

Reuters Subsidiary Lipper Announces Acquisition of Fitzrovia International plc

October 26, 2004

London -- Lipper Ltd, a leading provider of mutual fund information and wholly-owned subsidiary of Reuters Group PLC (LSE: RTR), today announced that it has acquired Fitzrovia International plc, the research company specialising in Total Expense Ratio (TER) analysis for funds outside the US. The purchase price of privately held Fitzrovia was not disclosed.

Through the combined operations of the two businesses, Lipper will provide clients with a truly global fund expense and data service in its software, datafeed and consulting products.

Based in London, Fitzrovia produces a range of products and services focused on the structure and analysis of mutual fund fees and expenses covering major European and 'Offshore' markets. Over ten years, the company has also developed a parallel business in consulting and research, including benchmarking studies and competitive analysis services. The net assets of Fitzrovia as of August 31st 2004 amounted to £387,967.

Fees and expenses have become an increasingly important issue for fund companies, advisors and investors. Regulatory changes in the US have resulted in closer monitoring of fund charges, with obligatory reporting requirements introduced that include total fund cost details. In Europe, there is a growing trend for regulators and funds associations to require TERs in fund documentation.

Lipper plans to build on Fitzrovia's existing operations, developing businesses from the combination of Lipper's performance content with Fitzrovia's expense data, as well as extending the fiduciary consulting and publishing products beyond the US market. Lipper's US fiduciary business provides fund companies and fund boards with reports on fund fees, expenses and performance analysis.

Fitzrovia will retain its name and there will be little impact on its day to day business, as it will continue to operate as a standalone division.

"Fitzrovia is an excellent fit with Lipper's existing business operations," said Michael Peace, Chief Executive Officer of Lipper. "Fitzrovia's core fee and expense data directly complements Lipper's existing fiduciary business and is already integrated into our databases. This means Lipper can serve our respective client bases quickly with new analysis and insight."

"Joining forces with another company is the obvious next step to take our research forwards," said Adam Fox, Managing Director of Fitzrovia. "This is an opportunity we have been looking for, both for our clients and for the company."

Lipper is a global leader in supplying mutual fund information, analytical tools, and commentary to fund companies, financial intermediaries and media. With 30 years of funds analysis experience, bolstered by the resources and knowledge of Reuters, the world's largest financial information and news provider, Lipper provides unparalleled expertise and insight to the funds industry. Lipper's products and services provide accurate, insightful, and timely mutual fund data and analysis.

ENDS

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Notes to Editors:

1. Lipper already includes Fitzrovia TERs in its Hindsight fund performance database, as well as within its Lipper Leader rating service.
2. The TER represents the drag on fund performance caused by all annual operating costs (including administration, trustee/custody, audit and legal fees), not just the basic annual management charge.

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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 2003 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.