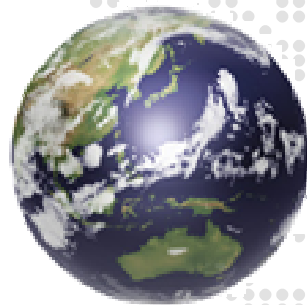


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## Interim Results

## Business Update



**Tom Glocer**  
Chief Executive Officer

27 July 2004

# Market conditions

- ▶ Recovery continues; pace varies
- ▶ Mixed impact on trading conditions
  - US: positive trend continues at a more gradual pace
  - Asia: gradual recovery, driven by productivity gains
  - Europe: slow recovery, led by UK
- ▶ Consolidation still a factor in our forecasting

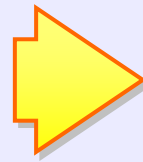
# Fast Forward: Strong progress on self-help

- ▶ Increased competitiveness
- ▶ Product line taking shape
- ▶ Customer Satisfaction continues to improve
- ▶ Cost take-out ahead of plan
- ▶ Streamlined Portfolio and reduced debt

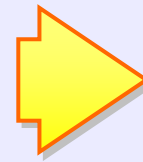
**More  
competitive**



**Less  
complex**

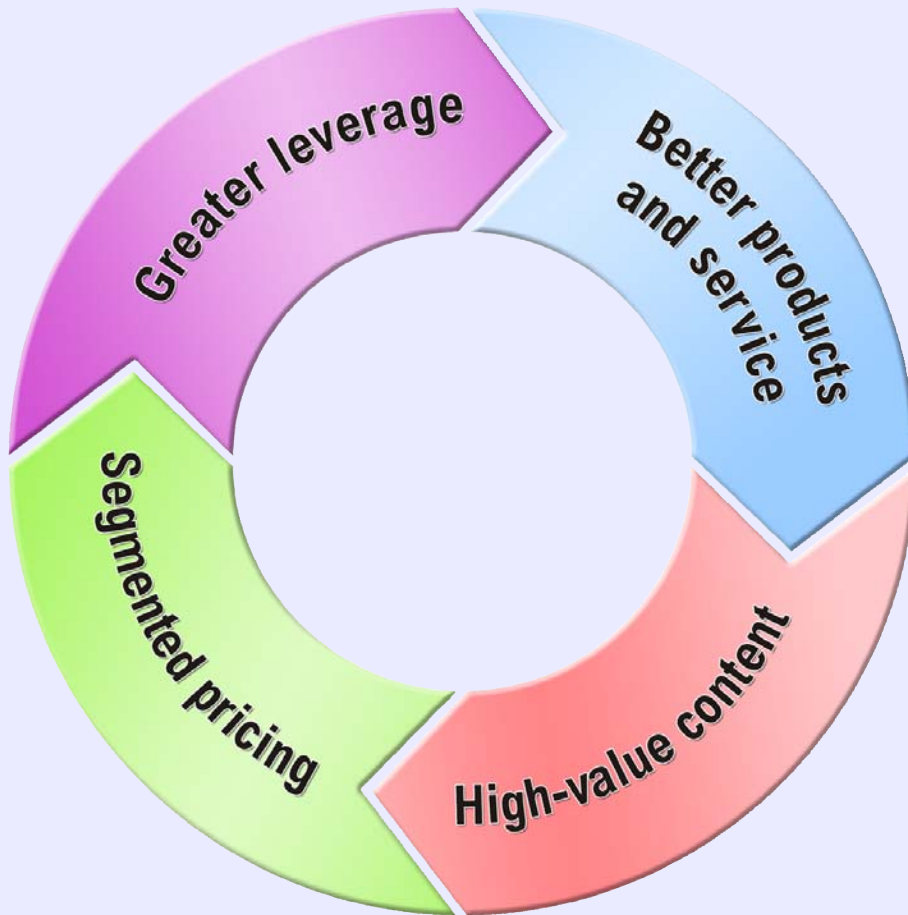


**More  
service  
driven**



**More  
efficient**

# More competitive: Winning enterprise-wide



## Revenue growth over time

- ▶ Desktop market share progress
- ▶ Value of enterprise offer

## Sell-side strategic partnerships

- ▶ Build content and liquidity
- ▶ Attract the buy-side

# Less complex: Simplified product line coming together

## Sales and Trading

### Reuters Xtra family

- ▶ 3000 Xtra
- ▶ Reuters Station
- ▶ Dealing 3000

### Reuters Trader family

- ▶ Reuters Trader
- ▶ 2000/3000 series

## Research and Asset Management

### Reuters Knowledge family

- ▶ Investment Management
- ▶ Corporates
- ▶ Investment Banking/Solutions

### Reuters Wealth Manager family

- ▶ Reuters Plus
- ▶ Reuters Wealth Manager

## Enterprise

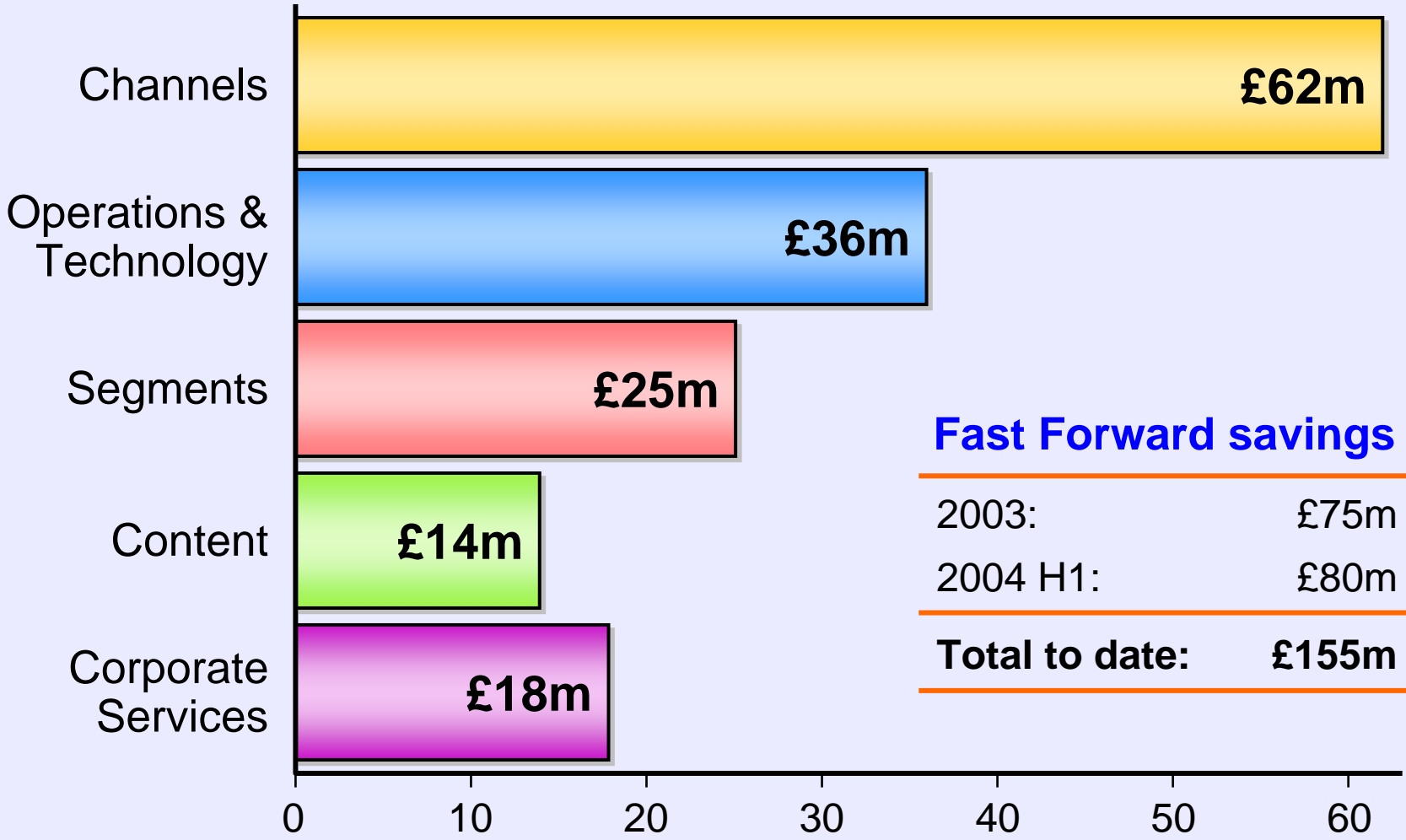
- ▶ Datafeeds
- ▶ RMDS
- ▶ Datascope (EIP)
- ▶ Kondor + (Risk)

# More service driven: Closing the gap

## Overall Customer Satisfaction



# More efficient: Fast Forward cost savings



# Simplifying the portfolio

## Remaining major holdings



## 2004 disposals

**TIBCO**

**GL Trade**

**ORT**

**Tower**

**Yankee**

**Riskmetrics**

- ▶ Proceeds from H1 '04 disposals: **£426m**
- ▶ 81 units disposed or closed since 2002

# Making our acquisitions work for us

## BRIDGE

- ▶ Competitive product line for US institutional sales and trading
- ▶ US back-office operations consolidated on St Louis campus

## MULTEX

- ▶ Foundation of the Knowledge family
- ▶ Independent research for 7 out of 10 Spitzer firms

## ADT

- ▶ 50% growth in client base since acquisition
- ▶ Proven ADT technology at the heart of our next generation transactions strategy

# Conclusion

- ▶ Fast Forward ahead at the mid-point
- ▶ Margin target of 17-20%\* achievable with revenue growth
- ▶ Well positioned for return to growth

\* Before restructuring, amortisation and impairment of subsidiary intangibles