

Reuters Completes Telerate Acquisition

June 6, 2005

London – Reuters (LSE: RTR; NASDAQ: RTRSY) today announced it has completed its acquisition of Moneyline Telerate, first announced on 20 December 2004. The Telerate purchase gives Reuters customers access to industry-leading content and supports the company's plans to grow its fixed income business.

Tom Glocer, Reuters CEO, said: "Telerate represents an important strategic move for Reuters. Telerate's large US customer base and benchmark content provide an excellent platform from which to grow Reuters recently launched fixed income trading service and complement Reuters existing information offerings. We welcome Telerate customers and look forward to bringing the financial markets an even more robust product set."

With more than 3,500 customers and over 30,000 user accesses in 80 countries and territories around the world, Telerate extends Reuters presence among core financial customers, particularly fixed income and buy-side firms which represent key growth areas for the company. The Telerate benchmark content and customer base complement Reuters Trading for Fixed Income, which in the three months since launch has customers across Europe actively trading with leading price makers. Other key assets include:

- Telerate benchmark reference pages covering key data such as US Treasuries and agencies, mortgage-backed securities, international government and corporate bonds.
- Exclusive content such as BrokerTec US Treasury data
- Extension in key geographic areas – in particular North America, representing 50% of the fixed income market, and Japan, which accounts for approximately 20% of Telerate revenues.

In addition, Reuters has signed a new agreement with ICAP to replace and significantly extend both Telerate's and Reuters previous agreements. It maintains Telerate's exclusive distribution arrangement for the BrokerTec US Treasury pricing and swaps data found in Telerate's benchmark pages, which will be extended to Reuters users. The arrangement also includes new data sets that ICAP has previously not made available to either company including information relating to energy, commodities, credit, fixed income and interest rates.

Financials

The total purchase price for Telerate was \$145 million (£79 M) in cash and Reuters 14% holding in SAVVIS, Inc. The cash purchase price comprised the \$100 million initial purchase price, a \$21 million working capital adjustment and a \$24 million increase for pre-close actions by Telerate which have reduced Reuters anticipated restructuring costs.

Reuters has also completed the acquisition of Quick Moneyline Telerate (QMT), Telerate's distributor in Japan. The QMT purchase price paid to Quick Corporation had an agreed value of JPY1.9 billion (£10 M), subject to certain adjustments, made up of JPY1.1 billion (£6 M) in cash and Reuters 4.85% holding in Quick.

According to Moneyline Telerate accounts under US GAAP, Telerate's 2004 gross revenue was \$274 million (£143 M), with an operating loss of \$42 million (£22 M) before depreciation and amortization. For 2003, Telerate gross revenue was \$292 million (£152 M), with an operating loss of \$87 million (£45 M).

Integration of the acquisition is expected to take 18 months and related integration costs are now expected to be around \$58 million (£32 M), lower than the original estimate of \$82 million as a result of restructuring actions Telerate took prior to completion. Reuters currently expects to charge approximately half of the restructuring costs in 2005. The acquisition is expected to be dilutive to Reuters adjusted EPS until completion of integration, at which point Reuters expects Telerate to become accretive to Reuters adjusted EPS and operating margins.

An integration team consisting of staff from both organisations is committed to ensuring continuity of service and support for Telerate customers. This team will determine, from a customer perspective, the best functionality and features to be developed from Reuters and Telerate products.

End

¹Reuters adjusted EPS is before amortisation of goodwill and other intangibles, impairments, disposals and non-recurring tax effects of impairments, reorganisations and disposals, measured for the Reuters Group excluding Instinet Group.

²Reuters adjusted operating margin is before amortisation of goodwill and intangibles, impairments and restructuring charges, measured for the Reuters Group excluding Instinet Group.

For more information, contact:

Yvonne Diaz
Reuters Corporate Communications
+44 20 7542 2615
yvonne.diaz@reuters.com

Miriam McKay
Reuters Investor Relations

+44 20 7542 7057
miriam.mckay@reuters.com

About Reuters

Reuters (www.reuters.com), the global information company, provides indispensable information tailored for professionals in the financial services, media and corporate markets. Its trusted information drives decision making across the globe based on a reputation for speed, accuracy and independence. Reuters has 14,500 staff in 91 countries. This includes 2,300 editorial staff in 196 bureaux serving 129 countries, making Reuters the world's largest international multimedia news agency. In 2004, Reuters Group revenues were £2.9 billion.

Forward-looking statements

This statement includes certain forward-looking statements relating to Reuters within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934. 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". Copies of the Annual Report and Form 20-F are available on request from Reuters Group PLC, 85 Fleet Street, London EC4P 4AJ. In particular, Reuters ability to realize the anticipated benefits of the acquisitions is subject to risks related to the integration of the companies' operations and products following completion, including achieving expected synergies, and general risks associated with the companies' businesses. 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.

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