0.4%

Restricted Stock Awards

The Company stock option plans permit the issuance of restricted stock and restricted stock units. Restricted stock awards are subject to continued employment over a specified period. During fiscal 2005, The Company granted restricted stock awards which entitle the holder to shares of common stock as the award vests over time. The Company's restricted stock awards generally vest ratably over a four-year period. Restricted stock grants are amortized to expense over the vesting period using the straight-line attribution method. The Company granted 49,178 shares of common stock in restricted stock grants during fiscal 2005. Based on the \$37.51 average market price of FactSet common stock on the grant date, a deferred compensation charge of \$1.8 million was recorded to stockholders' equity, and is being amortized ratably to compensation expense over the vesting period of four years. No restricted stock awards vested during the three and nine months ended May 31, 2008 and 2007. As of May 31, 2008, 50% of the restricted stock grants have vested and issued to restricted stock award holders. There were no restricted stock awards granted during the three and nine months ended May 31, 2008 and 2007.

11. SEGMENTS

The Company has three reportable segments based on geographic operations: U.S., Europe and Asia Pacific. Each segment markets online integrated database services to investment managers, investment banks and other financial services professionals. The U.S. segment services financial institutions throughout North America, while the European and Asia Pacific segments service investment professionals located throughout Europe, Asia and other regions.

The European segment is headquartered in London, England and maintains office locations in France, Germany, the Netherlands and Italy. The Asia Pacific segment is headquartered in Tokyo, Japan with office locations in Hong Kong, Australia and India. Sales, consulting, data collection, and engineering personnel are the primary functional groups based at foreign operations. Segment revenues reflect direct sales of products and services to clients based in their respective geographic locations. There are no intersegment or intercompany sales of the FactSet service. Each segment records compensation, including stock-based compensation, amortization of intangible assets, depreciation of furniture and fixtures, amortization of leasehold improvements, communication costs, professional fees, rent expense, travel, marketing, office and other direct expenses related to its employees. Expenditures associated with the Company's data centers including product development and corporate headquarters charges are recorded by the U.S. segment and are not allocated to the European and Asia Pacific segments. At May 31, 2008, total goodwill of \$160.2 million, is allocated to the U.S. segment totaling \$75.0 million and in the European segment totaling \$85.2 million. The accounting policies of the segments are the same as those described in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2007.

The following tables reflect the results of operations of the segments consistent with the Company's management system. These results are used, in part, by management, both in evaluating the performance of, and in allocating resources to, each of the segments.

(In thousands)	U.S.	Europe	Asia Pacific	Total
For the three months ended May 31, 2008				
Revenues from clients	\$ 101,676	\$ 36,285	\$ 9,438	\$ 147,399
Segment operating profit	31,735	10,688	5,496	47,919
Total assets at May 31, 2008	423,494	136,392	9,908	569,794
For the three months ended May 31, 2007				
Revenues from clients	\$ 86,024	\$ 28,666	\$ 6,385	\$ 121,075
Segment operating profit	26,923	8,511	3,783	39,217
Total assets at May 31, 2007	362,123	143,996	7,438	513,557
For the nine months ended May 31, 2008				
Revenues from clients	\$ 292,647	\$ 102,937	\$ 26,228	\$ 421,812
Segment operating profit	91,112	26,395	16,149	133,656
For the nine months ended May 31, 2007				
Revenues from clients	\$ 244,199	\$ 83,363	\$ 18,707	\$ 346,269
Segment operating profit	74,972	26,547	10,904	112,423

12. INCOME TAXES – ADOPTION OF FIN 48

On September 1, 2007, the Company adopted FIN 48 which prescribes a comprehensive model for the financial statement recognition, measurement, classification and disclosure of uncertain tax positions that a company has taken or expects to take on a tax return. Under FIN 48, a company can recognize the benefit of an income tax position only if it is more likely than not (greater than 50%) that the tax position will be sustained upon tax examination, based solely on the technical merits of the tax position. Otherwise, no benefit can be recognized. The tax benefits recognized are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. Additionally, companies are required to accrue interest and related penalties, if applicable, on all tax exposures for which reserves have been established consistent with jurisdictional tax laws. As a result of the adoption of FIN 48, the Company reduced current taxes payable by \$0.2 million and increased non-current deferred tax assets by \$1.1 million. The adoption of FIN 48 was accounted for as a cumulative effect of a change in accounting principle and accordingly, increased retained earnings by \$1.3 million.

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Gross unrecognized tax benefits at September 1, 2007 were \$4.1 million, of which \$0.9 million related to the accrual of interest. FactSet historically classified unrecognized tax benefits in current taxes payable. In implementing FIN 48, the Company has reclassified unrecognized tax benefits for which the Company does not anticipate payment or receipt of cash within one year to long-term taxes payable. The Company's policy to include interest and penalties related to income taxes, including unrecognized tax benefits, within the provision for income taxes did not change as a result of implementing FIN 48. As of the date of adoption of FIN 48, the Company had accrued \$0.9 million in taxes payable for the payment of interest relating to unrecognized tax benefits.

As of May 31, 2008, the total amount of gross unrecognized tax benefits was \$3.7 million, of which \$0.9 million related to the accrual of interest. If recognized, essentially all of the unrecognized tax benefits and related interest would be recorded as a benefit to income tax expense on the consolidated statement of income.

In the normal course of business, the Company's tax filings are subject to audit by federal, state and foreign tax authorities. Audits by two tax authorities are currently ongoing. The Company has no reason to believe that such audits will result in the payment of additional taxes or penalties, or both, that would have a material adverse effect on the Company's results of operations or financial position, beyond current estimates. The Company has accounted for its uncertain income tax positions in accordance with FIN 48. Although timing of the resolution on audits is highly uncertain, the Company does not currently believe it is reasonably possible that the total amounts of unrecognized tax benefits will materially change in the next 12 months.

As of September 1, 2007, the Company remained subject to examination in the following major tax jurisdictions for the tax years as indicated below:

<u>Major Tax Jurisdictions</u>	<u>Open Fiscal Years</u>
U.S.	
Federal	2006* and 2007
State (various)	2002 through 2007
Europe	
France	2004 through 2007
United Kingdom	2005 through 2007

* During the second quarter of fiscal 2008, the Company's fiscal 2006 U.S. Federal tax return was closed due to completion of the audit.

13. FINANCIAL INSTRUMENTS

FactSet enters into foreign currency forward contracts to manage its exposure to fluctuations in foreign currency exchange rates. These transactions are designated and accounted for as cash flow hedges. The effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income and subsequently reclassified into earnings when the hedged exposure affects earnings.

A gain on derivatives for the three and nine months ended May 31, 2008 of \$0.2 million, respectively, was recorded in the Company's Consolidated Statement of Income. At May 31, 2008, the aggregated notional amount of all foreign currency forward contracts outstanding was 1.0 million Euros. The fair value of all derivative instruments recorded in the Company's Consolidated Statement of Financial Condition at May 31, 2008 was \$0.1 million in other current assets and \$0.1 million in accumulated other comprehensive income.

14. COMPREHENSIVE INCOME

The components of comprehensive income were as follows for the periods presented (in thousands):

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>May 31,</u>	<u>2007</u>	<u>May 31,</u>	<u>2007</u>
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Net income	\$32,542	\$28,575	\$91,433	\$78,851
Other comprehensive income (loss), net of tax:				
Net change in unrealized (loss) gain on investments	(117)	(2)	30	(12)
Net change in unrealized (loss) gain on derivative instruments	(37)	—	106	—
Foreign currency translation adjustments	590	1,831	4,196	4,626
Comprehensive income	<u>\$32,978</u>	<u>\$30,404</u>	<u>\$95,765</u>	<u>\$83,465</u>

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The components of accumulated other comprehensive income were as follows (in thousands):

	<u>May 31, 2008</u>	<u>August 31, 2007</u>
Accumulated unrealized gains on investments, net of tax	\$ 77	\$ 47
Accumulated unrealized gain on derivatives instruments	106	—
Accumulated foreign currency translation adjustment	13,829	9,633
Total accumulated other comprehensive income	<u>\$ 14,012</u>	<u>\$ 9,680</u>

15. ACQUISITION OF A COPY OF THE THOMSON FUNDAMENTALS DATABASE AND RELATED ASSETS

FactSet signed an agreement with Thomson Reuters (“Thomson”) dated April 22, 2008 to purchase a copy of the Thomson Fundamentals database and related assets. The agreement is subject to regulatory approval by both the European Commission and U.S. Department of Justice. The transaction is expected to close in July 2008. The sale will include copies of the Thomson Fundamental database, source documents, collection software, documentation and collection training materials. Thomson retains full ownership of the original fundamentals database and associated intellectual property. Thomson Fundamentals will continue as a product on the FactSet platform.

At closing, FactSet will enter into a Transition Services Agreement (“TSA”) with Thomson. Under the TSA, Thomson will provide services for 18 months from closing date, including daily updates to FactSet’s fundamental database. The daily updates will be provided on the same schedule and with the same timeliness, content and quality as the updates the Company receives for Thomson Fundamentals today. The TSA also outlines consulting and support services Thomson will provide to FactSet to give the Company a full understanding of the structure and content of the database and the know how to conduct training programs for collection employees.

Thomson agreed to facilitate a hiring process of key employees connected with the database and related assets. Eight key employees have accepted employment offers to join FactSet, effective on the close of the transaction. In addition, FactSet may acquire customer contracts pertaining to certain Thomson clients upon receipt of a client’s consent. The majority of these contracts relate to Thomson Fundamentals over the FactSet platform. The consent period will end on August 12, 2008.

The cash consideration to be paid by FactSet is \$48.8 million plus five times annual revenues assigned to FactSet after the consent of certain clients of the Thomson Fundamental database. Under the TSA, FactSet is scheduled to pay Thomson \$9.1 million, a significant portion of which is consideration for the daily database updates over the next 18 months. Total cash consideration to be paid by FactSet should range between \$67 million and \$80 million. This range assumes that customer contracts with annual revenues of \$2.0 to \$5.0 million will be included in the transaction and transferred to FactSet.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**Executive Overview**

FactSet is a leading provider of integrated global financial and economic information, including fundamental financial data on tens of thousands of companies worldwide. Our applications support and make more efficient workflows for buy and sell-side professionals. These professionals include portfolio managers, research and performance analysts, risk managers, marketing professionals, sell-side equity research professionals, investment bankers and fixed income professionals. Our applications provide users access to company analysis, multicompany comparisons, industry analysis, company screening, portfolio analysis, predictive risk measurements, alphas testing, portfolio optimization and simulation, real-time news and quotes and tools to value and analyze fixed income securities and portfolios.

We combine more than 200 databases, including content regarding tens of thousands of companies and securities from major markets all over the globe, into a single online platform of information and analytics. Clients have simultaneous access to content from an array of sources, which they can combine and utilize in nearly all of our applications. We are also fully integrated with Microsoft Office applications such as Excel, Word and PowerPoint. This integration allows our users to create extensive custom reports. Our revenues are derived from month-to-month subscriptions to services, databases and financial applications. Our investment management clients represent 79% of our total annualized subscription value ("ASV"), while the remaining ASV is derived from investment banking clients.

Services may be paid for using commissions on securities transactions introduced and cleared on a fully disclosed basis through a designated clearing broker. Clients may also direct commissions to unrelated third party brokers and request that payment be transmitted to FactSet to pay for its services. Services paid in commissions represented 22% of total revenues during the three months ended May 31, 2008 and 2007, respectively.

Employee headcount did not change during the third quarter of fiscal 2008 and was 1,826 at May 31, 2008. Excluding 17 DealMaven employees acquired on January 31, 2008, the number of employees increased 17% over the prior year. We already have accepted offers from 80 new employees for the fourth quarter of fiscal 2008, the majority of which will expand our sales and consulting and engineering departments. Approximately one-third of our employees conduct sales and consulting services, another one-third are involved in product development, software and systems engineering and the remaining employees are involved with content collection or provide administrative support.

Results of Operations

For an understanding of the significant factors that influenced our performance during the three and nine months ended May 31, 2008 and 2007, respectively, the following discussion should be read in conjunction with the Consolidated Financial Statements and the Notes to Consolidated Financial Statements presented in this Quarterly Report on Form 10-Q.

(In thousands, except per share data)	Three Months Ended May 31,			Nine Months Ended May 31,		
	2008	2007	Change	2008	2007	Change
Revenues	\$ 147,399	\$ 121,075	21.7%	\$ 421,812	\$ 346,269	21.8%
Cost of services	48,134	39,429	22.1	140,555	111,100	26.5
Selling, general and administrative	51,346	42,429	21.0	147,601	122,746	20.2
Income from operations	47,919	39,217	22.2	133,656	112,423	18.9
Net income	32,542	28,575	13.9	91,433	78,851	16.0
Diluted earnings per common share	\$ 0.65	\$ 0.56	16.1%	\$ 1.82	\$ 1.54	18.2%
Diluted weighted average common shares	49,821	51,387		50,218	51,310	

Revenues

Revenues for the three months ended May 31, 2008 increased 21.7% to \$147.4 million from \$121.1 million for the same period a year ago. Revenue growth in the third quarter is due to our combination of delivering world-class service to a global blue chip client base while developing products that are highly integrated into our clients' workflow. The sale of additional services to existing investment management professionals was the primary catalyst of our revenue growth.

For the first nine months of fiscal 2008, revenues advanced 21.8% to \$421.8 million from \$346.3 million in the prior year period. Revenue growth was driven by the deepening engagement of existing FactSet users in our investment management business and the ability to consolidate multiple services into one through the FactSet platform. Our investment management client base continues to experience strong growth across all geographies and represents approximately 79% of our total ASV

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as of May 31, 2008. Our clients continue to license our advanced applications such as Portfolio Analytics and Marquee. The ability for our end users to access more than one hundred premium third-party content providers and integrate their own data for use in FactSet applications continues to be a reason for our expanding number of users. We continue to appeal to larger institutions because of our ability to service many different users groups and our ability to deliver intensive computing power and analytics to end users. Incremental content for non-U.S. investors helped increase demand for our services outside the U.S.

Our Portfolio Analytics suite of applications continued to be a source of growth during the third quarter of fiscal 2008. Clients have been receptive to this suite, which is comprehensive and includes eight applications for portfolio attribution, risk and quantitative analysis. The portfolio analysis workstation is the largest revenue contributing member of the Portfolio Analytics suite. Approximately 607 clients consisting of over 5,487 users subscribed to the PA 2.0 application as of May 31, 2008, a net increase of 93 clients during the quarter.

Annual Subscription Value – ASV at a given point in time represent the forward-looking revenues for the next twelve months from all subscription services currently being supplied to our clients. With proper notice to us, our clients are generally able to add to, delete portions of, or terminate service at any time. At May 31, 2008, ASV was \$590 million, up \$101 million or 21% from the prior year total of \$489 million. Excluding the acquisition of DealMaven and foreign currency exchange, ASV increased \$96 million over the last twelve months, up 20%. ASV from overseas operations increased from \$146 million at May 31, 2007 to \$187 million at May 31, 2008, representing 32% of the Company-wide total.

ASV growth in the third quarter of fiscal 2008 was \$14.7 million. Excluding \$2.6 million from the cancellation of services to Bear Stearns in the third quarter and \$0.9 million from foreign currency exchange, ASV increased \$18.2 million since February 29, 2008. The ASV change in the third quarter was driven by our global investment management client base. Our overseas client base contributed strong ASV growth of 26%, excluding the impact from foreign currency. Investment banks continue to manage expenses during the current market conditions. The adverse ASV change from Bear Stearns was \$2.6 million during the third quarter.

ASV growth in the three months ended May 31, 2008 demonstrates our ability to deepen the engagement of existing FactSet users. The ability to consolidate multiple services into one through the FactSet platform has proven to be a compelling opportunity for our clients to recognize efficiencies. Demand for Portfolio Analytics and Marquee continue at a healthy rate. Users of the PA 2.0 application grew 27% over the last 12 months. Marquee users are up 47% year over year. Success with these applications partially offset the reduction of our ASV growth rate due to a difficult operating environment for investment banks since September 2007. The ASV change from investment banking clients declined \$4.2 million compared to the year ago quarter. The user count change for investment banking clients was flat in the third quarter including the cancellation of 300 seats from Bear Stearns.

Users and Clients – At May 31, 2008, professionals using FactSet increased to 39,600, up 500 users from the beginning of the quarter. Client count was 2,044 as of May 31, 2008, a net increase of 23 clients during the quarter. The moderate growth in user count reflects the difficult operating environment for investment banks. Net new client growth, while healthy, was 35% lower than the average of previous four quarters due to a reduction in new firm creation. At quarter-end, the average subscription per client was \$290,000, up 10% from \$265,000 at August 31, 2007 and up 14% from \$256,000 at May 31, 2007.

At May 31, 2008, client retention remained at a rate in excess of 95%, confirming breadth and depth of a product suite that is deployed to a high quality, institutional client base. No individual client accounted for more than 3% of total ASV as of May 31, 2008. ASV from the ten largest clients is 16% of total client subscriptions.

Revenues by Geographic Region

(In thousands)	Three Months Ended May 31,			Nine Months Ended May 31,		
	2008	2007	Change	2008	2007	Change
Domestic	\$101,676	\$ 86,024	18.2%	\$292,647	\$244,199	19.8%
% of revenues	69.0%	71.1%		69.4%	70.5%	
International	\$ 45,723	\$ 35,051	30.4%	\$129,165	\$102,070	26.5%
% of revenues	31.0%	28.9%		30.6%	29.5%	
Consolidated	\$147,399	\$121,075	21.7%	\$421,812	\$346,269	21.8%

Revenues from the domestic business increased 18.2% to \$101.7 million during the three months ended May 31, 2008 compared to \$86.0 million in the same period a year ago. International revenues in the third quarter of fiscal 2008 were \$45.7

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million, an increase of 30.4% from \$35.1 million in the prior year period. Excluding \$0.6 million of revenues attributable to the impact of foreign currency, international revenue growth was 28.7% year over year. Revenues from international operations accounted for 31% and 29% of our consolidated revenues for the third quarter of fiscal 2008 and 2007, respectively. European revenues advanced 25.5% to \$36.3 million. Asia Pacific revenues grew to \$9.4 million, up 47.8% from the same period a year ago. Our growth rates in Europe and Asia Pacific reflect a robust macroeconomic environment and a reallocation of investment to outside the U.S.

Operating Expenses

(In thousands)	Three Months Ended			Nine Months Ended		
	2008	2007	Change	2008	2007	Change
Cost of services	\$48,134	\$39,429	22.1%	\$140,555	\$111,100	26.5%
Selling, general and administrative	51,346	42,429	21.0%	147,601	122,746	20.2%
Total operating expenses	\$99,480	\$81,858	21.5%	\$288,156	\$233,846	23.2%
Operating Margin	32.5%	32.4%		31.7%	32.5%	

Cost of Services

For the three months ended May 31, 2008, cost of services increased 22.1% to \$48.1 million from \$39.4 million in the comparable prior year period. During the first nine months of fiscal 2008, cost of services advanced 26.5% to \$140.6 million from \$111.1 million in the first nine months of fiscal 2007. Cost of services expressed as a percentage of revenues increased 10 basis points to 32.7% during the third quarter of fiscal 2008 from 32.6% a year ago. The rise in cost of services as a percentage of revenues was 120 basis points for the first nine months of fiscal 2008. The increase during the third quarter was driven by higher employee compensation and additional data costs partially offset by lower computer depreciation and maintenance and lower amortization of intangible assets.

Employee compensation and benefits for our software engineering and consulting departments increased 0.7% and 1.7%, respectively, as a percentage of revenues during the three and nine months ended May 31, 2008 compared to the same period a year ago. Employee additions as well as normal merit increases accounted for the rise in employee compensation. Data costs as a percentage of revenues rose by 0.9% and 0.8%, respectively, for the three and nine months ended May 31, 2008 compared to the same periods in fiscal 2007. This increase was driven by variable payments to data vendors from additional content subscriptions and higher levels of proprietary data content collection.

A reduction in computer related expenses and amortization of intangible assets partially offset these component increases of cost of services. Computer depreciation and maintenance decreased 1.1% and 0.8%, respectively, as a percentage of revenues during the three and nine months ended May 31, 2008 compared to the same period a year ago. Computer depreciation declined from utilizing a shorter useful life for mainframes in the third quarter of fiscal 2007 to account for our transition to Hewlett Packard's new Integrity mainframe machines. The decrease in computer maintenance is a result of replacing the older existing Hewlett Packard Alpha mainframe machines with new Hewlett Packard Integrity mainframe machines in fiscal 2008. In the initial year of purchase, the maintenance on the new Hewlett Packard Integrity mainframe machines is less, thus incurring lower maintenance expense as compared to the older Alpha machines. Amortization expense as a percentage of revenues declined 0.3% and 0.4%, respectively, for the three and nine months ended May 31, 2008 compared to the same periods in fiscal 2007 due to a decline in acquisition activity compared to previous years and intangible assets became fully amortized.

Selling, General and Administrative

For the three months ended May 31, 2008, selling, general, and administrative ("SG&A") expenses advanced 21.0% to \$51.3 million from \$42.4 million in the third quarter of fiscal 2007. During the first nine months of fiscal 2008, SG&A advanced 20.2% to \$147.6 million from \$122.7 million in the first nine months of fiscal 2007. SG&A expenses expressed as a percentage of revenues declined to 34.8% during the third quarter of fiscal 2008 from 35.0% a year ago. The decrease in SG&A as a percentage of revenues was 50 basis points for the first nine months of fiscal 2008. The decrease in SG&A expenses as a percentage of revenues of 20 and 50 basis points for the three and nine months May 31, 2008, respectively, was driven by lower occupancy costs partially offset by our global engineering conference held in May 2008.

Occupancy costs, including rent and depreciation of furniture and fixtures, decreased 0.5% and 0.2%, respectively, as a percentage of revenues during the three and nine months ended May 31, 2008 compared to the same period a year ago. Lower occupancy costs are temporary and are being driven by the timing of acquiring new space to support a growing employee base. Our global engineering conference was held in May 2008 with over 500 internal engineer attendees. The conference was not held in the prior year and reduced our SG&A margin by 50 basis points.

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Income from Operations and Operating Margin

Operating income advanced 22.2% to \$47.9 million for the three months ended May 31, 2008 as compared to the prior year period. Our operating margin during the third quarter of fiscal 2008 was 32.5%, up 10 basis points from 32.4% a year ago. For the nine months ended May 31, 2008, income from operations advanced 18.9% to \$133.7 million as compared to \$112.4 million in the same period a year ago. Our operating margin during the first nine months of fiscal 2008 was 31.7%, down 80 basis points from 32.5% a year ago. However, excluding the pre-tax charge of \$2.4 million from performance-based stock options recorded in the second quarter of fiscal 2008, non-GAAP operating margin improves to 32.3% for the first nine months of fiscal 2008.

Other Income, Income Taxes, Net Income and Earnings per Share

<u>(In thousands, except per share data)</u>	Three Months Ended			Nine Months Ended		
	2008	2007	Change	2008	2007	Change
Other income	\$ 852	\$ 2,143	(60.2)%	\$ 4,325	\$ 5,427	(20.3)%
Provision for income taxes	\$16,229	\$12,785	26.9%	\$46,548	\$38,999	19.4%
Net income	\$32,542	\$28,575	13.9%	\$91,433	\$78,851	16.0%
Diluted earnings per common share	\$ 0.65	\$ 0.56	16.1%	\$ 1.82	\$ 1.54	18.2%
Effective Tax Rate	33.3%	30.9%		33.7%	33.1%	

Other Income

During the three months ended May 31, 2008, other income decreased \$1.3 million or 60.2%, year over year. Other income declined \$1.1 million or 20.3% during the first nine months of fiscal 2008 as compared to the same period a year ago. The decline in other income during fiscal 2008 was a result of the Federal Reserve lowering U.S. interest rates by 3.5% over the last nine months and our reallocation of investments to U.S. government backed securities.

Income Taxes

For the three months ended May 31, 2008, the provision for income taxes increased to \$16.2 million from \$12.8 million in the comparable prior year period. For the nine months ended May 31, 2008, the provision for income taxes increased to \$46.5 million from \$39.0 million in the comparable prior year period. Our effective tax rate for the three months ended May 31, 2008 was 33.3%, an increase of 2.4% from an effective tax rate of 30.9% in the same period a year ago. Our effective tax rate during the third quarter of fiscal 2007 was lower due to \$1.9 million of tax benefits primarily related to deductions for fiscal 2006. In addition, the fiscal 2008 effective tax rate has been adversely impacted from the expiration of the U.S. Federal R&D tax credit on December 31, 2007. The expiration caused our effective tax rate to increase in fiscal 2008.

Net Income and Earnings per Share

Net income rose 13.9% to \$32.5 million and diluted earnings per share increased 16.1% to \$0.65 for the three months ended May 31, 2008. During the first nine months of fiscal 2008, net income advanced 16.0% to \$91.4 million and diluted earnings per share increased 18.2% to \$1.82 as compared to same period a year ago. Excluding the \$1.9 million of tax benefits recorded in the year ago third quarter, non-GAAP net income and non-GAAP diluted earnings per share increased 22.0% and 25.0%, respectively, in the third quarter of fiscal 2008 as compared to the same period a year ago. Excluding the pre-tax charge of \$2.4 million in the second quarter of fiscal 2008 related to an increase in the estimate of the number of performance-based stock options that will vest in August 2008, non-GAAP net income and non-GAAP diluted earnings per share advanced 19.0% and 21.4%, respectively, for the nine months ended May 31, 2008 as compared to the same period a year ago.

Use of non-GAAP Financial Measures

Financial measures in accordance with generally accepted accounting principles ("GAAP") including operating margins, net income and diluted earnings per share have been adjusted to report non-GAAP financial measures that exclude \$1.9 million of tax benefits and a charge of \$2.4 million related to an increase in the estimate of the number of performance-based stock options that will vest in August 2008. We use these non-GAAP financial measures, both in presenting our results to shareholders and the investment community, and in our internal evaluation and management of the businesses. We believe that these financial measures and the information we provide are useful to investors because it permits investors to view our performance using the same tool that management uses to gauge progress in achieving our goals. Investors may benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods and may also facilitate comparisons to our historical performance.

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Foreign Currency

Certain wholly owned subsidiaries within the European and Asia Pacific segments operate under a functional currency different from the U.S. dollar. The financial statements of these foreign subsidiaries are translated into U.S. dollars using period-end rates of exchange for assets and liabilities, and average rates for the period for revenues and expenses. Translation gains (losses) that arise from translating assets, liabilities, revenues and expenses of foreign operations are recorded in accumulated other comprehensive income as a component of stockholders' equity.

Our primary foreign currency exchange exposures are related to our operating expense base in countries outside the U.S., where approximately 30% of our employees are located. To limit our financial exposure related to the effects of foreign exchange rate fluctuations, we may utilize derivatives (foreign currency contracts). We do not enter into foreign currency forward contracts for trading or speculative purposes.

We entered into foreign currency forward contracts to reduce the short-term effects of foreign currency fluctuations during fiscal 2008. At May 31, 2008, the aggregated notional amount of all foreign currency forward contracts outstanding was 1.0 million Euros, a decrease from 3.5 million Euros as of the beginning of the fiscal third quarter. These transactions are designated as cash flow hedges. The effective portion of the derivative's gain or loss is initially reported as a component of accumulated other comprehensive income and subsequently reclassified into earnings when the hedged exposure affects earnings. We did not enter into any new foreign currency forward contracts during the third quarter of fiscal 2008.

As depicted in the chart below, our non-dollar denominated revenues to be recognized over the next twelve months are estimated to be \$31 million while our non-dollar denominated expenses are \$121 million, which translates into a net foreign currency exposure of \$91 million per year or \$22.7 million per quarter.

(In thousands)	Annualized Foreign Currency Exposure		
	Revenues	Expenses	Net Exposure
Euro	\$ 2,259	\$ 44,877	\$ (42,618)
British Pound Sterling	16,488	64,714	(48,226)
Other	11,754	11,781	(27)
Total	\$30,502	\$121,373	\$ (90,871)

To reduce variability in operating expenses caused by Euro denominated operating expenses, we entered into foreign currency forward contracts with maturities up to six months during the second quarter of fiscal 2008. Based on our view of the correlation between the British Pound Sterling and the U.S. dollar, we did not hedge our exposure to the British Pound Sterling as of May 31, 2008. These hedging programs are not designed to provide foreign currency protection over longer time horizons. In designing a specific hedging approach, we considered several factors, including offsetting exposures, significance of exposures, forecasting risk and potential effectiveness of the hedge. The gains and losses on foreign exchange contracts mitigate the variability in operating expenses associated with currency movements. Primarily because our operations are in regions with stable currencies, the effect of foreign currency fluctuations has not been material to our Consolidated Financial Statements.

A gain on derivatives for the three and nine months ended May 31, 2008 of \$0.2 million, respectively, was recorded in our Consolidated Statement of Income. At May 31, 2008, the aggregated notional amount of all foreign currency forward contracts outstanding was 1.0 million Euros. The fair value of all derivative instruments recorded in our Consolidated Statement of Financial Condition at May 31, 2008 was \$0.1 million in other current assets and \$0.1 million in accumulated other comprehensive income.

Liquidity

The table below, for the periods indicated, provides selected cash flow information (in thousands):

Nine months ended May 31,	2008	2007
Net cash provided by operating activities	\$103,416	\$ 99,062
Capital expenditures (2)	25,841	25,407
Free cash flow (1)	\$ 77,575	\$ 73,655
Net cash used in investing activities	\$ (47,160)	\$ (25,913)
Net cash used in financing activities	\$ (58,517)	\$ (27,986)
Cash and cash equivalents (as of May 31)	\$166,829	\$172,045

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- (1) *We define free cash flow as cash provided by operating activities, which includes the cash cost for taxes and changes in working capital, less capital expenditures. Free cash flow is not intended as an alternative measure of cash flows provided by operating activities, as determined in accordance with generally accepted accounting principles in the United States. We use this financial measure, both in presenting our results to shareholders and the investment community, and in our internal evaluation and management of the businesses. Management believes that this financial measure and the information we provide are useful to investors because they permit investors to view our performance using the same tools that management uses to gauge progress in achieving our goals. This measure is also useful to investors because it is an indication of cash flow that may be available to fund further investments in future growth initiatives.*
- (2) *Included in net cash used in investing activities during each period reported above.*

Cash and cash equivalents aggregated to \$166.8 million or 29% of our total assets at May 31, 2008, compared with \$172.0 million or 34% of our total assets at May 31, 2007. All our operating and capital expense requirements were financed entirely from cash generated from our operations. Our cash and cash equivalents decreased \$2.0 million since August 31, 2007 as a result of cash outflows of \$65.7 million related to stock repurchases, \$29.0 million from the payment of variable employee compensation, \$13.9 million from the acquisition of DealMaven, dividends paid of \$17.3 million and capital expenditures, net of landlord contributions of \$25.2 million, partially offset from cash provided by operations of \$103.4 million and \$24.5 million from the exercise of employee stock options.

During the last twelve months, free cash flows rose 17% to \$120.4 million. Free cash flows generated during the third quarter of fiscal 2008 were a record \$45.8 million, up 12% from \$40.8 million over the year ago quarter. Drivers of free cash flow during the third quarter of fiscal 2008 were record levels of net income, \$9.5 million of non-cash expenses and a \$16.6 million improvement from changes in working capital partially offset by \$12.8 million in capital expenditures. The increase in cash flows from working capital changes was primarily caused by a decrease in accounts receivable and the timing of U.S. federal estimated tax payments. Free cash flow in the third quarter of fiscal 2008 exceeded net income by 41% and over the last twelve months, free cash flow and net income are nearly identical.

Capital Resources

Capital Expenditures

For the quarter ended May 31, 2008 capital expenditures, net of landlord contributions for construction, totaled \$12.3 million, up from \$10.1 million in the same period a year ago. Expenditures for computer equipment were \$7.6 million and the remainder covered office space expansion. Significant capital expenditures included adding eight Hewlett Packard Integrity mainframe machines to our data centers and building out new office space in our Chicago, Paris and Norwalk locations. During the first nine months of the year capital expenditures were \$25.3 million, net of landlord contributions for construction. As a result, our system capacity has been expanded by 40%. The cost per Integrity mainframe is 35% less than an Alpha mainframe and the power consumption has been reduced by a third.

Capital Needs

We currently have no other outstanding indebtedness, other than the letters of credit issued in the ordinary course of business, as discussed below.

In February 2008, we renewed both our 364-day revolving credit facility and our three-year credit facility. The credit facilities (the "facilities") are available in an aggregate principal amount of up to \$25.0 million for working capital and general corporate purposes, with the facilities split into two equal tranches and maturing in March 2009 and 2011. Approximately \$4.0 million in aggregate of these credit facilities has been utilized for letters of credit issued during the ordinary course of business as of May 31, 2008. We are obligated to pay a commitment fee on the unused portion of the facilities at a weighted average annual rate of 0.125%. The facilities also contain covenants that, among other things, require us to maintain minimum levels of consolidated net worth and certain leverage and fixed charge ratios.

Business Combinations

DealMaven, Inc.

On January 31, 2008, we acquired DealMaven, Inc. ("DealMaven") for \$14.0 million in cash. Formed in 1999, DealMaven provides tools to improve the workflow of investment bankers when working in Microsoft Excel and helps firms gather, analyze, check and present data more efficiently. The company was headquartered in New York City with 17 employees.

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The acquisition is consistent with our strategy of developing tools to make client workflows more efficient. This factor contributed to a purchase price in excess of fair value of the DealMaven net tangible and intangible assets, and as a result, we have recorded goodwill in connection with this transaction.

The total purchase price of the acquisition is as follows (in thousands):

Cash consideration	\$14,000
Working capital	780
Direct acquisition costs	10
Total purchase price	<u>\$14,790</u>

Allocation of the purchase price to the assets acquired and liabilities assumed has been finalized for this acquisition. The total purchase price was allocated to DealMaven's net tangible and intangible assets based upon their estimated fair value as of the date of acquisition. Based upon the purchase price and the valuation, the purchase price allocation is as follows (in thousands):

Tangible assets acquired	\$ 1,414
Amortizable intangible assets:	
Software technology	1,856
Client relationships	1,040
Non-compete agreements	105
Goodwill	11,996
Total assets acquired	16,411
Liabilities assumed	(1,621)
Net assets acquired	<u>\$14,790</u>

Intangible assets of \$3.0 million have been allocated to amortizable intangible assets consisting of software technology, amortized over five years using a straight-line amortization method; client relationships, amortized over five years using an accelerated amortization method; and non-compete agreements, amortized over two years using a straight-line amortization method.

Goodwill totaling \$12.0 million represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. In accordance with SFAS 142, goodwill will not be amortized and will be tested for impairment at least annually. Goodwill generated from the DealMaven acquisition is included in the U.S. segment and is not deductible for income tax purposes.

The results of operations of DealMaven have been included in our Consolidated Statement of Income since the completion of the acquisition on January 31, 2008. Pro forma information has not been presented because the effect of this acquisition was not material on our consolidated financial results.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of SEC Regulation S-K as of May 31, 2008.

Contractual Obligations

Fluctuations in our operating results, the degree of success of our accounts receivable collection efforts, the timing of tax and other payments as well as necessary capital expenditures to support growth of our operations will impact our liquidity and cash flows in future periods. The effect of our contractual obligations on our liquidity and capital resources in future periods should be considered in conjunction with the factors mentioned here. During the three and nine months ended May 31, 2008, there were no significant changes to our contractual obligations as of August 31, 2007.

Share Repurchases

On January 25, 2008, our Board of Directors approved an expansion of the existing share repurchase program by an additional \$125 million. At that time, we completed the \$100 million expansion to the existing share repurchase program authorized by the Board on March 19, 2007. Repurchases will be made from time to time in the open market and privately negotiated transactions, subject to market conditions. No minimum number of shares to be repurchased has been fixed. There is no timeframe to complete the repurchase program and it is expected that share repurchases will be paid using

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existing and future cash generated by operations. During the nine months ended May 31, 2008, we repurchased 1,126,131 shares at an average cost of \$57.78 per share under the program. At May 31, 2008, \$117.1 million remains authorized for future share repurchases. The remaining 7,613 shares repurchased during the first nine months of fiscal 2008 were repurchases of common stock owned by employees in the Employee Stock Ownership Plan, which was terminated on June 20, 2005.

Dividends

On May 8, 2008, we announced that our Board of Directors approved increasing the regular quarterly dividend by 50% to \$0.18 per share, or \$0.72 per share per annum, beginning with our dividend payment in June 2008. The cash dividend of \$8.6 million was paid on June 17, 2008, to common stockholders of record on May 29, 2008. Cash dividends will be paid using existing and future cash generated by operations.

Significant Accounting Policies and Critical Accounting Estimates

We describe our significant accounting policies in Note 2, *Accounting Policies*, of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended August 31, 2007. We discuss our critical accounting estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended August 31, 2007. With the exception of the adoption of FIN 48 as of September 1, 2007, there were no significant changes in our accounting policies or critical accounting estimates since the end of fiscal 2007. As a result of the adoption of FIN 48, we reduced current taxes payable by \$0.2 million and increased non-current deferred tax assets by \$1.1 million. The adoption of FIN 48 was accounted for as a cumulative effect of a change in accounting principle and accordingly, increased retained earnings by \$1.3 million. As of May 31, 2008, gross unrecognized tax benefits were \$3.7 million, of which \$0.9 million related to the accrual of interest and penalties.

New Accounting Pronouncements

See Note 3 to the consolidated financial statements for a full description of recent accounting pronouncements, including the expected dates of adoption, which we include here by reference.

Acquisition of a Copy of the Thomson Fundamentals Database and Related Assets

We signed an agreement with Thomson Reuters ("Thomson") dated April 22, 2008 to purchase a copy of the Thomson Fundamentals database and related assets. The agreement is subject to regulatory approval by both the European Commission and U.S. Department of Justice. The transaction is expected to close in July 2008.

Fundamental data is historical financial information (i.e. income statement, balance sheet and cash flows) and related underlying data from the notes to the financial statements. The Thomson Fundamentals Database is a preeminent global financial database with coverage of over 43,000 companies and history back to 1980 and has been available and distributed by FactSet since 1991.

We believe that the proposed transaction is valuable to FactSet for four primary reasons:

1. The opportunity to buy a copy of a trusted premium, global fundamental database with history back to the 1980s is rare and is unlikely to repeat itself in the foreseeable future.
2. Fundamentals is one of three core data sets (along with security prices and estimates) all major providers require. Upon completion of the transaction, we will own all three core content sets, on a global basis.
3. Fundamental data is used by all of our clients and prospective clients and nearly every user in our addressable universe.
4. The estimated market opportunity for fundamental data just among our existing client base is in excess of \$100 million, representing a large new source of potential revenue growth for us.

The sale will include copies of the Thomson Fundamental database, source documents, collection software, documentation and collection training materials. Thomson retains full ownership of the original fundamentals database and associated intellectual property. Thomson Fundamentals will continue as a product on the FactSet platform.

At closing, we will enter into a Transition Services Agreement ("TSA") with Thomson. Under the TSA, Thomson will provide services for 18 months from closing date, including daily updates to FactSet's fundamental database. The daily updates will be provided on the same schedule and with the same timeliness, content and quality as the updates we receive for Thomson Fundamentals today. The TSA also outlines consulting and support services Thomson will provide to FactSet to give us a full understanding of the structure and content of the database and the know how to conduct training programs for collection employees.

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Thomson agreed to facilitate a hiring process of key employees connected with the database and related assets. Eight key employees have accepted employment offers to join FactSet, effective on the close of the transaction. In addition, we may acquire customer contracts pertaining to certain Thomson clients upon receipt of a client's consent. The majority of these contracts relate to Thomson Fundamentals over the FactSet platform. The consent period will end on August 12, 2008.

The cash consideration to be paid by FactSet is \$48.8 million plus five times annual revenues assigned to FactSet after the consent of certain clients of the Thomson Fundamental database. Under the TSA, we are scheduled to pay Thomson \$9.1 million, a significant portion of which is consideration for the daily database updates over the next 18 months. Total cash consideration to be paid by us should range between \$67 million and \$80 million. This range assumes that customer contracts with annual revenues of \$2.0 to \$5.0 million will be included in the transaction and transferred to FactSet.

We anticipate that this transaction will be dilutive to earnings per share ("EPS") until the 18 month transition period concludes, after which the transaction is expected to be accretive.

- In the fourth quarter of fiscal 2008, EPS dilution should be approximately \$0.03 per share.
- EPS dilution for each fiscal quarter in fiscal 2009 should be approximately \$0.04 per share or \$0.16 for the full 2009 fiscal year. A primary expense driver is the cost of the TSA from Thomson. The quarterly costs of transition services on a pre-tax basis should approximate \$1.6 million or \$6.5 million for the full 2009 fiscal year. These costs are eliminated at the end of the 18 month transition period.
- The transaction is expected to be accretive to EPS in fiscal 2010.

In summary, we believe this transaction will extend FactSet's competitive advantage of providing clients choice of premium content sets over the FactSet system. FactSet has no plans to alter its redistribution of the vast fundamental data offerings available on the FactSet service including Thomson Fundamentals, Reuters Fundamentals and S&P Compustat®. FactSet Fundamentals will expand our selection for clients and be ready for sale on the day the transaction closes.

Recent Market Trends

In the ordinary course of business, we are exposed to financial risks involving equity, foreign currency and interest rate fluctuations. Since August 2007, major equity indices (e.g., Dow Jones Industrials, Russell 1000, MSCI EAFE, S&P500 and NASDAQ Composite) have experienced significant declines coupled with increased levels of volatility. Historically, there has been little correlation between the results of our operations and the performance of the global equity markets. There is a potential for a continued global downturn in the general economic and market conditions. A prolonged decline in the global equity markets could negatively impact a large number of our clients (investment management firms and investment banks) and increase the possibility of personnel reductions among our existing and potential clients, such as cancellation of 300 seats from Bear Stearns in the third quarter of fiscal 2008.

Forward-Looking Factors

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. All statements that address expectations or projections about the future, including without limitation statements about our strategy for growth, product development, market position, subscriptions and expected expenditures and financial results are forward-looking statements. Forward-looking statements may be identified by words like "expected," "anticipates," "plans," "intends," "projects," "should," "indicates," "continues," "subscriptions," and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions ("future factors"). Therefore, actual results may differ materially and adversely from what is expressed or forecasted in such forward-looking statements. We will publicly update forward-looking statements as a result of new information or future events in accordance with applicable Securities and Exchange Commission regulations.

Risk Factors

Investors should carefully consider the risks described below before making an investment decision. These risks are not the only ones we face. Additional risks we are not presently aware of or that we currently believe are immaterial may also impair our business operations. Our business could be harmed by any of these risks. The trading price of our common stock could decline due to any of these risks. In assessing these risks, investors should also refer to the other information contained or incorporated by reference in this Quarterly Report on Form 10-Q filed with the SEC, including our consolidated financial statements and related notes thereto.

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Risk factors which could cause future financial performance to differ materially from the expectations as expressed in any of our forward-looking statements made by or on our behalf include, without limitation:

- A prolonged decline in the return equities of developed markets impacting the buying power of our investment management clients
- The status of the global economy, including the financial status of global investment banks
- Our ability to integrate newly acquired companies
- The protection and privacy of our client data
- Our ability to hire and retain key qualified personnel
- Prolonged outage at one of our data centers, which could result in reduced service and the loss of customers
- Retention of key clients and their current service levels
- Ability to ensure the protection and privacy of client data, including security holes within our products
- The negotiation of contract terms supporting new and existing databases or products
- Maintenance of our leading technological position through the introduction of new products and product enhancements
- Changes to our corporate headquarters or regional offices that impact our business continuity plan
- Resolution of ongoing and other probable audits by tax authorities
- The acquisition of a copy of the Thomson Fundamentals database and related assets pending regulatory approval
- The ability to integrate and market FactSet Fundamentals as a high quality asset and win new clients
- Malicious, ignorant or illegal employee acts regarding insider information or client data
- The ability to mitigate the risk of our software introducing a virus to client networks
- The ability to achieve historical levels of profitability and growth rates for revenues, earnings per share and cash flows
- Increased competition in our industry may cause price reductions or loss of market share
- Third parties may claim infringement upon their intellectual property rights
- Changes in accounting
- Internal controls may be ineffective
- Potential changes in securities laws and regulations governing the investment industry's use of soft dollars may reduce our revenues
- Competition in our industry and the result of regulatory activity
- The absence of U.S. or foreign governmental regulation restricting international business

Business Outlook

The following forward-looking statements reflect our expectations as of July 10, 2008. Given the number of risk factors, uncertainties and assumptions discussed above, actual results may differ materially. We do not intend to update our forward-looking statements until our next quarterly results announcement, other than in publicly available statements.

Fourth Quarter Fiscal 2008 Expectations

Excluding the purchase of FactSet Fundamentals

- Revenues are expected to range between \$150 million and \$154 million.
- Operating margins are expected to range between 31% and 33%.
- Other income is expected to be between \$0.9 million and \$1.2 million.
- The effective tax rate is expected to range between 33.8% and 34.6% and assumes the U.S. Federal R&D tax credit is not reenacted.

Including the purchase of FactSet Fundamentals

- Revenues are expected to range between \$150 million and \$155 million.
- Operating margins are expected to range between 29.5% and 31.5%.
- Other income is expected to be between \$0.6 million and \$0.9 million.
- The effective tax rate is expected to range between 33.8% and 34.6% and assumes the U.S. Federal R&D tax credit is not reenacted.

Full Year Fiscal 2008

- Capital expenditures, net of landlord contributions, remains at \$32 million to \$38 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have exposure to foreign exchange and interest rate risk. We began transitioning our billing of JCF clients from local currency invoices to U.S. dollar invoices in fiscal 2008. As a result, our non-dollar denominated revenues to be recognized over the next twelve months are estimated to be \$31 million while our non-dollar denominated expenses are \$121 million, which translates into a net foreign currency exposure of \$91 million per year or \$22.7 million per quarter. To limit our exposure related to the effects of foreign exchange rate fluctuations, we may continue to utilize derivatives (foreign currency contracts). Refer to the annualized foreign currency table disclosed in the *Foreign Currency* section within our Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations* for further analysis of our market risk which incorporates the impact of our billing transition over the next twelve months.

There have been no material changes to our exposure to interest rate risks from those disclosed in our Annual Report on Form 10-K for the fiscal year ended August 31, 2007. Refer to *Market Sensitivities* in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* section of our fiscal 2007 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of the Company's management, including the principal executive officer and principal financial officer, the Company has evaluated the effectiveness of its disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of the end of the period covered by this report. Based on that evaluation, the principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company's third quarter of fiscal 2008 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

Items 2(a) and (b) are inapplicable.

(c) The following table provides a month-to-month summary of the share repurchase activity under the current stock repurchase program during the three months ended May 31, 2008:

<u>Period</u>	<u>Total number of shares purchased</u>	<u>Average price paid per share</u>	<u>Total number of shares purchased as part of publicly announced plans or programs</u>	<u>(1) Maximum number of shares (or approximate dollar value) of shares that may yet be purchased under the plans or programs (in thousands)</u>
March 2008	—	—	—	\$ 117,091
April 2008	—	—	—	117,091
May 2008	—	—	—	117,091
	<u>—</u>		<u>—</u>	<u>\$ 117,091</u>

(1) On January 25, 2008, the Company's Board of Directors approved an expansion of the existing share repurchase program by an additional \$125 million. At that time, the Company completed the \$100 million expansion to the existing share repurchase program authorized by the Board on March 19, 2007. Repurchases will be made from time to time in the open market and privately negotiated transactions, subject to market conditions. No minimum number of shares to be repurchased has been fixed. There is no timeframe to complete the repurchase program and it is expected that share repurchases will be paid using existing and future cash generated by operations. The table does not include share repurchases of common stock owned by employees in the Employee Stock Ownership Plan, which was terminated on June 20, 2005.

ITEM 6. EXHIBITS

(a) EXHIBITS:

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
10.1	Purchase Agreement, dated as of April 22, 2008, among Thomson Financial Limited, FactSet Europe Limited and FactSet Research Systems Inc. (Portions of this Exhibit have been omitted pursuant to a request for confidential treatment and have been separately filed with the Securities and Exchange Commission under Rule 24b-2)
31.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer
32.1	Section 1350 Certification of Principal Executive Officer
32.2	Section 1350 Certification of Principal Financial Officer

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 10, 2008

FACTSET RESEARCH SYSTEMS INC.
(Registrant)

/s/ PETER G. WALSH

Peter G. Walsh
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

/s/ MAURIZIO NICOLELLI

Maurizio Nicoelli
Vice President and Comptroller
(Principal Accounting Officer)

EXHIBIT INDEX

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31.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer
32.1	Section 1350 Certification of Principal Executive Officer
32.2	Section 1350 Certification of Principal Financial Officer

Confidential treatment has been requested for portions of this Exhibit. The copy filed herewith omits the information subject to the confidentiality request. Omissions are designated as [**REDACTED**]. A complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

PURCHASE AGREEMENT

Among

THOMSON FINANCIAL LIMITED

FACTSET EUROPE LIMITED

and

FACTSET RESEARCH SYSTEMS INC.
(solely for purposes of Section 9.15)

Dated as of April 22, 2008

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- 1.01(f) Thomson's Knowledge
- 2.05(a) Form of Letter regarding Customer Contracts
- 5.06(a) License Agreement
- 5.07 Transition Services Agreement

PURCHASE AGREEMENT (this "Agreement"), dated as of April 22, 2008, among THOMSON FINANCIAL LIMITED, a company organized under the laws of England and Wales ("Thomson"), FACTSET EUROPE LIMITED, a company organized under the laws of England and Wales (the "Purchaser") and, solely for purposes of Section 9.15, FACTSET RESEARCH SYSTEMS INC., a Delaware corporation ("Parent").

WHEREAS, on May 15, 2007, The Thomson Corporation ("Thomson Parent"), Reuters Group PLC ("Reuters Parent"), The Woodbridge Company Limited and Thomson-Reuters Limited entered into an Implementation Agreement (the "Implementation Agreement") to effect certain transactions as contemplated therein (the "Thomson-Reuters Transaction");

WHEREAS, in connection with the pending Thomson-Reuters Transaction, on December 20, 2007, Thomson Parent and Reuters Parent provided certain commitments (the "Commitments") to the European Commission (the "EC") relating to the Purchased Assets (as defined below), and on February 19, 2008, Thomson Parent and Reuters Parent consented to the filing of a proposed Final Judgment (the "Consent Decree") and a Consent Decree Stipulation relating to the Purchased Assets;

WHEREAS, Thomson is an indirect wholly-owned subsidiary of Thomson Parent;

WHEREAS, Thomson has offered to permit the Purchaser to make offers to a large number of employees of Thomson involved in operating the Thomson Fundamentals Database, and the Purchaser has determined to consider for employment with the Purchaser only the Key Personnel and the Personnel (as defined below);

WHEREAS, pursuant to the undertakings of Thomson Parent and Reuters Parent set forth in the Commitments and the Consent Decree, Thomson wishes to sell, or cause to be sold, to the Purchaser, and the Purchaser wishes to purchase from Thomson, the Purchased Assets (as defined below), all upon the terms and subject to the conditions set forth herein; and

WHEREAS, pursuant to the undertakings of Thomson Parent and Reuters Parent set forth in the Commitments and the Consent Decree, Thomson wishes to grant to the Purchaser, and the Purchaser wishes to obtain from Thomson, the Licenses to be granted pursuant to the License Agreement (as defined below), all upon the terms and subject to the conditions set forth in the License Agreement (as defined below).

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements and covenants hereinafter set forth and intending to be legally bound, Thomson and the Purchaser hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Certain Defined Terms. For purposes of this Agreement:

“Acquired Employees” means those Key Personnel and Personnel who accept employment with the Purchaser and who report to work with the Purchaser.

“Action” means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

“Affiliate” means, (a) with respect to any Person (other than Thomson), any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person, and (b) with respect to Thomson, (i) prior to the consummation of the Thomson-Reuters Transaction, Thomson Parent and its direct and indirect subsidiaries (other than Thomson) and (ii) following the consummation of the Thomson-Reuters Transaction, Thomson Parent and its direct and indirect subsidiaries (other than Thomson) and Reuters Parent and its direct and indirect subsidiaries.

“Ancillary Agreements” means the Assignment and Assumption Agreement, the Bill of Sale, the License Agreement, the Redistribution Agreement and the Transition Services Agreement.

“Assignment and Assumption Agreement” means the Assignment and Assumption Agreement to be executed by the Purchaser and Thomson or one or more of their respective Affiliates at the Closing, substantially in the form of Exhibit 1.01(a).

“Best Efforts” means, with respect to the level of efforts that a Person is required to use in performance of a specified obligation, best efforts that shall not require such Person to overcome commercially unreasonable demands.

“Bill of Sale” means the Bill of Sale to be executed by Thomson or one or more of their respective Affiliates at the Closing, substantially in the form of Exhibit 1.01(b).

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in The City of New York, United States or London, United Kingdom.

“Code” means the Internal Revenue Code of 1986, as amended through the date hereof.

“Confidential Information Memorandum” means the Confidential Information Memorandum provided to the Purchaser in connection with the transactions contemplated hereby.

“Consent Decree Stipulation” means the stipulation entered into by the DOJ, Thomson Parent and Reuters Parent, and approved and entered by a United States District Court, providing, among other things, that pending entry of the Consent Decree by such court, Thomson Parent and Reuters Parent will abide by and comply with all the terms and provisions of the proposed Consent Decree as though the same were in full force and effect as an order of such court.

“control” (including the terms “controlled by” and “under common control with”), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

“Controlled Group Liability” means any liability (i) under Section 302 of ERISA, Title IV of ERISA, or Section 412 of the Code, or (ii) for violation of the continuation coverage requirements of Sections 601 et seq. of ERISA and Section 4980B of the Code or the group health requirements of Sections 701 et seq. of ERISA and Sections 9801 et seq. of the Code.

“Conveyance Taxes” means all sales, use, value added, transfer, stamp, stock transfer, real property transfer and similar Taxes.

“Customer Contracts” means all contracts with customers for the Direct Content Datafeed delivery of the Thomson Fundamentals Database (or those portions of customer contracts that are applicable to such Direct Content Datafeed delivery).

“Direct Content Datafeed” means a datafeed delivered using file transfer protocol (FTP), compact disc (CD) or digital video disc (DVD) media, or other industry standard technology, offering data within a discrete content set (i.e., the Thomson Fundamentals Database), including such data delivered by or through redistributors where (i) the datafeed can be disaggregated from other product or products provided by Thomson without causing significant disruption to the customer’s (or redistributor’s) operations, and (ii) the customer’s (or redistributor’s) contract for the purchase of the datafeed allocates a price for such datafeed (a list of which datafeeds is set forth on Exhibit 1.01(c)).

“Disclosure Schedule” means the Disclosure Schedule attached hereto, dated as of the date of this Agreement, delivered by Thomson to the Purchaser in connection with this Agreement. Notwithstanding anything to the contrary contained in the Disclosure Schedule or in this Agreement or the Ancillary Agreements, except as expressly provided otherwise in this Agreement, the information and disclosures contained in any Section of the Disclosure Schedule shall be deemed to be disclosed and incorporated by reference in any other section of the Disclosure Schedule in respect of Article III as though fully set forth to such other section to the extent the relevance of such information in such other section is reasonably apparent. No reference to or disclosure of any item or other matter in any Section of this Agreement, including any Section of the Disclosure Schedule, shall be construed as an admission or indication that such item or other matter is material or that such item or other matter is required to be referred to

or disclosed in this Agreement. Without limiting the foregoing, no such reference to or disclosure of a possible breach or violation of any contract, Law or Governmental Order shall be construed as an admission or indication that a breach or violation exists or has actually occurred.

“Employee Liability Date” means (i) with respect to Key Personnel, the Closing Date and (ii) with respect to Personnel, the date on which the individual reports to work with the Purchaser or such other date as may reasonably be agreed between Thomson and the Purchaser.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Fundamentals” means data pertaining to companies and their financial performance, such as reportable financial statement data (such as balance sheet, cash flow and income statements), calculated financial ratios (such as annual and five-year averages for growth rates, profitability, leverage and asset utilization), textual profile information (such as address, identity of officers and directors) and per share data (such as earnings per share, book value per share and cash flow per share), that are derived from company filings and financial statements.

“Governmental Authority” means any federal, national, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Indemnified Party” means a Purchaser Indemnified Party or a Seller Indemnified Party, as the case may be.

“Indemnifying Party” means Thomson pursuant to Section 7.02 and the Purchaser pursuant to Section 7.03, as the case may be.

“Intellectual Property” means (a) patents and patent applications, (b) copyrights, including copyrights in computer software and the Thomson Fundamentals Database, (c) rights in confidential and proprietary information, including trade secrets and know-how, (d) registrations and applications for registration of the foregoing; and (e) rights in databases and compilations of data, in each case including under the Law of the United States (“US Law”) or the Law of any of the member states of the European Union (“EU Law”).

“Key Personnel” means those individuals in the positions set forth on Exhibit 1.01(d), in accordance with the Consent Decree.

“Law” means any federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law).

“Liabilities” means any and all debts, liabilities and obligations (including Taxes, other than Conveyance Taxes, which are governed by Section 5.10), whether accrued or fixed,

absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Law, Action or Governmental Order and those arising under any contract, agreement, arrangement, commitment or undertaking.

“Liens” means all mortgages, liens, security interests, charges, options, claims or encumbrances.

“Material Adverse Effect” means [**REDACTED**].

“Monitoring Trustee” means Grant Thornton UK LLP or such other Person as may be approved by the EC and the DOJ pursuant to the Commitments and the Consent Decree.

“Offer” means, as applicable, a Key Personnel Offer [**REDACTED**].

“Owned Intellectual Property” means the Intellectual Property embodied in the Thomson Fundamentals Database and owned by Thomson (or any Thomson Entity).

“Permitted Liens” means liens for Taxes that are not yet due and payable or that may thereafter be paid without penalty.

“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

“Personnel” means those individuals employed by Thomson at the Bangalore facility in the positions set forth on Exhibit 1.01(e), other than Key Personnel.

“Purchase Price Bank Account” means one or more bank accounts in the United States to be designated by Thomson in a written notice to the Purchaser at least three Business Days before the Closing.

“Reuters” means Reuters Limited, a company organized under the laws of England and Wales and an indirect wholly-owned subsidiary of Reuters Parent.

“Tax” or “Taxes” means any and all taxes of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any government or taxing authority.

“Third-Party Owned Fundamentals” means Fundamentals over which a contributor maintains an Intellectual Property right.

“Thomson Entity” means Thomson Financial LLC or any of its subsidiaries.

“Thomson Fundamentals Database” means all master source Fundamentals databases used in, or in the production of, Thomson’s or any of the Thomson Entities’ Fundamentals products, comprising the complete electronic collection of “as reported”

Fundamentals that Thomson or any Thomson Entity uses for the “Enterprise FX” product and the complete electronic collection of “standardized” Fundamentals that Thomson or any Thomson Entity uses for the “Worldscope File2” product, including all database annotations made by Thomson or any Thomson Entity in the collection, aggregation, normalization, standardization, updating, indexing, or tagging of the Thomson Fundamentals Database, in each case as of the Closing Date.

“Thomson Fundamentals Database Documentation” means all data (including any third-party owned data or materials for which any requisite consents are obtained), source documents, and other documentary materials used by Thomson or any Thomson Entity in the collection, aggregation, normalization, standardization, updating, indexing, or tagging of the Thomson Fundamentals Database, current as of the Closing Date, including (i) detailed descriptions of the data collection, normalization and transformation process and methodologies, (ii) detailed descriptions of the business logic used to map between as reported and standardized databases, including a guide to standardized data definitions, (iii) all training and other manuals, know-how, workflow documents and instructions maintained by Thomson or any Thomson Entity which are used exclusively in connection with the Thomson Fundamentals Database and relevant parts of such training and other manuals, know-how and instructions maintained by Thomson or any Thomson Entity which are used non-exclusively in connection with the Thomson Fundamentals Database, and (iv) all business logic used to map between “as reported” and “standardized” data, including a guide to standardized data definitions.

“Thomson’s Knowledge”, “Knowledge of Thomson” or similar terms used in this Agreement mean [**REDACTED**].

SECTION 1.02. Definitions. The following terms have the meanings set forth in the Sections set forth below:

<u>Definition</u>	<u>Location</u>
“ <u>Actual Knowledge</u> ”	7.04(d)
“ <u>Additional VAT</u> ”	5.10(e)
“ <u>After-Assigned Customer Contracts</u> ”	2.03(c)
“ <u>Agreement</u> ”	Preamble
“ <u>Annual Revenue</u> ”	2.03(e)
“ <u>Article 5</u> ”	5.10(b)
“ <u>Assets Purchase Price</u> ”	2.03(a)
“ <u>Assigned Contracts</u> ”	2.02(a)
“ <u>Assignment Period Start Date</u> ”	2.05(a)
“ <u>Assignment Schedule</u> ”	2.03(c)
“ <u>Assumed Liabilities</u> ”	2.02(a)
“ <u>Closing</u> ”	2.07
“ <u>Closing Date</u> ”	2.07
“ <u>Commitments</u> ”	Recitals
“ <u>Confidentiality Agreement</u> ”	5.04
“ <u>Consent Decree</u> ”	Recitals

<u>Definition</u>	<u>Location</u>
" <u>Customer Contract Assignment Period</u> "	2.05(b)
" <u>Customer Contracts Purchase Price</u> "	2.03(b)
" <u>Customer Contracts Purchase Price Allocation Schedule</u> "	2.03(f)
" <u>Customer Contract Termination Date</u> "	2.03(d)
" <u>Customer Contract Termination Period</u> "	2.05(d)
[**REDACTED**]	[**REDACTED**]
" <u>DOJ</u> "	2.07
" <u>EC</u> "	Recitals
" <u>EU Law</u> "	1.01
" <u>Excluded Liabilities</u> "	2.02(b)
" <u>Fundamental Representations</u> "	7.04(b)
" <u>Fundamentals Contracts</u> "	2.04(a)
" <u>Fundamentals Consent Outside Date</u> "	2.04(a)
" <u>Fundamentals Consent Period</u> "	2.04(a)
" <u>Implementation Agreement</u> "	Recitals
" <u>Key Personnel Offer Period</u> "	2.06(a)
" <u>Key Personnel Offers</u> "	2.06(a)
" <u>License Agreement</u> "	5.06(a)
" <u>Loss</u> "	7.02
" <u>Parent</u> "	Preamble
[**REDACTED**]	[**REDACTED**]
[**REDACTED**]	[**REDACTED**]
" <u>Plan</u> "	2.01(b)(x)
" <u>Purchaser</u> "	Preamble
" <u>Purchase Price</u> "	2.03(a)
" <u>Purchased Assets</u> "	2.01(a)
" <u>Purchaser Indemnified Party</u> "	7.02
" <u>Redistribution Agreement</u> "	5.06(c)
[**REDACTED**]	[**REDACTED**]
" <u>Reuters Parent</u> "	Recitals
" <u>Section 2.05 Termination Party</u> "	2.03(d)
" <u>Seller Employee</u> "	5.09(b)
" <u>Seller Indemnified Party</u> "	7.03
[**REDACTED**]	[**REDACTED**]
[**REDACTED**]	[**REDACTED**]
" <u>Switching Party</u> "	2.03(d)
" <u>Terminated Customer Contract</u> "	2.03(d)
" <u>Termination Date</u> "	8.01(a)
" <u>Termination Parties Schedule</u> "	2.03(d)
" <u>Termination Schedule</u> "	2.03(d)
" <u>Third-Party Claims</u> "	7.05(b)
" <u>Thomson</u> "	Preamble
" <u>Thomson Assigned Contracts</u> "	3.07

<u>Definition</u>	<u>Location</u>
" <u>Thomson Parent</u> "	Recitals
" <u>Thomson-Reuters Transaction</u> "	Recitals
" <u>Transition Services Agreement</u> "	5.07
" <u>UBS</u> "	3.10
" <u>Update Prepayment</u> "	2.03(g)
" <u>US Law</u> "	1.01

SECTION 1.03. Interpretation and Rules of Construction. In this Agreement, except to the extent otherwise provided or that the context otherwise requires:

(a) when a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference is to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated;

(b) the table of contents and headings for this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement;

(c) whenever the words "include," "includes" or "including" are used in this Agreement, they are deemed to be followed by the words "without limitation";

(d) the words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement;

(e) all terms defined in this Agreement have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein;

(f) the definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms; and

(g) references to a Person are also to its successors and permitted assigns.

SECTION 1.04. Thomson Entities. If (i) a Thomson Entity has any rights to any Purchased Asset or (ii) a Thomson Entity is a party to any Assigned Contract, Thomson will cause each such Thomson Entity to fulfill, and comply with, all of Thomson's obligations under this Agreement and to enter into the relevant Ancillary Agreements with the Purchaser (or the applicable Affiliate of the Purchaser) as they would apply to Thomson if (x) such rights were held by and (y) the party to such Assigned Contracts were Thomson itself.

ARTICLE II

THE TRANSACTIONS

SECTION 2.01. Purchase and Sale of Assets. (a) Upon the terms and subject to the conditions of this Agreement, at the Closing, Thomson shall transfer, or cause to be transferred, to the Purchaser, and the Purchaser shall acquire from Thomson the following assets (the "Purchased Assets"), subject to and upon the terms and conditions of the License Agreement:

(i) a copy of the Thomson Fundamentals Database (that includes any Third-Party Owned Fundamentals for which requisite consents are obtained) and a copy of the Thomson Fundamentals Database Documentation;

(ii) copies of the unique numerical identifiers used by Thomson or any Thomson Entity to identify companies in the Thomson Fundamentals Database and tables to map such identifiers to industry-standard third party identifiers (such as exchange ticker symbols and CUSIP numbers); and

(iii) a copy of the source and object code versions of the Thomson Software (as defined in the License Agreement) and copies of associated documentation and training materials.

(b) Notwithstanding anything in Section 2.01(a) to the contrary, Thomson shall not sell, convey, assign, transfer or deliver, nor cause to be sold, conveyed, assigned, transferred or delivered, to the Purchaser, and the Purchaser shall not purchase, and the Purchased Assets shall not include, Thomson's right, title and interest in or to any assets of Thomson not expressly included in the Purchased Assets and any assets of its Affiliates, including:

(i) governmental licenses, permits and authorizations related to the Purchased Assets;

(ii) customer, credit or other records, contracts (other than the Assigned Contracts), accounts or pricing information (other than reflected in the Assigned Contracts) related to the Purchased Assets;

(iii) redistribution agreements related to the Purchased Assets, other than to the extent included in Assigned Contracts;

(iv) trademarks, service marks or brands or any licenses thereto (including any rights to use the names "Thomson", "Reuters", "Worldscope", "Multex" or "EcoWin" alone or in connection with any of the Purchased Assets);

(v) any desktop product, including RMDS, ThomsonOne, Thomson Datastream, Reuters Knowledge desktop interface or Reuters 3000Xtra, except any component thereof to the limited extent, if any, that such component is part of the Purchased Assets, in which case it shall be subject to licensing on the basis contemplated by the License Agreement;

(vi) any commercially-available hardware or software (including any superseded hardware or software for which more recent compatible versions are available), except for custom software modifications made by or for Thomson and licensed to the Purchaser pursuant to the License Agreement, it being acknowledged that all of the hardware used by Thomson or any Thomson Entity in connection with the Purchased Assets is commercially available;

(vii) backup or archival copies of software, data or documents to the extent they duplicate the materials being delivered to the Purchaser pursuant to this Agreement or the Ancillary Agreements;

(viii) any Reuters Instrument Codes or licenses to use or distribute such codes or any other proprietary identification systems of Thomson or its Affiliates that are used to produce offerings other than the Thomson Fundamentals Database, that are not necessary to the compilation, production, operation, updating or maintenance of the Thomson Fundamentals Database;

(ix) any Third-Party Owned Fundamentals for which requisite consents are not obtained;

(x) all assets related to any employee benefit plan, policy, program, agreement or arrangement, including any pension, profit sharing, 401(k), retirement, deferred compensation, stock purchase, stock option, incentive, bonus, vacation, employment, severance, disability, hospitalization, sickness, death, medical insurance, dental insurance, and life insurance plan, policy, program or arrangement, however funded, sponsored or contributed to by Thomson or its Affiliates (each, a "Plan");

(xi) land and buildings;

(xii) goodwill;

(xiii) advertising materials; and

(xiv) Owned Intellectual Property, provided, for the avoidance of doubt, that such Owned Intellectual Property shall be licensed to the Purchaser pursuant to the License Agreement.

SECTION 2.02. Assumption and Exclusion of Liabilities. (a) The Purchaser or an Affiliate of the Purchaser shall assume and be responsible for paying, performing and discharging when due any and all of the following Liabilities (the "Assumed Liabilities"): (i) Liabilities relating to the Purchased Assets arising after the Closing, (ii) Liabilities relating to the Fundamentals Contracts and the Customer Contracts, to the extent assigned to the Purchaser or an Affiliate of the Purchaser (the "Assigned Contracts") arising after the effective date of the assignment of such Assigned Contract and (iii) Liabilities relating to the Acquired Employees arising after the respective Employee Liability Date.

(b) Thomson shall retain, and shall be responsible for paying, performing and discharging when due, and the Purchaser shall not assume or have any responsibility for, any and all Liabilities of Thomson or any Thomson Entity existing (i) as of the Closing relating to the Purchased Assets or (ii) as of the effective date of the assignment of each Assigned Contract and relating to such Assigned Contract, in each case other than the Assumed Liabilities (the “Excluded Liabilities”). Excluded Liabilities shall include (i) Liabilities arising after the Closing or, in the case of each Assigned Contract, after the effective date of the assignment of such Assigned Contract relating to actions or omissions of Thomson on or prior to the Closing, other than with respect to the matters specifically addressed by the representations and warranties set forth in Article III and (ii) any income Tax liability of Thomson or any Thomson Entity relating to the sale or transfer of the Purchased Assets or the Assigned Contracts.

SECTION 2.03. Purchase Price; Allocation of Purchase Price. (a) The purchase price for the Purchased Assets and the Assigned Contracts (other than Customer Contracts) shall be \$[**REDACTED**], exclusive of Conveyance Taxes (the “Assets Purchase Price” and, together with the Customer Contracts Purchase Price defined below, the “Purchase Price”).

(b) The purchase price for the assignment of Customer Contracts for the Direct Content Datafeed delivery of the Thomson Fundamentals Database that are assigned at or before the Closing shall be equal to five (5) times the Annual Revenues from such Customer Contracts, exclusive of Conveyance Taxes (the “Customer Contracts Purchase Price”).

(c) As promptly as practicable, but in no event later than five (5) Business Days after the expiry of the Customer Contract Assignment Period, the Purchaser will deliver to Thomson a schedule (the “Assignment Schedule”), certified by an officer of the Purchaser, setting forth all Customer Contracts listed in Section 2.05 of the Disclosure Schedule that have been assigned to the Purchaser or any of its Affiliates during the Customer Contract Assignment Period, but after the Closing (such Customer Contracts, the “After-Assigned Customer Contracts”). The Customer Contracts Purchase Price shall be increased by an amount equal to five (5) times the Annual Revenues from the After-Assigned Customer Contracts (exclusive of Conveyance Taxes) and the Purchaser shall, within five (5) Business Days after the delivery of the Assignment Schedule make payment by wire transfer in immediately available funds of (x) such amount, plus (y) interest thereon at a rate equal to the rate of interest from time to time announced publicly by Citibank, N.A. as its prime rate, calculated on the basis of the actual number of days elapsed divided by 365, from the Closing Date to the date of payment and minus (z) the prorated Annual Revenues from each After-Assigned Customer Contract for the period from the Closing Date to the effective date of assignment of such After-Assigned Customer Contract (calculated by dividing such Annual Revenue by 365 and multiplying by the number of actual days elapsed after the Closing Date). For purposes of this Section 2.03(c), the effective date of assignment shall be the date when the customer consent to assignment is executed by the customer.

(d) As promptly as practicable, but in no event later than ten (10) Business Days after the expiry of the Customer Contract Termination Period, Thomson will deliver to the Purchaser a schedule (the "Termination Schedule"), certified by an officer of Thomson, setting forth (i) all Customer Contracts that (A) are listed in Section 2.05 of the Disclosure Schedule, (B) have not been assigned to the Purchaser during the Customer Contract Assignment Period, (C) Thomson has permitted the respective customer to terminate early without penalty in accordance with Section 2.05 and (D) have actually been terminated early, with an effective date of such early termination within the Customer Contract Termination Period (each of the Customer Contracts described in this clause (i), a "Terminated Customer Contract"), (ii) the effective date of termination of each such Customer Contract (each such date, a "Customer Contract Termination Date") and (iii) the name of the counterparty to each such Customer Contract (any such other party, a "Section 2.05 Termination Party"). The Termination Schedule shall be accompanied by copies of the written notices pursuant to Section 2.05(d) delivered by or on behalf of each such Section 2.05 Termination Party. As promptly as practicable, but in no event later than ten (10) Business Days after the delivery of the Termination Schedule, the Purchaser will deliver to Thomson a schedule (the "Termination Parties Schedule"), certified by an officer of the Purchaser, setting forth the names of all Section 2.05 Termination Parties to whom the Purchaser or any of its Affiliates has begun to provide services (at any time during the Customer Contract Termination Period on or after the Customer Contract Termination Date in respect of such Section 2.05 Termination Party) from the Purchaser or such Affiliate that compete with the Direct Content Datafeed delivery of the Thomson Fundamentals Database by Thomson (each such Section 2.05 Termination Party, a "Switching Party"). The Customer Contracts Purchase price shall be increased by an amount equal to five (5) times the Annual Revenues from all Terminated Customer Contracts with a Switching Party (exclusive of Conveyance Taxes) and the Purchaser shall, within five (5) Business Days after the delivery of the Termination Parties Schedule, make payment by wire transfer in immediately available funds of (x) such amount, plus (y) interest thereon at a rate equal to the rate of interest from time to time announced publicly by Citibank, N.A. as its prime rate, calculated on the basis of the actual number of days elapsed divided by 365, from the Closing Date to the date of payment and minus (z) the prorated Annual Revenues from each Terminated Customer Contract with a Switching Party for the period from the Closing Date to the effective date of termination of such Terminated Customer Contract (calculated by dividing such Annual Revenue by 365 and multiplying by the number of actual days elapsed after the Closing Date).

(e) "Annual Revenue" shall be the amount of revenue listed for each Customer Contract in Section 2.03(e) of the Disclosure Schedule.

(f) Prior to the Closing, Thomson and the Purchaser shall reasonably agree to a schedule allocating the Customer Contracts Purchase Price among the individual assignors of particular Customer Contracts and Thomson reflecting an arm's length allocation (the "Customer Contracts Purchase Price Allocation Schedule"). For the avoidance of doubt, in respect of any portions of the Customer Contracts Purchase Price allocated pursuant to the Customer Contracts Purchase Price Allocation Schedule to an entity other than Thomson, Thomson receives payment of such portions of the Customer Contracts Purchase Price solely in a capacity as nominee for the actual assignor. The Customer Contracts Purchase Price Allocation Schedule shall be updated from time to time by Thomson to reflect After-Assigned Customer Contracts. The Update Prepayment shall be allocated among the databases in accordance with allocations set forth in schedules to the Transition Services Agreement.

(g) The prepayment amount for fees payable with respect to database updates and maintenance and source documents updates under the Transition Services Agreement shall be \$[**REDACTED**], exclusive of Conveyance Taxes (the "Update Prepayment"). Conveyance Taxes on such amounts shall be immediately payable at Closing.

SECTION 2.04. Assignment of Certain Content Contracts. (a) From the date hereof until the date that is the two-year anniversary of the Closing Date (the "Fundamentals Consent Outside Date" and such period, the "Fundamentals Consent Period"), Thomson will use its Best Efforts (i) to cause the assignment to the Purchaser or an Affiliate thereof designated by the Purchaser of the contracts for the provision of Fundamentals data or other third-party contributor data (including historical data, industry standard symbology such as CUSIP, SEDOL, classification codes such as ICB sector codes, price and corporate action data, ADR information and currency exchange rates) that Thomson or any Thomson Entity uses in the compilation, production, operation, updating or maintenance of the Thomson Fundamentals Database listed in Section 2.04(a) of the Disclosure Schedule, which schedule shall be updated by Thomson and the Purchaser as of the Closing (the "Fundamentals Contracts") and (ii) in assisting the Purchaser and its designated Affiliate in reaching supply agreements directly with such contributor as promptly as possible, including waiving any exclusivity provisions with such third party as needed, provided, however, that Thomson may terminate the use of its Best Efforts with respect to a particular third party once the Purchaser or any of its Affiliates concludes any arrangement for the supply of the applicable contributed content directly from that third party. The Purchaser, its designated Affiliate and Thomson will cooperate in good faith (x) in determining the approach to the counterparties of the Fundamentals Contracts, including the timing of such approach, (y) to cause the assignment of the Fundamentals Contracts and/or implementation of supply agreements directly with the contributor and (z) to minimize any disruption of the services under the Transition Services Agreement. As promptly as reasonably practicable after the date hereof (or at a later date agreed pursuant to clause (x) of the preceding sentence), Thomson and the Purchaser or its designated Affiliate shall send an email and a letter in a form to be agreed in good faith between Thomson and the Purchaser to each counterparty to any Fundamentals Contract. Assignments of Fundamentals Contracts effective as of the Closing Date shall be made pursuant to the Assignment and Assumption Agreement; Assignments of Fundamentals Contracts effective at a later date on or prior to the Fundamentals Consent Outside Date shall be made on terms substantially in the form of the Assignment and Assumption Agreement.

(b) During the Fundamentals Consent Period, Thomson shall grant (or cause a Thomson Entity to grant) the Purchaser and its designated Affiliate redistribution rights to the contributed content to the maximum extent allowable under the applicable Fundamentals Contract and use its Best Efforts in assisting the Purchaser and its designated Affiliate in putting into place any arrangements for the Purchaser's (or its designated Affiliate's) redistribution of the applicable contributed content, including seeking all needed consents (provided, however, that Thomson may terminate such redistribution rights with respect to a particular third party once the Purchaser concludes any arrangement for the supply of the

applicable contributed content directly from that third party), all on the terms set forth in the Redistribution Agreement or under the terms of existing redistribution agreements between Thomson or an Affiliate thereof and the Purchaser or an Affiliate thereof, as the parties shall reasonably agree.

(c) The transfer to the Purchaser or its designated Affiliate of the Purchased Assets contemplated by Section 2.01 shall in all respects be subject to the receipt of all necessary third party approvals or consents. Thomson shall cause the delivery of the Fundamentals Contracts and of copies of Third-Party Owned Fundamentals, as follows:

(i) In the event that the necessary third party consents are obtained on or before the Closing Date, the contracts and copies of contributed content contemplated by this Section 2.04(c) shall be delivered to the Purchaser or its designated Affiliate at the Closing.

(ii) In the case of necessary third party consents that are not obtained on or before the Closing Date, Thomson shall use its Best Efforts to preserve copies of the applicable contributed content for release to the Purchaser or its designated Affiliate upon receipt of the outstanding third party consents. Thomson's obligation to preserve such copies shall terminate at the earlier of: (A) the date that all preserved copies have been provided to the Purchaser; or (B) the Fundamentals Consent Outside Date.

(iii) For each contributor from whom consent is obtained after the Closing Date but prior to the Fundamentals Consent Outside Date, Thomson shall deliver to the Purchaser or its designated Affiliate as soon as practicable after such consents are obtained the applicable contributor contract, preserved copies of the applicable content and all intervening updates in machine-readable form as necessary to bring the Purchaser's database current with respect to that contributor, provided that Thomson or any Thomson Entity has access to such data at such time.

SECTION 2.05. Assignment of Certain Customer Contracts. (a) As promptly as reasonably practicable after the date hereof, (i) but in no event later than five (5) Business Days after the date hereof, Thomson shall deliver to the Purchaser in an electronic format reasonably acceptable to the Purchaser, then current contact data (postal address, email address, telephone number) for the responsible contact person at each counterparty to each Customer Contract listed in Section 2.05 of the Disclosure Schedule and (ii) but in no event later than five (5) Business Days prior to Closing, a schedule listing, by Customer Contract, for each Customer Contract listed in Section 2.05 of the Disclosure Schedule (A) the unpaid receivables or prepaid balance as of March 31, 2008, (B) the date, invoice period and invoice amount of the last invoice issued and (C) the next termination or renewal date of such Customer Contract. As promptly as reasonably practicable after the date on which the complete information required by the preceding sentence has been delivered to the Purchaser or on such earlier date as the Purchaser may reasonably request (such date, the "Assignment Period Start Date"), Thomson and the Purchaser or its designated Affiliate shall send a joint email and a joint letter substantially in the form of Exhibit 2.05(a) to each counterparty to any Customer Contract other than Customer Contracts that the Purchaser rejects in accordance with Section 2.05(b) prior thereto.

(b) From the Assignment Period Start Date to and including the 90th day thereafter (such period, the “Customer Contract Assignment Period”), Thomson will use its Best Efforts to cause the assignment to the Purchaser or an Affiliate thereof designated by the Purchaser of the Customer Contracts listed in Section 2.05 of the Disclosure Schedule (which shall be updated by Thomson and the Purchaser or its designated Affiliate as of the Closing for new, expired or terminated Customer Contracts) other than the [**REDACTED**], (i) on or prior to the Closing Date, in accordance with the Assignment and Assumption Agreement and (ii) after the Closing date pursuant to an agreement on terms substantially in the form of the Assignment and Assumption Agreement. The Purchaser and its designated Affiliate will cooperate in good faith with Thomson in the assignment of the Customer Contracts. [**REDACTED**].

(c) [**REDACTED**].

(d) If, following the expiry of the Customer Contract Assignment Period and until the date that is 12 months after the Closing Date (such period, the “Customer Contract Termination Period”), there remain any Customer Contracts listed in Section 2.05 of the Disclosure Schedule that have not been assigned to the Purchaser or its designated Affiliate for any reason, Thomson will allow the counterparty to each such Customer Contract to terminate without penalty such Customer Contract with respect solely to the counterparty’s obligations specifically relating to the Direct Content Datafeed delivery of the Thomson Fundamentals Database (which includes Thomson repaying any prepaid fees specifically relating to the Direct Content Datafeed delivery of the Thomson Fundamentals Database to such counterparty or to the Purchaser or its designated Affiliate upon written instructions from such counterparty) upon written notice from such counterparty, or, with such counterparty’s written consent, upon written notice from the Purchaser or its designated Affiliate (such notice to include the counterparty’s written consent) that it has contracted with the Purchaser or its designated Affiliate to obtain services from the Purchaser or its designated Affiliate that compete with the Direct Content Datafeed delivery of the Thomson Fundamentals Database by Thomson or any of its Affiliates.

SECTION 2.06. Employee Matters. (a) As soon as practicable after the date of this Agreement, but in no event later than the second Business Day that the applicable Key Personnel is actively reporting to work at Thomson or its Affiliates, Thomson shall give notice to, and shall seek the consent to the transmission of personal data to the Purchaser of, all Key Personnel that they may be contacted by the Purchaser and shall notify the Purchaser immediately after such notice has been given. For a period beginning on the later of (x) the date that Thomson provides the Purchaser with a term sheet regarding each Key Personnel that sets forth the salary, bonus opportunity, level of benefits with respect to severance and retirement plans, years of service and a list of material Plans in which such Key Personnel is eligible to participate and (y) the date that Thomson notifies the Purchaser that notice has been given to the Key Personnel (as described above), and ending on the later of (i) the fifteenth Business Day after such date and (ii) the fifth Business Day prior to the Closing (such period, the “Key Personnel Offer Period”), the Purchaser may make offers of employment (the “Key Personnel Offers”) to any or all of the Key Personnel, effective as of the Closing Date. Any such Key Personnel Offers shall be made on the terms and conditions set forth in this Section 2.06(a) and subject to applicable Law, including, but not limited to, applicable Law regarding discrimination

on the basis of race, color, religion, sex, or national origin. Thomson covenants and agrees to use prior to the Closing Date Best Efforts to facilitate the transfer of Key Personnel. Thomson shall provide contact information at the place of employment for such Key Personnel or otherwise make such Key Personnel available during the Key Personnel Offer Period to the Purchaser, subject to applicable Law in each country in which such Key Personnel is employed. Thomson shall facilitate during the Key Personnel Offer Period interviews between Key Personnel and the Purchaser, shall not discourage Key Personnel from participating in interviews, and shall not interfere in employment negotiations between Key Personnel and the Purchaser. The Purchaser shall, at the time of making such Key Personnel Offers, furnish copies of all such Key Personnel Offers to Thomson. Thomson covenants and agrees (i) not to prevent, prohibit, restrict or threaten to prevent, prohibit or restrict any Personnel from being employed by the Purchaser; (ii) not to offer any incentive to such Personnel to decline the Offer; and (iii) to amend or waive any provisions of employment agreements or employee benefit arrangements covering Acquired Employees such that adverse consequences shall not be suffered by such Acquired Employees as a result of acceptance of the Offers.

(b) [**REDACTED**]

(c) During [**REDACTED**] following the applicable Employee Liability Date and unless otherwise agreed between the Purchaser and such Acquired Employee, the Purchaser shall provide to each Acquired Employee [**REDACTED**].

(d) The Acquired Employees shall receive credit for [**REDACTED**] under the employee benefit plans, programs, policies and arrangements of the Purchaser (but excluding, to the extent permitted by applicable Law, for [**REDACTED**]). From and after the applicable Employee Liability Date, with respect to any group health plans under which Acquired Employees and their eligible dependents are eligible to receive benefits from the Purchaser, the Purchaser shall use commercially reasonable efforts to (i) [**REDACTED**] with respect to each Acquired Employee and his or her eligible dependents and (ii) give each Acquired Employee and his or her eligible dependents credit, [**REDACTED**]. The Purchaser shall honor and provide [**REDACTED**].

(e) The Purchaser covenants and agrees to indemnify Thomson and any of its Affiliates (i) for any Losses or Liabilities relating to any Acquired Employee's employment with the Purchaser or termination of such employment, and (ii) for any Losses or Liabilities relating to any Acquired Employee's termination of employment with Thomson if such Losses or Liabilities are the direct result of any misconduct or gross negligence on the part of the Purchaser or the Purchaser's violation of applicable Law. Thomson and the Purchaser shall bear equally the costs relating to any claims made by any Personnel who becomes an Acquired Employee for statutory or common law severance or other separation benefits, any contractual or other severance or separation benefits and any other legally mandated payment obligations (including any compensation payable during a mandatory termination notice period and any payments pursuant to a judgment of a court having jurisdiction over the parties), in each case, that arise as a result of (A) such Acquired Employee's acceptance of an Offer or (B) the termination of such Acquired Employee's employment with Thomson; provided that with respect to Key Personnel, Thomson shall bear 100% of such foregoing costs and claims, and shall indemnify and hold harmless the Purchaser and its Affiliates from and against such foregoing costs and claims. Thomson shall retain all Liabilities with respect to Key Personnel and Personnel who are not Acquired Employees. Except as provided in this Section 2.06(e), Thomson shall retain all Liabilities incurred in connection with the Acquired Employees' employment with Thomson or any of its Affiliates. The Purchaser shall retain or assume all Liabilities incurred in connection with the Acquired Employees' employment with the Purchaser.

(f) Thomson shall be liable for all claims for welfare benefits by Acquired Employees that are incurred on or prior to the applicable Employee Liability Date, and the Purchaser shall be liable for all claims for welfare benefits by Acquired Employees that are incurred after the applicable Employee Liability Date. For purposes of this Agreement, the following claims shall be deemed to be incurred as follows: (i) life, accidental death and dismemberment and business travel accident insurance benefits, upon the death or accident giving rise to such benefits and (ii) health, dental, vision and/or prescription drug benefits, on the date that the services with respect to the claim giving rise to the benefits are rendered.

(g) From the date of this Agreement, Thomson and the Purchaser shall reasonably cooperate in all matters reasonably necessary to effect the transactions contemplated by this Section 2.06, including exchanging information and data relating to compensation, employee benefits and employee benefit plan coverages of the Key Personnel and Personnel (except to the extent prohibited by applicable Law)

(h) Notwithstanding anything to the contrary contained in this Agreement, no provision under this Agreement, whether express or implied, shall constitute or create an employment agreement with any Key Personnel, Personnel or Acquired Employee. Thomson and the Purchaser acknowledge and agree that all provisions contained in this Agreement with respect to Acquired Employees are included for the sole benefit of Thomson, the Purchaser and their respective Affiliates, and that nothing in this Agreement, whether express

or implied, shall create any third-party beneficiary or other rights (i) in any other person, including, without limitation, any current or former Key Personnel, Personnel or Acquired Employees, any participant in any existing benefit plan or arrangement, or any dependent or beneficiary thereof, or (ii) to continued employment with Thomson, the Purchaser or any of their respective Affiliates.

SECTION 2.07. Closing. Subject to the terms and conditions of this Agreement, the (a) sale and purchase of the Purchased Assets and (b) to the extent (i)(A) assignable without the other party's consent or (B) any consents required for such assignment have been obtained, and (ii) [**REDACTED**] in each case at or prior to the Closing, the assignment of the Fundamentals Contracts and the Customer Contracts pursuant to the Assignment and Assumption Agreement contemplated by this Agreement shall take place at a closing (the "Closing") to be held at the offices of Thomson's counsel at 10:00 A.M. New York time on [**REDACTED**]; provided, however, that if the conditions to the obligations of the parties hereto set forth in Article VI (other than conditions that by their terms are to be satisfied at the Closing but subject to the satisfaction or waiver of such conditions at the Closing) have not been satisfied prior to such date, then on the third Business Day following the satisfaction or waiver of the conditions to the obligations of the parties hereto set forth in Article VI (other than conditions that by their terms are to be satisfied at the Closing but subject to the satisfaction or waiver of such conditions at the Closing), or at such other place or at such other time or on such other date as Thomson and the Purchaser may mutually agree upon in writing (the day on which the Closing takes place being the "Closing Date"); provided, however, that Thomson and the Purchaser shall use reasonable best efforts to ensure that such date shall not be later than three months following the date of this Agreement or such other date as may be required or permitted by the United States of America Department of Justice (the "DOJ") or the EC.

SECTION 2.08. Closing Deliveries by Thomson. At the Closing, Thomson shall deliver or cause to be delivered to the Purchaser:

- (a) executed counterparts of each Ancillary Agreement to which it is a party;
- (b) a receipt for the Purchase Price and the Update Payment (and, if required by applicable Law, a tax invoice in the format required in the applicable jurisdiction for either such amounts);
- (c) a proper value added tax invoice for the Update Prepayment;
- (d) a certificate of a duly authorized officer or signatory of Thomson certifying as to the matters set forth in Section 6.02(a); and
- (e) the Purchased Assets (other than "full dumps" to be delivered pursuant to Section 5.12(b)) in accordance with this Agreement, provided that data in the Worldscope File2 Production File provided to the Purchaser prior to the Closing Date as part of regular deliveries pursuant to the Content Services Master Distribution Agreement between Thomson Financial Inc. and Parent dated as of November 22, 2005 with respect thereto shall be deemed to be delivered to the Purchaser by execution of a confirmation certificate to be signed by Thomson and the Purchaser.

SECTION 2.09. Closing Deliveries by the Purchaser. At the Closing, the Purchaser shall deliver to Thomson:

- (a) the Purchase Price, the Update Prepayment and any EU value added tax shown on the tax invoice contemplated by Section 2.08(c) by wire transfer in immediately available funds to the Purchase Price Bank Account;
- (b) executed counterparts of each Ancillary Agreement to which the Purchaser is a party; and
- (c) a certificate of a duly authorized officer of the Purchaser certifying as to the matters set forth in Section 6.01(a).

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THOMSON

Thomson hereby represents and warrants to the Purchaser as of the date hereof and as of the Closing Date (or to the extent a representation or warranty is made as of a specific date, as of such date), subject to such exceptions as are disclosed in the Disclosure Schedule, as follows:

SECTION 3.01. Organization, Authority and Qualification of Thomson. Thomson is a corporation duly organized, validly existing and in good standing under the laws of England and Wales and has all necessary corporate power and authority to enter into this Agreement and the Ancillary Agreements, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Agreements by Thomson, the performance by Thomson of its obligations hereunder and thereunder and the consummation by Thomson of the transactions contemplated hereby and thereby have been duly authorized by all requisite action on the part of Thomson. This Agreement has been, and upon their execution the Ancillary Agreements shall have been, duly executed and delivered by Thomson, and (assuming due authorization, execution and delivery by the Purchaser) this Agreement constitutes, and upon their execution the Ancillary Agreements shall constitute, legal, valid and binding obligations of Thomson, enforceable against Thomson in accordance with their respective terms subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law).

SECTION 3.02. No Conflict. (a) Assuming that all consents, approvals, authorizations and other actions described in Section 3.03 have been obtained, all filings and notifications listed in Section 3.03 of the Disclosure Schedule have been made and any

applicable waiting period has expired or been terminated, and except as may result from any facts or circumstances relating solely to the Purchaser, the execution, delivery and performance of this Agreement and the Ancillary Agreements by Thomson do not and will not (i) violate, conflict with or result in the breach of the certificate of incorporation or bylaws (or similar organizational documents) of Thomson or (ii) conflict with or violate any Law or Governmental Order applicable to Thomson or the Thomson Fundamentals Database, except, in the case of clause (ii), as would not have a Material Adverse Effect.

(b) Except (i) as may result from any facts or circumstances relating solely to the Purchaser, (ii) for assignment provisions in the copies of Thomson Assigned Contracts provided in the electronic dataroom maintained by Thomson in connection with the transactions contemplated hereby and (iii) as set forth in Section 3.02(b) of the Disclosure Schedule, the execution, delivery and performance of this Agreement and the Ancillary Agreements by Thomson do not and will not conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, acceleration or cancellation of, or cause the loss of any benefit under, any Thomson Assigned Contract, or result in the creation of a Lien on any of the Purchased Assets, except for all purposes of this Section 3.02(b) as would not have a Material Adverse Effect or, in the case of any Customer Contract, would materially adversely impact the validity or enforceability of the Customer Contracts that are Thomson Assigned Contracts as a whole.

SECTION 3.03. Governmental Consents and Approvals. The execution, delivery and performance of this Agreement and each Ancillary Agreement by Thomson do not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except (a) as described in Section 3.03 of the Disclosure Schedule, (b) any additional consents, approvals, authorizations, filings and notifications under any other applicable antitrust, competition, or trade regulation Law, except (i) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would prevent or materially delay the consummation by Thomson of the transactions contemplated by this Agreement and the Ancillary Agreements or (ii) as may be necessary as a result of any facts or circumstances relating solely to the Purchaser or any of its Affiliates and (c) approval by the DOJ pursuant to the Consent Decree and the EC pursuant to the Commitments of the identity of the Purchaser and this Agreement and the forms of the Ancillary Agreements.

SECTION 3.04. Intellectual Property. [**REDACTED**]

SECTION 3.05. Title to the Thomson Fundamentals Database; Manner of Transfer. (a) Upon the Closing, Thomson will transfer to the Purchaser such rights to use the Purchased Assets as it (or the relevant Thomson Entity) has on the Closing Date, free and clear of all Liens other than Permitted Liens.

(b) The copy of the Thomson Fundamentals Database contemplated to be delivered pursuant to Section 2.01(a) or 2.04(c) will be the complete, identical database as maintained by Thomson (or the relevant Thomson Entity) in the ordinary course of business as

of the Closing Date, except that it will not include Third-Party Owned Fundamentals for which any requisite consents are not obtained. The copy of the Thomson Fundamentals Database Documentation that will be delivered with the Thomson Fundamentals Database will be complete and accurate copies of the materials as maintained by Thomson (or the relevant Thomson Entity) in the ordinary course of its business as of the Closing Date, except that it will not include third-party owned materials for which any requisite consents are not obtained.

SECTION 3.06. Thomson Purchased Assets. The copy of the Thomson Fundamentals Database and the copy of the Thomson Fundamentals Database Documentation contemplated to be transferred to the Purchaser pursuant to Section 2.01(a), together with the services to be provided and licenses to be granted under the Ancillary Agreements, will constitute in all material respects all of the tangible and intangible assets used by Thomson or any Thomson Entity in the compilation, production, operation, updating and maintenance of the Thomson Fundamentals Database, other than (i) as set forth in Section 3.06 of the Disclosure Schedule, (ii) as described in Section 2.01(b), (iii) any contracts or other agreements to be assigned as to which any requisite consent is not given and (iv) any software or other assets which the Purchaser has elected not to acquire as contemplated in the Commitments and the Consent Decree or as otherwise approved by the DOJ and/or the EC as necessary.

SECTION 3.07. Thomson Assigned Contracts. Except as disclosed in Section 3.07 of the Disclosure Schedule, each of the written contracts and agreements to which Thomson or any Thomson Entity is a party as of the date of this Agreement and which is set forth in Sections 2.04(a) or 2.05 of the Disclosure Schedule (such contracts and agreements being "Thomson Assigned Contracts") is valid, binding and in full force and effect and, to the Knowledge of Thomson, is enforceable by Thomson or the Thomson Entity in accordance with its terms, and, except as disclosed in Section 3.07 of the Disclosure Schedule, neither Thomson nor any Thomson Entity is in breach of, or default under, any Thomson Assigned Contract to which it is a party, except for such breaches or defaults that would not have a Material Adverse Effect. To the Knowledge of Thomson, neither Thomson nor any Thomson Entity has received written notice of the intention of any party to terminate any Thomson Assigned Contract listed in Sections 2.04(a) or 2.05 of the Disclosure Schedule. Copies of all Thomson Assigned Contracts listed in Sections 2.04(a) or 2.05 of the Disclosure Schedule, complete and correct in all material respects, together with all material modifications, supplements and amendments thereto have been made available to Purchaser, except (a) as specified in Sections 2.04(a) or 2.05 of the Disclosure Schedule and (b) for portions of such documents that have been ****REDACTED**** for information that is not applicable in any material respect to (i) the provision of Fundamentals data or other third-party contributor data that Thomson or any Thomson Entity uses in the compilation, production, operation, updating or maintenance of the Thomson Fundamentals Database (in the case of Assigned Contracts listed in Section 2.04(a) of the Disclosure Schedule) or (ii) the Direct Content Datafeed delivery of the Thomson Fundamentals Database (in the case of Assigned Contracts listed in Section 2.05 of the Disclosure Schedule).

SECTION 3.08. Employee Benefit Plans. (a) Thomson has made available, or will make available within three Business Days after the date hereof, to Purchaser true, complete and correct copies of each material Plan (other than statutorily required arrangements) that is for the benefit of Key Personnel and Personnel that is sponsored, maintained or contributed to by Thomson.

(b) The Purchaser will not incur any Controlled Group Liability on or following the Closing Date as a result of being treated as a single employer with Thomson or any of its Affiliates, controlling Persons or Persons under common control with operations in the United States for purposes of Section 414 of the Code.

SECTION 3.09. Litigation. As of the date hereof, no Action by or against Thomson or, to the Knowledge of Thomson, any Thomson Entity is pending or, to the Knowledge of Thomson, threatened, which could affect the legality, validity or enforceability of this Agreement, any Ancillary Agreement or the consummation of the transactions contemplated hereby or thereby.

SECTION 3.10. Brokers. No broker, finder or investment banker other than UBS Securities LLC (“UBS”) is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement or the Ancillary Agreements based upon arrangements made by or on behalf of Thomson. Thomson shall be solely responsible for payment of the fees and expenses of UBS relating to the transactions contemplated by this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to Thomson as of the date hereof and as of the Closing Date (or to the extent a representation or warranty is made as of a specific date, as of such date), subject to such exceptions as are disclosed in the Disclosure Schedule, as follows:

SECTION 4.01. Organization and Authority of the Purchaser. The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all necessary corporate power and authority to enter into this Agreement and the Ancillary Agreements, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Agreements by the Purchaser, the performance by the Purchaser of its obligations hereunder and thereunder and the consummation by the Purchaser of the transactions contemplated hereby and thereby have been duly authorized by all requisite action on the part of the Purchaser. This Agreement has been, and upon their execution the Ancillary Agreements shall have been, duly executed and delivered by the Purchaser, and (assuming due authorization, execution and delivery by Thomson) this Agreement constitutes, and upon their execution the Ancillary Agreements shall constitute, legal, valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms subject to the effects of bankruptcy, insolvency, fraudulent conveyance,

reorganization, moratorium and other similar Laws relating to or affecting creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or at law).

SECTION 4.02. No Conflict. (a) Assuming that all consents, approvals, authorizations and other actions described in Section 4.03 have been obtained, all filings and notifications listed in Section 4.03 of the Disclosure Schedule have been made and any applicable waiting period has expired or been terminated, and except as may result from any facts or circumstances relating solely to Thomson, the execution, delivery and performance of this Agreement and the Ancillary Agreements by the Purchaser do not and will not (i) violate, conflict with or result in the breach of the certificate of incorporation or bylaws (or similar organizational documents) of the Purchaser or (ii) conflict with or violate any Law or Governmental Order applicable to the Purchaser or its respective assets, properties or business, except, in the case of clause (ii), as would not materially and adversely affect the ability of the Purchaser to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Ancillary Agreements.

(b) Except as set forth in Section 4.02(b) of the Disclosure Schedule, the execution, delivery and performance of this Agreement and the Ancillary Agreements by the Purchaser do not and will not conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, acceleration or cancellation of, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which the Purchaser is a party, except, as would not materially and adversely affect the ability of the Purchaser to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Ancillary Agreements.

SECTION 4.03. Governmental Consents and Approvals. The execution, delivery and performance by the Purchaser of this Agreement and each Ancillary Agreement to which the Purchaser is a party do not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except (a) as described in Section 4.03 of the Disclosure Schedule, (b) any additional consents, approvals, authorizations, filings and notifications under any other applicable antitrust, competition, or trade regulation law, except (i) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would prevent or materially delay the consummation by the Purchaser of the transactions contemplated by this Agreement and the Ancillary Agreements or (ii) as may be necessary as a result of any facts or circumstances relating solely to Thomson or any of its Affiliates and (c) approval by the DOJ pursuant to the Consent Decree and the EC pursuant to the Commitments of the identity of the Purchaser and this Agreement and the forms of the Ancillary Agreements.

SECTION 4.04. Financing. At the Closing, the Purchaser will have sufficient immediately available funds to pay, in cash, the Purchase Price and all other amounts payable pursuant to this Agreement and the Ancillary Agreements or otherwise necessary to consummate all the transactions contemplated hereby and thereby.

SECTION 4.05. Litigation. As of the date hereof, no Action by or against the Purchaser is pending or, to the knowledge of the Purchaser, threatened, which could affect the legality, validity or enforceability of this Agreement, any Ancillary Agreement or the consummation of the transactions contemplated hereby or thereby.

SECTION 4.06. Brokers. Except for Greenhill & Co., no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Purchaser. The Purchaser shall be solely responsible for payment of the fees and expenses of Greenhill & Co. relating to the transactions contemplated by this Agreement.

SECTION 4.07. Intent and Capability. The Purchaser has the intent and, upon transfer and delivery of the Purchased Assets pursuant to this Agreement together with Purchaser's own assets and the services to be provided and licenses to be granted under the Ancillary Agreements, has the necessary assets and capability (including the necessary managerial, operational, technical and financial capability) to compete effectively in the production, distribution, and sale of the Thomson Fundamentals Database in North America and the European Union, and has the financial resources, proven expertise and incentive to maintain and develop the Purchased Assets as a viable and active competitive force in competition with Thomson, its Affiliates and third parties.

SECTION 4.08. Independent Investigation; Thomson's Representations. The Purchaser has conducted its own independent investigation, review and analysis of the Purchased Assets, which investigation, review and analysis was done by the Purchaser and its Affiliates and representatives. The Purchaser acknowledges that it and its representatives have been provided adequate access to the personnel and records of Thomson related to the Purchased Assets for such purpose. In entering into this Agreement and the Ancillary Agreements, the Purchaser acknowledges that it has relied solely upon the aforementioned investigation, review and analysis and not on any factual representations or opinions of Thomson or its representatives (except the specific representations and warranties of Thomson set forth in Articles III and the schedules thereto). The Purchaser hereby agrees and acknowledges that (a) other than the representations and warranties made in Article III, none of Thomson, its Affiliates, or any of their respective officers, directors, employees or representatives make or have made any representation or warranty, express or implied, at law or in equity, with respect to the Purchased Assets including as to (i) merchantability or fitness for any particular use or purpose, (ii) the operation of the Purchased Assets by the Purchaser after the Closing in any manner or (iii) the probable success or profitability of the Purchased Assets after the Closing and (b) other than the indemnification obligations of Thomson set forth in Article VII and claims for fraud, none of Thomson, its Affiliates, or any of their respective officers, directors, employees or representatives will have or be subject to any liability or indemnification obligation to the Purchaser or to any other Person resulting from the distribution to the Purchaser, its Affiliates or representatives of, or the Purchaser's use of, any information relating to the Purchased Assets, including the Confidential Information Memorandum and any information, documents or material made available to the Purchaser, whether orally or in writing, in certain "data rooms," management presentations, functional "break-out" discussions, responses to questions submitted on behalf of the Purchaser or in any other form in expectation of the transactions contemplated by this Agreement.

ARTICLE V

ADDITIONAL AGREEMENTS

SECTION 5.01. Maintenance and Update of the Purchased Assets Prior to the Closing. Thomson covenants and agrees that, except as described in Section 5.01 of the Disclosure Schedule, between the date hereof and the Closing, Thomson shall:

- (a) compile, produce, operate, maintain and update the Thomson Fundamentals Database in the ordinary course and consistent with past practice in all material respects and use its Best Efforts to preserve intact in all material respects the Thomson Fundamentals Database;
- (b) make available sufficient resources for the development of the Thomson Fundamentals Database in the ordinary course and on the basis of and as a continuation of the business plans existing prior to the date hereof;
- (c) take or cause to be taken all reasonable steps, including the implementation of incentive schemes, if appropriate, based on practice in Thomson's industry, to encourage all Personnel to remain in the employment of Thomson or its Affiliates; and
- (d) not modify or amend in any material respect, or terminate or permit to lapse, any Thomson Assigned Contract without the Purchaser's prior written consent.

SECTION 5.02. Pre-Closing Cooperation and Planning. (a) The Purchaser and Thomson agree that, between the date hereof and the Closing Date, they will cooperate in good faith to (i) agree on the logistics, timing and medium of physical transfer of the Purchased Assets (as applicable) and (ii) otherwise prepare for the transfer of the Purchased Assets and the provision of transition services, including by scheduling and conducting "test-feeds."

(b) The tangible copy of the Thomson Fundamentals Database being transferred to the Purchaser will be in an industry-standard format or such other format as is agreed by the Purchaser and Thomson that will allow the Purchaser to access and use the data contained therein.

SECTION 5.03. Pre-Paid Fees. (a) In the event that a customer under a Customer Contract has, prior to the effective date of assignment of such Customer Contract, pre-paid fees to Thomson for the Direct Content Datafeed delivery of the Thomson Fundamentals Database after such effective date, Thomson will, as soon as reasonably practicably after the effective date of assignment of the relevant Customer Contract, transfer to the Purchaser the portion of such fees allocable to the period following the effective date of assignment of the relevant Customer Contract.

(b) In the event that Thomson has, prior to the effective date of assignment of a Fundamental Contract, pre-paid fees for delivery of content under such Fundamentals Contract after such effective date, the Purchaser will, as soon as reasonably practicably after the effective date of assignment of the relevant Fundamentals Contract, transfer to Thomson the portion of such fees allocable to the period following the effective date of assignment of the relevant Fundamentals Contract.

SECTION 5.04. Confidentiality. The terms of the Mutual Confidentiality Agreement dated as of November 27, 2007 (the “Confidentiality Agreement”) among Thomson Financial LLC, Reuters America LLC and the Purchaser are hereby incorporated herein by reference and shall continue in full force and effect until the Closing, at which time such Confidentiality Agreement and the obligations of the Purchaser under this Section 5.04 shall terminate; provided, however, that the respective obligations of Thomson, Reuters and the Purchaser under the Confidentiality Agreement pertaining to Confidential Information (as defined in the Confidentiality Agreement) shall not terminate with respect to that portion of the Confidential Information (as defined in the Confidentiality Agreement) relating to operational assets of Thomson, Reuters, the Purchaser and their respective Affiliates and the conduct of business by Thomson, Reuters, the Purchaser and their respective Affiliates. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement shall nonetheless continue in full force and effect.

SECTION 5.05. Regulatory and Other Authorizations; Notices and Consents. (a) The Purchaser and Thomson shall each (i) use its reasonable best efforts to promptly obtain all authorizations, consents, orders and approvals of all Governmental Authorities and officials that may be or become necessary for its execution and delivery of, and the performance of its obligations pursuant to, this Agreement and the Ancillary Agreements, (ii) cooperate fully with each of the other parties hereto in promptly seeking to obtain all such authorizations, consents, orders and approvals and (iii) provide as soon as practicable any information to any Governmental Authority or Monitoring Trustee as such Governmental Authority or Monitoring Trustee may reasonably request in connection herewith. Each party hereto agrees to make as promptly as practicable, but in any event no later than 10 days from the execution of this Agreement, its respective filings and notifications, if any, under any other applicable antitrust, competition, or trade regulation Law and to supply as promptly as practicable to the appropriate Governmental Authorities any additional information and documentary material that may be requested pursuant to the applicable antitrust, competition, or trade regulation Law. The Purchaser will pay all fees or make other payments to any Governmental Authority in order to obtain any such authorizations, consents, orders or approvals.

(b) To the extent not prohibited by such Governmental Authority and applicable Law, each party to this Agreement shall promptly notify the other party of any communication it or any of its Affiliates receives from any Governmental Authority relating to the matters that are the subject of this Agreement and permit the other party to review in advance any proposed communication by such party to any Governmental Authority. Neither party to this Agreement shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation or other inquiry with respect to the matters that are the subject of this Agreement unless it consults with the other party in advance and, to the extent

permitted by such Governmental Authority and applicable Law, gives the other party the opportunity to attend and participate at such meeting. To the extent not prohibited by such Governmental Authority and applicable Law, and subject to the Confidentiality Agreement, the parties to this Agreement will coordinate and cooperate fully with each other in exchanging such information and providing such assistance as the other party may reasonably request in connection with the foregoing. To the extent not prohibited by such Governmental Authority and applicable Law, and subject to the Confidentiality Agreement, the parties to this Agreement will provide each other with copies of all correspondence, filings or communications after the date hereof between them or any of their representatives, on the one hand, and any Governmental Authority or members of its staff, on the other hand, with respect to this Agreement and the transactions contemplated by this Agreement.

SECTION 5.06. Licenses. (a) Effective upon the Closing, Thomson shall grant, or cause to be granted, to the Purchaser a license to certain Intellectual Property and software embodied by or used in the Purchased Assets upon the terms and conditions set forth in the license agreement substantially in the form attached hereto as Exhibit 5.06(a) (the "License Agreement") to be entered into by Thomson (or one or more Affiliates thereof) and the Purchaser as of the Closing Date.

(b) Thomson and its Affiliates shall have no obligation to support or maintain any software or other Intellectual Property transferred to the Purchaser except as specifically set forth in this Agreement, the License Agreement or the Transition Services Agreement.

(c) Prior to the Closing, Thomson and the Purchaser shall discuss in good faith the need for and the terms and conditions of a redistribution agreement (the "Redistribution Agreement") for purposes of Section 2.04(b).

SECTION 5.07. Transition Services. Following the Closing, Thomson shall provide, or cause to be provided, to the Purchaser the services set forth in a transition services agreement substantially in the form attached hereto as Exhibit 5.07 (the "Transition Services Agreement") to be entered into by Thomson (or one or more Affiliates thereof reasonably acceptable to the Purchaser) and the Purchaser as of the Closing Date.

SECTION 5.08. Continuation of Thomson's Business After the Closing. The Purchaser expressly acknowledges and agrees that Thomson and its Affiliates will continue to conduct their existing businesses and operations (including maintenance, update and commercialization of retained versions of the Purchased Assets) prior to, at, and following the Closing as they deem appropriate in their sole discretion and that nothing in this Agreement or the Ancillary Agreements shall restrict or limit, or purport to restrict or limit, Thomson's use or operation of the Thomson Fundamentals Database or the Thomson Fundamentals Database Documentation in any way at any time. Further, the Purchaser expressly acknowledges and agrees that following the consummation of the Thomson-Reuters Transaction, Thomson and Reuters shall integrate their businesses and operations together in such manner as they see fit in their sole discretion, subject to Thomson's being able to satisfy its obligations hereunder and under the Ancillary Agreements.

SECTION 5.09. Non-Solicitation of Personnel. (a) Subject to applicable Law in each country in which such Acquired Employee is employed, Thomson covenants and agrees that after the Closing and until the date that is 18 months after the Closing Date, none of Thomson or any of its Affiliates shall solicit for employment any Transferred Employee or induce or attempt to induce such Acquired Employee to leave the employ of the Purchaser or any of its Affiliates or any employment arrangements such Acquired Employee may have with the Purchaser or its Affiliates; provided, however, that the foregoing (i) shall not apply to any Acquired Employee who is no longer employed by the Purchaser or any of its Affiliates or has otherwise resigned from employment with the Purchaser and its Affiliates; (ii) shall not prohibit Thomson from making a general solicitation for employment that is not targeted at any Acquired Employees; and (iii) shall not prohibit the solicitation or hiring as a result thereof, of Acquired Employees by Thomson or any of its Affiliates whom Thomson or any of its Affiliates come into contact through a third-party employment search company which did not specifically target the Acquired Employees.

(b) Subject to applicable Law in each country in which Seller Employees (as defined below) are employed, the Purchaser covenants and agrees that, after the Offer Period and until the date that is 18 months after the Closing Date, the Purchaser and its Affiliates shall not solicit for employment any employee of Thomson or its Affiliates (i) with whom the Purchaser had contact or (ii) regarding whom the Purchaser acquired information in connection with the transactions contemplated by this Agreement or the Transition Services Agreement, if any, other than, in each of (i) and (ii), the Key Personnel or the Personnel (each, a "Seller Employee"), or induce or attempt to induce such Seller Employee to leave the employ of Thomson or any of its Affiliates or any employment arrangements such Seller Employees may have with Thomson or any of its Affiliates; provided, however, that the foregoing (i) shall not apply to any Seller Employee who is no longer employed by Thomson or any of its Affiliates or has otherwise resigned from employment with Thomson and its Affiliates; (ii) shall not prohibit the Purchaser or any of its Affiliates from making a general solicitation for employment that is not targeted at any Seller Employee; and (iii) shall not prohibit the solicitation or hiring as a result thereof, of Seller Employees by the Purchaser or any of its Affiliates whom the Purchaser or any of its Affiliates comes into contact through a third-party employment search company which did not specifically target the Seller Employees.

SECTION 5.10. Conveyance Taxes. (a) All charges and sums payable by the Purchaser under this Agreement are exclusive of applicable Conveyance Taxes. The Purchaser shall be liable for, shall hold Thomson and its Affiliates harmless against, and agree to pay (in addition to, and except as provided in Sections 5.10(b) and 5.10(c) at the same time as, paying such charge or sum) any and all Conveyance Taxes that may be imposed upon, or payable or collectible or incurred in connection with this Agreement and the transactions contemplated hereby. The Purchaser and Thomson agree to cooperate in the execution and delivery of all instruments and certificates necessary to enable the Purchaser to comply with any pre-Closing filing requirements.

(b) Thomson and the Purchaser contemplate that article 5 of the Value Added Tax (Special Provisions Order) 1995 ("Article 5") may apply to the transfer of the Purchased Assets under this Agreement, so that such transfer is treated as neither a supply of goods nor a

supply of services for purposes of the Value Added Tax Act 1994. Following the date hereof, the Purchaser shall apply to HM Revenue & Customs for a ruling that Article 5 applies to the transfer of the Purchased Assets.

(c) For the avoidance of doubt, if HM Revenue & Customs do not rule that Article 5 applies to the transfer of the Purchased Assets, if no ruling is given by HM Revenue & Customs by July 11, 2008 or HM Revenue & Customs' ruling is ambiguous as to the applicability of Article 5, and Thomson considers that value added tax is chargeable on the transfer of the Purchased Assets, Thomson shall promptly issue a proper value added tax invoice in respect of the transfer of the Purchased Assets. The Purchaser shall be required to pay Thomson the amount of any additional Conveyance Taxes that are shown as owing on the value added tax invoice issued by Thomson (including any interest and penalties imposed by HM Revenue & Customs arising out of the treatment by Thomson and the Purchaser of the transfer as described in Section 5.10(b)) promptly following its receipt of the value added tax invoice and in no event later than July 18, 2008.

(d) Before sending any document to HM Revenue & Customs referred to in Section 5.10(b) or otherwise relating to any request for a ruling by HM Revenue & Customs referred to in Section 5.10(b), the Purchaser shall give Thomson a reasonable opportunity to comment on it and shall make such amendments as Thomson may reasonably require; provided, however, that amendments requested by Thomson more than five (5) days following Thomson's receipt of the relevant document shall be made only at the Purchaser's discretion.

(e) If, following the date upon which Thomson has submitted a value added tax return which includes any amount in respect of the value added tax paid by the Purchaser to Thomson pursuant to Section 5.10(c) (the "Additional VAT"), the Purchaser receives a ruling from HM Revenue & Customs which states that Article 5 applies to the transfer of the Purchased Assets, then Thomson agrees to cooperate with the Purchaser to promptly commence a claim to HM Revenue & Customs for a refund of any amounts of value added tax potentially refundable as a result of incorrectly including the Additional VAT in its value added tax return. Thomson agrees to pay to the Purchaser any sums of value added tax actually refunded to Thomson by HM Revenue & Customs which relate to the Additional VAT (including, if applicable, any interest which HM Revenue & Customs pays Thomson in relation to the Additional VAT).

SECTION 5.11. Notifications. Until the Closing, each party hereto shall promptly notify the other party in writing of any fact, change, condition, circumstance or occurrence or nonoccurrence of any event of which it is aware that will or is reasonably likely to result in any of the conditions set forth in Article VI of this Agreement becoming incapable of being satisfied; provided, however, that the delivery of any notice pursuant to this Section 5.11 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

SECTION 5.12. Further Action. (a) The parties hereto shall use their reasonable best efforts to take, or cause to be taken, all appropriate action to do or cause to be done all things necessary, proper or advisable under applicable Law, and to execute and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement and consummate and make effective the transactions contemplated by this Agreement.

(b) At a time and in a manner to be mutually agreed upon by the parties as soon as reasonably practicable after the Closing, a Thomson Entity shall make available to the Purchaser “full dumps” of the Voyager, Enterprise and CalcDB databases which are components of the Thomson Fundamentals Database.

SECTION 5.13. Key Personnel Information. Immediately following the execution of this Agreement, Thomson will provide the Purchaser with a schedule setting forth the names and business contact details of all Key Personnel; provided, however, that in no event shall the Purchaser contact any individual who is a member of Key Personnel until such time that the Purchaser receives the notice from Thomson that such individual has been contacted in accordance with the first sentence of Section 2.06.

ARTICLE VI

CONDITIONS TO CLOSING

SECTION 6.01. Conditions to Obligations of Thomson. The obligations of Thomson to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or written waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations, Warranties and Covenants. (i) The representations and warranties of the Purchaser contained in this Agreement (A) that are not qualified as to “materiality” shall be true and correct in all material respects as of the Closing and (B) that are qualified as to “materiality” shall be true and correct as of the Closing, or to the extent such representations and warranties are made as of another date, such representations and warranties shall be true and correct in all material respects or true and correct, as applicable, as of such other date, (ii) the covenants and agreements contained in this Agreement to be complied with by the Purchaser on or before the Closing shall have been complied with in all material respects and (iii) Thomson shall have received a certificate of the Purchaser signed by a duly authorized officer thereof dated as of the Closing Date certifying the matters set forth in clauses (i) and (ii) above;

(b) Governmental Approvals. Any consents, authorizations, orders, approvals, declarations and filings required prior to the Closing under any applicable antitrust, competition, or trade regulation Law and identified in Section 6.01(b) of the Disclosure Schedule, if applicable, will have been made or obtained;

(c) No Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law or Governmental Order (whether temporary, preliminary or permanent) that has the effect of making the transactions contemplated by this Agreement or the Ancillary Agreements illegal or otherwise restraining or prohibiting the consummation of such transactions; provided, however, that prior to asserting non-satisfaction of this Section 6.01(c), Thomson must have complied with its obligations under Section 5.05; and

(d) DOJ and EC Approval. Approval by the DOJ pursuant to the Consent Decree and the EC pursuant to the Commitments of the identity of the Purchaser and of this Agreement and the forms of the Ancillary Agreements.

SECTION 6.02. Conditions to Obligations of the Purchaser. The obligations of the Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or written waiver, at or prior to the Closing, of each of the following conditions:

(a) Representations, Warranties and Covenants. (i) The representations and warranties of Thomson contained in this Agreement (A) that are qualified as to "Material Adverse Effect" shall be true and correct as of the Closing, or to the extent such representations and warranties are made as of another date, such representations and warranties shall be true and correct as of such date, and (B) that are not qualified as to "Material Adverse Effect" shall be true and correct as of the Closing, or to the extent such representations and warranties are made as of another date, such representations and warranties shall be true and correct as of such other date, except, in the case of this clause (B), where any failure of such representations and warranties to be true and correct (without giving effect to any references or qualifications therein based on materiality) would not have a Material Adverse Effect, (ii) the covenants and agreements contained in this Agreement to be complied with by Thomson on or before the Closing shall have been complied with in all material respects and (iii) the Purchaser shall have received a certificate of Thomson signed by a duly authorized officer thereof dated as of the Closing Date certifying the matters set forth in clauses (i) and (ii) above;

(b) Governmental Approvals. Any consents, authorizations, orders, approvals, declarations and filings required prior to the Closing under any applicable antitrust, competition, or trade regulation Law and identified in Section 6.02(b) of the Disclosure Schedule, if applicable, will have been made or obtained;

(c) No Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law or Governmental Order (whether temporary, preliminary or permanent) that has the effect of making the transactions contemplated by this Agreement or the Ancillary Agreements illegal or otherwise restraining or prohibiting the consummation of such transactions; provided, however, that prior to asserting non-satisfaction of this Section 6.02(c), the Purchaser must have complied with its obligations under Section 5.05; and

(d) Material Adverse Effect. A Material Adverse Effect shall not have occurred after the date of this Agreement and prior to the Closing.

ARTICLE VII

INDEMNIFICATION

SECTION 7.01. Survival of Representations and Warranties. The representations and warranties of the parties hereto contained in this Agreement shall survive the Closing for a period of [**REDACTED**] after the Closing, provided that any claim made with reasonable specificity by the party seeking to be indemnified within the time periods set forth in this Section 7.01 shall survive until such claim is finally and fully resolved.

SECTION 7.02. Indemnification by Thomson. The Purchaser and its Affiliates, officers, directors, employees, agents, successors and assigns (each, a "Purchaser Indemnified Party") shall from and after the Closing be indemnified and held harmless by Thomson for and against all losses, damages, claims, costs and expenses, interest, awards, judgments and penalties (including reasonable attorneys' and consultants' fees and expenses) (hereinafter, a "Loss"), arising out of or resulting from: (a) the breach of any representation or warranty made by Thomson contained in this Agreement or in any certificate delivered pursuant hereto; (b) the breach of any covenant or agreement by Thomson contained in this Agreement; or (c) the Excluded Liabilities.

SECTION 7.03. Indemnification by the Purchaser. Thomson, its Affiliates and each of their respective, officers, directors, employees, agents, successors and assigns (each, a "Seller Indemnified Party") shall from and after the Closing be indemnified and held harmless by the Purchaser for and against any and all Losses actually suffered or incurred by them, arising out of or resulting from: (a) the breach of any representation or warranty made by the Purchaser contained in this Agreement or in any certificate delivered pursuant hereto; (b) the breach of any covenant or agreement by the Purchaser contained in this Agreement; (c) the Assumed Liabilities; or (d) the operation or use of the Purchased Assets by the Purchaser following the Closing.

SECTION 7.04. Limits on Indemnification. (a) No claim may be asserted nor may any Action be commenced against either party hereto for breach of any representation, warranty, covenant or agreement contained herein, unless written notice of such claim or action is received by such party describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim or Action and with respect to claims or Actions for breach of a representation or warranty, such notices to be received by such party on or prior to the date on which such representation or warranty on which such claim or Action is based ceases to survive as set forth in Section 7.01.

(b) Notwithstanding anything to the contrary contained in this Agreement: (i) no Losses may be claimed under Section 7.02(a) or Section 7.03(a) (as applicable) by an Indemnified Party or shall be reimbursable by or shall be included in calculating the aggregate Losses set forth in clause (ii) below other than Losses in excess of [**REDACTED**] resulting from any single claim or aggregated claims arising out of the same facts, events or circumstances; (ii) an Indemnifying Party shall not be liable for any claim for indemnification pursuant to Section 7.02(a) or Section 7.03(a) (as applicable and in each case other than in

respect of a Fundamental Representation), unless and until the aggregate amount of indemnifiable Losses which may be recovered from the Indemnifying Party equals or exceeds [**REDACTED**]; and (iii) the maximum amount of indemnifiable Losses which may be recovered from an Indemnifying Party arising out of or resulting from the causes set forth in Section 7.02(a) or Section 7.03(a) (as applicable) shall be an amount equal to [**REDACTED**]. The representations and warranties in Sections 3.01, 3.02(a), 4.01 and 4.02(a) are collectively referred to as “Fundamental Representations”.

(c) Notwithstanding anything to the contrary contained in this Agreement, none of the parties hereto shall have any liability under any provision of this Agreement or any Ancillary Agreement for any punitive, incidental, consequential, special or indirect damages, including loss of future profits, revenue or income, diminution in value (other than a diminution in value of the Purchased Assets determined as of the Closing Date resulting from a breach by Thomson of any representation, warranty, covenant or agreement in this Agreement) or loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement or any Ancillary Agreement; provided that the foregoing shall not limit indemnification for any damages finally determined to be payable to a third party in connection with a Third-Party Claim against an Indemnified Party, to the extent the Indemnified Party is otherwise is entitled to indemnification hereunder.

(d) No breach by Thomson of any representation, warranty, covenant or agreement in this Agreement shall be deemed to be a breach of this Agreement for any purpose hereunder, and neither the Purchaser nor any Affiliate thereof shall have any claim or recourse against Thomson, its Affiliates or any of their respective directors, officers, employees, controlling persons, agents advisors or representatives with respect to such breach, under this Article VII or otherwise, if the Purchaser or Parent had, prior to the execution of this Agreement, Actual Knowledge of such breach. “Actual Knowledge”, for purposes of this Section 7.04(d), means actual knowledge of [**REDACTED**]

SECTION 7.05. Notice of Loss; Third-Party Claims. (a) An Indemnified Party shall give the Indemnifying Party notice of any matter which an Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement, within 60 days of such determination, stating the amount of the Loss, if known, and method of computation thereof, and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed or arises.

(b) If an Indemnified Party shall receive notice of any Action, audit, claim, demand or assessment (each, a “Third-Party Claim”) against it which may give rise to a claim for Loss under this Article VII, within 30 days of the receipt of such notice, the Indemnified Party shall give the Indemnifying Party notice of such Third-Party Claim; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VII except to the extent that the Indemnifying Party is materially prejudiced by such failure and shall not relieve the Indemnifying Party from any other Liability that it may have to any Indemnified Party other than under this Article VII. The Indemnifying Party shall be entitled to assume and control the defense of such Third-Party Claim at its expense and through counsel of its choice if it gives notice of its intention to do so to the

Indemnified Party within 30 days of the receipt of such notice from the Indemnified Party. The Indemnifying Party shall be liable for the reasonable fees and expenses of one firm of outside counsel employed by the Indemnified Party for any period during which the Indemnifying Party has not assumed the defense of any Third-Party Claim (other than during any period in which the Indemnified Party shall have failed to give notice of the Third-Party Claim as provided above); provided, however, that the services of such firm of outside counsel shall be limited solely to providing legal advice to the Indemnified Party during such period and in any event such firm of outside counsel shall not make any filing or communication with any Governmental Authority. If the Indemnifying Party elects to undertake any such defense against a Third-Party Claim, the Indemnified Party may participate in such defense at its own expense. The Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. If the Indemnifying Party elects to direct the defense of any such claim or proceeding, the Indemnified Party shall not pay, or permit to be paid, any part of such Third-Party Claim unless the Indemnifying Party consents in writing to such payment or unless the Indemnifying Party withdraws from the defense of such Third-Party Claim liability or unless a final judgment from which no appeal may be taken by or on behalf of the Indemnifying Party is entered against the Indemnified Party for such Third-Party Claim. If the Indemnified Party assumes the defense of any such claims or proceeding pursuant to this Section 7.05 and proposes to settle such claims or proceeding prior to a final judgment thereon or to forgo any appeal with respect thereto, then the Indemnified Party shall give the Indemnifying Party prompt written notice thereof and the Indemnifying Party shall have the right to participate in the settlement or assume or reassume the defense of such claims or proceeding. The Indemnifying Party shall have the right to settle any Third-Party Claim for which it obtains a full release of the Indemnified Party in respect of such Third-Party Claim or to which settlement the Indemnified Party consents in writing, such consent not to be unreasonably withheld or delayed. The Indemnifying Party may not settle any Third-Party Claim that includes an order of specific performance or injunction without the prior written consent of the Indemnified Party.

SECTION 7.06. Tax Treatment. To the extent permitted by Law and as provided for in Section 2.03(b), the parties hereto agree to treat all payments made under this Article VII, under any other indemnity provision contained in this Agreement, and for any misrepresentations or breach of warranties or covenants, as adjustments to the Purchase Price for all Tax purposes.

SECTION 7.07. Remedies. The Purchaser and Thomson acknowledge and agree that (i) following the Closing, except as contemplated in Section 9.10, the indemnification provisions contained in Section 2.06 and this Article VII shall be the sole and exclusive remedies of the Purchaser and Thomson for any breach by the other party of the representations and warranties in this Agreement and for any failure by the other party to perform and comply with any covenants and agreements in this Agreement (other than claims of, or causes of action arising from, fraud), and (ii) anything herein to the contrary notwithstanding, no breach of any representation, warranty, covenant or agreement contained herein shall give rise to any right on the part of the Purchaser or Thomson, after the consummation of the purchase and sale of the Purchased Assets contemplated by this Agreement, to rescind this Agreement or any of the

transactions contemplated hereby (other than claims of, or causes of action arising from, fraud). Each party hereto shall take all reasonable steps to mitigate its Losses upon and after becoming aware of any event which could reasonably be expected to give rise to any Losses.

ARTICLE VIII

TERMINATION

SECTION 8.01. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by either Thomson or the Purchaser if the Closing shall not have occurred by [**REDACTED**] (the "Termination Date"); provided, however, that the right to terminate this Agreement under this Section 8.01(a) shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date;

(b) by either the Purchaser or Thomson in the event that any Governmental Order restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement shall have become final and non-appealable;

(c) by either the Purchaser or Thomson if the other party shall have breached any of its representations, warranties, covenants or other agreements contained in this Agreement (including an obligation to consummate the Closing) which would give rise to the failure of a condition set forth in Article VI as of the Closing Date, which breach cannot be or has not been cured within 30 days (but not later than the Termination Date) after the giving of written notice by the non-breaching party to the breaching party specifying such breach; provided that the non-breaching party is not then in breach of this Agreement so as to cause any of the conditions set forth in Article VI not to be satisfied;

(d) by Thomson if the DOJ or the EC shall have indicated to Thomson that it would not approve the Purchaser or this Agreement or the form of the Ancillary Agreements;

(e) by Thomson in the event that the Implementation Agreement has been terminated; or

(f) by the mutual written consent of Thomson and the Purchaser.

SECTION 8.02. Effect of Termination. In the event of termination of this Agreement as provided in Section 8.01, this Agreement shall forthwith become void and there shall be no liability on the part of either party hereto except (a) that Sections 5.04, 9.01, 9.02, 9.03, 9.12 and 9.13 shall survive any termination and (b) that nothing herein shall relieve either party from liability for any breach of this Agreement occurring prior to such termination.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.01. Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

SECTION 9.02. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service, by facsimile or registered or certified mail (postage prepaid, return receipt requested) to the respective parties hereto at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.02):

(a) if to Thomson:

Thomson Financial Limited
c/o Thomson Financial LLC
195 Broadway
New York, NY 10007
Telecopy: (646) 822-2015
Attention: General Counsel

Reuters Limited
The Reuters Building
South Colonnade, Canary Wharf
London E14 5EP, United Kingdom
Telecopy: +44 207 542 6848
Attention: General Counsel

with a copy to:

Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022-6069
Telecopy: (212) 848-7179
Attention: George A. Casey

with a further copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue

New York, NY 10153
Telecopy: (212) 310-8007
Attention: David Zeltner

(b) if to the Purchaser:

FactSet Research Systems Inc.
601 Meritt 7
Norwalk, CT 06851
Telecopy: (203) 810-3013
Attention: General Counsel

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Telecopy: (212) 474-3700
Attention: Faiza Saeed, Esq.

SECTION 9.03. Public Announcements. None of the parties to this Agreement shall make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement or otherwise communicate with any news media without the prior written consent of the other party unless otherwise required by Law, Governmental Order or applicable stock exchange regulation, and the parties to this Agreement shall consult with each other as to the timing and contents of any such press release, public announcement or communication.

SECTION 9.04. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

SECTION 9.05. Entire Agreement. This Agreement, the Ancillary Agreements and the Confidentiality Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior agreements and undertakings, both written and oral, between Thomson and the Purchaser with respect to the subject matter hereof and thereof.

SECTION 9.06. Assignment. This Agreement may not be assigned by operation of Law or otherwise without the prior express written consent of Thomson and the Purchaser, as the case may be, and any such purported assignment shall be void; provided, that each party may assign its rights under this Agreement, in whole or in part, to one or more of its Affiliates, provided that no such assignment shall relieve such party of its obligations hereunder.

SECTION 9.07. Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, Thomson, Parent and the Purchaser or (b) by a waiver in accordance with Section 9.08.

SECTION 9.08. Waiver. The parties to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered by the other party pursuant hereto or (c) waive compliance with any of the agreements of the other party or conditions to such party's obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of a party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

SECTION 9.09. No Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied (including the provisions of Article VII relating to indemnified parties), is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

SECTION 9.10. Specific Performance. Thomson and the Purchaser agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that any remedy at law for any breach of the provisions of this Agreement would be inadequate. Accordingly, it is agreed that the parties hereto shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

SECTION 9.11. Currency. Unless otherwise specified in this Agreement, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars and all payments hereunder shall be made in United States dollars.

SECTION 9.12. Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York. All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in any New York federal court sitting in the Borough of Manhattan of The City of New York; provided, however, that if such federal court does not have jurisdiction over such Action, such Action shall be heard and

determined exclusively in any New York state court sitting in the Borough of Manhattan of The City of New York. Consistent with the preceding sentence, the parties hereto hereby (a) submit to the exclusive jurisdiction of any federal or state court sitting in the Borough of Manhattan of The City of New York for the purpose of any Action arising out of or relating to this Agreement brought by either party hereto and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts.

SECTION 9.13. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.13.

SECTION 9.14. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

SECTION 9.15. Parent Guarantee. Parent irrevocably, absolutely, fully and unconditionally guarantees to Thomson the prompt and complete performance by the Purchaser of its obligations under this Agreement and the Ancillary Agreements, including the payment by the Purchaser of the Purchase Price and any other amounts payable hereunder and shall contribute to the Purchaser any such amounts if necessary, and Parent shall cause the Purchaser to fully perform and comply with all of the Purchaser's obligations under this Agreement and the Ancillary Agreements.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

THOMSON FINANCIAL LIMITED

By: /s/ Richard Oliver

Name: Richard Oliver

Title: Director

FACTSET EUROPE LIMITED

By: /s/ Philip A. Hadley

Name: Philip A. Hadley

Title: Director

FACTSET RESEARCH SYSTEMS INC.

By: /s/ Philip A. Hadley

Name: Philip A. Hadley

Title: Chief Executive Officer

EXHIBIT 1.01(a)

Assignment and Assumption Agreement

FORM OF

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of [_____], 2008 (this "Agreement"), is between Thomson Financial Limited, company organized under the laws of England and Wales (the "Seller" or "Thomson") and [FactSet Research Systems Inc.], a Delaware corporation (the "Purchaser").

WHEREAS, the Seller and [the Purchaser] are parties to a Purchase Agreement, dated as of [_____], 2008 (the "Purchase Agreement"), pursuant to which, among other things, the Seller agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Seller, the Purchased Assets (as defined below), upon the terms and subject to the conditions set forth therein;

WHEREAS, the Seller wishes to assign to the Purchaser the agreements listed on Exhibit A hereto (the "Assigned Agreements"), and the Purchaser wishes to assume such Assigned Agreements, all in accordance with the terms hereof and of the Purchase Agreement; and

WHEREAS, in accordance with the terms hereof and of the Purchase Agreement, the Purchaser hereby agrees to assume, pay, perform and discharge when due the Assumed Liabilities (as defined below);

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements and covenants set forth in the Purchase Agreement and set forth herein and intending to be legally bound, the Purchaser and the Seller hereby agree as follows:

1. Definitions. For purposes of this Agreement:

"Acquired Employees" means those Key Personnel and Personnel who accept employment with the Purchaser and who report to work with the Purchaser.

"Action" means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"Affiliate" means, (a) with respect to any Person (other than Thomson), any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person, and (b) with respect to Thomson, Thomson Parent and its direct and indirect subsidiaries (other than Thomson) and Reuters Parent and its direct and indirect subsidiaries.

"Assumed Liabilities" means the following Liabilities: (a) Liabilities relating to the Purchased Assets arising after the Closing, (b) Liabilities relating to the Fundamentals Contracts and the Customer Contracts, to the extent assigned to the Purchaser or an Affiliate of

the Purchaser arising after the effective date of the assignment of such Assigned Contract and (c) Liabilities relating to the Acquired Employees arising after the respective Employee Liability Date.

“Closing” the closing of the sale and purchase of the Purchased Assets as contemplated by the Purchase Agreement.

“Closing Date” means the date hereof.

“Conveyance Taxes” means all sales, use, value added, transfer, stamp, stock transfer, real property transfer and similar Taxes.

“Customer Contracts” means all contracts with customers for the Direct Content Datafeed delivery of the Thomson Fundamentals Database (or those portions of customer contracts that are applicable to such Direct Content Datafeed delivery).

“Direct Content Datafeed” means a datafeed delivered using file transfer protocol (FTP), compact disc (CD) or digital video disc (DVD) media, or other industry standard technology, offering data within a discrete content set (i.e., the Thomson Fundamentals Database), including such data delivered by or through redistributors where (i) the datafeed can be disaggregated from other product or products provided by Thomson without causing significant disruption to the customer’s (or redistributor’s) operations, and (ii) the customer’s (or redistributor’s) contract for the purchase of the datafeed allocates a price for such datafeed (a list of which datafeeds is set forth on Schedule 4 hereto).

“Employee Liability Date” means (i) with respect to Key Personnel, the Closing Date and (ii) with respect to Personnel, the date on which the individual reports to work with the Purchaser or such other date as may reasonably be agreed between Thomson and the Purchaser.

“Fundamentals” means data pertaining to companies and their financial performance, such as reportable financial statement data (such as balance sheet, cash flow and income statements), calculated financial ratios (such as annual and five-year averages for growth rates, profitability, leverage and asset utilization), textual profile information (such as address, identity of officers and directors) and per share data (such as earnings per share, book value per share and cash flow per share), that are derived from company filings and financial statements.

“Fundamentals Contracts” means contracts for the provision of Fundamentals data or other third-party contributor data (including industry standard symbology such as CUSIP, SEDOL, classification codes such as ICB sector codes, price and corporate action data, ADR information and currency exchange rates) that Thomson or any Thomson Entity uses in the compilation, production, operation, updating or maintenance of the Thomson Fundamentals Database, listed on Schedule 1 hereto.

“Governmental Authority” means any federal, national, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Key Personnel” means those individuals set forth on Schedule 2 hereto.

“Law” means any federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law).

“Liabilities” means any and all debts, liabilities and obligations (including Taxes, other than Conveyance Taxes that are subject to Section 5.10 of the Purchase Agreement), whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Law, Action or Governmental Order and those arising under any contract, agreement, arrangement, commitment or undertaking.

“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

“Personnel” those individuals employed by Thomson at the Bangalore facility in the positions set forth on Schedule 3 hereto, other than Key Personnel.

“Purchased Assets” means those assets purchased by Purchaser from Seller as set forth on that certain Bill of Sale by and between Seller and Purchaser dated as of the date hereof.

“Reuters Parent” means Reuters Group PLC.

“Taxes” means any and all taxes of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any government or taxing authority.

“Thomson Entity” means Thomson Financial LLC or any of its subsidiaries.

“Thomson Fundamentals Database” means all master source Fundamentals databases used in, or in the production of, Thomson’s or any of the Thomson Entities’ Fundamentals products, comprising the complete electronic collection of “as reported” Fundamentals that Thomson or any Thomson Entity uses for the “Enterprise FX” product and the complete electronic collection of “standardized” Fundamentals that Thomson or any Thomson Entity uses for the “Worldscope File2” product, including all database annotations made by Thomson or any Thomson Entity in the collection, aggregation, normalization, standardization, updating, indexing, or tagging of the Thomson Fundamentals Database, in each case as of the Closing Date.

“Thomson Parent” means The Thomson Corporation.

2. Assignment of Assigned Agreements. The Seller hereby assigns, transfers, conveys and delegates to the Purchaser any and all of its interest in and rights, duties and obligations set forth in the Assigned Agreements.

3. Assumption of Assigned Agreements. Effective as of the date hereof, the Purchaser accepts the assignment of the Assigned Agreements from the Seller and assumes full responsibility for the full performance of, and undertakes, assumes and agrees to perform, pay or otherwise discharge when due, any and all Liabilities of the Seller arising under the Assigned Agreements arising after the date hereof.

4. Assumption of Liabilities. The Purchaser hereby assumes, and agrees to pay, perform and discharge when due, all of the Assumed Liabilities.

5. Assignment. This Agreement may not be assigned by operation of Law or otherwise without the prior express written consent of the Seller and the Purchaser, and any such purported assignment shall be void; provided, that each party may assign its rights under this Agreement, in whole or in part, to one or more of its Affiliates, provided that no such assignment shall relieve such party of its obligations hereunder.

6. No Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

7. Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by the Seller and the Purchaser.

8. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

9. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

10. Governing Law; Dispute Resolution. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York. All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in any New York federal

court sitting in the Borough of Manhattan of The City of New York; provided, however, that if such federal court does not have jurisdiction over such Action, such Action shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of The City of New York. Consistent with the preceding sentence, the parties hereto hereby (a) submit to the exclusive jurisdiction of any federal or state court sitting in the Borough of Manhattan of The City of New York for the purpose of any Action arising out of or relating to this Agreement brought by either party hereto and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts.

11. Waiver of Jury Trial. Each of the parties hereto hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated by this Agreement. Each of the parties hereto hereby (a) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it has been induced to enter into this Agreement and the transactions contemplated by this Agreement, as applicable, by, among other things, the mutual waivers and certifications in this Section 11.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the date first above written.

THOMSON FINANCIAL LIMITED

By: _____
Name: _____
Title: _____

FACTSET RESEARCH SYSTEMS INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

Assigned Agreements

SCHEDULE 1

Thomson Fundamentals Contracts

SCHEDULE 2

Thomson Key Personnel

SCHEDULE 3

Thomson Personnel

SCHEDULE 4

Direct Content Datafeed

EXHIBIT 1.01(b)

Bill of Sale

**FORM OF
BILL OF SALE**

THIS BILL OF SALE, dated [____], 2008 (this "Bill of Sale"), from Thomson Financial Limited, company organized under the laws of England and Wales (the "Seller" or "Thomson"), to [FactSet Europe Limited, a company organized under the laws of England and Wales] (the "Purchaser").

WHEREAS, the Seller and [the Purchaser] are parties to a Purchase Agreement, dated as of [____], 2008 (the "Purchase Agreement"), pursuant to which, among other things, the Seller agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Seller, the Purchased Assets (as defined below), upon the terms and subject to the conditions set forth therein; and

WHEREAS, pursuant to the Purchase Agreement, the Seller has agreed to transfer to the Purchaser the Purchased Assets, and the Purchaser has agreed to acquire the Purchased Assets;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements and covenants set forth in the Purchase Agreement and set forth herein and intending to be legally bound, the Seller and the Purchaser hereby agree as follows:

1. Definitions. For purposes of this Bill of Sale:

"Action" means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"Closing Date" means the date hereof.

"Fundamentals" means data pertaining to companies and their financial performance, such as reportable financial statement data (such as balance sheet, cash flow and income statements), calculated financial ratios (such as annual and five-year averages for growth rates, profitability, leverage and asset utilization), textual profile information (such as address, identity of officers and directors) and per share data (such as earnings per share, book value per share and cash flow per share), that are derived from company filings and financial statements.

"Governmental Authority" means any federal, national, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

"Intellectual Property" means (a) patents and patent applications, (b) copyrights, including copyrights in computer software and the Thomson Fundamentals Database, (c) rights in confidential and proprietary information, including trade secrets and know-how,

(d) registrations and applications for registration of the foregoing; and (e) rights in databases and compilations of data, in each case including under the Law of the United States or the Law of any of the member states of the European Union.

“License Agreement” means that certain License Agreement by and between [_____] and [_____] dated as of [_____].

“Person” means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

“Third-Party Owned Fundamentals” means Fundamentals over which a contributor maintains an Intellectual Property right.

“Thomson Entity” means Thomson Financial LLC or any of its subsidiaries.

“Thomson Fundamentals Database” means all master source Fundamentals databases used in, or in the production of, Thomson’s or any of the Thomson Entities’ Fundamentals products, comprising the complete electronic collection of “as reported” Fundamentals that Thomson or any Thomson Entity uses for the “Enterprise FX” product and the complete electronic collection of “standardized” Fundamentals that Thomson or any Thomson Entity uses for the “Worldscope File2” product, including all database annotations made by Thomson or any Thomson Entity in the collection, aggregation, normalization, standardization, updating, indexing, or tagging of the Thomson Fundamentals Database, in each case as of the Closing Date.

“Thomson Fundamentals Database Documentation” means all data (including any third-party owned data or materials for which any requisite consents are obtained), source documents, and other documentary materials used by Thomson or any Thomson Entity in the collection, aggregation, normalization, standardization, updating, indexing, or tagging of the Thomson Fundamentals Database, current as of the Closing Date, including (i) detailed descriptions of the data collection, normalization and transformation process and methodologies, (ii) detailed descriptions of the business logic used to map between as reported and standardized databases, including a guide to standardized data definitions, (iii) all training and other manuals, know-how, workflow documents and instructions maintained by Thomson or any Thomson Entity which are used exclusively in connection with the Thomson Fundamentals Database and relevant parts of such training and other manuals, know-how and instructions maintained by Thomson or any Thomson Entity which are used non-exclusively in connection with the Thomson Fundamentals Database, and (iv) all business logic used to map between “as reported” and “standardized” data, including a guide to standardized data definitions.

“Thomson Software” means, collectively, all software listed in Schedule 1 attached hereto in both object code and source code format, all improvements, research or developments thereto listed in Schedule 2 and all related documentation.

2. **Transfer of Assets.** The Seller hereby transfers to the Purchaser and its successors and assigns, forever, the following assets (the "Purchased Assets"), subject to and upon the terms and conditions of the License Agreement:

(a) a copy of the Thomson Fundamentals Database (that includes Third-Party Owned Fundamentals for which requisite consents have been obtained prior to the date hereof) and a copy of the Thomson Fundamentals Database Documentation;

(b) copies of the unique numerical identifiers used by Thomson or any Thomson Entity to identify companies in the Thomson Fundamentals Database and tables to map such identifiers to industry-standard third party identifiers (such as exchange ticker symbols and CUSIP numbers); and

(c) copies of the source and object code versions of the Thomson Software and copies of associated documentation and training materials.

The transfer to the Purchaser of the Purchased Assets contemplated by this Section 2 shall in all respects be subject to the receipt of all necessary third party approvals or consents.

3. **No Third Party Beneficiaries.** This Bill of Sale shall be binding upon and inure solely to the benefit of the Purchaser and its successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Bill of Sale.

4. **Severability.** If any term or other provision of this Bill of Sale is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Bill of Sale shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Bill of Sale is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Bill of Sale so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Bill of Sale are consummated as originally contemplated to the greatest extent possible.

5. **No Modification.** The Seller, by its execution of this Bill of Sale, and the Purchaser, by its acceptance of this Bill of Sale, each hereby acknowledges and agrees that neither the representations and warranties nor the rights, remedies or obligations of any party under the Purchase Agreement shall be deemed to be enlarged, modified or altered in any way by this instrument.

6. **Governing Law; Dispute Resolution.** This Bill of Sale shall be governed by, and construed in accordance with, the Laws of the State of New York. All Actions arising out of or relating to this Bill of Sale shall be heard and determined exclusively in any New York federal court sitting in the Borough of Manhattan of The City of New York; provided, however, that if such federal court does not have jurisdiction over such Action, such Action shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of The

City of New York. Consistent with the preceding sentence, the parties hereto hereby (a) submit to the exclusive jurisdiction of any federal or state court sitting in the Borough of Manhattan of The City of New York for the purpose of any Action arising out of or relating to this Bill of Sale brought by either party hereto and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Bill of Sale or the transactions contemplated by this Bill of Sale may not be enforced in or by any of the above-named courts.

7. Waiver of Jury Trial. Each of the parties hereto hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Bill of Sale or the transactions contemplated by this Bill of Sale. Each of the parties hereto hereby (a) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it has been induced to enter into this Bill of Sale and the transactions contemplated by this Bill of Sale, as applicable, by, among other things, the mutual waivers and certifications in this Section 7.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Bill of Sale has been executed by the Seller and the Purchaser as of the date first above written.

[THOMSON FINANCIAL LIMITED]

By: _____
Name:
Title:

ACCEPTED AND AGREED:

[FACTSET EUROPE LIMITED]

By: _____
Name:
Title:

Schedule 1

Thomson Software

Schedule 2

Thomson Improvements, Research and Developments

EXHIBIT 1.01(c)

Thomson Fundamentals Database Direct Content Datafeeds

[see attached]

1. **[**REDACTED**]**

EXHIBIT 1.01(d)

Key Personnel

Position

Location

[**REDACTED**]

[**REDACTED**]

EXHIBIT 1.01(e)

Personnel

Number of Employees
[**REDACTED**]

Position
[**REDACTED**]

Location
[**REDACTED**]

EXHIBIT 1.01(f)

Thomson's Knowledge

[**REDACTED**]

EXHIBIT 2.05(a)

Form of Letter regarding Customer Contracts

EMAIL

[date]

Dear Client:

We are pleased to let you know that an affiliate of FactSet Research Systems Inc. has entered into an agreement with an affiliate of Thomson Financial LLC to acquire a copy of the Thomson Fundamentals database, subject to receipt of regulatory approvals.

Thomson has agreed to sell a copy of the Thomson Fundamentals database in connection with their recently completed business combination with Reuters. In connection with the sale, Thomson will provide transition services to enable FactSet to maintain the Thomson Fundamentals database while expanding its own collection operations.

By purchasing a copy of the Thomson Fundamentals database, FactSet will expand its product offering and provide clients with more options when purchasing global fundamentals data.

Upon the completion of this transaction, expected to be in approximately 30 days, FactSet will brand its copy of the Thomson Fundamentals database as the FactSet Fundamentals database. Under an existing license agreement with Thomson, FactSet will in addition continue to distribute the Thomson Fundamentals database, which Thomson will continue to own and update for its clients as well as for FactSet and its clients.

Within the next few days you can expect to receive a letter from us which will provide you with greater detail about the transaction and how it may benefit your firm. After you receive the letter we will follow up with you directly to answer your questions and discuss next steps.

Sincerely,

[FactSet representative]

[phone number]

[email address]

www.factset.com

[Thomson representative]

[phone number]

[email address]

www.[].com

About FactSet

FactSet Research Systems Inc. combines integrated financial information, analytical applications and client service to enhance the workflow and productivity of the global investment community. The Company, headquartered in Norwalk, Connecticut, was

formed in 1978 and now conducts operations along with its affiliates from more than twenty-two locations worldwide, including Boston, New York, Chicago, San Mateo, London, Frankfurt, Paris, Milan, Tokyo, Hong Kong and Sydney.

About Thomson Reuters

[Thomson to provide paragraph similar in quality and quantity to FactSet paragraph]

LETTER

Dear Client:

As communicated in an e-mail dated April [], 2008, we are pleased to let you know that FactSet Research Systems Inc. has entered into an agreement with an affiliate of Thomson Financial LLC to acquire a copy of the Thomson Fundamentals database, subject to receipt of regulatory approvals.

Thomson has agreed to sell a copy of the Thomson Fundamentals database in connection with their recently completed business combination with Reuters.

By purchasing a copy of the Thomson Fundamentals database, FactSet will expand its product offering and provide clients with more options when purchasing global fundamentals data.

Upon the completion of this transaction, expected to be in approximately 30 days, FactSet will brand its copy of the Thomson Fundamentals database as the FactSet Fundamentals database. Under an existing license agreement with Thomson, FactSet will in addition continue to distribute the Thomson Fundamentals database, which Thomson will continue to own and update for its clients as well as for FactSet and its clients.

Further upon completion of the transaction, Thomson Reuters will provide updates and transition services to FactSet for 18 months from the date of the closing. During this transition period, FactSet will expand its existing data collection operations to replace the Thomson Reuters collection processes. FactSet also has the opportunity to hire certain Thomson personnel permanently to assist in these efforts. At the end of the 18 month period, the FactSet Fundamentals database will be collected independently.

As a Thomson client, you may consent to assign your existing agreement to FactSet by signing and returning the enclosed Consent to Assignment. The Consent merely allows you to choose to receive the fundamentals data from FactSet and remit payment to FactSet directly rather than making payment to Thomson. Your invoice from Thomson will decline in an amount equal to the increase in your invoice from FactSet if you consent. A FactSet representative will contact you shortly to help you evaluate this opportunity. We will be in touch with you to let you know when this change to your invoice will occur.

We look forward to working with you to achieve a result that best meets your needs.

Sincerely,

[FactSet representative]
[phone number]
[email address]
www.factset.com

[Thomson representative]
[phone number]
[email address]
www.[].com

[THOMSON LOGO]

{ FactSet Research Systems Inc. }

601 Merritt 7 · Norwalk, Connecticut · 06851

[DATE]

[CLIENT NAME]

Attn: [CONTACT NAME]

[ADDRESS]

[ADDRESS]

RE: Consent to Assignment

Dear [CONTACT NAME]:

As you may be aware, FactSet Research Systems Inc. and an affiliate ("FactSet") entered into a Purchase Agreement (the "Purchase Agreement") with Thomson Financial Limited ("Thomson") on April [22], 2008, whereby FactSet will acquire certain assets from Thomson, including a copy of the Thomson Fundamentals Database (the "Fundamentals Sale").

[CLIENT NAME] currently receives Thomson Fundamentals pursuant to an agreement with Thomson (to the extent relating to the Fundamentals Database, the "Thomson Agreement"). From and subject to the consummation of the Fundamentals Sale, FactSet will continue to distribute the Fundamentals Database consistent with the terms of the Thomson Agreement, if the agreement is assigned to FactSet.

FactSet and Thomson hereby request the consent of [CLIENT NAME] to the assignment to FactSet of, and to the release of Thomson from its obligations under, the Thomson Agreement, solely to the extent that the Thomson Agreement relates to the Fundamentals Database. The effective date of this consent is the date when it is executed by your authorized officer as described below or the closing date of the Fundamentals Sale, whichever is later. The consent is subject to the closing of the Fundamentals Sale having occurred.

Please have an authorized officer execute this letter to indicate your consent to the foregoing. Please mail the original executed copy to me for our records and send a copy by email or facsimile at the following address and contact information:

[NAME]
FactSet Research Systems Inc.
601 Merritt 7
Norwalk, CT 06851

[THOMSON LOGO]

{ FactSet Research Systems Inc. }

E-mail:
Facsimile Number:

Please also retain a copy of this executed letter for your records.

We greatly appreciate your cooperation in this matter and should you have any questions concerning the foregoing, please telephone me at [phone] or contact me by email at the above address. You may also contact [THOMSON CONTACT] at Thomson at [phone] or [email].

Sincerely,

FACTSET

[NAME]

[TITLE]

THOMSON

[NAME]

[TITLE]

Accepted, Approved and Consented as set forth above as of the __ day of _____, 2008.

[CLIENT NAME]

By: _____

Name: _____

Title: _____

EXHIBIT 5.06(a)

License Agreement

FORM OF LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("Agreement") is effective as of the __ day of [Y], 2008 (the "Effective Date"), by and among THOMSON FINANCIAL LIMITED, a company organized under the laws of England and Wales, (the "Licensor") and FACTSET EUROPE LIMITED, a company organized under the laws of England and Wales (the "Licensee").

WHEREAS, Licensor has agreed to sell to Licensee, and Licensee has agreed to acquire from Licensor, certain assets of Licensor pursuant to that certain Purchase Agreement dated as of April [Y], 2008 (the "Purchase Agreement");

WHEREAS, Licensor has retained ownership of the Thomson Fundamentals Database and the Thomson Fundamentals Documentation (as such terms are defined in the Purchase Agreement);

WHEREAS, Licensor wishes to provide to Licensee, and Licensee wishes to obtain from Licensor, a license to the content of the Thomson Fundamentals Database, the Thomson Fundamentals Documentation, and related software and intellectual property;

NOW, THEREFORE, in consideration of the premises and the mutual agreements and covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

I. DEFINITIONS.

Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement. The following capitalized terms used in this Agreement shall have the meanings set forth below:

- A. "Licensed Rights" means, collectively, the Thomson Intellectual Property, the Thomson Software, the Thomson Fundamentals Database and the Thomson Fundamentals Database Documentation.
- B. "Modifications" means derivative works, improvements, upgrades, modified versions, updates, additions, enhancements, patches, fixes and corrections.
- C. "Thomson Intellectual Property" means all intellectual property rights, formulations, specifications, trade secrets, know-how and technical information (i) used by Licensor as of the date hereof and (a) embodied in either the Thomson Fundamentals Database or the Thomson Fundamentals Database Documentation, or (b) used by Licensor as of the date hereof in

the compilation, production, operation, updating or maintenance of the Thomson Fundamentals Database or the Thomson Fundamentals Database Documentation, and (ii) embodied in the data updates to the Thomson Fundamentals Database or Thomson Fundamentals Database Documentation provided by Licensor to Licensee pursuant to the Transition Services Agreement during the term thereof; provided, however, that Thomson Intellectual Property shall not include any Licensor trademarks, service marks or brands or any licenses thereto (including without limitation any rights to use the names "Thomson" or "Worldscope") or any intellectual property or other rights owned by a third party for which Licensor has not received the requisite third party consent.

- D. "Thomson Software" means, collectively, all software listed in Schedule 1 attached hereto in both object code and source code format, all improvements, research or developments thereto listed in Schedule 2 and all related documentation.

II. LICENSE.

A. License Grants.

1. Commencing upon the Effective Date, Licensor hereby grants to Licensee, to the fullest extent Licensor has the right to grant such license, a perpetual, worldwide, assignable, sublicensable, transferable, royalty-free, non-exclusive license under the Thomson Intellectual Property to use, display, reproduce, market, distribute and prepare derivative works of the Thomson Fundamentals Database and the Thomson Fundamentals Database Documentation and to use, display, manufacture, reproduce, and have reproduced such derivative works.
2. Commencing upon the Effective Date, Licensor hereby grants to Licensee, a perpetual, worldwide, assignable, non-licensable, transferable, royalty-free, non-exclusive license under the Thomson Software and to prepare derivative works of the Thomson Software (and to manufacture, reproduce, or have reproduced such derivative works), in all cases solely for Licensee's use in activities relating to the field of Fundamentals.

III. TITLE.

- A. Reservations. Subject to the rights granted to Licensee pursuant to Section II of this Agreement, all right, title and interest in and to the Licensed Rights shall at all times remain the sole and exclusive property of Licensor.

- B. Licenser Modifications. Licensee acknowledges and agrees that the ownership of, and all right, title and interest in and to, any Modifications to the Licensed Rights of Licensor created by or for Licensor after the Closing Date, including all source code, object code and any other forms of such Modifications ("Licenser Modifications"), and all related explanatory or technical written documents, training manuals, materials or files, whether in printed, electronic, optical or other format ("Licenser Modification Documentation"), shall at all times remain with Licensor and shall not be included in license grant hereunder. Except as set forth herein and in the Transition Services Agreement, Licensor shall have no obligation to disclose, furnish or report to Licensee any Licensor Modifications or Licensor Modification Documentation, and no license to any Licensor Modifications or Licensor Modification Documentation shall be implied in law or equity.
- C. Licensee Modifications. Licensor acknowledges and agrees that the ownership of, and all right, title and interest in and to, any Modifications to the Licensed Rights of Licensor created by or for the Licensee after the Closing Date, including all source code, object code and any other forms of such Modifications ("Licensee Modifications"), and all related explanatory or technical written documents, materials or files, whether in printed, electronic, optical or other format ("Licensee Modification Documentation"), shall at all times remain with Licensee. Except as set forth in the Transition Services Agreement, Licensee shall not have any obligation to disclose, furnish or report to Licensor any Licensee Modifications or Licensee Modification Documentation, and no license to any Licensee Modifications or Licensee Modification Documentation shall be implied in law or equity.
- D. Maintenance and Enforcement of Thomson Intellectual Property. Licensor shall be responsible for the preparation, prosecution, maintenance and enforcement of any Thomson Intellectual Property owned by Licensor, and has the right to exercise the foregoing responsibility in its sole discretion.

IV. INDEMNIFICATION.

Licensee hereby agrees to indemnify, defend and hold harmless Licensor its officers, directors, employees, agents, shareholders, and their respective successors and assigns, from and against all losses, liabilities, claims, demands, causes of action, damages, fines, fees, costs, including reasonable attorney's fees, arising out of, resulting from or caused by Licensee, or its employees, invitees, agents or licensees, by failure to comply with the provisions of this Agreement.

V. DISCLAIMER OF WARRANTIES AND OTHER OBLIGATIONS.

- A. Allocation of Obligations. EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE PURCHASE AGREEMENT OR THE ANCILLARY AGREEMENTS, LICENSEE ASSUMES SOLE RESPONSIBILITY FOR ACQUIRING APPROPRIATE EQUIPMENT, FACILITIES AND OTHER INFRASTRUCTURE USEFUL FOR LICENSEE'S EXPLOITATION OF THE RIGHTS LICENSED TO IT HEREUNDER, AND ASSUMES THE ENTIRE RISK ASSOCIATED WITH, ANY USE, RESULTS OR PERFORMANCE OF THE THOMSON FUNDAMENTALS DATABASE, THE THOMSON FUNDAMENTALS DATABASE DOCUMENTATION, LICENSED SOFTWARE AND ANY OUTPUT THEREOF. EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN OR IN THE PURCHASE AGREEMENT OR THE ANCILLARY AGREEMENTS, LICENSEE FURTHER ASSUMES THE SOLE COST AND RESPONSIBILITY FOR THE INSTALLATION, SERVICING, MAINTENANCE, REPAIR AND CORRECTION OF THE THOMSON FUNDAMENTALS DATABASE, THE THOMSON FUNDAMENTALS DATABASE DOCUMENTATION, AND THE LICENSED SOFTWARE.
- B. Warranty Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE PURCHASE AGREEMENT OR THE ANCILLARY AGREEMENTS, LICENSOR MAKES NO EXPRESS WARRANTIES OR REPRESENTATIONS AND DISCLAIMS ALL IMPLIED, COMMON LAW, STATUTORY AND OTHER WARRANTIES. EXCEPT AS SET FORTH IN THIS AGREEMENT, THE PURCHASE AGREEMENT OR THE ANCILLARY AGREEMENTS, THE LICENSED RIGHTS ARE PROVIDED "WITH ALL FAULTS" AND "AS IS."

VI. LIMITATION OF LIABILITY.

EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE PURCHASE AGREEMENT OR THE ANCILLARY AGREEMENTS, LICENSOR NOR ANY OF ITS AFFILIATES, NOR ANY OF LICENSOR'S OR ANY OF LICENSOR'S AFFILIATES' RESPECTIVE EQUITY HOLDERS, DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, CONTRACTORS, CONSULTANTS, AGENTS OR REPRESENTATIVES, SHALL BE LIABLE FOR ANY COSTS OR DAMAGES ARISING DIRECTLY OR INDIRECTLY FROM OR RELATING IN ANY WAY TO THE LICENSED RIGHTS OR TO LICENSEE'S USE OF OR INABILITY TO USE THE THOMSON FUNDAMENTALS DATABASE, THE THOMSON FUNDAMENTALS DATABASE DOCUMENTATION, THE LICENSED SOFTWARE OR ANY OUTPUT; INCLUDING ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, MULTIPLE, SPECIAL, PUNITIVE OR CONSEQUENTIAL

DAMAGES, EVEN IF SUCH DAMAGES ARE REASONABLY FORESEEABLE. EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN THE PURCHASE AGREEMENT OR THE ANCILLARY AGREEMENTS, NEITHER THE LICENSEE NOR ANY OF LICENSEE'S AFFILIATES, NOR ANY OF LICENSEE'S OR ANY OF LICENSEE'S AFFILIATES' RESPECTIVE EQUITY HOLDERS, DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, CONTRACTORS, CONSULTANTS, AGENTS OR REPRESENTATIVES, SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, EXEMPLARY, MULTIPLE, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, EVEN IF SUCH DAMAGES ARE REASONABLY FORESEEABLE.

VII. TERM.

This Agreement shall commence as of the Effective Date and shall be perpetual.

VIII. MISCELLANEOUS.

- A. Entire Agreement; Conflict. This Agreement, together with the Purchase Agreement itself constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, between the parties hereto with respect to the subject matter hereof. To the extent the terms of this Agreement conflict with or are inconsistent with the Purchase Agreement, the terms of this Agreement shall control with respect to the subject matter hereof.
- B. Specific Performance. The parties hereto agree that irreparable damage may occur in the event that the licenses set forth in Section II of this Agreement are not carried out in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.
- C. Taxes and Fees. Licensee shall be responsible for any third party fees, taxes and other costs associated with or relating to Licensee's use of the Licensed Rights or possession of embodiments of the foregoing, including equipment costs, network access fees and other fees and costs of infrastructure and telecommunications facilities required for such use or possession.
- D. Assignment. Any party to this Agreement may assign, transfer, or otherwise convey its rights and obligations hereunder with the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. For the avoidance of doubt, no consent of Licensor or its successors or assigns shall be required for transfers, assignments or sublicenses granted by the Licensee that are permitted by Section II. above.

- E. Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever for any specified period, under or by reason of this Agreement.
- F. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.
- G. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.
- H. No Waiver. The waiver by a party of a breach of any provision of this Agreement shall not operate or be construed as a waiver by such party of any subsequent breach of the same or any other provision of this Agreement. The failure of a party to require performance of any provision of this Agreement shall not affect such party's right to full performance thereof at any time thereafter. No waiver shall be valid or effective unless set forth in a writing designated as such and executed by the party or parties to be bound thereby.
- I. Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by, or on behalf of, the parties hereto.
- J. Notices. All notices, requests, claims, demands and other communications hereunder shall be made in accordance with Section 9.02 of the Purchase Agreement.

- K. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. All Actions arising out of or relating to this Agreement shall be handled in accordance with Sections 9.12 and 9.13 of the Purchase Agreement.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

THOMSON FINANCIAL LIMITED

By: _____
Name: _____
Title: _____

FACTSET EUROPE LIMITED

By: _____
Name: _____
Title: _____

SCHEDULE 1
Thomson Software

SCHEDULE 2
Thomson Improvements, Research and Developments

EXHIBIT 5.07

Transition Services Agreement

FORM OF

TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT (this "Agreement"), dated as of _____, 2008, between FactSet Europe Limited, a company organized under the laws of England and Wales (the "Purchaser"), and Thomson Financial Limited, a company organized under the laws of England and Wales ("Thomson" or the "Service Provider").

WITNESSETH

WHEREAS, Thomson and the Purchaser are parties to a Purchase Agreement, dated as of [_____], 2008 (the "Purchase Agreement"; capitalized terms used herein and not otherwise defined herein shall have the meanings attributed thereto in the Purchase Agreement), pursuant to which Thomson agreed, among other things, to sell to the Purchaser and the Purchaser agreed to purchase from Thomson the Purchased Assets, upon the terms and subject to the conditions set forth therein;

WHEREAS, it is contemplated under Section 5.07 of the Purchase Agreement that Thomson shall provide, or cause to be provided, to the Purchaser certain services;

WHEREAS, Thomson has offered to provide to the Purchaser the Services (as defined below) pursuant to this Agreement as well as a number of other services that the Purchaser has chosen not to request; and

WHEREAS, the Purchaser has requested that Thomson provide, and Thomson is willing to provide, or cause to be provided, for a limited period of time, certain transition services to the Purchaser, all on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements and covenants set forth herein, Thomson and the Purchaser hereby agree as follows:

1. Provision of Services. (a) Subject to the terms and conditions of this Agreement and in accordance with the standards of performance set forth in Section 2, Thomson shall provide, or cause to be provided, to the Purchaser solely for the benefit of the Purchaser, the services (collectively, the "Services") described in the schedules attached hereto (the "Schedules"), which terms are incorporated herein by reference, for periods commencing upon Closing and ending on the expiration of the applicable period set forth in the Schedules in respect of each such Service (as to each service and the period applicable thereto, the "Service Period"), unless such Services are earlier terminated in accordance with the terms hereof. The Purchaser shall not resell, subcontract, license, sublicense or otherwise transfer any of the Services to any Person whatsoever or permit use of any of the Services by any Person other than by the Purchaser or its Affiliates in the ordinary course of business.

(b) With respect to the Services, the Service Provider shall have the exclusive right to select, employ, pay, supervise, administer, direct and discharge any of the employees who will perform such Services. The Service Provider shall be responsible for paying such employees' compensation and providing to such employees any benefits. The Purchaser shall be responsible for overall project management and delivery costs for the Services.

2. **Standard of Performance.** (a) The Service Provider shall use commercially reasonable efforts to provide, or cause to be provided, to the Purchaser the Services in a manner generally consistent with the manner and level of care with which such or similar services were provided prior to the date hereof, unless otherwise specified in the Schedules. The Purchaser hereby acknowledges that the Service Provider may be providing services similar to the Services provided hereunder and/or services that involve the same resources as those used to provide the Services to its business units, Affiliates and to other third parties, and, accordingly, the Service Provider reserves the right to modify any of the Services or the manner in which such Services are provided in connection with changes to its business units in the ordinary course of business; provided, however, that no such modification shall materially diminish, modify or delay the provision of the Services.

(b) The Purchaser shall complete Acceptance Testing of each of the Specified Services on or about the date set forth in the relevant Schedule but in any event after Thomson has approved the hardware and software setup and environment created by the Purchaser (the "Technical Environment") in a timely manner. Creation of the Technical Environment in accordance with Thomson's guidelines and specifications shall be the sole responsibility of the Purchaser. As used herein, the term "Acceptance Testing" shall mean testing performed by the Purchaser to demonstrate that each such Specified Service complies in all material respects with all applicable specifications. Upon the successful completion of Acceptance Testing, the Purchaser shall notify the Service Provider in writing of its acceptance of such Service ("Acceptance"). "Specified Services" means each service specifically designated as a "Specified Service" in the Schedules. Once the Technical Environment is approved by Thomson, the Purchaser shall not make any changes or modifications thereto without Thomson's prior written consent.

(c) If any Specified Service or any portion thereof fails to pass Acceptance Testing (other than as a result of deficiencies in the Technical Environment due to a change made by the Purchaser to the Technical Environment or the Purchaser's failure to comply with Thomson's guidelines and specifications), the Purchaser shall promptly notify the Service Provider in writing of such failure. The Service Provider will correct all deficiencies (other than those caused by deficiencies in the Technical Environment due to a change made by the Purchaser to the Technical Environment or the Purchaser's failure to comply with Thomson's guidelines and specifications) not later than five (5) Business Days after receipt of the Purchaser's written notice of such failure. Within five (5) Business Days after such corrections have been made, the Purchaser will retest such Service. If such Service still fails the Acceptance Testing after corrections required to be made by Thomson in accordance with this Section 2 have been made, the Purchaser may in its reasonable discretion: (a) grant the Service Provider additional time to correct the outstanding deficiencies; or (b) notwithstanding anything to the contrary stated in Section 4 below and without prejudice to any of the Purchaser's other rights and remedies under this Agreement, the Purchase Agreement or at law or in equity, withhold all amounts payable by the Purchaser to the Service Provider under Section 3 below with respect to the Specified Service that failed the Acceptance Testing until the deficiency has been corrected and/or (c) give written notice to Thomson requesting that the respective senior officers of

Thomson and the Purchaser or their respective designees discuss a resolution of the outstanding deficiencies in accordance with Section 7 hereof as if the ten Business Day period referenced in Section 7 had expired at the time of such written notice. The Service Provider shall have no liability under this Agreement for any delay with respect to any of the Services if such delay was caused by any action or inaction of the Purchaser, including any delay in completing the Technical Environment or in approval of travel and accommodation costs and expenses, or any deficiency in the Purchaser's project management.

3. Fees. (a) The Purchaser shall pay the Service Provider the fees set forth in the relevant Schedules hereto in respect of each Service (collectively, the "Fees") and travel and accommodation expenses with respect thereto if the relevant Service is provided in a location other than the city specified for such Service in the Schedules, provided that such travel and accommodation expenses are approved by the Purchaser in advance in writing (such approval not to be unreasonably withheld or delayed).

(b) The Service Provider shall submit statements of account to the Purchaser on a monthly basis (in arrears) with respect to all amounts payable by the Purchaser to the Service Provider hereunder (the "Invoiced Amount"), setting out the Services provided by reference to the relevant Schedules and the Fees and, if approved by the Purchaser in advance in writing, travel and accommodation costs and expenses payable hereunder for providing such Services. Except with respect to Specified Services that have failed Acceptance Testing, the Purchaser shall pay the Invoiced Amount to the Service Provider within thirty (30) days of the date of each statement of account and with respect to Services that failed Acceptance Testing, when the deficiency is corrected.

(c) The Service Provider may, in its discretion, suspend any performance under this Agreement upon failure of the Purchaser to timely make any payments required under this Agreement beyond the applicable cure date.

4. Term; Termination. (a) This Agreement and the performance of the Services hereunder shall commence on the date hereof and this Agreement shall continue in full force and effect until such time as each Service Period in respect of each Service as set forth in the Schedules has expired or this Agreement has been otherwise terminated in accordance with the terms hereof. This Agreement and the provision of any Services hereunder shall automatically terminate on the 18-month anniversary of the date hereof (except for an extension of such term pursuant to Section 5 hereof).

(b) The Purchaser may terminate this Agreement with respect to any Service upon the specified prior written notice to the Service Provider as set forth in the relevant Schedule with respect to such Service. The termination of any Service pursuant to this Section 4(b) shall become effective on the last date of the relevant Service Period or, in the event of an earlier termination by the Purchaser pursuant to the immediately preceding sentence, upon the expiration of the applicable notice period, and, following the effective time of the termination, (i) the Purchaser shall no longer be obligated to pay for such Service (except with respect to any Fees incurred up to such date); provided, that the Purchaser shall be obligated to reimburse the Service Provider for any reasonable out-of-pocket expenses or costs attributable to such termination, (ii) the Purchaser shall not be permitted to request the Service Provider to resume the provision of such Service and (iii) the Service Provider shall no longer be obligated to provide such Service hereunder.

(c) This Agreement may be terminated by: (i) the mutual written consent of the parties hereto; (ii) Thomson in the event that the Purchaser defaults in the payment when due of any Invoiced Amount and such default continues unremedied for a period of thirty (30) days (plus, in the event of a disputed invoice, the period during which a dispute resolution pursuant to this Agreement is being undertaken); or (iii) either party hereto upon written notice delivered to the other party if (A) the other party fails to materially perform or otherwise materially breaches an obligation under this Agreement (other than a failure by the Purchaser to pay the Invoiced Amount); provided, however, that the breaching party shall have thirty (30) days from the date of receipt of such notice from the non-breaching party to cure such material non-performance or such material breach, after which time this Agreement shall terminate if such material non-performance or such material breach has not been cured or (B) the other party makes a general assignment for the benefit of creditors, becomes insolvent, commences a voluntary proceeding under any Law relating to bankruptcy, insolvency, reorganization or winding up ("Bankruptcy Laws"), a receiver is appointed with respect to the other party or a proceeding commences in any court of competent jurisdiction seeking such party's liquidation, reorganization, dissolutions or winding up or similar relief in respect of such party under Bankruptcy Laws.

5. Force Majeure. Neither party shall be in default of this Agreement by reason of its delay in the performance of, or failure to perform, any of its obligations hereunder if such delay or failure is caused by any Law or Governmental Order specifically prohibiting the performance of such obligation or by acts of God, weather, civil disturbances, accidents, acts of terrorism, acts of war or conditions arising out of or attributable to war (whether declared or undeclared), the refusal by any third party vendor to supply any goods or services to the Service Provider or the Purchaser, shortage of necessary equipment or materials beyond the reasonable control of such party. During the pendency of such intervening event, each of the parties shall take all reasonable steps to fulfill its obligations hereunder by other means and, in any event, shall upon termination of such intervening event, promptly resume its obligations under this Agreement. All Service Periods affected by such intervening event shall be extended by the time period of the pendency of such intervening event.

6. Cooperation; Access. (a) In the event that the Purchaser requests that, in addition to the Services, certain other services be made available by the Service Provider (the "Other Services"), the Service Provider shall have no obligation to provide any Other Services. If the Service Provider, in its sole discretion, agrees to provide any Other Services, the Service Provider and the Purchaser shall negotiate in good faith the terms of providing such Other Services and payment therefor. The provision, if any, of any Other Services shall be on the terms and conditions agreed upon between the Service Provider and the Purchaser and set forth on a schedule to be attached hereto or as an amendment to this Agreement. Any such Other Services mutually agreed to by the parties hereto and set forth on a schedule or included in an amendment to this Agreement shall constitute "Services" hereunder.

(b) The Purchaser shall permit the Service Provider and its employees and agents access, during regular business hours upon reasonable prior written notice, to the

Purchaser's premises and such data, records and personnel designated by the Purchaser as involved in receiving or overseeing the Services as the Service Provider may reasonably request for the purposes of providing the Services. The Service Provider shall permit the Purchaser and its employees and agents access, upon reasonable prior written notice, to the books and records of the Service Provider to the extent relating to the provision of the Services as the Purchaser may reasonably request for the purposes of confirming the Fees therefor; provided, however, in the event there is a flat-fee structure, access to the books and records of the Service Provider will not be required.

(c) Each party shall designate a relationship manager to report and discuss issues with respect to the provision of the Services and successor relationship managers in the event that a designated relationship manager is not available to perform such role hereunder. The relationship managers shall coordinate and liaise with the Service Provider and the Purchaser regarding the performance of the Services as often as reasonably necessary to ensure the orderly provision of the Services and shall have authority to address and remedy problems related to the provision of Services to the extent consistent with this Agreement. The Purchaser will cooperate with the Service Provider in a commercially reasonable manner in the provision of the Services.

7. Dispute Resolution. If there is a dispute between the parties hereto arising out of or relating to this Agreement or any Schedule, either party may, at any time, give notice to the other party requesting to discuss actions that might be taken to resolve such dispute and the parties shall, promptly upon receipt of such notice, negotiate in good faith such disputed issue and use commercially reasonable efforts to resolve such dispute; provided, however, that nothing contained in this Agreement shall obligate or require (or be construed to obligate or require) either party to agree upon any such resolution. If the parties shall have failed to reach a resolution of the dispute within ten (10) Business Days after written notice of such dispute has been given to the parties hereto, either Thomson or the Purchaser, as the case may be, may, at any time within five (5) Business Days after the expiration of such ten Business Days period, give written notice to the other party requesting that the respective senior officers of Thomson and the Purchaser or their respective designees discuss such resolution, and, as promptly as practicable after such notice has been given, each of Thomson and the Purchaser shall cause such senior officers to negotiate in good faith such disputed issue and use commercially reasonable efforts to resolve such dispute within ten (10) calendar days of the matter submitted to them; provided, however, that nothing contained in this Agreement shall obligate or require (or be construed to obligate or require) any of such senior officers to agree upon any such resolution.

8. Technical Aspects of the Services; Limitation of Liability; Indemnity. (a) Thomson agrees that immediately prior to the provision of any Services that relate to the feed of data or software to the Purchaser hereunder, Thomson will test each such data or software using the latest version of a leading commercial virus testing software program that Thomson uses in its operations ("Testing Software") to verify that no data or software contains any computer code designed to disrupt, disable, harm, or otherwise impede in any manner, including aesthetical disruptions or distortions, the operation of such data or software, or any other associated software, firmware, hardware, computer system or network (sometimes referred to as "viruses" or "worms").

(b) Thomson further agrees that the Services that relate to the feed of data or software will be tested using the Testing Software to verify that no such data or software contains any computer code (i) that would disable any such data or software or impair in any way its operation based on the elapsing of a period of time, exceeding an authorized number of copies, or advancement to a particular date or other numeral (sometimes referred to as “time bombs”, “time locks”, or “drop dead” devices), or (ii) that would permit Thomson to access any Service to cause such disablement or impairment (sometimes referred to as “traps”, “access codes” or “trap door” devices), or any other similar harmful, malicious or hidden procedures, routines or mechanisms that would cause such programs to cease functioning or to damage or corrupt any such Service, storage media, programs, equipment or communications, or otherwise interfere with operations.

(c) Thomson will warrant that each Specified Service, upon Acceptance and for a period of thirty (30) days thereafter, will substantially conform to the descriptions and specifications contained in the applicable Schedule or in documentation related to the Specified Services provided by Thomson at the time of completion of such Specified Service; provided, however, that such warranty shall be void and shall automatically terminate if the Purchaser makes any changes or modifications to the Technical Environment or Specified Services without Thomson’s prior written consent.

(d) Thomson shall instruct its employees performing the Specified Services to follow the guidelines developed by the Purchaser that are reasonably acceptable to Thomson.

(e) Other than the statements made by Thomson in this Agreement, Thomson makes no representation or warranty, express or implied, with respect to the Services. The Purchaser acknowledges that neither Thomson nor any other Service Provider are engaged in the business of providing the Services of the type being provided hereunder and that the Services to be provided by the Service Provider to the Purchaser are being provided as an accommodation to the Purchaser in connection with the transactions contemplated by the Purchase Agreement.

(f) Neither Thomson nor any other Service Provider nor any of their respective officers, directors, employees, agents, representatives, attorneys-in-fact or contractors shall be liable for any action taken or omitted to be taken by it or such Person under or in connection with this Agreement; provided, however, the immediately preceding limitation shall not apply to direct Losses incurred by the Purchaser arising out of the gross negligence or willful misconduct of any Service Provider or its officers, directors, employees, agents, representatives, attorneys-in-fact or contractors in the performance or nonperformance of the Services, provided that, in no event, shall the aggregate amount of all such Losses for which the Service Provider is liable under this Agreement exceed the Fees received by the Service Providers for the Services. Neither Thomson nor any other Service Provider nor any of their respective officers, directors, employees, agents, representatives, attorneys-in-fact or contractors shall be liable for any action taken or omitted to be taken by, or the negligence, gross negligence or willful misconduct of, any third party.

(g) Notwithstanding anything to the contrary herein, neither Thomson nor any other Service Provider nor any of their respective officers, directors,

employees, agents, representatives, attorneys-in-fact or contractors shall be liable for Losses incurred by the Purchaser or for any action taken or omitted to be taken by the Service Provider or such Person under or in connection with this Agreement to the extent such action or omission arises from actions taken or omitted to be taken by, or the negligence, gross negligence or willful misconduct of, the Purchaser.

(h) Notwithstanding any other provision of this Agreement, neither party nor any Affiliate or any of their respective officers, directors, employees, agents, representatives, attorneys-in-fact or contractors or any Service Provider shall in any event have any liability to the other party for consequential, incidental, indirect, special or punitive damages arising out of the performance of the Services or this Agreement including loss of future profits, revenue or income, diminution in value or loss of business reputation or opportunity, even if a party has been notified about the possibility of such damages.

(i) The Purchaser hereby waives all claims against the Service Provider and its Affiliates for damage to any property or injury or death of any person in, upon or about any premises leased to or occupied by the Service Provider arising at any time and from any cause whatsoever, other than to the extent caused by reason of (and then only to the extent of) the gross negligence or willful misconduct of the Service Provider.

9. Confidentiality; Data. (a) The Service Provider's materials, data and information, including any configuration files or indices, that may be provided to the Purchaser or generated in connection with the Services concerning the Service Provider's business, operations or results of operations (including any such information learned during an audit), and the Purchaser's materials, data and information, including any configuration files or indices, that may be provided to the Service Provider or generated in connection with the Services concerning the Purchaser's business, operations and results of operations (including any such information learned during an audit), are proprietary trade secrets and confidential information ("Confidential Information") of the Service Provider and the Purchaser, respectively, and neither party shall possess any interest, title, lien or right in any Confidential Information of the other. Without the express prior written consent of the other party, each party agrees not to (i) disclose the Confidential Information of the other party or the scope of the Services or other terms of this Agreement (collectively, the "Agreement Terms") to any third party, or (ii) use the Confidential Information of the other party, in either case, except as necessary to perform its obligations under this Agreement and the Purchase Agreement, and each party shall be responsible for any breaches of this Section 9 by its directors, officers, employees, Affiliates, representatives (including financial advisors, attorneys and accountants) or agents (with respect to each party, its "Representatives").

(b) The term "Confidential Information" will not, however, include information which (i) is or becomes publicly available other than as a result of a disclosure by the party receiving the Confidential Information (the "Receiving Party") or its Representatives, (ii) is or becomes available to the Receiving Party on a non-confidential basis from a source (other than the party providing, directly or indirectly, its Confidential Information (the "Providing Party") or its Representatives) which, to the Receiving Party's knowledge after due inquiry, is not prohibited from disclosing such information by a legal, contractual or fiduciary obligation to the Providing Party or its Representatives or (iii) is independently developed by the

Receiving Party or its Affiliates without reference to the Confidential Information, and such destruction shall be certified in writing to the Providing Party by a duly authorized Representative of the Receiving Party.

(c) Upon the earliest to occur of (i) the termination of this Agreement, (ii) such time as any Confidential Information ceases to be required by the Receiving Party to perform or receive Services or (iii) the request of a Providing Party, a Receiving Party shall promptly return, or cause to be returned, all or any requested portion of such Confidential Information and any copies thereof and shall destroy, or cause to be destroyed, all copies (including electronic versions) of any compilations, analyses, studies or other documents prepared by the Receiving Party or its Representatives containing or reflecting any such Confidential Information, but only such portions containing Confidential Information (with written notice of such destruction provided to the Providing Party).

(d) Notwithstanding any other provision of this Section 9, either party may disclose any Confidential Information of the other party and the Agreement Terms to the minimum extent required by applicable Law or legal process; provided that any Receiving Party that is requested pursuant to, or required by, applicable Law or legal process to disclose any Confidential Information or the Agreement Terms, shall provide, if legally permissible, the Providing Party with prompt prior written notice of such request or requirement, and shall cooperate with the Providing Party to seek an appropriate protective order or other remedy or to take steps to resist or narrow the scope of such request or legal process.

(e) The parties hereto acknowledge and agree that remedies at law would be an inadequate remedy for the breach of any provision of this Section 9 and that in addition thereto, the parties hereto shall be entitled to specific performance of the terms hereof or other equitable remedies in the event of any such breach.

10. Currency. Unless otherwise specified in the Schedules, all references to currency, monetary values and dollars shall mean United States (U.S.) dollars and all payments shall be made in U.S. dollars.

11. Taxes. Any amounts payable under this Agreement are payable exclusive of any goods and services taxes, value added taxes, sales or use taxes, or similar taxes ("Sales Taxes") now or hereinafter imposed on the performance or delivery of Services, and an amount equal to such taxes so chargeable shall, subject to receipt of a valid receipt or invoice as required below in this Section 11, be paid by the Purchaser to the Service Provider in addition to the amounts otherwise payable under this Agreement. In each case where an amount in respect of Sales Tax is payable by the Purchaser in respect of a Service provided by the Service Provider, the Service Provider shall furnish in a timely manner a Sales Tax receipt or invoice to the Purchaser, and if applicable, such receipt or invoice shall be in the form and manner required by applicable Law to allow the Purchaser to recover such Sales Tax if allowable under applicable Law. In the event that applicable Law requires that any amount in respect of taxes other than Sales Taxes be withheld from any payment by the Purchaser to the Service Provider under this Agreement, the Purchaser shall withhold the required amounts and pay such withheld amounts over to the applicable Governmental Authority in accordance with the requirements of the applicable Law, and any amount so withheld and paid over shall be treated as having been paid

to the Service Provider, and the Purchaser shall not be required to pay any additional amount as a result of or in respect of such withholding. In the event that applicable Law requires that an amount in respect of Sales Taxes be withheld from any payment by the Purchaser to the Service Provider under this Agreement, the amount payable to the Service Provider shall be increased as may be necessary so that after the Purchaser has withheld amounts required by applicable Law that the Service Provider receives an amount equal to the amount it would have received had no such withholding been applicable, and the Purchaser shall withhold such adjusted amounts and pay such withheld amounts over to the applicable Governmental Authority in accordance with the requirements of the applicable Law.

12. **Notices.** All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service, by facsimile or registered or certified mail (postage prepaid, return receipt requested) to the respective parties hereto at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 12):

(a) if to Thomson:

and if arising in connection with the provision of any Service to the person specified on the relevant Schedule for notification of such matters with a copy to (or, if not arising in connection with the provision of any Service):

[_____]

[_____]

Attention: [_____]

Telecopier: [_____]

with a copy to:

[_____]

[_____]

[_____]

Attention: [_____]

Telecopier: [_____]

(b) if to the Purchaser:

and if arising in connection with the provision of any Service, to the person specified on the relevant Schedule for notification of such matters with a copy to (or, if not arising in connection with the provision of any Service):

[]

[]

Attention: []

Telecopier: []

with a copy to:

[]

[]

[]

Attention: []

Telecopier: []

13. **Public Announcements.** None of the parties to this Agreement shall make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement or otherwise communicate with any news media without the prior written consent of the other party unless otherwise required by Law, Governmental Order or applicable stock exchange regulation, and the parties to this Agreement shall cooperate as to the timing and contents of any such press release, public announcement or communication.

14. **Headings and References; Construction.** The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. When a reference is made in this Agreement to a Section or Schedule, such reference is to a Section of, or a Schedule to, this Agreement unless otherwise indicated. Whenever the words “include,” “includes” or “including” are used in this Agreement, they are deemed to be followed by the words “without limitation.” The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement.

15. **Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

16. **Entire Agreement.** This Agreement and the Schedules constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, between the parties hereto with respect to the subject matter hereof.

17. Assignment. This Agreement may not be assigned by operation of Law or otherwise by either party without the prior express written consent of the other party, and any such purported assignment shall be void; provided, that Thomson may assign this Agreement or any of its rights or delegate any of its obligations (including the performance of any of the Services) hereunder to any of its Affiliates without obtaining the prior written consent of the Purchaser (but in no event shall such assignment release Thomson from its obligations hereunder) and Thomson may subcontract with third parties to perform any of the Services with the prior written consent of the Purchaser (which consent shall not be unreasonably withheld or delayed, but in no event shall such subcontracting release Thomson from its obligations hereunder).

18. No Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

19. Relationship of the Parties. The parties hereto are independent contractors and neither party is an employee, partner or joint venturer of the other. Under no circumstances shall any of the employees of a party hereto be deemed to be employees of the other party for any purpose. Neither party shall have the right to bind the other to any agreement with a third party nor to represent itself as a partner or joint venturer of the other by reason of this Agreement.

20. Amendment and Waiver. (a) This Agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, Thomson and the Purchaser or (b) by a waiver in accordance with Section 20(b).

(b) The parties to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of the other party or (b) waive compliance with any of the agreements of the other party or conditions to such party's obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this Agreement. The failure of a party hereto to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

21. Governing Law; Submission to Jurisdiction; Waivers. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York. All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in any New York federal court sitting in the Borough of Manhattan of The City of New York; provided, however, that if such federal court does not have jurisdiction over such Action, such Action shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of The City of New York. Consistent with the preceding sentence, the parties hereto hereby (a) submit to the exclusive jurisdiction of any federal or state court sitting in the Borough of Manhattan of The City of New York for the purpose of any Action arising out of or relating to this Agreement brought by either party hereto

and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts.

22. Specific Performance. The Service Providers and the Purchaser agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that any remedy at law for any breach of the provisions of this Agreement would be inadequate. Accordingly, it is agreed that the parties hereto shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

23. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 23.

24. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Thomson and the Purchaser have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

THOMSON FINANCIAL LIMITED

By: _____
Name: _____
Title: _____

FACTSET EUROPE LIMITED

By: _____
Name: _____
Title: _____

Transition Services Agreement Schedules

[see attached]

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Philip A. Hadley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FactSet Research Systems Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have any significant role in the registrant's internal control over financial reporting.

Date: July 10, 2008

/s/ Philip A. Hadley

Philip A. Hadley
Chairman and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter G. Walsh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FactSet Research Systems Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have any significant role in the registrant's internal control over financial reporting.

Date: July 10, 2008

/s/ Peter G. Walsh

Peter G. Walsh
Chief Financial Officer
(Principal Financial Officer)

FACTSET RESEARCH SYSTEMS INC.

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of FactSet Research Systems Inc. (the "Company") on Form 10-Q for the period ending May 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Philip A. Hadley, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Philip A. Hadley

Philip A. Hadley
Chairman and Chief Executive Officer
(Principal Executive Officer)
July 10, 2008

FACTSET RESEARCH SYSTEMS INC.

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of FactSet Research Systems Inc. (the "Company") on Form 10-Q for the period ending May 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter G. Walsh, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Peter G. Walsh

Peter G. Walsh

Chief Financial Officer

(Principal Financial Officer)

July 10, 2008