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# Interim Results

David Grigson, CFO

Tom Glocer, CEO

REUTERS 

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## Forward-looking statements

- This presentation includes certain forward-looking statements relating to Reuters within the meaning of the United States Private Securities Litigation Reform Act of 1995. Certain important factors that could cause actual results to differ materially from those disclosed in such forward-looking statements are described in Reuters Annual Report and Form 20-F 2006 under the heading 'Risk Factors' and in Reuters Interim Results press release dated 27 July 2007 under the heading 'Forward-looking statements'.
- Copies of the Annual Report and Form 20-F 2006 and Interim Results press release are available on request from Reuters Group PLC, South Colonnade, Canary Wharf, London E14 5EP.
- Any forward-looking statements made by or on behalf of Reuters speak only as of the date they are made, and Reuters does not undertake to update any forward-looking statements.



# Interim Results – financial highlights

David Grigson  
CFO

27 July 2007

REUTERS 

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## Definitions

“Reuters Group” refers to Reuters Group PLC and its subsidiary undertakings.

## Use of non-GAAP measures

To supplement IFRS measures, Reuters undertakes further analysis to break these measures out into their component parts, which results in the creation of certain measures which differ from the IFRS measures (‘non-GAAP measures’). The rationale for this analysis is outlined below, and reconciliations of the non-GAAP measures to IFRS measures are included within the review of results. These measures are used by management to assess the performance of the business and should be seen as complementary to, rather than replacements for, reported IFRS results.

### 1. Underlying and constant currency results

Period-on-period change in Reuters is measured in overall terms (i.e. actual reported results) and sometimes in underlying or constant currency terms as well. Constant currency change is calculated by excluding the impact of currency fluctuations. Underlying change is calculated by excluding the impact of currency fluctuations as well as the results of acquisitions and disposals. This enables comparison of Reuters operating results on a like-for-like basis between periods.

- Constant currency results are calculated excluding the impact of currency fluctuations. Variations in currency exchange rates impact the results because Reuters generates revenues and incurs costs in currencies other than its reporting currency. Year-on-year, currency exchange rate movements will influence reported numbers to a greater or lesser extent, and therefore they are discussed separately from underlying results to make clear their impact on the overall growth or decline in operations. Constant currency results are calculated by restating the prior periods’ results using the current period’s exchange rates. This also reflects the variables over which management has control, as business units do not actively manage currency exposure, and business division operating performance is managed against targets set on a constant currency basis.
- Underlying results are calculated excluding the impact of currency fluctuations as well as the results of entities acquired or disposed of during the current or prior periods from the results of each period under review. Underlying results reflect the operating results of the ongoing elements of each business division, and measure the performance of management against variables over which they have control, without the year-on-year impact of a step change in revenue and costs that can result from currency movements and acquisition or disposal activity.

### 2. Exclusion of restructuring charges

Reuters results are reviewed before and after the costs of Reuters business transformation plans (which included the former Fast Forward programme) and acquisition integration charges.

Under the Fast Forward programme Reuters incurred restructuring charges relating primarily to headcount reduction and rationalisation of the company’s property portfolio. Fast Forward was a three year programme implemented to accelerate and expand on Reuters five year business transformation plan which was launched in 2001; the programme completed in 2005, as originally envisaged. The impact of Fast Forward restructuring is now only seen in the non-GAAP cash flow measures.

The Fast Forward programme was centrally managed, and its performance against targets was evaluated separately from the ongoing Reuters business. Fast Forward restructuring charges are therefore excluded from certain profit, cash flow and margin measures.

Acquisition integration costs are one-off charges associated with transaction activity that do not recur. As described above, the charges in respect of acquisition activity are excluded to enable better like-for-like comparison between periods.

Because of their time-limited and defined nature, Reuters believes that presenting these measures, both including and excluding restructuring charges and acquisition integration costs, gives investors a more detailed insight into the performance of management and the business. In addition, Reuters management uses both measures to assess the performance of management and the business.

### 3. Thomson deal-related costs

During 2007, Reuters has incurred certain charges in relation to the Thomson deal announced on 15 May. These include third party advisor and legal fees.

As the Thomson-Reuters combination will not be accounted for as an acquisition in Reuters financial statements, deal-related costs incurred by Reuters are required to be expensed. This treatment is dissimilar to transaction-related costs previously incurred by Reuters, which were either capitalised as a cost of acquisition or charged to profits on disposal (which were recognised outside of Reuters trading profit, adjusted earnings and related cash flow and margin measures.)

Given their once-off nature and dissimilarity to previous transaction-related costs, Thomson deal-related costs have therefore been excluded from certain profit, cash flow and margin measures to enable better like-for-like comparisons between periods.

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#### **4. Exclusion of amortisation and impairment of intangibles acquired in a business combination, investment income, profit/(losses) from disposals, fair value movements and Thomson deal-related costs**

For certain cost, profit, cash flow, margin and earnings per share measures, Reuters analyses its results both before and after the impact of restructuring charges, amortisation and impairments of intangibles acquired in a business combination, investment income, profits and losses from disposals, fair value movements and Thomson deal-related costs. The adjusted measures are referred to as 'Trading Profit', 'Trading Costs', 'Trading Margin' and 'Trading Cash Flow'. The rationale for isolating restructuring charges and Thomson deal-related costs is explained above.

##### Amortisation and impairment of intangibles acquired in a business combination, investment income and profit/(losses) from disposals

Reuters isolates the impact of income and charges in respect of its investments. Income and charges from investments relate to impairments of goodwill, subsidiaries, associates and joint ventures; impairments and amortisation of other intangibles acquired in a business combination; income from investments; and pre-tax profits and losses on disposal of subsidiaries, joint ventures, associates and other investments.

Such charges and income may arise from corporate acquisition and disposal activity, rather than the ongoing operations of the business divisions, with a reasonable allocation being determined for segmental reporting. These are analysed and reviewed separately from ongoing operations, as this is consistent with the manner in which Reuters sets internal targets, evaluates its business units and issues guidance to the investor community.

Amortisation and impairment charges in respect of software and development intangibles are included within operating and trading costs.

##### Fair value movements

Reuters also isolates the impact of movements in the fair value of financial assets held at fair value through profit or loss, embedded derivatives, and derivatives used for hedging purposes (where these changes are reflected in the income statement).

Embedded derivatives are foreign exchange contracts implicitly contained in some of Reuters revenue and purchase commitments. Changes in the fair value of embedded derivatives arise as a result of movements in foreign currency forward rates. The unpredictable nature of forward rates, the uncertainty over whether the gains or losses they anticipate will actually arise, and the volatility they bring to the income statement lead Reuters to consider that it is appropriate to analyse their effects separately from the ongoing operations of the business. This enables Reuters to undertake more meaningful period-on-period comparisons of its results, as well as to isolate and understand better the effect of future currency movements on revenue and purchase commitments. This separate analysis is also consistent with the manner in which Reuters sets its internal targets, evaluates its business divisions and issues guidance to the investor community.

The impact of fair value movements on derivatives relating to treasury hedging activity is also excluded, unless there is an equivalent offset in operating results. All derivatives undertaken are used to manage the Group's exposure, but some may not qualify for hedge accounting and in these situations the reported impact of the underlying item and the derivative may not offset. The impact of treasury derivatives is mainly due to currency or interest rate movements and, as for the other items noted above, business division operating performance is managed against targets which exclude these factors.

##### Tax and adjusted EPS

To ensure consistency, the non-GAAP EPS measure also eliminates the earnings impact of taxation charges and credits related to excluded items.

Adjusted EPS is defined as basic EPS from continuing operations before impairments and amortisation of intangibles acquired via business combinations, fair value movements, investment income, disposal profits / losses, Thomson deal-related costs and related tax effects.

The UK Government has recently announced a reduction in the corporation tax rate from 30% to 28%, effective 1 April 2008. This should lead to a slight fall in the overall Reuters effective tax rate in future years. However in 2007 we are required to write down our existing UK deferred tax assets (pension contributions, tax losses etc) from 30% to 28%. The effect of this is a £5 million charge in the Income Statement. This charge, together with the effect of other countries' rate changes, has been excluded from the calculation of Adjusted EPS on the grounds that it is a once-off event, outside the normal course of business.

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#### Dividend policy

Presenting earnings before the impact of restructuring charges, Thomson deal-related costs, amortisation and impairment of intangibles acquired in a business combination, investment income, disposals and fair value movements also helps investors to measure performance in relation to Reuters dividend policy. In 2001, Reuters Group defined the long-term goal of its dividend policy to be a dividend cover of at least two times, based on Reuters UK GAAP earnings before amortisation of goodwill and other intangibles, impairments and disposals. Reuters dividend policy remains unaltered. With the adoption of IFRS, the equivalent earnings measure is Reuters earnings (after interest and taxation) before amortisation and impairments of intangibles acquired in a business combination, fair value movements, losses on disposals and Thomson deal-related costs.

#### **5. Free cash flow**

Reuters free cash flow is used as a performance measure to assess Reuters ability to pay its dividend from cash flow. Free cash flow is intended to measure all Reuters cash movements, other than those which are either discretionary in nature or unrelated to ongoing recurring operating activities such as special contributions to fund defined benefit pension deficits, acquisitions and disposals and dividends paid out by Reuters. Whilst Reuters believes that free cash flow is an important performance measure in respect of its cash flows, it is not used in isolation, but rather in conjunction with other cash flow measures as presented in the financial statements.

#### **6. Net funds/debt**

Net funds / debt represents cash and cash equivalents and short-term deposits, net of bank overdrafts and borrowings. This measure aggregates certain components of financial assets and liabilities and is used in conjunction with total financial assets and liabilities to manage Reuters overall financing position.

## Headlines

- Strong six months of sales & installations
- Underlying revenue growth of 6.4%
- Core Plus on track
- Underlying trading profit growth of 36%
- Trading margin of 13.8%
- Adjusted EPS of 10.6p, up 25%
- Interim dividend of 5p; full year dividend of 12p



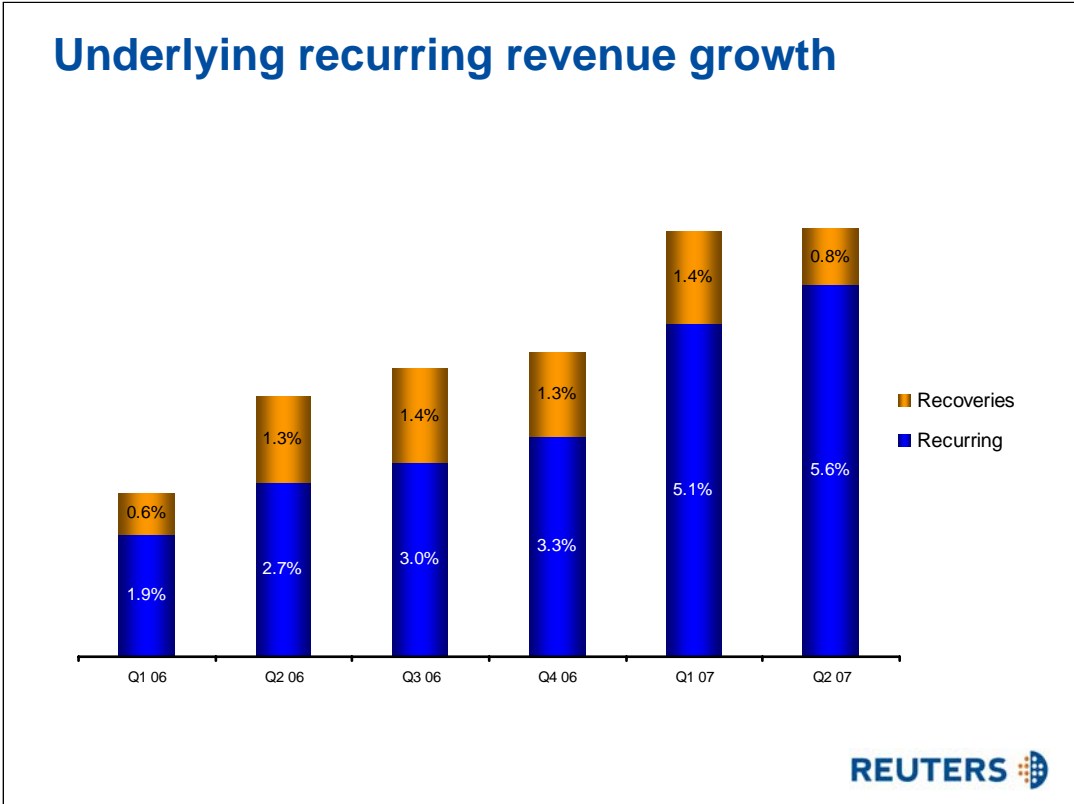
## Trading performance

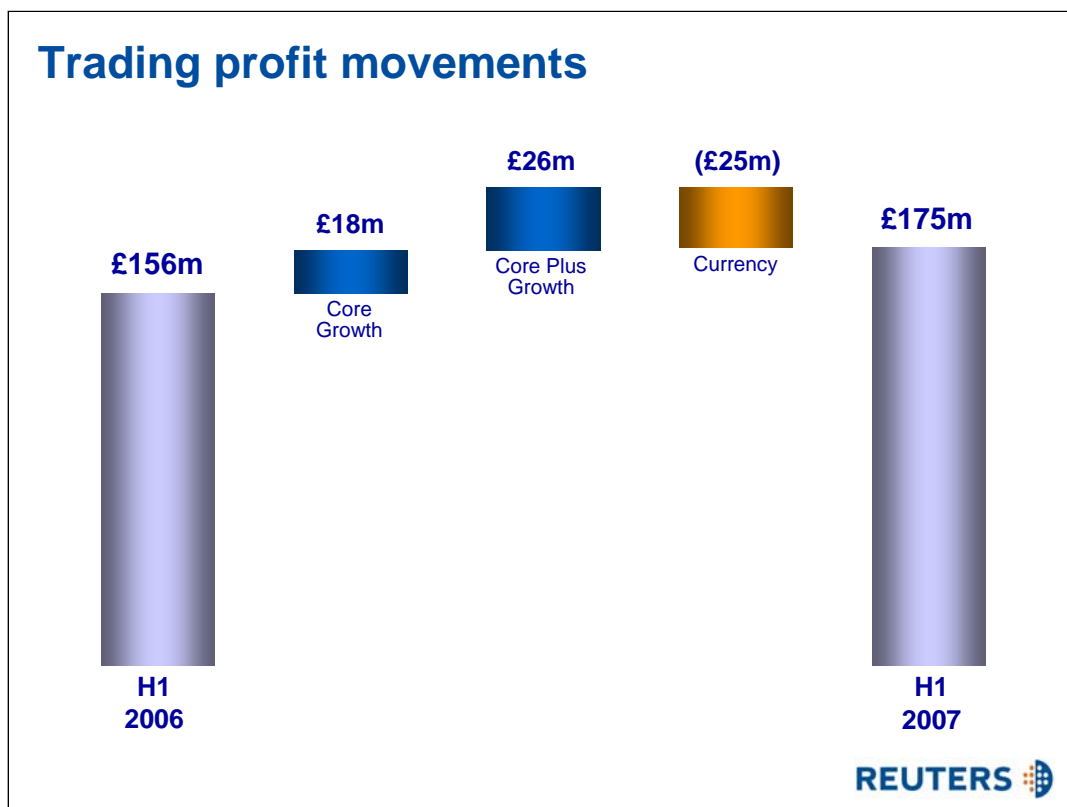
£m	H1 2007	H1 2006	Underlying Change
Recurring	1,180	1,187	6%
Usage	64	65	9%
Outright	24	25	(1%)
<b>Total revenue</b>	<b>1,268</b>	<b>1,277</b>	<b>6%</b>
<b>Trading costs</b>	<b>(1,093)</b>	<b>(1,121)</b>	<b>3%</b>
<b>Trading profit</b>	<b>175</b>	<b>156</b>	<b>36%</b>
<b>Trading margin</b>	<b>13.8%</b>	<b>12.2%</b>	

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## Actual Rate Changes

Recurring	(1%)
Usage	-
Outright	(3%)
<b>Total revenue</b>	<b>(1%)</b>
Trading costs	(3%)
<b>Trading profit</b>	<b>13%</b>





#### Core

	£m
Core revenue growth (including recoveries)	49
Core cost growth	(31)
<b>Core growth</b>	<b>18</b>

#### Core Plus

	£m
Core Plus revenue growth	27
Core Plus savings	12
New investment	(13)
<b>Impact of Core Plus</b>	<b>26</b>

## Sales & Trading

<b>£m</b>	<b>H1 2007</b>	<b>Underlying Change</b>
Revenue	802	3%
Trading profit	118	22%
Trading margin	15%	

### Key Drivers

- Premium product revenue growth
- Focus on higher margin, transactions-related revenue
- Rationalisation of desktop platforms



Revenue by product:	H1 2007	Underlying change
Xtra family	511	10%
Trader family	144	(20%)
Recoveries	147	9%
<b>Sales &amp; Trading</b>	<b>802</b>	<b>3%</b>

## Research & Asset Management

<b>£m</b>	<b>H1 2007</b>	<b>Underlying Change</b>
Revenue	173	25%
Trading profit	15	-
Trading margin	9%	

### Key Drivers

- Accelerate sales of Reuters Knowledge
- Sustainable differentiation through proprietary content, including primary research
- Drive profitability through top line growth and product rationalisation



Revenue by sub-segment:	<b>H1 2007</b>	<b>Underlying change</b>
Investment Banking, Investment Management & Corporates	107	36%
Wealth Management	66	11%
<b>Research &amp; Asset Management</b>	<b>173</b>	<b>25%</b>

## Enterprise

<b>£m</b>	<b>H1 2007</b>	<b>Underlying Change</b>
Revenue	210	8%
Trading profit	37	38%
Trading margin	18%	

### Key Driver

Respond to customer demand for

- Increased business automation
- Transparent pricing
- Even more sophisticated risk management



Revenue by sub-segment:	H1 2007	Underlying change
Enterprise Information	132	17%
Trade and Risk Management	42	9%
Information Management Systems	36	(16%)
<b>Enterprise</b>	<b>210</b>	<b>8%</b>

## Media

<b>£m</b>	<b>H1 2007</b>	<b>Underlying Change</b>
Revenue	83	2%
Trading profit	5	(39%)
Trading margin	6%	

### Key Drivers

- Expand Editorial
- Grow audience engagement and revenue
- Deliver new content on new web platform



Revenue by sub-segment:	H1 2007	Underlying change
Agency Services	70	1%
Consumer Services	13	10%
<b>Media</b>	<b>83</b>	<b>2%</b>

## Revenue by geography

<b>£m</b>	<b>H1 2007</b>	<b>H1 2006</b>	<b>Underlying Change</b>
Europe, Middle East & Africa	698	691	5%
Americas	347	356	8%
Asia	223	230	7%
<b>Total revenue</b>	<b>1,268</b>	<b>1,277</b>	<b>6%</b>

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### Actual rate changes

Europe, Middle East & Africa	1%
Americas	(2%)
Asia	(3%)
<b>Total revenue</b>	<b>(1%)</b>
Trading costs	(3%)
<b>Trading profit</b>	<b>13%</b>

## Statutory results

- Operating profit of £134m, up 10%
  - After inclusion of £21m Thomson deal-related charges
- Profit before tax up 11% to £136m
  - Profit from disposals of £19m
- Profit for the period up 19% and Basic EPS up 26%
  - Further £9m profits from discontinued operations (Instinet tax settlement)

## Tax rate

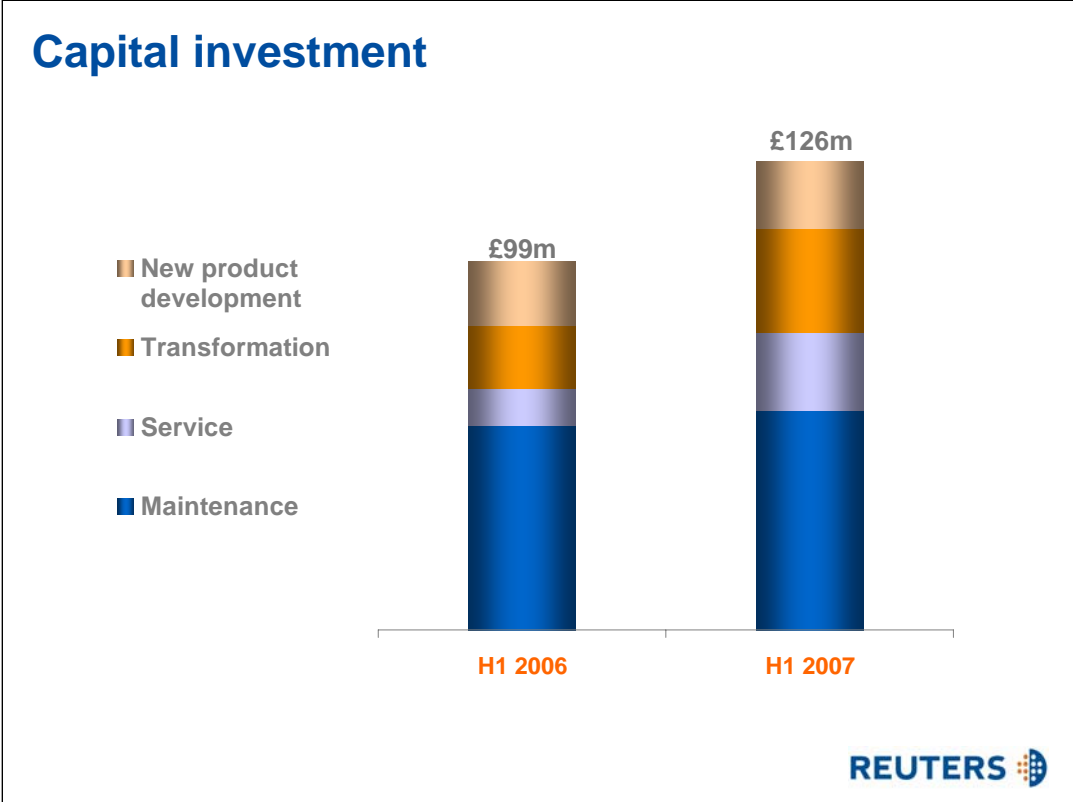
- Adjusted tax rate of 17% in H1 2007



## Trading cash flow from continuing operations

<b>£m</b>	<b>H1 2007</b>	<b>H1 2006</b>	<b>Movement</b>
<b>Trading profit</b>	175	156	19
Capital investment	(126)	(99)	(27)
Depreciation & amortisation & impairments	67	59	8
Working capital	(72)	10	(82)
Share scheme charges	21	18	3
Property, fixed asset disposals & other movements	-	1	(1)
<b>Trading cash flow</b>	65	145	(80)
Cash conversion (rolling 12 month basis)	80%	95%	

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## Guidance

Since Reuters is in an offer period as defined by the City Code on Takeovers and Mergers, the company is not giving any specific revenue and margin guidance for 2007 in the interim results.



# Interim Results 2007

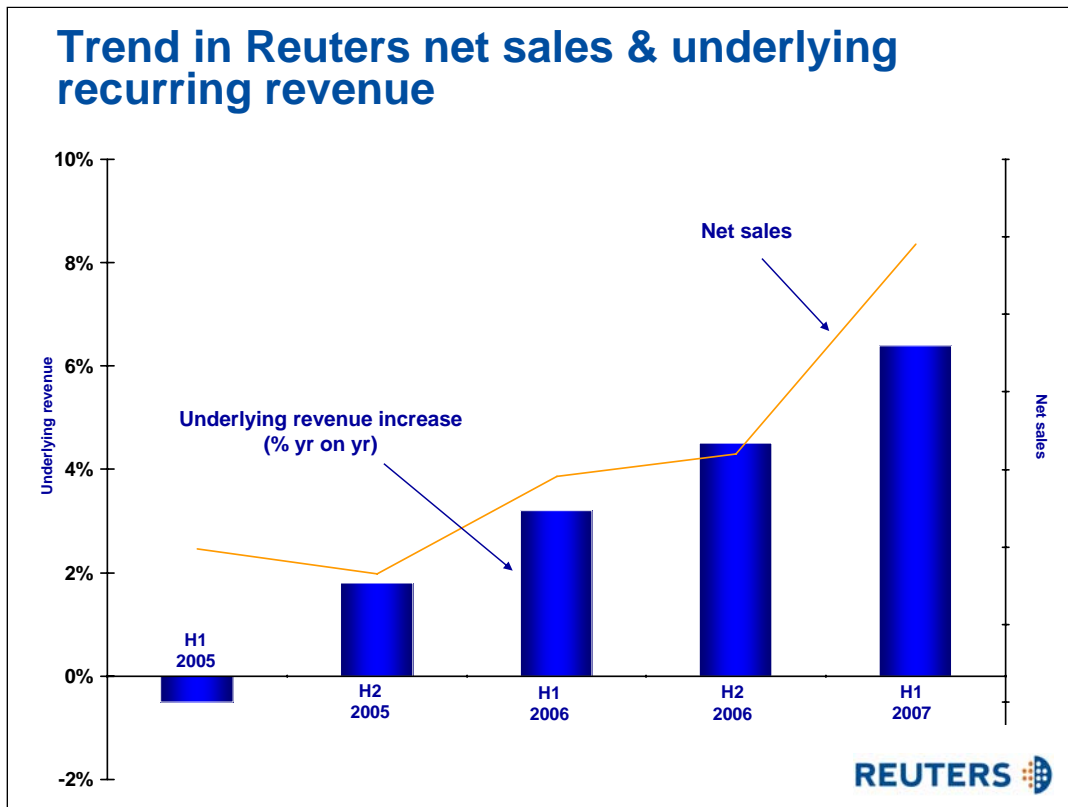
**Tom Glocer**  
**CEO**

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## H1 performance highlights

- Strong six months of sales and installations
- Continued customer investment in Core Plus
  - Electronic trading
  - High-value content
  - Enterprise-wide solutions
  - New markets
- Excellent earnings growth





## Operating environment

- Strong sales across all regions
  - Significant improvement in Europe
- Innovative product developments
  - MiFID product suite launched
  - Good progress with FXMarketSpace
- Despite periods of market turbulence, customers continue to invest



## Thomson-Reuters transaction update

- Customer benefits
- Strong, experienced management
- Significant deliverable synergies
- Timetable to completion
- Dual-listed company structure to allow shareholders to benefit in future value creation

Leading global provider of electronic information and related applications to professionals in knowledge-based markets



## Customer reaction

Streamlined, simplified product range  
European fund manager

A common product platform and unified  
data model will benefit us US  
investment bank

Broader range of real time and  
historical content  
Japanese commercial bank

Harmonised customer service  
Gulf investment fund

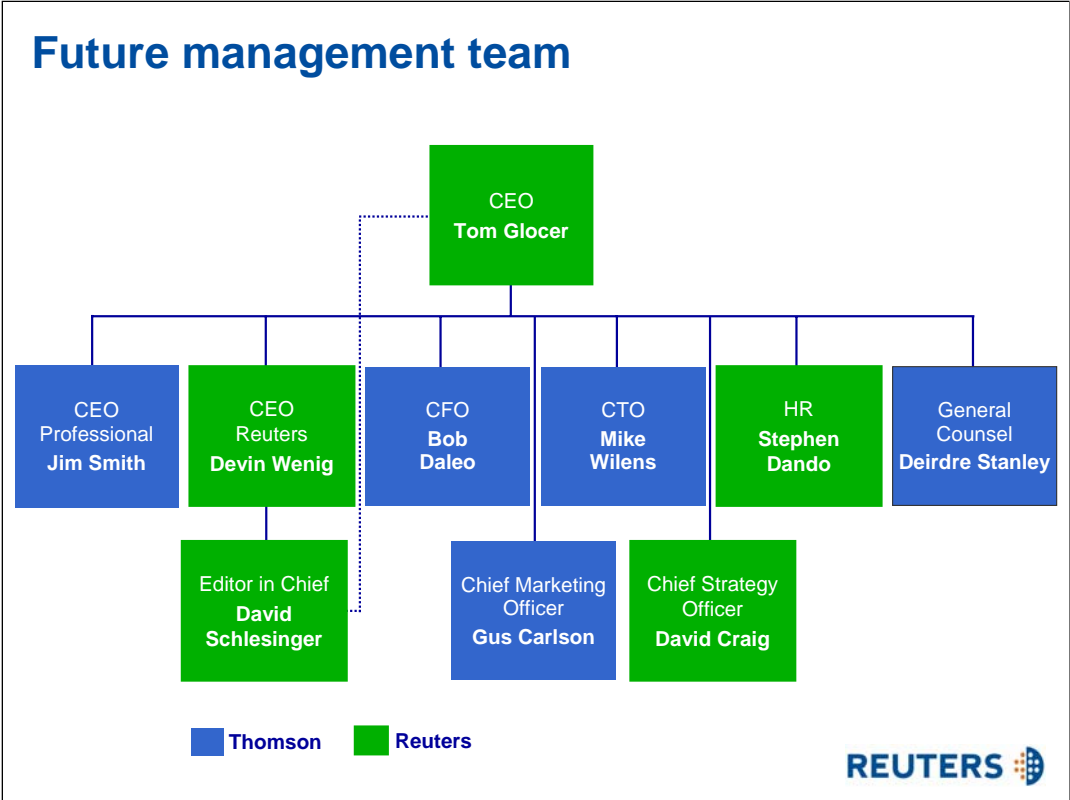
An opportunity to combine the buy-side  
community from Thomson and sell-side  
from Reuters

Major European bank

More effective and efficient  
competition;  
overall cost savings for the market:  
greater value and consistency

European commercial bank



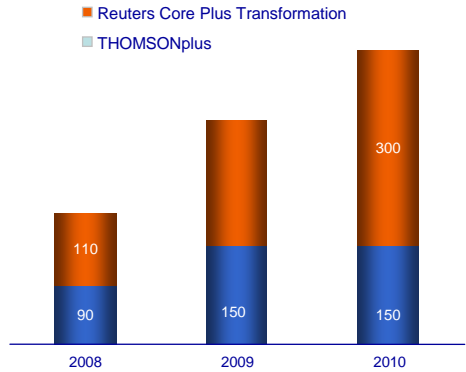


## Large deliverable synergies

### Combination synergies

- Synergies at annual run rate >\$500 million expected by end of third year
- Efficiencies and rationalisation of technology platforms, distribution, third party content and corporate services
- In addition to anticipated cost saving benefits from existing programs

### Projected savings from existing programs



Reuters figures converted into US dollars at an exchange rate of 2.00



## Integration program objectives

- Faster revenue growth from serving customers better with new products and services
- Strong, distinctive global brand and culture with a broader talent bench
- Strengthened and more scaleable operations
  - Common platform
  - Enhanced customer service and resilience
  - Greater editorial and content resources



## Deal timetable

- Pre-filing discussions underway with EC
  - Formal filing currently expected for September
  - Phase 1 enquiry lasts 5-7 weeks
- No formal US anti-trust filing (Hart-Scott-Rodino) due to technical aspects of the dual-listed company transaction structure
- Department of Justice review expected to take approximately as long as EC process

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## Dual-listed company structure

- Opportunity for shareholders to continue to participate in the value created in Reuters
- Thomson-Reuters to be a global company anchored in the world's two largest capital markets
- Strong operating presence in both London and New York
- Active engagement with the investment community on both sides of the Atlantic



A signature year

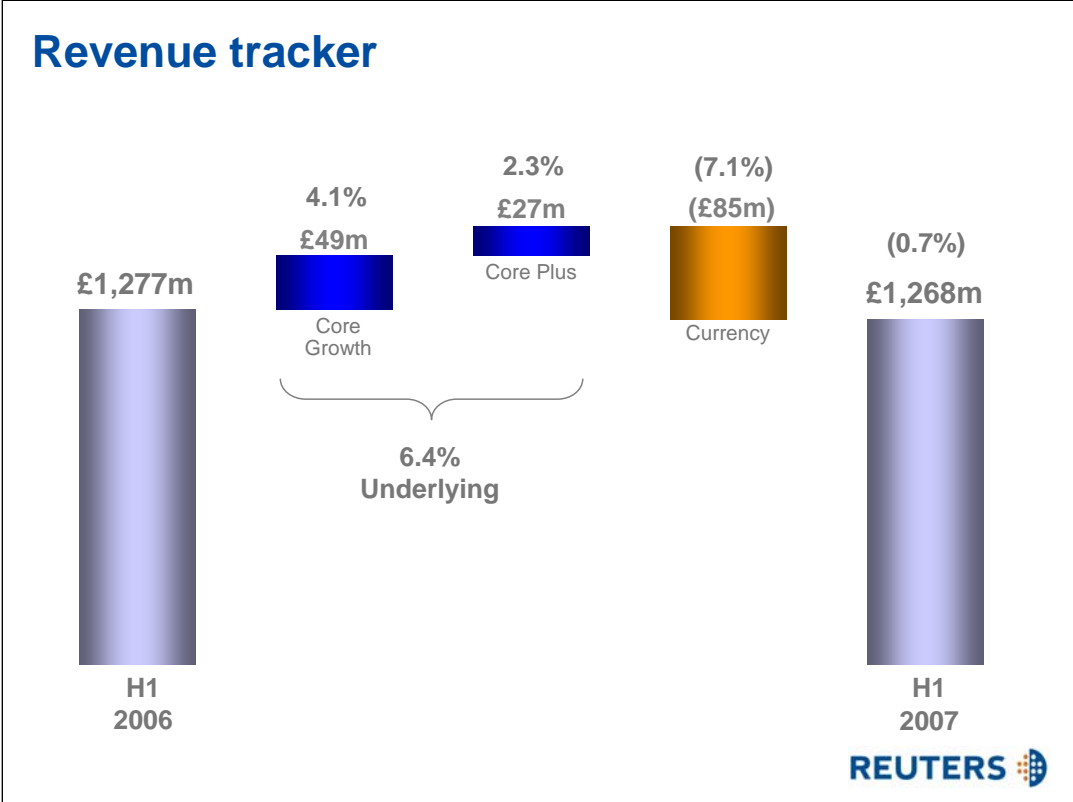


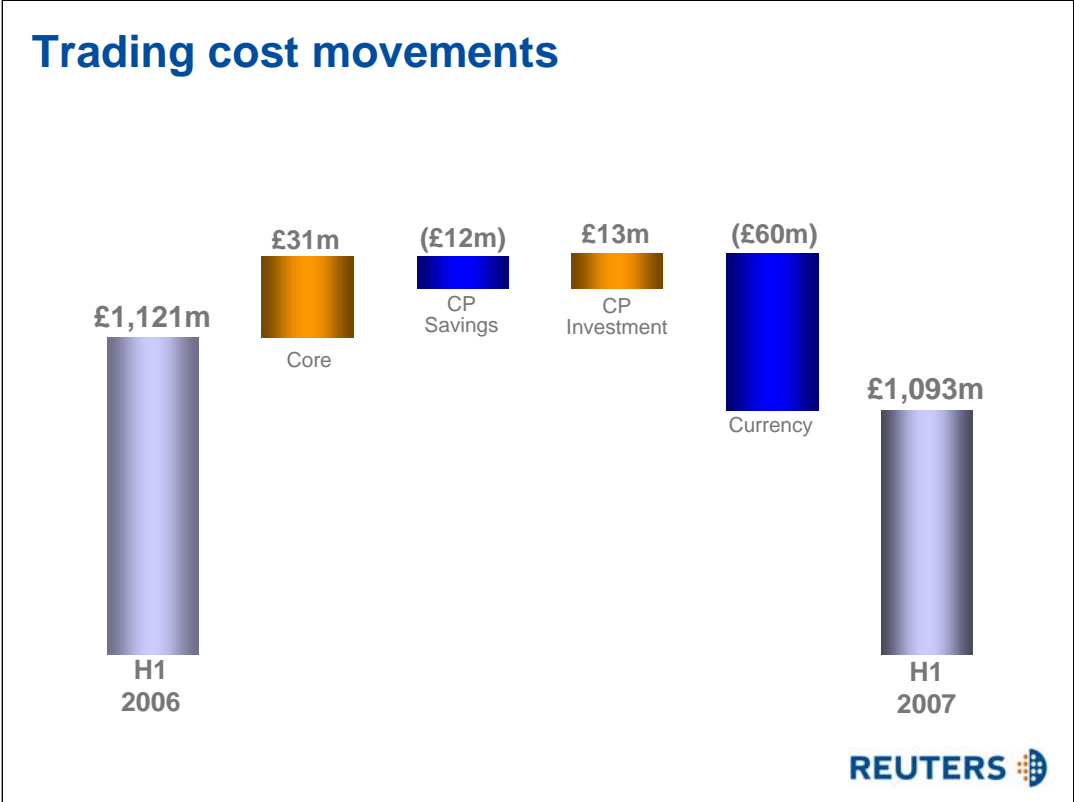
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# Supplementary Pages

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<b>47</b>	7) Reconciliation of cash flow ( <i>continued</i> ) a) Analysis of Reuters working capital b) Analysis of net disposals / acquisitions c) Analysis of other not included in free cash flow





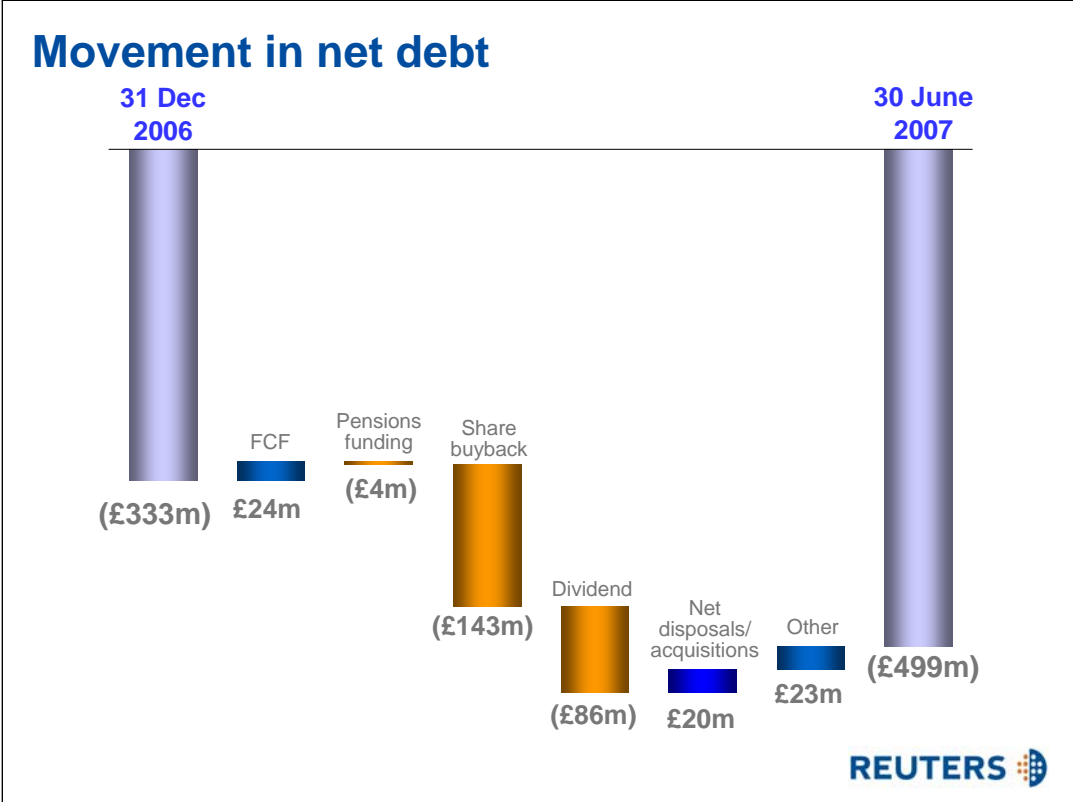
### Core cost growth

	£m
Inflation	32
Gearing	6
Other core cost movements	(18)
<b>Core cost growth ex recoveries</b>	<b>20</b>
Recoveries	11
<b>Core cost growth</b>	<b>31</b>

### Free cash flow

<b>£m</b>	<b>H1 2007</b>	<b>H1 2006</b>	<b>Movement</b>
<b>Trading cash flow</b>	<b>65</b>	<b>145</b>	<b>(80)</b>
Restructuring	(7)	(36)	29
Tax	(18)	(17)	(1)
Net finance costs	(16)	(3)	(13)
Other	-	(8)	8
<b>Free Cash Flow</b>	<b>24</b>	<b>81</b>	<b>(57)</b>

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### Share buyback

- Total of £893m returned (218m shares) at a VWAP of 407p
- Following Thomson – Reuters announcement, further buy-backs suspended

### Dividend

- Full Year dividend of 12p declared on announcement of Thomson transaction
- Interim dividend of 5p
- Final dividend of 7p payable on completion subject to early closing adjustment if applicable



### Statutory Income Statement

£m	H1 2007	H1 2006	Actual Change
<b>CONTINUING OPERATIONS</b>			
Operating profit	134	122	10%
Profit before tax	136	123	11%
Profit for the period from continuing operations	105	96	9%
<b>DISCONTINUED OPERATIONS</b>			
Profit for the period from discontinued operations	9	-	-
<b>PROFIT FOR THE PERIOD</b>			
Basic EPS	9.2p	7.3p	26%
Reuters adjusted EPS*	10.6p	8.5p	25%
Weighted average number of shares	1,239m	1,321m	(6%)



\*Basic EPS from continuing operations before impairments & amortisation of business combination intangibles, investment income, profits on disposals, fair value movements, Thomson deal-related costs and related taxation effects. The impact of recently announced reductions in the corporation tax rates in various countries has also been excluded.

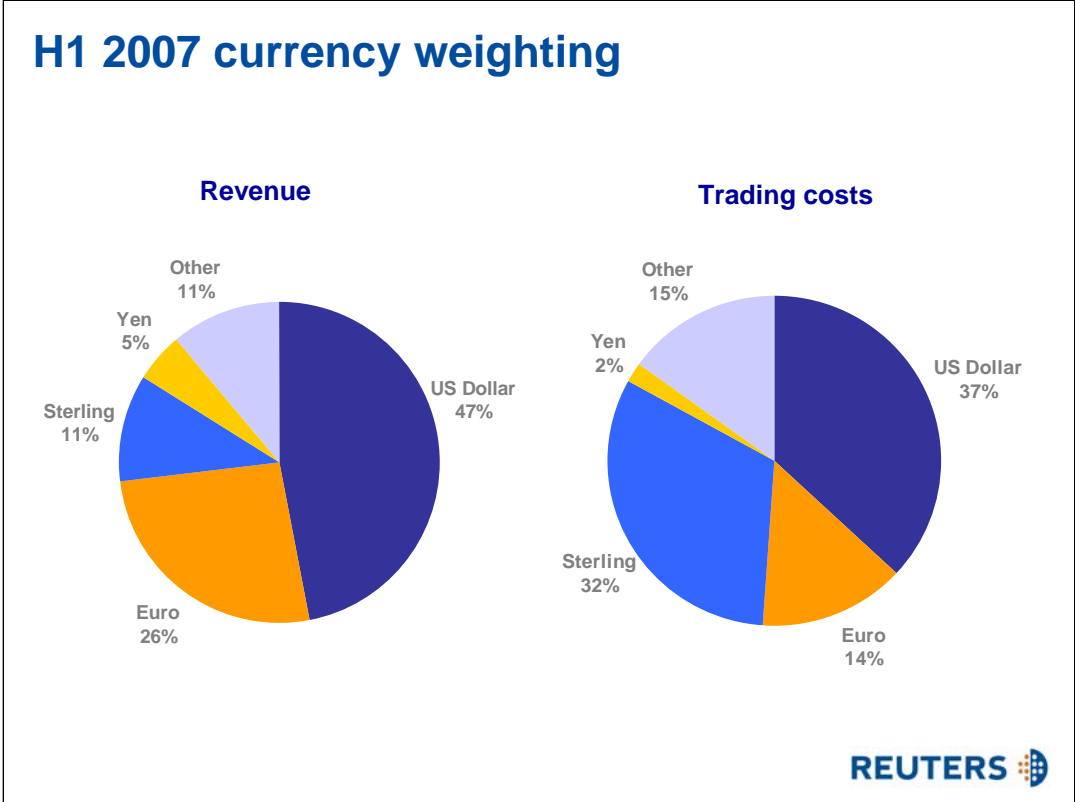
## Income Statement

<b>£m</b>	<b>H1 2007</b>	<b>H1 2006</b>
<b>Revenue</b>	<b>1,268</b>	<b>1,277</b>
Trading costs	(1,093)	(1,121)
<b>Trading profit</b>	<b>175</b>	<b>156</b>
Restructuring costs	-	(11)
Thomson deal costs	(21)	-
Impairments and amortisation of business combination intangibles	(11)	(11)
Profit on disposal of subsidiary undertakings	-	2
Fair value movements	(9)	(14)
<b>Operating profit</b>	<b>134</b>	<b>122</b>
Net finance costs	(14)	-
Profit on disposal of joint ventures, associates & investments	19	-
Share of associates & joint ventures results	(3)	1
<b>Profit before tax</b>	<b>136</b>	<b>123</b>
Taxation	(31)	(27)
<b>Profit for the period from continuing operations</b>	<b>105</b>	<b>96</b>
Profit for the period from discontinued operations	9	-
<b>Profit for the period</b>	<b>114</b>	<b>96</b>

### Adjusted EPS

<b>£m</b>	<b>H1 2007</b>	<b>H1 2006</b>	<b>Actual Change</b>
<b>Trading profit</b>	<b>175</b>	<b>156</b>	<b>13%</b>
Restructuring	-	(11)	-
Associates and joint ventures	(3)	1	-
Interest	(14)	-	-
<b>Adjusted PBT</b>	<b>158</b>	<b>146</b>	<b>8%</b>
Adjusted tax charge	(27)	(33)	(18%)
<b>Adjusted earnings</b>	<b>131</b>	<b>113</b>	<b>16%</b>
Weighted average number of shares	1,239m	1,321m	(6%)
<b>Adjusted EPS</b>	<b>10.6p</b>	<b>8.5p</b>	<b>25%</b>

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**Average Exchange Rates**

	H1 2007	H1 2006	Full Year 2006
£/\$US	1.97	1.78	1.83
£/€	1.48	1.46	1.47
£/¥	234.48	206.98	212.92

## Supplementary Pages

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### Additional information

#### 1) Share of associate and joint venture profits

£m	H1 2007	H1 2006
Factiva	-	1
Other Reuters affiliates	(3)	-
<b>Total Reuters associate and joint venture profits</b>	<b>(3)</b>	<b>1</b>

## Supplementary Pages

### Non-GAAP to IFRS reconciliations

#### 1) H1 2007 movement in revenue and trading profit – underlying to actual reconciliation

<b>Total</b>	<b>Underlying</b>	<b>Currency</b>	<b>Acqn/Disp</b>	<b>Actual</b>	<b>Slide</b>
Recurring	6%	(7%)	-	(1%)	8
Usage	9%	(9%)	-	-	8
Outright	(1%)	(5%)	3%	(3%)	8
<b>Total revenue</b>	<b>6%</b>	<b>(7%)</b>	<b>-</b>	<b>(1%)</b>	<b>8</b>
<b>Trading costs</b>	<b>3%</b>	<b>(6%)</b>	<b>-</b>	<b>(3%)</b>	<b>8</b>
<b>Trading profit</b>	<b>36%</b>	<b>(22%)</b>	<b>(1%)</b>	<b>13%</b>	<b>8</b>

<b>Sales &amp; Trading</b>	<b>Underlying</b>	<b>Currency</b>	<b>Acqn/Disp</b>	<b>Actual</b>	<b>Slide</b>
Recurring	2%	(7%)	-	(5%)	11
Usage	18%	(11%)	-	7%	11
Outright	26%	(10%)	-	16%	11
<b>Total revenue</b>	<b>3%</b>	<b>(7%)</b>	<b>-</b>	<b>(4%)</b>	<b>11</b>
<b>Trading profit</b>	<b>22%</b>	<b>(22%)</b>	<b>-</b>	<b>-</b>	<b>11</b>

<b>Sales &amp; Trading Product Family</b>	<b>Underlying</b>	<b>Currency</b>	<b>Acqn/Disp</b>	<b>Actual</b>	<b>Slide</b>
Reuters Xtra	10%	(8%)	-	2%	11
Reuters Trader	(20%)	(5%)	-	(25%)	11
Recoveries	9%	(7%)	-	2%	11
<b>Sales &amp; Trading</b>	<b>3%</b>	<b>(7%)</b>	<b>-</b>	<b>(4%)</b>	<b>11</b>

<b>Research &amp; Asset Management</b>	<b>Underlying</b>	<b>Currency</b>	<b>Acqn/Disp</b>	<b>Actual</b>	<b>Slide</b>
Recurring	26%	(8%)	-	18%	12
Usage	(3%)	(8%)	-	(11%)	12
<b>Total revenue</b>	<b>25%</b>	<b>(7%)</b>	<b>-</b>	<b>18%</b>	<b>12</b>
<b>Trading profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>

<b>Research &amp; Asset Management Product Family</b>	<b>Underlying</b>	<b>Currency</b>	<b>Acqn/Disp</b>	<b>Actual</b>	<b>Slide</b>
IB & IM	36%	(5%)	-	31%	12
Reuters Wealth Manager	11%	(9%)	-	2%	12
<b>Research &amp; Asset Management</b>	<b>25%</b>	<b>(7%)</b>	<b>-</b>	<b>18%</b>	<b>12</b>

## Supplementary Pages

<b>Enterprise</b>	<b>Underlying</b>	<b>Currency</b>	<b>Acqn/Disp</b>	<b>Actual</b>	<b>Slide</b>
Recurring	9%	(7%)	-	2%	13
Outright	(2%)	(4%)	4%	(2%)	13
<b>Total revenue</b>	<b>8%</b>	<b>(7%)</b>	<b>1%</b>	<b>1%</b>	<b>13</b>
<b>Trading profit</b>	<b>38%</b>	<b>(17%)</b>	<b>(5%)</b>	<b>16%</b>	<b>13</b>

<b>Enterprise Product Family</b>	<b>Underlying</b>	<b>Currency</b>	<b>Acqn/Disp</b>	<b>Actual</b>	<b>Slide</b>
Reuters Enterprise Information	17%	(8%)	-	9%	13
Reuters Information Management	(16%)	(6%)	-	(22%)	13
Reuters Trade and Risk Management	9%	(7%)	2%	4%	13
<b>Enterprise</b>	<b>8%</b>	<b>(7%)</b>	<b>-</b>	<b>1%</b>	<b>13</b>

<b>Media</b>	<b>Underlying</b>	<b>Currency</b>	<b>Acqn/Disp</b>	<b>Actual</b>	<b>Slide</b>
Recurring	5%	(6%)	-	(1%)	14
Usage	(11%)	(6%)	-	(17%)	14
<b>Total revenue</b>	<b>2%</b>	<b>(7%)</b>	<b>-</b>	<b>(5%)</b>	<b>14</b>
<b>Trading profit</b>	<b>(39%)</b>	<b>(11%)</b>	<b>-</b>	<b>(50%)</b>	<b>14</b>

<b>Media Product Family</b>	<b>Underlying</b>	<b>Currency</b>	<b>Acqn/Disp</b>	<b>Actual</b>	<b>Slide</b>
Agency Services	1%	(6%)	-	(5%)	14
Consumer Media	10%	(11%)	-	(1%)	14
<b>Media</b>	<b>2%</b>	<b>(7%)</b>	<b>-</b>	<b>(5%)</b>	<b>14</b>

## Supplementary Pages

### 2) Reconciliation of actual percentage change to underlying change - revenue by geography

	Underlying	Currency	Acqn/Disp	Actual	Slide
Europe, Middle East & Africa	5%	(4%)	-	1%	15
Americas	8%	(10%)	-	(2%)	15
Asia	7%	(10%)	-	(3%)	15
<b>Total revenue</b>	<b>6%</b>	<b>(7%)</b>	<b>-</b>	<b>(1%)</b>	<b>15</b>

### 3) Operating profit to trading profit

£m	H1 2007	H1 2006	H1 2007	H1 2006
<b>Operating margin / profit</b>	<b>10.6%</b>	<b>9.5%</b>	<b>134</b>	<b>122</b>
Restructuring charges	-	0.8%	-	11
Thomson deal costs	1.6%	-	21	-
Impairments & amortisation of business combination intangibles	0.9%	0.9%	11	11
Profit on disposal of subsidiaries	-	(0.1%)	-	(2)
Fair value movements	0.7%	1.1%	9	14
<b>Trading margin / profit</b>	<b>13.8%</b>	<b>12.2%</b>	<b>175</b>	<b>156</b>

### 4) Reconciliation of adjusted tax charge on continuing operations to reported tax charge on continuing operations

£m	H1 2007	H1 2006
Adjusted tax charge	(27)	(33)
Tax on fair value movements	2	4
Tax on amortisation of intangibles	2	2
Tax on disposals	(2)	-
Effective change of tax rates	(6)	-
<b>Reported tax charge</b>	<b>(31)</b>	<b>(27)</b>

## Supplementary Pages

### 5) Reconciliation of PBT/basic EPS from continuing operations to PBT/basic EPS from continuing operations before impairments & amortisation of business combination intangibles, investment income, profits from disposals, fair value movements, Thomson deal-related costs and related taxation effects

	PBT £m		EPS	
	H1 2007	H1 2006	H1 2007	H1 2006
<b>PBT / basic EPS from continuing operations</b>	<b>136</b>	<b>123</b>	<b>8.4p</b>	<b>7.3p</b>
Impairments and amortisation of business combination intangibles	11	11	0.9p	0.8p
Profit on disposal of subsidiaries, associates & joint ventures	(19)	(2)	(1.5p)	(0.1p)
Fair value movements	9	14	0.7p	1.0p
Thomson costs	21	-	1.7p	-
<b>Profit / basic EPS from continuing operations before taxation, impairments &amp; amortisation of business combination intangibles, investment income, profits on disposals and fair value movements and Thomson deal-related costs.</b>	<b>158</b>	<b>146</b>	<b>10.2p</b>	<b>9.0p</b>
Adjusted tax charge / Tax effect	(27)	(33)	0.4p	(0.5p)
Adjusted tax rate / Average number of shares	17%	23%	1,239m	1,321m
<b>Profit / basic EPS from continuing operations before impairments &amp; amortisation of business combination intangibles, investment income, profits on disposals, fair value movements, Thomson deal-related costs, related taxation effects and change in corporation tax rate.</b>	<b>131</b>	<b>113</b>	<b>10.6p</b>	<b>8.5p</b>

### 6) Reconciliation of Cash Flow

These tables provide a reconciliation of the non-GAAP cash flow measures on slides 17, 35 & 36 to the IFRS format of the cash flow shown in the Press Release.

#### a) Analysis of continuing operations net debt

£m	H1 2007	H1 2006
Short term deposits	205	2
Cash and cash equivalents	162	338
Bank overdrafts	(4)	(9)
Borrowings	(862)	(603)
<b>Net debt</b>	<b>(499)</b>	<b>(272)</b>

#### b) Reconciliation of opening to closing net debt

	£m
<b>Opening net debt 1 Jan 2007</b>	<b>(333)</b>
Cash flow	(166)
Fair value movements	8
Other non cash movements	(8)
Exchange gains	-
<b>Closing net debt 30 June 2007</b>	<b>(499)</b>

## Supplementary Pages

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### 7) Reconciliation of Cash Flow continued

#### a) Analysis of Reuters working capital

	£m
Increase in inventories	(1)
Increase in receivables	(29)
Decrease in payables	(20)
Decrease in provisions	(21)
Decrease in pension deficit	(12)
Less UK pension schemes funding	4
Less restructuring provision	7
<b>Working capital</b>	<b>(72)</b>

#### b) Analysis of net disposals / acquisitions

	£m
Cash proceeds from disposals	23
Cash inflow relating to prior year disposals	21
Cash outflows relating to prior year disposals	(1)
<b>Net proceeds from disposals</b>	<b>43</b>
Cash outflows from acquisitions	(12)
Cash outflows relating to prior year acquisitions	(11)
<b>Net disposals / acquisitions</b>	<b>20</b>

#### c) Analysis of other not included in free cash flow

	£m
Fair value movements in net debt	8
Other non cash movements in net debt	(8)
Proceeds from issue of shares	24
Thomson deal-related costs	(3)
Proceeds from closing of derivative contract	2
<b>Other</b>	<b>23</b>