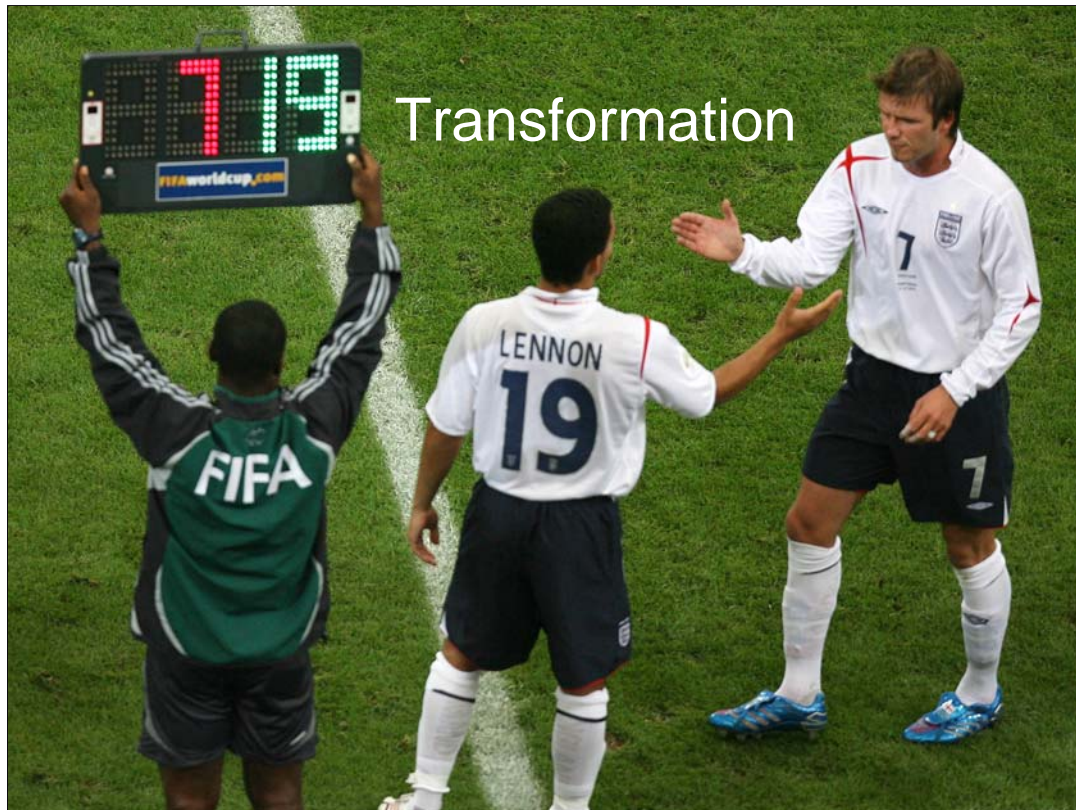


Core Plus – one year on

Tom Glocer
CEO

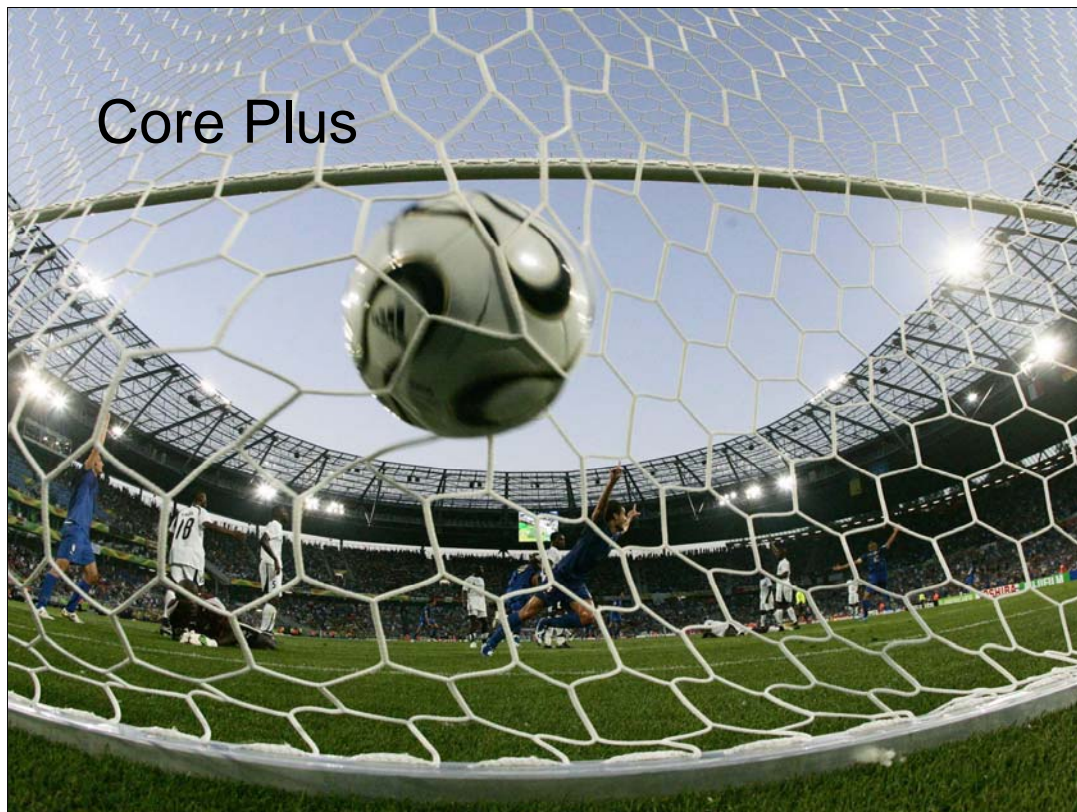
26 July 2006

REUTERS 



Transformation

- Almost £900m taken out of cost base
- Greatly improved products
- Performance oriented culture
- New found passion for customer service



Core Plus - right opportunities identified

- **Electronic trading**
- **High value content**
- **Enterprise solutions**
- **New markets**



Assets

Assets aligned with market trends

- **World's first online media business**
- **Truly global brand**
- **Open technology suits machines as well as human beings**

Sales & Trading – H1 performance

£m	H1 2006	H1 2005	Underlying change
Revenue	851	770	2%
Trading costs	(740)	(653)	5%
Trading profit	111	117	(14%)
Trading margin	13%	15%	

Key business drivers

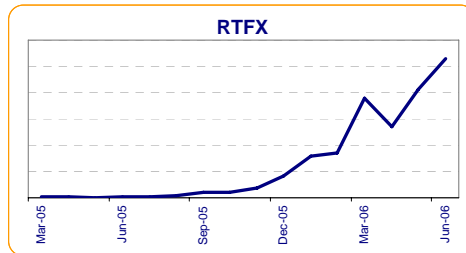
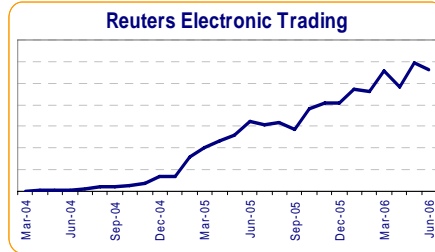
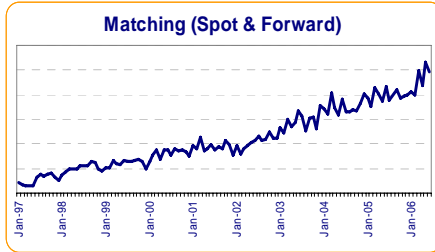
- Core Plus initiatives in electronic trading to expand our user community
- Migrate customers to next generation products
- Strong cost control



Sales & Trading by product type

£m	H1 2006	H1 2005	Underlying change
Xtra	311	271	9%
Dealing	132	123	3%
Matching	36	32	9%
Trader	187	183	(14%)
Recoveries	185	161	6%
Total	851	770	2%

Transactions volumes



The world's first centrally cleared FX market



Early adopters

Sell-side: AIG, ABN Amro, Barclays Capital Prime, Citigroup, Credit Suisse, Fimat, HSBC, JPMorgan, Merrill Lynch, Prudential Financial/Bache Financial, RBS, SG and UBS

Buy-side: Allston trading, Citadel, Dsquare, Gelber Group, Getco, Jump Trading, Penson Worldwide and RGM Advisors



Research & Asset Management – H1 performance

£m	H1 2006	H1 2005	Underlying change
Revenue	144	122	9%
Trading costs	(145)	(129)	5%
Trading profit	(1)	(7)	-
Trading margin	-	(6%)	

Key business drivers

- Build scale with Reuters Knowledge to boost Investment Banking & Investment Management
- Restructure Wealth Management business to drive profitability
- Be at the centre of the research revolution



Research & Asset Management by business line

£m	H1 2006	H1 2005	Underlying change
Investment Banking & Investment Management	80	60	20%
Wealth Management	64	62	(2%)
Total	144	122	9%

Enterprise – H1 performance

£m	H1 2006	H1 2005	Underlying change
Revenue	195	173	10%
Trading costs	(160)	(137)	12%
Trading profit	35	36	1%
Trading margin	18%	21%	

Key business drivers

- Unique suite of machine-readable datafeeds and applications
- Risk management business expansion



Enterprise by business line

£m	H1 2006	H1 2005	Underlying change
Enterprise Information	108	93	14%
Information Management	46	48	(10%)
Trade & Risk Management	41	32	27%
Total	195	173	10%

Media – H1 performance

£m	H1 2006	H1 2005	Underlying change
Revenue	87	74	14%
Trading costs	(76)	(64)	15%
Trading profit	11	10	5%
Trading margin	12%	14%	

Key business drivers

- Product and geography driven agency growth
- Careful investment in direct to consumer



Media by business line

£m	H1 2006	H1 2005	Underlying change
Agency	74	65	9%
Consumer	13	9	47%
Total	87	74	14%

