

Reuters to sell Factiva stake to Dow Jones

October 18, 2006

Under the terms of the deal Factiva will become a subsidiary of Dow Jones. Reuters will continue to supply its news to Factiva under an agreement as a paid supplier and will enter into or continue a number of commercial arrangements with Factiva and Dow Jones.

The sale and other arrangements as a whole are expected to be neutral to Reuters adjusted earnings in 2007 and 2008, which exclude profit on disposals among other items.*

Tom Glocer, Reuters Chief Executive, said: "Dow Jones has been a very good partner and together we have built a valuable asset in Factiva. We view this transaction as the natural conclusion to this successful joint venture. We wish Dow Jones every success in taking Factiva to the next phase of its evolution."

Final proceeds will include, in addition to the \$160 million total consideration, half of all cash remaining on Factiva's balance sheet after settlement of any outstanding inter company items, and will be subject to adjustment based on the working capital of Factiva at closing. In connection with the transactions, Reuters has agreed not to compete with Factiva's core business for a two-year period, and to continue the exclusivity arrangements currently in place with respect to certain Reuters content provided to Factiva.

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* Reuters adjusted earnings exclude impairments and amortisation of business combination intangibles, investment income, profit on disposals, fair value movements and related taxation effects.

Forward looking statement:

This press release may be deemed to include 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 2005 under the heading 'Risk Factors'. Copies of the Annual Report and Form 20-F 2005 are available on request from Reuters Group PLC, South Colonnade, Canary Wharf, London E14 5EP. In particular, Reuters ability to realize the anticipated benefits is subject to the risks that the conditions to the transactions will not be satisfied. 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.