

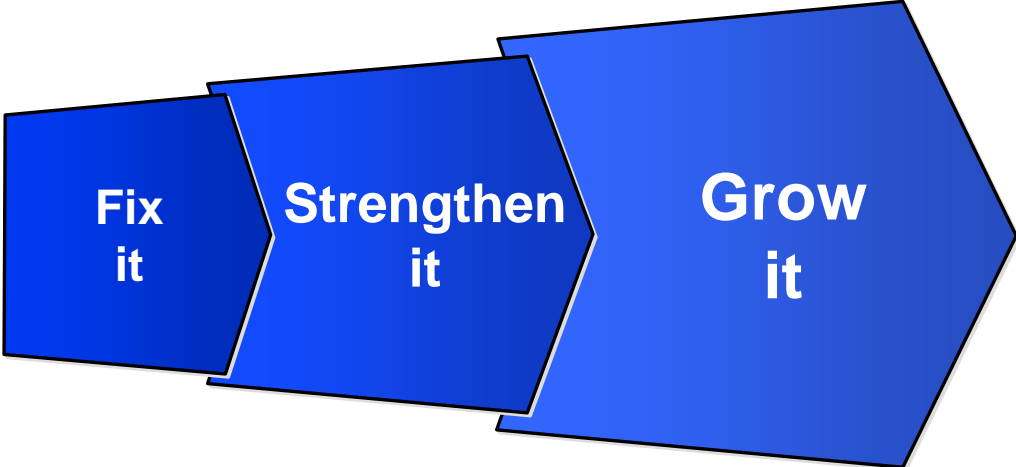
Reuters beyond Fast Forward

Tom Glocer
CEO

26 July 2005

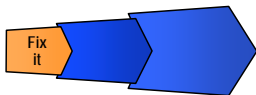
REUTERS 

Our plan for Reuters



Fast Forward will deliver as planned

- **More competitive**
 - Market share stabilised in 2004
- **Less complex**
 - Portfolio disposals have created a more coherent core business
- **More service driven**
 - Customer satisfaction improvement
- **More efficient**
 - £440 million cost savings in 2006



REUTERS 

Scope for growth in the core

- £6 billion addressable market, growing at 2-4% p.a.
- Key competitive advantages
 - Segmented product line
 - Unique ability to sell desktops and datafeeds
 - Size and global reach
 - Broad, rich content set
- Core trading margins of about 17% in 2006
- Aspire to grow in line with core market

* Trading profit is the non-GAAP measure now used by Reuters to give a clear picture of the operating performance of the business. It is defined as IFRS operating profit from continuing operations before Fast Forward and acquisition related restructuring, impairments and amortisation of intangibles acquired via business combinations, fair value movements and disposal profit/losses on subsidiaries.



REUTERS 

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Scope for growth in each business division

Sales & Trading

- Expand Xtra and Trader franchises
- Telerate integration

Research & Asset Management

- Build scale in Knowledge families
- Rationalise and grow Wealth Management

Enterprise

- Build scale in Reference Data and Risk
- Roll-out of RMDS, Direct Feeds

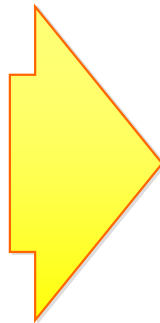
Media

- Enhance news agency business
- Build and monetise new audiences

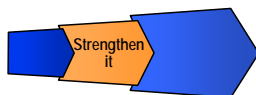


Opportunities for further transformation

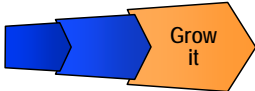
- Data centre rationalisation
- Development transformation
- Improved content management
- Improved customer admin. and service



- Faster time to market
- Better quality
- More resilient network
- Better service

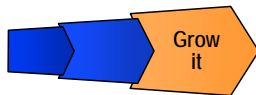


Core Plus



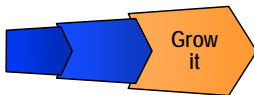
Customer perspectives

- Trading is moving electronic
- Research departments will pay for new insights
- Machines as well as human beings
- Expansion into emerging markets
- Higher margins in emerging asset classes



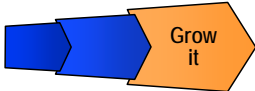
Selection criteria

- Ambitious and motivating
- Executable at acceptable risk
- Meets key financial conditions
 - Sustains core profitability
 - Harnesses operating leverage
 - Earns better returns from new investments than our cost of capital
 - Improves capital efficiency



Four new opportunities

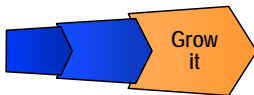
| | |
|---------------------------------------------------------|----------------------------|
| Traditional end-user market £6 billion | 1. Electronic trading |
| | 2. High value content |
| | 3. New Enterprise approach |
| | 4. New markets |



Electronic trading

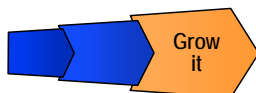
Reuters unique advantages

- Neutral distribution partner with broad customer base
- Multi-asset trading platform: attractive “one stop shop” for buy-side
- Open trading platform: accessible by humans and machines

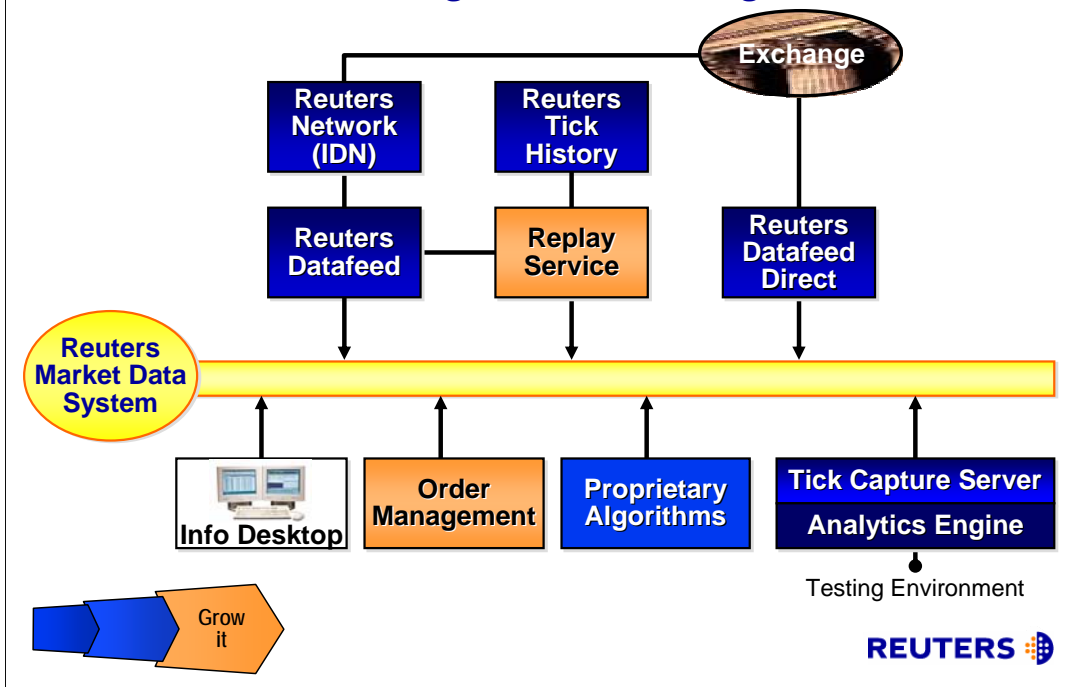


High value content

- New information for research departments
 - Editorial insights
 - New content sets
- Feeds of trading “exhaust”
 - High-quality pricing data at a premium in over-the-counter markets
- Tick history to back-test trading applications

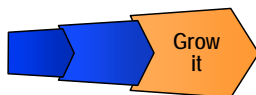


New enterprise approach *Holistic solution for algorithmic trading*

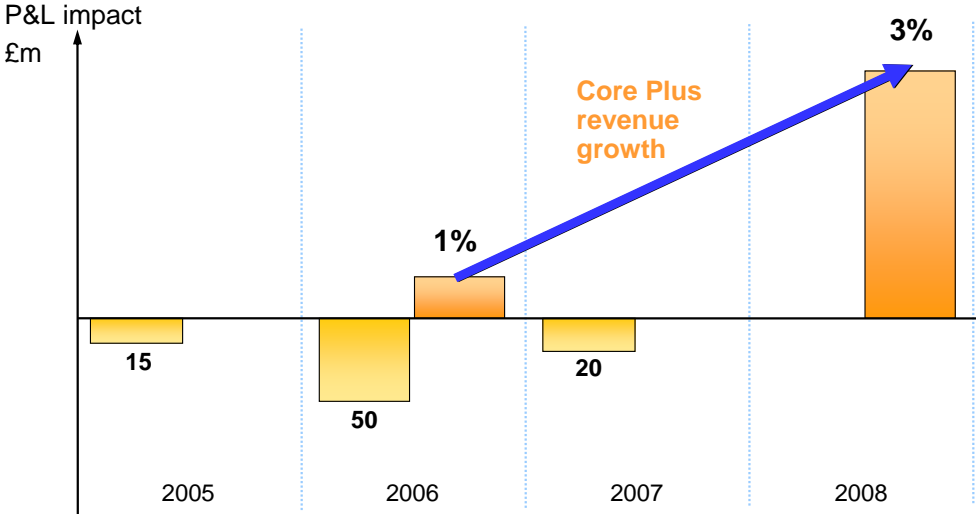


New markets

- New geographies
 - India
 - China
- New customer types
 - Individual investors
- New asset classes
 - Emissions, weather & property derivatives

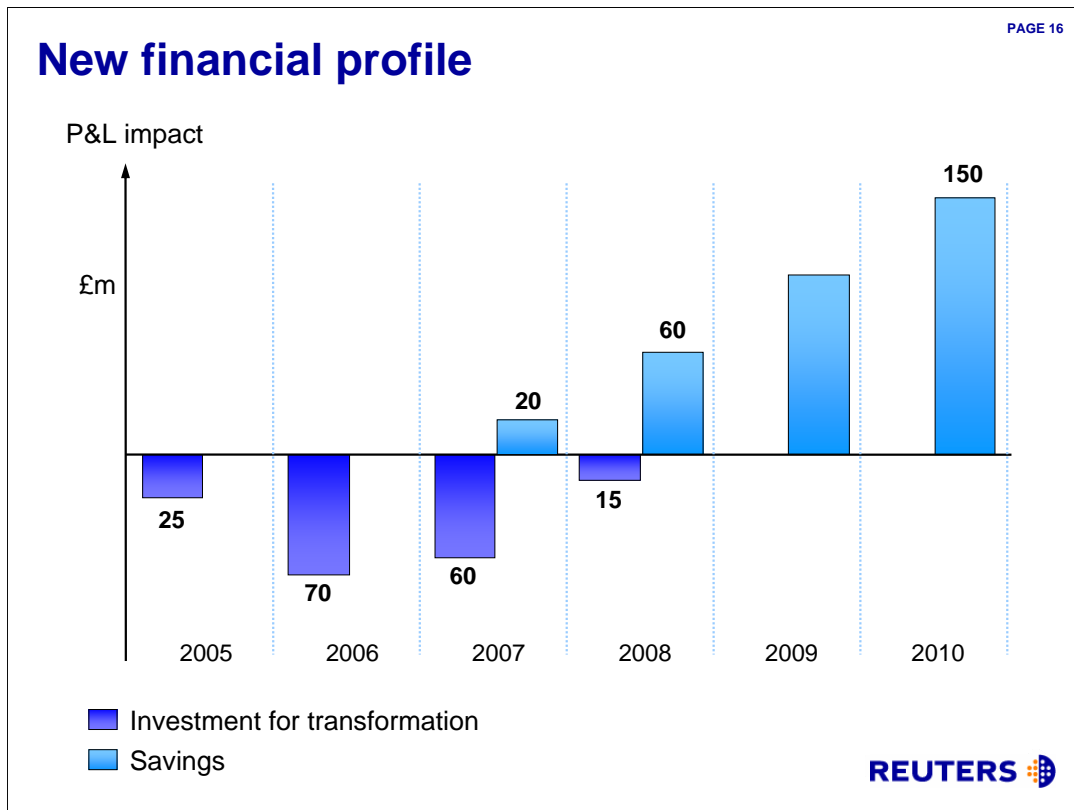


New financial profile



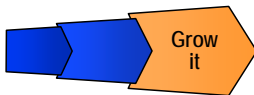
- Net reduction in trading profit from Core Plus revenue initiatives
- Core Plus revenue





Efficient capital structure

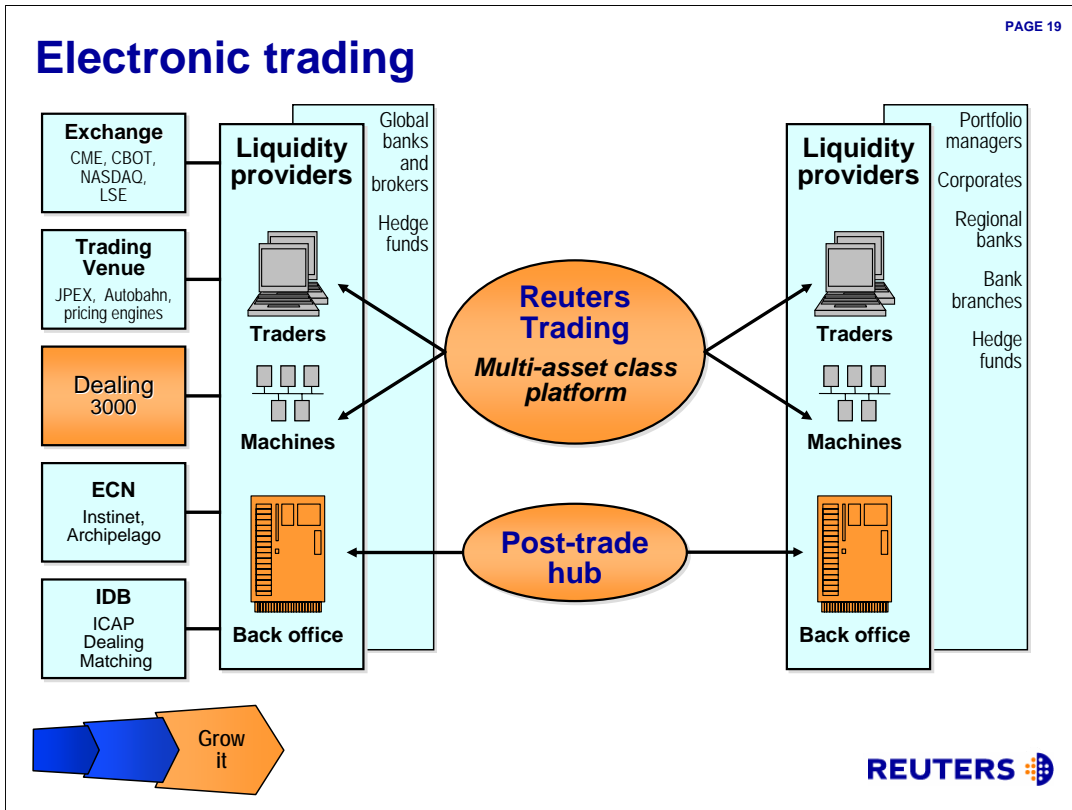
- Focus on balance sheet efficiency
 - Committed to returning cash to shareholders
- Balance sheet optimisation driven by:
 - Customer needs, reflected in long term commitment to investment-grade credit rating
 - Flexibility to fund investment and acquisitions
- Shareholders will benefit from:
 - Return of Instinet proceeds
 - Further return of capital announced today
 - Progressive dividend policy
- £1 billion return over 2 years
 - On-market buy-back programme put in place today



Reuters beyond Fast Forward

- Addressable market £11 billion from £6 billion
- 3% extra revenue growth in 2008
- £1 billion reduction in annual cost base since 2001
- £1 billion to be returned to shareholders





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 2004 under the heading 'Risk Factors' and in Reuters Interim Results press release dated 26 July 2005 under the heading 'Forward-looking statements'.

Copies of the Annual Report and Form 20-F 2004 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.

