

REUTERS GROUP PLC – THIRD QUARTER REVENUE STATEMENT
for the three months to 30 September 2007

25 October 2007

REUTERS Q3 2007 REVENUE STATEMENT

Business performance

- Q3 total revenue of £646 million (Q3 2006: £631 million)
- Underlying revenue growth of 7.6%*
- On an actual basis, revenue increase of 2.3% reflecting currency effects, principally the weaker US dollar

Operating highlights

- Net sales strong in all regions, despite market turbulence
- 30% underlying growth in usage revenues, stimulated by volatile foreign exchange markets and Core Plus transactions initiatives
- Continuing momentum from Core Plus, with 2.8 percentage points of underlying revenue growth
- 10% underlying revenue growth in Asia, 7% underlying growth both in the Americas and in Europe, the Middle East and Africa

Status of Thomson-Reuters transaction

- Good progress with strategic, technical and organisational blueprints for Thomson-Reuters
- As announced in the regulatory update of 8 October, the European Commission has proceeded to a Phase 2 review and the transaction is also being reviewed by the US Department of Justice, with regulatory clearance anticipated to occur in the first quarter of 2008

Tom Glocer, Reuters Chief Executive, said:

“I am pleased that our third quarter results have built on the strong revenue growth we saw in the first half of the year, helped particularly by good transaction volumes. This is a good set of numbers that shows our performance has not been impacted by the turbulence in the credit markets, nor any distraction from the Thomson deal. While we remain vigilant for signs of continuing market instability, we believe that the transformation of Reuters over the past several years has better positioned the company to weather the effects of a market downturn.

“On the deal front, we are making good progress with integration planning for the combination and now have a clear timetable from the European and U.S. competition authorities, which keeps us on course for a regulatory clearance in the first quarter of 2008.”

Notes to Analysts

** Underlying percentage change excludes acquisitions and disposals since 1 January 2006 and is stated at constant exchange rates. Reconciliations to equivalent IFRS figures can be found at www.about.reuters.com/investors in the Investor information section. This announcement includes forward-looking statements. See pages 10-11 for a description of risk factors.*

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 or margin guidance for 2007 in its third quarter results.

REVENUE REVIEW

Reuters revenue for the three months to 30 September 2007 was £646 million, an increase of 7.6% on an underlying basis.

Currency effects reduced third quarter revenue by £33 million (5.5%). This was driven primarily by the weaker US Dollar, with weakness in the Euro, Yen and other currencies also contributing. In the year to date, currency effects have reduced revenues by £119 million.

Average Exchange Rates

	Q3 2007	Q3 2006	Q4 2006	Full year 2006
£/\$US	2.01	1.86	1.89	1.83
£/€	1.48	1.47	1.48	1.47
£/¥	241.80	215.36	222.37	212.92

At current exchange rates and currency mix, a 5 cent weakening in the average annual exchange rate of either the US Dollar or the Euro against Sterling would decrease Reuters annual trading profit by approximately £10 million, and vice versa.

Core underlying revenue growth benefited from volume growth, functionality improvements which have driven the successful implementation of the 2007 price increase and recoveries (exchange fees and specialist data). The key drivers of volume growth are migrations to Reuters premium 3000 Xtra product, increased usage revenues (driven by exchange rate volatility, interest rate moves and new electronic trading product initiatives) and higher levels of data consumption.

Core Plus initiatives contributed £17 million of incremental revenue (when compared to Q3 2006), equivalent to 2.8 percentage points of underlying growth. Total Core Plus revenue for the quarter was £26 million, with the most significant sources of new revenue being the addition of high value content to *Reuters Knowledge*, usage revenues from electronic trading initiatives, enterprise solutions and new market initiatives in China, India and Consumer Media.

The third quarter saw strong revenue growth in all regions, and sales and installations remained strong during the period.

Asia's growth rate improved to 10% on an underlying basis, boosted by an improving performance in Japan. Europe, the Middle East and Africa gained momentum, with revenue growth increasing to 7% underlying as solid progress in France and Germany was helped by continuing momentum in the Gulf and Russia. Americas revenue growth remained strong at 7% underlying, despite recent market turbulence.

BUSINESS DIVISIONS REVIEW

Sales & Trading

Revenue from Sales & Trading was £402 million, an underlying increase of 3%. Currency effects resulted in a 2% decline on an actual basis. The key revenue drivers were

- Reuters Xtra family revenue within Sales & Trading of £260 million, an underlying increase of 11%. The key factors in this growth were functionality improvements to *Reuters 3000 Xtra* which drove successful implementation of a price increase at the start of the year, customer migration from legacy products and sales of new desktop accesses. Usage revenue from transaction systems within the Reuters Xtra family totalled £26 million, an underlying increase of 31%.
- A 21% underlying decline in Reuters Trader family product revenues to £68 million. This reflects customer migration from legacy products, principally 2000/3000 series products. Migration of Telerate products is now almost complete and Telerate revenue attrition remains in line with full year expectations of around one percentage point of Group revenue.

Revenue from recoveries (exchange fees and specialist data) rose by 10% on an underlying basis, driven by exchange fee price increases.

The key contributors to Core Plus revenue within Sales & Trading were a strong performance in China and India, and *Prime Brokerage*, which gives hedge funds access to the interbank foreign exchange market.

FXMarketSpace, which also forms part of our portfolio of investments in FX trading platforms, continues to focus on adding new customers and building liquidity.

Research & Asset Management

Revenue from Research & Asset Management was £92 million, a 23% underlying increase (19% on an actual basis). Growth excluding the impact of migration of desktop product accesses from the Sales & Trading division was 17% (underlying).

Reuters Research & Asset Management business aims to provide independent content and insight to two user communities – **Investment Banking, Investment Management & Corporates (IB & IM)** and **Wealth Management**.

IB & IM revenue was £59 million, growing 36% on an underlying basis. This performance was driven by sales of feeds of fundamentals and estimates content that customers integrate into their own systems, the addition of new *Reuters Knowledge* desktop accesses and the incremental revenue achieved by upgrading existing users from standalone accesses to *Reuters Knowledge* embedded within *Reuters 3000 Xtra* and *Reuters Trader*.

Wealth Management revenue was £33 million, an underlying increase of 5%, reflecting increasing demand from customers seeking content in feed and web-based formats for integration within their customer portals and to support their investment decision-making processes.

The key contribution to Core Plus revenue in Research & Asset Management came from high-value content and functionality enhancements made to the Reuters Knowledge product family this year. Content additions during the third quarter included global corporate actions data.

Enterprise

The Enterprise division delivered revenue of £109 million, an underlying increase of 11% (5% on an actual basis).

Revenue from **Enterprise Information**, which includes Reuters real time and reference datafeeds, grew 17% underlying to £67 million, driven by volume growth and supported by the ongoing rollout of a new commercial model for licensing machine consumption of data, which links revenue more directly to the volume of data being used by customers.

Revenue from **Trade and Risk Management** was £23 million, a 16% underlying increase, reflecting new sales in both established and emerging markets, growth in user licenses and increased maintenance revenue.

Information Management Systems revenue of £19 million (which includes the *Reuters Market Data Systems*) showed an improving trend, with the decline slowing to 11% underlying. The impact of ongoing withdrawal from the hardware business and one-time Telerate product obsolescence was increasingly offset by growth in *Reuters Tick Capture Engine*, *Reuters Wireless Distribution Server* and *Reuters Replay service*.

Core Plus revenue from Enterprise came from *Reuters Datafeed Direct*, *Reuters NewsScope*, *Reuters Tick History*, *Reuters Datascope Real Time* and *Reuters Pricing and Reference Data*, as demand continued to grow for automated trading solutions from large sell-side firms and from hedge funds.

Media

Media revenue was £43 million, an underlying increase of 11% (5% at actual rates).

Agency Services revenue was £35 million, an underlying increase of 8%, reflecting strong sales of TV services to existing and new customers in Europe, increased usage of archived and breaking TV news during the quarter and growth in Pictures revenue.

Revenue from **Consumer Services** totalled £8 million, an underlying increase of 29%. Key to this performance was growth in the interactive advertising business and in online syndication.

Advertising sales accounted for the Media division's Core Plus revenue, and included the first advertising deals for Reuters consumer websites targeted at the Chinese and Indian markets.

NOTES

Reuters (www.reuters.com), the global information company, provides indispensable information tailored for professionals in the financial services, media and corporate markets. Through reuters.com and other digital properties, Reuters now also supplies its trusted content direct to individuals. Reuters drives decision making across the globe, based on a reputation for speed, accuracy and independence. As of 30 June 2007, Reuters had 17,500 staff in 94 countries, including 2,400 editorial staff in 196 bureaux serving 131 countries. In 2006, Reuters revenues were £2.6 billion.

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Reuters will hold a conference call for investors at 12:30 BST. To participate, please register on-line at <http://registration.intercall.com/go/reutersir>. An e-mail confirmation, containing the dial-in details, will be sent by return.

Photographs are available at www.about.reuters.com/pressoffice/library/photos/senior.asp

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FINANCIAL STATEMENTS

1) REVENUE BY DIVISION BY TYPE – THREE MONTHS TO 30 SEPTEMBER 2007 (UNAUDITED)

	Three months to 30 September		% Change	
	2007	2006*	Actual	Underlying
	£m	£m		
Recurring	376	388	(3%)	2%
Usage	26	22	21%	31%
Outright	-	1	(61%)	(58%)
Sales & Trading	402	411	(2%)	3%
Recurring	91	76	19%	23%
Usage	1	-	44%	52%
Research & Asset Management	92	76	19%	23%
Recurring	94	89	5%	11%
Outright	15	14	5%	6%
Enterprise	109	103	5%	11%
Recurring	34	33	2%	8%
Usage	9	8	17%	24%
Media	43	41	5%	11%
Recurring	595	586	1%	7%
Usage	36	30	20%	30%
Outright	15	15	1%	2%
Total Reuters revenue	646	631	2%	8%

* As discussed in note 11 to Reuters Interim Results Press Release dated 27 July 2007, from 1 January 2007 Reuters made changes to the allocation of revenue among its business divisions to reflect changes in the management of communications revenue. Comparatives for the three months ended September 2006 have been restated to decrease recoveries revenue by £19 million and increase other product revenue by £12 million in Sales & Trading, to increase other product revenue by £2 million in Research & Asset Management and to increase other product revenue by £5 million in Enterprise.

2) REVENUE BY DIVISION BY TYPE – NINE MONTHS TO 30 SEPTEMBER 2007 (UNAUDITED)

	Nine months to 30 September		% Change	
	2007	2006*	Actual	Underlying
	£m	£m		
Recurring	1,129	1,177	(4%)	2%
Usage	73	66	12%	23%
Outright	2	3	(24%)	(18%)
Sales & Trading	1,204	1,246	(3%)	3%
Recurring	263	221	19%	25%
Usage	2	2	9%	18%
Research & Asset Management	265	223	19%	25%
Recurring	282	274	3%	10%
Outright	37	37	1%	1%
Enterprise	319	311	3%	9%
Recurring	101	101	-	6%
Usage	25	27	(7%)	(1%)
Media	126	128	(2%)	5%
Recurring	1,775	1,773	-	6%
Usage	100	95	6%	16%
Outright	39	40	(1%)	-
Total Reuters revenue	1,914	1,908	-	7%

* As discussed in note 11 to Reuters Interim Results Press Release dated 27 July 2007, from 1 January 2007 Reuters made changes to the allocation of revenue among business divisions to reflect changes in the management of communications revenue. Comparatives for the nine months ended September 2006 have been restated to decrease recoveries revenue by £61 million and increase other product revenue by £38 million in Sales & Trading, to increase other product revenue by £5 million in Research & Asset Management and to increase other product revenue by £18 million in Enterprise.

**3) REVENUE BY DIVISION BY PRODUCT FAMILY – THREE MONTHS TO 30 SEPTEMBER 2007
(UNAUDITED)**

	Three months to 30 September		% Change	
	2007 £m	2006* £m	Actual	Underlying
Reuters Xtra	260	248	5%	11%
Reuters Trader	68	91	(25%)	(21%)
Recoveries	74	72	5%	10%
Sales & Trading	402	411	(2%)	3%
IB & IM	59	44	32%	36%
Reuters Wealth Management	33	32	1%	5%
Research & Asset Management	92	76	19%	23%
Reuters Enterprise Information	67	60	11%	17%
Reuters Information Management	19	22	(14%)	(11%)
Reuters Trade and Risk Management	23	21	11%	16%
Enterprise	109	103	5%	11%
Agency Services	35	35	2%	8%
Consumer Media	8	6	20%	29%
Media	43	41	5%	11%
Total Reuters revenue	646	631	2%	8%

* As discussed in note 11 to Reuters Interim Press Release dated 27 July 2007, from 1 January 2007 Reuters made changes to the allocation of revenue among business divisions to reflect changes in the management of communications revenue. Comparatives for the three months ended September 2006 have been restated to decrease recoveries revenue by £19 million and increase other product revenue by £12 million in Sales & Trading, to increase other product revenue by £2 million in Research & Asset Management and to increase other product revenue by £5 million in Enterprise.

4) REVENUE BY GEOGRAPHY – THREE MONTHS TO 30 SEPTEMBER 2007 (UNAUDITED)

	Three months to 30 September		% Change	
	2007 £m	2006* £m	Actual	Underlying
Europe, Middle East & Africa	357	344	3%	7%
Americas	174	173	1%	7%
Asia	115	114	1%	10%
Total Reuters revenue	646	631	2%	8%

* 2006 comparatives have been restated to combine UK and Ireland, EMEA West and EMEA East as one region to reflect the way Reuters was managed in 2006.

5) QUARTERLY NON-GAAP PRODUCT FAMILY STATISTICS (UNAUDITED)

	Three months ended			Underlying percentage change	
	September	June	September	Versus	Versus
	2007	2007	2006*	June 2007	September 2006
Period end accesses (000s)					
3000 Xtra	121	119	108	2%	10%
Dealing	18	18	18	-	1%
Other Xtra	3	3	2	(2%)	50%
Reuters Xtra	142	140	128	1%	9%
Reuters Trader	82	84	106	(3%)	(21%)
Reuters Knowledge	16	15	13	8%	17%
Reuters Wealth Manager	93	94	98	(1%)	(4%)
Total period end accesses	333	333	345	-	(4%)
Access driven revenue (£m)					
Total access driven revenue	321	321	322	1%	4%
Other recurring revenue	274	275	264	-	9%
Recurring revenue	595	596	586	-	7%
Average revenue per access (£)					
Total average revenue per access	322	320	310	2%	7%

* A minor reclassification of prior year access numbers between product families has been made to reflect changes in the management of certain products in 2007.

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 with respect to Reuters financial condition, results of operations and business, and management's strategy, plans and objectives for Reuters. In particular, all statements that express forecasts, expectations and projections with respect to certain matters, including trends in results of operations, margins, growth rates, overall financial market trends, anticipated cost savings and synergies and the successful completion of transformation programmes, strategy plans, acquisitions and disposals, are all forward-looking statements. These forward-looking statements include forward-looking statements in relation to the proposed combination of Reuters and The Thomson Corporation (the "Transaction") that are based on certain assumptions and reflect Thomson's and Reuters current expectations, including statements about Thomson's and Reuters beliefs and expectations related to the proposed Transaction structure and consideration, benefits that would be afforded to customers, benefits to the combined business of Thomson and Reuters that are expected to be obtained as a result of the Transaction, as well as the parties' ability to enhance shareholder value through, among other things, the delivery of expected synergies.

Forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to:

- In relation to the proposed Transaction:
 - the ability to achieve the cost savings and synergies contemplated through the proposed Transaction;
 - the approval of the proposed Transaction by Reuters shareholders;
 - the ability to obtain various regulatory approvals and fulfil certain conditions to which the Transaction is subject;
 - the effect of regulatory conditions, if any, imposed by regulatory authorities;
 - the reaction of Thomson's and Reuters customers, employees and suppliers;
 - the ability to promptly and effectively integrate the businesses of Thomson and Reuters;
 - the impact of the diversion of management time on issues related to the proposed transaction;
- Reuters ability to realise the anticipated benefits of its Core Plus growth and transformation strategy;
- conditions in financial markets;
- the impact of currency and interest rate fluctuations on Reuters reported revenue and earnings;
- difficulties or delays that Reuters may experience in developing or responding to new customer demands or launching new products;
- the dependency of Reuters on third parties for the provision of certain network and other services;
- any significant failures or interruptions experienced by the networks or systems of Reuters and such networks' ability to accommodate increased traffic;
- the impact of a decline in the valuation of companies in which it has invested;
- the impact of significant competition or structural changes in the financial information and trading communities;
- changes in legislation and regulation;
- adverse governmental action in countries where Reuters conducts its activities;

- the ability of Reuters to realise the anticipated benefit of existing or future acquisitions, joint ventures, investments or disposals;
- the litigious environment in which Reuters operates.

For additional information, please see “Risk Factors” in the Reuters Group PLC Annual Report and Form 20-F for the year ended 31 December 2006. Copies of the Annual Report and Form 20-F 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 Group speak only as of the date they are made. Reuters Group does not undertake to update any forward-looking statements.

Ends