

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(b) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2006**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **333-08354**

Reuters Group PLC

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

England

(Jurisdiction of incorporation or organization)

The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP, England

(Address of Principal Executive Offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Ordinary Shares of 25p each

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary Shares of 25p each

1,283,324,945

Founders Share of £1

1

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒

No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐

No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒

No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Indicate by check mark which financial statement item the registrant has elected to follow.

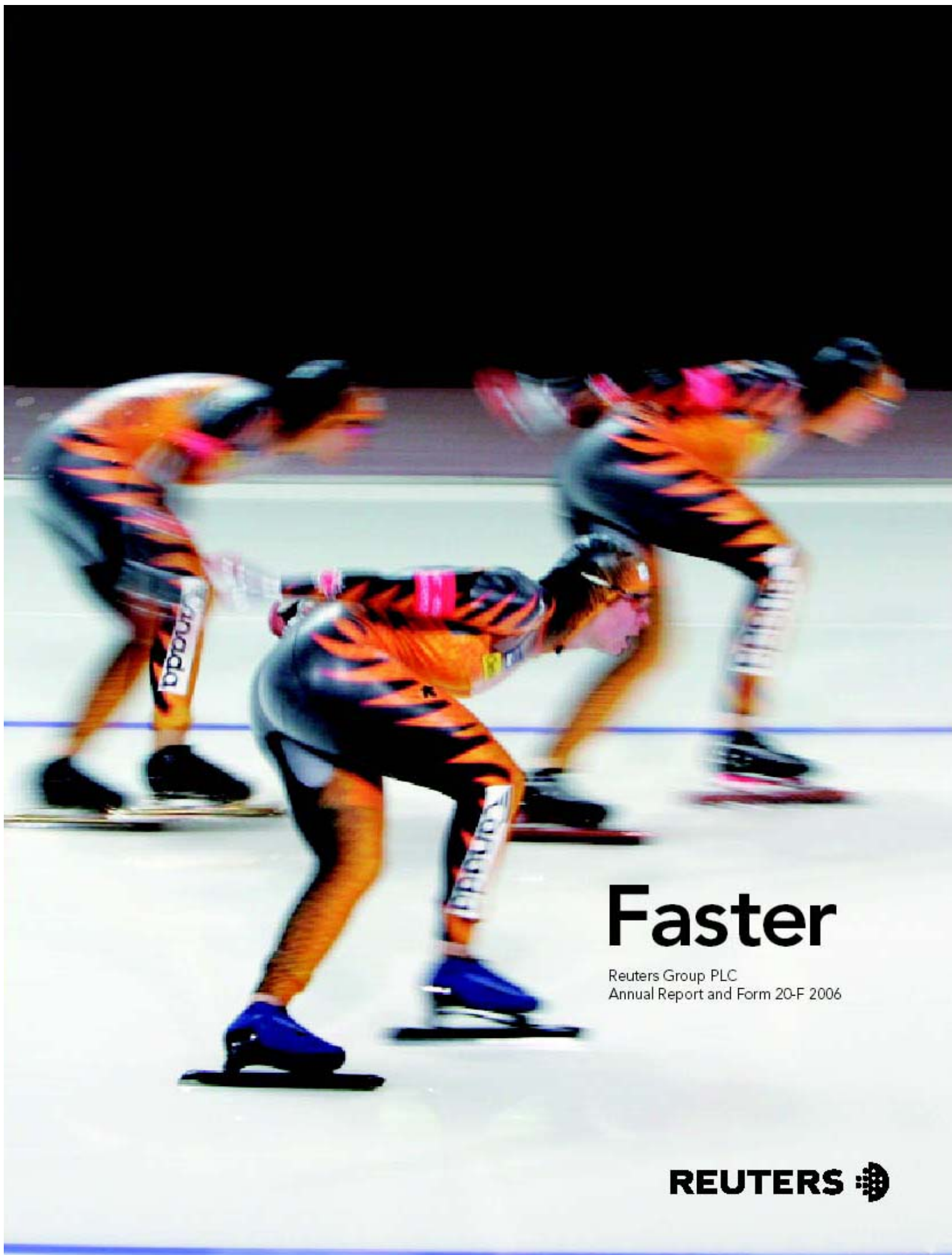
Item 17 ☒

Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐

No ☒



Faster

Reuters Group PLC
Annual Report and Form 20-F 2006

REUTERS 

Contents

Directors' report

Business review

- [02](#) [Explaining Reuters](#)
- [04](#) [CEO's review](#)
- [06](#) [Our strategy](#)
- [08](#) [Our performance](#)
- [10](#) [Our markets](#)
- [12](#) [Our resources](#)
- [13](#) [Our challenges](#)
- [14](#) [Chairman's statement](#)
- [15](#) [The speed of change](#)
 - [16](#) [in the financial world](#)
 - [18](#) [in the media world](#)
 - [20](#) [in Reuters](#)

Governance

- [22](#) [Interview with the Chairman](#)
- [24](#) [Note to the Board](#)
- [25](#) [Board](#)
- [26](#) [Directors and senior managers](#)
- [29](#) [Remuneration report](#)
- [38](#) [Statements of directors' responsibilities and compliance](#)

Company information and OFR

- [44](#) [Company information](#)
- [52](#) [Selected financial highlights](#)
- [54](#) [Operating and financial review \(OFR\)](#)

Financials

Consolidated Financial Statements

- [73](#) [Intentionally left blank](#)
- [74](#) [United States audit opinion](#)
- [75](#) [Consolidated income statement](#)
- [75](#) [Consolidated statement of recognised income and expense](#)
- [76](#) [Consolidated balance sheet](#)
- [77](#) [Consolidated cash flow statement](#)
- [78](#) [Group accounting policies](#)
- [83](#) [Notes to the financial statements](#)
- [129](#) [Summary of differences between IFRS \(as adopted by the EU\) and US GAAP](#)
- [132](#) [Notes on the summary of differences between IFRS and US GAAP](#)
- [134](#) [Consolidated financial summary](#)

- [136](#) [Intentionally left blank](#)
- [137](#) [Intentionally left blank](#)
- [138](#) [Intentionally left blank](#)
- [139](#) [Intentionally left blank](#)

Reference section

Information

- [144](#) [Information for shareholders](#)
- [155](#) [Cross-reference guide to Form 20-F](#)
- [156](#) [Glossary](#)
- [157](#) [Financial diary](#)
- [157](#) [Where to find us](#)

Welcome to the Reuters Group PLC Annual Report and Form 20-F 2006.

You will find the Directors' report for shareholders on pages 01–72. It includes:

- Our business review, which gives a fast read about our business, our strategy, our performance, our markets, our resources and our challenges
- Our company information, which provides additional detail to support our business review
- Our OFR, which contains a detailed analysis of our financial performance and policies
- An interview with our Chairman on corporate governance
- Our directors' and senior managers' biographies
- Our remuneration report
- Our statements of directors' responsibilities and compliance

This report comprises the annual report of Reuters Group PLC in accordance with the requirements of the United States Securities and Exchange Commission (SEC) for 2006. A cross-reference guide setting out the information in this annual report that corresponds to the Form 20-F items is provided on page 155.

Definitions of company

As used in this annual report, 'the Group' and 'Reuters' refer to Reuters Group PLC and its subsidiary undertakings, including joint ventures and associates. 'The company' refers to Reuters Group PLC.

Key performance indicators

Reuters uses a number of performance measures to manage its business. Those that it considers key, and to which management remuneration was linked in 2006,

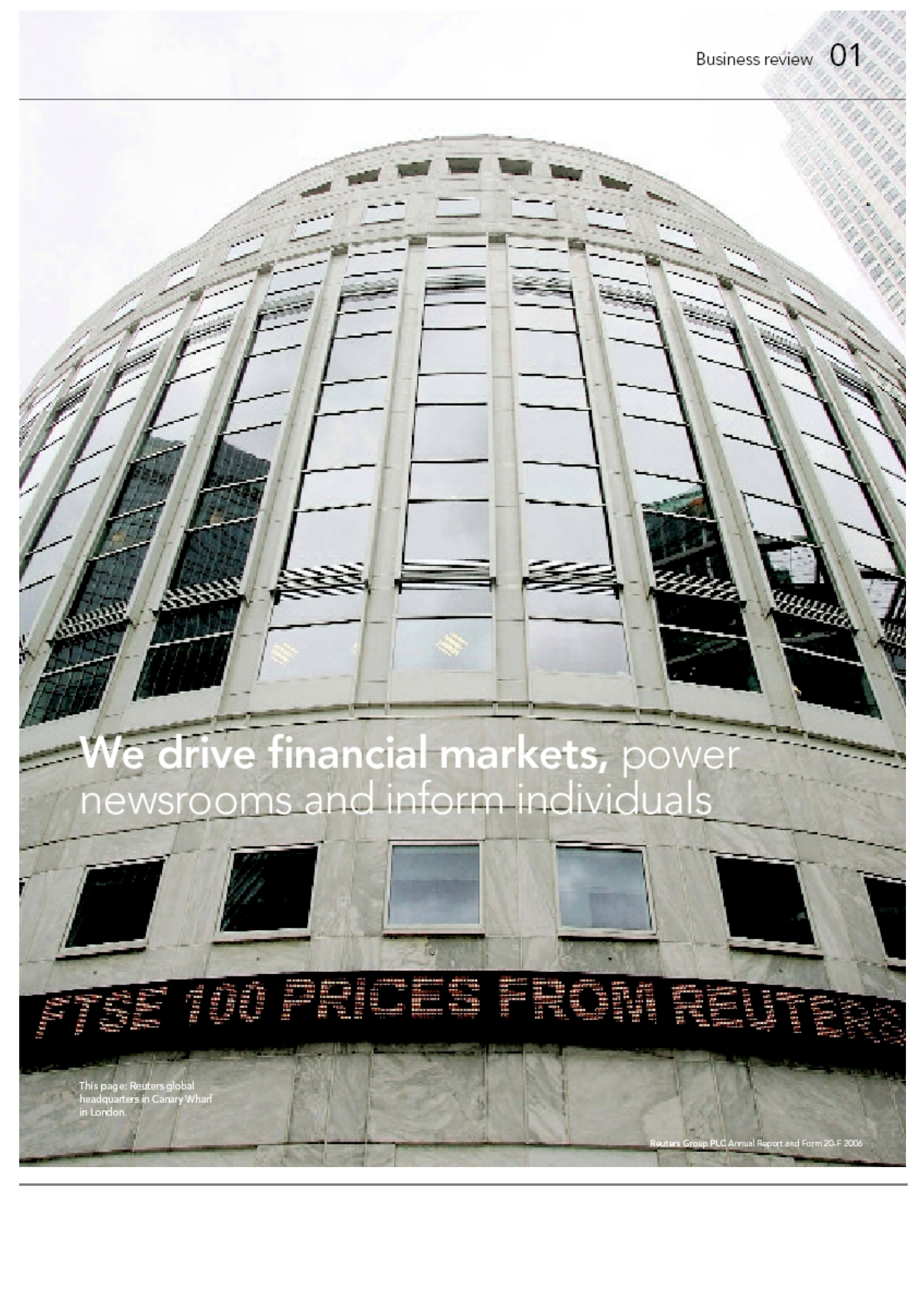
are revenue, trading profit, free cash flow, adjusted EPS, adjusted profit before tax and customer satisfaction. For more information, see 'Definition of Key financial performance measures' on page 67.

Non-GAAP measures

A number of measures used in this document are 'non-GAAP' figures, which are performance measures used to manage the business, supplementing the IFRS-based measures. These include 'underlying change', 'trading costs', 'trading profit', 'trading margin', 'adjusted EPS', 'free cash flow', 'trading cash flow' and 'net debt/net funds'. Detailed descriptions of these terms, including the rationale for using them and reconciliations to the most directly comparable IFRS indicator, are provided on pages 67–68.

Forward-looking statements

Under US law, all statements other than statements of historical fact included in this annual report are, or may be deemed to be, forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Certain important factors that could cause actual results to differ materially from those discussed in such forward-looking statements are described under 'Risk Factors' on pages 65–67 as well as elsewhere in this annual report. All written and oral forward-looking statements made on or after the date of this annual report and attributable to the Group or any of its directors are expressly qualified in their entirety by such factors.



We drive financial markets, power
newsrooms and inform individuals

This page: Reuters global
headquarters in Canary Wharf
in London.

02 Explaining Reuters



We run our business through four divisions, each meeting a specific set of customer needs.

Our divisions

Sales & Trading

Our products

Advanced desktop financial information products, analytics and trading systems designed for use by traders and salespeople.

News, real-time market data and trading systems are our core competencies.

2006 Revenue

£1,690m

Enterprise

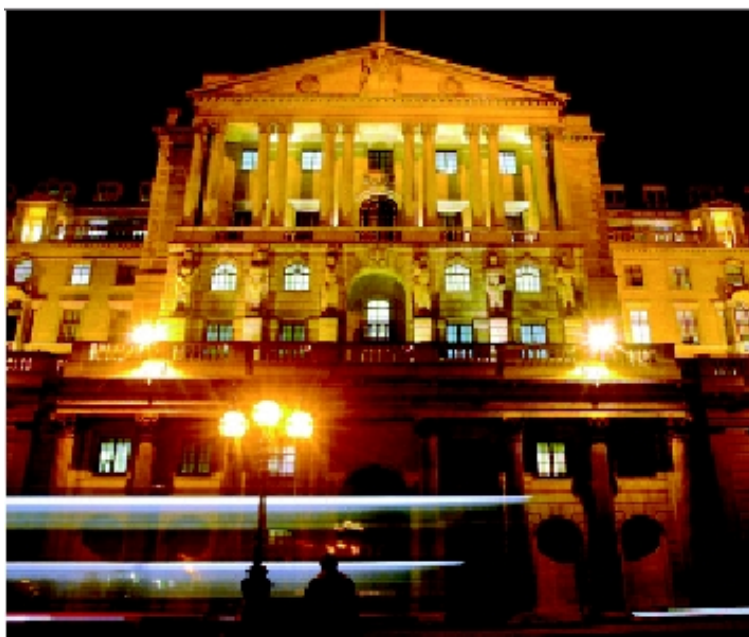
Our products

Information feeds and tools designed for use by machines to help our customers automate their businesses.

Our data and trading room software form a vital part of customers' systems.

2006 Revenue

£408m



Total 2006 revenue

£2,566m

For more information on our business divisions see the 'OFR' on pages 54–72.

Corporates

Bankers and analysts

Investment managers

Private wealth managers

Website consumers

Press

Television

Research & Asset Management

Our products

In-depth information, analysis and research products designed mainly for use by people making investment decisions.

We give our customers competitive advantage with high-value content and insight.

2006 Revenue

£298m

Media

Our products

News for use by professional publishers; multimedia websites and mobile information services for use by individual consumers.

We are the world's largest multimedia news agency, with scope to build a strong consumer media business.

2006 Revenue

£170m

04 CEO's review

Our goal is to accelerate the growth in revenues begun last year while bringing a greater proportion to the bottom line in profits.



2006 was a year of considerable achievement for Reuters. In last year's annual report I stated that the key drivers for 2006 would be "to deliver on our Core Plus investments, to accelerate our revenue growth, to continue to really focus on customer service and to maintain the good cost control of the last few years". I am very happy to say that we achieved each of these goals and more.

During 2006 we raised the pace of our Core Plus programme, and produced £32 million of new revenues from the four initiatives: electronic trading, high-value content, new enterprise services and new markets. This permitted us to exceed our 2006 target of one percentage point of additional revenue growth from Core Plus.

In terms of overall revenue growth, we exceeded market expectations by delivering 6.5% growth at actual rates (4.8% underlying), which was very gratifying to me personally.

It was not so long ago that many in the market, while acknowledging our ability to cut costs, doubted that we could re-start growth after a long period of retrenchment.

2006 was also a year in which our significant investments to transform and simplify the company began to take shape. These investments will continue through 2007 with a focus on making our services more resilient.

Finally, despite the increased investment in Core Plus growth and transformation activities, we continued to hold a tight line on cost.

Looking ahead to 2007

As I write this review we are already well into 2007 – a year that has begun strongly for Reuters. Our principal goal this year is to accelerate the growth in revenues begun last year while bringing a greater proportion down to the bottom line in profits. This will be achieved, in part, as revenues from Core Plus increase through the year. We'll also continue

our focus on improving customer service through investment in Reuters infrastructure and through instilling a service culture at Reuters. Towards this goal, I am personally leading a drive to simplify our processes, our technology and our organisation.

In my recent meetings with customers around the world I have been encouraged both that general market conditions appear to be favourable and that the specific areas we are targeting under Core Plus are expected to be in high demand. In particular, the growth of electronic trading is now indisputable.

Serving both people and machines

Reuters has always served the needs of individual users in the financial community, as well as the machines that power their firms; however, this distinction is increasingly important. Reuters suite of trading room systems, risk management platforms, enterprise datafeeds and transaction services is perfectly aligned to the growth in machine-based activities such as algorithmic trading.



At the same time the human beings who are active in the financial services industry require ever-more sophisticated and comprehensive sets of information and analytics as they seek to differentiate their performance. Reuters is uniquely skilled to serve this twin need.

Managing our portfolio

Capitalising on our strong position in the Treasury market, Reuters entered into a joint venture with the Chicago Mercantile Exchange (CME) in 2006 to launch a new electronic system to trade foreign currencies. The venture, called FXMarketSpace, is launching in March 2007 and will offer the market the ability to trade foreign exchange on a cleared, central counterparty basis (like an exchange) for the first time. I view this as a great example of Reuters innovative streak at work, as well as proof that we will not just complacently sit and milk our best assets, but seek to lead the market in new directions.

We also moved swiftly in 2006 to sell the majority of our 50% interest in the Factiva

joint venture to our partner Dow Jones. We concluded that we could achieve the most value for our shareholders by selling this deep online library of content before competition from free search engines eroded Factiva's advantage.

Media and journalism

Our Media business performed very well in 2006 across both its agency and consumer units. In the agency business we benefited as Western publishers and broadcasters retrenched and continued to pull back their journalists to home base, and newspapers, in particular, scrambled to add video to their websites. Meanwhile, domestic demand in Asia and the Middle East grew strongly. Our direct-to-consumer unit, which mainly derives its revenues from advertising, carried on reuters.com and associated mobile and online properties, grew 39% in 2006.

At the core of what we do at Reuters is the work of our 2,400 journalists. We increased our editorial staff by over 130 in 2006 and

produced a slew of beats and exclusives from the ongoing war in Iraq, to the World Cup competition, to the Israel-Lebanon conflict. In my presentation to the Israel Business Conference, excerpted on Reuters corporate website, I discuss how Reuters responded to a serious breach of our news photography standards which occurred in Lebanon.

The bravery, quality and motivation of Reuters journalists around the world remain a great inspiration to me. More generally, it is the diversity, intelligence, compassion and determination of our people that make my job as CEO so personally rewarding.

Tom Glocer
CEO

06 Our strategy

Our mission is to make Reuters the leading provider of content and transaction services, trusted by customers from the individual to the most sophisticated institution.

As we move from restructuring to growth, our aim is to deliver the shareholder value that we believe the company is capable of generating. We are doing this in two ways:

1. Growth

We are growing our revenues faster, both within our core business and through our Core Plus initiatives. In the medium term we plan to deliver strong, sustainable revenue growth, assuming continued growth in the financial services industry.

Core

Steady improvement in our next-generation products is helping us to attract new users, particularly among institutional investors.

Core products

- Reuters 3000 Xtra
- Reuters Knowledge
- Reuters DataScope real-time and reference datafeeds
- Reuters Trader
- Reuters Wealth Manager

Core Plus

We have started to see new revenues come through from the portfolio of Core Plus projects we put in place to capitalise on four high-growth market areas.

Market areas

- Electronic trading
- High-value content
- New enterprise services
- New markets

Revenue growth targets

We expect our core business to grow at least as fast as the market.

In addition, we have targeted new revenue from our Core Plus initiatives.

Targets

- 1 percentage point of new revenue in 2006 (exceeded)
- 2+ percentage points of new revenue in 2007
- 3 percentage points of new revenue in 2008

2. Simplification

We are becoming stronger, more competitive and more efficient as we continue to simplify our organisation. We are working hard to deliver better products and better customer service.

We are doing this by

- Changing the way our product development teams work
- Simplifying our product delivery infrastructure and making it more robust
- Transforming the way our content is created, collected and processed
- Modernising our customer administration systems

Customer satisfaction

We measure customer satisfaction through a bi-annual survey of over 12,000 financial markets customers. Satisfaction has increased over the last three years, with customers seeing particular improvements in the quality of our training, support and account management.

Projected cost savings

As we continue to implement these initiatives, we expect them to deliver annualised cost savings reaching £150 million by 2010.

Customer satisfaction



Calculated on a 100-point scale

For more information about our strategy, including details of our Core Plus initiatives, see 'Company information' on pages 44–51.

08 Our performance

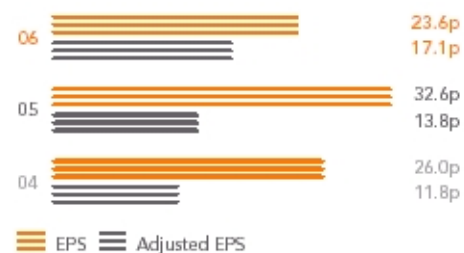
In 2006 we achieved our immediate goal of restarting revenue growth. Our Core Plus initiatives outperformed their target.

Revenue £m



Our 2006 revenue grew by 6.5% to £2,566 million. Acquisitions, mainly Telerate, contributed 1.4 percentage points of growth. Exchange rate movements accounted for 0.3 percentage points. Excluding acquisitions, disposals and currency, revenue grew by 4.8% . 1.3 percentage points of this growth came from Core Plus, ahead of our target.

Earnings per share (EPS) and adjusted EPS* pence



Our reported EPS was 23.6p in 2006, down 9p from the previous year, reflecting lower profits on disposals than in 2005 (when we disposed of our Instinet stake). Adjusted EPS was 17.1p in 2006, up 3.3p from the previous year. This reflected lower restructuring charges and fewer shares in circulation due to our share buy-back programme.

Operating profit, trading profit and margins* £m



Our operating profit rose to £256 million in 2006 (operating margin 10%), an increase of £49 million over 2005 (operating margin 9%). Trading profit declined to £308 million (trading margin 12%), down £26 million over 2005 (trading margin 14%). This included £77 million of net new investment in Core Plus, partly offset by revenue growth.

Dividend pence



We increased our total regular dividend by 10%, the first increase since 2000, reflecting our growing confidence in future business performance.

Profit for the year £m

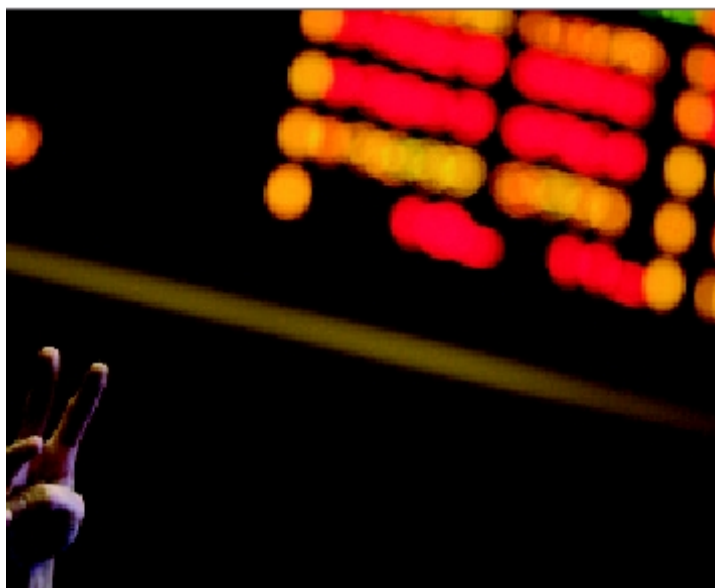


Our 2006 profit was £305 million, a decrease of £177 million over the previous year. 2005 profit was boosted by profits of £191 million from the disposal of Instinet Group.

Net cash flow from continuing operating activities and free cash flow* £m



Our net cash flow from continuing operating activities increased by £8 million to £258 million. Free cash flow was £225 million, an increase of £137 million, as our cash restructuring charges fell and we improved our working capital management.



Operating highlights

- Revenues growing ahead of target
- New Core Plus initiatives making good progress
- FXMarketSpace joint venture underway
- Opening of Beijing development centre
- Sale of Factiva stake to Dow Jones completed
- Application Networks acquired to broaden our risk management product line
- First Innovation Programme projects launched

2007 outlook

We expect to deliver underlying revenue growth of 6% or better in 2007. This is in line with our plan to deliver strong, sustainable revenue growth in the medium term, assuming continued growth in the financial services industry. Trading margins are expected to increase to 13–14% in 2007, putting us on track to achieve our medium term trading margin target of 17–20%*. We will also keep capital expenditure in 2007 at similar levels to 2006.

We will actively manage our capital structure to maintain a strong investment grade rating of BBB+/Baa1 and, to the extent that we generate cash surplus to our needs, we will continue to seek to return that cash to shareholders. Based on current investment plans, we expect to increase our share buy-back during 2007 to £400–£425 million, which includes the £250 million remaining of the £1 billion buy-back announced in July 2005. In future, share buy-backs will be considered periodically, based on business performance, investment opportunities and the BBB+/Baa1 ratings target.

For more information about FXMarketSpace, our Beijing development centre, the sale of our Factiva stake and our Innovation programme, see 'Company information' on pages 44–51.

For more information about our acquisition of Application Networks and our financial performance, see 'OFR' on pages 54–72.

* Operating margins are expected to perform similarly but will be subject to additional impact from factors that cannot be predicted such as fair value movements in embedded derivatives. (See description of 'trading margin' on page 54.)

Shareholder returns

£661m

returned to shareholders in 2006 via buy-backs and dividends.

10 Our markets

Over **90% of our revenue** comes from serving the rapidly evolving financial services marketplace. Our news and information reach one billion people every day.



Our markets

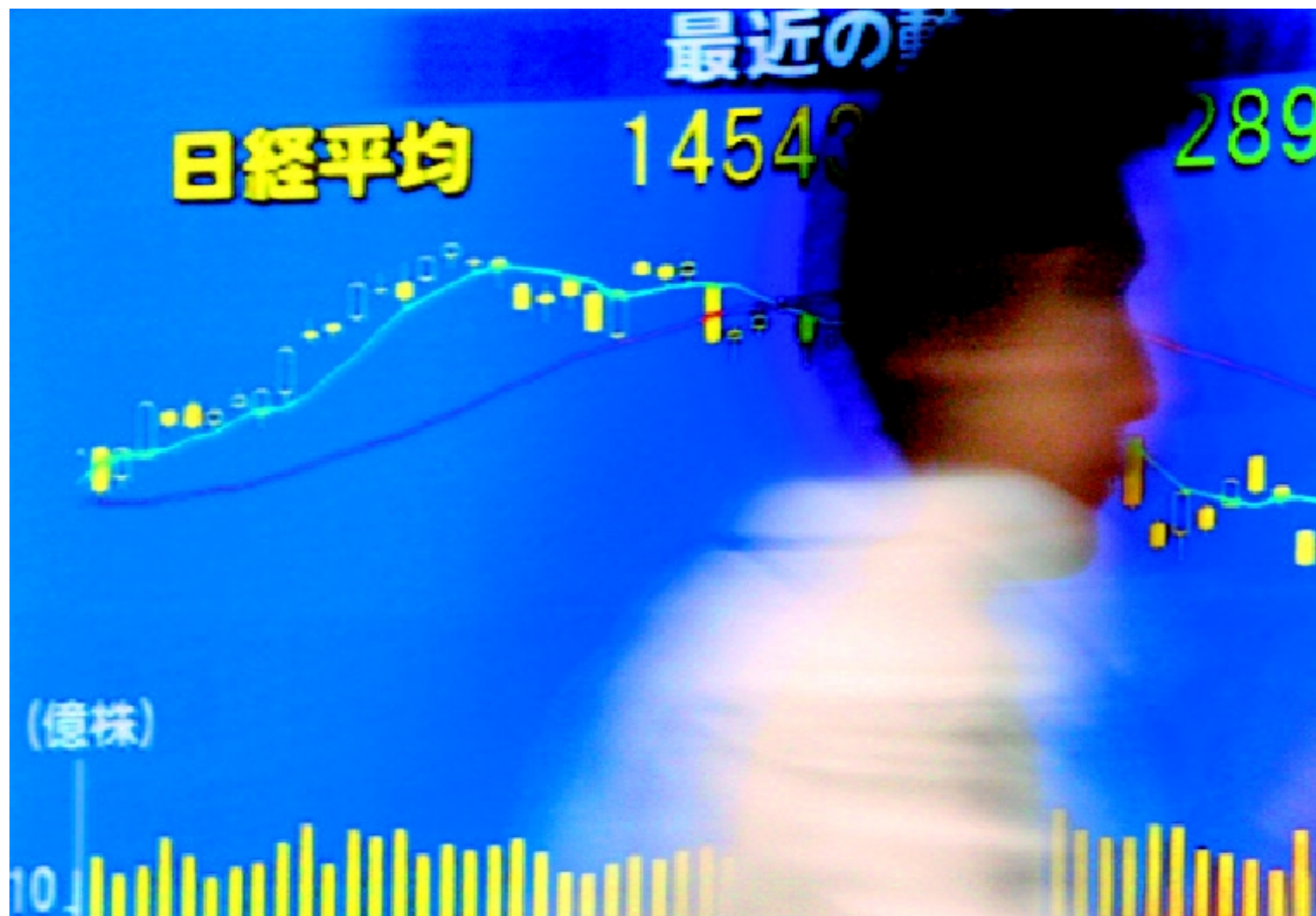
More than 90% of our revenue comes from serving the rapidly evolving financial services marketplace, which includes investment and commercial banks, broker-dealers, asset and wealth managers, and commodities and energy traders.

The innovative financial markets are experiencing rapid structural change. We are adapting to meet their increasingly complex and time-sensitive demands.

The media markets are also undergoing dramatic change. We are well-positioned to address these marketplace dynamics with our recent innovations in user-generated content, including blogs, and our work to reach the next-generation of media consumers through new digital platforms such as mobile phones, online video and interactive television.

Key market trends

- Market structures are continuing to evolve: foreign exchange is set to shift towards an exchange-traded model; bank and exchange consolidation is ongoing.
- The rise in electronic trading is set to continue in 2007 and beyond.
- The financial services industry is developing increasingly complex, highly structured financial products.
- The hedge fund industry is expected to continue its growth and remain important to the financial markets ecosystem.
- Wealth management is the fastest-growing segment of the financial services marketplace.
- Financial information technology spending is expected to continue rising in 2007.
- New market regulations such as the Markets in Financial Instruments Directive (MiFID) in the EU and Regulation NMS in the US are creating requirements for more extensive disclosure of prices.
- Traditional media companies are embracing user-generated content and online social networks as new ways of engaging with their audiences.
- Online audiences and advertising revenues are growing rapidly, rivalling traditional media.



Our market share in financial markets

Each year, we publish findings from our market size and share study. This study looks at the £6 billion global market for financial information and services in which our business operates. 80% of our revenues are covered by the study.*

Our market share by revenue in this market increased by one percentage point in 2005 to 27%, level with Bloomberg, our main competitor in the desktop products business. This share gain was largely driven by the acquisition of Telerate in June 2005. Analysis of our market share for the full year 2006 is being finalised and will be published in April 2007.

As a result of our Core Plus strategy, which is taking us into new markets, our addressable market is expected to expand from £6 billion to £11 billion per year.

Our market share in consumer media markets

Over the last two years our reuters.com family of websites has attracted a growing number of users worldwide and now reaches 16.6 million visitors per month. Currently, our largest audiences are in the US and the UK. Our website ranking in the financial information category as measured by Nielsen//NetRatings in the US improved from 8th to 5th (based on the number of unique visitors) between 2005 and 2006. Our website ranking in the Business News/Research category as measured by comScore Media Metrix in the UK improved from 6th to 4th between 2005 and 2006.

US visitors to Reuters websites (millions)



Number of unique visitors December (Nielsen//NetRatings US)

* Excludes Media revenues, recoveries and some Enterprise revenues.

For more information about our markets, see 'Company information' on pages 44–51.

12 Our resources

Our people, our brand and our content are key to our ability to deliver on our strategy.



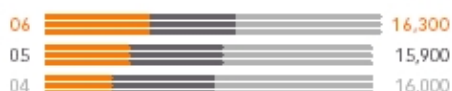
Employee engagement %



Our people

We seek to attract and retain talented people who are knowledgeable about the markets we serve, customer focused, adaptable and committed to learning and development.

Distribution of employees by region



■ Asia
■ The Americas
■ Europe, Middle East and Africa

Based on average number of employees for the year.

Our diverse employee base, comprising over 100 nationalities, reflects the different cultures and markets we operate in and contributes innovative ways to serve our wide range of customers.

As we have focused on making our products more competitive and extending our content, we have built up our development and content management centres in Bangkok, Beijing, Bangalore and Singapore. 30% of our employees are now based in Asia.

We carry out an annual employee engagement survey. The results of our most recent survey (November 2006) showed year-on-year improvements across all the categories that make up our employee engagement index (leadership, customer orientation, performance, employee commitment and career development). Employees are given objectives which are aligned to the company's goals.

Performance against these objectives is rewarded through the performance-related elements of remuneration such as bonuses and equity in the company. Employee turnover for our highest performers remains below the 3.5% target we have set.

Our brand

Our brand is a powerful asset, ranked as a Top 100 Global Brand by Interbrand. The essence of our brand is Trust. Strong brands attract customers and help to drive financial performance. As an organisation and as a brand, we are aligned to deliver consistently on the Reuters Trust Principles of independence, integrity and freedom from bias. For more information on how these principles inform our approach to doing business, see 'Our commitment to ethics and compliance' and 'Corporate responsibility' on pages 48-50.

Our content

Reuters runs the world's largest multimedia news operation, employing 2,400 journalists who produce 250,000 news stories in 19 languages, 40,000 pictures and over 4,000 video stories each month. We also supply the data that powers the financial markets. We offer insight into the markets by creating polls, analytics, indices and composite prices. We aggregate price information collected from contributors for many asset classes and we distribute trade data published by exchanges and other trading venues.

We add unique value to all this content by organising and labelling it within our data model, a framework which makes it easy for our customers to use the data within their own software applications.

This page: Running barefoot, South Africa's Dina Phakula sprints ahead of the competition at the 2006 Commonwealth Games. (Photographer: Andy Clark)

For more information about our people and our content, see 'Company information' on pages 47-48 and 'OFR' on pages 58-59.

Our challenges

Our ‘risk radar’, reviewed by the Board, captures key external and internal risks that could affect Reuters ability to reach its full potential and the actions and plans in place to mitigate them.

Risk	Impact	Action
Financial markets are cyclical.	Downturn in the financial markets could make it more difficult for us to achieve our financial goals.	<ul style="list-style-type: none"> • Diversify revenues through emphasis on Core Plus. • Prioritise initiatives that help customers achieve greater efficiency through business automation. See ‘Strategy’ on pages 44–45; ‘Enterprise division’ on page 61.
The financial services industry is undergoing rapid structural and regulatory evolution.	We need to keep pace with structural changes if we are to maintain a strong market position.	<ul style="list-style-type: none"> • Continue to develop Core Plus electronic trading initiatives. • Implement services which address MiFID and Reg NMS requirements. • Monitor industry shifts closely. • Engage with customers’ strategies and ensure our own strategy remains aligned with theirs. • Launch FXMarketSpace with CME. • Experiment with new business models within our Innovation portfolio. See ‘Markets’ on pages 45–47; ‘Divisional performance’ on pages 58–62; ‘Strategy’ on pages 44–45.
The integrity of our reputation is key to our ability to remain a trusted source of news and information.	We need to protect our brand in order to sustain our credibility as a neutral supplier of content.	<ul style="list-style-type: none"> • Set appropriate ‘tone at the top’ from senior management. • Provide training on ethics and Reuters Trust Principles. • Enforce clear accountability. • Ensure regular Board review. See ‘Corporate governance’ on pages 22–23; ‘Our commitment to ethics and compliance’ on pages 48–49; ‘People’ on pages 47–48.
Our customers demand high levels of service to help them perform effectively.	We need to anticipate and respond to our customers’ needs if we are to improve our competitiveness.	<ul style="list-style-type: none"> • Measure and monitor service levels. • Execute service improvement and content quality plans. • Continue to promote a service-driven culture. • Complete investments in data centre and capacity improvements. See ‘Strategy’ on pages 44–45; ‘People’ on pages 47–48.
We currently have both revenue growth and simplification programmes underway.	We must ensure that we can resource and complete both revenue growth and simplification initiatives so that we can achieve our financial targets.	<ul style="list-style-type: none"> • Monitor progress closely at Board and Group Leadership Team level (GLT). • Prioritise resources for strategic programmes. • Monitor the changing nature of our business by using fewer, larger processing venues. See ‘Corporate governance’ on pages 22–23; see ‘People’ on pages 47–48.
Continuing to drive cultural change	Without the necessary skills and a	<ul style="list-style-type: none"> • Keep the hiring and development plans in focus.

and attract and develop talented individuals is key to our success.

faster, more responsive company culture, we will find it difficult to achieve our corporate potential.

- Monitor our performance, employee demographics and turnover.
 - Align achievement of organisational objectives more closely with remuneration.
- See 'People' on pages 47–48; 'Corporate governance' on pages 22–23; 'Remuneration report' on pages 29–34.

For more information about our approach to managing risk, see 'Statements of directors' responsibilities and compliance' on page 41.

14 Chairman's statement



The continuous and rapid evolution of our markets means we must become even more agile to sustain a competitive edge.

When change is a constant, adaptability carries a premium. A stronger Reuters has emerged from a period of fundamental change – in our products, in how we serve our customers and in how we are organised. But the continuous and rapid evolution of our markets means we must become even more agile to sustain a competitive edge. Greater focus and radical simplification are crucial objectives for 2007. I am confident that Tom Glocer and his team, in partnership with the Board, will address these challenges efficiently.

In the same way companies must evolve with their markets, business must evolve with society. Globalisation has driven unprecedented wealth creation, but not without a price. Political, economic, social and environmental imbalances threaten global stability, and the very conditions that have allowed global business to flourish.

Society expects business to assume greater responsibility towards people and the communities in which it operates. It is entitled to expect business leadership that combines optimum returns for shareholders with responsibility for social and environmental performance. Companies are unlikely to succeed if society fails.

The Board must bring an external perspective to the company. To do so, the Board must reflect the diversity of the society in which the business operates. I am proud of the range of experiences and backgrounds represented on the Reuters Board. In 2006 we announced that Nandan Nilekani, CEO of Infosys, would join the Reuters Board in January 2007.

Equally, the Board must continually scan the external horizons. In 2006, the Board and executive management met in Palo Alto, California to gain a first-hand understanding of new technology trends and evolving business models. High-performing boards need to evaluate their own performance. Last year we completed a comprehensive Board effectiveness review, and implementing the recommendations is an important objective for 2007.

The Reuters Trust Principles are at the heart of our responsibility to society. They commit us to independence, integrity and freedom from bias in the gathering and dissemination of news and information. Guided by these principles, I am confident we can provide the growth our shareholders expect, and fulfil the role society demands. They also attract and motivate the outstandingly talented people we need to build our future.

Niall FitzGerald
Chairman

The speed of change

Being on top of and responding to fast-paced change requires agility and imagination.



This page: The space shuttle Discovery sits on the launch pad at The Kennedy Space Center. (Photographer: Rick Wilking)

16 Speed of change in the financial world

13 July 2006



Speed is the hallmark of today's global financial markets. Driven by new trading technologies, new regulations and rapidly shifting market structures, markets are creating and consuming more information at an ever-increasing rate.

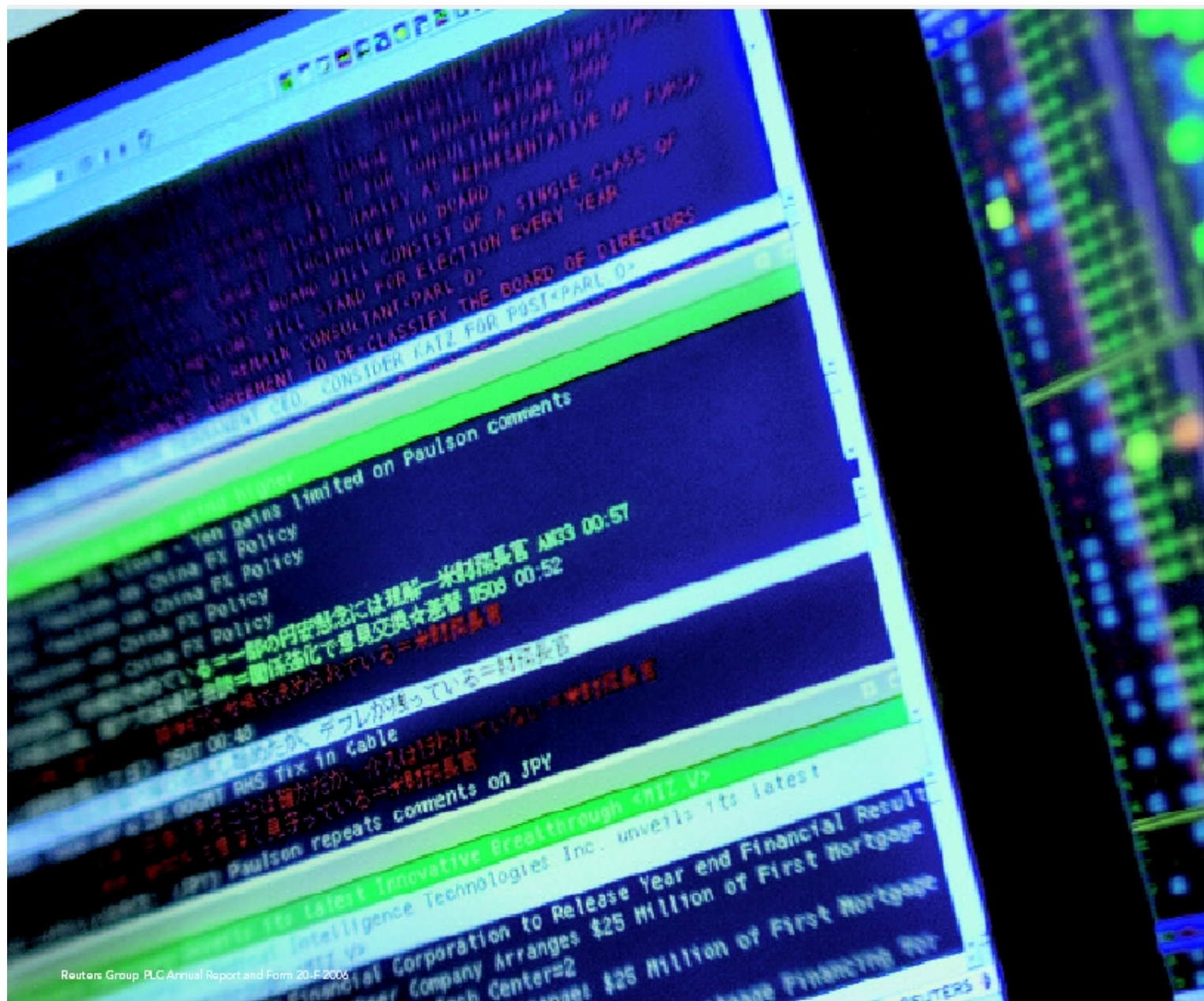
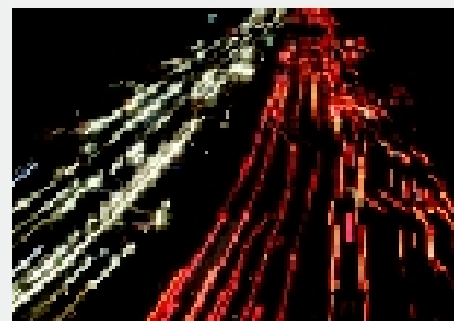
Rising tension in Middle East

The first rocket attacks on the Israeli city of Haifa heighten fears about global security and energy supply.



Reuters is first with the news

The story spreads across our networks to trading rooms worldwide; markets react swiftly.





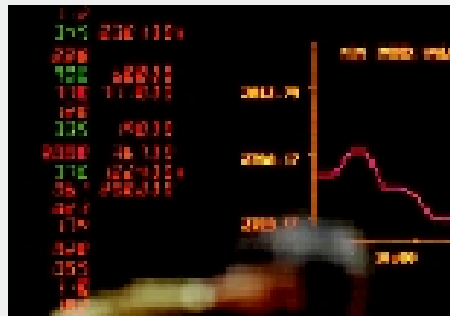
Crude oil prices soar

Oil surges to a high of \$78 a barrel on worries about supply disruptions.



Stocks fall while bonds rise

Stock markets around the world rapidly begin to slide as 'safe haven' assets such as US treasury bonds climb.



Pump prices increase

Fuel prices in several European countries are driven to record levels.



Almost 100,000 updates a second are carried over our networks.

As electronic trading gathers momentum, we are giving our customers new ways of capturing competitive advantage.

In 2006, we launched:

- Reuters NewsScope, which codes and delivers news stories in machine-readable formats so they can be interpreted at high speed by trading engines and used to trigger decisions to trade.
- Reuters Trading for Exchanges, which helps brokers to find the best counterparties for their trades through our global network.

"The simple issue is that electronic trading is cheaper, faster, more efficient and less open to 'market abuse'. Electronic trading can handle greater volumes and combines a lower cost base with genuine global distribution."

Patrick L. Young, ODL Monaco

18 Speed of change in the media world



05.45

a Reuters
journalist

by the earthquake that

Muzaffarabad,

widespread destruction



06.03

Reuters newsdesk

images
of

06.30

in India

an image appears
on

06.42

a Canadian blogger questions

is reaching the

blogs appear

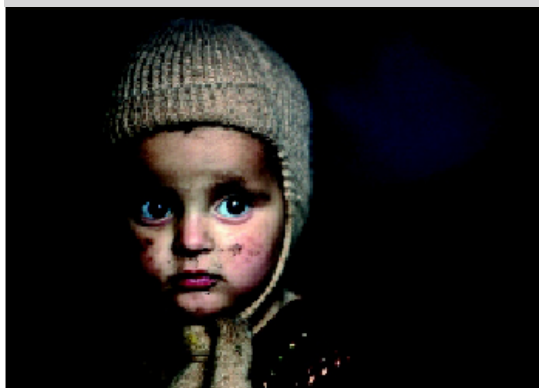
concerns over the

Kashmir

08.15

Reuters

minister asking



reconstruction costs a

08.45

the story is reported



in newspapers and online, and

is broadcast worldwide.

takes photos of children orphaned



devastated the city of
demonstrating the

05.51 the photos arrive at

children appear on a website

22 sites globally

the speed at which the aid



victims of the
disaster

08.03 six more

expressing their

humanitarian crisis in

quotes a Pakistani

for an extra \$800 million to cover

year on from the earthquake





As the commingling of professional and amateur content re-shapes the media world, Reuters journalists continue to bring something extremely important to each story they cover. They sift through the facts, provide perspective and give context. They are committed to an editorial code and brand that stand for independence, integrity and freedom from bias.

“We can see that the pipe of news content is now flowing in both directions. It ought to be possible to integrate professional journalism with user-generated content in a valuable way for our audiences.”
Tom Glocer, CEO, Reuters

20 Speed of change in Reuters

And to keep ahead of the game we have to transform ourselves constantly. This requires bold thinking and smart execution.

Nandan M. Nilekani, CEO, Infosys and Non-executive director, Reuters, gives his perspective on the opportunities and challenges presented by globalisation.

Over the last few years, Reuters has simplified and refocused its business. It has opened content centres in Bangalore and Gdansk. It has shifted development to Bangkok and Beijing. And it has increased its focus on growth markets such as India, China, the Middle East and Eastern Europe.

Global markets, global talent

Developing countries have become more credible players in the global economy, together contributing more than half the global gross domestic product. It is a much larger economic world, with more places to do business, and also more competition.

In addition to new customers, there is a new pool of skilled workers in emerging economies. Ten years ago, few of these groups were part of the global workforce. The global distribution of revenue (customers) and costs (talent) is changing, and companies have no choice but to hire a more diverse, global workforce. This will be easier because the world is increasingly wired.

Increases in technology and regulations

As the cost of technology has plunged dramatically, its usage has soared. Emerging nations are leaping past the 20th century and landing squarely in the 21st. In four years, China will have more broadband connections than there are US households.

As large new populations gravitate toward the information highway, there are new expectations for information security and privacy, cutting across geo-political boundaries and leading to a plethora of regulation. High-profile regulations such as Markets in Financial Instruments Directive (MiFID) in Europe and Regulation NMS in the US will bring about sweeping change in the way companies like Reuters look at their business models and revenue streams.

These changes will require bold thinking and smart execution to operate successfully in the years ahead.

Together, these trends – emerging economies, shifting demographics, increasing technology and proliferating regulations – are flattening the business landscape.

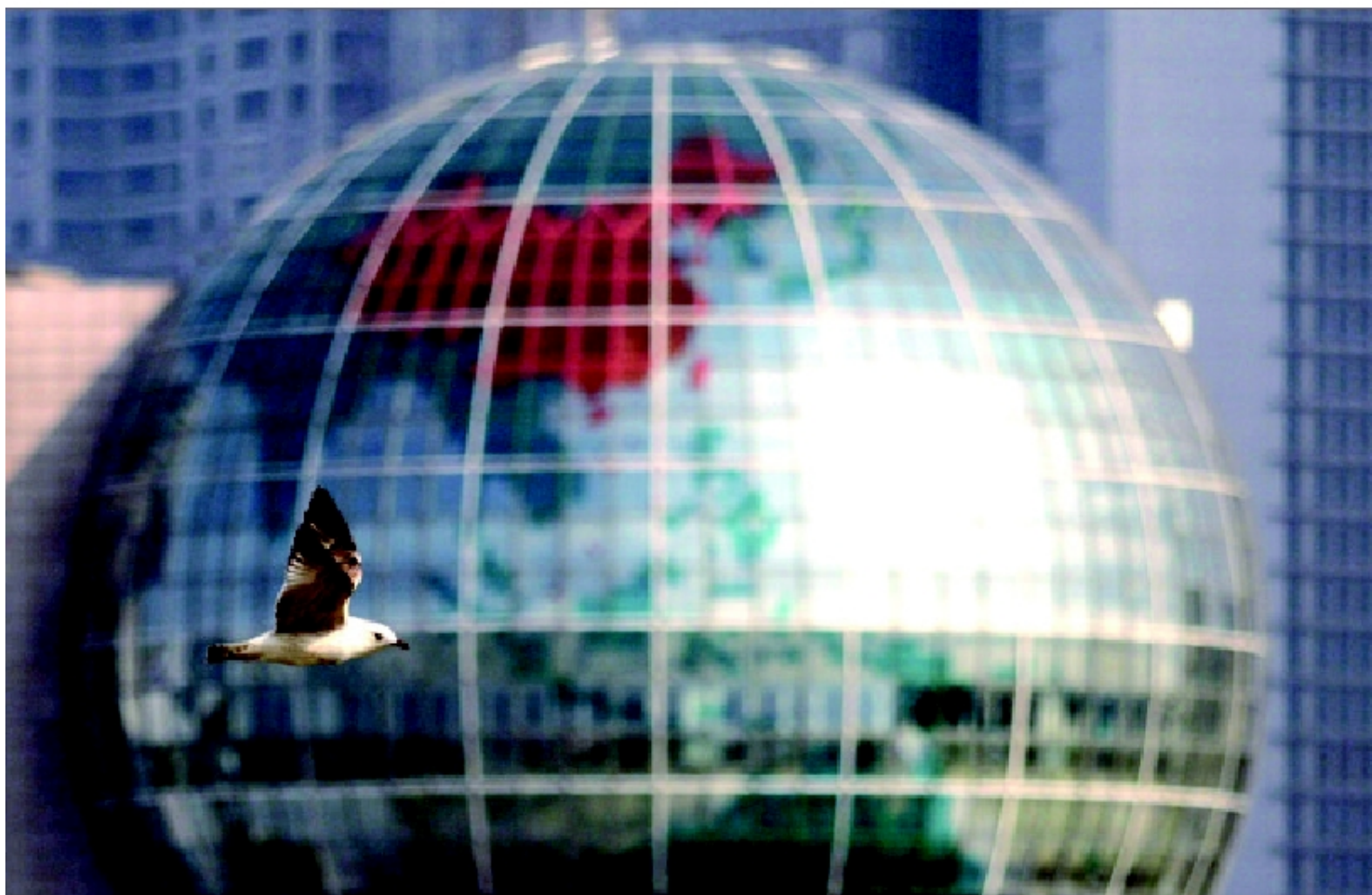
New challenges

Most companies now recognise the new challenges arising from these trends: in particular, the increasing competition, especially from industries and geographies previously considered insignificant.

Reuters trading business is facing challenges from competition and changes in business models. Exchanges are being 'democratised', with regulation levelling the playing field, making location almost irrelevant. In the US, market regulations are driving some investors to other continental exchanges, causing a structural shift in revenues. In addition, as the types of instruments traded on exchanges rise and transactions across countries and markets rise, there is a need for new kinds of information, tools and solutions.

Progressive, innovative companies are adopting new strategies to address such new opportunities and challenges. I believe that companies who want to win in this flattening world must shift their operational priorities to make the most of the new opportunities available to them.

Opposite page: A bird flies past a giant globe-shaped building in Shanghai, China. (Photographer: Aly Song)



Operational shifts

Reuters has already taken significant steps in this direction. It is moving software development to Bangkok and Beijing, working to consolidate data centres from 250 down to 10 by 2010, and planning to move to a common technology platform. It is increasing capacity and efficiency through new content management centres in Bangalore and Gdansk.

Further, by focusing on the needs of markets such as India, China, the Middle East and Eastern Europe, Reuters is ensuring that it stays relevant to these growth markets.

These operational shifts are positioning Reuters well for future growth and profitability. Reuters DataScope products, which enable computers to use real-time information for algorithmic trading, are an example of innovative use of technology to meet the needs of the more demanding financial services industry.

As its current IT-related initiatives evolve into comprehensive global sourcing capabilities, Reuters will benefit from improved cost and efficiency. With the increase in competitive intensity, the ability to respond quickly to changing customer behaviour will rise correspondingly. Companies have to focus on drawing market and operational insights from information collected from their operations and those of their partners.

Accessing the global talent pool

Equally important, its recent global initiatives also enable Reuters to access the global talent pool. This last point is especially important as industry after industry has shown that as global locations (such as Asia) become global operations centres for certain activities and functions, a greater proportion of the innovation comes from the same regions. Investment in global talent pools today paves the way for tapping them for product and process innovation in years to come.

As markets become increasingly price-driven, rapid innovation is the key to customer loyalty.

Reuters has made substantial strides in becoming more focused and efficient. The global trends driving the business world are still in full swing. Over the next few years, as these trends further affect the business landscape, only companies that shift their operational priorities will win in the flat world.

Rapid innovation is the key to customer loyalty.

22 Interview with the Chairman

The strength of the Group's corporate values, its reputation and its ability to deliver a successful business depend in part on the effectiveness of its corporate governance system.

The Role of the Board – Niall FitzGerald, Chairman, in discussion with Rosemary Martin, Reuters General Counsel and Company Secretary

Rosemary: Niall, when you became Chairman of Reuters in 2004 you proposed a set of principles to guide the Reuters Board. Why did you do that and what are they?

Niall: The Board needed to refine how it worked together. The company was in transition from survival to restructuring, and preparing for a new phase of growth. Board membership, style and focus needed to change to be responsive to the challenges ahead. We needed a dialogue around the Board table about our role and how we could work together more effectively. We agreed some working principles, such as limiting formal presentations and our desire for short and sharp Board papers. We needed our time and energy deployed on a few forward-looking issues of real substance.

Rosemary: You say the principles are not a strict set of rules and yet you are adamant that Board papers are kept concise and that Board time is not consumed by formal presentations. Why is this so important to you?

Niall: Board time is limited and we have to use our time smartly. Formal presentations constrict dialogue and put walls around an issue. The deal is that executives and advisers coming to a Board meeting can assume that the Directors have done their pre-reading and therefore there is no need

to go over the background and the facts. These are communicated in advance of the Board discussion. It is good discipline to be concise, distilling issues to their essence. No guff. Just the issues.

But we can do better, so this year we've been working on improving the quality of information that the Board receives, in part in response to comments in the 2005 Board effectiveness review. We've refined the monthly performance report to make it less dense, more sharply focused and forward-looking. We still have some way to go.

Rosemary: Looking back over 2006 what would you say were the main areas of attention for the Reuters Board?

Niall: In 2006, beyond 'business as usual' items such as monitoring financial and operational performance, succession planning and approving the budget and plan for the year ahead, we focused on a number of significant initiatives. These included the creation of FXMarketSpace, acquisition of Application Networks Inc, disposal of Reuters interest in Factiva and negotiations with the trustees of Reuters two UK final salary pension schemes to substantially fund the pension deficit. We also examined our preparedness for any significant interruption to business, such as a flu pandemic, and reviewed an incident in which Reuters inadvertently published a photograph that had been digitally manipulated by a freelance photographer working for us in Beirut.

The Audit Committee was very busy with Sarbanes-Oxley and preparations for compliance with section 404 of the Act. They briefed the full Board regularly.

In June the Board met in Palo Alto, California to discuss strategy. Stepping outside our norms gave us the chance to spend more time with the executive management team and together consider new developments in technology and business models. The visit reinforced the importance of continuous innovation and creative partnerships. As Asia is a growing source of technological innovation, and we are focused on growing our business across this region, the Board is planning to visit Asia during 2007.

Rosemary: This leads us to the question of how you ensure the Reuters Board has the right mix of Directors to lead Reuters in the first decade or so of the 21st century?

Niall: I chair the Nominations Committee which includes Dick Olver and Ian Strachan. We meet to review the structure, size and composition of the Board. We have a view as to the ideal blend of experience and expertise. These include financial services, technology, media, government and regulatory affairs, general commercial acumen, a mix of geographic experience, knowledge of Reuters industry sectors and an understanding of our customers.



“Good governance should be a powerful fuel for growth. I want Reuters to use the principles of good governance in this way.”

Niall FitzGerald

We identify which specific skills and experiences individual directors have and we look for any gaps. In 2005 we agreed it would be advantageous to add a Director who is currently a chief executive and with extensive knowledge of business in Asia and of technology. We were delighted when Nandan Nilekani, one of the founders of Infosys, agreed to join Reuters Board from 1 January 2007.

In addition the Nominations Committee has to ensure there are robust succession plans for Board Committees. During the year Dick joined us from McKinsey as Group Strategy Officer and said he wanted to step down from the Director. chairmanship of the Audit Committee, a role he filled with distinction since 2000. I discussed with Board colleagues the appointment of Lawton Fitt as his successor and this was unanimously approved by the Board in October. Continuity will be provided as Dick will remain a member of the Audit Committee. He is also remaining Reuters Senior Independent Director.

Rosemary: What about succession planning for senior executive roles during 2006? There have been several changes in the senior executive team in the last year. What is the Board's role in relation to this?

Niall: It's the Chief Executive's responsibility to ensure the best senior executives are appointed to help him manage the company's business. For many roles the talent already exists within our ranks – for example, it was pleasing to see the promotion of Mark Redwood to become

Head of the Sales & Trading Division, Michael Peace to Head of the Research & Asset Management Division and David Schlesinger to Editor-in-Chief. It is also important to bring in new talent to the firm.

Last year Stephen Dando joined as Group HR Director from the BBC, Roy Lowrance as Chief Technology Officer from Capital One, Gerry Campbell as Global Head of Search and Strategic Development from AOL, and Lee Ann Daly as Chief Marketing

Officer from ESPN. In March, David Craig Olver said he wanted to step down from the Director.

The Board's role is to oversee the quality of management and the processes for finding and developing outstanding talent. We do that by meeting regularly with managers below Board level and by reviewing twice a year the succession plans and talent management process. In 2006 it was agreed that Board members would each mentor one or more high-potential executives.

Rosemary: One of the principles that you have articulated for the Board is the requirement to maintain “a governance framework that facilitates substance and not merely form”. What do you mean by this?

Niall: ‘Governance’ is much discussed but often poorly understood. The directors must act in the long-term interests of shareholders. We will not be serving our shareholders well if we become myopically focused on governance in a ‘box ticking’ way and fail to look at the wider picture of how to capture

and build sustained shareholder value. We need to use sound governance tools – proper internal controls and processes, a full understanding of risk, a rigorous approach to performance management, insistence on transparency and integrity – to help us create a high-performing company. Good governance should be a powerful fuel for growth. I want Reuters to use the principles of good governance in this way.

Rosemary: One final question: at the end of 2006 the new Companies Act was introduced in the UK. Although it will take a while for the new law to be implemented in full, do you see it as requiring any major changes to the way Reuters Board operates today?

Niall: I have no doubt a great deal will be written and spoken about the implications of the new Companies Act for UK companies. There has already been much discussion about the new requirement for directors to have regard in their decision making to such things as the impact on the environment and the interests of employees. All well-run companies focus on these and other issues which are key to sustainable business performance. The Companies Act is about codifying existing best practice into law. Provided it is applied sensibly, little will change inside the boardrooms of high-performance companies. But let's see what happens – and please, no more boxes to tick!

24 Note to the Board

From the Chairman's note to the Board 20 September 2004

We must be clear and agreed on the role of the Board. It is a unitary Board with one group sharing common objectives and united in purpose. The Board does not run the business but reviews how the business is run.

It does this by:

- Agreeing the strategic framework and keeping it under vigorous review
- Monitoring the implementation of strategy through the operational plans
- Focusing on long-term sustainable value creation
- Safeguarding the longer-term values of the company, including the brand and corporate reputation
- Overseeing the quality of management and how it is maintained at world class levels
- Maintaining a governance framework that facilitates substance and not merely form
- The over-riding theme of the Board should be profitable growth within an acceptable risk profile

The Chairman's role is to lead the Board in a manner that allows the CEO to run the company effectively. This demands skilful motivation and management of the board to build a cohesive team. The Chairman must support and counsel the CEO and be the ultimate judge as to his effectiveness.

This requires the correct balance between detachment – thereby avoiding interference – and being sufficiently engaged and informed to know when to intervene. The Chairman and CEO must work on a basis of trust, mutual respect and understanding.

Content

The Board agenda must reflect its role. This will require at each meeting:

- Report on operational and financial performance and progress against plan
- Update on markets, competitors, customers and investors
- Progress on strategic issues
- Developments on important people issues
- Review in depth one key strategic issue
- Short presentation from one senior/high potential leader
- Other matters that the CEO believes needs the engagement of the Board

Periodically the Board will discuss:

- The strategic framework
- The brand
- The principles
- People and succession plans
- Longer-term scenario development
- Reports from audit and remuneration committees
- Assessment of its own performance

Information to the Board will be:

- Timely – a week prior to the meeting
- Concise – exceeding two pages by exception
- Open and transparent

We will work on the assumption that all papers have been read and use our time for debate and discussion. Formal presentations to the Board will be rare and usually preceded by a background paper. At the end of each Board meeting we will spend five minutes to review the effectiveness of the meeting.

Style

Board members should not intrude on the management of the business but must ensure that they are adequately informed to judge when intervention may be needed. Our discussions should always be open, candid and trusting. We must be prepared to challenge, confront, disagree, and probe, but always in a way that is constructive and supportive of the business agenda. Nothing should be left unsaid within a team that is committed to team success. Consistent high quality communication between the Executive and the Board is essential.



- 01 Niall FitzGerald, KBE
- 02 Tom Glocer
- 03 David Grigson
- 04 Devin Wenig
- 05 Lawton Fitt
- 06 Penny Hughes



Nominations Committee
 Niall FitzGerald, Chairman
 Ian Strachan
 Dick Oliver

Audit Committee
 Lawton Fitt, Chairman
 Dick Oliver
 Ken Olisa
 Nandan Nilekani

Remuneration Committee
 Ian Strachan, Chairman
 Penny Hughes
 Ed Kozel



- 07 Ed Kozel
- 08 Sir Deryck Maughan
- 09 Nandan Nilekani
- 10 Ken Olisa
- 11 Dick Oliver
- 12 Ian Strachan

For biographies of our directors, see pages 26-27.



26 Directors and senior managers

The directors and senior managers of Reuters Group at 9 March 2007 are:

Name	Position	Position held since
Directors		
Niall FitzGerald, KBE	Chairman, Director	2004; 2003
Thomas Glocer	CEO; Director	2001; 2000
David Grigson	CFO; Director	2000
Devin Wenig	COO; Director	2006; 2003
Lawton Fitt	Director	2004
Penelope Hughes	Director	2004
Edward Kozel	Director	2000
Sir Deryck Maughan	Director	2005
Nandan Nilekani	Director	2007
Kenneth Olisa	Director	2004
Richard Olver	Director	1997
Ian Strachan	Director	2000
Senior managers (Group Leadership Team)		
Chris Ahearn	President, Reuters Media	2002
John Alcantara	Global Head of Service Operations	2005
David Craig	Group Strategy Director	2007
Lee Ann Daly	Chief Marketing Officer	2007
Stephen Dando	Group Human Resources Director	2006
Joerg Floeck	Managing Director – Europe, Middle East & Africa	2006
Christopher Hagman	Managing Director, Global Sales & Service Operations	2001
Alex Hungate	Managing Director, Asia	2006
David Lister	Chief Information Officer	2004
Roy Lowrance	Chief Technology Officer	2006
Rosemary Martin	General Counsel and Company Secretary	2003; 1999
Peter Moss	Global Head of Enterprise Solutions	2003
Michael Peace	Global Head of Research & Asset Management	2006
Mark Redwood	Global Head of Sales & Trading	2006
Jon Robson	President, Focus Group Accounts and President, Americas	2006
David Schlesinger	Editor-in-Chief	2007
Simon Walker	Director of Corporate Affairs	2003

Directors

Niall FitzGerald, KBE – Chairman

Chairman of the Nominations Committee. He is Chairman of the Nelson Mandela Legacy Trust (UK) and Chairman of the Board of Trustees of the British Museum. Niall co-chairs the Investment Climate Facility (ICF) for Africa and is a Trustee of the Leverhulme Trust. Niall chairs the International Business Council of the World Economic Forum and is a Member of the World Economic Forum Foundation Board. He is a member of various advisory bodies, including the President of South Africa's International Investment Advisory Council, the Advisory Board of Tsinghua University and the Advisory Board of Spencer Stuart. He is a Senior Advisor to Morgan Stanley International. His past appointments include: Chairman of the Conference Board (2003–2005) and Co-Chairman of the Transatlantic Business Dialogue (2004–2005), Non-executive director of Merck (2000–2003), Ericsson (2000–2002), Bank of Ireland (1990–1999) and the Prudential Corporation (1992–1999), President of the Advertising Association (2000–2005). Age 61.

Thomas (Tom) Glocer – CEO

Previously CEO of Reuters Information (2000) and President and Senior Company Officer, Reuters America (1998–2000). Appointed CEO, Reuters Latin America in 1997 after serving in Reuters legal department from 1993. Formerly practised law in New York, Paris and Tokyo with Davis Polk & Wardwell. Member of the Corporate Council of the Whitney Museum, The Madison Council of the Library of Congress, the Leadership Champions Group (Education) of Business in the Community, The Advisory Board of the Judge Institute of Cambridge University and The Corporate Advisory Board of the Tate. Former Non-executive director of Instinet Group. Age 47.

David Grigson – CFO

Joined Reuters in August 2000 from Emap PLC where he was Group Finance Director and Chairman of Emap Digital. He is a qualified chartered accountant. David sits on the Implementation Board and Culture Board of Legacy 2020. Formerly held senior finance roles in the UK and US at Saatchi and Saatchi PLC (1984–1989). Held a

number of financial positions at Esso UK (1980–1984). Former Non-executive director of Instinet Group and former Chairman of Radianz. Age 52.

Devin Wenig – COO

Previously President, Business Divisions (2003–2006). President, Investment Banking & Brokerage Services (2001–2003). Joined Reuters in 1993 as corporate counsel, Reuters America and held a number of senior management positions before being appointed President, Investment Banking & Brokerage Services in January 2001. Also a Non-executive director of Nastech Pharmaceutical Company and a former Non-executive director of Instinet Group. Age 40.

Lawton Fitt – Non-executive director

Chairman of the Audit Committee. Non-executive director of CIENA Corporation and Citizen Communications. Senior Adviser and Member of the Board of Advisers at GSC Partners. Director and Trustee of Reuters Foundation. Previously a Partner and Managing Director of Goldman Sachs Group Inc. Trustee of several not-for-

profit organisations including contemporary arts centres in New York and Berlin. Former Secretary (Chief Executive) of the Royal Academy of Arts. Age 53.

Penelope (Penny) Hughes – Non-executive director

Member of the Remuneration Committee. Non-executive director of The GAP Inc., Skandinaviska Enskilda Banken, Home Retail Group PLC, Molton Brown Limited and a Member of the Advisory Board of Bridgepoint Capital. Former President, Coca Cola Great Britain and Ireland. Former Non-executive director of Bodyshop International PLC (1994–2000), Enodis PLC (1996–2001), SC Johnson (2002–2004), web-angel (2000–2003), Trinity Mirror PLC (1999–2005) and Vodafone PLC (1998–2006). Age 47.

Edward (Ed) Kozel – Non-executive director

Member of the Remuneration Committee. Chief Executive of Skyriders. Also a Non-executive director of Yahoo and NeNetwork Appliance. Former Non-executive director of Cisco Systems Inc. (2000–2001), where he worked from 1989–2000 in a number of roles, including Chief Technology Officer and Senior Vice President for business development. Also a former Non-executive director of Tibco Software Inc. (2000–2001) and Narus Inc. (1999–2003). Prior to 1989 he worked with SRI International in California. Age 51.

Sir Deryck Maughan – Non-executive director

Managing Director of Kohlberg Kravis Roberts & Co. and Chairman of KKR Asia. He was formerly Chairman and CEO of Citigroup International and Salomon Brothers Inc. He is a Non-executive director of GlaxoSmithKline plc and BlackRock Inc as well as serving on the Boards of Directors of Carnegie Hall, Lincoln Center and NYU Medical Center. He served as Vice Chairman of the New York Stock Exchange from 1996 to 2000. Age 59.

Nandan Nilekani – Non-executive director

Member of the Audit Committee. Chief Executive of Infosys, a world leading provider of IT consulting and services, since March 2002. Nandan was one of the founders of Infosys and has served as a director of the company since 1981. He is a Member of the World Economic Forum Foundation Board, Vice-Chairman of The Conference Board, member of the National

Knowledge Commission (India), member of National Advisory Group on e-commerce, Co-Chairman of the IIT Bombay Heritage Fund and a Member of the Board of Governors of IIT Bombay. Former Chairman of the Government of India's IT Task Force for the Power Sector, former Member of the sub-committee of the Securities and Exchange Board of India and former member of the Reserve Bank of India's Advisory Committee on Corporate Governance. Age 51.

Kenneth (Ken) Olisa – Non-executive director

Member of the Audit Committee. Founder and Chairman of Restoration Partners Limited and a Non-executive director of BioWisdom and Open Text Corporation. Former Chairman (2000–2006) and CEO of Interregnum plc, which he founded in 1992. He worked for Wang Laboratories (1981–1992) and was General Manager of Wang Europe, Africa and the Middle East (1990–1992). His career began at IBM (1974–1981). Former Non-executive director of various information technology companies and former Postal Services Commissioner. He is a Liveryman of the Worshipful Company of Information Technologists, a Fellow of the British Computer Society, Chairman of homeless charity, Thames Reach, a Governor of the Peabody Trust and a Director and Trustee of Reuters Foundation. Age 55.

Richard (Dick) Olver – Non-executive director

Member of the Audit Committee; Member of the Nominations Committee and Senior Independent Director. Chairman of BAE Systems PLC since July 2004. He worked for BP PLC and was Deputy Group Chief Executive (2003–2004) and CEO of BP Exploration & Production Division (1998–2002) and former Deputy Chairman of TNK-BP in Russia. A Fellow of the Royal Academy of Engineering and a Member of the Trilateral Commission. A Guardian of New Hall School. Age 60.

Ian Strachan – Non-executive director

Chairman of the Remuneration Committee; Member of the Nominations Committee. Non-executive director of Transocean Inc., Johnson Matthey PLC, Xstrata PLC and Rolls Royce Group PLC. Former Chairman of Instinet Group, former Non-executive director of Harsco Corporation, Deputy Chairman of Invensys PLC (1999–2000) and

Chief Executive Officer of BTR PLC (1996–1999). Former Deputy Chief Executive Officer (1991–1995) and Chief Financial Officer of Rio Tinto PLC (1987–1991). Also a former Non-executive director of Commercial Union PLC (1991–1995). Age 63.

Senior managers

Chris Ahearn – President, Reuters Media

Chris joined Reuters in 2001 as Executive Vice President in charge of the Research & Advisory business. He was appointed to his current position in 2002. Prior to joining Reuters, Chris worked in investment banking at J.P. Morgan and Credit Suisse First Boston. He sits on the board of directors of Times Global Broadcasting Co. Limited, Pluck Corporation and The Kitchen. Age 40.

John Alcantara – Global Head of Service Operations

John joined Reuters in 1986 after ten years at Cable & Wireless. John has held a number of product management and business management roles in Reuters. He was the Managing Director of Reuters Iberia and later Managing Director for Reuters UK and Ireland until 2005, when he took up his current role. Age 52.

David Craig – Group Strategy Director

David joined Reuters in March 2007 from McKinsey and Company, where he was both a Partner in the Global Business Technology Office and worked in the media team. He has extensive experience of working with clients across many industries, in particular wholesale and corporate banks and trading institutions, on strategy, information technology and operational performance improvement. Prior to joining McKinsey, David was a Senior Principal at AMS where he developed risk and trading systems. Age 37.

Lee Ann Daly – Chief Marketing Officer

Lee Ann joined Reuters in January 2007. She was previously Executive Vice President, Marketing for ESPN, Inc. Prior to joining ESPN, Lee Ann served in various management and planning roles at Ammirati, Puris/Lintas and Grey Advertising. She was co-founder and executive producer of an award-winning humour-based radio production company which directly serviced top brands and agencies. She was a Director and President of the Board of the American Marketing Association in New York. Age 45.

28 Directors and senior managers continued

Senior managers continued

Stephen Dando – Group Human Resources Director

Stephen joined Reuters in 2006 in his current role. Prior to joining Reuters, Stephen was Director, BBC People and a member of the BBC's Executive Committee and Executive Board for five years. He held various appointments at Diageo over a 12 year period including Global HR Director, Guinness. Age 45.

Joerg Floeck – Managing Director, Europe, Middle East & Africa

Joerg joined Reuters in 1990 and is based in Geneva. He has held various senior sales and general business management positions in Germany, Austria, Italy, United States and the UK before being appointed to his current post in June 2006. Prior to joining Reuters, Joerg worked in the financial industry, specialising in IT. Age 45.

Christopher Hagman – Managing Director, Global Sales & Service Operations

Christopher joined Reuters in 1987, based in Sweden, and held various senior sales and general business management positions in Sweden, the Netherlands and the UK before being appointed to his current post in April 2001. Christopher was appointed as a Member of the Executive Board of the Community of European Management Schools and International Companies in December 2005. Age 48.

Alex Hungate – Managing Director, Asia

Alex joined Reuters in a business development role in 1993. He started and managed New Media businesses in the early days of the World Wide Web. He went on to become co-CEO Reuters America, then President, Focus Group Accounts and most recently Chief Marketing Officer for Reuters. He took up his current role in January 2006. Prior to Reuters, Alex worked as a Media Analyst at Booz Allen & Hamilton. He graduated with High Distinction from Harvard Business School in 1993. He was a Board Director of Factiva until Reuters stake was sold to Dow Jones on 15 December 2006. Age 40.

David Lister – Chief Information Officer

David joined Reuters in 2004. Prior to joining Reuters, David held senior IT leadership roles at Boots Group, Glaxo Wellcome and Diageo after a period of management consultancy with Coopers &

Lybrand. He is a member of several IT professional bodies and consultative boards. Age 48.

Roy Lowrance – Chief Technology Officer

Roy joined Reuters in 2006 as Chief Technology Officer, a role focused on developing competitive technology strategies that help to drive and support the company's business strategies. Prior to joining the company, he held technology management positions at Capital One and Fleet Financial Group and was a partner at the Boston Consulting Group. Age 56.

Rosemary Martin – General Counsel and Company Secretary

Rosemary joined Reuters in 1997 as Deputy Company Secretary and became Company Secretary in 1999. Appointed General Counsel in 2003. Rosemary has been the Director of Reuters Foundation since 2000. Former Partner at Mayer, Brown, Rowe & Maw for nine years. Non-executive director of HSBC Bank PLC. Member of the UK Listing Authority Advisory Committee. Age 46.

Peter Moss – Global Head of Enterprise Solutions

Peter joined Reuters in 1989, based in the UK, and held various product management, marketing, sales management, strategy and business management positions across Reuters before being appointed to his current post in September 2003. Before joining Reuters Peter worked in the information technology industry. Age 47.

Michael Peace – Global Head of Research & Asset Management

Michael joined Reuters in 1987 on the Management Graduate Development scheme and held a variety of sales, marketing and management positions in the UK, Europe, Asia and the US before being appointed to his current position in September 2006. Michael was Chief Executive of Lipper, a Reuters company, from 2001. Prior to joining Reuters, Michael held positions with Lloyds International Bank in Spain and as a sponsored undergraduate with Shell. Age 43.

Mark Redwood – Global Head of Sales & Trading

Mark joined Reuters in December 2002 following the acquisition of AVT Technologies Limited, a specialist in FX trading technologies, where he was CEO. Prior to his current appointment, Mark was

responsible for Reuters transactions services across all asset classes. Before founding AVT, Mark worked for JP Morgan in London from 1983 to 1989, where he held a number of trading positions in fixed income and exchange traded derivatives. Age 46.

Jon Robson – President, Focus Group Accounts and President, Americas

Jon leads Reuters business in the United States, South America and Canada, and has global business responsibility for Reuters largest clients worldwide. Before joining Reuters Jon worked at BIS Banking Systems (now Misys), Telerate and Dow Jones Markets. In 1997, Jon founded MoneyLine which acquired Telerate in 2001 to form MoneyLine Telerate, which was subsequently acquired by Reuters. Age 48.

David Schlesinger – Editor-in-Chief

David joined Reuters in 1987 as a journalist in Hong Kong after working as a teacher and a reporter for other publications. He ran Reuters editorial operations in Taiwan, China, the Greater China region and the Americas before becoming Global Managing Editor & Head of Editorial Operations in 2003. He took up his current role in January 2007. Age 46.

Simon Walker – Director of Corporate Affairs

Simon joined Reuters in 2003. Prior to joining Reuters, Simon was Communications Secretary at Buckingham Palace, Director of Communications at British Airways PLC and special adviser to the Prime Minister in the Downing Street Policy Unit. Simon is a Trustee of the charity, UK-NZ Link Foundation, the UK Jamestown Foundation and a Member of the European Policy Forum's Advisory Committee. He is a Director and Trustee of Reuters Foundation and a Member of the Better Regulation Commission. Age 53.

Susan Taylor-Martin stepped down as a member of the Group Leadership Team (GLT) at the end of 2006 to take up her new role as Managing Director and Senior Company Officer for UK & Ireland from 1 January 2007. Geert Linnebank also stepped down from GLT to take up his new role as Senior Adviser to the CEO with effect from 1 January 2007. David Craig joined Reuters as Group Strategy Director and a member of GLT in March 2007.

Remuneration policy

The Remuneration Committee believes that Reuters remuneration policy should be market-competitive, business performance-related and supportive of shareholders' interests. With these considerations in mind

- The reward structure for executive directors is designed to attract, motivate and retain high-calibre individuals capable of successful leadership.
- The Committee aims to ensure that the majority of executive remuneration is variable and performance-related with a significant portion linked to share price performance and delivered in shares.

This policy will apply in 2007 and is expected to continue in future years.

Remuneration Committee

The Committee is chaired by Ian Strachan and the other members are Ed Kozel and Penny Hughes. All members of the Remuneration Committee have been determined by the Board to be independent. The Company Secretary is secretary to the Remuneration Committee. The Committee met six times in 2006. All members were present at each meeting except Penny Hughes and Ed Kozel who were each absent from one meeting.

The Committee operates under formal terms of reference and under the powers delegated to it by the Board. The duties of the Committee include

- determining the company's framework of executive remuneration and its cost, having a pragmatic regard to the company's position with respect to other companies;
- determining, on the Board's behalf, specific remuneration packages for each of the executive directors, the Chairman and such other members of the GLT as it is designated to consider;
- recommending on the Board's behalf, the ordinary remuneration of the non-executive directors (in respect of remuneration permitted to be set by the directors by the company's articles of association) to be approved by the shareholders at the AGM;
- determining, on the Board's behalf, any other remuneration issues which affect the interests of shareholders, in particular remuneration or option plans using shares; determining the targets for incentives plans; determining the provision of benefits and settlement of other provisions under the terms of the service agreements or otherwise of executive directors where these are stated as being at the discretion of the Board; and
- keeping apprised of and advising the Board of key changes in employee benefit structures with the Group.

The Committee's terms of reference can be found at about.reuters.com/csr/corporategovernance/committees.asp

The Chairman ensures that the company's principal shareholders are kept informed as to remuneration matters, as appropriate.

The Committee has appointed Towers Perrin to provide it with independent advice. Towers Perrin also provides industry and comparative salary data to Reuters management. The Committee has also consulted with the company's Chairman and CEO (neither of whom has been present at any meeting to decide matters relating to their own compensation or contracts), and with the Group Human Resources Director and the Global Head of Performance and Reward.

Executive directors

There are four key elements of executive compensation.

- Basic salary
- Annual bonus
- Awards under equity incentive plans
- Pension and other benefits

The following bar chart shows the relative weight of basic salary, annual bonus and the expected value of equity incentive plans for each executive director in 2006.



As shown in the chart above, approximately three quarters of executive reward package is performance-related.

Basic salary

The main reference point in setting executive directors' salaries is companies in the FTSE100 other than the five largest companies in this group and the five smallest. These companies have been selected to provide a stable comparator group which is relevant to the company's position in the market. This group is reviewed annually to confirm its appropriateness.

Salaries earned in 2006 are shown in the table below:

	2006 Salary £000's
Tom Glocer	842
David Grigson	469
Devin Wenig	454

Annual bonus

The Committee sets performance targets annually. Tom Glocer is entitled to a maximum bonus of 150% of base salary and David Grigson and Devin Wenig are each entitled to a maximum bonus of 125% of base salary. The executive directors' annual bonus potential will remain the same in 2007.

For 2006, the performance targets were focused 80% on financial performance (trading profit¹, revenue and free cash flow) and 20% on customer satisfaction measures. In February 2007, the Committee reviewed 2006 performance against the specified targets and determined that the executive directors had earned bonuses of 91% of bonus potential.

¹ Trading profit is calculated by excluding the following from operating profit from continuing operations: restructuring charges associated with Fast Forward and acquisitions, impairments and amortisation of intangibles acquired via business combinations, investment income, profits from disposals of subsidiaries and fair value movements. Trading margin is trading profit expressed as a percentage of revenue.

30 Remuneration report continued

The 2006 bonus awards are shown in the table below:

	2006 Bonus £000's
Tom Glocer	1,149
David Grigson	534
Devin Wenig	516

For 2007, the performance targets will be focused solely on financial performance (trading profit, revenue and free cash flow). There is a profit threshold, based on trading profit, below which no bonuses will be paid. The Remuneration Committee reviews the business plan and establishes this threshold each year.

Equity incentive plans

Overview: Executive directors and other senior managers are entitled to participate in the share-related incentive schemes operated by the company as detailed below. The Committee reviews the schemes annually to ensure that they reflect best practice and are aligned to the company's business plan.

The Committee has reconfirmed its 2005 decision to continue to operate the Long Term Incentive Plan (LTIP) and the Discretionary Share Option Plan (DSOP) for executive directors. Awards are subject to specific performance conditions. In 2006, the Committee decided to increase the proportion of performance shares and to reduce the number of share options awarded.

LTIP: Reuters has operated the current long-term incentive plan since 1998. Contingent share awards are made annually to executive directors and to those senior managers most accountable for corporate performance. Before 2006, the vesting of awards was based wholly upon Reuters Total Shareholder Return (TSR) relative to other FTSE100 companies.

Since 2006 half of the award has been based on Reuters TSR relative to other companies in the FTSE100 and half is based on the aggregate level of adjusted profit before tax (PBT)¹ achieved over the three year performance period. These measures were selected because growth in profit is in itself a key element of the company's long term strategy and relative TSR provides a market measure of the company's success in delivering against its strategy.

TSR performance is measured independently prior to review by the Committee and the Committee annually reviews the comparator group. Whilst endorsing relative TSR as a measure, the Remuneration Committee recognises that Reuters does not fall naturally into any one of the existing FTSE industrial sectors. The Committee continues to believe that the FTSE100, rather than one individual sector or a bespoke peer group remains the most appropriate peer group for comparison.

In respect of the TSR performance test, no shares vest if Reuters TSR is below the median of the comparator group. At median, one third of the shares vest and for upper quartile performance all shares vest. There is proportionate vesting of awards if Reuters TSR falls between the median and the upper quartile.

Vesting of 50% of the LTIP awards is subject to the PBT test and depends upon the level of PBT achieved by Reuters over the whole of the performance period. The Remuneration Committee sets a range of PBT performance at the beginning of each performance period, taking into account the plans and prospects for the business and shareholder

The maximum PBT level at which all shares will vest, represents a challenging but potentially achievable target for the business. Shares vest on a proportionate basis if actual PBT falls between the minimum and maximum of the pre-set range.

The 2006 awards, which are subject to the performance conditions detailed above, for Tom Glocer, David Grigson and Devin Wenig were 500,000 shares, 200,000 shares and 250,000 shares respectively.

In 2007, the awards for Tom Glocer, David Grigson and Devin Wenig, which are also subject to the performance conditions detailed above, will be 500,000 shares, 200,000 shares and 300,000 shares respectively.

DSOP: A global discretionary stock option plan was adopted by the Committee in October 2000 and approved by shareholders in April 2001. It aims to reward growth in earnings and in the share price. Since 2004 participation has been confined to executive directors and members of the senior management team.

The Committee divides participants' annual entitlements into two awards, normally made following the announcement of preliminary annual and half-yearly results.

As a result of changes made in 2006 (which apply to 2006 and future awards) options only vest to the extent that the following conditions are met over the three years following grant:

- minimum 6% a year growth in adjusted EPS² will be required for 50% of options to vest;
- 9% a year growth will be required for 100% of options to vest;
- between 6% and 9% growth options will vest on a proportionate basis.

Executive directors are only allowed to exercise 50% of the vested options after the initial three year period. The remaining options will only be exercisable, in two equal tranches, one and two years later.

The 2006 share option awards for Tom Glocer, David Grigson and Devin Wenig were 1,250,000 options, 500,000 options and 650,000 options respectively.

In 2007, the share option awards for Tom Glocer, David Grigson and Devin Wenig will be 1,250,000 options, 500,000 options and 750,000 options respectively.

All employee savings plans

Executive directors, in common with other employees, may participate in the company's savings-related share option arrangements. For UK- and US-based employees this takes the form of a Save As You Earn plan. For the 2006 offer the fixed monthly saving amount was set at a maximum of £100 per month with a three year savings period.

Personal shareholding policy

The company's personal shareholding policy requires each executive director to build and maintain a personal equity stake, worth twice his basic salary, within five years. All executive directors are above or are approaching this level of personal shareholding.

1 Adjusted profit before tax is calculated as profit before tax from continuing operations before impairments and amortisation of business combination intangibles, investment income, profit on disposals and fair value movements.

2 Adjusted EPS is calculated as basic EPS from continuing operations before impairments and amortisation of intangibles acquired via business combinations, investment income, fair value movements, disposal profits/losses and related tax effects.

expectations. The minimum level, at which one third of the awards will vest, will be at least equal to the level which would be achieved with an 8% compound annual growth rate over the performance period.

Performance graph

Reuters TSR for the five years to 31 December 2006 compared with the return achieved by the FTSE100 index of companies is shown below. As Reuters is a member of the FTSE100, the Committee believes it is the most appropriate market index for comparison.

The calculations assume the reinvestment of dividends.



Pensions

All executive directors participate in defined contribution pension arrangements.

Tom Glocer participates in Reuters US pension arrangements and is entitled to a pension allowance of 25% of his base salary. He is entitled to a lump sum death-in-service benefit whilst in service of four times basic salary.

David Grigson is a member of the Reuters Retirement Plan in the UK and is entitled to a contribution in respect of pension benefits equal to 24% of salary up to a cap of £108,600. He is entitled to a lump sum death-in-service benefit whilst in service of four times basic salary.

Devin Wenig participates in Reuters US pension arrangements and is entitled to a pension allowance of 6% of his base salary. He is entitled to a lump sum death-in-service benefit of \$1 million.

Other benefits

Market practice non-cash benefits are provided to executive directors and the Chairman as shown on page 32. All executive directors receive a company car or an allowance and private healthcare benefits. Disability benefits are also provided to each executive director. Niall FitzGerald does not receive any death, disability or other benefits. Under the terms of Tom Glocer's relocation agreement, Reuters provides accommodation in the UK and pays home leave expenses for him and his family.

Service contracts

The company's policy is for executive directors to have service contracts with notice periods of not more than one year.

	Notice to be given	Date of service contract
Tom Glocer	By Tom Glocer: 90 days without cause 30 days with cause	23 July 2001

In each case the unexpired term of the contract is equivalent to the notice period.

In the event of company-instigated termination, amounts up to a maximum of 12 months' salary, annual bonus and 12 months' pension contributions are payable. In addition, in the event of a non-fault termination, Tom Glocer retains the benefit of any outstanding share plan awards as if his employment had not ceased. Tom Glocer and his family also retain the life assurance and private healthcare benefits provided by Reuters for one year following termination.

On a change of control of the company, all the executive directors are entitled to terminate their contracts on one month's notice unless the acquiring party has, within three months of the change of control, agreed to adopt and uphold the Reuters Trust Principles (see page 146).

All executive directors have contractual terms that limit the ability of an executive director to work for a defined list of competitor companies for a period of time. These provisions are in place to protect intellectual property and commercially sensitive information.

Policy on external appointments

Reuters recognises that executive directors may be invited to become non-executive directors of other companies or to become involved in charitable or public service organisations and that these appointments can broaden the knowledge and experience of directors to the benefit of the company. Accordingly, it is Reuters policy to approve such appointments, provided there is no conflict of interest and the commitment required is not excessive.

Devin Wenig was the only executive director who received fees for an external directorship during 2006. He received fees of \$20,250, 4,500 shares of restricted stock and 9,500 options in his capacity as director of Nastech Pharmaceutical Company.

Chairman and non-executive directors

The Chairman's and the non-executive directors' ordinary remuneration is proposed by the Board and approved by the shareholders at the annual general meeting (AGM). In determining appropriate fee levels, the Board has regard to the remuneration arrangements of chairmen and non-executive directors of other UK listed companies of a similar size and complexity.

As Chairman, Niall FitzGerald receives an annual fee of £500,000. This fee is fixed until 1 October 2007. The company does not provide a pension contribution to him.

Non-executive director appointments are detailed on page 38. Niall FitzGerald and the non-executive directors have letters of engagement rather than service contracts. None is eligible to participate in executive share plans.

Current annual fee levels in respect of the non-executive directors are shown in the table below:

	2006 Fees £000's
Basic	50
Senior Independent Director	5
Chairing the Audit Committee	15
Chairing the Remuneration Committee	10

	By the company: 30 days without cause Immediately with cause	Chairing the Nominations Committee	51
Devin Wenig	12 months	17 February 2003	
David Grigson	12 months	21 June 2001	

1 Niall FitzGerald has waived his £5,000 Nominations Committee chairman fee.

32 Remuneration report continued

Directors' remuneration for 2006 (audited)

The disclosures required by Part 3 of schedule 7A to the Companies Act 1985 ('the auditable part') are contained within the following sections of The Remuneration report.

	2006					2005
	Salary/ Fees £000	Bonus £000	Benefits ¹ £000	Allowance ² £000	Compensation for Loss of Office £000	Total £000
Niall FitzGerald, KBE ^{3&4}	500	—	3	—	—	503
Lawton Fitt	53 ⁶	—	—	35 ⁵	—	88
Penny Hughes	50	—	—	—	—	50
Ed Kozel	50	—	—	35 ⁵	—	85
Sir Deryck Maughan	50	—	—	20 ⁵	—	70
Ken Olisa ¹⁶	50	—	—	—	—	50
Dick Olver	68 ⁷	—	—	—	—	68
Charles Sinclair ¹⁵	N/A	—	—	—	—	N/A
Ian Strachan	60 ⁸	—	—	—	—	60
Tom Glocer ¹⁴	842	1,149	274 ⁹	—	—	2,265
David Grigson	469	534	4 ¹⁰	80 ¹⁰	—	1,087
Devin Wenig	454	516	20 ¹¹	11 ¹¹	—	1,001
Total emoluments of directors ¹²	2,646	2,199	301	181	—	5,327

Notes:

All amounts have been rounded up to the nearest thousand.

The following conversion rate was used: US\$1.82: £1. This was the average rate in effect during 2006.

1 Items included under Benefits are those provided as goods and services received during the year.

2 Items included under Allowances are contractual benefits, which are paid in cash rather than as goods and services during the year.

3 Non-cash benefits received by Niall FitzGerald consist of chauffeur benefits of £2,120.

4 Niall FitzGerald has waived his £5,000 Nominations Committee chairman fee.

5 The £35,000 paid to Lawton Fitt and Ed Kozel and £20,000 to Sir Deryck Maughan represent travel allowances to attend UK board meetings.

6 Fees paid to Lawton Fitt include £2,154 in respect of her position as Chairman of the Audit Committee from 9 November 2006.

7 Fees paid to Dick Olver include £12,829 in respect of his position as Chairman of the Audit Committee until 9 November 2006, and his fee of £5,000 in respect of his position as the Senior Independent Director.

8 Fees paid to Ian Strachan include £10,000 in respect of his position as Chairman of the Remuneration Committee.

9 Non-cash benefits received by Tom Glocer included accommodation costs of £210,085, company car and healthcare benefits totalling £29,217, long-term disability insurance of £2,500, and family travel of £31,219.

10 Non-cash benefits received by David Grigson included healthcare benefits of £1,935 and long-term disability insurance of £1,400. Cash allowances consisted of a car allowance of £7,420 and a retirement allowance of £72,180.

11 Non-cash benefits received by Devin Wenig consisted of healthcare benefits of £19,757. Cash allowances consisted of a car allowance of £10,549. Devin Wenig's salary is paid in US dollars and the total amount reflected in the table is contractually split between his role as executive director and Chief Operating Officer.

12 The total aggregate emoluments for the directors for the period 1 January 2006 to 30 December 2006 were £5.3m. The total emoluments for 2005 were £4.6m.

13 In 2005 the fees paid to Ian Strachan included \$350,000 in respect of his position as a non-executive director (Chairman) of Instinet Group, £50,000 in respect of his position as non-

executive director and £4,489 as Chairman of the Remuneration Committee from 20 July 2005.

- 14
- During the year a group company settled certain personal expenses on behalf of Tom Glocer. The amount due from Tom Glocer at 31 December 2006, which was the maximum outstanding during the year was £3,720. No interest was charged. Tom Glocer repaid the amount after year end.
- 15
- Charles Sinclair resigned as a director on 6 December 2005.
- 16
- £8,333 of Ken Olisa's non-executive director fee was paid directly to Interregnum plc.

Other senior managers' remuneration

						2006	2005
	Salary/ Fees £000	Bonus £000	Benefits £000	Allowance £000	Compensation for Loss of Office £000	Total £000	Total £000
Other senior managers as a group (17 persons) (2005: 6 persons)	3,247	3,304	212	256	—	7,019	4,616

Notes:

All amounts have been rounded up to the nearest thousand.

The following conversion rates were used: US\$ 1.82: £1, Swiss Franc 2.3: £1, Hong Kong \$14.18: £1. These were the average rates in effect during 2006.

Directors' pensions (audited)

Tom Glocer, David Grigson and Devin Wenig participate in defined contribution pension arrangements. Tom Glocer participates in Reuters US pension arrangements and is entitled to a pension allowance of 25% of his base salary during 2006 and 2007. He is entitled to a lump sum death-in-service benefit of four times basic salary.

David Grigson is a member of the Reuters Retirement Plan in the UK and is entitled to a contribution in respect of pension benefits equal to

24% of salary up to a salary cap of £108,600. He is entitled to a lump sum death-in-service benefit of four times basic salary.

Devin Wenig participates in Reuters US pension arrangements and is entitled to a pension allowance of 6% of his base salary. He is entitled to a lump sum death-in-service benefit of \$1 million.

Contributions and allocations (including the cost of life cover) in respect of these directors in 2006 were:

	Age	Company contribution in respect of period £000
Tom Glocer	47	214
David Grigson	52	30
Devin Wenig	40	28

The information shown complies with requirements under both the UK Listing Authority and the Directors' Remuneration Report Regulations 2002.

The total amount of contributions or accruals made in 2006 to provide pension and similar benefits for the directors was £395,854 (2005: £307,310) and for the executive directors and the other senior managers as a group was £1,178,386 (2005: £847,251).

These aggregate figures also include an accrual of £124,000 and £139,000 respectively for the investment returns within the US executive pension arrangements. These investment returns are calculated based on each individual's notional fund choices made by reference to actual investment funds and the actual investment returns achieved on these funds.

Directors' interests in long-term plans (audited)

	Plan	Date of award	Number at 1 January 2006 (or later date of appointment)	Number granted during period	Market price per share at grant (pounds)	Number vested during period	Market price per share at vesting date	Number (released) during period ⁴	Number (lapsed) during period	Number at 31 December 2006 (or earlier date of departure)	End of qualifying period	Expiry date
Tom Glocer	LTIP ^{1&2}	25/06/2001	174,451	—	—	—	—	—	(174,451)	—	31-Dec-05	31-Jan-06
		20/02/2002	234,974	—	—	—	—	—	—	234,974	31-Dec-06	31-Jan-07
		24/02/2003	1,731,277	—	—	—	—	—	—	1,731,277	31-Dec-07	31-Jan-08
		23/02/2004	544,094	—	—	—	—	—	—	544,094	31-Dec-06	31-Jan-07
		11/03/2005	417,228	—	—	—	—	—	—	417,228	31-Dec-07	31-Jan-08
		15/03/2006 ³	—	500,000	£3.93	—	—	—	—	500,000	31-Dec-08	31-Jan-09

Total			3,102,024	500,000	–	–	–	–	(174,451)	3,427,573	
Devin Wenig	PRSP ^{1&2}	29/03/2001	20,704	–	–	–	–	–	(20,704)	–	31-Dec-0501-Jan-06
	LTIP ^{1&2}	25/06/2001	2,295	–	–	–	–	–	(2,295)	–	31-Dec-0501-Jan-06
		20/02/2002	22,047	–	–	–	–	–	–	22,047	31-Dec-0601-Jan-07
		24/02/2003	200,000	–	–	–	–	–	–	200,000	31-Dec-0701-Jan-08
		23/02/2004	200,000	–	–	–	–	–	–	200,000	31-Dec-0601-Jan-07
		11/03/2005	163,468	–	–	–	–	–	–	163,468	31-Dec-0701-Jan-08
		15/03/2006 ³	–	250,000	£3.93	–	–	–	–	250,000	31-Dec-0801-Jan-09
Total			608,514	250,000	–	–	–	–	(22,999)	835,515	
David Grigson	LTIP ^{1&2}	25/06/2001	26,294	–	–	–	–	–	(26,294)	–	31-Dec-0501-Jan-06
		20/02/2002	37,205	–	–	–	–	–	–	37,205	31-Dec-0601-Jan-07
		24/02/2003	200,000	–	–	–	–	–	–	200,000	31-Dec-0701-Jan-08
		23/02/2004	200,000	–	–	–	–	–	–	200,000	31-Dec-0601-Jan-07
		11/03/2005	163,468	–	–	–	–	–	–	163,468	31-Dec-0701-Jan-08
		15/03/2006 ³	–	200,000	£3.93	–	–	–	–	200,000	31-Dec-0801-Jan-09
Total			626,967	200,000	–	–	–	–	(26,294)	800,673	

Notes:

1 See performance conditions attached to LTIP awards, as described on page 30.

The PRSP plan operated from 1995 to 2001 and targeted senior executives not participating in the LTIP. Devin Wenig held awards granted before he became an executive director. All outstanding awards have now lapsed. The performance condition was the same as for LTIP, although vested shares could be released three years after grant.

2 LTIP 2001 and PRSP 2001 awards are available for exercise immediately on vesting. The qualifying period may be extended by up to two years where vesting does not occur or is only partial after the initial three-year period. LTIP awards to executive directors prior to 2004 are subject to a retention period of two years from vesting, save that this is reduced to one year where the performance period has been extended to five years. For awards made in or prior to 2003, the plan permits the measurement period to be extended by up to two years under a re-testing provision. For LTIP awards made from 2004 onwards no re-testing is permitted.

LTIP 2001 and PRSP 2001 did not meet performance conditions and therefore lapsed. Had they vested they would have been exercisable from 1 January 2006.

3 2006 awards are described on page 30.

4 Subject to performance conditions being met, share awards are due for release as soon as possible after vesting (subject to any restricted period).

34 Remuneration report continued

Senior managers' interests in long-term plans (audited)

	Plan	Date of award	Number at 1 January 2006 (or later date of appointment)	Number granted during period	Market price per share at grant (pounds)	Number vested during period	Market price per share at vesting date (pounds)	Number (released) during period ⁵	Number (lapsed) during period	Number at 31 December 2006 (or earlier date of departure)	End of qualifying period	Expiry date
Other senior managers as a group (17 persons) (2005: 6 persons) ⁶	PRSP ^{1&2}	29/03/2001	13,884	–	–	–	–	–	(13,884)	–	31-Dec-05	01-Jan-06
	LTIP ^{1&2}	25/06/2001	2,602	–	–	–	–	–	(2,602)	–	31-Dec-05	01-Jan-06
		20/02/2002	97,369	–	–	–	–	–	–	97,369	31-Dec-06	01-Jan-07
		24/02/2003	807,463	–	–	–	–	–	–	807,463	31-Dec-07	01-Jan-08
		23/02/2004	407,814	–	–	–	–	–	–	407,814	31-Dec-06	01-Jan-07
		03/12/2004	92,368	–	–	–	–	–	–	92,368	31-Dec-06	01-Jan-07
		11/03/2005	461,472	–	–	–	–	–	–	461,472	31-Dec-07	01-Jan-08
		15/03/2006	268,146	368,208	£3.93	–	–	–	–	636,354	31-Dec-08	01-Jan-09
		02/08/2006	–	64,000	£3.93	–	–	–	–	64,000	31-Dec-08	01-Jan-09
	RSP ³	27/08/2004	70,647	–	£3.21	21,507	£3.95	(21,507)	–	49,140	27-Aug-06	27-Aug-08
		03/12/2004	25,857	–	£3.89	8,619	£4.50	(8,619)	–	17,238	03-Dec-06	03-Dec-08
		11/03/2005	159,347	–	£4.19	1,838	£3.92	(1,838)	–	157,509	11-Mar-06	11-Mar-09
		02/08/2005	19,632	–	£3.89	4,908	£3.87	(4,908)	–	14,724	02-Aug-06	02-Aug-09
		15/03/2006	264,855	11,648	£3.93	–	–	–	–	276,503	15-Mar-07	15-Mar-10
	ABPSP ⁴	11/03/2005	417	–	£4.19	417	£3.92	(417)	–	–	11-Mar-06	11-Mar-06
Total			2,691,873	443,856	–	37,289		(37,289)	(16,486)	3,081,954		

Notes:

1 See performance conditions attached to LTIP awards, as described on page 30 above.

The PRSP plan operated from 1995 to 2001 and targeted senior executives not participating in the LTIP. All outstanding awards have now lapsed. The performance condition was the same as for LTIP, although vested shares could be released three years after grant.

2 LTIP 2001 and PRSP 2001 awards are available for exercise immediately on vesting. The qualifying period may be extended by up to two years where vesting does not occur or is only partial after the initial three-year period. For awards made in or prior to 2003, the plan permits the measurement period to be extended by up to two years under a re-testing provision.

For LTIP awards made from 2004 onwards no re-testing is permitted.

LTIP 2001 and PRSP 2001 did not meet performance conditions and therefore lapsed. Had they vested they would have been exercisable from 1 January 2006.

- 3 The restricted share plan was introduced in 2004. Restricted shares will not normally be granted for long-term incentive purposes to executive directors or members of the GLT. The indicated awards were made prior to the appointment of the relevant individuals as GLT members. Awards are normally granted with a four year vesting period, vesting 25% each year. Therefore, 25% vested in 2006 on the anniversary of the date of grant. If this date fell on a non-trading date, the shares vested at the next available trading date.
- 4 The annual bonus profit sharing plan was introduced in 2004 to focus employees on reward for profit growth. From 2005, any payments under the plan are made in cash to simplify the operation of the plan. GLT members did not participate in this plan in 2006.
- 5 Subject to performance conditions being met, share awards are due for release as soon as possible after vesting (subject to any restricted period).
- 6 Other senior managers as a group were 6 persons at 1 January 2006 and were 16 persons at 31 December 2006 following the creation of the GLT in June 2006, which replaced the Group Management Committee (GMC).

Share options granted to directors (audited)

	Plan	Date of grant	Exercise price (pounds)	Number at 1 January 2006 (or later date of appointment)	Number granted during period	Number vested during period	Number (exercised) during period ⁶	Number (lapsed) during period	Number at 31 December 2006 (or earlier date of departure)	Earliest exercise date	Expiry date
Tom Glocer ⁶	DSOP ³	25/06/2001	£8.62	565,113	–	–	– (565,113)	–	–	25-Jun-06	25-Jun-11
		20/02/2002	£5.28	461,295	–	–	–	–	461,295	20-Feb-07	20-Feb-12
		02/08/2002	£2.66	915,654	–	–	–	–	915,654	02-Aug-07	02-Aug-12
		24/02/2003	£1.35	1,307,514	–	1,307,514	–	–	1,307,514	24-Feb-06	24-Feb-13
		04/08/2003	£2.45	706,594	–	706,594	–	–	706,594	04-Aug-06	04-Aug-13
		23/02/2004	£4.07	789,430	–	–	–	–	789,430	23-Feb-07	23-Feb-14
		27/08/2004	£3.21	1,000,928	–	–	–	–	1,000,928	27-Aug-07	27-Aug-14
		11/03/2005	£4.19	719,473	–	–	–	–	719,473	11-Mar-08	11-Mar-15
		02/08/2005	£3.89	774,959	–	–	–	–	774,959	02-Aug-08	02-Aug-15
		15/03/2006 ⁵	£3.93	–	625,000	–	–	–	625,000	15-Mar-09	15-Mar-16
		02/08/2006 ⁵	£3.93	–	625,000	–	–	–	625,000	02-Aug-09	02-Aug-16
	SAYE ⁴	16/04/2003	£0.90	4,200	–	4,200	(4,200)	–	–	01-Jun-06	01-Dec-06
		07/04/2004	£3.14	1,200	–	–	–	–	1,200	01-Jun-07	01-Dec-07
		14/04/2005	£3.33	569	–	–	–	–	569	01-Jun-08	01-Dec-08
		10/04/2006 ⁵	£3.14	–	1,191	–	–	–	1,191	01-Jun-09	01-Dec-09
Total				7,246,929	1,251,191	2,018,308	(4,200)	(565,113)	7,928,807		
Devin Wenig ⁶	DSOP ³	27/12/2000 ^{2&3}	£11.39	6,913	–	–	–	–	6,913	27-Dec-01	27-Dec-07
		25/06/2001 ^{2&3}	£8.62	9,135	–	–	–	–	9,135	25-Jun-02	25-Jun-11
		20/02/2002 ^{2&3}	£5.28	25,936	–	6,484	–	–	25,936	20-Feb-03	20-Feb-12
		02/08/2002 ^{2&3}	£2.66	200,000	–	50,000	–	–	200,000	02-Aug-03	02-Aug-12
		24/02/2003	£1.35	200,000	–	200,000	–	–	200,000	24-Feb-06	24-Feb-13
		04/08/2003	£2.45	200,000	–	200,000	–	–	200,000	04-Aug-06	04-Aug-13
		23/02/2004	£4.07	122,950	–	–	–	–	122,950	23-Feb-07	23-Feb-14
		27/08/2004	£3.21	155,892	–	–	–	–	155,892	27-Aug-07	27-Aug-14
		11/03/2005	£4.19	281,886	–	–	–	–	281,886	11-Mar-08	11-Mar-15
		02/08/2005	£3.89	303,625	–	–	–	–	303,625	02-Aug-08	02-Aug-15

		15/03/2006 ⁵	£3.93	–	325,000	–	–	–	325,000	15-Mar-09	15-Mar-16
		02/08/2006 ⁵	£3.93	–	325,000	–	–	–	325,000	02-Aug-09	02-Aug-16
	SAYE ⁴	07/04/2004 ¹	\$7.27	1,200	–	–	–	–	1,200	01-Jun-07	01-Dec-07
		14/04/2005 ¹	\$7.93	1,134	–	–	–	–	1,134	01-Jun-08	01-Dec-08
Total				1,508,671	650,000	456,484	–	–	2,158,671		
David Grigson ⁶	DSOP ³	25/06/2001	£8.62	92,807	–	–	–	(92,807)	–	25-Jun-06	25-Jun-11
		20/02/2002	£5.28	75,757	–	–	–	–	75,757	20-Feb-07	20-Feb-12
		02/08/2002	£2.66	150,375	–	–	–	–	150,375	02-Aug-07	02-Aug-12
		24/02/2003	£1.35	200,000	–	200,000	–	–	200,000	24-Feb-06	24-Feb-13
		04/08/2003	£2.45	200,000	–	200,000	–	–	200,000	04-Aug-06	04-Aug-13
		23/02/2004	£4.07	122,950	–	–	–	–	122,950	23-Feb-07	23-Feb-14
		27/08/2004	£3.21	155,892	–	–	–	–	155,892	27-Aug-07	27-Aug-14
		11/03/2005	£4.19	281,886	–	–	–	–	281,886	11-Mar-08	11-Mar-15
		02/08/2005	£3.89	303,625	–	–	–	–	303,625	02-Aug-08	02-Aug-15
		15/03/2006 ⁵	£3.93	–	250,000	–	–	–	250,000	15-Mar-09	15-Mar-16
		02/08/2006 ⁵	£3.93	–	250,000	–	–	–	250,000	02-Aug-09	02-Aug-16
	SAYE ⁴	16/04/2003	£0.90	4,200	–	4,200	(4,200)	–	–	01-Jun-06	01-Dec-06
		07/04/2004	£3.14	1,200	–	–	–	–	1,200	01-Jun-07	01-Dec-07
		14/04/2005	£3.33	569	–	–	–	–	569	01-Jun-08	01-Dec-08
Total				1,589,261	500,000	404,200	(4,200)	(92,807)	1,992,254		

Notes:

- 1 The options indicated are over American Depositary Shares (ADSs). Each ADS represents six ordinary shares, is denominated in US dollars and trades on NASDAQ. For the purposes of this disclosure, ADSs have been converted into the equivalent number of ordinary shares and an equivalent option price.
- 2 The indicated awards were made prior to the appointment of the relevant individual as an executive director. The DSOP options granted prior to the appointment as an executive director have no performance condition.
- 3 Save as disclosed in note 2 above, exercise of each DSOP award is conditional on the performance criteria described on page 30. Performance conditions were varied during 2006 as described on page 30.
- 4 Options granted under the SAYE Plan have no performance conditions.
- 5 2006 awards are described on page 30.
- 6 There were total gains of £27,384 on the exercise of share options in 2006 (2005: £nil). The market price of the shares at the dates of exercise on 1 June 2006 and 8 November 2006 were £3.78 and £4.55 respectively.

At 29 December 2006, the market price of our shares was 445.25 pence per share and \$52.24 per ADS. The highest prices during the year were 475 pence per share and \$54.25 per ADS and the lowest were 348.50 pence per share and \$38.51 per ADS.

36 Remuneration report continued

Share options granted to senior managers (audited)

	Plan	Date of grant	Exercise price (pounds)	Number at 1 January 2006 (or later date of appointment)	Number granted during period	Number vested during period	Number (exercised) during period	Number (lapsed) during period	Number at 31 December 2006 (or earlier date of departure)	Earliest exercise date	Expiry date
Other senior managers as a group (17 persons) (2005: 6 persons)³	DSOP ²	27/12/2000	£11.39	37,858	–	–	–	–	37,858	27-Dec-01	27-Dec-07
		25/06/2001	£8.62	5,800	–	–	–	(5,800)	–	25-Jun-02	25-Jun-06
		25/06/2001	£8.62	76,243	–	–	–	–	76,243	25-Jun-02	25-Jun-11
		21/12/2001	£6.92	13,549	–	–	–	–	13,549	21-Dec-02	21-Dec-11
		20/02/2002	£5.28	5,697	–	1,424	–	–	5,697	20-Feb-03	20-Feb-07
		20/02/2002	£5.28	117,111	–	13,843	–	–	117,111	20-Feb-03	20-Feb-12
		02/08/2002	£2.66	150,000	–	37,500	(150,000)	–	–	02-Aug-03	02-Aug-07
		02/08/2002	£2.66	736,954	–	198,813	–	–	736,954	02-Aug-03	02-Aug-12
		24/02/2003	£1.35	488,108	–	98,579	(81,829)	–	406,279	24-Feb-04	24-Feb-13
		01/04/2003	£1.08	56,250	–	–	(37,500)	–	18,750	01-Apr-04	01-Apr-13
		04/08/2003	£2.45	901,365	–	238,788	(112,500)	–	788,865	04-Aug-04	04-Aug-13
		23/02/2004	£4.07	377,713	–	59,834	–	–	377,713	23-Feb-05	23-Feb-14
		27/08/2004	£3.21	343,608	–	85,902	–	–	343,608	27-Aug-05	27-Aug-14
		11/03/2005	£4.19	224,648	–	56,162	–	–	224,648	11-Mar-06	11-Mar-15
		02/08/2005	£3.89	241,968	–	60,492	–	–	241,968	02-Aug-06	02-Aug-15
		15/03/2006	£3.93	36,000	234,000	–	–	–	270,000	15-Mar-07	15-Mar-16
		02/08/2006	£3.93	–	355,000	–	–	–	355,000	02-Aug-07	02-Aug-16
	SAYE ¹	11/04/2002	£4.48	4,022	–	–	–	–	4,022	01-Jun-05	01-Dec-05
		16/04/2003	£0.90	16,800	–	8,400	(12,600)	–	4,200	01-Jun-06	01-Dec-06
		07/04/2004	£3.14	10,800	–	–	–	–	10,800	01-Jun-07	01-Dec-07
		14/04/2005	£3.33	4,779	–	–	–	–	4,779	01-Jun-08	01-Dec-08
		10/04/2006	£3.14	3,551	1,786	–	–	–	5,337	01-Jun-09	01-Dec-09
Total				3,852,824	590,786	859,737	(394,429)	(5,800)	4,043,381		

Notes:

1 Options granted under the SAYE Plan have no performance conditions.

- 2 The DSOP was approved by the shareholders in April 2001. Awards are normally granted with a four year vesting period, vesting 25% each year. Therefore, 25% vested in 2006 on the anniversary of the date of grant. If this date fell on a non-trading date, the shares vested at the next available trading date.
- 3 Other senior managers as a group were 6 persons at 1 January 2006 and were 16 persons at 31 December 2006 following the creation of the GLT in June 2006, which replaced the GMC.
- At 29 December 2006, the market price of our shares was 445.25 pence per share and \$52.24 per ADS. The highest prices during the year were 475 pence per share and \$54.25 per ADS and the lowest were 348.50 pence per share and \$38.51 per ADS.

Directors' interests in ordinary shares

The total interests of the current directors in issued share capital and in shares underlying options and incentive plans are shown below as at 9 March 2007. No director or senior manager beneficially owns 1% or more of Reuters issued share capital. Interests in ordinary shares

(excluding options and interests in long-term incentive plans disclosed above) held at 1 January 2006 and 31 December 2006 are also shown for directors in office at 31 December 2006. Directors were the beneficial owners of all shares except for 16,875 shares held by David Grigson's family members and 52,451 shares held by a trust of which Tom Glocer and his family are beneficiaries.

	Interests at 1 January 2006 Shares ¹	Interests at 31 December 2006 Shares	Interests at 9 March 2007		
			Shares	Long-term incentives	Options
Niall FitzGerald, KBE	50,000	80,000	80,000	–	–
Tom Glocer	372,145	401,345	401,345	3,192,599	6,551,858
David Grigson	63,430	67,630	67,630	763,468	1,766,122
Devin Wenig	105,843	105,843	105,843	813,468	2,158,671
Lawton Fitt	25,000	25,000	25,000	–	–
Penny Hughes	–	2,392	2,392	–	–
Ed Kozel	7,500	7,500	7,500	–	–
Sir Deryck Maughan	–	–	–	–	–
Nandan Nilekani ³	n/a	n/a	–	–	–
Ken Olisa	2,550	2,550	2,550	–	–
Dick Olver	10,000	10,000	10,000	–	–
Ian Strachan	15,500	15,500	15,500	–	–
Other senior managers as a group (17 persons) ²	327,718	415,678	394,611	2,704,925	3,108,040

None of the directors has notified the company of an interest in any other shares, or other transactions or arrangements which require disclosure.

¹ Or date of appointment if later than 1 January 2006.

² Other senior managers as a group were 16 persons at 31 December 2006 and 17 persons at 9 March 2007. On 15 June 2006 the GLT was created and replaced the GMC. On 31 December 2006, Julie Holland, Geert Linnebank and Susan Taylor-Martin stepped down from the GLT and John Alcantara, LeeAnn Daly and David Schlesinger were appointed on 1 January 2007. David Craig was appointed to the GLT on 1 March 2007.

³ Nandan Nilekani joined the Board as Non-executive director on 1 January 2007.

On 13 March 2007 awards of 500,000, 300,000 and 200,000 shares under the LTIP were made to Tom Glocer, Devin Wenig and David Grigson respectively. On the same day, share options awards of 625,000, 375,000 and 250,000 were made to Tom Glocer, Devin Wenig and David Grigson respectively.

On 13 March 2007 aggregate awards of 1,177,680 shares under the LTIP and RSP and 731,032 share options were made to other senior managers as a group.

On 12 March 2007 awards under the 2004 LTIP were released to the executive directors and senior managers. On 12 March 2007, shares were released to senior managers from the March 2005 RSP and on 15 March 2007 shares were released to senior managers from the March 2006 RSP.



On behalf of the Board

Ian Strachan

Chairman of the Remuneration Committee, 15 March 2007

38 Statements of directors' responsibilities and compliance

Corporate governance

The following sections of this report deal with Reuters corporate governance and how the company complies with the requirements of the UK's Companies Act 1985 (the 'Companies Act') and Combined Code, the NASDAQ listing rules and the SEC's rules under the Sarbanes-Oxley Act.

Compliance with the UK and US rules on governance

The listing rules of the UK Listing Authority of the FSA require UK-listed companies to report on their governance practices and on the extent to which they comply with the provisions set out in the Combined Code on Corporate Governance. As Reuters shares are also traded on NASDAQ we are required to comply with NASDAQ's listing rules and the SEC's governance rules. In this section of the report we describe how we comply with these requirements and where we do not comply, we explain why not.

Throughout 2006, Reuters has complied with the Combined Code on Corporate Governance, save that no individual member of the Audit Committee has been identified by the Board as having 'recent and relevant financial experience' (code principle C3.1). However, in common with all the non-executive directors, the members of the Audit Committee are experienced and influential individuals, having the skills described in their biographies in 'Directors and senior managers' (see pages 26–28) and the Board considers that, collectively, the members have the attributes required to discharge properly the Committee's responsibilities.

Reuters also complies with all SEC and NASDAQ governance requirements, with the exception of two provisions of the NASDAQ governance rules. The company has received waivers from NASDAQ to both exceptions on the basis that compliance with the rules would be contrary to standard UK business practice. Since 1988, Reuters has operated under a waiver of NASDAQ's requirement that all shareholder meetings require a quorum of at least one-third of

outstanding voting shares; instead, the company's Articles of Association (Articles) provide, as is typical for English public companies, that a quorum shall consist of any two shareholders. In 2004 the company also received a waiver from NASDAQ's provisions requiring shareholder approval of employee share-based incentive schemes. Reuters seeks and has received shareholder approval of its employee share-based incentive schemes to the extent required by UK regulation, including the Listing Rules.

While the company's auditors, PricewaterhouseCoopers LLP, are not required to form an opinion on the effectiveness of the company's corporate governance procedures, they are required to review whether this corporate governance statement reflects the company's compliance with nine of the Combined Code's provisions as specified by the Listing Rules. These provisions are contained within section C of the Combined Code, which relates to Accountability and Audit. Having conducted a review, PricewaterhouseCoopers LLP are obliged to report if they consider that this statement does not reflect such compliance. No such report has been made.

A. The Board

Composition of the Board

"Every company should be headed by an effective board, which is collectively responsible for the success of the company." (Combined Code – Main Principle A.1)

"The board should include a balance of executive and non-executive directors (and in particular independent non-executive directors) such that no individual or small group of individuals dominate the board's decision taking." (Combined Code – Main Principle A.3)

The Board comprises a non-executive Chairman, 8 non-executive directors and 3 executive directors. Further details of the Board's composition and the company's assessment of the independence of its directors are set out in the table below. Biographies of the directors and details of their other commitments are set out on pages 26–27. Biographies of Reuters senior managers are set out on pages 27–28.

Composition of the Board

Name	Position	No. of years on Board	Independent (as determined by the Board)	Audit Committee	Nominations Committee	Remuneration Committee
L Fitt	Non-executive Director and Chairman of Audit Committee	2	Yes	Yes (Chairman)	No	No
N FitzGerald	Chairman and Chairman of Nominations Committee	4	Yes	No	Yes (Chairman)	No
T Glocer	CEO	5	No	No	No	No
D Grigson	CFO	6	No	No	No	No
P Hughes	Non-executive Director	2	Yes	No	No	Yes
E Kozel ⁵	Non-executive Director	6	Yes	No	No	Yes
D Maughan ⁶	Non-executive Director	1	Yes	No	No	see note 6
N Nilekani ⁴	Non-executive Director	In first year	Yes	Yes	No	No

K Olisa	Non executive Director	2	Yes	Yes	No	No
D Olver ¹	Non-executive Director and Senior Independent Director	9	Yes	Yes	Yes	No
I Strachan ²	Non-executive Director and Chairman of Remuneration Committee	6	Yes	No	Yes	Yes (Chairman)
D Wenig ³	COO	3	No	No	No	No

Notes:

- ¹ Dick Olver was chairman of the Audit Committee until 9 November 2006 when he was succeeded by Lawton Fitt.
- ² Ian Strachan was appointed to the Nominations Committee on 24 January 2006.
- ³ Devin Wenig was appointed as Chief Operating Officer on 15 June 2006.
- ⁴ Nandan Nilekani was appointed as a non-executive director and a member of the Audit Committee with effect from 1 January 2007.
- ⁵ Ed Kozel is retiring from the Board and the Remuneration Committee on 26 April 2007.
- ⁶ Sir Deryck Maughan is joining the Remuneration Committee on 26 April 2007.

The quality of the individual directors, the balance of the Board's composition and the dynamics of the Board as a group, ensure both the Board's effectiveness and the inability of an individual or small group to dominate the Board's decision making.

The Board has determined that each of the non-executive directors is independent in character and judgement by reason of his or her personal qualities, and that each of the non-executive directors is 'independent' as that term is defined in NASDAQ and SEC governance requirements. Particular consideration was given to the assessment of Dick Olver's independence since he has now been on the Reuters Board for more than nine years. Dick was asked by the Chairman to remain on the Board because of his experience, wisdom and his effectiveness as a non-executive director.

Board responsibilities and process

"There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for running the company's business. No one individual should have unfettered powers of decision." (Combined Code – Main Principle A.2)

There is a clear division of responsibilities between the running of the Board, which is the Chairman's responsibility, and the running of Reuters business, which is the CEO's responsibility, with the Board having oversight. The division of responsibilities is set out in a document approved by the Board. The Board is responsible for the success of the Group within a framework of controls which enables risk to be assessed and managed. Its aim is for the Group to achieve profitable growth within an acceptable risk profile.

All directors are equally accountable for the proper stewardship of the company and share responsibility for maintaining the company's high standards of ethics and integrity. The non-executive directors contribute particularly by challenging constructively the company's strategy and performance, management's assessment of risk, the integrity of internal controls and by ensuring appropriate remuneration and succession planning arrangements are in place.

The Senior Independent Director, Dick Olver, is responsible for undertaking the annual review of the Chairman's performance and he chairs the Nominations Committee when considering the role of

Chairman. The Senior Independent Director also makes himself available to shareholders to discuss any matters.

The CEO is assisted by the GLT in managing the business. It comprises the three executive directors and the senior managers listed on page 26. A Disclosure Committee, chaired by the CEO, reviews the Group's trading statements and financial results and considers the effectiveness of the Group's disclosure controls and procedures. Its members comprise the CEO, the CFO, the Director of Corporate Affairs, the General Counsel and Company Secretary, the Global Head of Internal Audit, the Global Head of Finance, the Head of External Reporting, the General Counsel for the Americas, the Global Head of Investor Relations and the Global Head of External Communications. A sub-committee meets on an ad hoc basis to address disclosure matters arising between reporting periods.

A schedule of matters reserved for the Board's decision identifies those matters that the Board does not delegate to management. It includes the approval of corporate objectives, strategy and the budget, significant transactions and matters relating to share capital.

The Board delegates specific responsibilities to the Audit, Remuneration and Nominations Committees. Each Committee has its own terms of reference set by the Board. These are available on request from the Company Secretary or at www.about.reuters.com/csr/corporategovernance. Reports of the Audit and Remuneration Committee are set out on pages 29 and 42 and the activities of the Nominations Committee are described in the interview with Niall FitzGerald on pages 22–23.

All directors have access to the services of the Company Secretary who is appointed by, and can only be removed by, the Board. The directors may take independent professional advice at the company's expense. None of the directors sought such advice during 2006. Reuters provides insurance cover and indemnities for its directors and officers.

The Board met eight times in 2006 and held a two-day strategy meeting with senior management in Palo Alto, California. The Chairman routinely meets with non-executive directors, without the executive directors present, after each Board meeting. Attendance by individual directors at Board and Committee meetings during 2006 is set out in the table below.

Attendance at meetings

Name	Attendance at Board meetings (8 meetings + Awayday in 2006)	Attendance at Audit Committee meetings (6 meetings in 2006)	Attendance at Remuneration Committee meetings (5 meetings in 2006)	Attendance at Nominations Committee meetings (1 meeting in 2006)
L Fitt	Full attendance	Full attendance	n/a	n/a
N FitzGerald	Full attendance	n/a	n/a	Full attendance
T Glocer	Full attendance	n/a	n/a	n/a
D Grigson	Full attendance	n/a	n/a	n/a
P Hughes	Full attendance	n/a	Absent 1	n/a
E Kozel	Absent 2	n/a	Absent 1	n/a
D Maughan	Absent 2	n/a	n/a	n/a
K Olisa	Absent 1	Full attendance	n/a	n/a

D Oliver	Absent 1	Absent 1	n/a	Full attendance
I Strachan	Absent 1	n/a	Full attendance	Full attendance
D Wenig	Full attendance	n/a	n/a	n/a

Niall FitzGerald attended 5 Remuneration Committee meetings at the invitation of the Remuneration Committee chairman.
The CEO attended 5 Remuneration Committee meetings at the invitation of the Remuneration Committee chairman and 3 Audit Committee meetings at the invitation of the Audit Committee chairman.

40 Statements of directors' responsibilities and compliance

continued

Appointments to the Board

"There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board." (Combined Code – Main Principle A.4)

The Nominations Committee leads the process for Board appointments and makes recommendations to the Board. Its work in 2006 is summarised above in the interview with Niall FitzGerald (see pages 22–23). A director may not be involved in any decision concerning him or his successor. The Committee has appointed an external adviser to assist it in its work in identifying potential candidates for non-executive directorships.

Information and directors' induction and training

"The board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. All directors should receive induction on joining the board and should regularly update and refresh their skills and knowledge." (Combined Code – Main Principle A.5)

Nandan Nilekani, who joined Reuters Board on 1 January 2007, received a directors' manual which provides information about Reuters and the operation of the Board and its committees. During 2007 he will receive a series of induction briefings to gain insights into the company. Nandan, like the other directors, is being supplied with Reuters products.

Ongoing training for directors is available as appropriate. The company's legal advisers and auditors provide briefings to the directors from time to time. In the twelve months to March 2007 the directors received information from the company's lawyers and auditors on aspects of Sarbanes-Oxley Act, the new UK Companies Act 2006, and on new legislation concerning disclosures to be made to the auditors. Guest speakers are occasionally invited to join Board dinners to discuss topics of interest with the directors and opportunities are provided for non-executive directors to meet with shareholders, customers and others involved in Reuters business.

The Chairman is responsible for ensuring that directors receive accurate, timely and clear information. Regular and ad hoc reports and presentations are prepared and circulated to the directors a week in advance of Board meetings, together with minutes and papers relating to the Board's committees. The directors also receive a monthly Performance report which summarises financial and operational performance and provides updates on key programmes within the business.

Board performance evaluation

"The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors." (Combined Code – Main Principle A.6)

In response to the findings of the 2005 Board effectiveness review, during the year the Board made some changes to the way it operates. It introduced time at the end of each meeting for the Chairman and non-executive directors to meet on their own; it improved the flow of information about aspects of the business which might be of general interest to the directors; and it created an opportunity at its annual strategy meeting for the Board and senior management to spend time together outside the usual environment of a Board meeting.

The 2006 Board effectiveness review was similar in format to the 2005 review in that:

- the Chairman reviewed the performance of the CEO and each individual director;

- the CEO reviewed the performance of the CFO and the COO;
- Dick Olver, the senior independent non-executive director, led a review of the performance of the Chairman;
- Dr Annie McKee of the Teleos Leadership Institute facilitated a Board effectiveness review in which the performance of the Board as a whole and of the Chairman and the CEO was considered;
- Dr McKee also facilitated reviews of the effectiveness of the Audit Committee and the Remuneration Committee; and
- the Board discussed and agreed the Nominations Committee's approach to identifying and recruiting potential future Board members.

The format of the reviews was interviews with the directors and others involved in the work of the Board and its committees, the output from which was thematically analysed and discussed with the person or group being reviewed, the Board as a whole, as well as with the Chairman. In addition to agreeing actions relating to individual and collective effectiveness, the Board has decided to change the frequency and length of Board meetings to have six rather than eight meetings each year but to extend each meeting over two days to allow the directors to become more deeply immersed in consideration of strategic issues.

Re-election of directors

"All directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance. The board should ensure planned and progressive refreshing of the board." (Combined Code – Main Principle A.7)

The Articles provide that at each AGM any director appointed since the last AGM shall stand for election by the shareholders and one third of the directors shall retire from office by rotation and be eligible for re-election by the shareholders. However, to recognise that some shareholders prefer all the directors to stand for re-election each year, once again at the 2007 AGM each of the directors will retire from office and offer himself or herself for re-election, save for Ed Kozel who will retire from the Board with effect from the end of the AGM.

B. Remuneration of directors

The Combined Code has a section covering remuneration principles. Reuters compliance with those principles is described in the directors' Remuneration report on pages 29 to 37.

C. Accountability and audit:

Directors' statement of responsibility

"The board should present a balanced and understandable assessment of the company's position and prospects." (Combined Code – Main Principle C.1)

The directors are responsible for ensuring that the Directors' report and the consolidated financial statements of the company and its subsidiaries (the Group) and parent company financial statements for Reuters Group PLC are prepared in accordance with applicable laws and regulations. The financial statements for each financial year must give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the profit and cash flows of the Group for the period. The company is also required to prepare financial statements in accordance with the requirements of the SEC.

The company has complied with both UK and US disclosure requirements in this report in order to present a true and fair view to

all shareholders. In preparing the financial statements, applicable accounting standards have been followed, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made where appropriate.

The directors have reviewed the budget and cash flow forecasts for the Group for the year to 31 December 2007 and outline projections for the subsequent year in the light of the financial position and borrowing facilities at 31 December 2006. On the basis of this review, the directors are satisfied that Reuters Group is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

Internal control

"The board should maintain a sound system of internal control to safeguard shareholders' investment and the company's assets."
(Combined Code – Main Principle C.2)

The directors acknowledge their responsibility for the company's system of internal control and confirm they have reviewed its effectiveness. In doing so, the Board has taken note of the Guidance on Internal Control (the Turnbull Guidance) contained in the Combined Code. The Board confirms that it has a process for identifying, evaluating and managing significant risks faced by the company. This process, which accords with the Turnbull Guidance, has been in place for the full financial year and is ongoing. The control system includes:

- objective setting, risk assessment and monitoring of performance at both strategic and business unit levels through a process known within the company as 'mission analysis';
- the use of 'balanced scorecards' to track performance against targets relating to the financial, business, people and customer aspects of the company's business;
- written policies and control procedures;
- monthly reporting to the Board and senior management which, amongst other things, tracks performance against the annual budget;
- systems to communicate rapidly to appropriate managers incidents requiring immediate attention; and
- review meetings by the CEO and CFO or COO with each GLT member which cover the performance, risks and controls for which the GLT member is responsible.

In a group of the size, complexity and geographical diversity of Reuters it should be expected that breakdowns in established control procedures might occur. There are supporting policies and procedures for reporting and management of control breakdowns. The Board considers that the control system is appropriately designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The concept of reasonable assurance recognises that the cost of a control procedure should not exceed the expected benefits.

Using a common risk management framework throughout Reuters, each of the principal business and functional units summarises the risks that could impede the achievement of its objectives. For each significant risk, line managers document an overview of the risk, how it is managed and any improvement actions required. A document

called a 'risk radar' is created which sets out the main strategic and operational risks that have been identified. This document is reviewed by the GLT and the Board.

At the year end, before producing the above statement on internal control in the annual report and Form 20-F, the CEO and CFO meet with members of the GLT and others to consider formally the operation and effectiveness of the company's risk management and financial, operational and compliance internal control systems as well as its disclosure controls and procedures. This review includes consideration of compliance self-assessment reports from line management and covers each of the most significant risks the company faces and how well these are controlled and managed. The CEO and the CFO report on the results of this review to the Audit Committee and to the Board. The Disclosure Committee (described on page 39) supports the process by reviewing disclosure controls and procedures.

In addition to the management review procedures, the Group monitors its internal financial control system through a programme of internal audits. Internal auditors independently review the controls in place to manage significant risks and report to the Audit Committee twice a year. The Audit Committee reviews the assurance procedures annually, including compliance controls, and reports its findings to the Board. The Group's external auditors, PricewaterhouseCoopers LLP, have audited the financial statements and have reviewed the work of internal auditors and the internal control systems to the extent they consider necessary to support their audit report. In 2006 management commissioned a report on Reuters internal control environment from Independent Audit Limited, an independent consultancy. The Audit Committee was satisfied with the report's findings. The Audit Committee also met the internal auditors and PricewaterhouseCoopers LLP to discuss the results of their work.

Reuters management carried out an evaluation of the effectiveness of the design and operation of the Group's disclosure controls and procedures. These are designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934 is recorded, summarised and reported within specific time periods. Based on this evaluation, the CEO and the CFO concluded that the design and operation of these disclosure controls and procedures were effective as at 31 December 2006 to a reasonable assurance level (within the meaning of the US federal securities laws). No changes were made in the Group's internal controls over financial reporting during the period covered by this report that materially affected, or are reasonably likely to affect materially, the Group's internal control over financial reporting.

Management's report on internal control over financial reporting

In accordance with section 404 of the Sarbanes-Oxley Act, the following report is provided by management in respect of the company's internal control over financial reporting (as defined in Rules 13(a) – 15(f) and 15d – 15f of the US Securities Exchange Act of 1934).

The management of the Group is responsible for establishing and maintaining adequate internal control over financial reporting for the company. The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the company's financial statements for external purposes in accordance with generally accepted accounting principles.

42 Statements of directors' responsibilities and compliance

continued

The Group's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Group; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorisations of management and directors of the Group; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Group's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Group's internal control over financial reporting as of 31 December 2006, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based on that assessment, management concluded that, as of 31 December 2006, the Group's internal control over financial reporting was effective.

PricewaterhouseCoopers LLP, which has audited the consolidated financial statements of the Group for the financial year ended 31 December 2006, has also audited management's assessment of the effectiveness of the Group's internal control over financial reporting and the effectiveness of the Group's internal controls over financial reporting; their report is included herein.

Audit Committee and auditors

"The board should establish formal and transparent arrangements for considering how they apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the company's auditors" (Combined Code – Main Principle C.3)

Reuters adherence to this principle is described in the Audit Committee report below.

Audit Committee report

Members

Members of the Committee during 2006 were Dick Olver (Chairman until 9 November 2006), Lawton Fitt (Chairman from 9 November 2006) and Ken Olisa. Nandan Nilekani joined the Committee on 1 January 2007. The Board has determined that the Audit Committee does not at present include a member who is a 'financial expert', as defined in the Sarbanes-Oxley Act and related SEC rules because the Board considers that none of the members clearly meets all the criteria set out in the relevant definitions nor has the Board identified a member of the Committee as having recent and relevant financial experience. However, the Board considers that collectively the members have the requisite skills and attributes to enable the Committee properly to discharge its responsibilities. The Company Secretary is secretary to the committee.

Responsibilities

Each year, the Audit Committee reviews and, as appropriate, actively engages in the processes for financial reporting, internal control, risk

assessment, audit and compliance assurance, the independence of the company's internal and external auditors and the effectiveness of the company's system of accounting, its internal financial controls and the internal and external audit functions.

The Audit Committee's remit, which is set out in its terms of reference, includes responsibility for:

- the oversight responsibilities described in the above paragraph and for reviewing compliance with laws, regulations, the company's code of conduct and policies;
- approving related party transactions to the extent required under NASDAQ rules;
- monitoring the integrity of the company's financial statements and any announcements relating to the company's financial performance and reviewing significant financial reporting judgments contained in them;
- monitoring and reviewing the effectiveness of the company's internal audit function;
- making recommendations to the Board, for it to put to the shareholders for their approval, regarding the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and the effectiveness of the audit process and developing and implementing policy on the engagement of the external auditor to supply non-audit services; and
- overseeing the receipt, review and treatment of complaints received regarding accounting, internal accounting controls, auditing and compliance matters, whether through the company's 'whistleblower' confidential helpline or otherwise.

Activities

The Committee met five times in 2006 with the CEO, the CFO, other officers and the auditors attending as required. The auditors have unrestricted access to the Audit Committee and met after five of the 2006 Committee meetings privately with the Committee members, as did the Global Head of Internal Audit.

The Chairman of the Audit Committee meets with the Global Head of Internal Audit and with the external auditors before each Audit Committee meeting. All members of the Audit Committee attended every Committee meeting during the year, except for Dick Olver, who was absent from one meeting. The Committee reports its activities and makes recommendations to the Board. During 2006 the Committee discharged the responsibilities set out in its terms of reference. Its activities included:

- formally reviewing the draft annual report and interim statement, respectively, and associated announcements, focusing on the main areas of judgement and critical accounting policies;
- reviewing the findings of the external auditors and the report of the Global Head of Internal Audit on internal audit activities;
- reviewing the effectiveness of internal control systems and the risk management process and considering how those were changing as a result of the introduction of centralised back-office functions;

- paying particular attention throughout the year to the work being undertaken in connection with section 404 of the Sarbanes-Oxley Act;
- receiving the report of the CEO and the CFO on the processes followed prior to certification being given by them in connection with sections 302 and 404 of the Sarbanes-Oxley Act;
- reviewing the external audit strategy and the external auditors' report to the Committee in respect of the annual report and interim statement;
- considering the directors' duties under Section 234ZA of the Companies Act 1985, regarding disclosure of information to the company's auditors;
- keeping under review the proportion of non-audit fees to audit fees paid to the auditors and giving pre-approval to non-audit work undertaken by the auditors;
- reviewing the effectiveness of the internal and external auditors;
- reviewing the compliance programme, including the whistleblower programme; and
- reviewing a report on the company's corporate responsibility activities.

The Board adopted a code of ethics for the company's CEO and senior financial officers in 2003 (revised in 2005), in addition to the company's general code of conduct. No material amendments to, or waivers in respect of, either code were made during 2006. Copies of the codes are available on request from the Company Secretary and can be viewed at www.about.reuters.com.

The Committee monitors adherence to the company's auditor independence policy, which prohibits Group entities from engaging the auditors in activities prohibited by the SEC or the US Public Company Accounting Oversight Board. The policy permits the auditors to be engaged for other services provided the engagement is specifically approved in advance by the Committee or is approved by the CFO and meets the detailed criteria of specific pre-approved activities and is notified to the Committee. However, any services where the expected level of fees is greater than £150,000 or the expected term is longer than one year, must be approved in advance by the Committee.

For details regarding fees paid to the Group's auditors, see note 3 to the financial statements on page 85 and note 5 to the summary of differences on page 133.

The Committee may engage, at the company's expense, independent counsel and other advisers as it deems necessary to carry out its duties. None was engaged during the year.



Lawton Fitt
Chairman, Audit Committee

15 March 2007

Disclosure of information to the auditors

So far as each director is aware, there is no relevant audit information of which the auditors are unaware; and each director has taken all

steps that he ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information. This confirmation is given pursuant to section 234ZA Companies Act 1985.

D. Relations with shareholders

"There should be a dialogue with shareholders based on the mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place" (Combined Code – Main Principle D.1)

The executive directors meet regularly with institutional shareholders and analysts. Non-executive directors are offered the opportunity to attend meetings with major shareholders and from time to time some attend the presentations of the annual results to analysts. Niall FitzGerald met with various investors during the year. No shareholders asked to meet with Dick Olver, the Senior Independent Director, during the year.

An investor relations department is dedicated to facilitating communications between the company and its shareholders. In the last three years, Reuters has received several awards for investor relations, including the IR Magazine award in each of those years for best investor relations in the media sector. It provides a regular report on investor relations as part of the routine Board report materials. The company's AGM is used as an opportunity to communicate with private investors. The chairmen of each of the Board committees are available to answer questions at the AGM, and all directors are expected to attend the AGM. At the AGM the level of proxies lodged on each resolution and the balance for and against the resolution and the number of votes withheld are announced after the resolution has been voted on. At the 2005 AGM, voting using a poll for all resolutions was introduced to replace voting by a show of hands as the Board considers poll voting gives a better representation of shareholders' views. The results of voting at the AGM in 2007 will be available at www.about.reuters.com.

By order of the Board



Rosemary Martin
General Counsel & Company Secretary

15 March 2007

44 Company information

This section of our Annual Report and Form 20-F provides more detailed information on

- Strategy
- Markets
- People
- Ethics and compliance
- Corporate responsibility
- Supply chain
- Governmental regulation
- Supplementary information

01 Strategy

(See Business review on pages 6-7)

Grow revenues, both from our Core business and through our Core Plus initiatives

Our Core business serves a £6 billion per annum market for financial information and related services, with an estimated growth rate of 2–4%.

We are continuing to improve our product line by delivering regular upgrades to content and functionality. For example, in 2006 we extended our coverage of the credit derivatives markets. This approach of continuous product enhancement is justifying increased prices and helping us to attract new users, particularly in the institutional investment community and at our largest clients. We are also evolving our commercial model to align pricing more closely with customers' use of our data, which is trending upwards. We believe that by continuing to develop our product line we can continue to grow our business at least as fast as the market.

With Core Plus, we are aiming to become market leaders in electronic trading, new and hard-to-obtain information (what we call high value content), advanced technology solutions for financial services companies and services for new markets. We are creating neutral, scalable, open trading platforms to be used by both people and machines and we are seeking to be a recognised innovator in new asset classes, consumer media and high growth economies.

Electronic trading

Reuters has an established track record of providing electronic transaction services for the financial markets, such as our foreign exchange conversational dealing system, Reuters Dealing 3000, and our electronic bid-and-offer matching service, Reuters Dealing Matching. We believe that the electronic trading trend is accelerating and as a result we have invested in electronic trading services by building a multi-asset trading platform. Reuters Trading for Foreign Exchange and Reuters Trading for Fixed Income were the first services to be delivered over the platform, joined in October 2006 by Reuters Trading for Exchanges, which provides equity order routing facilities for institutions wanting to trade. In January 2007 we announced that this service would be distributing trading algorithms and routing orders on behalf of the BNY ConvergeX Group (an affiliate of The Bank of New York), a leading agency broker. We believe this has the potential to drive additional sales of our premium desktop products. Reuters Trade Notification Service, which helps customers streamline their trade confirmation operations, was launched in the second half of 2006 and has seen rapid growth in the number of messages carried.

High-value content

We see increasing demand from customers, especially from hedge

funds, for content which gives them not just facts but insight. We are investing in the creation of this high-value content by expanding our specialist editorial and data teams and also through acquisition and distribution agreements such as our arrangement to distribute the highly regarded University of Michigan Surveys of Consumers which are a lead indicator of US consumer confidence (a closely watched financial markets statistic). Our global coverage of company fundamentals and the breadth and depth of our estimates helped to strengthen our products in 2006. In 2007 we are planning to launch a primary research product which will offer high-value proprietary content, both from Reuters sector specialists and respected third party content providers. The first sectors will be healthcare and technology.

New enterprise services

In a highly competitive market, our customers are turning to computer-driven trading and increasingly complex financial products in order to differentiate themselves from their competitors. Our Enterprise business helps banks and other financial organisations to automate their businesses by managing the flow of information and transactions both internally and with their institutional customers. Demand for structured information and data management services is increasing, driven by growth in program and algorithmic trading. The need for greater transparency in order to satisfy regulatory compliance requirements is also a factor in the growing demand for data.

We have a wide range of assets such as high-speed streams of machine-readable trading data, historical price data and risk management and position-keeping systems. Using these tools, we have built long-term partnerships with many of our largest clients to help them develop their information and trading infrastructures. We are making our products more compelling to our customers by offering tools such as Reuters Tick History, which is used to back-test clients' algorithmic trading strategies, Reuters Tick Capture Engine, which stores details of price movements as they happen, and Reuters Wireless Delivery Network, which enables our customers to distribute content to their employees' mobile devices. Reuters NewsScope, launched in 2006, is an innovative service for financial institutions that want to use algorithms to drive automated trading from news reports. It categorises news events so that machines can 'read the news' and the information can then be used to generate inputs to trading algorithms and inform trading decisions. In 2007 we are planning to launch a Counterparty Data service, which will help banks to improve the efficiency of their trading and settlement operations and reduce risk by verifying details of their trading counterparties.

New markets

We are increasing our presence in high-growth geographic markets. In India in January 2006 TIMES NOW, a 24-hour English-language news television channel was launched. The venture is owned jointly with Bennett, Coleman & Co, India's largest publishers of English language news, and is helping us to build our consumer media presence in India. In China, we are sourcing content from our new Beijing centre to meet growing local demand, adding data from a range of Chinese brokers [and providing coverage of local pension fund indices]. We are extending our coverage of financial markets in the Middle East, focusing on news, company fundamental data, funds information and broker research. We also see opportunities to serve the growing market for Shari'ah-compliant finance products.

We have identified emerging asset classes with the potential to become liquid markets. These include real estate, environmental markets (including the rapidly growing emissions trading market) and freight derivatives (an asset class tied directly to growth in China and India). In 2006, we appointed lead correspondents to focus and co-

ordinate our editorial coverage for each of these markets, and enhanced it with content from key third-party sources. This coverage is now included in our premium desktop products and in our new web-based services such as ReutersRealEstate.com.

We are also continuing to target new types of customer such as a consumer media audience. We are building a fast-growing presence around the world with our reuters.com family of websites and our content services for mobile devices and internet-delivered TV.

Core Plus investment

We are now halfway through an investment programme started in 2005 to drive revenue growth and have started to see Core Plus revenues coming through ahead of target.

Creating future growth opportunities

FXMarketSpace

In addition to our Core and Core Plus trading products, we are also investing in an innovative new foreign exchange (FX) trading system, FXMarketSpace, which we established with the Chicago Mercantile Exchange (CME) as a 50/50 joint venture. FXMarketSpace, to be launched in March 2007, is helping to lead changes in FX market structure by offering the world's first centrally-cleared, global FX marketplace. It will provide broader access to the FX market by making it possible for non-bank financial institutions to participate, creating potential for further growth in electronic trading volumes. FXMarketSpace will be accounted for as a joint venture. For more information, see note 15 on page 96.

Innovation programme

In December 2005 we launched our Innovation Programme. Its aim is to identify opportunities to use our content and technology expertise in projects which have the potential to fuel our medium to long-term growth. The programme looks for transformational business ideas that represent a 'step out' from or challenge to our existing activities.

During 2006 we developed a portfolio of projects and a pipeline of ideas and were pleased to see one project, Reuters NewsScope (see 'New enterprise services', on page 44 above), start to deliver revenue. Initiatives expected to contribute revenue in 2007/2008 include Reuters Market Light and Reuters Insight. Reuters Market Light takes us into an entirely new market, serving rural farming communities. Via their mobile phones, farmers receive accurate local pricing for their goods, together with weather information that directly influences their choices of when to harvest and to which market town to take their crops. An early version of the service is currently being piloted in northern India. Reuters Insight is aimed at mid-size companies looking to develop and sustain their international operations. It provides personalised content, together with access to relevant communities able to share expertise, which can help them to assess the political, environmental and social risks they may face. The service is currently in client testing.

Simplify our organisation in order to become stronger, more competitive and more efficient

We are working to deliver further improvements in our products and our customer service through a series of simplification initiatives and, through these, we are aiming to deliver £150 million in annualised cost savings by 2010. This is in addition to the £885 million of cost savings already delivered since 2001.

Changing the way our product development teams work

In 2006 we completed the integration of our development organisation into the business divisions to bring it closer to our customers. We are also streamlining our software development as we move to a smaller number of larger sites. By the end of 2006 over 40% of our development resource was in our centres in Bangkok and Beijing.

Simplifying our product delivery infrastructure and making it more robust

We aim to consolidate our data centres from 250 to 10 by 2010 as we move our customers and our products to a modern IP telecommunications network. In 2007 we are also working to consolidate our product delivery infrastructures into a common platform from which to deliver our products. We are aiming to deliver the first products over the new platform in 2008.

Transforming the way our content is created, collected and processed

We are investing in extensive automation of our content production and in content quality improvements. In 2006, our content quality programme focused on improving the timeliness and accuracy of fixed income data. In 2007, we will extend the programme to other asset classes.

Modernising our customer administration systems

We are modernising our administration systems in order to make it faster and easier for us to provide customers with access to our products and to simplify our ordering and billing processes.

02 Markets

(See pages 10-11 in the 'Business review')

Financial markets

We and our customers are affected by global economic trends and by developments in the financial services markets. In this section, we provide a high level macro-economic overview of 2006 as the backdrop to our performance during the year and highlight the key market trends we believe will influence our ability to achieve our goals in 2007.

The global economy

The global economy saw good growth in 2006, showing solid levels of employment and consumer optimism during the year. In the US, concerns over inflation and consequent interest rate increases tempered growth, but to a lesser extent than many market watchers had predicted. Asia continued to thrive as China and India fuelled the region's economic expansion and Japan showed steady, moderate growth. Economic growth in the Euro Zone accelerated at its fastest rate since 2000.

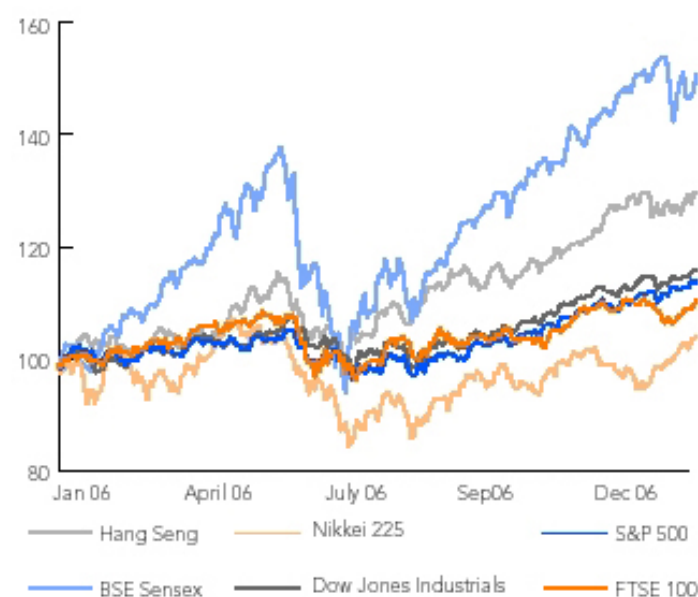
The global macroeconomic outlook for 2007 is relatively strong, with the International Monetary Fund (IMF) projecting global economic growth of around 5%. However, concerns persist about geopolitical risks, including intensifying inflationary pressures, a rebound in oil prices due to geopolitical uncertainty in the Middle East and elsewhere and the risk of a slowdown of the US economy.

46 Company information continued

Financial services industry performance in 2006

2006 was a record year for investment banks whose revenues benefited from buoyant initial public offering and mergers & acquisitions markets, as well as from proprietary trading activities and increased services to hedge funds and private equity. However, financial services industry consolidation continued in Europe. Financial markets rebounded globally in the second half of the year after their earlier energy-driven sell-offs.

Shares indices



FX volumes continued to increase, driven by hedge and pension funds. Celent has estimated that average FX daily trading volumes will reach \$4 trillion by 2010, up from \$1.9 trillion in 2004.

Average daily turnover in traditional foreign exchange markets US\$ trillion



Source: Celent LLC

Trading in derivative financial instruments such as options and credit derivatives grew faster than any other asset class, and commodity and energy prices remained volatile.

Hedge funds continued to gain influence in the financial markets, now controlling more than \$1 trillion in assets globally, and were some of the most active traders, accounting for up to half of total revenues at big equity brokers. The private equity industry also grew at an unprecedented rate.

Market outlook for 2007

Continued consolidation in Europe, together with the increasing automation of trading floors, is likely to put some pressure on front office jobs. US securities industry and UK 'City' employment is expected by commentators to level out over the next two years.

derivatives and structured products. Global uncertainty will drive continued FX volatility and volume, and proprietary trading is expected to show double-digit growth in assets like credit.

Key market trends

Market structures are continuing to evolve

- FX markets are preparing for the shift towards an exchange-traded model as demonstrated by the willingness of banks and prime brokers to trade on FXMarketSpace.
- Exchange consolidation is ongoing: CME announced a merger with CBOT; London Stock Exchange may still face the possibility of a takeover.
- Continuing banking consolidation could increase the number of European banks big enough to compete directly with the largest US institutions.

The rise in electronic trading is set to continue in 2007 and beyond

- Algorithmic trading, a key driver in the growth in electronic trading, is being more broadly adopted across asset classes and geographies.
- By 2010 algorithmic trading is expected to account for more than half of all equities trading volume in the US.
- Increasing automation of trading by investment banks and hedge funds is driving the demand for high speed, structured information and data management services.

The financial services industry is developing increasingly complex, highly structured financial products

- Trading in instruments such as property derivatives and freight derivatives is increasing.
- New types of instruments, such as longevity risk, are being conceived and launched.
- The need to tackle climate change is driving growth in emissions trading – the European Climate Exchange launched the first emissions options contract in 2006.
- A Shari'ah-compliant derivatives market is under development, with the potential to transform the financial landscape in the Middle East.

The hedge fund industry is expected to continue its growth and its importance to the financial markets ecosystem

- Large funds are growing their assets much more rapidly than their smaller competitors.
- Investment banks are likely to continue taking stakes in hedge funds as the distinction blurs between hedge funds and more traditional asset management firms.
- Hedge funds are particularly active in driving demand for high-value content, including sources of market and company insight, as they look for trading advantage.

The information needs of investment managers are changing as the investment profile of funds becomes increasingly polarised

- Investment funds appear to be polarising, with demand for absolute return/alternative investment strategies at one end of the spectrum, and large passive index portfolios on the other.

However, 2007 is still expected to be a good year for the financial markets. Commodity markets are likely to remain strong and volatile, and there seems to be no let-up in sight in the record growth of

- Independent analysts are gaining market share as mutual funds seek more independent research.

Wealth management is the fastest-growing segment of the financial services marketplace

- Growing life expectancy and intensifying pressure on pension provision reform is underpinning demand for wealth management services.

New market regulations are creating requirements for greater price transparency

- Particular focus on the Markets in Financial Instruments Directive (MiFID) in the EU and Regulation NMS in the US: Reg NMS is expected to drive annual growth of over 70% in the number of trades routed inter-market.
- Growing regulatory oversight across the world is likely to fuel demand for analytics, risk management, pricing, valuation, and data management tools.

Financial information technology spending is expected to continue rising in 2007

- Banks in the Asia Pacific region are expected to increase their investments faster than elsewhere, according to Celent.
- Hedge funds are beginning to demand improved service levels from their prime brokers, which is likely to trigger prime brokers' IT spending.

Risk management systems are increasingly in demand

- Recent hedge fund failures and concerns about systemic credit derivative risk have raised fears of market disruptions.

In media, user-generated content and social networks are increasing in popularity

- Harnessing these trends will be key to building and sustaining online communities, audiences and brands.

Online advertising is growing rapidly

- Online advertising is expected to grow seven times faster than traditional advertising in 2007, creating opportunities for brands with a strong online presence.

Use of broadband connectivity, mobiles and smart phones is growing

- Rapid consumer adoption of new technologies is facilitating greater use of multimedia news, information and entertainment.

03 People

(See 'Business review' on page 12)

During 2006 our employees once more showed their adaptability, commitment and professionalism as the company continued to implement its growth and simplification plans. This has been demonstrated in several ways, including acquisition of new skills and experience, further improvements in customer satisfaction and the enduring focus on high standards to uphold our Trust Principles.

With our business, markets and customers continuing to experience rapid change, we seek to employ people who are highly talented, knowledgeable about the markets we serve, customer focused, adaptable and committed to learning and development. Our diverse employee base comprises over 100 nationalities, reflecting the different cultures and markets we operate in and bringing a range of

perspectives that allow us to develop fresh and innovative ways to serve our diverse customers. This customer focus is also demonstrated in the improvement in our customer satisfaction scores which reflects the daily efforts of all our people.

As we continue to focus on making our products more competitive and extending our content, we have continued to expand our Bangalore content centre and Bangkok development centre. During the year we also established two more strategic centres. By the end of the year, the number of people working in our content centre in Gdansk, Poland and our software development and content operations centre in Beijing grew to almost 400. Overall, these four centres accounted for around half of the growth in our employee numbers during the year, balanced with targeted recruitment in our longer-established centres. New hires into sales and service and into roles to help us deliver our growth strategies accounted for the other half. Reflecting our drive to recruit new talent, over 50% of our employees have joined us in the last five years.

Employee communications

We use a variety of methods, including our intranet, to communicate with our geographically diverse workforce about the company's strategy and priorities. Our 'Daily Briefing' provides an online multimedia information service covering news and events about the company and about our people. The CEO hosts webcasts, teleconference briefings and question & answer sessions for employees, and also meets informally with groups of Reuters employees around the world. At the start of the year, the CEO's overall mission for the year ahead is explained. Through the performance management process, objectives in support of that mission are set for everyone. Regular meetings are also held between management, employees' union representatives and other groups of employees so that employees' views can be taken into account when making decisions which may affect their interests. Reuters European Employee Forum operates as a pan-European works council and the CEO and other executive directors meet with the Forum regularly.

Employee survey

We carry out annual employee surveys to identify issues that need to be addressed and areas to build on; the findings are communicated to employees. This year we have changed the external benchmarks against which we measure ourselves: instead of comparing ourselves to companies in transition, we now measure ourselves against the norms of high-performing companies. Although we have some way to go, we are closing the gap against this more challenging benchmark. The results of our most recent survey (November 2006) again showed year on year improvements across all the groupings that make up our employee engagement index (leadership, customer orientation, performance, employee commitment and career development). There were also improvements in every category covered by the survey. See the 'Business review' on page 12 for more information.

We have very strong scores on items related to the company brand and values – the three highest-scoring statements were: "I fully support the values for which Reuters stands" (90% favourable response), "I am proud to be associated with Reuters" and "Reuters provides a working environment that is accepting of ethnic differences" (both 89% favourable response). Highlighting areas for improvement, employees reinforced the need for further organisation simplification and improvements in performance management. The GLT has put in place a range of initiatives to continue to address these issues in 2007.

48 Company information continued

Talent and performance management

We remain committed to retaining and developing our talent. Our company-wide talent review process, updated in 2006, involves management teams openly reviewing their people. This enables us to identify our highest performers and strongest talent and to create tailored plans to develop them. These processes covered nearly 6,000 people worldwide in 2006. We report regularly to the Board on these activities and the Board also reviews our succession plans for our most critical roles, to ensure that we have sufficient depth and breadth in our most senior talent pools (see pages 22–23 for further information).

Challenging ourselves to higher performance as a company has been mirrored by a renewed focus on the importance of performance management for individuals. New training has been made available to managers and in the lead up to annual performance reviews, training on how to give effective feedback was made available to all employees.

Employee development

We are making increasing use of technology to deliver globally consistent and constantly available learning for employees. Increasing amounts of our training for front-line employees focuses on our customers, their workflows and their needs rather than simply our products – and certification programmes ensure that the product and market knowledge of our customer-facing employees is kept up-to-date and tested on a regular basis.

We recognise that employees benefit from developing their team-building and leadership skills through participation in activities that strengthen Reuters relationships with the communities in which it is involved. For more information, see 'Reuters in the community' on page 49-50.

In 2006, we substantially increased the amount of development for our managers with new programmes aimed at middle and emerging managers to complement the first level manager programme that was rolled out in 2005. In addition, during the year we introduced a suite of eLearning modules that support managers new to Reuters, regardless of their level.

Our Innovation Programme, launched in December 2005, (see page 45 for more information), provides opportunities for talented and ambitious employees to develop their entrepreneurial skills by taking on challenging roles as members and leaders of Innovation project teams.

Employee safety

We recognise the courage and professionalism shown by our employees operating in conflict zones. We regularly review our policies, training and procedures for all employees. We have reaffirmed the standing instructions to our employees to avoid risks wherever possible and we provide hostile environment training, protective equipment and post trauma training programmes to all employees who may need them.

We have also reviewed and upgraded our readiness to protect employee safety in the event of a range of situations from terrorist activities to a potential avian flu pandemic.

Equal opportunities and diversity

We have extensive fair employment practices in place and, with the support of our Global Diversity Advisory Council, we are working to

make Reuters an increasingly inclusive company. The Council is chaired by the CEO, and serves as an advisory board to the GLT on issues related to diversity.

In 2006, we initiated a global reverse mentoring programme in which GLT members were paired with more junior diverse employees with the aim of increasing their awareness of diversity issues. A regional version of this programme has just completed its fourth cycle in the US.

Our policy is that the selection of employees, including for recruitment, training, development and promotion, should be determined solely on their skills, abilities and other requirements which are relevant to the job and in accordance with the laws in the country concerned. Our equal opportunities policy is designed, among other things, to ensure that people with disabilities, and other under-represented groups, are given the same consideration as others and enjoy the same training, development and prospects as other employees. We have successfully retained staff who have become disabled, as well as integrating those who are disabled when they join the company. This has been achieved by using technological solutions and re-designing the way jobs are handled, enabling individuals to contribute actively to meeting the needs of our business.

Our commitment to diversity has been formally recognised in several countries. For example, in the UK, we have been awarded the Two Ticks Disability Symbol User status, which recognises our good practice in employing disabled people and reinforces our commitment to creating a more diverse workforce. Reuters is also a member of the Employers Forum for Disability, and we have made use of the services of both AbilityNet (which supplies technology for disabled users) and Employment Opportunities (a UK charity helping people with disabilities to find and retain work). At our Bangalore Business Service Centre we have started to work with Enable India, an organisation which helps people with disabilities to find jobs.

We support the principles incorporated in South Africa's Broad-Based Black Economic Empowerment (B-BBEE) Act of 2003 and recognise our responsibilities as an employer to comply with both the spirit and the letter of all relevant B-BBEE legislation and development initiatives. We have a plan in place to achieve full compliance with the Act, including employment equity, skills development, preferential procurement, enterprise development and corporate social investment.

04 Our commitment to ethics and compliance

We run our business with independence, freedom from bias, and integrity. We endeavour to do the right thing in all that we do, adhering to the values set out in the Trust Principles, our code of conduct, and the company's policies, while we comply with the different laws and rules that apply to us in the countries where we operate. The company's policies cover a wide range of subjects and include policies which give guidance to our employees in fair dealings with customers, suppliers, governments, competitors and each other. The policies are made available to employees through a 'policy gateway' which is a centralised online depository of the policies and guidance on how to apply them.

Our efforts to maintain an environment at Reuters that promotes and protects our values is overseen by a global ethics and compliance steering group, chaired by the General Counsel and Company Secretary, which reports to the Audit Committee and periodically briefs senior management and the Board. As part of this global programme,

we train our employees on key ethics and compliance areas through online training programmes and face-to-face sessions; provide an anonymous and confidential system for staff to report concerns without the threat of retaliation; investigate and take appropriate measures when compliance issues are raised; and periodically assess the efficacy of the programme as a whole. On an individual level, ethics and compliance aspects are incorporated into our performance management system as we understand that each of us at Reuters must uphold the values and principles that have served Reuters well for so long.

05 Corporate responsibility

In our reporting on corporate responsibility we have sought to comply with the Association of British Insurers' Guidelines on Responsible Investment Disclosure. In this Annual Report environmental matters are covered in the 'Environmental impact' section (see page 50), social matters are reported under 'People' (see page 47) and 'Reuters in the community' (see page 49), and governance matters are covered in the Governance section (see pages 38–43).

Corporate responsibility within Reuters is established as the way we carry out our business practices and conduct ourselves responsibly throughout our day-to-day activities, as determined by the Trust Principles. We steer our corporate responsibility strategy through our Corporate Responsibility Advisory Board, established in 2003, which comprises customer, supplier, investor and employee representatives. The Advisory Board considers workplace, marketplace, environment and community issues of relevance to our business and our employees and it is chaired by the General Counsel and Company Secretary, who represents it on the GLT and to the Board. As part of the risk management process which operates throughout the company, when relevant, environmental, social and governance risks are identified and mitigation plans are put in place. However, given the non-industrial nature of our business, we have just begun to collect base data about our environmental impact to assess the risks and opportunities presented. We have more work to do, including implementing an environmental impact recording system, to acquire this information. Further information about Reuters risk management processes is set out on page 41.

In 2006 we set the following corporate responsibility objectives:

- **Employees:** increase employee satisfaction and develop mentoring programmes and affinity groups to raise awareness of diversity & inclusion issues;
- **Marketplace:** develop an ethical code for our suppliers to adhere to when working with us;
- **Community:** increase employee participation in our community volunteering programme to 18% of employees (2005: 12%);
- **Environment:** raise awareness on environmental issues with customers (through our reporting from around the world on environmental matters), and with employees (through a Green Week to inform employees about how individual behaviours at work affect the environment); and
- **Governance:** implement changes prompted by the 2005 Board effectiveness review and refresh the governance framework at below-Board level.

During the year we met each of these objectives.

For 2007, our objectives include:

- Embedding our supply chain ethical code into our day-to-day sourcing activities (for information on the code, see Supply chain on page 50);
- Raising employee participation in community engagement programmes to 20% worldwide by focusing on staff development opportunities and involvement with environmental causes;
- Extending best practice in health and safety and family friendly policies to our operations worldwide;
- Implementing an environmental management system for recording Reuters impact on the environment;
- Publishing a document explaining and positioning Reuters corporate responsibility programme to employees and external audiences.

We are conscious that our system for measuring the impact of our corporate responsibility initiatives can be further developed. In 2006 we used the London Benchmarking Group reporting model for the first time to calculate our contributions to good causes. This model provides a standardised way of managing and measuring a company's community involvement.

Reuters is included in the Dow Jones Sustainability Index, the FTSE4Good Index, the Ethibel Sustainability Indices and the Ethibel Pioneer Investment Register. Reuters Hong Kong has been accredited with 'Caring Company' status for the third year running by the Hong Kong Council of Social Service.

We make extensive information about our corporate responsibility programme available through our website.

Reuters in the community

We support a variety of community initiatives and charitable causes through the work of Reuters Foundation and the volunteering efforts of our employees around the world. Reuters Foundation (www.foundation.reuters.com) continues to focus on areas where Reuters expertise in information gathering and communications can be put to use in ways which will benefit the communities in which we operate across the world.

During the year, the Foundation offered training opportunities to journalists and humanitarian workers from all over the world, providing journalism courses for over 750 journalists and media & communications skills courses for over 550 aid workers from UN agencies. In February 2006 Reuters became a member of the Global Business Coalition on HIV/AIDS, an organisation which aims to increase the range and quality of business sector AIDS programmes in the workplace and in the community. To build on our work in this area, Reuters Foundation ran its fourth annual workshop on HIV/AIDS reporting and hosted a panel debate in London on 'Keeping the Spotlight on HIV-AIDS', looking at the role of the media.

The Reuters Institute for the Study of Journalism was officially launched by Lord Patten, Chancellor of Oxford University, in November 2006. The institute will be a meeting point between academia and practising journalism and will provide a detached and informed perspective on the practice and impact of journalism. Sponsored by Reuters Foundation, the Institute builds on the partnership created by the Reuters Foundation Journalists Fellowship Programme at Green College, Oxford. Reuters Foundation will provide £1.75 million over five years to fund the international research

50 Company information continued

centre. Its activities will include both short and long-term research, seminars, conferences and debates; its aim is to identify and understand the issues that journalism raises worldwide.

Reuters AlertNet, established by the Foundation in 1997, enables relief agencies and the public to share information about emergencies and associated relief efforts. In addition to carrying breaking news on emergencies, the site also helps to ensure that disasters forgotten by the mainstream media are kept in the headlines.

MediaBridge, a project designed to improve news coverage by providing online training for reporters and detailed briefings on countries and issues was launched in July 2006. It is jointly funded by Reuters and the UK Department for International Development.

Reuters Foundation also sponsors the Reuters Foundation Digital Vision Program at Stanford University which enables technologists and other social entrepreneurs to work at Stanford and in the field for an academic year on projects designed to use technology to address issues in the developing world.

All employees may take one day of company time each year to engage in community activities. We focus on these activities during our annual Community Events Week programme. In 2006, over 3,000 employees from 58 locations participated, sharing their skills on projects ranging from hosted school visits, training workshops for community groups and fundraising work.

Reuters volunteers also continued to work on house building projects run by Habitat for Humanity. In the twelve months to March 2007 volunteers worked on projects in Sri Lanka, India, New Orleans, and South Africa.

We also operate programmes in the US and UK which match the charitable donations and fundraising efforts of our employees. Under these schemes we matched gifts of time and money amounting to £30,000 in the UK and just over \$171,000 in the US. A similar scheme for employees across Asia was also launched in 2006.

Charitable cash donations totalled £1.8 million during 2006 (2005: £1.7 million).

It is the Group's policy not to make political contributions and none were made in 2006.

Environmental impact

We are classified by Ethical Investment Research Services (EIRIS) as belonging to a sector with low environmental impact.

We recognise that our business has a role to play in the effective dissemination of environmental information. We have a network of around 50 Reuters journalists who are an authoritative resource on environmental issues, with a special focus on issues such as global warming, fossil fuel use and population growth. We also share our skills in the communication of environmental issues through the work of Reuters Foundation. Working with Com+ Alliance, a group of international organisations that embraces and supports sustainable development projects, in 2006 and 2007 we are providing nine courses for journalists on environmental topics and a programme to prepare journalists for coverage of the G8+ Climate Change Dialogue.

We recognise we have a responsibility to seek to reduce our impact on the environment by managing our facilities efficiently and by raising employee awareness of environmentally friendly choices at work, at home and when travelling. We have signed up to the new

global 3c (Combating Climate Change) initiative led by Swedish energy company Vattenfall so that by engaging with thought leaders in this area we can increase our understanding of alternative resource-efficient technologies. There may be a role for these in the operation of our data centres which account for a significant proportion of our overall energy consumption.

During 2006 we worked with Bureau Veritas, an independent environmental consultancy, to identify the indicators we should track in order to measure our environmental impact. These are:

- Energy: Total electricity consumption; percentage of green tariff electricity purchased;
- Greenhouse gas emissions (CO₂): Total volume of carbon dioxide equivalent produced;
- Water: Total consumption;
- Waste: Total waste produced, total waste recycled, waste recycled as a percentage of total produced;
- Paper: Total quantity of paper purchased and percentage of which containing recycled content.

In 2006, we purchased a web-based environmental management system which we will implement in 2007, enabling us to collect data for the metrics identified above for our key office and data centre locations and to report the consolidated data periodically. This will help us assess our environmental impact and set targets to reduce it.

We recognise our business air travel has an impact on the environment. In 2006 we reduced it by 10% and wherever possible, we use alternatives to business travel, including video- and teleconferencing. In 2007 we will pilot the use of carbon offsets for air travel by some of our global groups.

We continue to hold our annual staff awareness-raising event, Green Week, delivering information to staff in a variety of ways including films, visits, blogs, fundraising events, intranet briefings, exhibitions and competitions. Over 15% of staff from 18 locations took part in the 2006 Week. Changes arising from Green Week 2006 included improvements to waste streaming in our New York office and a programme of printer and fax machine reduction in our London offices. The initiative will be expanded in 2007 to deliver a 12-month rolling programme of Green Weeks around the world.

06 Supply chain

Sourcing

As a global company, we source goods and services from an extensive range of suppliers. Over the last 4 years we have reduced our supplier list, despite increasing the range of services we outsource. In 2006 3% of vendors accounted for 85% of our third party spend. The functions we outsource currently include telecommunications and network services, travel, print services, IT support and elements of back office administration. In 2006 we streamlined our sourcing operations into one global function (excluding content sourcing, which is managed by our Content group). During the year we received Chartered Institute of Purchasing & Supply certification for excellence in our sourcing processes.

In addition to producing content in-house, we aggregate and distribute data sourced from 250 exchanges and 6,000 contributors within our products. Our extensive global customer base and

distribution network make us an attractive distribution partner for content providers. We are implementing a content supplier management programme to raise the standard of contributed content to a level which meets our customers' high expectations.

For more information, see 'Overview of divisional performance' on page 58.

Supply chain ethical code

As a company we are committed to developing relationships with suppliers whose standards are as high as our own. In September 2006 we launched our supply chain ethical code which forms the basis of our agreement with suppliers. Based on the recognised and well-regarded Ethical Trading Initiative Base Code, our code endorses expected standards of behaviour and gives us an opportunity to drive our commitment to ethical and environmental improvements and demonstrate a reduction of risk through our supply chain on a global basis. Suppliers will be required to confirm their adherence to the Code when selected as a supplier of goods and services to Reuters. If a supplier is found to be non-compliant, we will require it to achieve compliance within a reasonable time frame and we will work with it to assist this process.

Supplier payment terms

We agree terms of transactions, including payment terms, with suppliers in advance. Payment terms reflect country or regional norms throughout the world. In 2006 we focused on cash management, clarifying our terms with suppliers. Our policy is to make payments in accordance with the agreed terms, provided that suppliers have also acted in accordance with them. In the UK, we have signed up to the Better Payment Practice Code. Group trade creditors at 31 December 2006 were equivalent to 13 days' purchases during the year (2005: 2 days). The company had no trade creditors at 31 December 2006 or 31 December 2005.

Communications networks

Our financial and media products are mainly delivered to customers over private secure high-speed communications networks. However, the public internet is becoming more accepted in many parts of the world and we use it extensively for our consumer content and for other content that does not require ultra-low latency. During 2005, we sold our network services/financial extranet subsidiary Radianz, a former joint venture with Equant NV, to BT. At the same time we entered into an eight and a half year outsourcing deal with BT, as a result of which BT provides the majority of our networks. This outsourcing deal will result in the migration of all products to IP-based services. It will enable us to deliver greater resilience, capability and flexibility through the use of industry standards. We have major technical centres in the Asian, European and American time zones, supported by smaller local data centres. The data centres are linked by communications services provided principally by BT/Radianz (see above) and SAVVIS, Inc. (Savvis). The services agreements with BT/Radianz and with Savvis are important to our ability to deliver products and services to customers. Summaries of these network services agreements and the Radianz purchase and sale agreements are given on page 152.

07 Governmental regulation

We are regulated by several bodies in the various jurisdictions in which we operate.

Under the provisions of the Financial Services and Markets Act 2000, Reuters Limited is regulated and authorised as a service company by the UK Financial Services Authority (FSA). Reuters Transaction Services Limited (RTSL), through which we offer our foreign exchange Matching products, equities order routing and our new suite of next generation transaction products such as Reuters Trading for Fixed Income and Reuters Trading for Exchanges, is also subject to regulation by the FSA. Since 1 April 2004 RTSL has been classified by the FSA as an Alternative Trading System (ATS). In accordance with the passporting provisions of the EU Investment Services Directive, RTSL provides its services throughout all member countries of the European Economic Area. RTSL is also subject to similar regulatory approvals in Australia, Hong Kong and Singapore, where it is approved by the Australian Securities and Investments Commission, the Hong Kong Monetary Authority and Securities and Futures Commission respectively, and by the Monetary Authority of Singapore.

FXMarketSpace Limited, our 50/50 joint venture with the CME, is regulated by the FSA as an ATS.

RTSL's sister company in the United States, Reuters Transaction Services LLC (RTS LLC), is responsible for an equity order routing and indications of interest network. It is also licensed to offer trading in other instruments such as interest rate swaps. RTS LLC is subject to regulation by the National Association of Securities Dealers, Inc. (NASD). For its equity derivatives products as offered through Reuters Trading for Exchanges, RTS LLC has also been approved by the National Futures Association and is a member of the Commodity Futures Trading Commission.

To comply with anti-money laundering regulations and to reduce the opportunity for Reuters transactions products to be used as a conduit for money laundering operations, all our regulated subsidiaries operate appropriate 'know your customer' systems and controls.

08 Supplementary information

Details of our registered office and headquarters can be found on page 146.

Details of substantial shareholdings can be found on page 144.

Details of the waiver of dividends can be found in note 32 on page 119.

Details of our share buy-back can be found on page 149.

Details of our research and development activity and expenditure can be found on pages 79, 85 and 93–94.

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the AGM to be held on 26 April 2007.

52 Selected financial highlights

The selected financial information set out below is derived from the consolidated financial statements. The selected financial data should be read in conjunction with the financial statements and related notes (pages 75–128), as well as the OFR on pages 54–72.

Prior to 2005, the Group prepared its audited annual financial statements under UK Generally Accepted Accounting Principles (UK GAAP). From 1 January 2005, the Group has been required to prepare its annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the European Union (EU) and those parts of the UK Companies Act 1985 applicable to companies reporting under IFRS. The financial statements take account of the requirements and options in IFRS 1 'First-time Adoption of International Financial Reporting Standards' as those requirements relate to the 2004 comparatives included in the financial statements.

IFRS differs in certain respects from accounting principles generally accepted in the United States (US GAAP). The material differences between IFRS and US GAAP relevant to the Group are explained on pages 129–133.

The consolidated financial statements of the Group included in this annual report are presented in pounds sterling (£). On 31 December 2006, the Noon Buying Rate in New York City for cable transfers in foreign currencies as announced for customs purposes by the Federal Reserve Bank of New York was \$1.96 = £1; on 9 March 2007 the Noon Buying Rate was \$1.93 = £1. Additional information on exchange rates between the pound sterling and the US dollar is provided, on page 149.

Consolidated income statement data for the year ended 31 December

£m (except per share data)

	Notes	2006	2005	2004
Amounts in accordance with IFRS				
Continuing activities:				
Revenue		2,566	2,409	2,339
Operating profit		256	207	194
Profit before tax		313	238	396
Profit after tax		293	229	356
Profit from discontinued activities		12	253	19
Profit for the year		305	482	375
Basic earnings per ordinary share		23.6p	32.6p	26.0p
Basic earnings per ordinary share – continuing activities		22.6p	16.3p	25.4p
Diluted earnings per ordinary share		23.1p	31.7p	25.4p
Diluted earnings per ordinary share – continuing activities		22.2p	15.9p	24.8p
Basic earnings per ADS	1	141.9p	195.8p	156.1p
Basic earnings per ADS – continuing activities	1	135.6p	97.8p	152.7p
Diluted earnings per ADS	1	138.7p	190.3p	152.2p
Diluted earnings per ADS – continuing activities	1	133.1p	95.4p	148.8p
Dividends declared per ordinary share	2	10.25p	10.0p	10.0p
Dividends declared per ADS	2			

Expressed in UK currency		61.5p	60.0p	60.0p
Expressed in US currency		115.1c	111.4c	105.8c
Weighted average number of ordinary shares (in millions)		1,297	1,396	1,400

Consolidated income statement data continued for the year ended 31 December

£m (except per share data)

	Notes	2006	2005	2004	2003	2002
Amounts in accordance with US GAAP						
Continuing activities:						
Revenue		2,566	2,503	2,370	2,669	2,955
Income/(loss) before taxes on income		343	207	501	(8)	198
Income after taxes on income		294	211	395	23	168
Income/(loss) after taxes (including minority interest) from discontinued activities		12	185	44	(51)	(273)
Net income/(loss)		306	396	439	(28)	(105)
Basic earnings/(loss) per ordinary share		23.6	28.4p	31.4p	(2.0p)	(7.5p)
Basic earnings per ordinary share – continuing activities		22.7	15.1p	28.1p	1.6p	12.0p
Diluted earnings/(loss) per ordinary share		23.2	27.6p	30.5p	(2.0p)	(7.5p)
Diluted earnings per ordinary share – continuing activities		22.3	14.7p	27.4p	1.6p	12.0p
Basic earnings/(loss) per ADS	1	141.8p	170.2p	188.2p	(12.0p)	(44.8p)
Basic earnings per ADS – continuing activities	1	136.0p	90.8p	168.5p	9.8p	72.1p
Diluted earnings/(loss) per ADS	1	139.3p	165.4p	183.2p	(12.0p)	(44.8p)
Diluted earnings per ADS – continuing activities	1	133.6p	88.2p	164.3p	9.7p	72.1
Dividends declared per ordinary share	2	10.25p	10.0p	10.0p	10.0p	11.1p
Dividends declared per ADS:	2					
Expressed in UK currency		61.5p	60.0p	60.0p	60.0p	66.7p
Expressed in US currency		115.1c	111.4c	105.8c	105.1c	99.6c
Weighted average number of ordinary shares (in millions)		1,297	1,396	1,400	1,396	1,395

Consolidated balance sheet data at 31 December

£m		2006	Restated ³ 2005	2004
Amounts in accordance with IFRS				
Total assets		1,920	2,137	2,580
Net assets		172	511	570
Shareholders' equity (attributable to the parent)		172	511	371

Share capital			496	467	455

£m	2006	2005	2004	2003	2002
Amounts in accordance with US GAAP					
Total assets	2,022	2,326	2,743	3,280	3,789
Shareholders' equity	281	705	568	514	804

Notes:

- Each ADS (American Depositary Share) represents six ordinary shares.
- Dividends declared for 2002 include UK tax credits. Dividends declared for 2003–2006 exclude UK tax credits. Amounts receivable could be higher for US shareholders who have elected to retain benefits of the old US/UK tax treaty. For further information relating to dividends and the UK taxation of dividends see page 145.
- The 2005 IFRS balance sheet has been restated to recognise irrevocable commitments to repurchase shares during close periods as a liability (see 'Basis of accounting' on page 78). The impact of recognising these commitments is to increase current liabilities and to decrease shareholders' equity in accordance with IFRS at 31 December 2005 by £59 million.

54 Operating and financial review

Financial review

Non-GAAP measures

A number of measures used in the following commentary and elsewhere in this report are 'non-GAAP' figures, which are business performance measures used to manage the business, that supplement the IFRS-based headline numbers. These include 'underlying change', 'trading costs', 'trading profit', 'trading cash flow', 'adjusted EPS', 'free cash flow' and 'net debt/net funds'. Brief descriptions of these terms are provided below. A more detailed discussion of these non-GAAP measures, including the rationale for using them and reconciliations to the most directly comparable IFRS indicator, is provided on pages 67–72.

Underlying change is calculated by excluding the impact of currency fluctuations and the results of acquisitions and disposals.

Constant currency change is calculated by excluding the impact of currency fluctuations.

Trading costs are calculated by excluding the following from operating costs from continuing operations: restructuring charges associated with Reuters completed business transformation plans, which include Fast Forward (a three year business transformation programme completed in December 2005) and acquisitions, impairments and amortisation of intangibles acquired via business combinations, and fair value movements included in operating costs; and adding back foreign currency gains and other income (both of which are included in other operating income).

Trading profit is calculated by excluding the following from operating profit from continuing operations: restructuring charges associated with Fast Forward and acquisitions, impairments and amortisation of intangibles acquired via business combinations, investment income, profits from disposals of subsidiaries and fair value movements. Trading margin is trading profit expressed as a percentage of revenue.

Trading cash flow is calculated by including capital expenditure and excluding the following from cash generated from continuing operations: restructuring cash flows associated with completed business transformation plans, which include Fast Forward and acquisitions, cash effect of derivatives used for hedging purposes and cash flows which are either discretionary in nature or unrelated to ongoing recurring operating activities such as special contributions toward funding defined benefit pension deficits, acquisitions and disposals and dividends paid out by Reuters.

Adjusted EPS is calculated as basic EPS from continuing operations before impairments and amortisation of intangibles acquired via business combinations, investment income, fair value movements, disposal profits/losses and related tax effects.

Free cash flow measures cash flows from continuing operations, other than those which are either discretionary in nature or unrelated to ongoing recurring operating activities such as special contributions toward funding defined benefit pension deficits, acquisitions and disposals and dividends paid out by Reuters.

Net debt/net funds represents cash, cash equivalents and short-term deposits, net of bank overdrafts and other borrowings.

Group performance

Summary results

Year to 31 December	2006 £m	2005 £m	2004 £m
Continuing operations			
Revenue	2,566	2,409	2,339
Operating costs	(2,351)	(2,251)	(2,187)
Other operating income	41	49	42
Operating profit	256	207	194
Net finance costs	(15)	(12)	(12)
Profit on disposal of associates, joint ventures and available-for-sale financial assets	76	38	203
Share of post-tax (losses)/profit from associates and joint ventures	(4)	5	11
Profit before tax	313	238	396
Taxation	(20)	(9)	(40)
Profit for the year from continuing operations	293	229	356
Profit for the year from discontinued operations	12	253	19
Profit for the year	305	482	375
Basic EPS	23.6p	32.6p	26.0p
Adjusted EPS	17.1p	13.8p	11.8p

Revenue, costs and profit

Year to 31 December	2006 £m	2005* £m	Actual change	Underlying change	2004* £m
Recurring	2,363	2,235	6%	4%	2,158
Usage	132	104	26%	24%	92
Outright	71	70	3%	4%	89
Total revenue	2,566	2,409	7%	5%	2,339
Operating costs	(2,351)	(2,251)	4%		(2,187)
Operating profit	256	207	24%		194
Operating margin	10%	9%	–		8%
Trading costs	(2,258)	(2,075)	9%	7%	(2,013)
Trading profit	308	334	(8%)	(11%)	326

Trading margin**12%**

14%

–

–

14%

* 2005 and 2004 have been restated to reclassify £7 million and £6 million respectively of recurring revenue to usage revenue.

Revenue

Full year revenue grew 6.5% to £2,566 million (2005: £2,409 million). Exchange rate movements accounted for 0.3 percentage points of this growth, and acquisitions, mainly the full year impact of the 2005 acquisition of Telerate, accounted for 1.4 percentage points of revenue growth.

On an underlying basis, adjusting for exchange rate movements and the impact of acquisitions and disposals, revenue growth was 4.8%. Core Plus initiatives contributed 1.3 percentage points (£32 million) to revenue growth. All four elements of Core Plus – electronic trading, high value content, new enterprise services and new markets – contributed to revenue growth.

Volume growth, the 2006 price increase and recoveries (exchange fees and specialist data) accounted for 3.5 percentage points of growth. The key drivers of volume growth were: new sales and migrations to Reuters 3000 Xtra; Reuters Knowledge (principally on the buy-side); Enterprise Datafeeds and Trade and Risk Management software.

Recurring revenue, which represented 92% of our revenue in 2006 (93% in 2005), was £2,363 million (2005: £2,235 million). This represents an increase of 6% on an actual basis (4% underlying) compared to 2005.

Usage revenue, 5% of our revenue in 2006 (4% in 2005), grew by 26% (24% underlying) to £132 million (2005: £104 million) compared to 2005.

Outright revenue, 3% of our revenue in 2006 (3% in 2005), totalled £71 million, compared to the £70 million of 2005.

Revenue grew in all divisions, as discussed more fully in the 'Divisional performance' on pages 58-62.

Revenue also grew in all geographical regions. The Americas saw growth of 9% (underlying 8%), driven by strong sales of Enterprise solutions and Media services and good progress with Reuters Knowledge. Asia grew 7% (underlying 6%) benefiting from improved trading conditions in Japan, market-leading positions in China and India and the inclusion of Telerate revenues for the full 2006 year. Europe, Middle East & Africa revenues grew 5% (underlying 3%) with strong trading in the Nordic region, Russia and the Gulf, counterbalanced by consolidation in the German, Swiss and Italian markets.

In the 2005 Annual Report and Form 20-F, the 2006 Outlook noted an expected acceleration of revenue growth through Reuters Core Plus investment programme against a backdrop of favourable market conditions, and targeted total revenue growth of around 5%. This target included 2005 acquisitions and a percentage point of growth from Core Plus, but excluded currency effects. Constant currency revenue growth for 2006 of 6.2% was ahead of our target.

Operating costs and trading costs

Total operating costs were £2,351 million, an increase of 4% from 2005. The drivers of this increase are largely explained in the context of the movement in trading costs (as defined above and reconciled to operating costs on page 70). Trading costs totalled £2,258 million in 2006 (2005: £2,075 million), up 9% on 2005. New investment in Core Plus growth and transformation initiatives, net of early savings, contributed £109 million to cost growth in 2006. Inflation added approximately 3% to base costs, and additional costs of £21 million were incurred to invest in service resilience. Acquisitions added a further £30 million, principally Telerate, and data recoveries costs added a further £25 million. Offsetting these key drivers of cost increases were savings from the Fast Forward programme, totalling £80 million, as anticipated in the 2006 Outlook included within the 2005 Annual Report and Form 20-F.

Trading cost increases were partially offset by much lower Fast Forward restructuring and acquisition integration costs. Total restructuring charges in 2006 were £13 million, compared to £112 million in 2005. 2005 charges included £94 million in respect of the Fast Forward restructuring programme, which completed at the end of 2005, and £18 million in respect of Telerate acquisition integration. The £13 million charged in 2006 relates only to acquisition integration, principally Telerate.

Operating costs also include the impact of movements in the fair value of derivatives and other financial assets, including embedded derivatives within our revenue and supplier contracts. Movements in fair values added £25 million to total operating costs in 2006, compared to £16 million in 2005.

Operating profit and trading profit

Operating profit totalled £256 million in 2006 (2005: £207 million), an increase of £49 million over 2005, largely reflecting the lower Fast Forward restructuring costs.

Trading profit (as defined above and reconciled to operating profit on page 69) was £308 million in 2006 (2005: £334 million). Trading profit was largely driven by revenue growth, the last tranche of Fast Forward savings, continued tight cost control and £10 million of benefit from acquisitions. However, these benefits were more than offset by the £77 million net new investment to drive Core Plus, taking into account revenues and early cost savings generated by the initiatives during the year.

The business delivered an operating profit margin of 10% (2005: 9%) and a trading margin of 12% (2005: 14%).

Profit for the year from continuing operations

Profit for the year from continuing operations was £293 million (2005: £229 million). The year-on-year increase of £64 million is largely due to the improved operating profit discussed above and the increase in profits from asset disposals. The sale of the majority of our stake in Factiva realised a profit of £76 million, whereas the £38 million of disposal profits in 2005 came largely from further sales of our stake in Tibco Software Inc. (TSI).

Net finance costs of £15 million increased by £3 million over the previous year, reflecting the net outflow of cash for the share buy-back programme and special contributions made towards funding the majority of the deficit position on two UK defined benefit pension schemes.

Income from our associates and joint ventures in 2006 generated a loss of £4 million, compared to a profit in 2005 of £5 million. The losses in 2006 largely reflected the expected initial losses in Reuters new investments in FXMarketSpace and TIMES NOW, along with set-up costs incurred to establish FXMarketSpace. Profits in 2005 largely reflected the results of Factiva, which ceased to be accounted for as a joint venture in October 2006.

The tax charge for the year was £20 million, compared to £9 million in 2005. As in 2005, the current year has benefited from the settlement of prior year tax matters. A reconciliation of the actual tax charge to the tax charge expected by applying the standard 30% UK rate of corporation tax to the reported profits is provided in note 6 to the financial statements on pages 86–87.

Profit for the year from discontinued operations

We have no activities which are required to be classified as discontinued operations in 2006. An additional gain of £12 million has been recognised in 2006 arising from the disposal of Instinet Group in 2005, compared to the £253 million profit recognised in 2005. The 2005 result was largely made up of the post-tax profit of £191 million on the disposal of Instinet Group and £68 million profit after tax from Instinet Group's business operations prior to its sale in December 2005.

Earnings per share

Profit for the year was £305 million (2005: £482 million), resulting in basic EPS of 23.6p, down 9p from the prior year, mainly due to the decrease in profits from disposals for the period. Adjusted EPS (as defined above and reconciled to basic EPS on page 69) was 17.1p in 2006, up 24% from the previous year, reflecting lower net restructuring charges and a reduction in the number of shares in circulation, due to the share buy-back programme.

56 Operating and financial review continued

Summarised cash flow and free cash flow

Summarised Group cash flow

Year to 31 December

	2006 £m	2005 £m	2004 £m
Net cash flow from operating activities	258	253	226
Acquisitions and disposals	(2)	206	384
Purchases of property, plant and equipment, and intangibles	(228)	(185)	(136)
Proceeds from sale of property, plant and equipment	5	3	66
Dividends received	3	5	5
Proceeds from issue of shares	32	10	6
Share buy-back	(527)	(223)	–
Equity dividends paid to shareholders	(134)	(140)	(140)
Equity dividends paid to minority interests	–	(23)	–
Other movements	7	21	(8)
Movement in net (debt)/funds	(586)	(73)	403
Opening net funds/(debt)	253	326	(77)
Closing net (debt)/funds	(333)	253	326

Reconciliation of cash flow from continuing operations to free cash flow from continuing operations

Year to 31 December

	2006 £m	2005 £m	2004 £m
Cash flow from continuing operations	311	268	307
Net interest paid	(19)	(7)	(19)
Tax paid	(34)	(11)	(34)
Special contributions to pension schemes	187	–	–
Capital expenditure	(228)	(178)	(117)
Proceeds from sale of property, plant and equipment	5	3	49
Dividends received	3	5	4
Interim funding repayment from Telerate	–	(18)	18
Repayment of funds to BTC	–	26	–
Free cash flow from continuing operations	225	88	208

Trading cash conversion from continuing operations, (i.e. trading cash flow divided by trading profit) in 2006 was 111% (2005: 77%) with the increase in capital expenditure more than offset by working capital improvements.

Net debt was £333 million, compared to net funds of £253 million in 2005, a movement of £586 million. The significant movements in net debt include:

- Free cash inflows of £225 million, as noted above;
- Special contributions of £187 million towards funding the deficit in two UK defined benefit pension schemes;
- The ongoing cost of the share buy-back programme, amounting to £527 million;
- Dividend payments of £134 million; and
- Net outflow from acquisitions and disposals of £2 million, including £79 million from the disposal of Factiva.

Dividends

Dividends paid in 2006 totalled £134 million. The final dividend to be proposed in respect of 2006 is 6.9p per share, an increase of 12% on the prior year, reflecting our continued confidence in the future performance of our business. The total dividend in respect of 2006 is 11p, an increase over 2005 of 10%.

We are committed to maintaining a progressive dividend policy, which reflects our long-term earnings potential, whilst moving towards minimum dividend cover of at least two times based on adjusted earnings.

Balance sheet

The net assets of the Group are £172 million, a reduction of £339 million on the previous year. This reduction primarily reflects the return of funds to shareholders through the share buy-back programme.

The main movements in the Group balance sheet between 2006 and 2005 are:

- The capitalisation of property, plant and equipment and intangible assets of £290 million, offset by annual depreciation and amortisation charges of £141 million.
- A change in the composition of our net debt (net funds in 2005), with lower cash holdings and higher debt being offset by lower pension obligations due to the special contributions towards funding the deficits in two UK defined benefit pension schemes.

Summarised Group balance sheet

Year to 31 December

	2006 £m	2005 £m	2004 £m
Non-current assets	1,314	1,179	1,025
Current assets	606	957	1,410
Non-current assets classified as held for sale	–	1	145
Total assets	1,920	2,137	2,580

Note: Refer to page 72 for reconciliation to Group cash flows.

Cash generated from continuing operations was £311 million, compared to £268 million in 2005. The year-on-year improvement of £43 million was driven by lower restructuring charges than 2005 and savings achieved under the Fast Forward programme. It was also driven by a movement in working capital outflow of £50 million (2006: £115 million; 2005: £65 million), although excluding the contribution of £187 million towards funding pension deficits, working capital improved significantly on 2005.

Free cash flow from continuing operations was £225 million (2005: £88 million). This reflects lower cash restructuring charges and management action to improve working capital, partially offset by higher capital expenditure, cash tax and interest charges. Movements in working capital were £111 million positive, although some of this improvement was due to timing around year-end cash flows which will reverse in 2007.

Investment in software and development projects has increased by £66 million, reflecting higher levels of development under Core Plus. Tangible capital spend has reduced by £16 million, reflecting the completion in 2005 of the move to Reuters head office in London's Canary Wharf, partially offset by new investment in data centres. Total capex of £228 million was higher than the £220 million anticipated in the 2006 Outlook in the 2005 Annual Report and Form 20-F, reflecting additional investment to improve data centre resilience.

Current liabilities	(913)	(797)	(1,249)
Non-current liabilities	(835)	(829)	(714)
Liabilities associated with non-current assets classified as held for sale	–	–	(47)
Total liabilities	(1,748)	(1,626)	(2,010)
Net assets	172	511	570
Shareholders' equity	172	511	371
Minority interest	–	–	199
Total equity	172	511	570

Our largest acquisition during the year was that of Application Networks for £22 million, which completed in June 2006. Other acquisitions included two small Telerate distributor businesses in India and Italy. We also made a number of investments in associates and joint ventures, including a 26% holding in TIMES NOW of £11 million; and an initial contribution of £8 million to establish FXMarketSpace as a joint venture with the CME (an additional £6 million was invested by each partner in early 2007 towards the total commitment of \$45 million for each partner intended to bring the joint venture to a cash flow positive status; the partners evaluate on an ongoing basis whether additional funding may be required).

Disposal activity for the year included the sale of the majority of our 50% stake in Factiva to Dow Jones for net cash proceeds of £79 million, resulting in a gain on sale of £76 million.

The 2005 IFRS balance sheet has been restated to recognise irrevocable commitments to repurchase shares during close periods as a liability. During the closed period following the 2006 year end, the Group repurchased 12.0 million shares (2005: 13.5 million shares, 2004: nil) under these commitments at a total cost of £53 million (2005: £59 million, 2004: £nil). The impact of recognising these commitments is to increase current liabilities and to decrease shareholders' equity by £53 million (2005: £59 million, 2004: £nil). There is no impact on reported profit, cash flow or earnings per share. Share repurchases under the buy-back programme totalling £137 million for the period 1 January 2006 to 7 March 2006, which included the £59 million described above, were disclosed previously under note 38 'Post balance sheet events' in the 2005 Annual Report and Form 20-F.

2007 Outlook

In 2007, we expect to deliver underlying revenue growth of 6% or better, in line with our plans for strong sustainable revenue growth in the medium term, assuming continued growth in the financial services industry. Trading margins are expected to increase to 13–14% in 2007, putting us on track to achieve our medium term trading margin target of 17–20%. Operating margins are expected to perform similarly but will be subject to additional impact from factors that cannot be predicted such as fair value movements in embedded derivatives.

We expect to keep capital expenditure in 2007 at similar levels to 2006.

Although currency had a negligible effect on trading profit, the impact of sterling strength against the euro and US dollar is expected to be more material in 2007 if current rates persist. This is because major sources of revenue growth – our largest accounts worldwide, for example – are typically dollar priced while the size of Reuters dollar denominated cost base has reduced. At current exchange rates and currency mix, a 5 cent weakening/strengthening in either the US dollar or the euro would decrease/increase trading profit by approximately £10 million.

We will actively manage our capital structure to maintain a strong investment grade rating of BBB+/Baa1 and, to the extent that we generate cash surplus to our needs, will continue to seek to return that cash to shareholders. Based on current investment plans, Reuters expects to increase the buy-back during 2007 to £400–£425 million, which includes £250 million remaining of the £1 billion buy-back announced in July 2005. In future, share buy-backs will be considered periodically, based on business performance, investment opportunities and the BBB+/Baa1 ratings target.

We invested a net £77 million in our Core Plus initiatives in 2006 taking into account revenues and early cost savings generated by the initiatives during the year. Looking forward, our targets for Core Plus

are that the combination of increased revenues and new cost savings, net of the investment required to deliver these, will improve the impact on trading profit by £60 million in 2007 and by a further £105 million in 2008. Actual trading profit in each of these years will also be impacted by other factors such as the performance of our core business and currency movements.

2005 results compared with 2004

Revenue

Full year revenue grew by 3% to £2,409 million (2004: £2,339 million). This was our first full year of revenue growth since 2001. On an underlying basis, revenue was approximately the same as in 2004. Acquisitions, particularly of Telerate, accounted for most of the difference between actual and underlying increases, with the remainder due to currency movements. In the newly integrated Telerate business, sales focus on revenue retention post-acquisition drove better than expected revenue performance.

Recurring revenue was £2,235 million (2004: £2,158 million). This represented an increase of 4% on an actual basis (1% underlying) compared to 2004, and was the first time underlying recurring revenue had grown since 2001.

Usage revenue grew by 13% to £104 million (2004: £92 million). This was driven by strong performance from Reuters transaction services as well as higher advertising revenue from reuters.com.

Outright revenue totalled £70 million (2004: £89 million), a decline of 22% compared to 2004. This decline was mainly due to our continued withdrawal from technology consulting as part of the Fast Forward programme, which completed in 2005.

Operating costs and trading costs

Total operating costs were £2,251 million, an increase of 3% from 2004 (£2,187 million). The drivers of the increase are largely explained in the context of the movement in trading costs (as defined above). Trading costs were £2,075 million in 2005 (2004: £2,013 million), up 3% on an actual basis (flat on an underlying basis), demonstrating our continued cost discipline. The differences between the underlying and actual increases are mostly related to acquisitions, principally Telerate, with the remainder due to currency movements.

Additionally, Fast Forward restructuring costs of £94 million were £26 million lower than the previous year. The Fast Forward business transformation completed in 2005, with outsourcing communications to BT/Radianz, further headcount reductions and expansion in Bangalore and Bangkok resulting in further annualised savings of £126 million.

We also incurred £18 million of acquisition related integration costs, principally relating to Telerate. We invested £41 million in the second half of 2005 in Core Plus transformation projects and growth initiatives. These included investment in new electronic trading products and rationalising data centres and product development units.

Operating profit and trading profit

Operating profit rose from £194 million to £207 million, reflecting improved trading performance.

Trading profit was £334 million in 2005 (2004: £326 million). Trading margin remained at 14%, after expenditure on investments in the Core Plus programme.

Profit for the year from continuing operations

Profit in 2005 from continuing operations was £229 million, a decrease from £356 million in 2004 driven by a reduction in profits on asset

58 Operating and financial review continued

disposal. Net finance costs were comparable to 2004 at £12 million due to a similar net debt position throughout the year, prior to the disposal of Instinet Group. The tax charge was £9 million compared to £40 million in 2004 mainly due to the benefit of settling prior year tax matters.

Profit for the year from discontinued operations

Profit from discontinued operations rose from £19 million to £253 million, largely due to the post-tax profits of £191 million on the disposal of Instinet Group and £68 million profit after tax from Instinet's business operations prior to sale. This was partly offset by losses on the sale of Radianz to BT, and on the partial disposal of the Group's interest in Bridge Trading Company (BTC) to Instinet Group.

Earnings per share

Profit for 2005 was £482 million (2004: £375 million), resulting in basic EPS of 32.6p, up 6.6p from 2004. Adjusted EPS was 13.8p, up 2p from 2004, reflecting a stronger trading profit and a reduction in the number of shares in circulation due to the share buy-back programme.

Summarised cash flow

Cash generated from continuing operations was £268 million (2004: £307 million) and free cash flow was £88 million (2004: £208 million). The year-on-year decline was driven by increases both in capital investment and restructuring charges. Higher capital investment resulted from our move to our London headquarters at Canary Wharf, stepped-up investment in data centres and the capitalisation of product development and software costs. 2005 cash restructuring costs were £147 million (2004: £100 million), of which £132 million represented the peak year for Fast Forward cash charges and the remainder related mainly to the integration of Telerate. Cash flow in 2004 also benefited from £49 million of proceeds from the sale of property, plant and equipment disposals which did not recur in 2005.

Net funds were £253 million (2004: £326 million). Excluding £507 million of net funds from Instinet Group in 2004, 2005 shows a year-on-year improvement in net debt to net funds. This was largely due to cash flow from operations of £268 million and net cash proceeds from disposals/acquisitions (mainly Instinet) of £710 million, partially offset by net purchases of assets of £182 million, dividend payments of £140 million, and payments made as part of the share buy-back programme of £223 million.

Dividends

Dividends paid were £140 million in 2005 and 2004. The final dividend was 6.15p per share in line with 2004.

Balance sheet

The net assets of the Group reduced to £511 million in 2005, from £570 million in 2004. The main movements in the balance sheet were:

- The disposal of Instinet Group – reducing both total assets and liabilities upon sale and reducing the minority interest in Instinet Group to zero.
- The impact of the share buy-back programme, which decreased shareholder funds by £283 million (which includes £59 million in current liabilities resulting from irrevocable commitments entered into during the close period).
- An increase in non-current liabilities, principally reflecting an increase in net pension obligations from £256 million to £310 million, largely as a result of changes to key assumptions underpinning the net liability valuation (both the rate of return and discount rate decreased which resulted in a larger present value liability).

The largest acquisition in 2005 was Telerate for £122 million. Other acquisitions included Action Images and Ecowin.

Disposals included Reuters 62% stake in Instinet Group to NASDAQ. Prior to this disposal, Reuters had sold BTC to Instinet Group and had received a dividend from Instinet Group following the sale of its Lynch, Jones & Ryan subsidiary to The Bank of New York. The net proceeds from all these transactions totalled approximately £630 million.

Other disposals included the sale of 16 million shares in TSI for £63 million resulting in a profit of £33 million, and the sale of Radianz to BT for £115 million cash resulting in a loss of £4 million.

Divisional performance

Overview

We operate through four business divisions: Sales & Trading, Research & Asset Management, Enterprise and Media. They are closely aligned with the user communities they serve and they are responsible for defining, building and managing products. The business divisions have profit and loss responsibility. Revenues and trading profit for the two years to 31 December 2006 are analysed by business division in the following sections. Further information on revenue by division and by geography is included in note 1 of the financial statements on page 84.

During 2006, we transferred our development and data teams to become part of the business divisions, to align these teams more closely with our divisional plans. These plans are being further strengthened by our investment in the quality and timeliness of Reuters data. Operationally, we have introduced a new end-to-end framework for managing products through their entire lifecycle, simplifying the process and enabling us to make the most of our resources and maximise the return on our investments.

Shared infrastructure design is provided by a technical architecture team tasked with providing technical coherence, scale efficiencies and compliance with standards.

We face competition in most of the market sectors and geographical areas in which we operate. We monitor the competitive landscape actively in order to be able to respond to market developments.

The business divisions serve customers through our Global Sales and Service Operations group which is split into geographic regions: the Americas, Asia, and Europe, Middle East & Africa. In addition, we run our Focus Group Accounts team as a global sales and support channel for our largest customers. Locally, members of our sales and service teams work with customers to build relationships and to identify the correct Reuters products to meet customer needs and to feed back customer needs to the business divisions. Through regular training visits, our customer training specialists work with end-users to ensure they get full value from our products. In addition we provide product, content and technical support by telephone and email from three regional hubs, one based in each principal time zone. We also offer proactive telephone support and remote learning to help users of our premium products get the most out of their service. To increase awareness of the latest developments in our product range, we have a travelling showcase for Reuters products called 'brightspot'.

Our Editorial and data groups support the work of all four business divisions by reporting, producing, collecting, quality-checking, packaging and delivering an extensive range of news and financial information.

Our financial data comes from an array of sources such as exchanges, over-the-counter markets, our customers, research services and other contributors such as energy and fixed income data providers, as well as from our own news, research and data operations.

Our editorial team of 2,400 text, television and photo journalists aims to report the news to the highest standards of accuracy, insight and timeliness. Representing some 90 nationalities, they report from nearly 200 bureaux in 19 languages. They filed 3 million news items in 2006 to customers in the form of text, pictures, TV, video and graphics.

Our coverage includes data from 250 exchanges, more than 1.5 million bonds, 250,000 foreign exchange and money market instruments and award-winning commodities and energy content. This is further complemented by data from around 6,000 financial services contributors. In addition, our fundamentals and estimates data is recognised as a leading source of high quality financial information, covering over 45,000 companies worldwide.

Sales & Trading division Overview

Sales & Trading – our largest business division – serves the information, trading and post-trade connectivity requirements of buy and sell-side customers in the foreign exchange, fixed income, equities and other exchange traded instruments, and commodities & energy markets. The division's major strategic focus is to become the leading provider of content and transaction services for traders and salespeople worldwide, across a broad spectrum of asset classes. Our customers include market makers, sales traders, traders at investment firms and corporate treasurers. In addition, we continue to identify opportunities in new asset classes.

Our premium desktop product is Reuters 3000 Xtra. Its users are financial markets professionals who require a powerful combination of deep, global, cross-asset news and content combined with sophisticated pre-trade decision-making, analytics and trade connectivity tools. It includes Reuters Messaging, which enables end-users to interact with their peers in the financial community.

Our trading suite of products offers trade connectivity, electronic trading, order-routing and post-trade tools to enable customers to trade with each other and connect their systems to electronic markets. We now have a range of trading and post-trade services for FX and money markets, fixed income and exchange traded instruments. Our strategic product set includes Reuters Dealing 3000, Reuters Trading for Foreign Exchange, Reuters Trading for Fixed Income and Reuters Trading for Exchanges. Through Reuters Dealing 3000, our customers have access to a trading community of 18,000 FX and money market traders globally.

Reuters Trader is our mid-tier product which we also offer in versions targeted at regional markets. Users of our mid-tier and domestic products typically require only a subset of Reuters overall content and capabilities. We are working to complete the migration of our customers from older products to new Reuters Trader products, many of which are browser-based.

Our Sales & Trading information products compete with Bloomberg, Thomson Financial, Sungard, Telekurs, IDC, and Factset, as well as stock exchanges, plus a number of smaller local and regional competitors which offer information products for the financial markets. In the electronic trading business we compete with exchanges, particularly in the energy and commodity markets; direct market access providers such as Lava and Sonic, now owned by banks (which are also our customers); order management system providers, which are increasingly adding information and trading capabilities; single-bank portals and multi-bank portals such as FX All; and other electronic execution venues such as Market Axess, Thomson TradeWeb, EBS (now owned by ICAP) and Bloomberg.

Financial performance Sales & Trading division summary operating and trading results

Year to 31 December	2006 £m	2005* £m	Actual change	Underlying change
Revenue	1,690	1,613	5%	3%
Trading costs	(1,476)	(1,373)	8%	6%
Restructuring charges	(12)	(76)		
Other operating income (in trading costs)	(20)	(16)		
Impairments and amortisation of business combination intangibles	(17)	(14)		
Fair value movements in expenses	(18)	(16)		
Operating costs	(1,543)	(1,495)	3%	
Other operating income	27	37		
Operating profit	174	155	13%	
Operating margin	10%	10%		
Trading margin	13%	15%		

* In 2006, Reuters made changes to the allocation of revenue and trading costs between business divisions, to reflect changes in the management of certain products. 2005 comparatives have therefore been restated to increase Sales & Trading revenue by £18 million and trading costs by £19 million. 2005 comparatives have also been restated to reallocate £1 million of amortisation on intangible assets arising on the acquisition of Telerate from Enterprise to Sales & Trading, in line with the allocation of revenues from Telerate products.

Reconciliations between the IFRS and non-GAAP measures are provided on pages 69–72.

Sales & Trading returned to underlying revenue growth in 2006 under a new management team led by Mark Redwood. The key to profitable growth lies in focusing on a small number of standard technology platforms, and on high-margin transactions-related revenue. In 2006, revenue of £1,690 million was up 5% on an actual basis, and 3% on an underlying basis after accounting for growth generated by the acquisition of Telerate during 2005. The major drivers of revenue growth were sales of 3000 Xtra, helped by favourable market conditions, and transaction revenues, helped by strong FX markets.

Recurring revenue within Sales & Trading grew 4% on an actual basis and 2% on an underlying basis. The biggest growth driver was Reuters 3000 Xtra, which saw subscription revenue grow by 12% on an actual basis and 8% on an underlying basis. While this increase was driven in part by migrations from other Reuters desktop products, the highest proportion came from new sales, benefiting from favourable market conditions, new sales into areas such as credit derivatives and customers wanting to trade on new transactions services. Reuters Trader for Commodities also saw encouraging growth, reflecting volatile energy and commodities markets.

Strong foreign exchange markets, as well as new services such as prime brokerage, also drove growth of 23% on an actual and underlying basis in Sales & Trading usage revenues, taking them to £93 million. Reuters conversational dealing services also saw revenue growth driven by an active global market and emerging markets expansion. Reuters leading position in FX is creating significant new growth opportunities such as the FXMarketSpace joint venture with the CME.

Transactions services were the major area of growth-focused Core Plus investment in Sales & Trading during 2006. Reuters Trading for Foreign Exchange saw encouraging volume growth, while Reuters Trade Notification Service is beginning to establish itself as an industry standard for post-trade messaging among FX brokers and their clients. The launch of Reuters Trading for Exchanges, which enables customers to transact exchange-traded instruments, was recently boosted by an agreement with BNY ConvergeX to offer its global trading services through this platform, bringing the number of brokers live on the platform to eight.

Operating costs increased to £1,543 million in 2006 (up 3% on an actual basis), reflecting an increase in trading costs, partially offset by lower Fast Forward restructuring charges.

60 Operating and financial review continued

Trading costs increased to £1,476 million in 2006 (up 8% on an actual basis and up 6% on an underlying basis), driven by significant investment in Core Plus initiatives such as transactions services and customer service infrastructure, the effect of which was offset to some extent by operating efficiencies and reductions in communications costs. These initiatives are expected to deliver further underlying revenue growth, and margin improvement, in 2007 and beyond.

A key part of strengthening our position in Sales & Trading in 2006 was to migrate former Telerate customers to the latest Reuters products. In line with the integration plan, the Telerate migration was completed in Europe and Asia by the end of 2006, and is due to be completed in the Americas and with our largest global customers in 2007. Telerate profits are in line with the original acquisition plan. A restructuring charge of £13 million relating to the integration of Telerate was taken in 2006, with the majority (£12 million) incurred within the Sales & Trading division. Restructuring charges have reduced significantly compared to 2005 as the Fast Forward programme came to an end.

In 2006, operating profit was £174 million, up 13%. The reduction in the 2006 restructuring charge was the primary driver of this growth, as increased revenues were partially offset by the cost of Core Plus investments. Trading profit declined by 10% on an actual basis and 17% on an underlying basis.

Research & Asset Management division

Overview

The Research & Asset Management division focuses on supporting portfolio managers, wealth managers, investment bankers, research analysts and corporate executives who make complex financial decisions outside the trading environment. There was a smooth management transition at year end, with Michael Peace taking over responsibility for the division on the retirement of Julie Holland.

The Research & Asset Management division is responsible for the Reuters Knowledge and Reuters Wealth Manager product families.

The Reuters Knowledge family is targeted at the research and advisory communities, including investment bankers and analysts, portfolio managers, company executives and others focused on company and industry-specific research. Reuters Knowledge offers an integrated package of public and proprietary information about companies, securities, industries and markets plus economic data, news and other content. Knowledge can be integrated with Reuters flagship real time information desktop product, Reuters 3000 Xtra, for users who require significant real-time, deep cross-asset coverage or transaction capabilities.

The Reuters Wealth Manager family is targeted at wealth managers and retail brokers who require financial information services that can be integrated closely into their workflow, helping users manage their clients' portfolios better and allowing more time to concentrate on building deeper client relationships. The Reuters Wealth Manager family includes content on a wide range of single asset and collective investment funds provided by our Lipper subsidiary. Lipper is a global leader in the provision of independent fund research, analysis and ratings.

As well as its core services, the Research & Asset Management division also receives a share of revenue from Reuters 3000 Xtra and the Reuters 2000/3000 range of legacy products, by reference to the nature of the customer taking the product.

In the Research & Asset Management arena, we compete with Bloomberg, Thomson Financial, Factset and Standard & Poor's, as well as smaller niche players. Our Lipper funds information business competes with Morningstar, plus a number of local domestic players.

Financial performance

Research & Asset Management division summary operating and trading results

Year to 31 December	2006 £m	2005* £m	Actual change	Underlying change
Revenue	298	258	15%	12%
Trading costs	(305)	(276)	10%	8%
Restructuring charges	–	(11)		
Other operating income (in trading costs)	(4)	(3)		
Impairments and amortisation of business combination intangibles	(3)	(3)		
Fair value movements in expenses	(3)	–		
Operating costs	(315)	(293)	7%	
Other operating income	5	–		
Operating loss	(12)	(35)	(63%)	
Operating margin	(4%)	(13%)		
Trading margin	(2%)	(6%)		

* In 2006, Reuters made changes to the allocation of revenue and trading costs between business divisions, to reflect changes in the management of certain products. 2005 comparatives have therefore been restated to decrease Research & Asset Management revenue by £10 million and trading costs by £12 million.

Reconciliations between the IFRS and non-GAAP measures are provided on pages 69-72.

The Research & Asset Management division made progress towards profitability in 2006, with revenues of £298 million up 15% (12% on an underlying basis) beginning to drive more significant economies of scale.

Research & Asset Management aims to provide independent content and insight to the following user communities: Investment Banking, Investment Management & Corporates and Wealth Management.

Investment Banking, Investment Management & Corporates were the major revenue drivers for the division in 2006, with total revenues growing 27% on an actual basis and 22% on an underlying basis to £171 million. Revenues were driven by the addition of 3,000 standalone Reuters Knowledge positions (bringing the total to 14,000) and the sales of Reuters Knowledge embedded in Xtra and datafeeds. The superior quality of Reuters company fundamentals and estimates data was key to driving growth in both feeds and desktops. Reuters also benefited as customers broadened their global coverage, by providing in-depth information on emerging markets such as China and India.

Revenue from the Wealth Management customer base grew 2% on an actual basis and 1% on an underlying basis to £127 million. Ongoing management actions to restructure unprofitable low tier desktop business limited top line growth, but moved this part of the business closer to profitability. Customer demand is growing for datafeed and online solutions within their wealth management workflow and for Lipper funds information. Simplification will remain a key Wealth Management theme in 2007 with the beginning of

convergence of several existing products onto the global Reuters Knowledge for Wealth Management platform.

Operating costs were £315 million in 2006, up 7% driven primarily by trading cost increases, partially offset by lower Fast Forward restructuring charges. Trading costs were £305 million in 2006, up 10% on an actual basis and 8% on an underlying basis. In 2006, the business saw significant investments under the Core Plus programme in high value content and new functionality for Reuters Knowledge. With Reuters Knowledge now on a quarterly release cycle, new content can be released to customers more quickly. The 2005 acquisition of Ecwin also contributed profits in 2006. Partially offsetting the higher trading costs were lower Fast Forward restructuring charges.

Research & Asset Management generated a net operating loss of £12 million in 2006, compared to a loss of £35 million in 2005, despite additional Core Plus investment costs in 2006. This improvement was primarily driven by the improved revenue growth.

In 2007, Research & Asset Management is expected to sustain its strong revenue growth, and improve profitability. Initiatives, such as the formation of a primary research group to create and sell proprietary content, are expected to deliver benefit over a longer time horizon, and are being well received in early client testing.

Enterprise division

Overview

Reuters aggregates information to give a single view of the financial markets and the events that move them. Our Enterprise division provides information and software that support business automation within the capital markets, for example, automated trading and regulatory compliance.

Our products include:

- Reuters DataScope real-time datafeeds, streams of machine-readable price data delivered over our networks at high speed for use in customers' information and trading services;
- Reuters DataScope pricing and reference data which help banks and financial organisations achieve regulatory compliance by delivering accurate financial instrument prices and reference material for the capital markets globally. In 2006 we launched a new distribution platform, Reuters DataScope Select, to support back office and fund valuation processes;
- Reuters Market Data System, a resilient content distribution software platform that enables banks to deliver high volume and low latency data into a wide variety of financial systems;
- Trade and Risk Management systems to help banks manage their trading position and monitor their exposure to trading risk. In 2006, we acquired Application Networks Inc., whose coverage of credit derivatives and structured financial products complements our existing strengths in FX and treasury risk management; and
- Reuters Messaging, a secure online messaging service that connects financial professionals within and across existing communities of interest.

Several stock exchanges compete with our real time datafeed business by providing low-latency real-time feeds of their data direct to banks and financial institutions. In addition, feedhandlers and application-programmable interface developers such as Wombat, Infodyne and ACTIV Financial compete with us in the market data delivery arena. Our pricing and reference data offerings compete primarily with Bloomberg, Telekurs, and IDC. Competitors in the supply of risk products and market data systems or related components include Algorithmics, Murex, Summit Systems, Sungard Data Systems, Misys, GL TRADE and a large number of smaller firms.

Financial performance

Enterprise division summary operating and trading results

Year to 31 December	2006 £m	2005 [*] £m	Actual change	Underlying change
Revenue	408	385	6%	6%
Trading costs	(323)	(291)	11%	10%
Restructuring charges	(1)	(17)		
Other operating income (in trading costs)	(5)	(5)		
Impairments and amortisation of business combination intangibles	(3)	(4)		
Fair value movements in expenses	(3)	–		
Operating costs	(335)	(317)	6%	
Other operating income	6	8		
Operating profit	79	76	3%	
Operating margin	19%	20%		
Trading margin	21%	24%		

^{*} In 2006, Reuters made changes to the allocation of revenue and trading costs between business divisions, to reflect changes in the management of certain products. 2005 comparatives have therefore been restated to decrease Enterprise revenue by £8 million and trading costs by £7 million. 2005 comparatives have also been restated to reallocate £1 million of amortisation on intangible assets arising on the acquisition of Telerate from Enterprise to Sales & Trading, in line with the allocation of revenues from Telerate products.

Reconciliations between the IFRS and non-GAAP measures are provided on pages 69–72.

The Enterprise division, under the leadership of Peter Moss, achieved a strong return to revenue growth in 2006. Revenue of £408 million was up 6% both on an actual and underlying basis.

Our financial services customers are looking to grow revenues and cut costs through increased levels of business automation. The Enterprise division is well placed to help them achieve these goals, and has made significant progress during 2006.

Enterprise Information area saw the best revenue growth within the Enterprise division. On both an actual and an underlying basis revenues grew 13% to £220 million. Financial services customers are consuming more and more data as they seek to provide a competitive edge for their customers, and become increasingly sophisticated in the valuation of financial instruments and funds and understanding of risk. The breadth, depth and reliability of Reuters Enterprise Information make it a market leader in these fields.

Trade and Risk Management also benefited from demand for business automation, and saw revenues grow 13% on an actual basis (12% on an underlying basis) to £92 million. The Kondor+ trade and risk management desktop product was significantly upgraded in the course of the year, and the launch of Kondor+ Trade Processing added front-to-back office trade management capabilities to further the automation of trading businesses. Application Networks was acquired

and integrated during 2006. Although its initial contribution to revenues was small, the sales pipeline for 2007 is strong.

Information Management Systems (IMS) continued to see revenue declines – by 11% on an actual basis (12% on an underlying basis) – to £96 million, driven by the move to desktop based solutions at smaller sites, withdrawal from the hardware business and the fact that the majority of customers have now migrated from legacy platforms onto Reuters Market Data System (RMDS). By the end of 2006, IMS had seen the majority of the flow-through effect of migrating customers from legacy TIB/Triarch systems to the RMDS, as well as from exiting other legacy business. New Core Plus products such as the Reuters Wireless Delivery System and Reuters Tick Capture Engine started to generate revenue in 2006, and are expected to make a larger

62 Operating and financial review continued

contribution in 2007. Widespread customer use of RMDS as a platform for making information available throughout an enterprise is of key strategic importance to Reuters.

Enterprise operating costs in 2006 were £335 million, up 6% driven primarily by trading cost increases, partially offset by lower Fast Forward restructuring charges. Trading costs in 2006 were £323 million, up 11% on an actual basis and 10% on an underlying basis. During 2006, the Enterprise division invested in a series of new initiatives under Core Plus to broaden its suite of business automation solutions. For example, Reuters Datafeed Direct, Reuters DataScope Tick History, the Reuters Tick Capture Engine and Reuters NewsScope all support evolving trends in automated trading.

Although Core Plus investment reduced 2006 trading profit, trading margin remained above 20%. Operating profit increased slightly in 2006 to £79 million, helped by the reduction in Fast Forward restructuring charges, though the operating margin decreased to 19%. In 2007, Enterprise is targeting higher levels of revenue growth and improved profitability.

Media division

Overview

The Media division creates, packages and distributes news and information services to the world's newspapers, television and cable networks, radio stations and websites, as well as directly to consumers through Reuters-branded digital services across online, mobile, and IPTV platforms. Reuters Media products provide comprehensive and timely news and information as text, video, graphics and photos. Reuters Media targets media professionals and influential consumers who need fast, accurate and trusted news and information to keep them informed. Reuters news and information reaches over 1 billion people every day through our worldwide media partners, and Reuters online sites reach a unique audience of 16 million individuals globally each month.

In June 2006, we re-launched Reuters Pictures, our online photo product and archive used by media outlets worldwide. In September 2006, we launched the first virtual news bureau in Second Life, an online virtual world, helping us to strengthen our online media brand and profile. We sold the majority of our 50% stake in our Factiva joint venture to Dow Jones (our joint venture partner) for £79 million in December 2006.

Our main competitors in the supply of news to the media are Associated Press, Agence France Presse, Dow Jones and Bloomberg News. In the direct-to-consumer market, we compete with a variety of local and global providers including the BBC's websites and Yahoo! Finance.

Financial performance Media division summary operating and trading results

Year to 31 December	2006 £m	2005 £m	Actual change	Underlying change
Revenue	170	153	11%	10%
Trading costs	(154)	(135)	13%	12%
Restructuring charges	–	(8)		
Other operating income (in trading costs)	(2)	(2)		
Impairments and amortisation of business combination intangibles	(1)	(1)		
Fair value movements in expenses	(1)	–		
Operating costs	(158)	(146)	8%	
Other operating income	3	4		
Operating profit	15	11	43%	
Operating margin	9%	7%		
Trading margin	10%	12%		

Reconciliations between the IFRS and non-GAAP measures are provided on pages 69–72.

The Media division delivered strong growth in 2006, with revenues of £170 million up 11% on an actual basis (10% on an underlying basis). The major drivers of revenue growth were new sales of TV subscriptions and growth in online advertising. Chris Ahearn strengthened his team during the year by adding online editorial, marketing, technology and advertising expertise.

Revenue from Agency Services grew 7% on actual basis (6% on an underlying basis) to £143 million, driven principally by strong new sales of TV subscriptions, particularly in the Middle East and Central and Eastern Europe, and increased customer use of picture services. As publishers and broadcasters retrench and seek to control their direct editorial costs, new revenue opportunities for Reuters News Agency have opened and continued to be pursued. In addition, the demand for video for inclusion in the online properties of traditional newspaper clients has fuelled demand for Reuters television feeds.

Consumer Media revenue grew 38% on an actual and 39% on an underlying basis to £27 million, driven principally by strong growth in online advertising on the reuters.com sites.

Trading profit declined on an actual basis, but remained stable on an underlying basis, with a strong performance from the Agency business offset by the investment under Core Plus to capitalise on the high growth rates in interactive media. Operating profit increased in 2006 to £15 million, helped by the reduction in Fast Forward restructuring charges.

In 2007, the division is expected to maintain similar levels of growth, at improved margins, as it begins to realise scale advantages in the

newer businesses and benefits from the increased functionality of its new web platform.

Supporting financial information

Management of risks

Details of the financial risk management objectives and policies of the company and the exposure of the company to financial risk are provided in 'Internal control' on page 41 and in the financial statements within note 17 on page 99.

Pending transactions and post balance sheet events

There are no material pending transactions.

Details of post balance sheet events are given on page 127.

Treasury policies

Reuters treasury function is a cost rather than profit centre. All treasury activity takes place within a formal control framework under policies approved by the Board. As such, all transactions which are undertaken are designed to mitigate risk within the business or to secure funding. At no time do we undertake speculative transactions or transactions without an underlying commercial rationale.

The key objectives of the treasury function are to ensure sufficient liquidity exists to meet funding needs and to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

Financing

We finance the business from a mixture of cash flows from operations, short-term borrowings from banks, commercial paper issuance, backed up as required by committed bank facilities, and debt issuance in the capital markets. We manage our net debt position and interest costs to support our continued access to the full range of debt capital markets. We expect to be able to finance our current business plans from ongoing operations and our external facilities.

Net cash flows are applied to reduce debt, placed in short-term deposits with financial institutions holding strong credit ratings or used to repurchase the company's own shares as part of an announced buy-back programme designed to enhance shareholder returns. During 2006, £527 million was applied to market purchases of the company's own shares (for information about the company's share repurchases, see page 116). At 31 December 2006, the Group had net debt of £333 million.

Reuters is rated by the three principal credit rating agencies. As at 31 December 2006, our long- and short-term ratings were Fitch A-/F1, Moody's A3/P-2 and Standard and Poor's A-/A-2. Following the announcement on 1 March 2007 that Reuters expects to increase the buy-back during 2007 to £400–£425 million, which includes the £250 million remaining of the £1 billion buy-back announced in July 2005, Standard and Poor's and Fitch Ratings both revised downwards the long-term rating from A- to BBB+ and Moody's have put the rating under review for a possible downgrade. Going forward, we will actively manage our capital structure to maintain an investment grade rating of BBB+/Baa1.

We borrow in various currencies, at both fixed and floating rates, and use derivative contracts to create the desired currency and interest rate basis. The conversion of net investments in foreign operations into the Group's reporting currency of sterling, for accounting purposes, creates translation exposure. To mitigate this effect, to the extent that the Group has core debt it will be held in currencies approximately proportionate to the currency profile of the Group's net assets.

In broad terms, using the average net debt position, a 1% increase in global interest rates would have reduced profit before tax in the year by approximately £2 million (2005: £2 million) before the impact of hedging.

Multicurrency revolving credit facility

In October 2006, we entered into a committed multicurrency revolving credit facility for £680 million. This replaced an existing committed syndicated credit facility of £480 million and a bilateral loan facility of

£24 million. At 31 December 2006, we had available £623 million under the facility, following utilisation of £57 million in the form of a standby letter of credit. There were no cash drawings from the facility during 2006. The commitment expires, and any final repayment is due in October 2011, unless one-year extension options are exercised in October 2007 and October 2008 (at the banks' discretion). In this instance, the latest expiry date would be 2013.

The facility is on customary terms and conditions. Drawings under the facility may be made in sterling, euros or other currencies agreed at the time and bear interest at LIBOR plus a margin, variable according to the long-term credit rating of the company. The facility cross-defaults upon default by Reuters in payment or acceleration of any other borrowings in excess of £20 million. The facility contains no financial covenants.

Euro Commercial Paper Programme

A £1.5 billion Euro Commercial Paper Programme is available in respect of which we had obligations of £122 million at 31 December 2006. The minimum outstanding during 2006 was nil and the maximum was £319 million.

The programme is on customary terms and conditions, including a condition that the company should not be in default on any other debt or similar obligation. Issues are only made to the extent that funds can be repaid from committed financing facilities or available Group cash. The programme has no final maturity date, contains no financial covenants and there is no requirement to update the programme documentation. Debt is issued at market rates agreed between the issuer and the dealer.

Euro Medium Term Note Programme

We also have available a £1 billion Medium Term Note Programme. At 31 December 2006, we had outstanding obligations of £510 million under the programme, repayable at various dates up to November 2010 including a €500 million (£337 million) public bond, issued in November 2003 and maturing in November 2010, and a €250 million (£168 million) floating rate note, issued in November 2006 and maturing in November 2008. The minimum outstanding during 2006 was £341 million and the maximum was £510 million.

The programme is on customary terms and conditions. The programme has no final maturity date but the prospectus, containing financial information, is updated each year. Debt is issued at market rates agreed between the issuer and the dealer. The programme documentation contains no financial covenants and notes in issue have no cross-default provision.

Short-term uncommitted facilities

In addition, we have short-term uncommitted bank borrowing facilities denominated in various currencies, the sterling equivalent of which was approximately £117 million. At 31 December 2006, £24 million of the facilities were utilised in the form of bank overdrafts.

Contractual financial obligations

The following table summarises our principal contractual financial obligations at 31 December 2006, certain of which are described in the consolidated financial statements and notes. We expect to be able to fund such obligations from ongoing operations and external facilities.

64 Operating and financial review continued

Contractual obligations

at 31 December 2006

	Payments due by period				
		Less than	1-3	3-5	After 5
	Total	1 year	years	years	years
	£m	£m	£m	£m	£m
Finance lease payables	4	2	2	–	–
Debt obligations (including future interest payments)	907	217	299	391	–
Pension obligations*	131	68	58	5	–
Other provisions and liabilities**	95	59	23	8	5
Operating leases	652	88	149	115	300
Purchase obligations	981	164	293	370	154
Total contractual obligations	2,770	598	824	889	459

* Net pension obligations are recorded on the balance sheet at £131 million (£145 million pension obligations less £14 million pension funds in surplus). As there is discretion under the various schemes as to the amounts the Group will contribute to settlement of the net pension obligation, the amounts provided are estimates.

** Other provisions and liabilities (excluding net pension obligation) on the balance sheet total £119 million. Of this, £95 million are financial liabilities that require settlement in cash. Additionally, the balance sheet contains a deferred tax liability of £110 million. No estimate has been provided for these in the table above as they are not contractually obligated financial liabilities.

Foreign exchange

Almost 90% of our revenue is denominated in non-sterling currencies. We also have significant costs denominated in foreign currencies with a different mix from revenue. In some cases, product pricing is denominated in a foreign currency which gives rise to embedded derivatives, for which movements in value are recognised in profit or loss. Our profits are therefore exposed to currency fluctuations.

In broad terms, using the 2006 mix of profits, a 5 cent weakening/strengthening in either the US dollar or the euro would decrease/increase 2007 trading profits by approximately £10 million.

Exchange rate movements in 2006 had a £3 million net impact on operating profit.

	Revenue £m	Operating cost £m	Operating profit £m
Currency impact			
Impact of:			
Weaker euro	(3)	1	(2)
Stable dollar	4	(3)	1
Weaker yen	(9)	4	(5)
Other currencies	1	(1)	–
Exchange rate movements	(7)	1	(6)
Change in currency mix	10	(7)	3

Critical accounting policies

Our accounting policies comply with IFRS as adopted by the EU. These policies and associated estimation techniques and judgements have been reviewed by management and discussed with the Audit Committee, who have confirmed they are the most appropriate for the preparation of the 2006 financial statements.

Accounting policies involving management judgement

In preparing the financial statements, management has made its best estimates and judgements of certain amounts included in the financial statements. The areas discussed below are considered to be the most critical. The accounting policies underpinning the financial statements are outlined on pages 78-82, which also include reference to the areas of judgement within the accounting policies.

The impairment of property, plant and equipment, non-current assets held for sale and intangible assets (including goodwill)

Under IFRS, impairment is measured by comparing the carrying value of an asset or cash generating unit to its recoverable amount. Recoverable amount is defined as the higher of its fair value less costs to sell and its 'value in use'. These comparisons require subjective judgements and estimates to be made by management with regard to projected future cash flows of income-generating units or the amounts that could be obtained from the sale of investments.

Note 13 of the financial statements on pages 93–94 outlines the key assumptions. Management has determined that no impairments are required for 2006 (2005: nil; 2004: £18 million).

Intangible assets

Expenditure related to the development of new products or capabilities that is incurred between establishing technical feasibility and the asset becoming ready for use is capitalised when it meets the criteria outlined in IAS 38 'Intangible Assets'. Such assets are then systematically amortised over their useful economic life (normally between three and five years). Additionally, the costs of acquiring software licences and costs incurred in bringing software into use are capitalised, and amortised over the expected life of the licence (normally five years).

There is judgement involved in determining an appropriate framework to consider which expenditure requires capitalisation and which should be expensed. Amounts capitalised in 2006 for development and software total £114 million (2005: £40 million; 2004: £26 million).

Defined benefit pension plans

We operate a number of defined benefit plans, some of which also include post-retirement medical benefits. For material schemes, their valuation is determined by independent actuaries. These valuations and the income statement charge require assumptions to be made in respect of future income levels, expected mortality, inflation, the long-term rate of return on the scheme assets, rate of increase in social security costs and medical cost trends, along with the discount rate used to convert the future cash flows into a present value. These assumptions are reviewed annually.

The amounts recorded in the annual charge (service cost and interest cost offset by the expected return on assets) are sensitive to changes in these assumptions. Actuarial gains and losses are recognised fully in the Statement of recognised income and expense.

Note 25 on pages 111–114 provides further details of the annual charges (£30 million) and the net outstanding pension obligation (£131 million), quantification of the underlying assumptions and an estimate of the impact on the financial statements to changes in the most critical assumptions.

Total currency movements	3	(6)	(3)

No unremitted profits are hedged with foreign exchange contracts as the company judges it inappropriate to hedge non-cash flow translation exposure with cash based instruments.

Forward foreign exchange contracts, currency options and foreign exchange swaps are used to manage, where appropriate, the effects of transaction exposure and certain intercompany transactions which impact profits. Transaction exposure occurs when, as a result of trading activities, an entity receives cash in a currency different to its functional currency.

Share-based payments

IFRS 2 'Share-based Payment', which we have elected to apply only to share awards granted after 7 November 2002 which had not vested by 1 January 2005, recognises that options represent an element of remuneration for services provided by employees and should be reflected as a charge against profit. The charge, which is spread over the vesting period of the award, is the fair value of the award at grant date and is calculated using an option pricing model.

A combination of Black Scholes and Monte Carlo simulation models has been used to calculate the fair values of awards. The use of these models requires management to make a number of assumptions including expected life of the options, historic volatility of Reuters shares and expected dividends for the life of the option. Management has considered historical data and made use of best practices in making these assumptions.

The total cost of share schemes in 2006 was £30 million (2005: £30 million; 2004: £22 million). For additional information, refer to note 33 on page 120.

Provisions

The recognition of provisions, both in terms of timing and quantum, requires the exercise of judgement based on the relevant circumstances, which can be subject to change over time.

The largest provisions relate to restructuring programmes, which cover primarily leasehold properties and severance. For severance provisions, the provision is only recognised where employees have a valid expectation, or have already been told, of their redundancy. A number of leasehold properties have been identified as surplus to requirements. Although efforts are being made to sub-let this vacant space, management recognises that this may not be possible immediately. Estimates have been made to cover the cost of vacant possession, together with any shortfall arising from sub-leased rental income being lower than lease costs being borne by Reuters. A judgement has also been made in respect of the discount factor, based on a risk-free rate, which is applied to the rent shortfalls.

Additionally, we are subject to certain legal claims and actions (see note 35 on page 124). Provision for specific claims or actions are only made when the outcome is considered 'probable' that there will be a future outflow of funds, and/or providing for any associated legal costs. The level of any provision is inevitably an area of management judgement given that the outcome of litigation is difficult to predict.

Other provisions are held where the recoverability of amounts is uncertain, where the actual outcome may differ from the resulting estimates.

Segment reporting

Our primary segmental reporting is by business division. We operate through four business divisions: Sales & Trading, Research & Asset Management, Enterprise and Media. In order to report segmental results, it is necessary to determine a methodology to allocate revenues, operating costs, other operating income, assets and liabilities to those segments.

Each division is responsible for specific products' revenues, except for the Reuters 2000/3000 range of products and Reuters 3000 Xtra. Revenues for these shared products are attributed to either the Sales & Trading division or the Research & Asset Management division, by reference to the nature of the customer taking the product. This is determined on a client-by-client basis.

Where operating costs relate to a specific division, they are mapped directly to that division. Where operating costs are shared, activity-

based costing (ABC) techniques are used to split these costs between divisions. The Reuters ABC tool (known as Profitability Insight) allocates shared costs to business activities, which in turn are attributed to products, and therefore divisions, using different drivers of cost. These cost drivers (e.g. the number of helpdesk calls received or the number of installed accesses) are derived from a variety of underlying source systems. Judgement has been applied in determining these cost drivers and the resulting allocation of costs.

Other operating income is allocated to divisions using a similar methodology to operating costs.

Assets and liabilities are attributed to business divisions using methodologies consistent with those applied to revenue and costs. Assets and liabilities are segmented to the extent that they relate to the operating activities of the divisions. Assets and liabilities related to financing activities, including cash balances, are not segmented.

Divisional results could alter with the application of other allocation approaches and as improvements to the Profitability Insight model are made. In 2006, Reuters made changes to the allocation of revenue and costs between business divisions, to reflect changes in the management of certain products. 2005 and 2004 comparatives have therefore been restated within relevant business divisions.

Taxation

We are subject to tax in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. We recognise liabilities for anticipated tax audit issues, based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Under IFRS and US accounting standards, in assessing which deferred tax assets to record on the balance sheet, management has made subjective judgements over the projected future profitability of certain legal entities.

US GAAP

Reconciliations of net income and shareholders' equity under IFRS and US GAAP are set out on page 132. A discussion of the relevant US accounting policies which differ materially from IFRS is given on pages 129-131 in the 'Summary of differences between IFRS (as adopted by the EU) and US GAAP'. Details of recent US GAAP accounting pronouncements are given on page 133.

Critical accounting policies as stated above are consistent with those under US GAAP.

Off-balance sheet arrangements

The Group does not have any off-balance sheet arrangements, as defined by the SEC, that have, or are reasonably likely to have, a current or future effect on the Group's financial position or results of operations material to investors.

Risk factors

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 the company's financial condition, results of

66 Operating and financial review continued

operations and business, and our management's strategy, plans and objectives. 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 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, the Risk Factors discussed below. Any forward-looking statements made by the company or on its behalf speak only as of the date they are made. We do not undertake to update any forward-looking statements.

[We may not be able to realise the anticipated benefits of our Core Plus growth and transformation strategy](#)

The Core Plus growth and transformation strategy includes investing in new revenue initiatives and transformation initiatives, including content and development transformation, common platform, customer administration and data centre rationalisation. There can be no assurance of achievement of these objectives or of the exact timing or extent to which the anticipated benefits of this programme will be realised.

[Unfavourable conditions in financial markets may have a significant adverse effect on our business](#)

Our business is dependent upon the health of the financial markets and the participants in those markets. Our trading products are dependent on the level of activity in those markets. If these conditions were to worsen or in the event of significant trading market disruptions or suspensions there could be adverse effects on our business. In addition, our business could be adversely affected by further consolidation among clients and competitors.

[Currency fluctuations and interest rate fluctuations may have a significant impact on our reported revenue and earnings](#)

The Group reports results in pounds sterling but receives revenue and incurs expenses in more than 70 currencies and is thereby exposed to the impact of fluctuations in currency rates. Currency movements resulted in a small impact on our operating profit in 2006. A strengthening of sterling from current levels, especially in relation to other currencies in which we derive significant revenues or hold significant assets, could adversely affect results in future periods. To the extent that these currency exposures are not hedged, exchange rate movements may cause fluctuations in the Group's consolidated financial statements. In addition, an increase in interest rates from current levels could adversely affect our results in future periods.

[We may experience difficulties or delays in developing or responding to new customer demands or launching new products](#)

Our business environment is characterised by rapid technological change, changing and increasingly sophisticated customer demands and evolving industry standards. If the company is unable to anticipate and respond to the demand for new services, products and technologies on a timely and cost-effective basis and to respond and adapt to technological advancements and changing standards, its business may be adversely affected. In addition, the company may delay or halt the launch of new products and services; its existing products and services may cease to be attractive to customers; and new products and services that we may develop and introduce may not achieve market acceptance. In the event any of the foregoing occurs, our financial results could be adversely affected.

[We are dependent on third parties for the provision of certain network and other services](#)

We have outsourced the day-to-day operation of most of our networks to BT/Radianz, which also provides network services to other companies. In connection with the 2001 acquisition of certain businesses and assets of Bridge Information Services (Bridge), we entered into a network services agreement with Savvis which was the primary provider of network services to Bridge. In addition, Savvis had a network services agreement with Telerate which we acquired with our acquisition of Telerate. Failure or inability of any third party that provides significant services to us, such as BT/Radianz or Savvis, to perform its obligations in a timely manner could adversely affect our financial results.

[Our business may be adversely affected if our networks or systems experience any significant failures or interruptions or cannot accommodate increased traffic](#)

Our business is dependent on the ability to rapidly handle substantial quantities of data and transactions on computer-based networks and systems and those of BT/Radianz, Savvis and others. Any significant failure or interruption of such systems, including terrorist activities, could have a material adverse effect on our business and results of our operations. The continuing increase in the update rates of market data may impact product and network performance from time to time. Factors that have significantly increased the market data update rates include: the emergence of proprietary data feeds from other markets; high market volatility; decimalisation; reductions in trade sizes resulting in more transactions; new derivative instruments; increased automatically-generated algorithmic and program trading; market fragmentation resulting in an increased number of trading venues; and multiple listings of options and other securities. Changes in legislation and regulation pertaining to market structure and dissemination of market information, including the European implementation of MiFID, US implementation of Regulation NMS and a penny pricing pilot for quoting in options, may also increase update rates. While we have implemented a number of capacity management initiatives, there can be no assurance that the company and its network providers will be able to accommodate accelerated growth of peak traffic volumes or avoid other failures or interruptions.

[We are exposed to a decline in the valuation of companies in which we have invested](#)

We have made strategic investments in a number of companies and intend to continue to do so, if and when favourable opportunities arise. The value of our interests in these companies is dependent on, among other things, the performance of these companies generally, whether such performance meets investors' expectations, and external market and economic conditions. We have limited ability to influence the management and/or performance of some of these companies.

[Significant competition or structural changes in the financial information and trading industries could adversely affect our business](#)

We face significant competition in the financial information and trading industries. The availability of public internet technology reduces barriers to entry and increases the availability of trading venues, resulting in more commoditised data and less valuable data, less effective control over intellectual property and reduced revenues. Many of the financial markets which we serve are undergoing or may undergo structural changes as a result of competition, regulation or otherwise. If we are unable to cope effectively with increased competitive pressure or structural changes arising from the above or any other factors, our financial results could be adversely affected.

[Our business may be adversely affected by changes in legislation and regulation](#)

Aspects of our business, such as the dissemination of market information in certain jurisdictions, are subject to regulatory requirements. Changes to requirements regarding the data that must be displayed or how it must be displayed may affect us adversely.

[We may be exposed to adverse governmental action in countries where we conduct reporting activities](#)

As the world's largest news and information company, we may suffer discriminatory tariffs, censorship or other forms of adverse government intervention due to the nature of our editorial and other reporting activities.

[We may not be able to realise the anticipated benefits of existing or future acquisitions, joint ventures, investments or disposals](#)

To achieve our strategic objectives, we have acquired, invested in and/or disposed of, and in the future may seek to acquire, invest in and/or dispose of various companies and businesses. No assurance can be given that we will realise, when anticipated or at all, the benefits we expect as a result of any acquisition, investment or disposal. Achieving the benefits of acquisitions will depend on many factors, including the successful and timely integration, and in some cases the consolidation of products, technology, operations and administrative functions, of companies that have previously operated separately. Considering the technical and complex nature of our products and services, these integration efforts may be difficult and time consuming. Achieving the benefits of joint ventures and investments will depend on many factors, including the success of the relevant joint venture or company in its particular business, and the degree to which Reuters is able to realise strategic, economic or other benefits from its relationship with such joint venture or company. Achieving benefits of disposals will likewise depend on many factors, including realisation of appropriate value, successful separation of the businesses and operations and management of related costs, and achievement of any benefits sought in connection with the transaction.

[We operate in an increasingly litigious environment](#)

Our business involves a number of areas of technology, including certain business methods. This, combined with the recent proliferation of so-called 'business method patents' issuing from the US Patent Office, and the increasingly litigious environment that surrounds patents in general, increases the possibility that we could be sued for patent infringement. If such an infringement suit were successful, it is possible that the infringing product would be enjoined by court order and removed from the market, in addition to the legal fees that would be incurred defending such a claim. Any settlement of such a claim could also involve a significant sum.

[Definition of key financial performance measures](#)

Reuters measures its financial performance by reference to revenue and profit, operating margin, EPS, cash flow and net funds. To supplement IFRS measures, Reuters undertakes further analysis to break these measures out into their component parts, which results in the creation of certain measures which differ from the IFRS headline indicators ('non-GAAP measures'). The rationale for this analysis is outlined below, and reconciliations of the non-GAAP measures to IFRS measures are included within the OFR. These measures are used by management to assess the performance of the business and should be seen as complementary to, rather than replacements for, reported IFRS results.

[Underlying and constant currency results](#)

Period-on-period change in Reuters is measured in overall terms (i.e. actual reported results) and sometimes in underlying or constant currency terms as well. Constant currency change is calculated by excluding the impact of currency fluctuations. Underlying change is calculated by excluding the impact of currency fluctuations as well as the results of acquisitions and disposals. This enables comparison of Reuters operating results on a like-for-like basis between periods.

- Constant currency results are calculated excluding the impact of currency fluctuations. Variations in currency exchange rates impact the results because Reuters generates revenues and incurs costs in currencies other than its reporting currency. Year-on-year, currency exchange rate movements will influence reported numbers to a greater or lesser extent, and therefore they are discussed separately from underlying results to make clear their impact on the overall growth or decline in operations. Constant currency results are calculated by restating the prior periods' results using the current period's exchange rates. This also reflects the variables over which management has control, as business units do not actively manage currency exposure, and business division operating performance is managed against targets set on a constant currency basis. Currency exposure is described in 'Treasury Policies' on pages 63–64.
- Underlying results are calculated excluding the impact of currency fluctuations as well as the results of entities acquired or disposed of during the current or prior periods from the results of each period under review. Underlying results reflect the operating results of the ongoing elements of each business division, and measure the performance of management against variables over which they have control, without the year-on-year impact of a step change in revenue and costs that can result from currency movements and acquisition or disposal activity.

[Exclusion of restructuring charges](#)

Reuters results are reviewed before and after the costs of Reuters business transformation plans (which included the former Fast Forward programme) and acquisition integration charges.

Under the Fast Forward programme, Reuters incurred restructuring charges relating primarily to headcount reduction and rationalisation of the company's property portfolio. Fast Forward was a three year programme implemented to accelerate and expand on Reuters five year business transformation plan which was launched in 2001; the programme completed in 2005, as originally envisaged.

The Fast Forward programme was centrally managed, and its performance against targets was evaluated separately from the ongoing Reuters business. Fast Forward restructuring charges are therefore excluded from certain profit, cash flow and margin measures.

Acquisition integration costs are one-off charges associated with transaction activity which do not recur. As described above, the charges in respect of acquisition activity are excluded to enable better like-for-like comparison between periods.

Because of their time-limited and defined nature, Reuters believes that presenting these measures, both including and excluding restructuring charges and acquisition integration costs, gives investors a more detailed insight into the performance of management and the business. In addition, Reuters management uses both measures to assess the performance of management and the business.

68 Operating and financial review continued

Exclusion of amortisation and impairment of intangibles acquired in a business combination, investment income, profit/(losses) from disposals, and fair value movements

For certain cost, profit, cash flow, margin and EPS measures, Reuters analyses its results both before and after the impact of restructuring charges, amortisation and impairments of intangibles acquired in a business combination, investment income, profits and losses from disposals, and fair value movements. The adjusted measures are referred to as 'Trading Profit', 'Trading Costs', 'Trading Margin' and 'Trading Cash Flow'. The rationale for isolating restructuring charges is explained above.

Amortisation and impairment of intangibles acquired in a business combination, investment income and profit/(losses) from disposals

Reuters isolates the impact of income and charges in respect of its investments. Income and charges from investments relate to impairments of goodwill, subsidiaries, associates and joint ventures; impairments and amortisation of other intangibles acquired in a business combination; income from investments; and pre-tax profits and losses on disposal of subsidiaries, joint ventures, associates and other investments.

Such charges and income may arise from corporate acquisition and disposal activity, rather than the ongoing operations of the business divisions, with a reasonable allocation being determined for segmental reporting. These are analysed and reviewed separately from ongoing operations, as this is consistent with the manner in which Reuters sets internal targets, evaluates its business units and issues guidance to the investor community.

Amortisation and impairment charges in respect of software and development intangibles are included within operating and trading costs.

Fair value movements

Reuters also isolates the impact of movements in the fair value of financial assets held at fair value through profit or loss, embedded derivatives, and derivatives used for hedging purposes (where those changes are reflected in the income statement).

Financial assets held at fair value through profit or loss in 2005 included Reuters investment in Savvis convertible shares. This investment was sold as part of the acquisition consideration for Telerate. Fair value movements for this investment were analysed separately from the ongoing operations of the business units during 2005.

Embedded derivatives are foreign exchange contracts implicitly contained in some of Reuters revenue and purchase commitments. Changes in the fair value of embedded derivatives arise as a result of movements in foreign currency forward rates. The unpredictable nature of forward rates, the uncertainty over whether the gains or losses they anticipate will actually arise, and the volatility they bring to the income statement lead Reuters to consider that it is appropriate to analyse their effects separately from the ongoing operations of the business. This enables Reuters to undertake more meaningful period-on-period comparisons of its results, as well as to isolate and understand better the effect of future currency movements on revenue and purchase commitments. This separate analysis is also consistent with the manner in which Reuters sets its internal targets, evaluates its business divisions and issues guidance to the investor community.

The impact of fair value movements on derivatives relating to treasury hedging activity is also excluded, unless there is an equivalent offset in operating results. All derivatives undertaken are used to manage the Group's exposure, but some may not qualify for hedge accounting and in these situations the reported impact of the underlying item and the derivative may not offset. The impact of treasury derivatives is mainly due to currency or interest rate movements and, as for the other items noted above, business division operating performance is managed against targets which exclude these factors.

Tax and adjusted EPS

To ensure consistency, the non-GAAP EPS measure also eliminates the earnings impact of taxation charges and credits related to excluded items.

Adjusted EPS is defined as basic EPS from continuing operations before impairments and amortisation of intangibles acquired via business combinations, fair value movements, disposal profits/losses and related tax effects.

Dividend policy

Presenting earnings before the impact of restructuring charges, amortisation and impairment of intangibles acquired in a business combination, investment income, disposals and fair value movements also helps investors to measure performance in relation to Reuters dividend policy. In 2001, the Group defined the long-term goal of its dividend policy to be a dividend cover of at least two times, based on Reuters UK GAAP earnings before amortisation of goodwill and other intangibles, impairments and disposals. Reuters dividend policy remains unaltered. With the adoption of IFRS, the equivalent earnings measure is Reuters earnings (after interest and taxation) before amortisation and impairments of intangibles acquired in a business combination, fair value movements and profits/(losses) on disposals.

Free cash flow

Reuters free cash flow is used as a performance measure to assess Reuters ability to pay its dividend from cash flow. Free cash flow is intended to measure all Reuters cash movements, other than those which are either discretionary in nature or unrelated to ongoing recurring operating activities such as special contributions to fund defined benefit pension deficits, acquisitions and disposals and dividends paid out by Reuters. Whilst Reuters believes that free cash flow is an important performance measure in respect of its cash flows, it is not used in isolation, but rather in conjunction with other cash flow measures as presented in the financial statements.

Net funds/debt

Net funds/debt represents cash, cash equivalents and short-term deposits, net of bank overdrafts and borrowings. This measure aggregates certain components of financial assets and liabilities and is used in conjunction with total financial assets and liabilities to manage Reuters overall financing position.

Reconciliations of non-GAAP measures to IFRS

Reconciliation of operating profit to trading profit and margin measures

Year to 31 December	2006 £m	2006 %	2005 £m	2005 %	2004 £m	2004 %
Operating profit/margin from continuing operations	256	10%	207	9%	194	8%
Excluding:						
Restructuring charges	13	–	112	4%	120	5%
Impairments and amortisation of business combination intangibles	24	1%	22	1%	16	1%
Investment income	–	–	(1)	–	–	–
Profit on disposal of subsidiaries	(4)	–	(4)	–	(4)	–
Fair value movements	19	1%	(2)	–	–	–
Trading profit/margin	308	12%	334	14%	326	14%

Reconciliation of profit before taxation from continuing operations to adjusted profit before tax

Year to 31 December	2006 £m	2006 %	2005 £m	2005 %	2004 £m	2004 %
Profit before tax/margin from continuing operations	313	12%	238	10%	396	17%
Excluding:						
Impairments and amortisation of business combination intangibles	24	1%	22	1%	16	1%
Investment income	–	–	(1)	–	–	–
Profit on disposal of subsidiaries, associates and joint ventures	(80)	(3%)	(42)	(2%)	(207)	(9%)
Fair value movements	19	1%	(2)	–	–	–
Profit before tax/margin before impairments and amortisation of business combination intangibles, investment income, profit on disposals and fair value movements (Adjusted profit before tax)	276	11%	215	9%	205	9%

Reconciliation of basic EPS to adjusted EPS

Year to 31 December	2006 £m	2006 EPS pence	2005 £m	2005 EPS pence	2004 £m	2004 EPS pence
Profit/basic EPS from continuing operations	293	22.6	229	16.3	356	25.4
Excluding:						
Impairments and amortisation of business combination intangibles	24	1.8	22	1.6	16	1.1
Investment income	–	–	(1)	(0.1)	–	–
Profit on disposal of subsidiaries, associates and joint ventures	(80)	(6.3)	(42)	(2.9)	(207)	(14.7)

Fair value movements	19	1.5	(2)	(0.2)	–	–
Adjustments to tax charge for tax effect of excluded items	(34)	(2.5)	(13)	(0.9)	–	–
Profit/basic EPS from continuing operations before impairments and amortisation of business combination intangibles, investment income, profit on disposals, fair value movements and related taxation effects	222	17.1	193	13.8	165	11.8

Reconciliation of actual percentage change to underlying change – Revenue by division by type

% change versus year ended 31 December 2005	Underlying change	Impact of currency	Impact of acquisitions & disposals	Actual change
Recurring	2%	1%	1%	4%
Usage	23%	(1%)	–	22%
Outright	(13%)	(5%)	–	(18%)
Sales & Trading	3%	1%	1%	5%
Recurring	12%	–	3%	15%
Usage	27%	(1%)	–	26%
Outright	(37%)	(2%)	–	(39%)
Research & Asset Management	12%	–	3%	15%
Recurring	6%	–	–	6%
Outright	7%	(2%)	1%	6%
Enterprise	6%	(1%)	1%	6%
Recurring	7%	(1%)	–	6%
Usage	29%	–	7%	36%
Media	10%	–	1%	11%
Recurring	4%	–	2%	6%
Usage	24%	–	2%	26%
Outright	4%	(2%)	1%	3%
Total revenue	5%	–	2%	7%

70 Operating and financial review continued

Reconciliation of actual percentage change to underlying change – revenue by type

% change versus year ended 31 December 2004	Underlying change	Impact of currency	Impact of acquisitions & disposals	Actual change
Recurring	1%	–	3%	4%
Outright	(23%)	1%	–	(22%)
Usage	12%	–	1%	13%
Total revenue	–	–	3%	3%

Reconciliation of actual percentage change to underlying change – Revenue by division by product family

% change versus year ended 31 December 2005	Underlying change	Impact of currency	Impact of acquisitions & disposals	Actual change
Reuters Xtra*	7%	2%	1%	10%
Reuters Trader	(12%)	(1%)	4%	(9%)
Recoveries	7%	–	1%	8%
Sales & Trading	3%	1%	1%	5%
Reuters Xtra	26%	(1%)	–	25%
Reuters Trader	7%	(3%)	–	4%
Reuters Knowledge	20%	(1%)	14%	33%
Investments Banking, Investment Management & Corporates	22%	(1%)	6%	27%
Reuters Wealth Manager	1%	–	1%	2%
Research & Asset Management	12%	–	3%	15%
Enterprise Information	13%	–	–	13%
Information Management Systems	(12%)	–	1%	(11%)
Trade and Risk Management	12%	(1%)	2%	13%
Enterprise	6%	(1%)	1%	6%
Agency Services	6%	(1%)	2%	7%
Consumer Media	39%	(1%)	–	38%
Media	10%	–	1%	11%
Total revenue	5%	–	2%	7%

* 3000 Xtra revenue in Sales & Trading grew 8% on an underlying basis. Currency and acquisition impacts were 2% for each, resulting in an actual change of 12%.

Reconciliation of divisional operating costs to trading costs

Year to 31 December	Sales & Trading £m	R&AM £m	Enterprise £m	Media £m	Group £m
Operating costs	1,543	315	335	158	2,351
Restructuring charges	(12)	–	(1)	–	(13)
Impairments and amortisation of business combination intangibles	(17)	(3)	(3)	(1)	(24)
Fair value movements (in expenses)	(18)	(3)	(3)	(1)	(25)
Other operating income	(20)	(4)	(5)	(2)	(31)
Trading costs	1,476	305	323	154	2,258

2005 restated*

Year to 31 December	Sales & Trading £m	R&AM £m	Enterprise £m	Media £m	Group £m
Operating costs	1,495	293	317	146	2,251
Restructuring charges	(76)	(11)	(17)	(8)	(112)
Impairments and amortisation of business combination intangibles	(14)	(3)	(4)	(1)	(22)
Fair value movements (in expenses)	(16)	–	–	–	(16)
Other operating income	(16)	(3)	(5)	(2)	(26)
Trading costs	1,373	276	291	135	2,075

Reconciliation of divisional operating costs to trading costs continued

	2004 restated*				
Year to 31 December	Sales & Trading £m	R&AM £m	Enterprise £m	Media £m	Group £m
Operating costs	1,396	289	360	142	2,187
Restructuring charges	(63)	(18)	(27)	(12)	(120)
Impairments and amortisation of business combination intangibles	(10)	(3)	(3)	–	(16)
Other income	(23)	(5)	(7)	(3)	(38)
Trading costs	1,300	263	323	127	2,013

* In 2006, Reuters made changes to the allocation of revenue and operating costs between business divisions, to reflect changes in the management of certain products. Prior year comparatives have therefore been restated to increase Sales & Trading revenue by £18 million (2004: £11 million) and decrease operating costs by £19 million in 2005 and £11 million in 2004. Research & Asset Management revenues decreased by £10 million (2004: £3 million) and operating costs increased by £12 million in 2005 and £6 million in 2004. Enterprise revenue decreased by £8 million (2004: £8 million) and operating costs increased by £7 million in 2005 and £5 million in 2004. 2005 comparatives have been restated to reallocate £1 million of amortisation on intangible assets arising on the acquisition of Telerate from Enterprise to Sales & Trading, in-line with the allocation of revenues from Telerate products. There is no change to the overall Group results.

Reconciliation of divisional operating profit to trading profit

	2006				
Year to 31 December	Sales & Trading £m	R&AM £m	Enterprise £m	Media £m	Group £m
Operating profit/(loss)	174	(12)	79	15	256
Restructuring charges	12	–	1	–	13
Impairments and amortisation of business combination intangibles	17	3	3	1	24
(Profit)/loss on disposal of subsidiaries	(3)	–	–	(1)	(4)
Fair value movements	14	2	2	1	19
Trading profit/(loss)	214	(7)	85	16	308

	2005 restated*				
Year to 31 December	Sales & Trading £m	R&AM £m	Enterprise £m	Media £m	Group £m
Operating profit/(loss)	155	(35)	76	11	207
Restructuring charges	76	11	17	8	112
Impairments and amortisation of business combination intangibles	14	3	4	1	22
Investment income	(1)	–	–	–	(1)
(Profit)/loss on disposal of subsidiaries	(7)	5	(1)	(1)	(4)
Fair value movements	3	(2)	(2)	(1)	(2)
Trading profit/(loss)	240	(18)	94	18	334

2004 restated*

Year to 31 December	Sales & Trading £m	R&AM £m	Enterprise £m	Media £m	Group £m
Operating profit/(loss)	175	(13)	28	4	194
Restructuring charges	63	18	27	12	120
Impairments and amortisation of business combination intangibles	10	3	3	–	16
(Profit)/loss on disposal of subsidiaries	5	(12)	2	1	(4)
Trading profit/(loss)	253	(4)	60	17	326

* In 2006, Reuters made changes to the allocation of revenue and operating costs between business divisions, to reflect changes in the management of certain products. Prior year comparatives have therefore been restated to increase Sales & Trading revenue by £18 million (2004: £11 million) and decrease operating costs by £19 million in 2005 and £11 million in 2004. Research & Asset Management revenues decreased by £10 million (2004: £3 million) and operating costs increased by £12 million in 2005 and £6 million in 2004. Enterprise revenue decreased by £8 million (2004: £8 million) and operating costs increased by £7 million in 2005 and £5 million in 2004. 2005 comparatives have been restated to reallocate £1 million of amortisation on intangible assets arising on the acquisition of Telerate from Enterprise to Sales & Trading, in-line with the allocation of revenues from Telerate products. There is no change to the overall Group results.

72 Operating and financial review continued

Reconciliation of cash flows from operating activities to free cash flow and trading cash flow

Year to 31 December	2006			2005			2004		
	Continuing operations £m	Discontinued operations £m	Reuters Group £m	Continuing operations £m	Discontinued operations £m	Reuters Group £m	Continuing operations £m	Discontinued operations £m	Reuters Group £m
Cash flows from operating activities	311	–	311	268	3	271	307	(27)	280
Interest received	42	–	42	42	13	55	10	9	19
Interest paid	(61)	–	(61)	(49)	–	(49)	(29)	(1)	(30)
Tax paid	(34)	–	(34)	(11)	(13)	(24)	(34)	(9)	(43)
Net cash flow from operating activities	258	–	258	250	3	253	254	(28)	226
Purchases of property, plant and equipment	(122)	–	(122)	(138)	(7)	(145)	(90)	(19)	(109)
Proceeds from sale of property, plant and equipment	5	–	5	3	–	3	49	17	66
Purchases of intangible assets	(106)	–	(106)	(40)	–	(40)	(27)	–	(27)
Interim funding payment from Telerate	–	–	–	(18)	–	(18)	18	–	18
Dividends received	3	–	3	5	–	5	4	1	5
Special contributions to pension schemes	187	–	187	–	–	–	–	–	–
Repayment of funds to/(from) BTC	–	–	–	26	(26)	–	–	–	–
Free cash flow	225	–	225	88	(30)	58	208	(29)	179
Interest received	(42)	–	(42)	(42)	(13)	(55)	(10)	(9)	(19)
Interest paid	61	–	61	49	–	49	29	1	30
Tax paid	34	–	34	11	13	24	34	9	43
Restructuring	52	–	52	147	–	147	100	8	108
Other	13	–	13	3	(4)	(1)	(14)	(3)	(17)
Trading cash flow	343	–	343	256	(34)	222	347	(23)	324
Trading cash conversion*	111%			77%			106%		

* Trading cash conversion = trading cash flow/trading profit

Components of net debt/net funds

As at 31 December	2006 £m	2005 £m	2004 £m
Cash and cash equivalents	129	662	578
Bank overdrafts	(24)	(25)	(17)

	105	637	561
Short-term deposits	198	1	258
Borrowings (excluding bank overdrafts)	(636)	(385)	(493)
Net (debt)/funds	(333)	253	326

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74 United States audit opinion

Report of Independent Registered Public Accounting Firm to the Members of Reuters Group PLC

We have completed an integrated audit of Reuters Group PLC 31 December 2006 consolidated financial statements and of its internal control over financial reporting as of 31 December 2006 and an audit of its 31 December 2005 and 31 December 2004 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements

In our opinion, the accompanying consolidated income statement and the related consolidated balance sheet, consolidated statement of cash flows and consolidated statement of recognised income and expense present fairly, in all material respects, the financial position of Reuters Group PLC and its subsidiaries at 31 December 2006 and 2005 and the results of their operations and cash flows for each of the three years in the period ended 31 December 2006, in conformity with International Financial Reporting Standards (IFRSs) as adopted by the European Union. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in the accounting, the Group adopted International Accounting Standards (IAS) 32 'Financial Instruments: Disclosure and Presentations', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations', in accordance with IFRS as adopted by the EU. The change has been accounted for prospectively from 1 January 2005 except for the disclosure requirements of IFRS 5 which were also applied to the comparative information.

As discussed in the Basis of accounting, the Group has restated its consolidated financial statements for the year ended 31 December 2005 to reflect the share buy-back agreement as a liability.

IFRSs as adopted by the European Union vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in the summary of differences between IFRS and US Generally Accepted Accounting Principles (US GAAP) to the consolidated financial statements.

Internal control over financial reporting

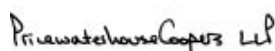
Also, in our opinion, management's assessment, included in the accompanying Managements' Evaluation of Effectiveness of Internal Control, as set out in management's report on internal control over financial reporting within the 'Statements of directors' responsibilities and compliance' section of this Annual Report, that the Group maintained effective internal control over financial reporting as of 31 December 2006 based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring

Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the company maintained, in all material respects, effective internal control over financial reporting as of 31 December 2006, based on criteria established in Internal Control – Integrated Framework issued by the COSO. The company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting standards and principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting standards and principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



PricewaterhouseCoopers LLP
London
15 March 2007

Consolidated income statement

For the year ended 31 December

	Notes	2006 £m	2005 £m	2004 £m
Revenue	01, 02	2,566	2,409	2,339
Operating costs	03	(2,351)	(2,251)	(2,187)
Other operating income	04	41	49	42
Operating profit		256	207	194
Finance income	05	72	41	15
Finance costs	05	(87)	(53)	(27)
Profit on disposal of associates, joint ventures and available-for-sale financial assets		76	38	203
Share of post-tax (losses)/profits from associates and joint ventures*	15	(4)	5	11
Profit before tax		313	238	396
Taxation	06	(20)	(9)	(40)
Profit for the year from continuing operations		293	229	356
Profit for the year from discontinued operations	07	12	253	19
Profit for the year		305	482	375
Attributable to:				
Equity holders of the parent	11	305	456	364
Minority interest	11	–	26	11
Earnings per share				
From continuing and discontinued operations:				
Basic earnings per ordinary share	08	23.6p	32.6p	26.0p
Diluted earnings per ordinary share	08	23.1p	31.7p	25.4p
From continuing operations:				
Basic earnings per ordinary share	08	22.6p	16.3p	25.4p
Diluted earnings per ordinary share	08	22.2p	15.9p	24.8p

* Share of post-tax (losses)/profits from associates and joint ventures includes a tax charge of £2 million (2005: £1 million, 2004: £2 million).

Dividends paid and proposed during the year were £134 million (2005: £140 million paid and proposed, 2004: £140 million paid and proposed). Please refer to note 32 on page 119.

Consolidated statement of recognised income and expense

For the year ended 31 December

	Notes	2006 £m	2005 £m	2004 £m
Profit for the year		305	482	375
Actuarial gains/(losses) on defined benefit plans	11, 25	6	(48)	(205)
Exchange differences taken directly to reserves	11, 28	(95)	118	(48)
Exchange differences taken to the income statement on disposal of assets	11, 28	–	(2)	6
Fair value gains/(losses) on available-for-sale financial assets	11, 28	6	(15)	–
Fair value gains on available-for-sale financial assets taken to the income statement on disposal of assets	11	–	(73)	–
Fair value gains/(losses) on net investment hedges	11, 28	34	(39)	–
Fair value gains taken to the income statement on disposal of net investment hedges	11, 28	–	(14)	–
Tax on items taken directly to or transferred from equity	11	(4)	14	35
Net losses not recognised in income statement	11	(53)	(59)	(212)
Total recognised income for the year		252	423	163
Attributable to:				
Equity holders of the parent		252	374	166
Minority interest		–	49	(3)

The 2005 balance sheet has been restated to recognise irrevocable commitments to repurchase shares during close periods as a liability (see 'Basis of accounting' on page 78). The impact of recognising these commitments is to increase current liabilities and to decrease shareholders' equity at 31 December 2005 by £59 million.

Fair value gains and losses arise as a result of application of IAS 39 by the Group, with effect from 1 January 2005. The adoption of IAS 39 resulted in an increase in equity at 1 January 2005 of £129 million, of which £2 million was attributable to the minority interest.

The consolidated reconciliation of changes in equity is set out in note 11 on pages 90–91.

Consolidated balance sheet

At 31 December

	Notes	2006 £m	Restated 2005 £m	2004 £m
Assets				
Non-current assets:				
Intangible assets	13	559	487	316
Property, plant and equipment	14	371	358	354
Investments accounted for using the equity method:				
Investments in joint ventures	15	19	32	29
Investments in associates	15	19	4	6
Deferred tax assets	26	281	276	292
Other financial assets and derivatives	16	47	22	28
Retirement benefit assets	25	18	–	–
		1,314	1,179	1,025
Current assets:				
Inventories	18	1	1	3
Trade and other receivables	19	258	270	535
Other financial assets and derivatives	16	210	18	287
Current tax debtors		8	6	7
Cash and cash equivalents	20	129	662	578
		606	957	1,410
Non-current assets classified as held for sale	21	–	1	145
Total assets		1,920	2,137	2,580
Liabilities				
Current liabilities:				
Trade and other payables	22	(491)	(456)	(721)
Current tax liabilities	23	(196)	(228)	(260)
Provisions for liabilities and charges	24	(60)	(64)	(87)
Other financial liabilities and derivatives	16	(166)	(49)	(181)
		(913)	(797)	(1,249)

Non-current liabilities:				
Provisions for liabilities and charges	24	(204)	(392)	(340)
Other financial liabilities and derivatives	16	(521)	(371)	(329)
Deferred tax liabilities	26	(110)	(66)	(45)
		(835)	(829)	(714)
Liabilities directly associated with non-current assets classified as held for sale	21	–	–	(47)
Total liabilities		(1,748)	(1,626)	(2,010)
Net assets		172	511	570
Shareholders' equity				
Share capital	27	496	467	455
Other reserves	28	(1,738)	(1,692)	(1,755)
Retained earnings	11	1,414	1,736	1,671
Total parent shareholders' equity		172	511	371
Minority interest in equity		–	–	199
Total equity		172	511	570

2005 has been restated to recognise irrevocable commitments to repurchase shares during close periods as a liability (see 'Basis of accounting' on page 78). The impact of recognising these commitments is to increase current liabilities and to decrease shareholders' equity at 31 December 2005 by £59 million.

The financial statements on pages 75–128 and the summary of differences between IFRS and US GAAP on pages 129–133 were approved by the Board of Directors on 15 March 2007.



Tom Glocer
CEO



David Grigson
CFO

Consolidated cash flow statement

For the year ended 31 December

	Notes	2006 £m	2005 £m	2004 £m
Cash flows from operating activities				
Cash generated from operations	29	311	271	280
Interest received		42	55	19
Interest paid		(61)	(49)	(30)
Tax paid		(34)	(24)	(43)
Net cash flow from operating activities		258	253	226
Cash flows from investing activities				
Acquisitions, net of cash acquired	30	(67)	(124)	(78)
Disposals, net of cash disposed	30	65	246	438
Purchases of property, plant and equipment		(122)	(145)	(109)
Proceeds from sale of property, plant and equipment		5	3	66
Purchases of intangible assets		(106)	(40)	(27)
Purchases of available-for-sale financial assets		–	(1)	(1)
Proceeds from sale of available-for-sale financial assets		–	85	25
Dividends received		3	5	5
Net cash flow from investing activities		(222)	29	319
Cash flows from financing activities				
Proceeds from issue of shares		32	10	6
Share buy-back		(527)	(223)	–
(Increase)/decrease in short-term deposits		(196)	248	(105)
Increase/(decrease) in borrowings		270	(144)	(225)
Equity dividends paid to shareholders		(134)	(140)	(140)
Equity dividends paid to minority interests		–	(23)	–
Net cash flow from financing activities		(555)	(272)	(464)
Exchange (losses)/gains on cash and cash equivalents		(13)	66	(33)
Net (decrease)/increase in cash and cash equivalents		(532)	76	48
Cash and cash equivalents at the beginning of the year		637	561	513

Cash and cash equivalents at the end of the year	31	105	637	561
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78 Group accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to 2006, 2005 and 2004, unless otherwise stated.

Basis of accounting

The financial statements have been prepared under the historical cost convention, unless otherwise stated below, and in accordance with the Companies Act 1985 and applicable accounting standards.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain judgements, estimates and assumptions that affect the reported amounts of revenue and expenses during the reported period, the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet dates. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Further details regarding areas requiring significant assumptions and estimates are provided in the relevant notes to the financial statements.

The areas which require a higher degree of judgement include impairments, intangible assets, defined benefit pension plans, share-based payments, provisions, segment reporting and taxation.

The 2005 balance sheet has been restated to recognise irrevocable commitments to repurchase shares during close periods as a liability. During the close period following the 2006 year end, the Group repurchased 12.0 million shares (2005: 13.5 million shares, 2004: nil) under these commitments at a total cost of £53 million (2005: £59 million, 2004: £nil). The impact of recognising these commitments is to increase current liabilities and to decrease shareholders' equity at 31 December 2006 by £53 million (2005: £59 million, 2004: £nil). There is no impact on reported profit, cash flow or earnings per share. Share repurchases under the buy-back programme totalling £137 million for the period 1 January 2006 to 7 March 2006, which included the £59 million described above, were previously disclosed under note 38 'Post-balance sheet events' in the 2005 Annual Report and Form 20-F.

Adoption of International Financial Reporting Standards (IFRS)

Prior to 2005, the Group prepared its annual consolidated financial statements under UK GAAP. From 1 January 2005, the Group is required to prepare its annual consolidated financial statements in accordance with IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the EU and those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

The Group's transition date to IFRS was 1 January 2004. All adjustments on first-time adoption were recorded in shareholders' equity on the date of transition, except for adjustments relating to IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement' which were recorded in shareholders' equity at 1 January 2005.

These financial statements take account of the requirements and options in IFRS 1 'First-time Adoption of International Financial Reporting Standards' as those requirements and options relate to the 2004 comparatives included within these financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of Reuters Group PLC and its subsidiaries and the Group's share of the post-acquisition results of associates and joint ventures.

the subsidiary acquired, the difference is recognised directly in the income statement.

All intra-group transactions are eliminated as part of the consolidation process. In preparing the Group financial statements, accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Associates and joint ventures

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Joint ventures are all entities over which the Group has joint control with one or more other entities outside the Group. Investments in associates and joint ventures are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates and joint ventures includes goodwill and intangibles identified on acquisition, plus the Group's share of post-acquisition reserves.

The Group's share of post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. When the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest. For Group reporting purposes, the results of associates and joint ventures have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Foreign currency translation

Amounts included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in pounds sterling, the company's functional and presentation currency.

Transactions in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from settlement of such transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement except when deferred in equity as qualifying cash flow and net investment hedges.

Exchange differences on non-monetary items, such as available-for-sale financial assets, are included in the fair value reserve in equity.

The results and financial position of all Group companies that have a functional currency other than sterling are translated as follows:

- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rate prevailing on the transaction date, in which case income and expenses are translated at the date of the transaction);
- assets and liabilities are translated at the closing exchange rate at the date of the balance sheet; and
- all resulting exchange differences are recognised as a separate component of equity.

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and from borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

Revenue recognition

Revenue represents the turnover, net of discounts, derived from services provided to subscribers and sales of products applicable to the year.

Revenue from sales of subscription-based real time and historical information services is recognised rateably over the term of the subscription.

Revenue from contracts for the outright sale of systems-based product solutions, which include the sale of fully developed software licences, is recognised at the time of client acceptance, at which time the Group has no further obligation. Long-term contracts are accounted for in accordance with the contractual terms either on a percentage of completion basis or on a time and materials as incurred basis.

Revenue from associated maintenance and support services is recognised rateably over the term of the maintenance contract. Where contracts allow the Group to recharge costs from communications suppliers and exchanges onwards to subscribers, this income is recognised as revenue.

Transaction products usage revenue is accounted for on a trade date basis.

Interest income is accrued on a time basis by reference to the amount outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value.

Pensions and similar obligations

The Group operates defined contribution and defined benefit pension plans and provides post-retirement medical benefits.

Payments to defined contribution pension plans are charged as an expense to the income statement, as incurred, when the related employee service is rendered. The Group has no further legal or constructive payment obligations once the contributions have been made.

For defined benefit pension plans, the cost of providing benefits is determined using the Projected Unit Credit Method and is charged to the income statement so as to spread the service cost over the service lives of the employees. An interest cost representing the unwinding of the discount rate on the scheme liabilities, net of the expected return on scheme assets, is charged to the income statement. The liability recognised in the balance sheet, in respect of defined benefit pension plans, is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in a currency in which the benefits will be paid and that have terms of maturity approximating to the terms of the relevant pension liability.

All actuarial gains and losses which arise in calculating the present value of the defined benefit obligation, and the fair value of plan assets, are recognised immediately in the statement of recognised income and expense.

Post-retirement medical benefits are provided to employees of some Group companies. The expected costs are determined using an accounting methodology similar to that for defined benefit pension plans.

Share-based payments

The Group makes equity-settled and cash-settled share-based payments to its employees. Equity-settled share-based awards granted after 7 November 2002 but not vested by 1 January 2005 are measured at fair value at the date of grant using an options pricing

carrying value of the investment. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity or investment sold.

Internally generated intangible assets

Expenditure related to the development of new products or capabilities that is incurred between establishing technical feasibility and the asset becoming ready for use is capitalised as an intangible asset and amortised over the useful economic life. Capitalisation commences from the point at which the technical feasibility and commercial viability of the product or capability can be demonstrated and the Group is satisfied that it is probable that future economic benefits will result from the product or capability once completed. Capitalisation ceases when the product or capability is ready for use.

Expenditure on research activities, and on development activities that do not meet the above criteria, is charged to the income statement as incurred.

Internally developed intangible assets are systematically amortised, on a straight line basis, over their useful economic lives which range from three to five years.

Other intangibles

Software which forms an integral part of the related hardware is capitalised with that hardware and included within property, plant and equipment.

Costs which are directly associated with the production of software for internal use in the business are capitalised as an intangible asset. Software assets are amortised on a straight line basis over their expected useful economic lives which range from three to five years.

Acquired intangible assets include software licences, customer relationships, trade names and trademarks. These assets are capitalised on acquisition and amortised over their expected useful economic lives which range from five to fifteen years.

Impairment of assets

Goodwill is not subject to amortisation and is tested annually for impairment.

All other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In addition, intangible assets under development and not yet ready for use are reviewed for impairment annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest level for which separately identifiable cash flows exist (cash generating units, 'CGUs'). Where assets do not generate independent cash flows and their carrying value cannot be attributed to a particular CGU, CGUs are grouped together at the level at which these assets reside, and the carrying amount of this group of CGUs is compared to the recoverable amount of that particular group.

Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation including expenditure directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit will flow to the Group and the cost of the item can be measured reliably.

methodology and expensed over the vesting period of the award. At each balance sheet date, the Group reviews its estimate of the number of options that are expected to vest.

Cash-settled share-based payments are accrued over the vesting period of the award, based on the current fair market value at each balance sheet date.

When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

Intangible assets
Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets (including intangible assets) of the acquired subsidiary, associate or joint venture at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill and intangibles on acquisition of associates and joint ventures is included in the

Depreciation is calculated on a straight line basis so as to write down the assets to their residual values over their expected useful lives which are as follows:

Freehold land	Not depreciated
Freehold buildings	Normally 50 years
Leasehold property	Over the term of the lease
Computer systems equipment, office equipment and motor vehicles	2 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

80 Group accounting policies continued

Non-current assets held for sale (effective 1 January 2005)

Non-current assets and disposal groups are classified as held for sale if their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less selling costs.

For 2004 comparatives, the Group has applied the disclosure requirements for assets held for sale as at 31 December 2004. Balance sheet values have not been restated, in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

Investments (effective 1 January 2005)

Classification

The Group classifies its investments in the following categories:

- financial assets at fair value through profit and loss;
- loans and receivables; and
- available-for-sale financial assets.

The classification depends on the purpose for which the assets were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets at fair value through profit and loss

This category includes financial assets held for trading and those designated at fair value through profit and loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges. Assets in this category are initially recognised at fair value on the trade date and subsequently remeasured at each reporting date. Transaction costs directly attributable to the acquisition of the asset are recognised immediately in the income statement. Realised and unrealised gains and losses are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category are initially recognised on the trade date at fair value plus transaction costs and subsequently measured at amortised cost, using the effective interest method.

Available-for-sale financial assets

The Group has classified all of its marketable securities as available-for-sale. Assets in this category are initially recognised on the trade date at fair value plus transaction costs and subsequently remeasured at each reporting date.

Unrealised gains and losses arising from changes in fair value are recognised in the statement of recognised income and expense.

Impairment and derecognition

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset, or group of financial assets, is impaired. On impairment, the cumulative loss recognised in equity is removed from equity and recognised in the income statement. On

Trade receivables

Trade receivables do not carry interest and are initially measured at their fair value, as reduced by appropriate allowances for estimated irrecoverable amounts, and subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of these receivables. The amount of the provision is the difference between the carrying value and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Provisions

Provisions, other than in respect of pension and post-retirement benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination liabilities, employee termination payments and other liabilities incurred as part of restructuring programmes.

Leasing

Assets under leasing contracts are classified as finance or operating leases at the inception of the lease or when changes are made to existing contracts.

Assets classified as finance leases are recognised as assets of the Group at the present value of the minimum lease payments determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease rentals are recognised in the income statement on a straight line basis over the period of the lease. Operating lease incentives received are initially deferred and then recognised over the full period of the lease.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost, adjusted for fair value movements in respect of related fair value hedges. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowing costs on qualifying assets are expensed as incurred and not capitalised as part of the cost of the asset.

Purchases and sales of financial assets

Purchases and sales of financial assets are recognised on the settlement date, which is the date that the asset is delivered to or by the Group.

Derivative financial instruments and hedging (effective 1 January 2005)

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging

disposal of the asset, gains or losses recognised in equity are removed from equity and recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits repayable on demand, other highly liquid investments with original maturities of three months or less, and bank overdrafts.

Inventories and contract work in progress

Inventories and contract work in progress are valued at the lower of cost and net realisable value less progress payments received.

instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- hedges of highly probable forecast transactions (cash flow hedges); or
- hedges of net investments in foreign operations (net investment hedges).

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the

hedged risk. The gain or loss relating to the ineffective portion is recognised immediately in finance costs.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as a cash flow hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the period when the hedged item will affect profit and loss (for instance, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, project costs or a major business investment) or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognised in the income statement.

Net investment hedges

Derivatives and foreign currency borrowings are used as hedges for net investments in foreign operations. Any gain or loss on a derivative hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion of the hedge is recognised immediately in the income statement. Any gain or loss on foreign currency borrowings used as a hedge is recognised in equity, subject to effectiveness.

Gains and losses accumulated in equity are recognised in the income statement on disposal of the foreign operation.

Embedded derivatives

Embedded derivatives arise in certain revenue and purchase contracts where the currency of the contract is different from the functional currencies of the parties involved. Such derivatives are separated from the host contracts when their economic characteristics and risks are not closely related to those of the host contract. The derivatives are measured at fair value at each balance sheet date using forward exchange market rates. Changes in the fair value are recognised in the income statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments, while providing effective economic hedges under the Group's policies, are not designated as hedges. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

Financial guarantees

Financial guarantees are non-derivative financial liabilities which are recognised initially at fair value plus transaction costs and subsequently measured at the higher of the amount determined in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'; and the amount initially recognised.

Fair value estimation (effective 1 January 2005)

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the balance sheet date. The fair value of foreign exchange contracts is determined using forward exchange market rates at the balance sheet date. Other financial instruments are valued using standard pricing models based on quoted forward market rates, interpolated between dates where appropriate, and discounted cash flow techniques.

Irrevocable commitments to repurchase shares during close periods entered into before the balance sheet date are recorded in the balance sheet at estimated cost and reported as a current liability with a corresponding deduction from shareholders' equity.

Dividend distribution

Dividend distributions are recognised as a liability in the period in which the dividends are approved by the company's shareholders. Interim dividends are recognised when they are paid; final dividends when authorised in general meeting by shareholders.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method, and is the tax expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply to the year of realisation or settlement based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill not deductible for tax purposes, or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Segment reporting

Business segmentation is the primary reporting dimension for the Group, with geographical segmentation being the secondary reporting dimension. Accordingly, the four business divisions (Sales & Trading, Research & Asset Management, Enterprise, and Media) and Instinet Group (in 2004), are the primary reporting segments for the Group.

Note 1 on page 83 outlines in detail the allocation approach in respect of divisional results, costs, assets and liabilities.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group for accounting periods beginning on or after 1 January 2007 or later periods but which have not yet been adopted by the EU or which the

Embedded derivatives arise in revenue and supplier contracts where the currency of the contract is different from the functional currencies of the parties involved. The derivatives are separated from the host contracts and valued using quoted forward market rates.

Interest in shares of Reuters Group PLC

Shares held by the Reuters Employee Share Ownership Trusts and repurchased shares are recorded in the balance sheet at cost and reported as a deduction from shareholders' equity.

Group has chosen not to adopt early. The new standards which are expected to be relevant to the Group's operations are as follows:

[IFRS 7 'Financial Instruments: Disclosures' and IAS 1 \(Amendment\) 'Presentation of Financial Statements – Capital Disclosures' \(effective from 1 January 2007\)](#)

IFRS 7 introduces new disclosures relating to the information about the Group's financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30 'Disclosures in the Financial Statements of Banks and Similar Financial Institutions' and the

82 Group accounting policies continued

disclosure requirements in IAS 32 'Financial Instruments: Disclosure and Presentation'. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and its objectives, policies and processes for managing its capital. The Group has assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the existing disclosures on risk management policies in the OFR would be further expanded to include additional sensitivity analysis and management of the company's capital. The Group will apply IFRS 7 and the amendment to IAS 1 from 1 January 2007.

IFRS 8 'Operating Segments' (effective from 1 January 2009)

IFRS 8 replaces IAS 14 'Segment Reporting' and aligns segment reporting with the requirements of US accounting standard FAS 131 'Disclosures about Segments of an Enterprise and Related Information'. The new standard uses a 'management approach', under which segment information is presented on the same basis as that which used for internal reporting purposes. The Group has assessed the impact of IFRS 8 and concluded that segment reporting will continue to be focused on the business divisions with the distinction between primary and secondary segments being removed.

IFRIC 7 'Applying the Restatement Approach under IAS 29' (effective from 1 January 2007)

IFRIC 7 provides guidance in respect of the first-time application of IAS 29 'Financial Reporting in Hyperinflationary Economies' when an entity identifies the existence of hyperinflation in the economy of its functional currency. The Group has assessed the impact of the interpretation and concluded that it is not likely to have a significant effect on the Group's financial statements.

IFRIC 8 'Scope of IFRS 2' (effective from 1 January 2007)

IFRIC 8 clarifies that transactions within the scope of IFRS 2 'Share-based Payment' include those in which the entity cannot specifically identify some or all of the goods or services received. If the identifiable consideration given appears to be less than the fair value of the equity instruments granted or liability incurred, this situation typically indicates that other consideration has been or will be received. The Group has assessed the impact of the interpretation and concluded that it is not likely to have a significant effect on the Group's financial statements.

IFRIC 9 'Reassessment of Embedded Derivatives' (effective from 1 January 2007)

IFRIC 9 clarifies that an entity should assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited, unless there is a change in the contract's terms, in which case it is required. The Group has assessed the impact of the interpretation and concluded that it will not have a significant effect on the Group's financial statements.

IFRIC 10 'Interim Financial Reporting and Impairment' (effective from 1 January 2007)

IFRIC 10 clarifies that a reporting entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or investment in either an equity instrument or a financial asset carried at cost. The Group will apply the requirements of IFRIC 10 if it chooses to prepare the interim financial statements under the requirements of IAS 34 in 2007. From 1 January 2008, the adoption of IAS 34 is mandatory. The Group does not currently apply IAS 34. Therefore, the interpretation currently has no impact on the Group's financial statements.

IFRIC 11 'IFRS 2 – Group and Treasury Share Transactions' (effective from 1 January 2008)

IFRIC 11 addresses share-based payment arrangements in which (a) an entity grants its employees a right to equity instruments of the entity, and either chooses or is required to buy those equity instruments from another party or the shareholder provides the equity

Applicable accounting policies for 2004 comparatives

IAS 32 and IAS 39 were adopted by the Group at 1 January 2005. The comparative information in 2004 for financial instruments, within the scope of IAS 39, is determined under the previous accounting policies in accordance with UK GAAP. Those policies include:

Investments

Government securities are stated in the balance sheet at the lower of cost plus accrued capital appreciation and market value. Income from these securities and any adjustment for changes in their market value during the year is reported as part of profit.

Debt issuance

Medium-term notes and commercial paper are stated at the amount of the net proceeds plus accrued interest or any discount or premium. Discounts or premiums to the nominal value are amortised over the term of the issue. Costs associated with debt issuance are charged against profit over the life of the instrument.

Foreign currency swap agreements and forward contracts are used to convert non-sterling debt into sterling. Interest rate swaps, swaptions and forward rate agreements are used to manage interest rate exposures. Amounts payable or receivable in respect of these derivatives are recognised as adjustments to interest expense over the period of the contract.

Treasury

The Group receives revenue and incurs expenses in more than 70 currencies and uses financial instruments to hedge a portion of its net cash flow and operating profit.

The derivative contracts are treated from inception as an economic hedge of the underlying financial instrument, with matching accounting treatment and cash flows. The derivative contracts have high correlation with the specific underlying risks being hedged, both at inception and throughout the hedge period.

The Group uses financial instruments to hedge a portion of its interest exposure. Profits and losses on financial instruments are reported as part of profit for the period to which they relate.

Financial instruments hedging the risk on foreign currency assets are revalued at the balance sheet date and the resulting gain or loss offset against that arising from the translation of the underlying asset into sterling.

The Group does not hold or issue derivative financial instruments for speculative purposes.

instruments needed to settle the share-based payment arrangement; and (b) a subsidiary entity's employees are granted rights to equity instruments of the parent entity (or another entity in the same group), in particular, arrangements in which the parent entity or the subsidiary entity grants those rights direct to the subsidiary entity's employees. The Group has assessed the impact of the interpretation and concluded that it is not likely to have a significant effect on the Group's financial statements.

01 Segmental analysis – income statement

Primary reportable segments – business divisions

The Group operates through four business divisions: Sales & Trading, Research & Asset Management, Enterprise, and Media (excluding Instinet Group in 2004). Therefore, the Group's primary segmental reporting is by business division. In order to report segmental results, it is necessary to determine a methodology to allocate revenue, operating costs, other operating income, assets and liabilities to these segments.

Each division is responsible for specific product revenues, with the exception of Reuters 3000 Xtra and the 2000/3000 range of products. Revenues for these shared products are attributed to either the Sales & Trading division or the Research & Asset Management division by reference to the nature of the customer purchasing the product. This is determined on a customer-by-customer basis.

Where operating costs relate to a specific division, they are mapped directly to that division. Where operating costs are shared, an activity based costing (ABC) technique is used to split these costs between divisions. The Reuters ABC model (known as Profitability Insight) allocates shared costs to business activities, which in turn are attributed to products, and therefore divisions, using cost drivers. These cost drivers (such as the number of helpdesk calls received

or the number of installed accesses) are derived from a variety of underlying source systems. Judgement has been applied in determining these cost drivers and the resulting allocation of operating costs.

Other operating income is allocated to divisions using a similar methodology to operating costs.

Divisional results could alter with the application of other allocation approaches and as continuous improvements are made to the Profitability Insight model. When changes are made to the allocation methodology, prior year comparatives are restated to ensure that divisional results are allocated on a consistent basis year-on-year.

In 2006, Reuters made changes to the allocation of revenue and operating costs between business divisions to reflect changes in the management of certain products. 2005 comparatives have therefore been restated to increase Sales & Trading revenue by £18 million (2004: £11 million) and operating costs by £19 million (2004: £11 million), decrease Research & Asset Management revenue by £10 million (2004: £3 million) and operating costs by £12 million (2004: £6 million) and decrease Enterprise revenue by £8 million (2004: £8 million) and operating costs by £7 million (2004: £5 million). 2005 comparatives have also been restated to reallocate £1 million of amortisation on intangible assets arising on the acquisition of Telerate from Enterprise to Sales & Trading, in line with the allocation of revenues from Telerate products.

The tables below show a segmental analysis of results for continuing operations. For information relating to discontinued operations, please refer to note 7 on pages 87–88.

	2006				
	Sales & Trading £m	Research & Asset Management £m	Enterprise £m	Media £m	Total £m
Revenue	1,690	298	408	170	2,566
Operating costs	(1,543)	(315)	(335)	(158)	(2,351)
Other operating income	27	5	6	3	41
Operating profit/(loss)	174	(12)	79	15	256
Finance income					72
Finance costs					(87)
Profit on disposal of associates, joint ventures and available-for-sale financial assets					76
Share of post-tax losses from associates and joint ventures					(4)
Profit before tax					313
Taxation					(20)
Profit for the year from continuing operations					293

	Sales & Trading £m	Research & Asset Manage- ment £m	Enterprise £m	Media £m	Total £m
Revenue	1,613	258	385	153	2,409
Operating costs	(1,495)	(293)	(317)	(146)	(2,251)
Other operating income	37	–	8	4	49
Operating profit/(loss)	155	(35)	76	11	207
Finance income					41
Finance costs					(53)
Profit on disposal of associates, joint ventures and available-for-sale financial assets					38
Share of post-tax profits from associates and joint ventures					5
Profit before tax					238
Taxation					(9)
Profit for the year from continuing operations					229

84 Notes to the financial statements continued

01 Segmental analysis – income statement continued

					Restated 2004
	Sales & Trading £m	Research & Asset Manage- ment £m	Enterprise £m	Media £m	Total £m
Revenue	1,553	259	383	144	2,339
Operating costs	(1,396)	(289)	(360)	(142)	(2,187)
Other operating income	18	17	5	2	42
Operating profit/(loss)	175	(13)	28	4	194
Finance income					15
Finance costs					(27)
Profit on disposal of associates, joint ventures and available-for-sale financial assets					203
Share of post-tax profits from associates and joint ventures					11
Profit before tax					396
Taxation					(40)
Profit for the year from continuing operations					356

Divisional revenue comprises sales to external customers only. Divisional revenue from transactions with other segments is £nil (2005: £nil, 2004: £nil).

The following table shows the aggregate of each business division's share of results of associates and joint ventures:

	2006 £m	2005 £m	2004 £m
Sales & Trading	(4)	2	2
Research & Asset Management	–	–	–
Enterprise	–	–	3
Media	–	3	6
Share of post-tax (losses)/profits from associates and joint ventures	(4)	5	11

The following table provides information relating to depreciation, amortisation, impairments and other significant non-cash expenses included in the divisional operating costs above:

	2006			Restated 2005			2004		
	Depreciation and amortisation £m	Impairments £m	Other non-cash expenses £m	Depreciation and amortisation £m	Impairments £m	Other non-cash expenses £m	Depreciation and amortisation £m	Impairments £m	Other non-cash expenses £m
Sales & Trading	95	–	36	89	1	39	83	22	13

Research & Asset Management	19	–	7	19	–	4	16	8	3
Enterprise	22	–	8	20	1	2	35	5	5
Media	5	–	3	4	1	1	6	–	1
Total	141	–	54	132	3	46	140	35	22

Impairments for 2004 exclude the £17 million impairment of the goodwill previously reported within the Sales & Trading division in respect of Bridge Trading Company (BTC), as this impairment has been reported within discontinued operations (see note 7 on page 87).

Please refer to note 13 on page 94 for more information relating to impairments.

Secondary reportable segments – geographical

Revenue is normally invoiced in the same geographical area in which the customer is located. Revenue earned, therefore, generally represents revenue both by origin and by destination.

The following table represents revenue from external customers by geographical area based on the geographical location of the customers:

	2006 £m	% change	2005 £m	% change	2004 £m
Europe, Middle East & Africa*	1,396	5%	1,330	(1%)	1,344
Americas	709	9%	651	7%	609
Asia	461	7%	428	11%	386
Total revenue	2,566	7%	2,409	3%	2,339

* To reflect the way Reuters was managed in 2006, UK & Ireland, EMEA West and EMEA East have been combined into one geographical location.

02 Revenue by type

An analysis of the Group's revenue from sale of goods and services by type is set out below:

	2006 £m	% change	Restated 2005 £m	% change	Restated 2004 £m
Recurring	2,363	6%	2,235	4%	2,158
Usage	132	26%	104	13%	92
Outright	71	3%	70	(22%)	89
Total revenue	2,566	7%	2,409	3%	2,339

2005 and 2004 have been restated to reclassify £7 million and £6 million respectively of recurring revenue to usage revenue.

Customers generally pay for Reuters products and services in three ways. Recurring revenue is generated through subscription fees to cover access of terminals and maintenance fees for software. Usage revenue is principally derived from matching and trading transactions, and advertising revenues. Outright revenue comprises once-off sales including information and risk management solutions.

03 Operating costs

Cost by nature	2006 £m	% change	2005 £m	% change	2004 £m
Salaries, commission and allowances	763	–	761	(3%)	782
Social security costs	64	(4%)	67	7%	63
Share-based payments (see note 33)	30	(1%)	30	38%	22
Pension costs (see note 25)	61	14%	55	92%	28
Total staff costs	918	1%	913	2%	895
Services*	512	13%	455	15%	394
Depreciation	95	(4%)	99	(11%)	112
Data	323	15%	281	14%	247
Communications	279	(3%)	289	(4%)	301
Space	151	(7%)	162	(8%)	175
Amortisation of intangibles	46	37%	33	15%	28
Impairments	–	–	3	(90%)	35
Fair value movements on derivatives	25	–	–	–	–
Fair value movements on other financial assets	–	–	16	–	–
Foreign exchange losses	2	–	–	–	–
Total operating costs	2,351	4%	2,251	3%	2,187
Operating costs include:					

Research and development expenditure	83	(9%)	92	(13%)	105
Operating lease expenditure:					
Hire of equipment	6	6%	6	(22%)	7
Other, principally property	74	9%	67	(4%)	70
Loss on disposal of property, plant and equipment	–	–	–	–	1
Advertising	19	9%	17	(14%)	20

* Services include equipment hire and bought-in services, including consultancy and contractors, advertising and publicity, professional fees and staff-related expenses.

An analysis of fees payable by the Group to the company's auditors is set out below:

	2006 £m	2005 £m
Fees payable to the company's auditor for the audit of the company's annual accounts	2.2	2.9
Fees payable to the company's auditor and its associates for other services:		
The audit of the company's subsidiaries, pursuant to legislation	1.3	1.3
Other services pursuant to legislation	0.6	0.4
Tax services	1.0	2.6
Services relating to corporate finance transactions	0.2	0.4
All other services	0.2	0.3
Total fees payable	5.5	7.9
United Kingdom	3.9	3.8
Overseas	1.6	4.1

The directors consider it important that the company has access to a broad range of external advice, including from PricewaterhouseCoopers. Where appropriate, work is put out to competitive tender. The Audit Committee monitors the relationship with PricewaterhouseCoopers, including the level of non-audit fees.

86 Notes to the financial statements continued

04 Other operating income

	2006 £m	% change	2005 £m	% change	2004 £m
Profit on disposal of subsidiaries	4	(4%)	4	5%	4
Fair value movements on derivatives	6	(69%)	18	–	–
Investment income	–	–	1	–	–
Foreign exchange gains	–	–	3	–	1
Profit on disposal of property, plant and equipment	2	–	–	–	–
Other income	29	28%	23	(39%)	37
Total other operating income	41	(16%)	49	16%	42

Other income principally comprises amounts received in respect of services provided by Reuters to joint ventures and other parties.

05 Finance income and finance costs

	2006 £m	2005 £m	2004 £m
Interest receivable:			
Listed investments	–	1	–
Unlisted investments	16	18	15
Swap contracts	33	18	–
Fair value gains on financial instruments	16	1	–
Foreign exchange gains on borrowings	7	3	–
Total finance income	72	41	15
Interest payable:			
Bank loans and overdrafts	(6)	(4)	(2)
Other borrowings	(23)	(23)	(24)
Swap contracts	(38)	(22)	–
Fair value losses on financial instruments	(19)	(2)	–
Unwinding of discounts	(1)	(2)	(1)
Total finance costs	(87)	(53)	(27)

Following the adoption of IAS 39 'Financial Instruments: Recognition and Measurement' on 1 January 2005, derivatives are recognised separately from the underlying borrowings to which they relate. In 2005 and 2006, therefore, interest on derivatives has been recognised separately from interest on the underlying borrowings. This treatment is different from the 2004 treatment where interest on derivatives was netted against interest on the underlying borrowings.

06 Taxation

Analysis of charge for the period

	2006 £m	2005 £m	2004 £m
Current tax:			
Continuing operations	(10)	(10)	17
Discontinued operations	12	50	21
	2	40	38
Deferred tax (see note 26):			
Continuing operations	30	19	23
Discontinued operations	(12)	13	1
	18	32	24
Continuing operations	20	9	40
Discontinued operations	–	63	22
Total tax	20	72	62

Tax on items recognised in equity

	2006		2005		2004	
	Continuing £m	Discontinued £m	Continuing £m	Discontinued £m	Continuing £m	Discontinued £m
Current tax (credit)/charge on unrealised exchange movements	(7)	–	–	–	10	–
Deferred tax charge/(credit) on actuarial losses on defined benefit plans	1	–	(10)	–	(45)	–
Deferred tax credit on stock options	(1)	–	(10)	(1)	(8)	(1)
Current tax charge/(credit) on revaluations and fair value movements	10	–	(4)	–	–	–

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2006 £m	2005 £m	2004 £m
Profit before tax	313	238	396
Profit before tax multiplied by standard rate of corporation tax in the UK of 30% (2005: 30%, 2004: 30%)	94	71	119
Effects of:			
Non-tax deductible amortisation and impairment of intangibles	5	4	11
Expenses not deductible for tax purposes	2	4	11
Non-taxable investment disposals and impairments	(15)	(13)	(66)
Adjustments in respect of prior years	(56)	(23)	(26)
Recognition of tax losses that arose in prior years	(4)	(33)	–
Other differences	(6)	(1)	(9)
Total tax for continuing operations	20	9	40

The tax charge for the year includes a tax credit of £34 million (2005: £16 million) in respect of UK taxation.

07 Discontinued operations

The 'Profit for the year from discontinued operations' line within the income statement comprises the post-tax profit or loss of discontinued operations and the post-tax profit or loss on their disposal.

The Group has no activities which are required to be classified as discontinued operations during 2006. However, an additional gain of £12 million has been recognised in 2006 relating to the disposal of Instinet Group, which was classified as a discontinued operation during 2005.

	2006 £m	2005 £m	2004 £m
Profits after tax of subsidiaries acquired with a view to resale	–	–	1
Profits after tax of subsidiaries (net of tax £nil, 2005: £20 million, 2004: £22 million)	–	69	39
Profit/(loss) on disposal of subsidiaries (net of tax £nil, 2005: £43 million, 2004: £nil)	12	184	(1)
Impairment of subsidiaries (net of tax £nil, 2005: £nil, 2004: £nil)	–	–	(20)

Profit for the year from discontinued operations	12	253	19
Basic earnings per ordinary share for discontinued operations	1.0p	16.3p	0.6p
Diluted earnings per ordinary share for discontinued operations	0.9p	15.8p	0.6p

Basic and diluted earnings per share are calculated using the weighted average number of ordinary shares as disclosed in note 8 on pages 88–89.

Discontinued operations in 2005 and 2004

Subsidiaries acquired with a view to resale: Radianz

On 21 October 2004, Reuters entered into exclusive discussions with BT to secure a long-term agreement for the provision of network services, including the sale of Radianz to BT. As a prerequisite to this agreement, Reuters acquired Equant's 49% voting interest in Radianz, with a view to selling the 100% interest to BT.

On 29 April 2005, Reuters completed the sale of its 100% voting interest in Radianz to BT for gross proceeds of £115 million.

Subsidiaries acquired with a view to resale are, by definition, discontinued operations under IFRS 5. However, IFRS 5 was only applicable from 1 January 2005, whereas Reuters acquired the remaining 49% of the voting shares in Radianz in November 2004. Radianz was a subsidiary from this date, and was therefore consolidated under IAS 27 'Consolidated and Separate Financial Statements'. For presentation purposes, the results for the year and the balance sheet position at 31 December 2004 have been presented using the income statement and balance sheet headings detailed in IFRS 5. The 2004 'profits after tax of subsidiaries acquired with a view to resale' of £1 million include a £9 million gain in respect of Reuters share of the disposal by Radianz of its Voice Services business offset by operating losses of Radianz for the year. Impairment of subsidiaries in 2004 includes £3 million in respect of impairment of Radianz's net assets to fair value less costs to sell.

The disposal of Radianz in 2005 resulted in a loss on disposal of £4 million, which is presented within 'profit/(loss) on disposal of subsidiaries' within discontinued operations.

88 Notes to the financial statements continued

07 Discontinued operations continued

Disposal of subsidiaries: Instinet Group (including BTC)

Reuters held approximately 62% of the shares in Instinet Group, a US based company, which was previously accounted for as a subsidiary of Reuters Group PLC on a 100% consolidated basis with offsetting minority interest.

On 31 March 2005, Reuters sold BTC, a soft dollar execution broker, to Instinet Group, for approximately 3.8 million shares of Instinet Group stock, valued at approximately £12 million. In 2004, an impairment loss of £17 million was recognised for BTC within 'profit for the year from discontinued operations'. The sale to Instinet Group has been accounted for as a partial disposal of the Group's interest in BTC, which resulted in a loss of £3 million. BTC made profits after tax of £1 million in the period prior to sale.

On 8 December 2005, Reuters disposed of its investment in Instinet Group for gross proceeds of £612 million (including £37 million relating to Reuters share of an Instinet Group dividend received prior to close). Reuters recorded a net gain on sale of £191 million in 2005 within 'profit/(loss) on disposal of subsidiaries' within discontinued operations. Instinet Group's results up until sale, a profit after tax of £68 million (before minority interest), are also included in the Group results as part of discontinued operations.

The results of Instinet Group and BTC are as follows:

	2006 £m	2005 £m	2004 £m
Revenue	–	466	551
Operating costs	–	(402)	(517)
Operating profit	–	64	34
Finance income	–	13	7
Profit on disposal of available-for-sale financial assets	–	12	20
Profit before tax	–	89	61
Taxation	–	(20)	(22)
Profit for the period	–	69	39

The net cash flow attributable to discontinued operations is as follows:

	2006 £m	2005 £m	2004 £m
Cash generated from discontinued operations (see note 29)	–	3	(27)
Tax paid	–	(13)	(9)
Interest received	–	13	9
Interest paid	–	–	(1)
Net cash flow from operating activities	–	3	(28)
Net cash flow from investing activities*	–	(474)	28
Net cash flow from financing activities	–	(85)	129
Exchange gains/(losses) on cash and cash equivalents	–	57	(30)
(Decrease)/increase in cash and cash equivalents from discontinued operations	–	(499)	99

* Net cash flow from investing activities in 2005 includes £582 million relating to cash held by subsidiaries at the date of disposal.

08 Earnings per ordinary share

Basic earnings per ordinary share is based on the results attributable to equity shareholders and on the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by Reuters Employee Share Ownership Trusts and shares purchased as part of the ongoing buy-back programme and held as treasury shares.

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares used in the basic earnings per share calculation to assume conversion of all dilutive potential ordinary shares resulting from outstanding share options.

Weighted average number in millions	2006	2005	2004
Ordinary shares in issue	1,455	1,438	1,434
Non-vested shares held by Employee Share Ownership Trusts	(30)	(32)	(34)
Shares repurchased	(128)	(10)	–
Basic earnings per share denominator	1,297	1,396	1,400
Issuable under employee share schemes	24	41	36
Diluted earnings per share denominator	1,321	1,437	1,436

Earnings per share from continuing and discontinued operations	2006	2005	2004
Profit attributable to equity holders of the company (£m)	305	456	364
Basic earnings per share	23.6p	32.6p	26.0p
Diluted earnings per share	23.1p	31.7p	25.4p

Earnings per share from continuing operations	2006	2005	2004
Profit attributable to equity holders of the company (£m)	293	229	356
Basic earnings per share	22.6p	16.3p	25.4p
Diluted earnings per share	22.2p	15.9p	24.8p

09 Remuneration of directors

Section 'Directors' remuneration for 2006' within the Remuneration report includes details of directors' emoluments, pension arrangements, long-term incentive plans and share option plans, details of which form part of these financial statements.

Details of senior management remuneration are given in note 34 on pages 123–124.

10 Employee information

The average number of employees during the year was as follows:

	2006	Restated 2005	Restated 2004
By business division:			
Sales & Trading	1,062	491	305
Research & Asset Management	800	658	699
Enterprise	1,241	925	296
Media	189	109	64
Shared divisional resources*	3,383	3,605	3,507
Total divisions	6,675	5,788	4,871
Global Sales & Service Organisation	5,812	5,438	5,944
Editorial	2,321	2,210	2,220
Corporate Services	1,494	1,582	1,780
Total continuing operations	16,302	15,018	14,815
Discontinued operations	–	846	1,165
Total average number of employees	16,302	15,864	15,980
By geographical location:			
Europe, Middle East & Africa**	7,174	6,962	7,444
Americas	4,252	4,292	4,550
Asia	4,876	3,764	2,821
Total continuing operations	16,302	15,018	14,815

Discontinued operations	–	846	1,165
Total average number of employees	16,302	15,864	15,980
By function:			
Production and communications	9,438	8,498	8,315
Selling and marketing	4,572	4,179	3,878
Support services and administration	2,292	2,341	2,622
Total continuing operations	16,302	15,018	14,815
Discontinued operations	–	846	1,165
Total average number of employees	16,302	15,864	15,980
The above include:			
Development staff	2,670	2,332	2,282

2005 and 2004 have been restated to reflect the fact that Content has been split into Data and Editorial with Data now included within shared divisional resources.

* Following the integration of the product development function into the business divisions during 2006, related staff are now shown within the business divisions rather than within shared divisional resources

** To reflect the way Reuters was managed in 2006, UK & Ireland, EMEA West and EMEA East have been combined into one geographical location.

The average number of employees during 2006 included 168 temporary staff (2005: 181, 2004: 181).

90 Notes to the financial statements continued

11 Consolidated reconciliation of changes in equity

		Attributable to equity holders of the parent			Minority interest	Total equity
	Note	Share capital £m	Other reserves £m	Retained earnings £m	£m	£m
1 January 2004		449	(1,717)	1,569	193	494
Actuarial losses on defined benefit plans	25	–	–	(205)	–	(205)
Exchange differences taken directly to reserves		–	(34)	–	(14)	(48)
Exchange differences taken to the income statement on disposal of assets		–	6	–	–	6
Tax on items taken directly to or transferred from equity		–	(10)	45	–	35
Net expense recognised directly in equity		–	(38)	(160)	(14)	(212)
Profit for the year		–	–	364	11	375
Total recognised (expense)/income for 2004		–	(38)	204	(3)	163
Employee share schemes		–	–	28	4	32
Tax on employee share schemes		–	–	9	–	9
Shares allotted during the year	27	6	–	–	–	6
Proceeds from shares issued to minority shareholders of Instinet		–	–	–	4	4
Dividends:	32					
Final dividend for 2003		–	–	(86)	–	(86)
Interim dividend for 2004		–	–	(54)	–	(54)
Other movements in equity		–	–	1	1	2
31 December 2004		455	(1,755)	1,671	199	570
1 January 2005		455	(1,755)	1,671	199	570
Transitional adjustment on first-time adoption of IAS 39*		–	108	19	2	129
1 January 2005 as adjusted		455	(1,647)	1,690	201	699
Actuarial losses on defined benefit plans	25	–	–	(48)	–	(48)
Exchange differences taken directly to reserves		–	97	–	21	118
Exchange differences taken to the income statement on disposal of assets		–	(2)	–	–	(2)
Fair value losses on available-for-sale financial assets	16	–	(22)	–	7	(15)
Fair value gains on available-for-sale financial assets taken to the income statement on disposal of assets	16	–	(68)	–	(5)	(73)

Fair value losses on net investment hedges	16	–	(39)	–	–	(39)
Fair value gains taken to the income statement on disposal of net investment hedges	17	–	(14)	–	–	(14)
Tax on items taken directly to or transferred from equity		–	4	10	–	14
Net expense recognised directly in equity		–	(44)	(38)	23	(59)
Profit for the year		–	–	456	26	482
Total recognised (expense)/income for 2005		–	(44)	418	49	423
Employee share schemes		–	–	42	7	49
Tax on employee share schemes		–	–	11	–	11
Repurchase of own shares		–	–	(224)	–	(224)
Shares to be repurchased		–	–	(59)	–	(59)
Shares allotted during the year	27	12	–	(2)	–	10
Proceeds of shares issued to minority shareholders of Instinet		–	–	–	3	3
Dividends:	32					
Final dividend for 2004		–	–	(86)	–	(86)
Interim dividend for 2005		–	–	(54)	–	(54)
Share of Instinet's dividend paid to minority shareholders		–	–	–	(23)	(23)
Other movements in equity		–	(1)	–	–	(1)
Minority interest in subsidiary disposed in the year		–	–	–	(237)	(237)
31 December 2005		467	(1,692)	1,736	–	511

* The transitional adjustment on the balance sheet at 1 January 2005 primarily comprises recognition of the fair value of the Group's investments in Savvis (£45 million gain) and Tibco Software Inc (TSI) (£86 million gain), offset by initial recognition of embedded derivatives (£14 million loss plus £3 million tax credit).

		Attributable to equity holders of the parent			Minority interest	Total equity
	Note	Share capital £m	Other reserves £m	Retained earnings £m	£m	£m
1 January 2006 as previously stated		467	(1,692)	1,795	–	570
Prior year adjustment – share buy-back programme		–	–	(59)	–	(59)
1 January 2006 as restated		467	(1,692)	1,736	–	511
Actuarial gains on defined benefit plans	25	–	–	6	–	6
Exchange differences taken directly to reserves		–	(95)	–	–	(95)
Fair value gains on available-for-sale financial assets	16	–	6	–	–	6
Fair value gains on net investment hedges	16	–	34	–	–	34
Tax on items taken directly to or transferred from equity		–	(3)	(1)	–	(4)
Net expense recognised directly in equity		–	(58)	5	–	(53)
Profit for the year		–	–	305	–	305
Total recognised (expense)/income for 2006		–	(58)	310	–	252
Employee share schemes		–	–	30	–	30
Tax on employee share schemes		–	–	1	–	1
Repurchase of own shares		–	–	(467)	–	(467)
Shares to be repurchased		–	–	(53)	–	(53)
Shares allotted during the year	27	41	–	(9)	–	32
Shares cancelled during the year	27	(12)	12	–	–	–
Dividends:	32					
Final dividend for 2005		–	–	(81)	–	(81)
Interim dividend for 2006		–	–	(53)	–	(53)
31 December 2006		496	(1,738)	1,414	–	172

2005 has been restated to recognise irrevocable commitments to repurchase shares during close periods as a liability (see 'Basis of accounting' on page 78). The impact of recognising these commitments is to increase current liabilities and to decrease shareholders' equity at 31 December 2005 by £59 million.

Please refer to note 27 on page 116 and note 28 on page 117 for more information on the nature of and movements in share capital and other reserves respectively.

Retained earnings is stated after deducting £1,002 million (2005 restated: £489 million, 2004: £213 million) in respect of treasury shares. This is composed of £750 million (2005: £224 million, 2004: £nil) which represents the cost of 187 million shares in Reuters Group PLC (2005: 57 million,

2004: nil) repurchased in the market as part of the ongoing share buy-back programme (see note 27 on page 116), £53 million (2005 restated: £59 million, 2004: £nil) which represents the cost of 12.0 million shares in Reuters Group PLC (2005: 13.5 million, 2004: nil) that Reuters had an irrevocable commitment to repurchase during the year end close period and £199 million (2005: £206 million, 2004: £213 million) which represents the cost of 30 million shares in Reuters Group PLC (2005: 32 million, 2004: 33 million) purchased in the market and held by Reuters Employee Share Ownership Trusts (ESOTs) to satisfy certain options/awards under the Group's share incentive plans (see note 33 on page 120).

During 2006, Reuters cancelled 48 million shares repurchased as part of the ongoing share buy-back programme. An amount equal to the nominal value of these shares has been transferred from share capital to the capital redemption reserve.

92 Notes to the financial statements continued

12 Segmental analysis – balance sheet

Primary reportable segments

The tables below show assets, liabilities and capital expenditure by business division. The assets and liabilities are attributed to business divisions using methodologies consistent with those used to allocate divisional results (see note 1 on page 83).

In 2006, Reuters made changes to the allocation of revenue and operating costs between business divisions to reflect changes in the management of certain products. These changes had an insignificant impact on the balance sheet segmentation. 2005 comparatives have been restated to reallocate £44 million of intangibles arising on the acquisition of Telerate from Enterprise to Sales & Trading, in line with the allocation of revenues from Telerate products. 2005 comparatives have also been restated to recognise irrevocable commitments to repurchase shares during close periods as a liability (see 'Basis of accounting' on page 78).

	31 December 2006					
	Sales & Trading £m	Research & Asset Management £m	Enterprise £m	Media £m	Shared £m	Total £m
Assets (excluding investment in associates and joint ventures)	743	249	186	48	656	1,882
Investment in associates and joint ventures	15	4	2	17	–	38
Total assets	758	253	188	65	656	1,920
Total liabilities	(441)	(108)	(117)	(52)	(1,030)	(1,748)
Capital expenditure	172	32	76	10	–	290

	Restated 31 December 2005					
	Sales & Trading £m	Research & Asset Management £m	Enterprise £m	Media £m	Shared £m	Total £m
Assets (excluding investment in associates and joint ventures)	705	253	139	43	961	2,101
Investment in associates and joint ventures	11	5	3	17	–	36
Total assets	716	258	142	60	961	2,137
Total liabilities	(506)	(128)	(146)	(70)	(776)	(1,626)
Capital expenditure*	241	53	38	14	–	346

	31 December 2004						
	Sales & Trading £m	Research & Asset Management £m	Enterprise £m	Media £m	Instinet £m	Shared £m	Total £m
Assets (excluding investment in associates and joint ventures)	629	184	182	34	919	597	2,545
Investment in associates and joint ventures	9	5	3	18	—	—	35

Total assets	638	189	185	52	919	597	2,580
Total liabilities	(511)	(120)	(151)	(66)	(397)	(765)	(2,010)
Capital expenditure	71	20	28	6	19	–	144

* Capital expenditure in 2005 excludes Instinet Group, which was classified as a discontinued operation prior to its disposal.

Shared assets consist principally of taxation, hedging derivatives, short-term deposits, cash and borrowings as these are not managed separately by the divisions.

Capital expenditure includes additions of intangible assets and additions of property, plant and equipment.

Secondary reportable segments

	31 December 2006		31 December 2005		31 December 2004	
By geographical location	Total assets £m	Capital expenditure £m	Total assets £m	Capital expenditure £m	Total assets £m	Capital expenditure £m
Europe, Middle East & Africa*	616	124	589	191	763	73
Americas	522	108	520	99	1,102	56
Asia	194	58	143	56	133	15
Central	588	–	885	–	582	–
Total	1,920	290	2,137	346	2,580	144

* To reflect the way Reuters was managed in 2006, UK & Ireland, EMEA West and EMEA East have been combined into one geographical location.

Central assets consist principally of investments in associates and joint ventures, taxation, hedging derivatives and centrally managed cash and short-term deposits.

13 Intangible assets

	Goodwill £m	Trade names £m	Customer relationships £m	Technology know-how £m	Internally generated software £m	Purchased software £m	Total £m
Cost:							
1 January 2004	243	30	–	153	21	53	500
Exchange differences	(14)	(2)	–	(9)	–	(2)	(27)
Additions:							
Acquisition of subsidiaries	5	1	1	–	–	–	7
Other additions	–	–	–	–	23	3	26
Disposals	(19)	–	–	–	–	–	(19)
Adjustments*	(6)	–	–	–	–	–	(6)
31 December 2004	209	29	1	144	44	54	481
Exchange differences	24	3	4	6	1	2	40
Additions:							
Acquisition of subsidiaries	103	4	59	4	–	–	170
Other additions	–	–	–	–	29	11	40
Reclassifications**	(9)	(3)	–	(65)	–	(3)	(80)
31 December 2005	327	33	64	89	74	64	651
Exchange differences	(32)	(4)	(7)	(7)	(1)	(2)	(53)
Additions:							
Acquisition of subsidiaries	18	1	11	16	–	–	46
Other additions	–	–	–	–	93	21	114
Adjustments*	2	–	–	–	–	–	2
31 December 2006	315	30	68	98	166	83	760
Amortisation and impairment:							
1 January 2004	–	(9)	–	(50)	(2)	(19)	(80)
Exchange differences	–	–	–	4	–	1	5
Charged in the year:							
Amortisation	–	(2)	–	(20)	(2)	(11)	(35)

Impairment	(18)	–	–	–	(34)	(3)	(55)
31 December 2004	(18)	(11)	–	(66)	(38)	(32)	(165)
Exchange differences	–	(2)	–	(3)	–	(2)	(7)
Charged in the year:							
Amortisation	–	(3)	(4)	(15)	(3)	(10)	(35)
Impairment	–	–	–	–	(1)	–	(1)
Reclassifications**	–	3	–	38	–	3	44
31 December 2005	(18)	(13)	(4)	(46)	(42)	(41)	(164)
Exchange differences	–	2	1	4	–	2	9
Charged in the year:							
Amortisation	–	(4)	(7)	(13)	(10)	(12)	(46)
31 December 2006	(18)	(15)	(10)	(55)	(52)	(51)	(201)
Carrying amount:							
31 December 2004	191	18	1	78	6	22	316
31 December 2005	309	20	60	43	32	23	487
31 December 2006	297	15	58	43	114	32	559

* Adjustments of £2 million to goodwill in 2006 relate to the finalisation of fair valuation adjustments in respect of the acquisition of Telerate. Adjustments of £6 million to goodwill in 2004 relate to the finalisation of earn out agreements in relation to the acquisition of AVT Technologies Limited and Capital Access International LLC, and also to the finalisation of fair value adjustments in respect of the acquisition of Multex. Fair value adjustments are based on an independent valuation performed by professionally-qualified valuers.

** Reclassifications in 2005 relate to Instinet Group, which was classified as a discontinued operation prior to its disposal.

The carrying amount of intangibles, other than goodwill, internally-generated software and purchased software, at 31 December 2006 includes the following balances which are considered to be material to the Group's financial statements:

Arising on acquisition of	Nature (included in category)	Date of acquisition	Carrying amount £m	Remaining amortisation period
Telerate	Customer relationships	June 2005	40	8 years, 5 months
Application Networks	Technology know-how	June 2006	13	4 years, 5 months
Bridge	Trade names	October 2001	12	4 years, 9 months
Bridge	Technology know-how	October 2001	11	4 years, 9 months

94 Notes to the financial statements continued

13 Intangible assets continued

Impairment tests of goodwill

No impairment losses in respect of goodwill have been recognised in 2006 or 2005.

For the purpose of performing impairment reviews, Reuters has identified seven cash generating units (CGUs). In prior years, Reuters identified eight CGUs, but disposed of BTC in 2005. Annual impairment reviews are performed as at 1 July for all CGUs, which include goodwill. These reviews compare the carrying value of each CGU with the present value of future cash flows arising from the use of the assets of the unit (value in use). If the value in use is less than the carrying value of the CGU, an impairment loss is recognised immediately in the income statement.

Goodwill has been allocated directly to CGUs. The balances at 31 December 2005 have been restated to reallocate £25m of goodwill arising on the acquisition of Telerate from Enterprise to Sales & Trading, in line with the allocation of revenues from Telerate products.

Business division	Cash generating unit	Carrying amount of goodwill at		
		31 December 2006 £m	Restated 31 December 2005 £m	31 December 2004 £m
Sales & Trading	Sales & Trading	146	157	74
	Bridge Trading Company	–	–	8
Research & Asset Management	Investment Banking & Investment Management	93	103	74
	Wealth Management	–	–	–
	Lipper	28	31	22
Enterprise	Enterprise (excluding Risk)	3	4	4
	Risk	22	9	9
Media	Media	5	5	–
Total		297	309	191

Key assumptions used in the value in use calculations are as follows:

Cash flow projections are derived from financial plans approved by the Board and cover a five year period. They reflect management's expectations of revenue growth, operating cost and margin for each CGU based on past experience. Projections exclude the expected revenue and cost synergy benefits arising from the various Core Plus growth strategies not yet underway. Cash flows beyond the five year period have been extrapolated using estimated terminal growth rates.

A pre-tax discount rate of 9% to 11% (2005: 9%, 2004: 9%), reflecting the risks relating to the CGUs, has been applied to cash flow projections. For accounting purposes, impairment testing has been performed using perpetuity growth rates ranging from 2% to 3% (2005: 0% to 3%, 2004: 0% to 3%). The rates used have been determined with regard to projected growth for the specific markets in which the CGUs participate. These rates are below the long-term average growth rate for the businesses in which Reuters operates.

The forecasts are most sensitive to changes in projected revenue growth rates in the first five years of the forecast period. However, there is significant headroom and forecast revenues would have to be more than 14% lower than currently projected, before a possible impairment charge would be indicated.

Impairment of goodwill and intangibles during 2004

Impairment losses in respect of goodwill in 2004 totalled £18 million, £17 million of which related to BTC, the soft dollar execution broker business. In March 2005, Reuters agreed to sell BTC to Instinet Group in exchange for 3.8 million shares of Instinet Group. As a result, Reuters recognised a £17 million impairment loss on goodwill relating to BTC, which formed its own cash generating unit. Business had declined since the original purchase and future business could be further impacted by changes in the external marketplace. The loss was calculated on the basis of fair value less selling costs, as the value of the business could be ascertained by the existence in 2004 of an arms-length sale and purchase agreement. Although Instinet Group was a Group subsidiary at the time of the sale, Reuters had already announced an intention to sell the Instinet Group, subject to regulatory approval. The negotiations for the sale of BTC were therefore conducted on an arms-length basis. The impairment loss was reported within the Sales & Trading division and reclassified to discontinued operations in 2005.

Reuters also recorded a £37 million impairment on internally generated and purchased software of which £30 million relates to the impairment of a new order entry and billing system. During 2004, management revised the architectural solution to be simpler and more consistent with industry standards, leading to impairment of all of the previously capitalised expenditure. Management considers this decision will lead to a more cost effective and easier to execute

solution in the longer term. The impairment loss has been allocated to the Sales & Trading (70%), Research & Asset Management (12%) and Enterprise (18%) business divisions. The balance relates to an impairment recorded in respect of development costs capitalised in our internal effort to build Reuters Knowledge for Investment Banking which was rationalised in favour of the newly acquired Multex platform and a write down in the value of capitalised software for Instinet Group which has been reclassified to discontinued operations in 2005.

14 Property, plant and equipment

	Freehold property £m	Leasehold property £m	Computer systems equipment £m	Office equipment and motor vehicles £m	Total £m
Cost:					
1 January 2004	241	214	1,038	247	1,740
Exchange differences	(6)	(12)	(34)	(10)	(62)
Additions	1	32	69	9	111
Disposals	(83)	(47)	(215)	(53)	(398)
31 December 2004	153	187	858	193	1,391
Exchange differences	1	8	36	4	49
Additions	5	41	80	11	137
Acquisitions	–	–	1	1	2
Disposals	–	(8)	(91)	(15)	(114)
Reclassifications*	(1)	(62)	(41)	(36)	(140)
31 December 2005	158	166	843	158	1,325
Exchange differences	(5)	(10)	(57)	(10)	(82)
Additions	9	37	75	9	130
Disposals	–	(4)	(193)	(24)	(221)
31 December 2006	162	189	668	133	1,152
Depreciation:					
1 January 2004	(95)	(112)	(853)	(203)	(1,263)
Exchange differences	6	3	32	5	46
Charged in the year	(8)	(11)	(95)	(16)	(130)
Disposals	27	27	208	48	310
31 December 2004	(70)	(93)	(708)	(166)	(1,037)
Exchange differences	(1)	(3)	(29)	(3)	(36)
Charged in the year	(4)	(13)	(73)	(13)	(103)
Disposals	–	8	89	14	111
Reclassifications*	–	31	33	34	98
31 December 2005	(75)	(70)	(688)	(134)	(967)

Exchange differences	2	4	47	9	62
Charged in the year	(4)	(15)	(67)	(9)	(95)
Disposals	–	3	192	24	219
31 December 2006	(77)	(78)	(516)	(110)	(781)
Carrying amount:					
31 December 2004	83	94	150	27	354
31 December 2005	83	96	155	24	358
31 December 2006	85	111	152	23	371

* Reclassifications in 2005 relate to Instinet Group, which was classified as a discontinued operation prior to its disposal, other assets held for sale at the balance sheet date and depreciation capitalised as intangible assets.

The carrying amount of computer systems equipment includes an amount of £4 million (2005: £2 million, 2004: £nil) in respect of subscriber equipment being sourced and managed by IBM on behalf of Reuters. This equipment has been classified as an asset held under finance lease. The agreement for provision of equipment and services by IBM includes a renewal clause and an option to purchase the equipment at fair market value.

The carrying amount of property, plant and equipment includes £16 million (2005: £nil, 2004: £nil) in respect of assets in the course of construction.

The carrying amount of leasehold property is analysed as follows:

	2006 £m	2005 £m	2004 £m
Long-term leaseholds	66	33	32
Short-term leaseholds	45	63	62
Total leasehold property	111	96	94

96 Notes to the financial statements continued

15 Investments accounted for using the equity method

	Interests in joint ventures £m	Interests in associates £m	Total £m
Net assets/cost:			
1 January 2004	72	207	279
Reclassifications*	(47)	(31)	(78)
Exchange differences	(1)	–	(1)
Arising in year – share of:			
Operating profits	5	8	13
Taxation	–	(2)	(2)
Dividends received	(3)	(1)	(4)
Loans repaid to joint ventures	5	–	5
Disposals	–	(176)	(176)
Shareholder taxes	(2)	–	(2)
31 December 2004	29	5	34
Exchange differences	2	–	2
Arising in year – share of:			
Operating profits	5	–	5
Interest receivable	1	–	1
Taxation	(1)	–	(1)
Additions	1	–	1
Dividends received	(4)	–	(4)
Disposals	(1)	–	(1)
Impairments	–	(2)	(2)
31 December 2005	32	3	35
Reclassifications*	(14)	–	(14)
Exchange differences	(3)	(1)	(4)
Arising in year – share of:			
Operating profits	–	1	1
Interest receivable	1	–	1

Taxation	(2)	–	(2)
Additions	8	–	8
Dividends received	(3)	–	(3)
31 December 2006	19	3	22
Goodwill:			
1 January 2004	–	1	1
31 December 2004	–	1	1
31 December 2005	–	1	1
Additions	–	15	15
31 December 2006	–	16	16
Carrying amount:			
31 December 2004	29	6	35
31 December 2005	32	4	36
31 December 2006	19	19	38

* Reclassifications in 2006 relate to the Group's investment in Factiva, which was classified as a non-current asset held for sale and sold during the year. Reclassifications in 2004 relate to the Group's investment in Radianz, which was classified as a discontinued operation in 2004 and sold during 2005.

The Group holds a 51% interest in AFE Solutions Limited, a 38% interest in 3 Times Square Associates LLC and a 40% interest in Independent Research Network LLC, which are jointly controlled entities accounted for under the equity method of accounting.

In July 2006, Reuters and the Chicago Mercantile Exchange (CME) formed a new joint venture, FXMarketSpace Limited, to create a centrally-cleared, global foreign exchange trading system. Reuters invested £8 million in the joint venture during 2006.

In October 2006, Reuters acquired a 26% interest in Times Global Broadcasting Company Limited for £11 million relating to the launch of a new Indian TV News Channel, TIMES NOW, in association with the Times of India.

In November 2006, Reuters acquired a 17% interest in Pluck Corporation for £4 million. This has been classified as an associate and accounted for under the equity method of accounting because Reuters has a seat on the Board of Directors and therefore has significant influence over Pluck Corporation.

On 18 October 2006, Reuters agreed to sell the majority of its investment in Factiva to joint venture partner Dow Jones. In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', Reuters reclassified its investment as a non-current asset held for sale on this date. The sale was completed on 15 December 2006.

Share of post-tax (losses)/profits from associates and joint ventures is reconciled to the income statement as follows:

	2006 £m	2005 £m	2004 £m
Operating profits	1	5	13
Interest receivable	1	1	–
Taxation	(2)	(1)	(2)
Set-up costs of FXMarketSpace	(4)	–	–
Share of post-tax (losses)/profits from associates and joint ventures	(4)	5	11

Summarised financial information in respect of the Group's interests in its joint ventures at 31 December is as follows:

	2006 £m	2005 £m	2004 £m
Income	63	83	80
Expenses	(64)	(78)	(75)
(Loss)/profit	(1)	5	5
Non-current assets	61	76	66
Current assets	18	37	37
Current liabilities	(49)	(20)	(19)
Non-current liabilities	(11)	(61)	(55)
Carrying value	19	32	29

Summarised financial information in respect of the Group's interests in its associates at 31 December is as follows:

	2006 £m	2005 £m	2004 £m
Revenues	10	21	43
Profit	1	–	6
Assets	48	19	17
Liabilities	(29)	(15)	(11)
Carrying value	19	4	6

16 Other financial assets and liabilities

Other financial assets and liabilities, including derivative financial instruments, are stated at fair value in 2005 and 2006. 2004 comparatives have been presented under UK GAAP as noted in the accounting policies.

Other financial assets include the following:

	2006 £m	2005 £m	2004 £m
Available-for-sale financial assets:			
Equity securities	17	13	47
Other available-for-sale financial assets	9	5	10
Short-term deposits	198	1	258
Derivative financial instruments (see note 17)	33	21	–
Total	257	40	315
Less: Non-current portion	(47)	(22)	(28)
Current portion	210	18	287

Short-term deposits are managed by the Group's treasury function as part of the Group's overall financing strategy. Movements in short-term deposits are therefore classified within 'financing activities' in the Consolidated cash flow statement.

98 Notes to the financial statements continued

16 Other financial assets and liabilities continued

Movements in the carrying value of available-for-sale financial assets are analysed as follows:

	2006 £m	2005 £m	2004 £m
1 January	18	57	54
Transitional adjustment on first-time adoption of IAS 39	–	101	–
1 January as adjusted	18	158	54
Exchange differences	–	–	(1)
Additions	–	1	–
Fair value adjustments recognised in equity	6	(50)	–
Reclassifications*	4	(23)	31
Disposals	(2)	(68)	(27)
31 December	26	18	57

* Reclassifications in 2006 relate to a minority preference share interest in a Factiva entity that Reuters retained following the disposal of the majority of the Group's investment in Factiva. Reclassifications in 2005 include balances transferred to assets held for sale and liabilities associated with assets held for sale. Reclassifications in 2004 include balances transferred from investments in associates, following Reuters part-disposal of its stake in TSI.

Other financial liabilities include the following:

	2006 £m	2005 £m	2004 £m
Borrowings:			
Bank overdrafts	24	25	17
Bank loans	–	–	37
Term notes and commercial paper	632	383	456
Finance lease payables	4	2	–
Total borrowings	660	410	510
Derivative financial instruments (see note 17)	27	10	–
Total	687	420	510
Less: Non-current portion	(521)	(371)	(329)
Current portion	166	49	181

The term notes principally relate to a public bond of £337 million which is repayable in November 2010 and incurs interest at a fixed rate of 4.6% and a floating rate note of £169 million repayable in November 2008 and at 31 December 2006 incurs interest at 3.7% . Commercial paper of £122 million incurs interest at 4.9% . All borrowings are unsecured.

The maturity profile of finance lease payables is as follows:

	Minimum lease payments			Present value of minimum lease payments		
	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m
Within one year	2	1	–	2	1	–
One to five years	2	1	–	2	1	–
Greater than five years	–	–	–	–	–	–
	4	2	–	4	2	–

The fair value of the Group's lease obligations approximates to their carrying amounts.

Fair value movements on other financial assets and liabilities recognised during 2006 and 2005 (see note 17) include the following:

	2006		2005	
	Fair value gain/(loss) in income statement £m	Fair value gain/(loss) in equity £m	Fair value gain/(loss) in income statement £m	Fair value gain/(loss) in equity £m
Available-for-sale financial assets	–	6	–	(50)
Embedded derivatives in revenue contracts	(24)	–	21	–
Embedded derivatives in supplier contracts	4	–	(2)	–
Hedging instruments:				
Cross-currency interest rate swaps – fair value hedges	(3)	–	(1)	–
Cross-currency interest rate swaps – net investment hedges	1	34	(1)	(39)
Other derivatives:				
Gains	1	–	–	–
Losses	(1)	–	–	–
Other financial assets	–	–	(16)	–
Total	(22)	40	1	(89)

17 Derivatives and other financial instruments

IAS 32 'Financial Instruments: Presentation and Disclosure' and IAS 39 'Financial Instruments: Recognition and Measurement' were adopted by the Group with effect from 1 January 2005. Financial information was prepared under UK GAAP for the financial period ended 31 December 2004. Comparative information for 2004 is therefore shown separately after the 2005 and 2006 information below.

Management of financial risk

The Group's activities expose it to a variety of financial risks. The main risks managed by the Group, under policies approved by the Board, are foreign currency risk, interest rate risk, liquidity risk, counterparty credit risk and price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board periodically reviews Reuters treasury activities, policies and procedures. All treasury activity takes place within a formal control framework.

Details of values of financial assets and liabilities, including derivative financial instruments, are shown on page 100.

Foreign currency risk

Foreign exchange risks arise from cash flows relating to commercial transactions, recognised assets and liabilities and net investments in foreign operations. A substantial portion of Reuters revenue is receivable in foreign currencies with terms of payments up to three months in advance. Reuters is exposed to currency risk from committed revenue for periods of up to two years.

The conversion of net investments in foreign operations into the Group's reporting currency of sterling, creates translation exposure. To mitigate this effect, to the extent that the Group has core debt, it is held in currencies approximately proportionate to the currency profile of the Group's net assets. The currency of the debt may be altered by the use of currency swaps. The main currencies to which the Group is exposed are the US dollar, the Swiss franc and the euro.

Details of forward exchange contracts held for risk management purposes and an analysis of the sensitivity to rate changes of fair values of financial instruments are shown on page 101.

Interest rate risk

The Group's interest rate risk arises from interest-bearing assets and from borrowings.

Investments and borrowings subject to variable rates expose the Group to cash flow interest rate risk, which is the risk that future cash flows will fluctuate because of changes in market interest rates. Investments and borrowings subject to fixed rates expose the Group to fair value interest rate risk, as the fair value of the financial instrument fluctuates because of changes in market interest rates.

The Group has no specific requirements on the exact proportion of interest that should be fixed or floating. The position is reviewed periodically on a currency by currency basis. Various factors are considered in the review including forecast core debt levels and prevailing market conditions. Based on this review, the Group manages its cash flow and fair value interest rate risk by using interest rate swaps. Under interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Reuters manages its net debt position and interest costs to support its continued access to the full range of debt capital markets.

In October 2006, Reuters entered into a committed multicurrency revolving credit facility for £680 million. This replaced an existing committed syndicated credit facility of £480 million and a bilateral loan facility of £24 million. At 31 December 2006, Reuters had available £623 million under the facility, following utilisation of £57 million in the form of a standby letter of credit relating to an operating lease. There were no cash drawings from the facility during 2006. The commitment expires, and any final repayment is due in October 2011, unless one-year extension options are exercised in October 2007 and October 2008 (at the banks' discretion). In this instance, the latest expiry date would be 2013.

In March 1998, Reuters established a Euro commercial paper programme. This provides access to £1.5 billion of uncommitted short-term finance of which £1.4 billion was unused at 31 December 2006 (£1.5 billion was unused at 31 December 2005, £1.4 billion was unused at 31 December 2004). In December 1998, Reuters established a £1.0 billion Euro medium-term note programme of which £490 million was unused at 31 December 2006 (£631 million was unused at 31 December 2005, £613 million was unused at 31 December 2004).

In addition, at 31 December 2006, the Group had unused, short-term, uncommitted bank borrowing facilities denominated in various currencies, the sterling equivalent of which was approximately £117 million, available at money market rates.

Details of the timing of repayment of borrowings and other financial liabilities are shown on page 104.

Counterparty credit risk

The Group is exposed to concentrations of credit risk. Trade receivables are concentrated in the financial community. The Group estimates that approximately 65% of its subscribers are financial institutions, 21% are corporations in other sectors of the business community, 11% are from the news media and 3% are government institutions and individuals worldwide (2005: 72%, 14%, 9% and 5%, 2004: 72%, 17%, 4% and 7%).

The maximum exposure to credit risk at 31 December 2006 was as follows: trade receivables £110 million, amounts owed by associates and joint ventures £6 million, accrued income £38 million, short-term deposits £198 million, cash and equivalents £129 million and derivative financial instruments £30 million (2005: £120 million, £4 million, £38 million, £1 million, £662 million and £21 million, 2004: £131 million, £3 million, £38 million, £258 million, £578 million and £64 million).

The Group invests with high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution. All derivative instruments are unsecured, but the amount of this credit risk is generally restricted to any fair value gain and not the principal amount hedged. However, Reuters does not anticipate non-performance by the counterparties who are all banks with recognised long-term credit ratings of 'A3/A-' or higher. Credit risk may be managed by the use of credit default swaps and standby letters of credit.

Price risk

Movements in equity security prices change the carrying value of available-for-sale financial assets, with changes being recorded in

An analysis by currency of interest rate swaps held for risk management purposes is shown on page 101. Details of the currency and interest rate profile of the Group's financial assets and liabilities and the exposure of the Group's borrowings to interest rate changes are shown on pages 103–104.

equity. On adoption of IAS 39 on 1 January 2005, Reuters designated its investment in Savvis convertible preference shares as being held at fair value through profit or loss, with movements in the fair value being recognised within the income statement. The shares were pledged as part of the consideration for the Telerate acquisition in June 2005 and no further fair value movements were recorded in the income statement after this point.

The Group does not have a material exposure to commodity price risk.

100 Notes to the financial statements continued

17 Derivatives and other financial instruments continued

Financial assets and liabilities

Carrying and fair values of Group financial assets and liabilities at 31 December were:

	2006		2005	
	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m
Derivative financial instruments:				
Cross-currency interest rate swaps – fair value hedges < 1 year	–	–	2	2
Cross-currency interest rate swaps – fair value hedges > 1 year	(9)	(9)	12	12
Embedded derivatives in revenue contracts	(18)	(18)	6	6
Embedded derivatives in supplier contracts	3	3	(1)	(1)
Cross-currency interest rate swaps – net investment hedges	30	30	(8)	(8)
Financial assets:				
Available-for-sale assets financial assets (see note 16)	26	26	18	18
Trade receivables less provision for impairment (see note 19)	110	110	120	120
Amounts owed by associates and joint ventures (see note 19)	6	6	4	4
Other receivables (see note 19)	80	80	68	68
Accrued income*	38	38	38	38
Short-term deposits (see note 16)	198	198	1	1
Cash and cash equivalents (see note 20)	129	129	662	662
Financial liabilities:				
Borrowings (see note 16)	(660)	(660)	(410)	(410)
Trade payables (see note 22)	(56)	(56)	(14)	(14)
Accruals**	(274)	(274)	(262)	(262)
Amounts owed to associates and joint ventures (see note 22)	(1)	(1)	(11)	(11)
Other payables***	(87)	(87)	(95)	(95)
Other taxation and social security (see note 22)	(33)	(33)	(35)	(35)
Other provisions for liabilities and charges****	(95)	(95)	(113)	(113)
Total	(613)	(613)	(18)	(18)

* Prepayments and accrued income in note 19 (£62 million) include £24 million of prepayments that are not financial assets (2005: Prepayments and accrued income in note 19 (£78 million) include £40 million of prepayments that are not financial assets).

** Accruals in note 22 (£276 million) include £2 million of non-financial liabilities (2005: Accruals in note 22 (£264 million) include £2 million of non-financial liabilities).

*** Other payables in note 22 (£94 million) include £2 million of progress payments on contracts and £5 million of subscriptions in advance which are non-financial liabilities (2005: Other payables in note 22 (£107 million) include £3 million of progress payments on contracts and £9 million of subscriptions in advance which are non-financial liabilities).

**** Other provisions for liabilities and charges in note 24 (£119 million) includes £24 million of non-financial liabilities (2005: Other provisions for liabilities and charges in note 24 (£139 million) includes £26 million of non-financial liabilities).

Derivative financial instruments

Derivative financial instruments held at 31 December were:

	2006			2005		
	Gross contract amounts £m	Assets £m	Liabilities £m	Gross contract amounts £m	Assets £m	Liabilities £m
Maturing in less than one year:						
Cross-currency interest rate swaps – fair value hedges	–	–	–	19	2	–
Forward foreign exchange contracts – fair value hedges	27	–	–	–	–	–
Forward foreign exchange contracts – held for trading	242	–	–	131	–	–
Embedded derivatives in revenue contracts	609	–	18	440	6	–
Embedded derivatives in supplier contracts	41	3	–	26	–	1
	919	3	18	616	8	1
Maturing in greater than one year:						
Cross currency interest rate swaps – net investment hedges	426	30	–	304	1	9
Cross currency interest rate swaps – fair value hedges	506	–	7	337	12	–
Interest rate swaps – fair value hedges	10	–	2	10	–	–
	942	30	9	651	13	9
Total	1,861	33	27	1,267	21	10

Gross contract amounts are calculated at historical exchange rates.

During 2005 and 2006 certain derivative contracts were entered into for the purpose of managing foreign exchange risks associated with the Group's commercial paper programme and its short-term intercompany balances, that did not meet the criteria to be accounted for as hedges and consequently are classified as forward exchange contracts – held for trading.

The following table provides an analysis by currency of interest rate swaps held for risk management purposes at 31 December:

Received	Paid	2006 Gross contract amount £m	2005 Gross contract amount £m
Net investment hedges:			
Sterling floating	US dollar floating	382	280
Sterling floating	Swiss franc floating	34	24
Sterling floating	Euro floating	10	–
Fair value hedges:			
Japanese yen fixed	Sterling floating	5	5
Euro fixed	Sterling floating	332	351
Euro fixed	Sterling floating	10	10
Euro floating	Sterling floating	169	–
Total		942	670

Interest is receivable under swap contracts at rates between 0.6% and 5.9% and is payable at rates between 2.0% and 6.0% . Interest rate swaps are due to mature at various dates between June 2008 and November 2010.

The following table provides an analysis by currency of forward exchange contracts held for risk management purposes at 31 December:

	2006 Gross contract amount £m	2005 Gross contract amount £m
Sales:		
Swiss franc	86	–
US dollar	60	22
Thai baht	11	–
Japanese yen	7	12
Hong Kong dollar	7	8
Canadian dollar	6	7
Swedish krona	5	–
Australian dollar	1	8
Euro	–	14
Purchases:		
Euro	40	–
South African rand	24	23

Singapore dollar	18	24
Swiss franc	–	9
Other	4	4
Total	269	131
Composed of:		
Forward foreign exchange contracts – fair value hedges	27	–
Forward foreign exchange contracts – held for trading	242	131
Total	269	131

Foreign exchange forward contracts held at 31 December 2006 matured in January 2007.

Hedges of net investment in foreign entity

The Group's long-term borrowings undertaken in November 2003 and November 2006 were swapped into US dollars and Swiss francs by transacting cross-currency interest rate swaps and designated as a hedge of the net investment in the Group's foreign subsidiaries. The resulting debt of \$694 million (2005: \$498 million) is designated against the foreign investment in US subsidiaries, goodwill arising on acquisitions, and certain intangible assets. The resulting Swiss franc debt of 79 million Swiss francs (2005: 55 million Swiss francs) is designated as a hedge of the foreign investment in Reuters SA. A further debt of €15 million (2005: €nil) was designated against the foreign investment in European subsidiaries.

Hedges of fair values

The fair value interest rate risk of the €500 million fixed rate bond issued by Reuters Finance PLC was hedged by being swapped into euro floating rate interest.

The foreign exchange risk arising from the retranslation of the €500 million fixed rate bond issued by Reuters Finance PLC and the €250 million floating rate note issued by Reuters Group PLC was hedged by being swapped into sterling floating rate. The foreign exchange risk arising from the retranslation and the interest rate risk arising from the impact of changes in interest rates on the fair values of foreign currency medium-term notes amounting to £4 million and maturing in 2008 were also swapped into floating rate sterling interest. The above hedges were executed in the form of cross-currency interest rate swaps.

The weighted average variable rate payable on all interest rate swaps used to alter the currency and interest rate profile of debt issued at 31 December 2006 was 6% (2005: 5%). The weighted average variable rate is based on the rate implied in the yield curve at the balance sheet date.

102 Notes to the financial statements continued

17 Derivatives and other financial instruments continued

Embedded derivatives

Forward exchange contracts implicitly contained in subscription-based revenue commitments priced in currencies different from both the functional currency of the Reuters entity and that of the customer are separated from their host contracts and held on the balance sheet at fair value. These revenue commitments extend two years from the balance sheet date. The majority of embedded derivatives in sales contracts arise through US dollar pricing.

Forward exchange contracts implicitly contained in purchase commitments priced in currencies different from both the functional currency of the Reuters entity and that of the supplier are also separated from their host contracts and held on the balance sheet at fair value. These purchase commitments expire at various times between 2007 and 2010. The majority of embedded derivatives in supplier contracts are US dollar-priced purchase commitments.

Financial instrument sensitivity analysis

The analysis below summarises the sensitivity of the fair value of the Group's financial instruments to hypothetical changes in market rates. Fair values are the present value of future cash flows based on market rates at the valuation date.

The estimated adverse changes in the fair value of financial instruments are based on an instantaneous:

- 1% increase in the specific rate of interest from the levels effective at 31 December 2006 with all other variables remaining constant; and
- 10% weakening in the value of sterling against all other currencies from the levels applicable at 31 December 2006 with all other variables remaining constant.

	2006			2005		
	Fair value £m	1% increase in interest rates £m	10% weakening in other currencies against £ £m	Fair value £m	1% increase in interest rates £m	10% weakening in other currencies against £ £m
Derivative financial instruments:						
Currency and interest rate swaps	21	(17)	(10)	6	(22)	4
Forward contracts	–	–	11	–	–	(1)
Embedded derivatives in revenue contracts	(18)	–	(19)	6	–	(44)
Embedded derivatives in supplier contracts	3	–	3	(1)	–	3
Financial assets:						
Available-for-sale financial assets (see note 16)	26	–	(2)	18	–	(2)
Trade receivables less provision for impairment (see note 19)	110	–	(10)	120	–	(12)
Amounts owed by associates and joint ventures (see note 19)	6	–	(1)	4	–	–
Other receivables (see note 19)	80	–	(6)	68	–	(4)
Accrued income*	38	–	(2)	38	–	(3)
Short-term deposits (see note 16)	198	(2)	–	1	–	–
Cash and cash equivalents (see note 20)	129	–	(9)	662	–	–
Financial liabilities:						
Borrowings (see note 16)	(660)	17	56	(410)	22	38
Trade payables (see note 22)	(56)	–	3	(14)	–	1

Accruals**	(274)	–	17	(262)	–	16
Amounts owed to associates and joint ventures (see note 22)	(1)	–	–	(11)	–	–
Other payables***	(87)	–	2	(95)	–	2
Other taxation and social security (see note 22)	(33)	–	2	(35)	–	2
Other provisions for liabilities and charges****	(95)	–	6	(113)	–	9
Total	(613)	(2)	41	(18)	–	9

* Prepayments and accrued income in note 19 (£62 million) include £24 million of prepayments that are not financial assets (2005: Prepayments and accrued income in note 19 (£78 million) include £40 million of prepayments that are not financial assets).

** Accruals in note 22 (£276 million) include £2 million of non-financial liabilities (2005: Accruals in note 22 (£264 million) include £2 million of non-financial liabilities).

*** Other payables in note 22 (£94 million) include £2 million of progress payments on contracts and £5 million of subscriptions in advance which are non-financial liabilities (2005: Other payables in note 22 (£107 million) include £3 million of progress payments on contracts and £9 million of subscriptions in advance which are non-financial liabilities).

**** Other provisions for liabilities and charges in note 24 (£119 million) includes £24 million of non-financial liabilities (2005: Other provisions for liabilities and charges in note 24 (£139 million) includes £26 million of non-financial liabilities).

Profile of financial assets and liabilities

The currency and interest rate profile of the Group's financial assets and liabilities, after the impact of derivatives, that are subject to interest rate risk at 31 December was:

	Classes of financial assets and liabilities						2006
	Short-term deposits £m	Cash and cash equivalents £m	Bank overdrafts £m	Term notes and commercial paper £m	Finance lease creditors £m	Total £m	Weighted average interest rate %
By currency:							
Sterling:							
Floating	–	41	(1)	(88)	–	(48)	5
Fixed	197	–	–	(122)	–	75	5
US dollar:							
Floating	–	32	(15)	(378)	–	(361)	6
Fixed	–	–	–	–	(4)	(4)	6
Euro:							
Floating	–	7	(3)	(10)	–	(6)	4
Other:							
Floating	1	49	(5)	(34)	–	11	3
Total	198	129	(24)	(632)	(4)	(333)	
By maturity:							
Within one year	198	129	(24)	(122)	(2)	179	
Between one and two years	–	–	–	(173)	(2)	(175)	
Between two and three years	–	–	–	–	–	–	
Between three and four years	–	–	–	(337)	–	(337)	
Between four and five years	–	–	–	–	–	–	
Over five years	–	–	–	–	–	–	
Total	198	129	(24)	(632)	(4)	(333)	

104 Notes to the financial statements continued

17 Derivatives and other financial instruments continued

	Classes of financial assets and liabilities						2005
	Short-term deposits £m	Cash and cash equivalents £m	Bank overdrafts £m	Term notes and commercial paper £m	Finance lease creditors £m	Total £m	Weighted average interest rate %
By currency:							
Sterling:							
Floating	–	580	(24)	(56)	–	500	4
US dollar:							
Floating	–	19	–	(291)	–	(272)	5
Fixed	–	–	–	–	(2)	(2)	6
Euro:							
Floating	–	8	–	(11)	–	(3)	3
Other:							
Floating	1	55	(1)	(25)	–	30	3
Total	1	662	(25)	(383)	(2)	253	
By maturity:							
Within one year	1	662	(25)	(22)	(1)	615	
Between one and two years	–	–	–	–	(1)	(1)	
Between two and three years	–	–	–	(5)	–	(5)	
Between three and four years	–	–	–	–	–	–	
Between four and five years	–	–	–	(356)	–	(356)	
Over five years	–	–	–	–	–	–	
Total	1	662	(25)	(383)	(2)	253	

Maturity of financial liabilities

Financial liabilities, excluding derivative financial instruments, at 31 December are repayable as follows:

	2006		2005	
	Borrowings £m	Other financial liabilities £m	Borrowings £m	Other financial liabilities £m
Within one year	148	507	48	473
Between one and two years	175	19	1	30
Between two and three years	–	7	5	8

Between three and four years	337	5	–	8
Between four and five years	–	3	356	4
Over five years	–	5	–	7
Total	660	546	410	530

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates are as follows:

	2006				
	6 months or less £m	6–12 months £m	1–5 years £m	Over 5 years £m	Total £m
Bank overdrafts	24	–	–	–	24
Term notes and commercial paper	291	–	341	–	632
Finance lease creditors	1	1	2	–	4
Effect of interest rate swaps	341	–	(341)	–	–
Total	657	1	2	–	660

	2005				
	6 months or less £m	6–12 months £m	1–5 years £m	Over 5 years £m	Total £m
Bank overdrafts	25	–	–	–	25
Term notes and commercial paper	22	–	361	–	383
Finance lease creditors	1	–	1	–	2
Effect of interest rate swaps	361	–	(361)	–	–
Total	409	–	1	–	410

Derivatives and other financial instruments (2004 UK GAAP comparatives)

The applicable accounting policies relevant to the 2004 comparatives prepared under UK GAAP are given on page 82.

The following disclosure for Derivatives and other financial instruments was made in the 2004 Annual Report and Form 20-F prepared under UK GAAP.

A substantial portion of the Group's revenue is receivable in foreign currencies with terms of payment up to three months in advance. As such, the Group is subject to currency exposure from committed revenue and, additionally, to interest rate risk from borrowing and the investment of cash balances. The Group seeks to limit these risks by entering into a mix of derivative financial instruments.

If the derivative financial instruments were considered separately from the underlying future revenue and interest, the Group would be subject to market risk on these financial instruments from fluctuations in currency and interest rates. The Group only enters into such derivative financial instruments to hedge (or reduce) the underlying exposure described above. There is, therefore, no net market risk on such derivative financial instruments and only a credit risk from the potential non-performance by counterparties. The amount of this credit risk is generally restricted to any hedging gain and not the principal amount hedged.

Derivative financial instruments held at 31 December 2004 were:

	2004		
	Gross contract amounts £m	Carrying value £m	Fair value £m
Foreign exchange forward contracts:			
Contracts in profit	124	1	1
Contracts in loss	271	(1)	(1)
Foreign currency options:			
Contracts in profit	–	–	–
Contracts in loss	–	–	–
Currency and interest rate swaps:			
Contracts in profit	373	54	64
Contracts in loss	5	–	–
Total	773	54	64

The fair values of foreign currency and interest rate management instruments are estimated on the basis of market quotes, discounted to current value using market-quoted interest rates.

An analysis by currency of derivative contracts held for currency hedging purposes at 31 December 2004 is set out below:

	2004	
	Swaps %	Forwards %
Euro	8	28
Japanese yen	3	2
Swiss franc	19	15

US dollar	70	37
Other	–	18
Total	100	100

Foreign exchange forward contracts mature at dates up to February 2005, currency swaps and interest rate swaps both mature at various dates through to November 2010.

The results of currency and interest rate hedging activities for the year to December 2004 are as summarised below:

Recognised gains	2004 £m
Currency hedging	29
Interest rate hedging	10

Recognised currency hedging gains in 2004 were favourable mainly due to the effect of the weaker US dollar on hedges of the net investment in overseas subsidiaries.

106 Notes to the financial statements continued

17 Derivatives and other financial instruments continued

Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised. Unrecognised gains and losses on instruments used for hedging, and the movements, are set out below:

	2004		
	Gain £m	(Losses) £m	Net £m
Hedging			
Unrecognised at 1 January 2004	5	(4)	1
Arising in previous years:			
Recognised in 2004	4	(2)	2
Not recognised in 2004	1	(2)	(1)
Arising in 2004:			
Not recognised in 2004	11	–	11
Unrecognised at 31 December 2004	12	(2)	10
Of which:			
Expected to be recognised in 2005	1	(1)	–
Expected to be recognised in 2006 or later	11	(1)	10

Net unrecognised gains on derivatives used for hedging were £10 million at 31 December 2004.

The weighted average variable rate payable on the interest rate swaps used to alter the currency and interest rate profile of debt issued at 31 December 2004 was 3%. The weighted average variable rate is based on the rate implied in the yield curve at the balance sheet date.

All derivative instruments are unsecured. However, Reuters does not anticipate non-performance by the counterparties who are all banks with recognised long-term credit ratings of 'A3/A–' or higher.

Carrying and fair values of Group financial assets and liabilities at 31 December were:

	2004	
	Carrying value £m	Fair value £m
Derivative financial instruments	54	64
Other financial assets:		
Fixed asset investments	28	34
Long-term debtors	20	20
Investments held for resale	108	194
Other short-term deposits and cash	836	836
Other financial liabilities:		
Short-term borrowings	(181)	(181)
Long-term borrowings	(329)	(329)

The fair value of fixed asset investments and investments held for sale is the carrying value unless the investment has a readily determinable market value which is higher.

The fair value of listed short-term deposits was based on quoted market prices for those investments. The carrying amount of the other short-term deposits and investments approximated to their fair values due to the short maturity of the instruments held.

The fair value of short-term borrowings approximated to the carrying value due to the short maturity of the investments.

Short-term debtors and creditors have been excluded from the above analysis and all other disclosures in this note, other than the currency risk disclosures.

Financial instrument sensitivity analysis

The analysis below summarises the sensitivity of the fair value of the Group's financial instruments to hypothetical changes in market rates. Fair values are the present value of future cash flows based on market rates at the valuation date.

The estimated adverse changes in the fair value of financial instruments are based on an instantaneous:

- 1% increase in the specific rate of interest from the levels effective at 31 December 2004 with all other variables remaining constant; and
- 10% weakening in the value of sterling against all other currencies from the levels applicable at 31 December 2004 with all other variables remaining constant.

	Fair value changes arising from		
	Fair value £m	1% increase in interest rates (adverse) £m	10% weakening in £ against other currencies (adverse) £m
Currency and interest rate swaps	64	(27)	(10)
Forward contracts	–	–	(16)
Total	64	(27)	(26)

Monetary assets and liabilities by currency, after cross currency swaps, excluding the functional currency of each operation, at 31 December 2004 were:

	Net foreign currency monetary assets/(liabilities)							
	Sterling £m	US dollar £m	Euro £m	Swiss franc £m	Japanese yen £m	Hong Kong dollar £m	Other £m	Total £m
Functional currency of operation:								
Sterling	–	(71)	42	(6)	1	–	22	(12)
US dollar	(15)	–	(21)	(16)	–	–	(2)	(54)
Euro	–	(4)	–	–	–	–	1	(3)
Swiss franc	(23)	2	3	–	(1)	–	–	(19)
Japanese yen	1	–	–	–	–	–	–	1
Hong Kong dollar	1	18	–	–	5	–	–	24
Other	–	4	(1)	–	–	–	–	3
Total	(36)	(51)	23	(22)	5	–	21	(60)

Exchange differences that arise as a consequence of trading transactions and the translation of monetary assets and liabilities are taken to the income statement. In accordance with the Group's accounting policy, exchange differences attributable to long-term foreign currency borrowings used to finance the Group's foreign currency investments are taken directly to reserves. Consequently, long-term foreign currency borrowings have been excluded from the above table.

The currency and interest rate profile of the Group's financial assets at 31 December 2004 was:

	Cash and short-term deposits				Fixed rate investments	
	Total £m	Non-interest bearing assets £m	Floating rate investments £m	Fixed rate investments £m	Weighted average interest rate at 31 December %	Weighted average time for which rate is fixed Years
Sterling	416	80	336	–	–	–
US dollar	469	58	411	–	–	–
Euro	33	7	26	–	–	–
Other	74	11	58	5	–	3

31 December 2004	992	156	831	5	—	3
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Interest on floating rate investments is earned at rates based on local money market rates. Floating rate investments include £370 million of money market deposits which mature within three months of the balance sheet date.

Fixed rate investments are those investments which have an interest rate fixed for a period of greater than one year.

The currency and interest rate profile of the Group's financial liabilities after allowing for interest rate and cross-currency swaps at 31 December 2004 was:

	Borrowings		
	Total	Other financial liabilities	Floating rate borrowings
	£m	£m	£m
Sterling	280	60	220
US dollar	271	21	250
Euro	25	13	12
Swiss francs	27	2	25
Other	4	1	3
31 December 2004	607	97	510

The floating rate borrowings comprise bank loans and overdrafts bearing interest at rates based on local money market rates, commercial paper and medium-term notes. The weighted average effective interest rate on borrowings at 31 December 2004 was 4%. The above analysis excludes creditors falling due within one year which are of a non-financial nature.

108 Notes to the financial statements continued

17 Derivatives and other financial instruments continued

Total financial liabilities at 31 December 2004 are repayable as follows:

	Borrowings £m	Other financial liabilities £m
Within one year	181	32
Between one and two years	19	19
Between two and five years	5	18
Over five years	305	28
Total	510	97

In April 2003, Reuters entered into a committed syndicated credit facility for £1 billion. £520 million of the facility either expired or was voluntarily cancelled in 2004. At 31 December 2004, Reuters had £480 million available under the facility. The facility was undrawn during 2004. The commitment expires and final repayment is due in April 2008.

At the same time as the syndicated credit facility was arranged, committed bilateral facilities of £90 million were also put in place on similar terms. During 2004, £66 million of the facilities either expired or were voluntarily cancelled. At 31 December 2004, Reuters had £24 million available, all of which was undrawn. No loans were outstanding under this facility during 2004.

In addition, at 31 December 2004, the Group had unused, short-term, uncommitted bank borrowing facilities denominated in various currencies, the sterling equivalent of which was approximately £200 million, at money market rates varying between 2% and 6%, depending on the currency.

18 Inventories

	2006 £m	2005 £m	2004 £m
Work in progress on contracts	1	1	3

19 Trade and other receivables

	2006 £m	2005 £m	2004 £m
Trade receivables	123	138	162
Less: Provision for impairment	(13)	(18)	(31)
Net trade receivables	110	120	131
Instinet counterparty debtors	–	–	216
Amounts owed by associates and joint ventures	6	4	3
Other receivables	80	68	111
Prepayments and accrued income	62	78	74
Total trade and other receivables	258	270	535

The carrying value of trade and other receivables approximates to their fair value based on discounted cash flows using the Group's weighted average cost of capital.

The recognition of provisions, both in terms of timing and quantum, requires the exercise of judgement based on the relevant circumstances, which can be subject to change over time. If the final outcome (on the judgement areas) were to differ by 10% from management's estimates, the Group would need to book an adjustment of £1 million to operating costs and to trade receivables.

Concentration of credit risk faced by the Group and other relevant risk factors are detailed in note 17 on page 99.

20 Cash and cash equivalents

	2006 £m	2005 £m	2004 £m
Cash:			
Cash in hand and at bank	79	98	83
Listed cash equivalents:			
Government securities – overseas	–	–	8
Unlisted cash equivalents:			
Term deposits – UK	2	12	84
Term deposits – overseas	5	3	31
Other investments – UK	37	546	–
Other investments – overseas	6	3	372
Cash and cash equivalents	129	662	578

The following cash balances are held by subsidiaries in countries where exchange control restrictions are in force, such that cash is not freely transferable around the Group:

	2006 £m	2005 £m	2004 £m
Brazil	1	2	2
China	–	1	1
Venezuela	3	2	1
Total restricted cash	4	5	4

21 Non-current assets and liabilities held for sale

The following are assets and liabilities classified as held for sale at 31 December:

	2006 £m	2005 £m	2004 £m
Non-current assets classified as held for sale:			
Property, plant and equipment	–	1	–
Assets of subsidiary held exclusively for resale*	–	–	145
Total assets classified as held for sale	–	1	145
Liabilities directly associated with non-current assets classified as held for sale:			
Liabilities of subsidiary held exclusively for resale*	–	–	(47)
Total net assets classified as held for sale	–	1	98

* 2004 figures have been measured in accordance with IAS 27 'Consolidated and Separate Financial Statements' and not in accordance with IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations'.

On 18 October 2006, the Group classified its investment in Factiva as a non-current asset held for sale. The disposal of the majority of this investment was completed on 15 December 2006. Reuters retained a minority preference share interest in a Factiva entity which has been reclassified as an available-for-sale financial asset.

In 2005, a property with a net book value of £1 million was classified as a non-current asset held for sale. The sale of this property was completed in 2006.

In 2004, Radianz was classified as a subsidiary held exclusively for resale. Radianz's net assets of £98 million were shown as held for sale. Radianz is reported within the Sales & Trading division. The acquisition and subsequent disposal of Radianz is detailed in note 7 on page 87.

22 Trade and other payables

	2006 £m	Restated 2005 £m	2004 £m
Trade payables	56	14	71
Accruals	276	264	346
Instinet counterparty creditors	–	–	197
Deferred income	31	25	21
Amounts owed to associates and joint ventures	1	11	12
Other payables	94	107	39
Other taxation and social security	33	35	35
Total trade and other payables	491	456	721

2005 has been restated to recognise irrevocable commitments to repurchase shares during close periods as a liability (see 'Basis of accounting' on page 78). The impact of recognising these commitments is to increase other payables at 31 December 2005 by £59 million.

The carrying value of trade and other payables approximates to their fair value based on discounted cash flows using the Group's weighted average cost of capital.

110 Notes to the financial statements continued

23 Current tax liabilities

	2006 £m	2005 £m	2004 £m
Current tax liabilities	196	228	260

The Group is subject to taxation in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

24 Provisions for liabilities and charges

	2006 £m	2005 £m	2004 £m
Provisions for post-employment benefits (see note 25)	145	317	263
Other provisions for liabilities and charges	119	139	164
Total provisions	264	456	427
Less: Non-current portion	(204)	(392)	(340)
Current portion	60	64	87

The movement in other provisions for liabilities and charges during 2006 was as follows:

	Rationalisation £m	Legal/ compliance £m	Other property £m	Other £m	Total £m
1 January 2006	110	7	5	17	139
Exchange differences	(2)	–	–	(1)	(3)
Charged in the year	37	1	–	5	43
Utilised in the year	(47)	(1)	(2)	(5)	(55)
Released	(4)	–	(1)	(1)	(6)
Unwinding of discounts	1	–	–	–	1
31 December 2006	95	7	2	15	119

The recognition of provisions, both in terms of timing and quantum, requires the exercise of judgement based on the relevant circumstances, which can be subject to change over time.

The largest provisions relate to restructuring programmes, which cover primarily leasehold properties and severances. A number of leasehold properties have been identified as surplus to requirements. Although efforts are being made to sub-let this vacant space, management recognises that this may not be possible immediately. Estimates have been made to cover the cost of vacant possession, together with any shortfall arising from sub-leased rental income being

The majority of charges in 2006 relate to the Core Plus programme which was announced in July 2005 and includes headcount reduction, data centre rationalisation and development transformation. These provisions will be primarily utilised over the next three years.

Also included within rationalisation provisions at the end of 2006 are obligations related to the Fast Forward programme which was first announced in 2003 and the Telerate integration programme which began in June 2005. Both programmes included headcount reduction and property rationalisation. Severance related provisions will be

lower than lease costs being borne by us. A judgement has also been made in respect of the discount factor, based on a risk-free rate (4% to 5%), which is applied to the rent shortfalls. For severance provisions, the provision is only recognised where employees have a valid expectation or have already been told of their redundancy. Other provisions are held where the recoverability of amounts is uncertain where the actual outcome may differ from the resulting estimates.

Additionally, the Group is subject to certain legal claims and actions (see note 35 on page 124). Provisions for specific claims or actions are only made when the outcome is considered 'probable' that there will be a future outflow of funds, including any associated legal costs. The level of any provision is inevitably an area of management judgement given the outcome of litigation is difficult to predict. There can be no assurance that there will not be an increase in the scope of these legal matters or that any future lawsuits, claims, proceedings or investigations will not be material.

utilised during 2007 and property-related provisions will be utilised over the remaining lease periods.

Legal/compliance provisions represent the expected cost of settling disputes arising from contractual arrangements with third-party suppliers and individuals and the expected cost of fulfilling indemnities given on the disposal of subsidiaries.

Other property provisions reflect Reuters contractual liability at the balance sheet date to make good dilapidations under ongoing rental agreements outside the rationalisation programmes and will be over the remaining lease periods.

25 Retirement benefits

The Group has established various pension arrangements covering the majority of its employees. In all plans, except those which are internally funded, the assets are held separately from those of the Group and are independently administered.

Defined contribution plans

Reuters Group operates 35 defined contribution plans covering approximately 57% of its employees, of which the largest plans are the Reuters Retirement Plan and the Reuters 401(k) Plans. The percentage of total employees covered and the company contribution to these plans were:

	% of employees	Company contribution % of basic salary
Reuters Retirement Plan	16.4%	11.0%*
Reuters 401(k) Plans	24.4%	6.0%

* 7.0% plus 4.0% through salary sacrifice arrangements.

The Group contributed £29 million to defined contribution plans in 2006 (2005: £25 million, 2004: £19 million) and expects to contribute £30 million in 2007.

Defined benefit plans

The Group also operates 28 defined benefit plans and post retirement medical plans covering approximately 21% of employees. All significant plans are valued under IAS 19 'Employee Benefits' by independently qualified actuaries using the Projected Unit Credit Method.

The largest defined benefit plans are the Reuters Pension Fund (RPF) and the Reuters Supplementary Pension Scheme (SPS). The total defined benefit obligation for all significant plans at 31 December 2006 was £1,417 million (2005: £1,346 million, 2004: £1,158 million), of which £1,075 million (2005: £985 million, 2004: £836 million) related to the RPF and £158 million (2005: £162 million, 2004: £141 million) related to the SPS. The RPF is a complex, hybrid pension fund, with both defined company and employee contributions, and defined employee

benefits. The SPS is a smaller defined benefit plan with benefits related to final salary and length of service.

Both the RPF and the SPS are set up under trust, and as such are independent of the company. Both trusts have a single corporate trustee, with the directors of the corporate trustee operating as the managing committee of the pension plan. The RPF and the SPS trustee companies both have directors appointed by the members, and directors, plus the chairman, appointed by the company. No senior company officers are directors of the corporate trustees. Both schemes are prohibited from investing directly in the shares or debt of the company except to the extent that these form part of pooled fund investments.

Movement on pension provisions and similar obligations

	2006 £m	2005 £m	2004 £m
1 January	(317)	(263)	(77)
Income statement (see note 3):			
Defined benefit plans*	(30)	(27)	(11)
Post-retirement medical benefits	–	(3)	2
Actuarial gains and losses taken directly to reserves:			
Defined benefit plans*	8	(46)	(206)
Post-retirement medical benefits	(2)	(2)	1
Exchange differences:			
Defined benefit plans*	1	–	–
Post-retirement medical benefits	1	–	–
	(339)	(341)	(291)

Contributions paid	208	24	28
Schemes in surplus recognised within non-current assets	(14)	–	–
31 December	(145)	(317)	(263)
Composed of:			
Defined benefit plans*	(129)	(302)	(252)
Post-retirement medical benefits	(9)	(8)	(4)
Other	(7)	(7)	(7)
31 December	(145)	(317)	(263)

* The figures for defined benefit plans include a number of immaterial schemes which have not been valued under IAS 19.

Amounts recognised in respect of material defined benefit plans
The following disclosures only refer to the Group's material defined benefit plans:

	UK Plans			Overseas Plans			Post retirement medical benefits				Total	
	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m
Present value of funded obligations	(1,233)	(1,148)	(977)	(157)	(167)	(151)	–	–	–	(1,390)	(1,315)	(1,128)
Fair value of plan assets	1,158	902	781	140	139	124	–	–	–	1,298	1,041	905
	(75)	(246)	(196)	(17)	(28)	(27)	–	–	–	(92)	(274)	(223)
Present value of unfunded obligations	(15)	(19)	(18)	(3)	(4)	(9)	(9)	(8)	(3)	(27)	(31)	(30)
	(90)	(265)	(214)	(20)	(32)	(36)	(9)	(8)	(3)	(119)	(305)	(253)
Plan asset not recognised in the balance sheet	–	–	–	(3)	(3)	–	–	–	–	(3)	(3)	–
IAS 19 deficit recognised in the balance sheet	(102)	(265)	(214)	(25)	(35)	(36)	(9)	(8)	(3)	(136)	(308)	(253)
IAS 19 surplus recognised in the balance sheet	12	–	–	2	–	–	–	–	–	14	–	–
Fair value of reimbursement rights not recognised as pension plan assets	–	–	–	4	4	3	–	–	–	4	4	3

The reimbursement rights reported under overseas plans relate to insurance policies held by Reuters in respect of a plan in Germany which do not meet the definition of plan assets under IAS 19. These are recognised in non-current assets.

[illegible]

Operating profit	22	20	6	9	6	10	–	2	–	31	28	16
Profit on disposal of associates, joint ventures and available-for-sale financial assets	(2)	–	–	–	–	–	–	–	–	(2)	–	–
Profit for the year from discontinued operations	–	(2)	–	–	–	–	–	–	–	–	(2)	–
Total recognised in the income statement	20	18	6	9	6	10	–	2	–	29	26	16
Actual return on plan assets	92	146	76	10	18	5	–	–	–	102	164	81

Further amounts recognised in the statement of recognised income and expense

	UK Plans			Overseas Plans			Post retirement medical benefits			Total		
	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m
Actuarial losses/(gains)	5	46	195	(13)	(3)	10	2	2	–	(6)	45	205
Effect of asset ceiling	–	–	–	–	3	–	–	–	–	–	3	–
	5	46	195	(13)	–	10	2	2	–	(6)	48	205
Deferred tax impact of actuarial gains and losses recognised in the statement of recognised income and expense	(1)	(10)	(43)	3	–	(2)	(1)	–	–	1	(10)	(45)
Total recognised in the statement of recognised income and expense	4	36	152	(10)	–	8	1	2	–	(5)	38	160

Cumulative amounts recognised in the statement of recognised income and expense

	UK Plans			Overseas Plans			Post retirement medical benefits			Total		
	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m
Balance of actuarial losses at 1 January	241	195	–	7	10	–	2	–	–	250	205	–
Net actuarial losses/(gains) recognised in year	5	46	195	(13)	(3)	10	2	2	–	(6)	45	205
Balance of actuarial losses/(gains) at 31 December	246	241	195	(6)	7	10	4	2	–	244	250	205
Balance of asset limit effects at 1 January	–	–	–	3	–	–	–	–	–	3	–	–
Effects of the asset ceiling in the year	–	–	–	–	3	–	–	–	–	–	3	–
Balance of asset limit effects at 31 December	–	–	–	3	3	–	–	–	–	3	3	–

Changes in the present value of the defined benefit obligation

	UK Plans			Overseas Plans			Post retirement medical benefits			Total		
	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m
Opening defined benefit obligation	(1,167)	(995)	(743)	(171)	(160)	(141)	(8)	(3)	(4)	(1,346)	(1,158)	(888)
Current service cost	(23)	(19)	(20)	(10)	(11)	(10)	–	–	–	(33)	(30)	(30)
Past service cost	(6)	(1)	–	–	–	–	–	(2)	–	(6)	(3)	–
Interest cost	(55)	(52)	(41)	(5)	(5)	(6)	–	–	–	(60)	(57)	(47)
Gains on curtailments	3	2	3	–	3	–	–	–	–	3	5	3
Liabilities extinguished on settlements	–	8	–	1	–	–	–	–	–	1	8	–
Actuarial gains/(losses)	(36)	(141)	(219)	9	(8)	(9)	(2)	(2)	–	(29)	(151)	(228)
Contributions by employees	(1)	(3)	(6)	(4)	(4)	(5)	–	–	–	(5)	(7)	(11)
Benefits paid	37	34	31	8	14	9	–	–	1	45	48	41
Exchange differences on overseas plans	–	–	–	12	–	2	1	(1)	–	13	(1)	2
Closing defined benefit obligation	(1,248)	(1,167)	(995)	(160)	(171)	(160)	(9)	(8)	(3)	(1,417)	(1,346)	(1,158)

Changes in the fair value of plan assets

	UK Plans			Overseas Plans			Post retirement medical benefits			Total		
	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m	2006 £m	2005 £m	2004 £m
Opening fair value of plan assets	902	781	716	139	124	116	–	–	–	1,041	905	832
Expected return	61	51	52	6	7	6	–	–	–	67	58	58

Assets transferred on settlements	–	(7)	–	(1)	–	–	–	–	–	(1)	(7)	–
Actuarial gains/(losses)	31	95	24	4	11	(1)	–	–	–	35	106	23
Contributions by employer	200	13	14	7	6	9	–	–	1	207	19	24
Contributions by employees	1	3	6	4	4	5	–	–	–	5	7	11
Benefits paid	(37)	(34)	(31)	(8)	(14)	(9)	–	–	(1)	(45)	(48)	(41)
Exchange differences on overseas plans	–	–	–	(11)	1	(2)	–	–	–	(11)	1	(2)
Closing fair value of plan assets	1,158	902	781	140	139	124	–	–	–	1,298	1,041	905

The weighted average duration of the scheme obligations were 25 years and 15 years for the RPF and the SPS respectively.

Following discussions with the trustees of the RPF and the SPS, £181 million was contributed towards funding the deficit in the plans in 2006 with a further £40 million due to the RPF in 2007 and payments of £1.5 million per year due to the SPS in each of the years from 2007 until 2010. A further special contribution of £6 million was made to the SPS in respect of some previously unfunded arrangements. In addition to these special contributions, employer's contribution rates have been agreed at between 19.0% and 25.8% of pensionable salary (including 6% and 9% respectively through salary sacrifice arrangements) from 1 April 2007 for RPF members and 34.2% for SPS members (including 6% through salary sacrifice arrangements).

The Group expects to contribute £68 million to its defined benefit schemes in 2007, including the special contributions referred to above.

Major categories of plan assets as a percentage of total plan assets

	UK Plans			Overseas Plans			Post retirement medical benefits			Total		
	2006 %	2005 %	2004 %	2006 %	2005 %	2004 %	2006 %	2005 %	2004 %	2006 %	2005 %	2004 %
Equities	44	55	55	45	46	49	–	–	–	44	54	54
Bonds	45	36	37	47	45	38	–	–	–	45	37	37
Property	7	7	7	–	–	–	–	–	–	6	6	6
Cash	1	2	1	4	5	4	–	–	–	2	2	2
Other	3	–	–	4	4	9	–	–	–	3	1	1

The trustees of the RPF and the SPS have responsibility for the operation of the funds including strategic decision making on investment matters. A statement of investment principles has been made by the trustees of the schemes.

The strategic asset allocation of the funds is driven by the financial characteristics of the funds, in particular the funds' liabilities and the risk tolerance of the trustees. In setting the investment policy, the trustees of the RPF and the SPS sought the views of the company.

114 Notes to the financial statements continued

25 Retirement benefits continued

Principal actuarial assumptions at the balance sheet date (expressed as a weighted average)

	UK Plans			Overseas Plans			Post retirement medical benefits		
	2006 %	2005 %	2004 %	2006 %	2005 %	2004 %	2006 %	2005 %	2004 %
Discount rate	4.93	4.75	5.25	3.49	3.29	3.55	6.00	5.50	5.75
Inflation assumption	3.00	2.75	2.75	1.57	1.47	1.44	–	–	–
Rate of increase in salaries	4.25	4.00	4.00	2.61	2.39	2.53	–	–	–
Rate of increase in pensions in payment	3.00	2.75	2.75	1.38	1.38	1.42	–	–	–
Medical cost trend	–	–	–	–	–	–	5.00	5.50	5.50
Expected rate of return on reimbursement rights	5.10	–	–	4.75	4.25	–	–	–	–
Expected rate of return on assets:									
Equities	8.10	8.00	8.25	6.42	7.10	7.12	–	–	–
Bonds	4.49	4.00	4.40	3.14	2.92	3.04	–	–	–
Property	6.20	6.00	6.50	–	–	–	–	–	–
Cash	4.25	4.00	4.00	2.28	2.44	2.18	–	–	–
Other	4.25	–	–	6.05	5.47	4.95	–	–	–

For the RPF and the SPS, the two largest schemes, a 0.25% increase in the discount rate would result in a £61 million decrease in the defined benefit obligation at the balance sheet date. A 0.25% decrease in the discount rate would result in a £66 million increase in the defined benefit obligation at the balance sheet date. The effects of such a change are partially hedged by the schemes' asset portfolios.

The expected return on plan assets reflects the investments currently held to provide for the pension benefit obligations as at the balance sheet date. Plan assets primarily consist of equity instruments and fixed income investments. The expected rate of return on equities was based on expected market conditions in each of the territories in which plans operate. The expected return on assets is stated net of investment expenses. The expected return on assets for the UK plans at 31 December 2005 and 31 December 2006 is stated gross of the expected levy to the UK Pension Protection Fund.

UK mortality assumptions

The mortality assumptions used to assess the defined benefit obligation for the RPF and the SPS, the largest plans, at 31 December 2006, 31 December 2005 and 31 December 2004 are based on the 92 series tables issued by the Continuous Mortality Investigation Bureau with allowance for projected longevity improvements to calendar year 2025 and adjustment for the short cohort effect.

The following table illustrates the expectation of life of an average member reaching age 65 at the balance sheet date and member reaching 65 at the same date plus 25 years:

	Life expectation in years	
	Male	Female
Retiring at reporting date at age 65	21	24
Retiring at reporting date +25 years at age 65	22	24

For the RPF and the SPS, an increase in life expectancy of 1 year across all age groups would result in a £62 million increase in the defined benefit obligation.

History of experience gains and losses

	2006				2005				2004			
	UK Plans £m	Overseas Plans £m	Post retirement medical benefits £m	Total £m	UK Plans £m	Overseas Plans £m	Post retirement medical benefits £m	Total £m	UK Plans £m	Overseas Plans £m	Post retirement medical benefits £m	Total £m
Defined benefit obligation	(1,248)	(160)	(9)	(1,417)	(1,167)	(171)	(8)	(1,346)	(995)	(160)	(3)	(1,158)
Plan assets	1,158	140	–	1,298	902	139	–	1,041	781	124	–	905
Deficit	(90)	(20)	(9)	(119)	(265)	(32)	(8)	(305)	(214)	(36)	(3)	(253)
Experience adjustments on plan liabilities	14	(3)	3	14	(16)	6	(1)	(11)	(100)	5	1	(94)
Experience adjustments on plan assets	31	4	–	35	95	11	–	106	24	(1)	–	23

26 Deferred tax

The movement on the deferred tax account is as shown below:

	2006 £m	2005 £m	2004 £m
1 January	210	247	219
Acquisitions/disposals	(11)	(46)	–
Income statement charge	(18)	(19)	(23)
Deferred tax (charge)/credit on pension revaluations recognised in equity	(1)	10	45
Deferred tax on stock options recognised in equity	1	10	8
Exchange differences	(10)	8	(2)
31 December	171	210	247

Deferred tax assets have been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, no deferred tax asset has been recognised in respect of unused tax losses of £101 million carried forward at the balance sheet date. The deferred tax asset not recognised in respect of these losses is £39 million.

Deferred tax assets of £184 million have been recognised in respect of tax losses and other deductible temporary differences arising in certain jurisdictions where losses were incurred in the current or preceding period. Recognition of these assets is based on all relevant factors including their expected recovery measured using Group profit forecasts.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures as the Group is able to control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future. If the earnings were remitted, tax of £991 million would be payable.

The movements of deferred tax assets and liabilities are shown below:

Deferred tax liabilities

	Property, plant and equipment £m	Other £m	Total £m
1 January 2006	(12)	(54)	(66)
Acquisitions	–	(11)	(11)
Charged to income statement	–	(33)	(33)
31 December 2006	(12)	(98)	(110)

Deferred tax assets

	Property, plant and equipment £m	Losses £m	Stock options £m	Other £m	Total £m
1 January 2006	40	88	22	126	276
Credited/(charged) to income statement	24	16	1	(26)	15
Recognised in equity	–	–	1	(1)	–

Realisation of stock option deductions	–	7	(7)	–	–
Exchange differences	(2)	–	–	(8)	(10)
31 December 2006	62	111	17	91	281

The deferred tax asset expected to be recovered after more than one year is £183 million (2005: £135 million, 2004: £186 million).

116 Notes to the financial statements continued

27 Share capital

Movements in share capital during the year ended 31 December were as below:

	Called up share capital £m	Share premium £m	Share capital £m
1 January 2004	358	91	449
Shares allotted during the year	1	5	6
31 December 2004	359	96	455
Shares allotted during the year	1	11	12
31 December 2005	360	107	467
Shares allotted during the year	7	34	41
Shares cancelled during the year	(12)	–	(12)
31 December 2006	355	141	496

An analysis of called up share capital is set out below:

	2006 £m	2005 £m	2004 £m
Authorised:			
One Founders Share of £1	–	–	–
2,100 million ordinary shares of 25p each	525	525	525
	525	525	525
Allotted, called up and fully paid:			
One Founders Share of £1	–	–	–
Ordinary shares of 25p each	355	360	359
	355	360	359
Number of ordinary shares of 25p each (millions)	1,422	1,441	1,436
Shares allotted during the year in millions			
28,876,537 shares in Reuters Group PLC were issued under employee share schemes at prices ranging from £nil to 419p per share. Transaction costs incurred on issue of shares amounted to £nil (2005: £nil, 2004: £nil)	29	6	3

During 2006, Reuters cancelled 48 million shares repurchased as part of the ongoing share buy-back programme.

Called up share capital includes £1 million for shares granted to employees on exercise of share options/awards in respect of which no cash had been received at the balance sheet date (2005, £1 million, 2004: £1 million).

The rights attaching to the Founders Share are set out on pages 147–148.

The following table provides a summary of the shares repurchased under the buy-back programme from its announcement in July 2005 until December 2006:

Month	Total number of shares purchased as part of publicly announced programme	Average price paid per share (£)	Approximate value of shares that may be purchased under the programme (£m)
2005:			
July	1,500,000	3.89	994
August	8,500,000	3.70	962
September	7,150,000	3.73	936
October	2,800,000	3.53	926
November	22,800,000	3.89	836
December	14,650,000	4.08	776
2006:			
January	10,500,000	4.32	731
February	18,450,000	4.06	655
March	13,725,000	3.89	601
April	6,000,000	3.98	577
May	9,435,000	3.86	541
June	17,750,000	3.67	475
July	6,770,000	3.75	450
August	13,000,000	3.89	399
September	9,750,000	4.11	358
October	8,725,000	4.43	319
November	9,500,000	4.57	276
December	5,594,000	4.55	250

The current £1 billion share buy-back programme was announced on 26 July 2005 and was due to run for two years. Based on current investment plans, Reuters expects to increase the buy-back during 2007 to £400–£425 million, which includes £250 million remaining of the £1 billion buy-back. No programme has expired during the period covered by the table. Reuters has not determined to terminate any programme prior to expiration.

28 Other reserves

An analysis of the movement in other reserves is set out below:

	Capital redemption reserve £m	Other reserve £m	Available- for-sale reserve £m	Hedging reserve £m	Translation reserve £m	Total other reserves £m
1 January 2004	1	(1,718)	–	–	–	(1,717)
Exchange differences taken directly to reserves	–	–	–	–	(34)	(34)
Exchange differences taken to the income statement on disposal of assets	–	–	–	–	6	6
Tax on items taken directly to or transferred from reserves	–	–	–	–	(10)	(10)
31 December 2004	1	(1,718)	–	–	(38)	(1,755)
Transitional adjustment on first-time adoption of IAS 39*	–	–	94	30	(16)	108
Exchange differences taken directly to reserves	–	–	–	–	97	97
Exchange differences taken to the income statement on disposal of assets	–	–	–	–	(2)	(2)
Fair value losses on available-for-sale financial assets	–	–	(22)	–	–	(22)
Fair value gains on available-for-sale financial assets taken to the income statement on disposal of assets	–	–	(68)	–	–	(68)
Fair value losses on net investment hedges	–	–	–	(39)	–	(39)
Fair value gains taken to the income statement on disposal of net investment hedges	–	–	–	(14)	–	(14)
Other movements	–	(1)	–	–	–	(1)
Tax on items taken directly to or transferred from reserves	–	–	–	16	(12)	4
31 December 2005	1	(1,719)	4	(7)	29	(1,692)
Exchange differences taken directly to reserves	–	–	–	–	(95)	(95)
Fair value gains on available-for-sale financial assets	–	–	6	–	–	6
Fair value gains on net investment hedges	–	–	–	34	–	34
Shares cancelled during the year	12	–	–	–	–	12
Tax on items taken directly to or transferred from reserves	–	–	–	(10)	7	(3)
31 December 2006	13	(1,719)	10	17	(59)	(1,738)

* The transitional adjustment on first-time adoption of IAS 39 primarily comprises recognition of the fair value of the Group's investment in TSI (£86 million gain).

In 1998, a court approved capital reorganisation took place. In exchange for every 15 ordinary shares in Reuters Holdings PLC, shareholders received pro-rata 13 ordinary shares in Reuters Group PLC plus £13.60 in cash. The difference between the proforma nominal value of shares in issue of Reuters Group PLC immediately prior to the reorganisation and the previously reported capital and reserves of Reuters Holdings PLC, excluding retained earnings, represents the merger difference which has since been recorded in the other reserve.

The capital redemption reserve is used to record an amount equal to the nominal value of treasury shares that have been cancelled.

The available-for-sale reserve is used to record the cumulative fair value gains and losses on available-for-sale financial assets. The cumulative gain or loss is recognised in the income statement on disposal of the asset.

The hedging reserve is used to record the cumulative gains and losses on hedges of the Group's net investment in foreign operations, providing that the hedges were effective. The cumulative gain or loss is recognised in the income statement on disposal of the foreign operation.

The translation reserve is used to record cumulative exchange differences on the assets and liabilities of foreign operations. The cumulative exchange difference is recognised in the income statement on disposal of the foreign operation.

118 Notes to the financial statements continued

29 Net cash flow from operating activities

Profit for the year is reconciled to cash generated from operations as follows:

	2006 £m	2005 £m	2004 £m
Profit for the year from continuing operations	293	229	356
Adjustments for:			
Depreciation	95	99	112
Impairment of associates and joint ventures	–	2	–
Impairment of intangibles	–	1	35
Amortisation of intangibles	46	33	28
(Profit)/loss on disposal of property, plant and equipment	(2)	–	1
Employee share scheme charges	30	30	22
Foreign exchange (gains)/losses	(14)	(8)	9
Fair value movements on derivatives	19	(18)	–
Fair value movements on other financial assets	–	16	–
Profits on disposals	(80)	(42)	(207)
Income from investments	–	(1)	–
Share of post-tax losses/(profits) of associates and joint ventures	4	(5)	(11)
Finance income	(72)	(41)	(15)
Finance costs	87	53	27
Taxation	20	9	40
Movements in working capital:			
Decrease/(increase) in inventories	–	2	(1)
Decrease in trade and other receivables	23	3	2
Increase/(decrease) in trade and other payables	51	(52)	(98)
Increase/(decrease) in pensions deficit	(176)	9	(17)
(Decrease)/increase in provisions	(13)	(27)	16
(Decrease)/increase in amounts payable to discontinued operations	–	(24)	8
Cash generated from continuing operations	311	268	307
Profit for the year from discontinued operations	12	253	19
Adjustments for:			

Profits after tax of subsidiaries acquired with a view to resale	–	–	(1)
Depreciation	–	4	18
Impairment of intangibles	–	–	23
Amortisation of intangibles	–	2	7
Loss on disposal of property, plant and equipment	–	4	2
Employee share scheme charges	–	18	11
Profits on disposals	(12)	(278)	(19)
Income from investments	–	–	(1)
Finance income	–	(13)	(7)
Taxation	–	20	22
Movements in working capital:			
(Increase)/decrease in trade and other receivables	–	(28)	146
Decrease in trade and other payables	–	(17)	(212)
Decrease in pensions deficit	–	–	(2)
Increase/(decrease) in provisions	–	14	(25)
Decrease/(increase) in amounts receivable from continuing operations	–	24	(8)
Cash generated from discontinued operations	–	3	(27)
Cash generated from operations	311	271	280

30 Cash flow from acquisitions and disposals

	2006 £m	2005 £m	2004 £m
Acquisitions (including joint ventures and associates):			
Subsidiary undertakings (see note 36)	(32)	(135)	(66)
Joint ventures and associates	(27)	(1)	–
Loans repaid to joint ventures and associates	–	–	(5)
Deferred payments for acquisitions in prior years	(9)	(8)	(8)
	(68)	(144)	(79)
Less: cash acquired	1	20	1
Acquisitions, net of cash acquired	(67)	(124)	(78)
Disposals (including joint ventures and associates):			
Subsidiary undertakings*	(15)	824	70
Joint ventures and associates	80	1	379
Instinet (deemed disposal)	–	3	5
	65	828	454
Add: cash disposed	–	(582)	(16)
Disposals, net of cash disposed	65	246	438

* The cash outflow of £15 million for subsidiary undertakings in 2006 principally represents transaction fees on the disposal of Instinet Group, which was completed in December 2005.

31 Reconciliation of cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2006 £m	2005 £m	2004 £m
Cash and cash equivalents (see note 20)	129	662	578
Bank overdrafts	(24)	(25)	(17)
Total cash and cash equivalents	105	637	561

32 Dividends

	2006 £m	2005 £m	2004 £m
Prior year final paid	81	86	86
Current year interim paid	53	54	54
	134	140	140

Per ordinary share	pence	pence	pence
Prior year final paid	6.15	6.15	6.15
Current year interim paid	4.10	3.85	3.85

A final dividend in respect of 2006 of 6.90p per ordinary share, amounting to a total dividend of £86 million, is to be proposed at the AGM on 26 April 2007. These financial statements do not reflect this proposed dividend payable.

At 31 December 2006, 30.4 million shares, representing 2.1% of Reuters Group PLC's shares, were held by Reuters Employee Share Ownership Trusts in respect of which dividend rights have been waived until the Group receives written confirmation of cancellation from Computershare Trustees (CI) Limited.

120 Notes to the financial statements continued

33 Employee share plans

The Group operates a number of share incentive plans for the benefit of employees. The nature of each plan including general terms and conditions and the methods of settlement is set out below:

Long-Term Incentive Plan (LTIP): Since 1993, Reuters has operated an LTIP that seeks to encourage and reward long-term growth in shareholder value. It is Reuters practice to make an annual award of contingent share rights to executive directors and to those senior managers most able to influence corporate performance.

For awards prior to 2006, performance is assessed by reference to the company's relative total shareholder return (TSR) measured against the FTSE 100 over the performance period and awards vest and are released after three years subject to the performance conditions attached. For awards made prior to 2004 that do not vest or only partially vest after three years, the plan permits the measurement period to be extended by up to two years under a re-testing provision. For awards made from 2004 onwards, the re-testing provision does not apply.

50% of the 2006 awards had TSR performance conditions attached. However, the remaining 50% have performance conditions based on adjusted PBT targets. These targets are explained in the Remuneration report on page 30.

From 2003, charges for these awards have been based on the fair market value per share using option pricing methodology. The fair market value ascribed to each TSR LTIP award in 2006 was 55.9% of the market value at the date of grant. The fair market value ascribed to each PBT LTIP award in 2006 was 93.9%.

All of the LTIP awards are settled in equity.

Discretionary Share Option Plan (DSOP): The global DSOP was adopted by the Remuneration Committee in October 2000 and approved by shareholders in April 2001. It aims to reward growth in earnings and in the share price. The options were normally granted with a four year vesting period, shares vesting 25% each year.

With effect from 2004, to reduce the dilutive impact DSOPs have on shareholders' interests and to allow the introduction of a plan better targeted at the general employee population, the number of participants was reduced significantly. Participation will normally be confined to executive directors and members of the GLT* (prior to 2006, the GMC). Other employees may be eligible to participate in the Restricted Share Plan (see below).

Performance conditions apply to those options granted to executive directors. For awards granted from 2001 to 2004, the Remuneration Committee could approve the re-testing of performance up to twice in the event the performance condition was not met by extending the performance period by up to two years with an increase of 3% in the hurdle rate of EPS growth as calculated under UK GAAP for each year added to the performance period. If the target rate was not met by the end of the fifth year, the options would lapse.

For awards granted from 2004, the re-testing provisions have been removed and accordingly, new awards will not permit any extension of the measurement period. If the awards do not meet the EPS performance condition upon completion of the initial performance period, they will lapse.

For awards granted in 2005 and prior years, full vesting is achieved if adjusted EPS growth exceeds the percentage growth in the retail price index (RPI) by 9% over the three year performance period. For awards granted in 2006, 50% of the awards vest if adjusted EPS growth exceeds RPI growth by 6% over three years, with 9% growth

Save-as-you-Earn (SAYE) Plan: An all-employee international savings-related share option plan is offered in which the executive directors are eligible to participate. Participants save a fixed monthly amount of up to £250 (subject to a maximum, established annually for each offer) for three years and are then able to use their savings to buy shares at a price set at a 20% discount to the market value at the start of the savings period. In line with market practice, no performance conditions are attached to options granted under this plan.

Options are subject to a maximum life of three years and six months and are settled in equity.

Annual Bonus Profit Sharing Plan (ABPSP): In December 2003, Reuters announced its intention to introduce a new profit sharing plan across the all-employee population. This plan was introduced to focus employees on reward for profit growth. In 2006, this plan was operated as a cash-only plan and no shares will be issued to employees. Executive directors and members of the GLT did not participate in this plan in 2006. A decision is taken on an annual basis whether to operate the plan for the year. A decision has not yet been taken whether to operate the plan in 2007.

Restricted Share Plan (RSP): In April 2004, at the AGM, the shareholders approved the introduction of the RSP. Currently restricted shares will not normally be granted for long-term incentive purposes to executive directors or members of the GLT (prior to 2006, the GMC). It is intended that, other than for executive directors and GLT members, employees will be eligible to participate in this plan instead of the DSOP. Other than in 2004, the year of introduction, employees would generally not be eligible to participate in the DSOP and the RSP in the same year. The RSP is normally granted with a four year vesting period, shares vesting 25% each year.

Awards are typically settled in equity.

The following plans are legacy plans which are no longer operated by the Group:

Performance Related Share Plan (PRSP): This plan operated from 1995 to 2001 and targeted senior executives not participating in the LTIP. All outstanding awards have now lapsed. The performance condition was the same as for the LTIP, although vested shares could be released three years after grant.

Plan 2000: A one-off all-employee option grant was made in 1998 in order to support the retention of employees over the millennium period. In common with such all-employee plans, there is no performance condition to be satisfied. All employees, including the executive directors, were given the opportunity to apply for an option to acquire 2,000 shares at an exercise price of £5.50 per share. These options became exercisable in September 2001 and expired in September 2005. A small supplementary grant was made to new employees in March 1999, at an option price of £8.14, and these expired in March 2006.

* For a list of GLT members, see Directors and senior managers on pages 27–28.

required for full vesting, and awards vesting proportionally for growth of between 6% and 9%. Of those options which vest under the 2006 plan, only 50% can be exercised immediately. A further 25% can be exercised after one year, and another 25% can be exercised after two years.

All options are subject to a maximum ten year life and are typically settled in equity.

Activity relating to share options/awards during 2006, 2005 and 2004 was as follows:

	SAYE Plan	Plan 2000	DSOP & RSP	ABPSP	LTIP & PRSP	Total	Weighted average exercise price for option plans £
Ordinary shares under option in millions (including ADSs):							
1 January 2004	30.2	14.1	56.4	–	13.5	114.2	2.86
Granted	4.6	–	10.3	–	2.6	17.5	2.45
Forfeited	(0.3)	(0.3)	(0.8)	–	(0.2)	(1.6)	3.42
Exercised	(0.5)	–	(2.5)	–	(0.9)	(3.9)	1.62
Expired or lapsed	(4.1)	(2.4)	(4.2)	–	(0.4)	(11.1)	4.27
31 December 2004	29.9	11.4	59.2	–	14.6	115.1	2.71
Granted	3.4	–	7.5	2.3	2.2	15.4	2.07
Forfeited	(2.5)	(0.4)	(2.5)	(0.1)	(0.4)	(5.9)	4.60
Exercised	(1.2)	–	(4.8)	(0.1)	(0.7)	(6.8)	1.66
Expired or lapsed	(1.4)	(10.3)	(4.0)	–	(4.4)	(20.1)	3.88
31 December 2005	28.2	0.7	55.4	2.1	11.3	97.7	2.70
Granted	5.3	–	9.0	–	2.8	17.1	1.68
Forfeited	(0.9)	–	(1.6)	(0.1)	(0.2)	(2.8)	1.64
Exercised	(20.7)	–	(7.7)	(2.0)	–	(30.4)	1.08
Expired or lapsed	(0.6)	(0.7)	(4.1)	–	(0.6)	(6.0)	4.12
31 December 2006	11.3	–	51.0	–	13.3	75.6	2.56
Of which exercisable	0.2	–	30.6	–	2.4	33.2	
Number of participants at 31 December 2006	6,601	–	6,075	–	154		
Expense included in the income statement for year ended	£m	£m	£m	£m	£m	£m	
31 December 2004	4	–	9	5	4	22	
31 December 2005	5	–	18	2	5	30	
31 December 2006	6	–	16	1	7	30	

Options were exercised on a regular basis throughout the year and the weighted average share price was £3.96 (2005: £3.92, 2004: £3.54).

The following table summarises information relating to the number of shares under option and those which were exercisable at 31 December 2006:

Weighted	Options	Options	Options	Exercisable weighted
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Range of exercise prices	Total shares under option (million)	average remaining contractual life (months)	exercisable at 31 December 2006 (million)	exercisable at 31 December 2005 (million)	exercisable at 31 December 2004 (million)	average exercise price for options exercisable at 31 December 2006
Ordinary shares						
£0.00 – £2.00	28.6	33	6.8	2.5	2.5	£0.85
£2.01 – £5.00	36.6	66	17.1	12.0	9.2	£2.90
£5.01 – £7.00	5.7	58	5.7	5.1	14.2	£5.58
£7.01 – £9.00	3.6	54	3.6	4.6	3.7	£8.62
£9.01 – £11.00	–	–	–	0.4	0.3	–
ADSs*						
\$10.01 – \$30.00	–	–	–	0.1	–	–
\$30.01 – \$50.00	1.1	24	–	–	–	\$42.86
	75.6		33.2	24.7	29.9	

* One ADS is equivalent to six ordinary shares.

The fair values of options granted during the period were determined using options pricing models.

122 Notes to the financial statements continued

33 Employee share plans continued

The following tables summarise the models and key assumptions used for grants made during 2006, 2005 and 2004:

	2006				
	SAYE Plan	DSOP	RSP	LTIP	
Weighted average fair value (£)	1.17	1.73	3.65	3.39	
Options pricing model used	Black Scholes options pricing model	Black Scholes options pricing model	Black Scholes options pricing model	Monte Carlo simulation based customised options pricing model	
Key assumptions used:					
Weighted average share price (£)	3.77	4.20	3.88	4.53	
Range of exercise prices (£)	3.14	3.93	Nil	Nil	
Range of expected volatility (%)	35%	23%–48%	25%–41%	36%	
Range of risk-free rates (%)	5%	4%–5%	5%	5%	
Range of expected option term (life)	3 years	4 to 7 years	1 to 4 years	3 years	
Expected dividends (per year)	10p	10p-10.65p	10p-10.65p	10p	
	2005				
	SAYE Plan	DSOP	ABPSP	RSP	LTIP
Weighted average fair value (£)	1.61	1.30	3.95	3.81	2.49
Options pricing model used	Black Scholes options pricing model	Black Scholes options pricing model	Black Scholes options pricing model	Black Scholes options pricing model	Monte Carlo simulation based customised options pricing model
Key assumptions used:					
Weighted average share price (£)	4.12	3.97	4.05	4.04	4.05
Range of exercise prices (£)	3.33	3.89–4.05	Nil	Nil	Nil
Range of expected volatility (%)	47%	28%–54%	37%	28%–54%	48%
Range of risk-free rates (%)	5%	4%–5%	5%	4%–5%	5%
Range of expected option term (life)	3 years	4 to 7 years	2 years	1 to 4 years	3 years
Expected dividends (per year)	10p	10p	10p	10p	10p
	2004				
	SAYE Plan	DSOP	RSP	LTIP	

Weighted average fair value (£)	1.65	1.50	2.98	2.85
Options pricing model used	Black Scholes options pricing model	Black Scholes options pricing model	Black Scholes options pricing model	Monte Carlo simulation based customised options pricing model
Key assumptions used:				
Weighted average share price (£)	3.91	3.88	3.21	3.63
Range of exercise prices (£)	3.14	3.21–4.07	Nil	Nil
Range of expected volatility (%)	54%	41%–58%	41%–56%	53%
Range of risk-free rates (%)	5%	4%–5%	5%	5%
Range of expected option term (life)	3 years	4 to 7 years	1 to 4 years	3 years
Expected dividends (per year)	10p	10p	10p	10p

Assumptions on expected volatility and expected option term have been made on the basis of historical data, wherever available, for the period corresponding with the vesting period of the option. Volatility is based on daily observations. Best estimates have been used where historical data is not available in this respect.

Market-related performance conditions, which are used to determine the vesting pattern on the LTIP options, are built into the Monte Carlo simulation based options pricing model used to determine fair value of these options.

The Group recorded a liability for National Insurance and other social security taxes of £7 million (2005: £11 million, 2004: £9 million) in respect of share-based payment transactions.

34 Related party transactions

The parent company of the Group is Reuters Group PLC (incorporated in the United Kingdom). Reuters Group PLC owns 9.7% of its own shares, relating to the ongoing share buy-back programme (see note 27 on page 116). In addition, 2.1% of Reuters Group PLC is owned by Reuters Employee Share Ownership Trusts (ESOTs).

The ESOTs were established by Reuters in August 1990, January 1994 and August 2004. The ESOTs established in August 1990 and January 1994 are funded by Reuters Group PLC. The ESOT established in August 2004 is funded by Reuters SA. The trustee of the ESOTs is an offshore independent professional trustee. Shares purchased by the ESOTs, which are deducted from shareholders' equity on the consolidated balance sheet, are used to satisfy certain options/awards under the Group's share incentive plans.

Key management personnel compensation, including the Group's directors, is shown in the table below:

	2006 £m	2005 £m	2004 £m
Salaries and short-term employee benefits	12	8	10
Post-employment benefits	1	1	2
Termination benefits	–	1	–
Share-based payments	8	6	4
Total	21	16	16

More details of directors' remuneration and senior management compensation are given in the 'Directors' remuneration for 2006' section of the Remuneration report, details of which form part of these financial statements.

During the year, the Group carried out a number of transactions with related parties, mainly being relationships where the Group holds investments in associates and joint ventures. These transactions involved supply of services and were entered into in the normal course of business and on an arm's length basis.

Details of these transactions are shown below:

	31 December 2004 £m	Amounts invoiced £m	Amounts collected £m	31 December 2005 £m	Amounts invoiced £m	Amounts collected £m	31 December 2006 £m
Amounts receivable:							
Joint ventures:							
Factiva*	3	39	(38)	4	30	(33)	1
FXMarketSpace	–	–	–	–	6	–	6
Other	–	1	(1)	–	1	(1)	–
Associates	–	3	(3)	–	–	–	–
Total amounts receivable	3	43	(42)	4	37	(34)	7
Amounts payable:							
Joint ventures:							
Factiva	1	4	(4)	1	4	(5)	–
3 Times Square Associates	–	18	(18)	–	19	(19)	–
Associates	–	2	(2)	–	2	(2)	–

Total amounts payable	1	24	(24)	1	25	(26)	–
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* Reuters disposed of the majority of its investment in Factiva in December 2006. Consequently, the £1 million receivable from Factiva at 31 December 2006 has been presented within other receivables (see note 19).

No amounts were provided for or written off in the income statement in respect of amounts receivable from related parties.

The above amounts relate to the rendering or receiving of services between both parties, including agency agreements and licence agreements. Detailed summaries of key transactions in respect of the Group's related parties are set out below.

During 2006, Reuters paid £237 million (2005: £47 million, 2004: £42 million) to the Group's pension funds, including £187 million towards funding the deficit in the Reuters Pension Fund and the Reuters Supplementary Pension Scheme.

124 Notes to the financial statements continued

34 Related party transactions continued

Factiva

On 15 December 2006, Reuters disposed of the majority of its investment in Factiva. Prior to this disposal, Factiva and Reuters each provided a variety of services to the other through a number of commercial arrangements. Factiva hosted and maintained Reuters pictures archiving service, permitted Reuters to incorporate Factiva content in certain Reuters products, and permitted Reuters staff to access Factiva content. The total value of the services provided by Factiva to Reuters in 2006 was £4 million (2005: £4 million, 2004: £9 million).

Reuters provided Factiva with technical and administrative support services, including use of Reuters premises, facilities, finance and payroll services, provided content, primarily its newswires, to Factiva for incorporation in certain Factiva services, and granted Factiva a trademark licence permitting Factiva to use Reuters name. The total value of the services provided by Reuters to Factiva in 2006 was £30 million (2005: £39 million, 2004: £23 million).

Following the disposal of the majority of the investment in Factiva, Reuters will continue to supply content to Factiva under an agreement as a paid supplier and has entered into or continued a number of commercial arrangements with Factiva and Dow Jones, including some of those described above.

In addition to the above amounts, Reuters held a loan payable to Factiva of £10 million at the start of 2006, on which interest was payable at LIBOR. This loan was increased to £12 million during the year and it was all repaid prior to the disposal of the majority of Reuters investment in Factiva. There are no loans outstanding at 31 December 2006.

FXMarketSpace

On 4 May 2006, Reuters and the Chicago Mercantile Exchange (CME) entered into an agreement to form FXMarketSpace, a 50/50 joint venture to create a centrally-cleared, global foreign exchange trading system. Following shareholder approval, the joint venture was formed on 20 July 2006. Reuters has entered into agreements to provide trading access to and trade notification services for, and distribute market data from, FXMarketSpace, among various other services and arrangements. The total value of the services provided by Reuters to FXMarketSpace was £6 million.

3 Times Square Associates LLC ('3XSQ Associates')

Reuters is party to a lease entered into in 1998 with 3XSQ Associates, an entity owned by Reuters and Rudin Times Square Associates LLC formed to acquire, develop and operate the 3 Times Square property and building. Pursuant to the lease, which has been amended from time to time, Reuters leases approximately 692,000 square feet for a remaining term of approximately 15 years expiring in 2021, with an option to terminate ten years early as to 77,000 square feet and three successive ten-year renewal options as to the entirety of the space. Reuters made payments to 3XSQ Associates of \$35 million (£19 million) during 2006 and \$33 million (£18 million) during both 2005 and 2004 in respect of rent, operating expenses, taxes, insurance and other obligations. The lease is supported by a \$120 million letter of credit provided by Reuters.

35 Contingencies and commitments

Contingent liabilities and contingent assets

Except as described below, neither the Group, nor any of its directors, members of senior management or affiliates, is subject to any legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's financial performance or profitability.

The Group has no contingent assets.

Douglas Gilstrap and Myron Tataryn v. Radianz Ltd., Radianz Americas, Inc., Reuters Limited, Blaxmill (Six) Limited, Reuters C LLC, Reuters America LLC, and British Telecommunications plc

On 12 September 2005, Radianz's former CEO Douglas Gilstrap filed a class action lawsuit purportedly on behalf of Radianz option holders against Radianz, Radianz Americas, Inc., Reuters Limited, Blaxmill (Six) Limited, Reuters C LLC, Reuters America LLC, and BT in the United States District Court, Southern District of New York, relating to the cash cancellation of Radianz options, in conjunction with Reuters sale of Radianz to BT. The complaint does not specify the amount of damages sought. Under the claims and indemnification provision of the Radianz Sale Agreement between BT and Reuters, Reuters elected to take control of the defence of this litigation as to all defendants. On 15 December 2005, a First Amended Complaint was filed, which among other things, added Myron Tataryn, a former Radianz employee based in the UK, as an additional named plaintiff and purported class representative. On 30 January 2006, the defendants filed a motion to dismiss the case in its entirety on forum non conveniens grounds. On 27 July 2006, the Court dismissed the complaint holding that England is the proper forum for this matter. On 25 August 2006, plaintiffs filed an appeal of the dismissal with the US Court of Appeals for the Second Circuit. A date for oral argument on the appeal has not yet been set. Separately, on 7 December 2006 Douglas Gilstrap, along with former Radianz executives Brian Dillon and John Madigan, filed a new lawsuit in the US District Court, Southern District of New York in their individual capacities against Radianz Limited and Radianz Americas for essentially the same claims asserted in the dismissed class action complaint. Gilstrap, Dillon and Madigan have agreed to stay proceedings on this new lawsuit pending the resolution of the appeal of the dismissed class action lawsuit. The Group believes the claims are without merit and intends to defend them vigorously.

Ariel (UK) Limited v. Reuters Group PLC, Reuters C LLC, Reuters Transaction Services Limited, Instinet Group, Incorporated, the NASDAQ Stock Market Inc. and Silver Lake Partners LP

On 16 November 2005, Ariel (UK) Limited brought an action in the United States District Court, Southern District of New York against Reuters Group PLC, Reuters C LLC, Reuters Transactions Services Limited, Instinet Group, NASDAQ and Silver Lake Partners LP, seeking a declaration that a 1975 Agreement between Ariel and Instinet permits Ariel to license Reuters current patent portfolio to others. The complaint, as amended on 28 February 2006, also claims breach of contract, copyright infringement and requests for declaratory relief. Ariel seeks \$50 million compensatory damages from Reuters and Instinet. Reuters answered the complaint and filed a motion to dismiss the case, which was granted on 31 October 2006, dismissing the copyright claims with prejudice and the state law contract claims for lack of jurisdiction. Ariel appealed to the US Court of Appeals for the Second Circuit. The Group believes the claims are without merit and intends to defend them vigorously.

Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2006 £m	2005 £m	2004 £m
Property, plant and equipment	10	16	37
Intangible assets	9	13	–
Total capital commitments	19	29	37

Group's share of contingent liabilities and commitments in respect of associates and joint ventures

The Group's share in contingent liabilities and commitments in relation to its interest in associates and joint ventures was £nil (2005: £nil, 2004: £nil).

Warranties and indemnities

During 2005, the Group disposed of a number of its investments and provided standard warranties and indemnities as part of the sale and purchase agreements. The likelihood of the Group incurring any liability in relation to these is considered remote, therefore no provisions have been recorded and no disclosure is presented in the financial statements.

Operating lease payables

Minimum payments for non-cancellable operating leases for terms in excess of one year from 31 December are as follows:

Year ended 31 December	2006 £m	2005 £m	2004 £m
2005	–	–	103
2006	–	79	81
2007	88	74	74
2008	79	63	67
2009	70	54	61
2010	60	51	55
2011	55	47	36
2012 and thereafter	300	305	216
Total operating lease payables	652	673	693

At 31 December 2006, future minimum sublease payments expected to be received under non-cancellable subleases were £96 million (2005: £114 million, 2004: £24 million).

The Group leases various facilities under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Group also leases equipment under non-cancellable operating lease agreements.

126 Notes to the financial statements continued

36 Acquisitions

Acquisition of Application Networks, Inc

On 12 June 2006, a Group company merged with Application Networks, Inc. In accordance with IFRS 3 'Business Combinations', this transaction has been accounted for as an acquisition.

	Book value £m	Fair value adjustments £m	Provisional fair value £m
Non-current assets:			
Intangible assets	–	17	17
Current assets:			
Other current assets	1	–	1
Current liabilities	(2)	–	(2)
Non-current liabilities	–	(7)	(7)
Net assets acquired	(1)	10	9
Goodwill			13
Total consideration			22
Consideration satisfied by:			
Cash			22

The fair value adjustments in respect of intangible assets are due to the recognition of £1 million in respect of trademarks and £16 million in respect of technology know-how, which have been independently valued. The fair value adjustments in respect of non-current liabilities are due to the recognition of a deferred tax liability arising from these intangible assets. Goodwill represents the value of synergies arising from the acquisition and the acquiree's assembled work force.

The outflow of cash and cash equivalents on the acquisition can be calculated as follows:

	£m
Cash consideration	22

From the date of acquisition to 31 December 2006, the acquisition contributed £1 million to revenue, incurred a £2 million loss before interest and amortisation of intangibles and incurred a £2 million loss before amortisation, but after interest.

If the acquisition had been made at the beginning of the financial year, Application Networks would have contributed £2 million to revenue and incurred a £5 million loss. This information takes into account the amortisation of acquired intangible assets and the effect of taxation.

Other acquisitions

Reuters acquired certain trade and assets of India Quotation Systems Private Limited (IQS) in June 2006 and purchased the share capital of Telerate Italia SrL in July 2006.

	Book value £m	Fair value adjustments £m	Provisional fair value £m
Non-current assets:			
Intangible assets	–	11	11

Current assets:

Cash and cash equivalents	1	–	1
Other current assets	2	–	2
Current liabilities	(3)	–	(3)
Non-current liabilities	–	(4)	(4)
Net assets acquired	–	7	7
Goodwill			5
Total consideration			12
Consideration satisfied by:			
Cash			10
Deferred consideration			2
Total consideration			12

The fair value adjustments in respect of intangible assets are due to the recognition of £11 million in respect of customer relationships. The fair value adjustments in respect of non-current liabilities are due to the recognition of a deferred tax liability arising from these intangible assets. Goodwill represents the value of synergies arising from the acquisition.

The outflow of cash and cash equivalents on the acquisitions can be calculated as follows:

	£m
Cash consideration	10
Cash acquired	(1)
Total outflow of cash and cash equivalents	9

From the date of acquisition to 31 December 2006, the acquisitions contributed £3 million to revenue, £2 million profit before interest and amortisation of intangibles and incurred a £2 million profit before amortisation, but after interest.

If the acquisitions had been made at the beginning of the financial year, they would have contributed £6 million to revenue and incurred a £4 million profit. This information takes into account the amortisation of acquired intangible assets and the effect of taxation.

37 Disposals

Realised net gains, all of which were recorded in the income statement within continuing operations, were:

	2006 £m	2005 £m	2004 £m
On disposal of subsidiary undertakings	4	4	4
On disposal of associates, joint ventures and available-for-sale financial assets	76	38	203
Recorded in the income statement	80	42	207

In 2006, gains on disposal of associates, joint ventures and available-for-sale financial assets principally relate to the Group's disposal of the majority of its holding in Factiva. Gains on disposal of subsidiary undertakings relate to a number of small disposals and include £2 million deferred proceeds from the disposal of RVC in 2004.

In 2005, gains on disposal of associates, joint ventures and available-for-sale financial assets include £4 million arising from the Group's disposal of its holding in Quick Corporation and £33 million in respect of the part-disposal of shares in TSI. Gains on disposal of subsidiary undertakings mainly comprise an £8 million gain on disposal of a number of UK entities partly offset by a £6 million loss on disposal of the Reuters Portfolio Management System (RPMS) business. In 2005, Reuters also disposed of its holdings in Radianz and Instinet Group. These subsidiaries were treated as discontinued operations in accordance with IFRS 5 and are therefore disclosed separately in note 7.

In 2004, gains on disposal of associates, joint ventures and available-for-sale financial assets principally relate to the Group's reduction of its stake in TSI from 48.4% to 8.8% (£149 million) and the disposal of its 34.2% stake in GL TRADE (£47 million). Gains on disposal of subsidiary undertakings relate to the disposal of a number of wholly-owned subsidiaries, including TowerGroup, Yankee and ORT.

38 Post balance sheet events

During the period 1 January 2007 to 9 March 2007, the Group purchased 15.5 million shares for total consideration of £68 million, as a part of its ongoing share buy-back programme announced in July 2005.

The following table provides a summary of the shares bought back during this period:

Month	Total number of shares purchased as part of publicly announced programme	Average price paid per share (£)	Approximate value of shares that may yet be purchased under the programme (£m)
January	5,700,000	4.43	225
February	6,300,000	4.32	197
March	3,450,000	4.30	182

Included above are 12.0 million shares which the Group has irrevocable commitments to purchase at 31 December 2006. In accordance with the Group's accounting policy, the cost of these shares (£53 million) has been recorded in the balance sheet at 31 December 2006 and reported as a current liability with a corresponding deduction from shareholders' equity.

On 1 March 2007, the Group announced that it expects to increase the buy-back during 2007 to £400–425 million, which includes £250 million remaining of the £1 billion buy-back announced in July 2005 and that it will actively manage its capital structure to maintain an investment grade rating of BBB+/Baa1. Following this announcement, Standard and Poor's and Fitch Ratings both revised downwards the long-term ratings from A- to BBB+ and Moody's have put the rating under review for a possible downgrade.

An additional £6 million was contributed by each partner in FXMarketSpace in early 2007.

128 Notes to the financial statements continued

39 Significant subsidiary undertakings, joint ventures and associates

The principal subsidiary undertakings, joint ventures and associates at 31 December 2006, all of which are included in the consolidated financial statements, are shown below:

Subsidiary undertakings	Country of incorporation	Principal area of operation	Percentage of equity shares held
Reuters AG	Germany	Germany	100
Reuters America Holdings Inc*	USA	Worldwide	100
Reuters America LLC	USA	USA	100
Reuters Australia Pty Limited	Australia	Australia	100
Reuters BV	Netherlands	Netherlands	100
Reuters Canada Limited	Canada	Canada/USA	100
Reuters Europe SA	Switzerland	Spain/Portugal	100
Reuters France SNC	France	France	100
Reuters Finance PLC*	UK	UK	100
Reuters Group Overseas Holdings Limited*	UK	Worldwide	100
Reuters Holdings Limited*	UK	UK	100
Reuters Hong Kong Limited	Cook Islands	Hong Kong	100
Reuters International Holdings SARL*	Switzerland	Worldwide	100
Reuters Investments Limited*	UK	UK	100
Reuters Italia SpA	Italy	Italy	100
Reuters Japan Kabushiki Kaisha	Japan	Japan	100
Reuters Limited	UK	Worldwide	100
Reuters Middle East Limited	Cook Islands	Middle East	100
Reuters Nederland BV*	Netherlands	Netherlands	100
Reuters Research Inc	USA	USA	100
Reuters SA	Switzerland	Worldwide	100
Reuters Singapore Limited	Singapore	Singapore	100
Reuters Transaction Services Limited	UK	Worldwide	100
Joint ventures and associates	Country of incorporation	Principal area of operation	Percentage of equity shares held
3 Times Square Associates LLC	USA	USA	50**
FXMarketSpace Limited	UK	Worldwide	50

* Denotes investment companies. All other entities are operating companies.

** The Group has an equity shareholding of 50% in 3 Times Square Associates LLC. However, the Group has an effective economic interest of 38% at 31 December 2006.

The financial years for all of the above undertakings end on 31 December, except for Times Global Broadcasting Company Limited whose financial year ends on 31 March.

3 Times Square Associates LLC is a joint venture with Rudin Times Square Associates LLC formed to acquire, develop and operate the 3 Times Square property and building.

FXMarketSpace Limited is a new joint venture with the Chicago Mercantile Exchange formed to create a centrally-cleared, global foreign exchange trading system.

Times Global Broadcasting Company Limited is an association with the Times of India relating to the launch of a new Indian TV News Channel, TIMES NOW.

Summary of differences

between IFRS (as adopted by the EU) and US GAAP

Accounting principles

These consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU, which differ in certain significant respects from US GAAP.

Material differences between IFRS (as adopted by the EU) and published IFRS

For the Group, there are no material differences between the application of IFRS as issued by the International Accounting Standards Board and IFRS as adopted by the EU.

Material differences between IFRS (as adopted by the EU) and US GAAP

A description of the relevant accounting principles which differ materially is given below.

a. Goodwill and other intangibles

Goodwill

Prior to the adoption of IFRS on 1 January 2004, goodwill arising on acquisitions before 1998 and accounted for under the purchase method was eliminated against equity. Goodwill arising on acquisitions from 1998 to 31 December 2003 was capitalised and amortised over its useful life.

Under IFRS, from 1 January 2004, goodwill arising on acquisitions is no longer amortised and is allocated to cash generating units and assessed for impairment at least annually. The Group has elected not to apply IFRS 3 'Business Combinations' retrospectively to business combinations that took place prior to the Group's 1 January 2004 transition date to IFRS, and amortisation arising prior to transition has not been reversed. Goodwill arising on acquisitions before 1 January 2004 remains at its previous carrying value at the date of transition to IFRS.

Under US GAAP, prior to 1 July 2001, goodwill was amortised over its estimated useful life. In 2002, Reuters adopted the provisions of FAS 142 'Goodwill and Other Intangible Assets', and as a result goodwill arising on acquisitions completed after 30 June 2001 was not amortised. From 1 January 2002, goodwill was no longer subject to amortisation. Under US GAAP, goodwill is assessed for impairment at least annually. As a result of differences in the carrying value of goodwill under US GAAP, impairment charges may differ from those recorded under IFRS.

In addition to differences arising from the previous GAAP requirement to amortise goodwill, as described above, goodwill balances at the date of IFRS adoption may differ from US GAAP balances because of: differences in the measurement of the fair value ascribed to quoted securities issued to effect a business combination; differences in the treatment of contingent purchase consideration; differences in the application of EITF 95-3 'Recognition of liabilities in connection with a purchase combination', as discussed in section h; and differences in the definition of separately identifiable intangible assets of the acquiree to which purchase consideration should be allocated.

Other intangibles

Prior to the adoption of IFRS on 1 January 2004, identifiable intangibles acquired in a business combination were required to be recognised separately on the balance sheet and amortised over their useful life.

Under US GAAP, a different definition of intangible assets is applied, therefore additional intangible assets were identified under US GAAP giving rise to additional amortisation.

b. Joint ventures and associates

Under US GAAP, the Group's share of the results of joint ventures and

c. Deferred gain on assets contributed to joint ventures

Prior to the adoption of IFRS on 1 January 2004, where the fair value of assets contributed to joint ventures and associates was greater than the book value, the difference was recognised in reserves. Under US GAAP, the difference is released to the income statement over the anticipated life of the long lived assets contributed to the venture.

d. Profit or loss on disposal of subsidiary undertakings, joint ventures and associates

On the disposal of subsidiary undertakings, joint ventures and associates, a different gain or loss on sale may arise as a result of the following:

Goodwill

Prior to the transition to IFRS, goodwill arising on business combinations was amortised on a systematic basis, or, prior to 1998, written off directly to reserves. Under US GAAP, goodwill is not amortised but tested for impairment on an annual basis. Under US GAAP, therefore, the carrying value of goodwill is different, and results in different gains or losses on disposal.

Investment hedge on foreign subsidiaries

Under IFRS, gains and losses on the fair value of instruments designated as hedges against the carrying value of group undertakings are recognised in a hedging reserve within equity, to the extent that the hedge is effective. On disposal of such undertakings, cumulative gains and losses that had previously been recognised in the hedging reserve are transferred and recognised in the income statement. Under US GAAP, Reuters has not designated any of its derivative instruments as qualifying hedge instruments under FAS 133. Accordingly, no cumulative gains and losses from hedging are transferred to the income statement on disposal of Group undertakings under US GAAP.

Recycling of foreign currency translation differences

Under IFRS, gains and losses on the retranslation of assets and liabilities of foreign operations that have been recorded in equity since the IFRS transition date of 1 January 2004 are transferred to the income statement and recognised as part of the gain or loss on disposal of those operations.

Under US GAAP, amounts attributable to foreign operations that have been accumulated in the translation adjustment component of equity from the date of acquisition are removed from the separate component of equity, and are reported as part of the gain or loss on disposal of those operations.

Differences in the amounts recognised on disposals under US GAAP and IFRS arise as the currency translation reserve under IFRS was set to zero on adoption of IFRS as at 1 January 2004, and also due to underlying GAAP differences in the carrying values under IFRS and US GAAP of the underlying foreign currency assets and liabilities being retranslated.

In 2006, there was a US GAAP adjustment of £5 million to reduce the profit on disposal of Factiva. In 2005, there was a US GAAP adjustment of £25 million to reduce the Radianz loss on sale and an adjustment of £57 million to reduce the Instinet gain on sale. Only Instinet qualified as a discontinued operation under US GAAP.

e. Investments

Under IFRS, prior to the adoption of IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement' on 1 January 2005, fixed asset investments were held on the balance sheet at cost, net of permanent diminution in value as assessed by the directors.

associates is adjusted to reflect the non-amortisation of goodwill since 1 January 2002.

Under IFRS, the Group has elected not to apply IFRS 3 'Business Combinations' retrospectively to business combinations that took place prior to the transition date to IFRS, and this also applies to past acquisitions of associates and joint ventures. Goodwill arising on the acquisition of associates and joint ventures before the transition date remains at its previous carrying value at the transition date to IFRS of 1 January 2004.

Under IFRS, following the adoption of IAS 32 and IAS 39, available-for-sale financial assets and financial assets held for trading are initially recognised at fair value in the translation reserve and subsequently remeasured at fair value. The Group has classified all of its marketable securities as available-for-sale, with the exception of its investment in Savvis, which was classified as a financial asset at fair value through profit or loss, before being disposed of in 2005. Realised and unrealised gains and losses on financial assets held for trading are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in fair value of available-for-sale assets are recognised in the statement of recognised income and expense.

Under US GAAP, traded investments are stated at fair value with unrealised gains or losses included in the income statement. Investments which have a readily determinable fair value and are classified as available-for-sale are stated at fair value with unrealised gains or losses included in other comprehensive income. Investments in available-for-sale assets which do not have a readily determinable fair value are carried at historic cost.

130 Summary of differences

between IFRS (as adopted by the EU) and US GAAP continued

f. Stock options

Employee share awards

Under IFRS, compensation charges relating to equity-settled employee share awards made after 7 November 2002 but not vested at 1 January 2005 are based on the fair value of the awards at the date of grant, expensed over the vesting period of the award to match the services received. At each balance sheet date, the Group revises its estimate of the number of options that are expected to become exercisable. Cash-settled share-based payments are accrued over the vesting period of the award, based on the current fair market value at each balance sheet date.

Prior to 1 January 2006, under US GAAP, the Group applied the measurement provisions of APB 25 'Accounting for Stock Issued to Employees' and recognised the intrinsic value of options granted, as determined on the measurement date, over the vesting period. Additional compensation cost was recognised when the vesting of an option was accelerated and those options would otherwise have been forfeited unvested. Additional compensation cost was also recognised where a new measurement date was established, following the amendment of a stock option plan, where the exercise price is less than the market value of the underlying shares on the new measurement date.

On 1 January 2006, the Group adopted FAS 123 (revised 2004) 'Share-Based Payment' (FAS 123(R)). Under FAS 123(R), compensation charges relating to share awards are based on the fair value of awards in a similar way as under IFRS. Differences which affect the Group relate to the classification of certain awards between equity and liabilities, the date of grant of certain awards, and the accounting for awards held by non employees.

The Group has adopted FAS 123(R) on a 'modified prospective' basis. This means that it was applied to new awards granted after 1 January 2006, any portion of awards that were granted after 1 January 1994 that had not vested as at 1 January 2006 and any outstanding liability classified awards. As a result, there are certain schemes for which FAS 123(R) charges apply, which do not have IFRS charges.

FAS 123(R) resulted in a net income statement charge of £1 million greater than under IFRS in 2006. £3 million of this charge was a cumulative effect of adoption relating to the recognition of forfeitures and certain liability-classified awards. An offsetting £2 million credit relates to the differences noted above. On adoption of FAS 123(R), an increase in net equity, compared to that stated under IFRS, of £64 million was recorded, resulting from the transfer to equity of awards previously classified as liabilities.

National Insurance on stock options

Under IFRS, the liability for National Insurance on stock options/awards is accrued based on the fair value of the options/awards on the date of grant and adjusted for subsequent changes in the market value of the underlying shares. Under US GAAP, this expense is recorded upon exercise of the stock options/awards.

g. Pensions

For the reporting period to 31 December 2006, Reuters adopted FAS 158 'Employers' accounting for defined benefit pension and other post retirement plans'. In 2005 and 2004, FAS 87 'Employers' Accounting for Pensions' was applied in calculating the balance sheet position and charge to the income statement.

Under both IFRS and US GAAP, pension assets, defined benefit pension liabilities and pension expense are determined using the Projected Unit Credit Method.

Under IFRS a provision or asset equal to the difference between the fair value of scheme assets and the present value of the defined

Under FAS 158, the provision or surplus recognised on the balance sheet represents the difference between the fair value of plan assets and the projected benefit obligation.

Under both FAS 158 and FAS 87, in addition to the pension expense items recognised under IFRS, actuarial gains and losses in excess of the corridor are recognised over the average remaining service life of the employees. In addition, there is a transition asset or obligation, not recognised on the balance sheet, arising on the adoption of FAS 87. This amount is also released to the income statement over the average remaining service lives of the employees.

In 2006, prior to the adoption of FAS 158, movements in the additional minimum liability required under FAS 87 amounted to an increase in net assets of £374 million (2005: increase of £14 million, 2004: decrease of £389 million). This movement was recognised directly in equity.

The adoption of FAS 158 resulted in a reduction in the net asset position at 31 December 2006 in respect of pensions of £497 million. This loss is recognised in shareholder equity and will be released to the income statement over the average remaining service lives of the employees. There is no difference between the expense recognised in the income statement under FAS 158 and that which would have been recognised under FAS 87.

h. Restructuring

Under IFRS, the Group recognises provisions for restructuring charges other than termination benefits, once the Group has a present obligation (legal or constructive) to incur the costs as a result of a past event, it is probable that an economic outflow will be required, and a reliable estimate can be made. A constructive obligation is considered to exist when a detailed formal plan is in place and a valid expectation has been raised in those affected. Termination benefits are recognised when the Group is demonstrably committed to a plan of termination when, and only when, the Group has a detailed formal plan (with specified minimum contents) for the termination, and there is no realistic possibility of withdrawal. Provisions for costs associated with the exit of a property are recognised once the intention to exit has been announced.

Under US GAAP, employee severance costs that are not one-time termination charges are recognised when it is probable that these costs will be incurred and the amount is capable of being estimated. Charges for costs associated with the exit of properties are recognised upon vacating the property or legal termination of the lease contract.

Under IFRS, liabilities for terminating or reducing the activities of an acquired company are only recognised as part of allocating the cost of a combination if they exist at the date of acquisition and meet certain recognition criteria. Provisions for future losses or other costs expected to be incurred as a result of a business combination are not recognised.

Under US GAAP, the Group applies the provisions of EITF 95-3 'Recognition of liabilities in connection with a purchase combination', which requires recognition of certain costs incurred in respect of exit activities and integration if specified conditions are met, as part of purchase accounting.

i. Derivative financial instruments

In 2004, under IFRS (prior to the adoption of IAS 39 'Financial Instruments: Recognition and Measurement' and IAS 32 'Financial Instruments: Disclosure and Presentation'), the Group applied hedge accounting rules for its derivative financial instruments used to manage interest rate and foreign exchange risk. Under these rules, the Group was not required to identify separately these financial instruments, nor to record changes in their fair value through the income statement. Also under these rules, compound derivative

benefit liability is recognised in full on the balance sheet. All actuarial gains and losses which arise in calculating the present value of the defined benefit obligation and the fair value of plan assets are recognised immediately in the statement of recognised income and expense. A scheme surplus is recognised only to the extent that it is recoverable through reduction in future contributions or return of scheme assets.

Under FAS 87, the accrual or prepayment recognised on the balance sheet in respect of pensions represents the cumulative income statement charges net of contributions to the scheme since transition to the standard. In addition to this amount, FAS 87 requires that an additional minimum liability is recorded for any plan where the accumulated benefit obligation exceeds the fair value of the plan assets by an amount greater than the liability recognised in the balance sheet.

instruments having multiple underlyings could be designated as net investment hedges and, where this treatment was applied, foreign currency translation gains and losses arising on these instruments were recognised directly in equity. Further in 2004, Reuters was not required to separate embedded derivatives from their host contracts and recognise them on the balance sheet at fair value.

From 1 January 2005, the Group adopted IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement'. These standards require all stand-alone and embedded derivative instruments to be recognised on the balance sheet at fair value. The method of recognising subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Under IFRS, the Group has designated certain derivatives as hedges of foreign net investments and fair value hedges of borrowings. For net investment hedges, fair value movements arising from these derivatives are recognised in a hedging reserve, until transferred to the income statement on disposal or impairment of the underlying item. For fair value hedges, fair value movements are adjusted in the carrying value of borrowings; movements in the fair value of fair value hedges are recognised in the income statement, together with movements in the fair value of the item being hedged. To the extent that hedges are ineffective, gains and losses are recognised in the income statement.

Under US GAAP, the Group adopted FAS 133 'Accounting for Derivative Instruments and Hedging Activities' as amended by FAS 138, on 1 January 2001. FAS 133 introduced new rules in respect of hedge accounting and the recognition of movements in fair value through the income statement. As a result of the adoption, all derivatives and embedded derivative instruments, whether designated in hedging relationships or not, are carried on the balance sheet at fair value. The Group has not designated any of its derivative instruments as qualifying hedge instruments under FAS 133. Accordingly, changes in the fair value of derivative and embedded derivative instruments have been included within the income statement under US GAAP.

Under IFRS, IAS 39 grants an exemption from the requirement to recognise embedded foreign currency derivatives where the currency is commonly used in the economic environment of the host contract. FAS133 does not grant such an exemption, therefore the Group identifies and separately accounts for more embedded derivatives under US GAAP than it does under IFRS.

j. Consolidation of subsidiary undertakings

On 16 November 2004, the Group purchased the 49% voting stake of Radianz that it did not already own from Equant, thereby increasing its shareholding from 51% to 100% of the voting shares. Under IFRS, from the date of acquisition of the remaining 49%, Radianz was fully consolidated. IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' was applied for presentation purposes, and hence Radianz was classified as a subsidiary acquired with a view to resale, and included in the balance sheet as a non-current asset held for sale. Liabilities directly associated with the non-current assets held for sale were also shown separately. The results of Radianz prior to 16 November 2004 were presented within discontinued operations in the income statement.

Under US GAAP, Radianz was treated as a joint venture of the Group for the period 1 January 2004 to 16 November 2004. The acquisition of the additional 49% stake in Radianz was accounted for as a step acquisition at which time Radianz was fully consolidated as a subsidiary until its disposal during 2005. It is the opinion of the directors that Radianz met the criteria set forth in FAS 144, 'Accounting for the Impairment and Disposal of Long Lived Assets', as a disposal group and was therefore classified as an asset held-for-sale until its disposal. Although the Group has no significant continuing involvement in the operations of Radianz following disposal, the classification of Radianz as a discontinued operation is not considered appropriate given a significant level of continuing cash outflows. Under US GAAP, Radianz had a higher carrying value resulting in a greater write down to fair value less costs to sell at the end of 2004.

k. Sale and leaseback transactions

Under IFRS, where gains and losses arise from transactions qualifying as sale and operating leaseback, such gains and losses on the sale of the properties and rental expenses associated with subsequent leasebacks are recognised in the income statement.

Under US GAAP, where a portion of the leased property is sub-let and that sublease is not minor, the sale and leaseback is accounted for as

l. Property, plant and equipment

Under IFRS, the Group does not capitalise interest on self-constructed assets. Under US GAAP, interest incurred as part of the cost of constructing a fixed asset is capitalised and amortised over the life of the asset.

m. Shares to be repurchased

Under IFRS, the Group is required to recognise a liability in respect of irrevocable commitments made to purchase Reuters Group PLC shares as part of its publicly-announced buy-back programme during the post-balance sheet close period. A corresponding reduction in shareholders' equity is also recorded.

Under US GAAP, this commitment is not recorded as a liability and reduction to shareholders' equity as there is no fixed price or fixed number of shares and the counterparty has not purchased any shares as at the balance sheet date.

n. Taxation

Under IFRS, deferred taxes are accounted for in accordance with IAS 12 'Income Taxes', which requires deferred tax to be accounted for on temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilised. Assets not recognised are disclosed in note 26.

Under US GAAP, deferred taxes are accounted for in accordance with FAS 109 'Accounting for Income Taxes' on all temporary differences and a valuation allowance is established in respect of those deferred tax assets where it is more likely than not that some portion will remain unrealised.

Deferred tax adjustments in the IFRS to US GAAP reconciliation are primarily the result of the deferred tax impact of the other US GAAP adjustments made in the reconciliation.

In addition, IFRS and US GAAP adopt difference bases for recognising deferred tax on employee share awards. Under FAS 123(R) deferred tax assets are recognised over the service period based on the compensation charge. Any realised tax deductions which exceed the related compensation charge is recognised in additional paid in capital (APIC). These 'windfall' tax benefits are pooled and can be used to offset shortfalls in deductions related to other share awards. Windfall tax benefits can only enter the APIC pool to the extent they are realised. Where these benefits form part of tax losses carried forward, they are not recognised until they reduce taxes payable. The APIC pool as at 1 January 2006 has been calculated using the 'short-cut method' option available under FSP FAS 123(R)-3.

Tax adjustments also arise in respect of the timing of recognition of current tax benefits.

o. Reclassification of minority interest

IFRS requires the presentation of minority interest within equity on the face of the balance sheet. Under US GAAP, minority interest is presented as a separate item on the face of the balance sheet outside of equity.

Under IFRS, certain directly attributable costs are capitalised as part of the cost of both external and internal software development and amortised over the life of the asset. Under US GAAP, these costs are not capitalised on internal software development, but expensed as incurred.

financing. The asset is retained on the balance sheet at its written down value and depreciated over the term of the lease. The proceeds received from the sale of the property are deferred on the balance sheet as a financing liability, whilst lease rental payments are offset against the liability as they are made. The differences between the initial proceeds received and subsequent rental payments are recorded as financing costs over the term of the lease.

132 Notes on the summary of differences

between IFRS (as adopted by the EU) and US GAAPcontinued

01 Adjustments to net income

	Notes	2006 £m	2005 £m	2004 £m
Profit/(loss) attributable to ordinary shareholders in accordance with IFRS		305	456	364
US GAAP adjustments:				
Intangible amortisation and impairment	a	(4)	(4)	21
Amortisation of gain on assets contributed to joint ventures	c	–	–	6
Profit/(loss) on disposal of subsidiaries	d	–	(32)	(18)
Profit/(loss) on disposal of joint ventures	d	(5)	–	–
Profit/(loss) on disposal of associates	d	–	–	(35)
Profit/(loss) on disposal of available-for-sale and other financial assets	e	–	42	(18)
Stock options	f	(2)	(1)	18
Cumulative effect of change in accounting principle for FAS 123(R)	f	(3)	–	–
Pensions	g	(29)	(28)	1
Restructuring	h	59	(9)	105
Derivative financial instruments	i	14	(42)	58
Consolidation of subsidiary undertakings	j	–	–	(7)
Sale and leaseback	k	–	(1)	(1)
Taxation	n	(29)	18	(62)
Minority interest in respect of US GAAP adjustments	o	–	(3)	7
Net income/(loss) attributable to ordinary shareholders in accordance with US GAAP		306	396	439
		2006 pence	2005 pence	2004 pence
Earnings and dividends:				
Basic earnings per ADS* in accordance with US GAAP		142	170	188
Diluted earnings per ADS* in accordance with US GAAP		139	165	183
Dividend paid per ADS*		61.5	60	60
Weighted average number of shares used in basic EPS calculation (millions)		1,297	1,396	1,400
Dilutive shares		24	41	36
Used in diluted EPS calculation		1,321	1,437	1,436

* One ADS is equivalent to six ordinary shares.

02 Adjustments to shareholders' equity

	Notes	2006 £m	Restated 2005 £m	2004 £m
Shareholders' equity in accordance with IFRS		172	511	371
US GAAP adjustments:				
Goodwill and other intangibles	a	111	128	119
Joint ventures and associates	b	1	6	8
Deferred gain on assets contributed to joint ventures	c	–	–	(31)
Profit/(loss) on disposal of available-for-sale and other financial assets	e	(7)	(2)	89
Stock options	f	1	(57)	(33)
Pensions	g	19	177	143
Restructuring	h	(12)	(71)	(45)
Derivative financial instruments	i	(13)	6	(8)
Consolidation of subsidiary undertakings	j	–	–	(7)
Sale and leaseback	k	(2)	(2)	(1)
Property, plant and equipment	l	1	1	1
Shares to be repurchased	m	53	59	–
Taxation	n	(43)	(51)	(39)
Minority interest in respect of US GAAP adjustments	o	–	–	1
Shareholders' equity in accordance with US GAAP		281	705	568

Shareholders' equity in accordance with IFRS in 2005 has been restated to reflect irrevocable commitments to repurchase shares during close periods as a liability (see 'Basis of accounting' on page 78). This IFRS restatement results in an additional US GAAP adjustment ('Shares to be repurchased') in 2005 as shareholders' equity in accordance with US GAAP in 2005 is unchanged. There was no impact on amounts reported in accordance with IFRS in 2004.

03 Discontinued operations

Under IFRS, operations are classified as discontinued if they have been either disposed of, or are classified as held for sale, and: represent a major line of business or geographical area of operation; the disposal is part of a single coordinated plan; or if the operations constitute a subsidiary acquired exclusively with a view to resale. As discussed in note 7 on page 87–88, there were no discontinued operations in 2006 under IFRS, but Radianz, Instinet and BTC were classified as discontinued operations in 2004 and 2005.

Under US GAAP, operations are classed as discontinuing operations if the operations and cash flows of the component will be eliminated from the ongoing operations as a result of the disposal transaction and the Group will not have any significant continuing involvement in the operations after the disposal. The Group determined that it had not eliminated significant cash flows related to Radianz and therefore Radianz did not meet the criteria for classification as a discontinued operation; accordingly, the results of Radianz, for US GAAP purposes, have been reported within continuing operations. Instinet and BTC did meet the criteria and have been classified within discontinued operations.

The disposal of Factiva in 2006 did not meet the criteria for discontinued operations under IFRS or US GAAP.

Under US GAAP the key data for the operations classed as discontinuing operations are analysed below:

	2006 £m	2005 £m	2004 £m
Discontinued operations under US GAAP			
Operating income	–	96	66
Income tax charge	–	(15)	(18)
Profit on disposal	12	133	–
Minority interest	–	(29)	(4)
Net income	12	185	44
Basic profit per ADS	5.8p	79.4p	19.7p
Diluted profit per ADS	5.7p	77.2p	18.9p

04 Additional disclosures required by US GAAP

Derivative financial instruments

The current year loss on derivative financial instruments is £8 million (2005: £41 million loss, 2004: £58 million gain). At 31 December 2006, the balance sheet includes a derivative asset of £33 million and a derivative liability of £40 million. The current year loss includes a loss of £25 million (2005: £17 million gain, 2004: £21 million gain) relating to currency forward contracts embedded within customer and supplier contracts.

Recent accounting pronouncements

SAB 108 'Considering the effects of prior year misstatements when quantifying misstatements in current year financial statements'

In September 2006, the SEC issued SAB 108 which provided guidance in respect of the correction of accounting errors. This requires the quantification of financial statement errors under US GAAP based on the effect of applying both the iron-curtain and the roll-over methods on each of the entity's primary statements and

FASB Statement No. 155 'Accounting for Certain Hybrid Financial Instruments' (FAS 155)

In February 2006, the FASB issued FAS 155, which is an amendment to FAS 133 and FAS 140. It simplifies accounting for certain hybrid financial instruments by permitting fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation. FAS 155 is effective for Reuters for all financial instruments acquired, issued, or subject to a remeasurement (new basis) event occurring after 1 January 2007. The adoption of FAS 155 is not expected to have a material impact on the Group's financial position or the results of its operations.

FASB Statement No. 157 'Fair Value Measurement' (FAS 157)

In October 2006, the FASB issued FAS 157, which addresses how companies should measure fair value when they are required to use a fair value measure for recognition or disclosure purposes and move towards a market-based measure instead of an entity-based measure, and expands disclosure requirements about fair value measurements. It is effective for fiscal years beginning after 15 November 2007 and will be adopted by Reuters as at 1 January 2008. The adoption of FAS 157 is not expected to have a significant impact on the Group's financial position or the results of its operations.

FASB Statement No. 159 'The Fair Value Option for Financial Assets and Liabilities' (FAS 159) – including an amendment of FAS 115

In February 2007, the FASB issued FAS 159 which permits entities to choose to measure many financial instruments and certain other items at fair value. This statement is effective as of the beginning of fiscal periods beginning after 15 November 2007. The adoption of FAS 159 is not expected to have a significant impact on the Group's financial position or the results of its operations.

FASB Interpretation No. 48 'Accounting for Uncertainty in Income Taxes' (FIN 48)

In June 2006, the FASB issued FIN 48, which provides an interpretation on FAS 109 and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertain tax positions. FIN 48 applies to fiscal periods beginning after 15 December 2006. The Group is in the process of assessing the impact on the Group's financial position.

05 Audit and non-audit fees

An analysis of fees payable to the company's auditors is set out below:

	2006 £m	2005 £m
Audit fees	3.9	3.0
Audit-related fees	0.4	2.2
Tax fees	1.0	2.6
All other fees	0.2	0.1
Total fees	5.5	7.9

Audit-related fees include accounting advice, due diligence activities relating to acquisitions and disposals and, in 2005, advice on preparation for compliance with section 404 of the Sarbanes-Oxley Act. Tax fees include advisory services relating to tax planning and employee-related issues and assistance with corporation and other tax returns.

related disclosures. The iron-curtain method quantifies an error as the amount by which the balance sheet is misstated whereas the roll-over method quantifies an error as the amount by which the income statement is misstated. The adoption of this guidance by the Group in 2006 has not resulted in any previously immaterial errors now being assessed as material and requiring retrospective adjustment under either IFRS or US GAAP.

134 Consolidated financial summary

Three year consolidated financial summary (IFRS)

For the year ended 31 December	IFRS 2006 £m	Restated IFRS 2005 £m	IFRS 2004 £m
Results:			
Revenue ¹	2,566	2,409	2,339
Net finance costs	(15)	(12)	(12)
Profit before tax	313	238	396
Taxation	(20)	(9)	(40)
Profit attributable to equity holders of the parent	305	456	364
Net assets:			
Non-current assets	1,314	1,179	1,025
Current assets	606	957	1,410
Current liabilities	(913)	(797)	(1,249)
Non-current liabilities	(835)	(829)	(714)
Non-current assets classified as held for sale	–	1	145
Liabilities directly associated with non-current assets classified as held for sale	–	–	(47)
	172	511	570
Property, plant and equipment:			
Additions	130	137	111
Depreciation	95	103	130
	2006	2005	2004
Ratios:			
Basic earnings per ordinary share from continuing operations	22.6p	16.3p	25.4p
Dividends per ordinary share	10.25p	10.0p	10.0p
Book value per ordinary share ²	13.7p	37.8p	26.5p
Profit before tax as a percentage of revenue (%)	12.2	9.9	16.9
Return on property, plant and equipment ³ (%)	80.4	64.2	85.7
Return on equity ⁴ (%)	89.5	103.4	108.5
UK corporation tax rate (%)	30	30	30

Infrastructure:			
Shares issued (millions)	1,470	1,441	1,436
Employees	16,900	15,300	14,465
User accesses	342,000	346,000	328,000

2005 has been restated to recognise irrevocable commitments to repurchase shares during close periods as a liability (see ‘Basis of accounting’ on page 78). The impact of recognising these commitments is to increase current liabilities and to decrease shareholders’ equity at 31 December 2005 by £59 million.

- Notes:
- 2004 and 2005 exclude revenue for Instinet Group, which was classified as a discontinued operation and subsequently sold in 2005.
- Ratios:
- Book value per ordinary share represents total parent shareholders’ equity divided by the number of shares in issue after deducting shares held by Employee Share Ownership Trusts and repurchased shares
 - Return on property, plant and equipment represents profit after tax from continuing operations as a percentage of average property, plant and equipment. The average is calculated by adding property, plant and equipment at the start and the end of each year and dividing by two.
 - Return on equity represents profit attributable to equity holders of the parent divided by the average total parent shareholders’ equity. The average is calculated by adding total parent shareholders’ equity at the start and the end of each year and dividing by two.

Nine year consolidated financial summary (UK GAAP)

For the year ended 31 December	UK GAAP 2003 £m	UK GAAP 2002 £m	UK GAAP 2001 £m	UK GAAP 2000 £m	UK GAAP 1999 £m	UK GAAP 1998 £m	UK GAAP 1997 £m	UK GAAP 1996 £m	UK GAAP 1995 £m
Results:									
Revenue	3,235	3,593	3,885	3,592	3,125	3,032	2,882	2,914	2,703
Net interest (payable)/receivable	(29)	(20)	(9)	3	(4)	2	80	61	60
Profit/(loss) before tax	56	(344)	158	657	632	580	626	652	558
Taxation	22	23	107	136	196	196	236	210	185
Profit/(loss) attributable to ordinary shareholders	50	(255)	46	521	436	384	390	442	373
Net assets:									
Fixed assets	1,192	1,448	1,963	1,868	1,205	1,098	1,046	1,026	999
Net current (liabilities)/assets	(89)	(190)	(134)	(293)	(170)	(577)	790	525	387
Long-term creditors	(425)	(354)	(344)	(310)	(284)	(16)	(37)	(41)	(135)
Provisions	(271)	(245)	(212)	(112)	(88)	(116)	(120)	(51)	(39)
	407	659	1,273	1,153	663	389	1,679	1,459	1,212
Tangible fixed assets:									
Additions	130	154	276	282	244	296	361	372	304
Depreciation	193	227	246	276	310	331	312	283	250
Development expenditure	171	200	294	323	197	200	235	202	191
	2003	2002	2001	2000	1999	1998	1997	1996	1995
Ratios:									
Earnings/(loss) per ordinary share	3.6p	(18.3p)	3.3p	37.1p	30.9p	26.7p	24.0p	27.3p	23.2p
Dividends per ordinary share	10.0p	10.0p	10.0p	16.0p	14.65p	14.4p	13.0p	11.75p	9.8p
Book value per ordinary share ¹	15.2p	30.7p	68.2p	73.7p	40.5p	23.3p	99.9p	88.3p	73.7p
Profit/(loss) before tax as a percentage of revenue (%)	1.7	(9.6)	4.1	18.3	20.2	19.1	21.7	22.4	20.6
Return on tangible fixed assets ² (%)	6.3	(56.8)	7.8	78.3	59.1	48.2	49.0	60.0	55.2
Return on equity ³ (%)	15.7	(36.8)	4.6	65.0	92.2	78.5	25.6	33.7	34.8
UK corporation tax rate (%)	30	30	30	30	30	31	32	33	33

Infrastructure:

Shares issued (millions)	1,433	1,433	1,431	1,429	1,423	1,422	1,694	1,689	1,677
Employees	16,744	17,414	19,429	18,082	16,546	16,938	16,119	15,478	14,348
User accesses	338,000	388,000	592,000	558,000	520,858	482,380	429,000	362,000	327,100

Notes:

Information provided prior to 2004 year end was reported under UK GAAP which may differ materially from IFRS. The main differences impacting the Group's financial statements are on account of share-based payments, employee benefits, intangible assets and financial instruments.

2003 and 2002 have been restated following adoption of UITF17 and UITF38, and the reclassification of transaction-related regulatory fees following recently issued SEC guidance.

2003 and 2002 user accesses have been revised to reflect the exclusion of mobile and other low-cost accesses. 1997 and 1998 have been restated to reflect changes to reporting user accesses in 1999.

1999 and 2000 have been restated following adoption of FRS 19.

1995 and 1996 have been restated to reflect the effect of FRS 10 issued in 1997 which required purchased goodwill and intangible assets to be capitalised and amortised through the profit and loss account.

Ratios:

- 1 Book value per ordinary share represents adjusted shareholders' equity divided by the number of shares in issue after deducting shares held by employee share ownership trusts. In 1995 to 1997, shares in Reuters Holding PLC held by Group companies are also deducted from shares in issue. Adjusted shareholders' equity is calculated after deducting the carrying value of interests in shares of Reuters Holdings PLC (1995 to 1997).
- 2 Return on tangible fixed assets represents profit after taxation as a percentage of average tangible fixed assets. The average is calculated by adding tangible fixed assets at the start and the end of each year and dividing by two.
- 3 Return on equity represents profit attributable to ordinary shareholders divided by the average adjusted shareholders' equity. The average is calculated by adding adjusted shareholders' equity at the start and the end of each year and dividing by two. In 1998 a weighted average has been used to reflect the capital reorganisation.

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144 Information for shareholders

Ordinary shares

As of 9 March 2007, there were 1,242,432,092 ordinary shares outstanding, excluding 30,431,547 ordinary shares held in employee share ownership trusts and 138,360,000 held in treasury (see note 33 on page 120).

Major shareholders

The company had received notice under section 198 of the UK Companies Act 1985 or under the Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006 (DTRs) DTR 5, as at 9 March 2007 that the following parties held notifiable interests in its shares or voting rights:

	Number of shares held on 9 March 2007	Percentage of issued share capital	Number of shares held on 7 March 2006	Number of shares held on 2 March 2005	Number of shares held on 3 March 2004
Schroders Plc	99,602,990	7.8	—	—	—
ValueAct Capital Master Fund L.P.	83,551,212	6.6	—	—	—
Fidelity International Limited*	82,177,979	6.5	150,753,687*	130,364,252	94,238,074
AMVESCAP plc	62,194,192	4.9	—	—	—
BlackRock Inc.**	48,978,642	3.8	48,978,642	48,978,642	48,978,642
Legal & General Investment Management	44,901,479	3.5	55,230,590	58,006,887	43,076,669
Barclays PLC	40,069,073	3.1	—	53,902,608	46,046,872
Capital Group of Companies, Inc.	39,399,900	3.1	42,135,514	—	—

* shares held by Fidelity Investments

** Formerly Merrill Lynch Investment Management

The company's major shareholders do not have any different voting rights from the other ordinary shareholders. There have been some changes in the holdings of the company's major shareholders during the last three years. Most notably, Fidelity no longer holds in excess of 10% of the company's voting capital as was the case during 2005 and 2006. Fidelity increased its holding throughout the year by a total of approximately 3% but then sold approximately 6% at the beginning of 2007. The Capital Group of Companies, Inc. held around 3% throughout 2006, first notifying the company in January 2006; it fell below the 3% notification threshold in January 2007 and notified the company again in March 2007 of a 3.1% holding. Barclays PLC, Legal & General Investments and BlackRock Inc. (previously Merrill Lynch Investment Management) have held notifiable holdings for the last three years and continue to do so. Following the implementation of the new DTRs on 20 January 2007, Schroders Plc, ValueAct Capital Master Fund, L.P. and AMVESCAP plc notified the company of their voting rights in Reuters shares.

The Founders Share

Independence, integrity and freedom from bias in the gathering and dissemination of news and information are fundamental to Reuters. Reuters Founders Share Company Limited (the Founders Share Company) was established to safeguard those qualities and holds a single Founders Share. This share may be used to outvote all ordinary shares if other safeguards fail and there is an attempt to effect a change in control of the company. 'Control', for this purpose, means 30% of the ordinary shares. The directors of the Founders Share Company have a duty to ensure, as far as they are able by the proper exercise of the powers vested in them, that the Reuters Trust Principles are observed (see pages 146-149).

The current directors of the Founders Share Company are as follows:

	Trustee since
The Honourable Mrs Anson Chan, GBM, CBE, JP	2002
Leonard Berkowitz	1998
Sir Michael Checkland	1994
Bertrand Collomb	2004
Jiri Dienstbier	2005
Uffe Ellemann-Jensen, MP	2001
John Fairfax, AM	2005
Dr Frene Ginwala	2004
Pehr Gyllenhammar (Chairman)	1997
Alejandro Junco de la Vega	2006
Joseph Lelyveld	2004

The Founders Share Company's directors are nominated by a Nomination Committee which includes certain serving directors of the Founders Share Company, one person nominated by each of four news associations, two people appointed by the Chairman of Reuters Group PLC and two people appointed after consultation with the European Court of Human Rights. A director of the Founders Share Company may not be a director or employee of Reuters Group.

Sir Christopher Mallaby, GCMG, GCVO	1998
John McArthur	2001
Mammen Mathew	2002
The Right Hon The Baroness Noakes, DBE	1998
Sir William Purves, CBE, DSO	1998
Jaakko Rauramo	1999
Dr Mark Wössner	2001

Founders Share Company directors are appointed for an initial term of five years and must resign at the AGM on or after the fifth anniversary following appointment or re-appointment. Trustees are eligible for reappointment for a further term of five years, subject to a maximum term of 15 years and maximum age limit of 75. Except as described above, to the best of the Group's knowledge, the company is not directly or indirectly owned or controlled by another corporation, by any foreign government or by any other natural or legal person, severally or jointly, and currently there are no arrangements that may, at a subsequent date, result in a change in control of the company.

Corporate structure

The Group conducts its business through a portfolio of companies, including wholly and partly-owned subsidiary undertakings, joint ventures and associates. Information concerning the most significant companies is contained in note 39 to the consolidated financial statements, on page 128.

Trading markets

The company's ordinary shares are traded on the London Stock Exchange. American Depositary Shares (ADSs), each representing six ordinary shares, are traded on the NASDAQ Stock Market. The ADSs are evidenced by American Depositary Receipts (ADRs) issued by Deutsche Bank Trust Company Americas, as depositary under a deposit agreement, dated 18 February 1998 and supplemented 16 December 2005 (the Deposit Agreement), among the company, the Depositary and ADR holders.

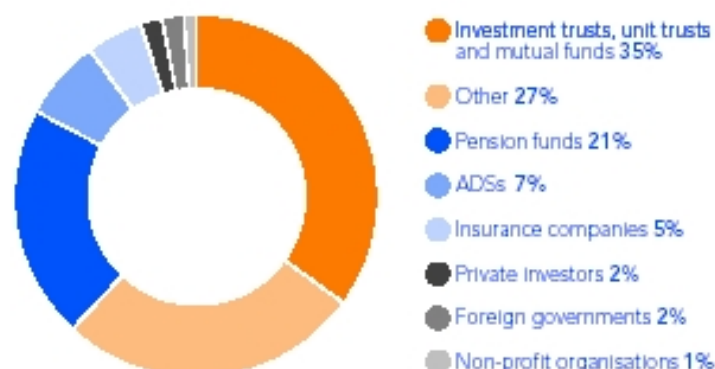
The table below sets out, for the periods indicated (i) the reported high and low sales prices for the ordinary shares based on the Daily Official List of the London Stock Exchange and (ii) the reported high and low sales prices of the ADSs on NASDAQ.

	The London Stock exchange pounds per share		NASDAQ US dollars per ADS	
	High	Low	High	Low
Annual market prices				
2002	7.47	1.61	64.36	15.12
2003	2.68	0.96	27.09	9.59
2004	4.29	2.41	49.15	25.72
2005	4.31	3.52	49.35	37.33
2006	4.75	3.49	54.25	38.51
Quarterly market prices				
2005				
First quarter	4.28	3.64	49.35	40.83
Second quarter	4.26	3.75	48.65	41.48
Third quarter	4.12	3.59	43.45	39.03
Fourth quarter	4.31	3.52	44.40	37.33
Quarterly market prices				
2006				
First quarter	4.61	3.80	48.44	39.67
Second quarter	4.10	3.54	45.71	38.67

Analysis of shareholders

As of 9 March 2007, there were 1,242,432,092 Reuters ordinary shares in issue, including the shares referred to below but excluding ordinary shares held by employee share ownership trusts and shares held in treasury. There were 26,506 shareholders on the ordinary share register analysed in the chart below.

As of the same date, 1,004,081 ordinary shares and 16,199,871 ADSs (representing 97,199,226 ordinary shares) were held on the record in the US. These ordinary shares and ADSs were held by 946 record holders and 2,612 record holders respectively, and represented or evidenced ADSs respectively, representing 7.7% respectively of the total number of ordinary shares outstanding. Since certain of these ordinary shares and ADSs were held by brokers or other nominees, the number of record holders in the US may not be representative of the number of beneficial holders or of where the beneficial holders are resident.



Dividends

The table below sets forth the amounts of interim, final and total dividends (excluding any associated UK tax credit discussed on page 150) paid in respect of each fiscal year indicated. Pound sterling amounts per share have been translated into US cents per ADS at the actual rates of exchange used for each of the respective payments of interim and final dividends.

	Pence per share			Cents per ADS		
	Interim	Final	Total	Interim	Final	Total
2002	3.85	6.15	10.00	36.05	58.46	94.51
2003	3.85	6.15	10.00	36.08	64.88	100.96
2004	3.85	6.15	10.00	40.94	70.24	111.18
2005	3.85	6.15	10.00	41.18	68.20	109.38
2006	4.10	6.90	11.00	46.87	—	—

See page 68 for a discussion of the Group's dividend policy.

An interim dividend of 4.10 pence per ordinary share was paid on 30 August 2006. The directors recommend a final dividend of 6.90 pence per ordinary share, giving a total of 11 pence per ordinary share for the year (2005: 10 pence). Subject to shareholders' approval at the AGM to be held on 26 April 2007, the final dividend will be paid on 3 May 2007 to members on the register holding ordinary shares at the close of business on 16 March 2007. It will be paid on 10 May 2007 to ADS holders on the register at the close of business on 16 March

Third quarter	4.43	3.49	50.06	38.51
Fourth quarter	4.75	4.31	54.25	48.20
Monthly market prices				
2006				
August	4.04	3.77	46.14	42.50
September	4.43	3.98	50.06	44.85
October	4.61	4.31	52.46	48.20
November	4.75	4.41	53.91	50.15
December	4.63	4.37	54.25	51.20
Monthly market prices				
2007				
January	4.56	4.32	53.06	50.70
February	4.45	4.24	52.53	49.55
March (to 9 March)	4.44	4.22	51.66	48.18

2007 and will be converted into US dollars from sterling at the rate prevailing on 10 May 2007.

Details of the changes in the authorised and called up share capital are set out in note 27 on page 116.

146 Information for shareholders continued

History and development

The ultimate holding company for the Group, Reuters Group PLC, was incorporated in England and Wales on 24 December 1996, though its predecessor was formed in England in 1851. Reuters Group PLC's registered office and corporate headquarters are located at The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP, UK.

Memorandum and Articles of Association

The following description summarises certain material rights of holders of the company's ordinary shares of 25 pence each and material provisions of the company's Memorandum and Articles of Association (the Articles), the Memorandum and Articles of Association of Reuters Founders Share Company Limited (the Founders Share Company) and English law. The following description is a summary only and is qualified in its entirety by reference to the Articles (which have been filed with the SEC and Companies House) and the Companies Act 1985.

All of the outstanding ordinary shares are fully paid. Accordingly, no further contribution of capital may be required from the holders of such shares by Reuters. In this description, the term 'holder' refers to the person registered in the register of members as the holder of the relevant share and the term 'beneficial owner' refers to a person other than the holder who has a beneficial interest in the relevant share. Deutsche Bank, which acts as Depositary under the Deposit Agreement relating to the ADSs, is the holder of the ordinary shares represented by the outstanding ADSs.

General

Reuters Group PLC is incorporated under that name and is registered in England and Wales with registered number 3296375. Its objects are set out in the fourth clause of its Memorandum of Association and cover a wide range of activities, including the following:

- collecting information and supplying news and information services and products;
- acquiring and operating wireless installations, satellites and other means of communication;
- utilising the Group's communications capabilities to provide various financial and securities markets services; and
- carrying on any other business supplemental to the foregoing or capable of enhancing the Group's profitability or capitalising on the Group's expertise.

The Memorandum of Association provides a broad range of corporate powers to effect these objectives.

The Reuters Trust Principles and the Founders Share Company

The Articles contain two sets of restrictions relating to the ownership of Reuters shares. These restrictions are intended to ensure continued compliance with the following principles (the Reuters Trust Principles) set out in the Article F.114:

- 'that Reuters shall at no time pass into the hands of any one interest, group or faction;
- that the integrity, independence and freedom from bias of Reuters shall at all times be fully preserved;
- that Reuters shall supply unbiased and reliable news services to newspapers, news agencies, broadcasters and other media subscribers and to businesses, governments, institutions, individuals and others with whom Reuters has or may have contracts;
- that Reuters shall pay due regard to the many interests which it serves in addition to those of the media; and
- that no effort shall be spared to expand, develop and adapt the news and other services and products of Reuters so as to maintain its leading position in the international news and information business.'

The first set of restrictions contained in the Articles applies to persons that become 'interested' in 15% or more of the ordinary shares outstanding at any time (excluding any shares held by Reuters as treasury shares). The term 'interested' is defined in the Articles by reference to provisions of the Companies Act 1985 which require persons to disclose to public companies interests in voting shares in excess of a prescribed percentage. Subject to certain exceptions, all shares held by a person who reaches the 15% limit will be disenfranchised and the shares exceeding the 15% limit must be disposed of. This set of restrictions is more fully described below under 'Rights and restrictions attaching to Reuters shares – Restrictions on ownership – Disenfranchisement and disposal of excess interests.'

Second, the company's share capital includes the Founders Share, which is held by the Founders Share Company, a company limited by guarantee consisting of individuals who constitute both its members and directors. The Founders Share empowers the Founders Share Company to cast such number of votes as will pass any resolution supported by and defeat any resolution opposed by, the Founders Share Company if it believes that any person or persons have obtained, or are seeking to obtain, control of the Group. Control for these purposes is defined as the ability to control the exercise of 30% or more of the votes that may be cast on a poll at general meetings. Under the Articles, the special rights attaching to the Founders Share may not be varied or abrogated in any respect without the prior written consent of the Founders Share Company. The rights attaching to the Founders Share are described in more detail below under 'Rights and restrictions attaching shares – Voting rights – Rights conferred by Founders Share.'

The restrictions on interests in ordinary shares and the extraordinary voting rights of the Founders Share may be characterised as anti-takeover provisions to the extent they may have the effect of preventing a bid for control of the Group. Tender offers or other non-market acquisitions of shares are usually made at prices above the prevailing market price of a company's shares. Acquisitions of shares by persons attempting to acquire control through market purchases may support the price of shares at market levels higher than otherwise would be the case. The restrictions and extraordinary voting rights summarised in this section may be expected to preclude such offers.

Directors

The company's Articles provide for a board of directors consisting of not fewer than five nor more than 15 directors. The Articles require that, in performing their duties, the directors have due regard for the Reuters Trust Principles insofar as, by the proper exercise of their powers and in accordance with their other duties as directors, the directors may do so.

The Articles contain provisions that require the board of directors to include at least five non-executive directors before a new executive director can be appointed.

Under the Articles, a director may not vote in respect of any contract, arrangement or proposal in which the director, or any person connected with the director, has any material interest other than by virtue of the director's interests in securities of, or otherwise in or through, the company. This is subject to certain exceptions relating to proposals (a) giving the director any guarantee, security or indemnity in respect of obligations incurred at the request of or for the benefit of the Group, (b) giving any guarantee, security or indemnity to a third party in respect of obligations of the Group for which the director has assumed responsibility under an indemnity or guarantee, (c) relating to an offer of securities of the Group in which the director may be entitled to participate or will be interested as an underwriter, (d) concerning any other company in which the director is beneficially interested in less than 1% of the issued shares of any class of the company or the voting rights available to its shareholders, (e) relating to the adoption, modification or operation of any employee benefits plan which will provide the director with the same benefits as other employees and (f) relating to any liability insurance that Reuters is empowered to purchase for its directors or employees in respect of actions undertaken as directors or officers of the Group.

The directors are empowered to exercise all the powers of the Group to borrow money, subject to the limitation that the aggregate principal amount outstanding in respect of monies borrowed by the Group shall not exceed a sum equal to two and a half times the company's share capital and aggregate reserves, calculated in the manner described in the Articles and £5,000 million, unless sanctioned by an ordinary resolution of the company's shareholders.

At each AGM of Reuters shareholders at least one-third of the directors (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. The directors to retire by rotation at the AGM include any director who is due to retire at the meeting by reason of age as prescribed in section 293 of the Companies Act 1985, namely 70 years old. A retiring director shall be eligible for re-election subject to the requirements of the Combined Code. Since the 2005 AGM, the Board has asked all directors to stand for re-election on an annual basis. For additional information see 'Statements of directors' responsibilities and compliance' on page 40. The Amended Articles for which shareholder approval is being sought at the 2007 AGM remove the requirement that a director should retire when he reaches the age of 70 in order to comply with the new Employment Equality (Age) Regulations 2006.

Directors are not required to hold shares in order to qualify as a director. A director not holding any shares may nevertheless attend and speak at general meetings of the company. For further information on Reuters personal shareholding policy refer to the 'Remuneration report' on page 30.

Rights and restrictions attaching to shares

Dividends

Holders of ordinary shares are entitled to participate in the payment of dividends pro rata to their holdings. The Founders Share is not entitled to participate in the payment of dividends nor will any dividend be paid on any shares held by Reuters in treasury. The Board may propose and pay interim dividends and recommend a final dividend, in respect of any accounting period out of the profits available for distribution under English law.

A final dividend may be declared by the shareholders in general meeting by ordinary resolution, but no dividend may be declared in excess of the amount recommended by the Board.

The company may allot ordinary shares in lieu of cash dividends, subject to shareholder approval at the time the relevant dividend is declared. In addition, the company may declare and pay equivalent dividends to shareholders outside the United Kingdom in local currencies and pay such dividends to the Depositary for value on the payment date.

Voting rights

Rights conferred by ordinary shares Voting at a general meeting of shareholders is by show of hands unless, before or on making known the result, a poll is demanded in accordance with the Articles. If voting is by show of hands, each holder of ordinary shares who is present in person has one vote. On a poll, every holder of ordinary shares who is present in person or by proxy has one vote for every ordinary share held. Voting on all resolutions is carried out by way of a poll.

The Company now chooses to put all resolutions at the AGM to a poll vote.

Holders of a substantial number of ordinary shares may be disenfranchised under the circumstances described under 'Restrictions on ownership' below.

Rights conferred by the Founders Share The Founders Share confers upon the Founders Share Company the right to cast such number of votes as are necessary to defeat any resolution which would vary or abrogate the rights of the Founders Share. The Articles provide that the alteration of specified articles relating to the Founders Share and the Reuters Trust Principles are deemed to constitute a variation of the rights of the Founders Share. In addition, any resolution proposing the winding up of the Group voluntarily, by the Court, or any reconstruction of the Group, or any resolution which would attach to any share voting rights not identical in all respects with those of the ordinary shares, is deemed to be a variation of the rights of the Founders Share.

Additionally, if there are, in the opinion of the Founders Share Company, reasonable grounds for believing that any person and his associates have obtained or are attempting to obtain, directly or indirectly, control of Reuters, the Founders Share Company is entitled in its absolute discretion to serve Reuters with a written notice (a Founders Share Control Notice) to that effect. Control is defined for these purposes as the ability to control the exercise of 30% or more of the votes which may be cast on a poll at a general meeting. At all times after the service of a Founders Share Control Notice and pending its rescission, the Founders Share confers upon the Founders Share Company the right to cast on a poll such number of votes as are necessary to ensure the effective passing of any resolution in favour of which it votes and to ensure the defeat of any resolution against which it votes. The Articles provide that the opinion of the Founders Share Company in respect of the service or rescission of a Founders Share

148 Information for shareholders continued

Control Notice shall be final and binding and may not be challenged on any grounds whatsoever.

The Founders Share Company is entitled at any time to serve Reuters with a written request for an extraordinary general meeting and the directors are obliged to comply with such request. If they do not comply, the Founders Share Company is entitled to convene an extraordinary general meeting. If a Founders Share Control Notice has been served, however, the Founders Share Company can convene an extraordinary general meeting without first requesting that the directors do so. Four Founders Share Company directors present at the relevant Founders Share Company directors meeting can bind all the Founders Share Company directors to exercise the voting rights attaching to the Founders Share so as to defeat a resolution that would be deemed to be a variation of the rights attached to the Founders Share. However, the vote of a majority of the Founders Share Company directors (the chairman of the Founders Share Company having a casting vote in the event of equality of votes) is required to determine whether a Founders Share Control Notice should be served and, if so, the manner in which the voting rights attaching to the Founders Share shall be exercised (excluding the vote of any Founders Share Company directors who is associated with or materially financially interested in the person attempting to obtain control of Reuters).

Restrictions on ownership

Ordinary shares Under the Articles, a person is 'interested' in shares if, among other things, he is interested directly, or through his family or one or more companies, or through an interest in association with others pursuant to an agreement or understanding, or through a trust or if he controls the voting rights of others. The definition of 'interest in shares' in the Articles is made by reference, with specified variations, to certain provisions of the Companies Act 1985.

Disclosure of interests in ordinary shares The Articles provide for the disclosure of interests in Reuters ordinary shares by reference to the Companies Act 1985 provisions mentioned above, with specified variations. Under these provisions as currently in force, if a person acquires an 'interest' in voting shares of a public company amounting to 10% or more of the voting shares of any class, or if he increases or reduces such holding by at least 1% or if he ceases to have such holding, he is obliged to notify the company within two days of the day on which he acquired 10% or any such change in his interest took place. Further, if his interest is a 'material interest' the 10% referred to above is reduced to 3%.

The Articles provide for disenfranchisement of shares which are the subject of a notice under Section 212 of the Companies Act 1985 (which allows a company to require disclosure of certain details concerning ownership of its shares) if the person served with the notice is in default in answering it. The Articles also provide for the imposition of restrictions on transferability of the shares concerned and on the right to receive dividends if such shares represent at least 0.25% of the class concerned. Such restrictions cannot, however, be imposed until the expiry of 14 days after the date of the Section 212 notice. Any such restrictions cease if the shares concerned are sold pursuant to a takeover offer or to an unconnected third party or through the London Stock Exchange. The restrictions on transferability only apply to certificated shares. Where a holder of uncertificated shares is in default in answering a Section 212 notice, the Articles provide that the Founders Share Company may require the Group's directors to apply to the Court for such order as may be appropriate.

Disenfranchisement and disposals of excess interests Subject to certain exceptions described below, certain restrictions apply to

persons that become 'interested' (as defined in the Articles) in 15% or more of the ordinary shares. If any person becomes interested in 15% or more of the outstanding shares (excluding any shares held by Reuters as treasury shares) (the 'Relevant Shares'), the directors are required to serve a Restriction Notice on that person, on any other person known to the directors to have an interest in the Relevant Shares and, if different, on the registered holder of the Relevant Shares. While a Restriction Notice in respect of Relevant Shares is in force, a registered holder of the Relevant Shares is not entitled to attend or vote, either in person or by proxy, at any general meeting or at any meeting of the holders of any class of Reuters shares. In addition, a Restriction Notice will require such person to dispose of any Relevant Shares exceeding the 15% limit and supply evidence to the company that such disposal has occurred within 21 days or such longer period as the directors consider reasonable. If such disposition is not made within the specified period, the directors must as far as they are able, dispose of any shares exceeding the 15% limit. Under the Articles, any belief, resolution, decision or action of the directors held, made or taken pursuant to any of the provisions concerning restrictions on ownership shall be conclusive, final and binding on all persons concerned and may not be challenged on any grounds whatsoever.

The restrictions are subject to certain modifications where a person becomes interested in 15% or more of the issued shares of any class by reason of a rights issue or an underwriting in the ordinary course of its business.

The Founders Share Ownership of the Founders Share is restricted to the Founders Share Company. Under its Memorandum of Association, the Founders Share Company is not permitted, directly or indirectly, to dispose of the Founders Share or of any interest therein, or to grant any rights in respect of the Founders Share or any interest therein.

Treasury Shares Reuters may acquire and thereafter hold up to 10% of its issued listed share capital in treasury. Any such acquisition must be financed from the distributable profits of Reuters. Subject to certain limited exceptions, the rights attaching to shares while held in treasury will be suspended. Treasury shares may only be subsequently disposed of by Reuters by way of cash sale, transfer for the purposes of or pursuant to an employees' share scheme or cancellation.

Pre-emptive rights, new issues of shares, sale of treasury shares and repurchase of shares

Holders of ordinary shares have no pre-emptive rights under the Articles. However, the ability of the directors to cause the company to issue shares, securities convertible into shares or rights to shares, or to sell treasury shares, otherwise than pursuant to an employee share scheme, is restricted.

Under the Companies Act 1985, the directors are, with certain exceptions, unable to allot any equity securities without express authorisation, which may be contained in the Articles or given by its shareholders in general meeting, but which in either event cannot last for more than five years. The Companies Act 1985 imposes further restrictions on the issue of equity securities for cash or sale of treasury shares for cash other than by offering them first to existing shareholders unless the statutory requirement is displaced or modified by the shareholders in general meeting or under the company's Articles.

At Reuters AGM to be held on 26 April 2007, a resolution will be proposed to authorise the directors to allot relevant securities, as defined in the Companies Act 1985, including any equity securities, up to an aggregate nominal amount of £105 million until the earlier to occur of the AGM in 2008 or 26 July 2008. A resolution will also be

proposed to authorise equity securities as defined in the Companies Act 1985 to be issued within this limit by way of a rights offer, or otherwise pro rata to existing shareholders, but other issues of equity securities, except for shares issued pursuant to employee share schemes, will be limited to an aggregate of £16 million in nominal value.

Subject to applicable provisions of English law, the company may purchase its ordinary shares. Currently, it has general authority to repurchase up to 207 million ordinary shares. At the Reuters AGM on 26 April 2007, a resolution will be proposed to renew this authority up to a maximum of 192 million ordinary shares at prices ranging from 25 pence and not more than the higher of 5% above the average market value of the ordinary shares for the five business days prior to the day the purchase is made or the price stipulated by Article 5(1) of the buy-back and Stabilisation Regulation, namely the higher of the price of the last independent trade and the highest current independent bid on trading venues where the purchase is carried out.

During 2006 Reuters continued to operate the £1 billion share buy-back programme it announced on 26 July 2005. During 2006, 129,200,000 shares with a nominal value of £32,300,000 (representing 9% of called-up share capital) were repurchased at a cost of £526 million. 48 million of these shares were cancelled. In future, share buy-backs will be considered periodically, based on business performance, investment opportunities and maintaining a strong investment grade credit rating.

Rights in a winding up

If Reuters Group PLC is wound up, the liquidator may, with the authority of an extraordinary resolution, divide among the holders of ordinary shares and the Founders Share, pro rata to their holdings, Reuters assets (after satisfaction of liabilities to creditors), provided, however, that the Founders Share Company may receive up to £1 and no more.

Variation of rights and alteration of share capital

If, at any time, the company's share capital is divided into different classes of shares, the rights attached to any class may be varied, subject to the provisions of the Companies Act 1985, with the consent in writing of holders of three-quarters in value of the shares of that class or upon the adoption of an extraordinary resolution passed at a separate meeting of the holders of the shares of the class. At every such separate meeting, all of the provisions of the Articles relating to proceedings at a general meeting apply, except that the quorum is to be the number of persons (which must be two or more) who hold or represent by proxy not less than one-third in nominal value of the issued shares of the class.

The company can increase its share capital by ordinary resolution in conformity with the provisions of the Companies Act 1985. However, new shares cannot have voting rights, which are not identical to those of ordinary shares without the prior written consent of the Founders Share Company. Furthermore, the company may issue shares with preferred and other special rights or restrictions, provided that the prior written consent of the Founders Share Company has been sought for issuing any shares with rights not identical to those of ordinary shares. The company can consolidate, divide and cancel any of its shares (other than the Founders Share) by extraordinary resolution and can reduce its share capital (other than the Founders Share).

AGMs and extraordinary general meetings (EGMs)

AGMs must be convened upon advance written notice of 21 days. An extraordinary general meeting must be convened upon advance written notice of 21 days for the passing of a special resolution and 14 days for any other resolution, depending on the nature of the business to be transacted. The notice must specify the nature of the business to be transacted if it is other than routine business or if an extraordinary or a special resolution is proposed. The notice may also specify a time, not more than 48 hours prior to the time fixed for the meeting, by which a person must be entered on the company's register in order to have the right to attend and vote at the meeting.

Limitations on voting and shareholding

There are no limitations imposed by English law or the company's Articles on the right of non-residents or foreign persons to hold or vote ordinary shares or ADSs, other than the limitations that would generally apply to all of Reuters shareholders.

Exchange control

Under English law and the Articles, persons who are neither residents nor nationals of the UK may freely hold, vote and transfer their ordinary shares in the same manner as UK residents or nationals. There are currently no UK foreign exchange control restrictions on remittances of dividends to non-resident holders of ordinary shares or on the conduct of Reuters operations.

Exchange rates

The following table sets out, for the periods indicated, the average or the high and low Noon Buying Rates for pounds sterling in US dollars per £1.

Fiscal year ended 31 December	Average*	Month	High	Low
2002	1.51	August 2006	1.91	1.87
2003	1.64	September 2006	1.91	1.86
2004	1.84	October 2006	1.90	1.85
2005	1.83	November 2006	1.96	1.89
2006	1.86	December 2006	1.98	1.95
2007 (to 9 March)	1.96	January 2007	1.98	1.93
		February 2007	1.97	1.94

* The average exchange rates have been calculated using the Noon Buying Rates on the last trading day of each calendar month during the period.

On 9 March 2007 the Noon Buying Rate was \$1.93 per £1.

Fluctuations in the exchange rate between the pound sterling and the US dollar will affect the US dollar amounts received by holders of the ADSs upon conversion by the Depositary of cash dividends paid in pounds sterling on the ordinary shares represented by the ADSs. Also, fluctuations in the exchange rate may affect the relative market prices of the ADSs in the US and the ordinary shares in the UK. For the effect on the Group's results of operations of fluctuations in the exchange rates between the pound sterling and the other major

currencies (including the US dollar) in which revenues are received and expenses are incurred, see the OFR on page 54.

150 Information for shareholders continued

Taxation information for US shareholders

The following discussion of taxation is intended only as a descriptive summary and does not purport to be a complete technical analysis or listing of all potential tax effects relevant to a decision to acquire the company's ordinary shares or ADSs. This is a summary of the material US federal income tax and UK tax consequences of the ownership of ordinary shares or ADSs by a US holder who holds the ordinary shares or ADSs as capital assets. The summary does not take into account the specific circumstances of any particular investors, some of which may be subject to special rules, such as dealers in securities, US holders who hold directly or indirectly 10% or more of the voting stock or US holders who elected to apply the provisions of the former income tax convention between the United States and the United Kingdom. In addition, the summary is based in part upon the representations of the Depositary and the assumption that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with its terms. The summaries of US and UK tax laws are based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, current tax laws, current UK Revenue and Customs published practice and the terms of the UK/US double tax treaty which came into effect on 31 March 2003 (the Treaty), as appropriate, all of which are subject to change at any time, possibly with retrospective effect.

For the purposes of this discussion, a 'US holder' is any beneficial owner of ordinary shares or ADSs that is (i) a citizen or resident for tax purposes of the US, (ii) a corporation organised under the laws of the US or any US State, (iii) an estate the income of which is subject to US federal income tax without regard to its source, or (iv) a trust if a court within the US is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust.

Taxation of dividends

UK taxation

Under current UK taxation legislation, no withholding tax will be deducted from dividends paid by the company. A shareholder that is a company resident for UK tax purposes in the UK will not generally be taxable on any dividend it receives from the company. A shareholder who is an individual resident for tax purposes in the UK is entitled to a tax credit on cash dividends paid by the company on ordinary shares or ADSs equal to one-ninth of the cash dividend or 10% of the dividend plus the tax credit. Such shareholders will be taxable on the total of the dividend and the related tax credit, which will be regarded as the top slice of the shareholder's income. The tax credit may be set off against a UK resident individual shareholder's total income tax liability, but no cash refund will be available. A US holder (as defined above) will not be entitled to any tax credit from the UK Revenue and Customs in respect of a dividend from the company although there will be no further UK tax to pay in respect of that dividend.

US federal income taxation

The gross amount of any dividend paid by the company to a US holder will generally be subject to US federal income taxation. Such a dividend will not be eligible for the dividends-received deduction generally allowed to US corporations with respect to dividends from other US corporations. The amount of the dividend to be included in income will be the US dollar value of the pound sterling payments made, determined at the spot pound sterling/US dollar rate on the date of the dividend distribution, regardless of whether the payment is in fact converted into US dollars.

Qualified dividend income

An individual US holder's 'qualified dividend income' is subject to tax at a reduced rate of 15% provided that the shares or ADSs are held for at least 61 days of the 121 day period beginning on the date which is 60 days before the ex-dividend date and the holder meets other holding period requirements. Dividends will not however qualify for the reduced rate if the dividend-paying corporation is treated for the tax year in which dividends are paid (or for the prior year), as a 'passive foreign investment company' (a PFIC) for US federal income tax purposes. The Company does not believe it is a PFIC or was a PFIC for 2006. Accordingly, the company considers that dividends paid with respect to the shares or ADSs will be 'qualified dividend income' and, subject to the US holder's satisfaction of the holding period requirements described above, should be eligible for the reduced 15% US federal income tax rate. The company dividends generally will be foreign source passive income for US foreign tax credit purposes.

Taxation of capital gains

UK taxation

Upon a sale or other disposal by a holder of ordinary shares or ADSs, a gain or loss may be recognised for UK capital gains tax purposes equal broadly to the difference between the sterling value of the disposal proceeds and the holder's tax basis in the relevant ordinary shares or ADSs (and subject to the availability of any applicable exemptions). Under the Treaty, capital gains on disposals of ordinary shares or ADSs will generally be subject to tax only in the jurisdiction of residence of the relevant holder as determined for the purposes of the Treaty, unless the ordinary shares or ADSs are held as part of the business property of a permanent establishment of that holder in the UK in which case such capital gains may be subject to tax in both jurisdictions. The Treaty also contains an anti-avoidance rule which will be relevant to individuals who are residents of either the UK or the US and who have been resident of the other jurisdiction (the US or the UK, as the case may be) at any time during the six years immediately preceding the relevant disposal of shares or ADSs. The Treaty provides that, in such circumstances, capital gains arising from the disposal may be subject to tax not only in the jurisdiction of which the holder is resident at the time of the disposal, but also in that other jurisdiction.

Additional tax considerations

UK inheritance tax

An individual who is domiciled in the US for the purposes of the UK/US Estate and Gift Tax Convention (the Convention) and who is not a national of the UK for the purposes of the Convention, will not generally be subject to UK inheritance tax in respect of ordinary shares or ADSs on the individual's death, or on a transfer of ordinary shares or ADSs during the individual's lifetime provided that any applicable US federal gift or estate tax is paid. However, such an individual will be subject to UK inheritance tax if the ordinary shares or ADSs are part of the business property of a permanent establishment of the individual in the UK, or pertain to a fixed base in the UK of an individual who performs independent personal services. Special rules apply to ordinary shares or ADSs held in trust. In the exceptional case, where the disposition is subject both to UK inheritance tax and to US federal gift or estate tax, the Convention generally provides for any tax paid in the UK to be credited against tax liable to be paid in the US, or for tax paid in the US to be credited against the tax payable in the UK, based on priority rules set out in the Convention.

UK stamp duty and stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax (SDRT) will be payable on the transfer of an ADS, or agreement to transfer an ADS, provided that the instrument of transfer, or written agreement, is executed and retained outside the UK and does not relate to any matter or thing done, or to be done, in the UK. UK stamp duty will generally be payable on conveyances or transfers of ordinary shares, at the rate of 0.5% of the amount or value of the consideration, if any, for the transfer (rounded up to the next multiple of £5). SDRT will be imposed, at the rate of 0.5% of the amount or value of the consideration for the transfer if an agreement is made for the transfer of ordinary shares, unless an instrument of transfer of the ordinary shares in favour of the purchaser, or its nominee, is executed and duly stamped within six years of the day that the agreement is made (or, in a case where the agreement is conditional, the day that the condition is satisfied) in which case, any SDRT paid will be repaid (together with interest where the SDRT is not less than £25) on a claim for repayment or, to the extent not paid, the charge to SDRT will be cancelled. SDRT is in general payable by the purchaser of ordinary shares, but there are regulations which provide for collection from other persons in certain circumstances, including from CREST where the relevant ordinary shares are held in CREST. UK stamp duty or SDRT will generally be imposed on any instrument transferring ordinary shares to a person, or to a nominee or agent for such a person, whose business is or includes issuing depositary receipts (such as the ADSs) for relevant securities. In these circumstances, stamp duty or SDRT will be charged at the rate of approximately 1.5% of the amount or value of the consideration for the conveyance or transfer on sale or, otherwise, 1.5% of the value of the security transferred at the date the instrument is executed.

A transfer into CREST will not be subject to this charge. A transfer of ordinary shares from a depositary, or its agent or nominee, to a transferee, which results in the cancellation of the ADS, which cancellation is liable to stamp duty as a 'conveyance or transfer on sale' because it completes a sale of such ordinary shares, will be liable to ad valorem stamp duty, at the rate of 0.5% of the amount or value of the consideration, if any, for the transfer. A transfer of ordinary shares from a depositary, or its agent or nominee, to the ADS holder, which results in cancellation of the ADS but where there is no transfer of beneficial ownership, is not liable to duty as a 'conveyance or transfer on sale', but will be liable to a fixed stamp duty of £5.

US PFIC status

If a foreign company is a PFIC, based on either an income test or an asset test then certain distributions and gains can be allocated ratably over a US shareholder's holding period, with the effect that the amount allocated to the current taxable year and any taxable year before the company became a PFIC would be taxable as ordinary income in the current year and the amount allocated to other taxable years would be taxed at the highest rate in effect for that year on ordinary income. The tax is also subject to an interest charge to recover the deemed benefit from the deferred payment of the tax attributable to each such year. As referred to under the heading 'Taxation of capital gains – US federal income taxation', the company reasonably believes that it was not a PFIC in 2006 and does not anticipate becoming a PFIC. However, the tests for determining PFIC status are applied annually and it is difficult to make accurate predictions of future income and assets, which are relevant to this determination. Accordingly, we cannot assure US holders that the IRS would agree with our belief, nor can the company assure US holders that it will not become a PFIC. US holders are urged to consult their own tax advisors about the PFIC rules, including the consequences to them of making a mark-to-market election with respect to our ordinary shares and ADSs in the event that we qualify as a PFIC.

US information reporting and backup withholding

A US holder is generally subject to information reporting requirements with respect to dividends paid in the US on ordinary shares or ADSs and disposal proceeds realised from the sale, exchange, redemption or other disposal of ordinary shares or ADSs. In addition, a US holder is subject to backup withholding (currently at a rate of 28%) on dividends paid in the US on ordinary shares or ADSs and disposal proceeds realised from the sale, exchange, redemption or other disposal of ordinary shares or ADSs unless the US holder is a corporation, provides an IRS Form W-9 or otherwise establishes a basis for exemption. Backup withholding is not an additional tax. The amount of any backup withholding will be allowed as a credit against a US holder's US federal income tax liability and may be refunded, provided that certain information is furnished to the IRS.

Material contracts and transactions

FXMarketSpace

On 4 May 2006, Reuters and CME entered into an agreement to form FXMarketSpace, a 50/50 joint venture to create a centrally-cleared, global foreign exchange trading system. The joint venture was formed on 20 July 2006. Under the joint venture agreement, Reuters and CME have committed to invest up to \$45 million each, subject to the joint venture meeting certain performance milestones. Reuters and CME each have an equal number of representatives on the board of directors, and board actions generally require approval of at least one representative of each party.

The parties agreed to share all profits derived from the joint venture, including those profits derived through the provision of services by the parties to the joint venture, in proportion to their ownership interest. This is achieved by the joint venture paying a preferential dividend to the shareholder with the lesser profits (subject to accrual in years during which the joint venture does not have sufficient profits, and to the other shareholder making direct payment of its portion of any accrued amount where either party is exiting from the joint venture in certain circumstances).

152 Information for shareholders continued

The joint venture agreement contains limited transfer, put/call, and termination provisions, including: termination rights if certain volume and financial thresholds are not met in the fifth year after public launch of trading, subject to a call right of the non-terminating partner; put/call rights by the non-defaulting party in the event of certain key defaults; and transfer rights, including the right to transfer an interest in or require the sale of the entire joint venture, beginning only after ten years following public launch of trading, and subject to a right of first refusal by the other partner.

Subject to certain exceptions, CME and Reuters each agreed not to operate, have any significant interest in, or provide certain key services to, a competing, cleared platform for electronic trading of FX products (other than futures and futures options). If the venture requires funding beyond the committed amounts and only one partner is willing to provide such funding, the other party will have a right to terminate these restrictions subject to a call right of the nonterminating party.

Reuters has entered into agreements to provide trading access to and trade notification services for, and distribute market data from, FXMarketSpace, among various other services and arrangements. For further information, see note 34 on pages 123–124.

Radianz/BT

Sale of Radianz to BT. On 29 April 2005, Reuters sold Radianz to BT for cash consideration of \$175 million (£95 million) plus any cash remaining on the balance sheet, net of working capital adjustments, at the date of completion. The purchase agreement included standard warranties and indemnities from Reuters, and was otherwise generally on customary terms and conditions for a transaction of this nature. As a result of the sale of Radianz to BT, funding obligations from Reuters to Radianz of \$44 million were novated to BT.

Network Services Agreement. Reuters entered into a contract with BT effective 29 April 2005 under which BT became a supplier of network services to Reuters. Under this network services agreement, which has since been amended, BT provides and manages secure data networks for Reuters products and services worldwide and Reuters is currently expected to spend in the region of \$3 billion from 2005 through 2013. The agreement sets out the responsibilities of the parties to achieve the migration of all existing connections to BT's new IP network and contemplates completion of substantially all existing connections in the second quarter of 2008 (although a limited number of countries will be completed in 2010). Liquidated damages will be payable on a sliding scale if a party fails to achieve its migration responsibilities. The agreement contains minimum spend commitments for each year following completion of the migration, based on a declining percentage of the charges in the previous year, and obliges BT to meet certain quality of service levels. In addition, the agreement gives BT the opportunity to tender for any future telecommunication services needed by Reuters.

Savvis Network Services Agreements

Reuters is party to a three-year network services agreement, dated 19 May 2005, with Savvis for internet protocol network services, internet access, co-location and other services. The agreement contains no minimum spend commitments and obliges Savvis to meet certain quality of service levels. In addition, on 3 June 2005, in connection with the acquisition of the Telerate business, Reuters acquired Telerate's agreement with Savvis for the provision of internet protocol network services, internet access, co-location and other services to support the acquired Telerate business. The agreement expires 1 October 2009 and is an exclusive arrangement for the Telerate business so long as Savvis remains in material compliance with its obligations.

Sale of Factiva

On 18 October 2006, Reuters agreed to sell the majority of its 50% stake in Factiva to Dow Jones. The sale occurred on 15 December 2006 and Reuters received cash consideration of \$178 million. Reuters retained a minority preference share interest valued at \$7 million in a Factiva entity. In connection with the sale, Reuters entered into or continued a number of commercial arrangements with Factiva and Dow Jones, and agreed not to compete with Factiva's core business for a two-year period and to continue exclusivity arrangements with respect to certain Reuters content provided to Factiva.

Sale of Instinet Group

On 22 April 2005, Instinet Group and NASDAQ entered into a definitive agreement for NASDAQ to acquire Instinet Group for approximately \$1.88 billion in cash. In connection with the transaction, Reuters entered into an agreement with NASDAQ agreeing to vote its 62% interest in Instinet Group in favour of the acquisition. At the same time, Instinet Group agreed to sell its Lynch Jones & Ryan (LJR) subsidiary to The Bank of New York, and NASDAQ agreed to subsequently sell Instinet, the institutional brokerage business, to Silver Lake Partners. The sale of LJR to The Bank of New York was completed on 30 June 2005, and the sales of Instinet Group to NASDAQ and of the Instinet brokerage business to Silver Lake Partners were completed on 8 December 2005. Reuters received an aggregate of approximately \$1.13 billion for its 62% interest (including a dividend Instinet Group had made to its shareholders from the sale of LJR which was deducted from the NASDAQ purchase price).

Pension plan deficit funding

On 24 May 2006, Reuters announced that it had agreed a package of measures with the trustees of its two UK final salary pension plans that will substantially fund the pension deficit, enhance the security of the members' existing benefits and reduce the risk associated with managing the plans. Under the agreement, in addition to its ordinary pension contributions, Reuters paid a cash sum of £187 million into the two pension funds in 2006 and will pay a further £42 million in 2007.

Financing arrangements

For a discussion of other material contracts, see 'Treasury Policies' on pages 63–65.

Capital investments, expenditure and divestments

During the last three years, Reuters has made a number of acquisitions and invested in new businesses. The principal acquisitions, investments and disposals (none of which exceeded £50 million, save where otherwise stated) were:

Acquisitions

2006

Application Networks Inc., a leading risk management software provider, in June 2006 for £22 million.

The Telerate distribution business of Indian Quotation Systems Private Limited in June 2006.

Telerate Italia Srl, a distributor of Telerate's products in Italy, in July 2006.

In July 2006, Reuters and the Chicago Mercantile Exchange formed a new joint venture, FXMarketSpace Limited, to create a centrally-cleared, global foreign exchange trading system. Reuters invested £8 million in the joint venture during 2006 (an additional £6 million was invested by each partner in early 2007).

In October 2006, Reuters acquired a 26% interest in Times Global Broadcasting Company Limited for £11 million relating to the launch of a new Indian TV News Channel, TIMES NOW, in association with the Times of India.

In November 2006, Reuters acquired an interest in Pluck Corporation, an early stage social media solutions company, for £4 million.

Total capital expenditure, including transaction fees, for acquisitions of subsidiaries, joint ventures, associates and available-for-sale financial assets during 2006 was £68 million.

2005

Telerate, a leading financial information provider in the fixed income sector, in June 2005 for £79 million in cash plus Reuters investment in Savvis convertible preference shares (valued at £31 million).

Quick Telerate Corp, a distributor of Telerate's products in Japan, in June 2005.

Image Group Limited (trading as Action Images), a media company in the sports pictures market, in September 2005.

EcoWin AB, a data provider specialising in global and macroeconomic data, in November 2005.

Tremont Capital Management's TASS research hedge fund database and the Hedgeworld Group in March 2005.

In June 2005, Reuters and NASDAQ announced the formation of a new joint venture, Independent Research Network Inc., to provide and distribute equity research to the analyst community. Reuters invested £1 million in the joint venture during 2005.

Total capital expenditure including transaction fees for acquisitions of subsidiaries, joint ventures, associates and available-for-sale financial assets during 2005 was £145 million.

2004

Fitzrovia International plc, a leading investment fund research company, was acquired in October 2004 by Lipper Limited, a wholly owned subsidiary of Reuters.

Radianz, a network services/financial extranet company in which Reuters acquired the 49% voting interest it did not already own from joint venture partner Equant in November 2004 for £60 million.

Total capital expenditure including transaction fees for acquisitions of subsidiaries, joint ventures, associates and available-for-sale financial assets during 2004 was £80 million.

Divestments

2006

Reuters disposed or closed a total of three units during 2006 for cash consideration of £80 million, net of transaction fees. The principal disposal or closure was:

Factiva, a provider of a broad range of archived news and business information in which Reuters 50% stake was sold to joint venture partner Dow Jones for net cash consideration of £79 million.

2005

Reuters disposed or closed a total of five units during 2005 for cash consideration of £895 million, net of transaction fees. The principal disposals or closures were:

Instinet Group, in which Reuters 62% stake was sold for £612 million in December 2005. Prior to the sale Reuters had sold Bridge Trading Company, a soft dollar execution broker, to Instinet for approximately 3.8 million shares of Instinet stock, valued at £12 million. Instinet had also disposed of its wholly-owned subsidiary, LJR, in July 2005 for total consideration of £96 million and its 2% interest in Archipelago Holdings LLC in May 2005.

Radianz, was sold to BT for total consideration of £115 million in April 2005.

TSI, in which Reuters reduced its stake from 8.8% to below 1% by 31 December 2005 for total consideration of £63 million.

Deutsche Gesellschaft für Ad-Hoc-Publizität GmbH (DGAP), a media company in which Reuters 33% stake was sold in November 2005.

2004

Reuters disposed of or closed a total of 12 units during 2004 for cash consideration of £474 million, net of transaction fees. The principal disposals or closures were:

TSI, in which Reuters reduced its stake from 48.4% to 8.8% in February 2004 through completion of a public offering of 69 million TSI shares and sale of an additional 17 million shares back to TSI for aggregate net proceeds of £310 million.

GL TRADE, a financial software company in which Reuters 34.2% shareholding was divested in June 2004 for consideration of £59 million.

ORT SAS, a wholly owned credit rating subsidiary of Reuters, was sold in June 2004 for consideration of £29 million.

TowerGroup, a financial services research company in which Reuters held a 98% holding, was sold in February 2004.

154 Information for shareholders continued

Yankee, a wholly-owned telecommunications research company, was sold in May 2004.

Riskmetrics, a company specialising in portfolio credit risk evaluation, in which Reuters 24% stake was divested in January and June 2004.

Reuters remaining Greenhouse Fund investment portfolio was sold in June 2004 to a company established by RVC, the independent fund management company created by former Reuters employees in 2001 to manage the Greenhouse Fund.

Property, plant and equipment

During 2005 the Group's principal facilities were relocated to the Canary Wharf area of London, thereby down-sizing its London-based operations from 340,000 sq. ft. to 281,000 sq. ft. The Canary Wharf building is leased through 2020.

Reuters other significant sites include:

- the US headquarters at 3 Times Square in New York City (692,000 sq. ft., of which 288,000 sq. ft. are sub-let) (see below);
- technical centres in:
 - London (324,000 sq. ft. owned);
 - Hazelwood, Missouri (109,000 sq. ft. leased through 2024, with options to extend through 2039);
 - Geneva (144,000 sq. ft. owned on property leased through 2095), which also includes the regional office for EMEA;
 - Singapore (180,000 sq. ft. owned on property leased through 2020, with options to extend through 2050), which also includes the regional office and main data centre for Asia; and
 - Hauppauge, New York (50,000 sq. ft. owned);
- an office facility in Hauppauge (140,000 sq. ft. owned) used by development and internal support groups which is located next to Reuters Hauppauge data Centre;
- four adjacent corporate office buildings located in St Louis County, Missouri (total 211,000 sq. ft.), two of which are owned and two of which are leased through 2014, with options to extend through 2034;
- office space in Bangkok (178,000 sq. ft.) under lease expiring for most of the space in 2007;
- space in three office buildings in Bangalore, India (total: 212,622 sq. ft.) under leases expiring in 2008, 2009 and 2011, with options to extend through 2012, 2012 and 2015, respectively; and
- a development facility in Zhongguancun Software Park, Haidian District, Beijing, China (50,000 sq. ft.) under a lease through 2011, with options to extend through 2016; Reuters is in the final phases of further expanding that operation by an additional 50,000 sq. ft.

The Reuters Building at 3 Times Square is owned, and was developed, by 3 Times Square Associates LLC, which is a joint venture between Reuters and Rudin Times Square Associates LLC, Reuters leases 692,000 sq. ft. from the venture, of which 288,000 sq. ft. is subleased to Instinet Group, which in turn has subleased approximately 180,000 sq. ft. to third parties. The principal part of Reuters lease will expire in 2021 subject to three ten-year extension periods. See '3 Times Square Associates LLC' in Note 34 on page 123 for further information.

The computer equipment that Reuters uses to create, manage and deliver its products to customers across the world forms the bulk of its tangible fixed assets. This equipment is distributed across global sites with greater concentration at the major global and regional technical centres. As Reuters extends its use of hosting services and browser delivery for its products, the quantity of equipment located at customer sites is being reduced.

Legal proceedings

Except as described above in note 35 on page 124, neither the Group, nor any of its directors, members of senior management or affiliates, is subject to any legal or arbitration proceedings which may have, or have had in the recent past, significant effects on the Group's financial performance or profitability.

Cross-reference guide to Form 20-F

Item	Description	Annual Report Page Ref	Item	Description	Annual Report Page Ref
1.	Identity of Directors, Senior Management and Advisers	n/a	10.	Additional Information	
2.	Offer Statistics and Expected Timetable	n/a	A.	Share capital	n/a
3.	Key Information		B.	Memorandum and articles of association	146 –148
A.	Selected financial data	52–53,149	C.	Material contracts	151 –152
B.	Capitalisation and indebtedness	n/a	D.	Exchange controls	149
C.	Reasons for the offer and use of proceeds	n/a	E.	Taxation	150 –151
D.	Risk factors	65 –67	F.	Dividends and paying agents	n/a
4.	Information on the Company		G.	Statement by experts	n/a
A.	History and development of the company	6–11, 44–45, 153	H.	Documents on display	157
B.	Business overview	8–13, 44–45, 58–62, 83 –84	I.	Subsidiary Information	n/a
C.	Organisational structure	128, 145	11.	Quantitative and Qualitative Disclosures About Market Risk	62, 99 –108
D.	Property, plant and equipment	50, 154	12.	Description of Securities Other than Equity Securities	n/a
4A.	Unresolved Staff Comments	n/a	13.	Defaults, Dividend Arrearages and Delinquencies	n/a
5.	Operating and financial review and Prospects		14.	Material Modifications to the Rights of Security Holders and Use of Proceeds	n/a
A.	Operating results	54 –62	15.	Controls and Procedures	41–42, 74
B.	Liquidity and capital resources	63	16A.	Audit committee financial expert	42
C.	Research and development, patents and licences, etc.	44 –45	16B.	Code of Ethics	38, 43
D.	Trend information	45 –47	16C.	Principal Accountant Fees and Services	42, 133
E.	Off-balance sheet arrangements	65	16D.	Exemptions from the Listing Standards for Audit Committees	n/a
F.	Tabular disclosure of contractual obligations	63 –64	16E.	Purchases of Equity Securities by the Issuer and Affiliated Purchasers	116
6.	Directors, Senior Management and Employees		17.	Financial Statements	n/a
A.	Directors and senior management	25 –28		Report of the auditors	74
B.	Compensation	29 –37		Consolidated income statement for each of the three years in the period ended 31 December 2006	75
C.	Board practices	26, 29, 31, 42–43, 147		Consolidated statement of recognized income and expense for the three years in the period ended 31 December 2006	75
D.	Employees	12, 30–31, 47–48, 143		Consolidated balance sheet at 31 December	76
E.	Share ownership	30, 37			

7.	Major shareholders and Related Party Transactions		2006, 2005 and 2004
	A. Major shareholders	144–145	Consolidated cash flow statement for each of the three years in the period ended 31 December 2006 77
	B. Related party transactions	123–124	Accounting policies 78–82
	C. Interests of experts and counsel	n/a	Notes to the financial statements 83–128
8.	Financial Information		Summary of differences between IFRS (as adopted by the EU) and US GAAP and related notes 129–133
	A. Consolidated Statements and Other Financial Information	See Item 17	18. Financial Statements n/a
	Litigation	124	
	Dividend Policy	68	
	B. Significant Changes	127	
9.	The Offer and Listing		
	A. Offer and listing details – price history of shares	145	
	B. Plan of distribution	n/a	
	C. Markets	145	
	D. Selling shareholders	n/a	
	E. Dilution	n/a	
	F. Expenses of the issue	n/a	

156 Glossary

Term used in annual report	US equivalent or brief description
Allotted	Issued
Associates	Affiliates accounted for under the equity method
Business segment	Industry segment
Called up share capital	Ordinary shares, issued and fully paid
Capital allowances	Tax term equivalent to US tax depreciation allowances
Combined Code	A set of corporate governance principles and detailed codes of practice
Destination (of revenue)	The geographical area to which goods or services are supplied
Finance income	Interest income
Freehold	Ownership with absolute rights in perpetuity
Origin (of revenue)	The geographical area from which goods or services are supplied to a third party or another geographical area
Profit	Income
Profit for the year attributable to the equity holders of the parent	Net income
Share capital	Ordinary shares, capital stock or common stock issued and fully paid
Shares in issue	Shares outstanding
Share premium	Additional paid-in capital or paid-in surplus (not distributable)
Trade payables	Accounts payable
Trade receivables	Accounts receivable

Financial diary for 2007 Where to find us

Thursday 1 March

Results for full year 2006 announced

Wednesday 14 March

Ordinary shares and ADSs go ex-dividend

Wednesday 25 April

First quarter trading statement issued

Thursday 26 April

Annual General Meeting

Time: 11:30 am

Venue: The Reuters Building,
South Colonnade, Canary Wharf,
London E14 5EP

Thursday 3 May

Final dividend for 2006 payable to ordinary
shareholders on the register as at 16 March
2007

Thursday 10 May

Final dividend payable to ADS holders on
the record as at 16 March 2007

Tuesday 31 July

Results for first six months of 2007
announced

Wednesday 8 August

Ordinary shares and ADSs go ex-dividend

Wednesday 5 September

Interim dividend for 2007 payable to
ordinary shareholders on the register as at
10 August 2007

Wednesday 12 September

Interim dividend payable to ADS holders on
the record as at 10 August 2007

Thursday 25 October

Third quarter trading statement issued

Corporate headquarters

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Registrar/Depositary

For dividend queries, duplicate mailings
and change of address

Ordinary shares

Lloyds TSB Registrars
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(for callers within the UK)
Tel: +44 121 415 7047
(for callers outside the UK)
Fax: +44 (0)1903 833 482
Website: shareview.co.uk

American Depositary Shares

Deutsche Bank ADR Service Center
c/o Mellon Investor Services
480 Washington Boulevard
Jersey City
NJ 07310
USA
Tel: +1 866 282 4011
Website: adr.db.com

Electronic copies

The Annual Report and Form 20-F and the
Annual Review are available on the internet
at about.reuters.com/reports/ar2006

Listings

London Stock Exchange (RTR.L) and
Nasdaq (RTRSY.O)

Options on ordinary shares are traded on
Euronext Liffe. Futures contracts on
ordinary shares are traded on the Euronext
Liffe Universal Stock Futures market. The
American Stock Exchange in New York lists
options on American Depositary Shares of
Reuters.

Corporate brokers

Citigroup and JPMorgan Cazenove Limited

Financial PR

Brunswick Group Limited

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Cover caption: Canadian women's team race at
speedskating World Cup in Berlin, Germany.
(Photographer: Tobias Schwarz)

Trade marks

Reuters, the sphere logo and Reuters product names
referred to in this review are trade marks or registered
trade marks of the Group around the world. Other trade
marks of third parties are used in this report for the
purpose of identification only.

Exhibit Index

1.1** Memorandum and Articles of Association of Reuters Group PLC

2.1 Deposit Agreement, dated 18 February 1998 among Reuters Group PLC, Deutsche Bank Trust Company Americas (in substitution for Morgan Guaranty Trust Company of New York), as depositary, and all holders from time to time of American Depositary Receipts issued thereunder (incorporated by reference to Exhibit 2.2 to the Annual Report on Form 20-F filed by Reuters Group PLC with respect to the fiscal year ended 31 December 1997), as supplemented by the Supplemental Agreement to Deposit Agreement, dated as of 16 December 2005 (incorporated by reference to Exhibit (a)(2) to the Registration Statement on Form F-6 filed by Reuters Group PLC on December 9, 2005)

4.1*** Network Services Agreement, dated as of March 9, 2005 (“NSA”), by and between Reuters Limited and British Telecommunications plc, inter alia, as amended by side letters dated 29 April 2005 and 31 May 2005, and amendments dated 31 May 2005, 6 December 2005, 17 August 2005, and 23 February 2006 (portions of this exhibit have been omitted pursuant to a request for confidential treatment)

[4.1.1+ Amendments to NSA, dated 31 March 2006 and 19 December 2006 \(portions of this exhibit have been omitted pursuant to a request for confidential treatment\)](#)

4.2*** Share Purchase Agreement, dated as of March 9, 2005, by and between Reuters Limited and British Telecommunications plc, inter alia, as amended by Amendment Agreements dated 29 April 2005 and 26 May 2005 respectively (portions of this exhibit have been omitted pursuant to a request for confidential treatment)

[4.3+ Funding Agreement for the Reuters Pension Fund dated 23 May 2006 among Reuters Limited, the Managing Committee of Reuters Pension Fund, and Reuters Pension Fund Limited](#)

4.5* Deed of Covenant dated 11 October 2002 made by Reuters Group PLC relating to the £1,500,000,000 Euro-commercial Paper Programme

4.5.1* Amended and Restated Note Agency Agreement dated 11 October 2002 among Reuters Group PLC (as Issuer), Citibank, N.A. (as Issue Agent and Principal Paying Agent) and Dexia Banque Internationale a Luxembourg S.A. (as Paying Agent)

4.5.2* Dealer Agreement dated 11 October 2002 among Reuters Group PLC (as Issuer), Citibank International plc (as Arranger) and the various Dealers named therein

[4.6+ Amended and Restated Programme Agreement dated 9 June 2006 among Reuters Group PLC \(as Issuer and Guarantor\), Reuters Finance PLC \(as Issuer\) and the various Initial Dealers named therein relating to the June 2006 update of the £1,000,000,000 Euro Medium Term Note Programme](#)

[4.6.1+ Amended and Restated Trust Deed dated 9 June 2006 between Reuters Group PLC \(as Issuer and Guarantor\), Reuters Finance PLC \(as Issuer\) and Citicorp Trustee Company Limited \(as Trustee\) relating to the £1,000,000,000 Euro Medium Term Note Programme](#)

[4.6.2+ Amended and Restated Agency Agreement dated 9 June 2006 between Reuters Group PLC \(as Issuer and Guarantor\), Reuters Finance PLC \(as Issuer\), Citibank, N.A. \(as Agent\), Citibank Global Capital Markets Deutschland AG & Co. KGaA \(as Paying Agent\) and Citicorp Trustee Company Limited \(as Trustee\) relating to the £1,000,000,000 Euro Medium Term Note Programme](#)

4.6.3* Pricing Supplement dated 17 November 2003 relating to the issue by Reuters Finance PLC of €500,000,000 4.625% Guaranteed Notes due 19 November 2010 under the £1,000,000,000 Euro Medium Term Note Programme

4.6.4* Form of Permanent Global Note in respect of the issue by Reuters Finance PLC of €500,000,000 4.625% Guaranteed Notes due 19 November 2010 under the £1,000,000,000 Euro Medium Term Note Programme

4.6.5* Pricing Supplement dated 24 March 1999 relating to the issue by Reuters Group PLC of £200,000,000 5.375% Notes due 26 November 2004 under the £1,000,000,000 Euro Medium Term Note Programme

4.6.6* Permanent Global Note dated 24 March 1999 relating to the issue by Reuters Group PLC of £200,000,000 5.375% Notes due 26 November 2004 under the £1,000,000,000 Euro Medium Term Note Programme

[4.6.7+ Final Terms dated 24 November 2006 relating to Reuters Group PLC Issue of €250,000,000 Floating Rate Notes due November 2008 under the £1,000,000,000 Euro Medium Term Note Programme](#)

[4.6.8+ Subscription Agreement dated 24 November 2006 between Reuters Group PLC and Citigroup Global Markets Limited and UBS Limited \(as Lead Managers\) relating to €250,000,000 Floating Rate Notes due November 2008 under the £1,000,000,000 Euro Medium Term Note Programme](#)

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[4.10.2+ Service Agreement of David Grigson with Reuters Group PLC dated 5 February 2006](#)

[4.10.3+ Service Agreement of Devin Wenig with Reuters Group PLC dated 31 January 2006](#)

[4.10.4+ Service Agreement of Devin Wenig with Reuters America LLC 31 January 2006](#)

4.10.5* Engagement Letter of Niall FitzGerald with Reuters Group PLC dated 2 March 2004

4.11*** Rules of the Reuters Group PLC Long-Term Incentive Plan 1997

4.12* Rules of the Reuters Group PLC Discretionary Stock Option Plan, as amended

4.13 Shareholders Agreement dated May 4, 2006 and amended and restated on July 20, 2006 by and between Reuters Holdings Limited, CME FX Marketplace Inc., FXMarketSpace Limited (f/k/a RCFX Limited), Reuters Group PLC, Reuters Limited, Chicago Mercantile Exchange Holdings Inc. and Chicago Mercantile Exchange Inc. (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed by Chicago Mercantile Exchange Holdings Inc. on 7 August 2006) (portions of this exhibit have been omitted pursuant to a request for confidential treatment)

4.14 (i) Share Purchase Agreement by and among Reuters Limited, Reuters JV Switzerland, Sarl (“Reuters”), Dow Jones & Company, Inc., DJBI, LLC, and Dow Jones Reuters Business Interactive LLC, a Delaware limited liability company (“Factiva”); (ii) Unit Purchase Agreement by and among Reuters Holdings Limited, Reuters Limited, Reuters JV Switzerland, Sarl, Dow Jones & Company, Inc., DJBI, LLC, Factiva, and Dow Jones Reuters Business Interactive Ltd.; and (iii) Formation and Contribution Agreement by and among Factiva, Reuters Limited, Reuters JV Switzerland, Sarl, Dow Jones & Company, Inc., and DJBI, LLC (incorporated by reference to Exhibits 99.1, 99.2 and 99.3 to the Current Report on Form 8-K/A filed by Dow Jones & Company, Inc. on 24 October 2006)

8.1 List of Subsidiaries – See Note 39 of the Notes to the Consolidated Financial Statements of Reuters Group PLC contained in the Annual Report

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[12.2+ Certification of David J. Grigson filed pursuant to 17 CFR 240.13a-14\(a\)](#)

[13.1+ Certification of Thomas H. Glocer furnished pursuant to 17 CFR 240.13a-14\(b\) and 18 U.S.C. §1350](#)

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+ Filed herewith

* Incorporated by reference to the identically numbered exhibit to the Annual Report on Form 20-F filed on 16 March 2004 by Reuters Group PLC with respect to the fiscal year ended 31 December 2003.

** Incorporated by reference to the identically numbered exhibit to the Annual Report on Form 20-F filed on 9 March 2005 by Reuters Group PLC with respect to the fiscal year ended 31 December 2004.

*** Incorporated by reference to the identically numbered exhibit to the Annual Report on Form 20-F filed on 17 March 2006 by Reuters Group PLC with respect to the fiscal year ended 31 December 2005.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign the annual report on its behalf.

REUTERS GROUP PLC
(Registrant)

Date: 16 March 2007

By: /s/ David Grigson

David Grigson,
CFO

1.1** Memorandum and Articles of Association of Reuters Group PLC

2.1 Deposit Agreement, dated 18 February 1998 among Reuters Group PLC, Deutsche Bank Trust Company Americas (in substitution for Morgan Guaranty Trust Company of New York), as depositary, and all holders from time to time of American Depositary Receipts issued thereunder (incorporated by reference to Exhibit 2.2 to the Annual Report on Form 20-F filed by Reuters Group PLC with respect to the fiscal year ended 31 December 1997), as supplemented by the Supplemental Agreement to Deposit Agreement, dated as of 16 December 2005 (incorporated by reference to Exhibit (a)(2) to the Registration Statement on Form F-6 filed by Reuters Group PLC on December 9, 2005)

4.1*** Network Services Agreement, dated as of March 9, 2005 (“NSA”), by and between Reuters Limited and British Telecommunications plc, inter alia, as amended by side letters dated 29 April 2005 and 31 May 2005, and amendments dated 31 May 2005, 6 December 2005, 17 August 2005, and 23 February 2006 (portions of this exhibit have been omitted pursuant to a request for confidential treatment)

[4.1.1+ Amendments to NSA, dated 31 March 2006 and 19 December 2006 \(portions of this exhibit have been omitted pursuant to a request for confidential treatment\)](#)

4.2*** Share Purchase Agreement, dated as of March 9, 2005, by and between Reuters Limited and British Telecommunications plc, inter alia, as amended by Amendment Agreements dated 29 April 2005 and 26 May 2005 respectively (portions of this exhibit have been omitted pursuant to a request for confidential treatment)

[4.3+ Funding Agreement for the Reuters Pension Fund dated 23 May 2006 among Reuters Limited, the Managing Committee of Reuters Pension Fund, and Reuters Pension Fund Limited](#)

4.5* Deed of Covenant dated 11 October 2002 made by Reuters Group PLC relating to the £1,500,000,000 Euro-commercial Paper Programme

4.5.1* Amended and Restated Note Agency Agreement dated 11 October 2002 among Reuters Group PLC (as Issuer), Citibank, N.A. (as Issue Agent and Principal Paying Agent) and Dexia Banque Internationale a Luxembourg S.A. (as Paying Agent)

4.5.2* Dealer Agreement dated 11 October 2002 among Reuters Group PLC (as Issuer), Citibank International plc (as Arranger) and the various Dealers named therein

[4.6+ Amended and Restated Programme Agreement dated 9 June 2006 among Reuters Group PLC \(as Issuer and Guarantor\), Reuters Finance PLC \(as Issuer\) and the various Initial Dealers named therein relating to the June 2006 update of the £1,000,000,000 Euro Medium Term Note Programme](#)

[4.6.1+ Amended and Restated Trust Deed dated 9 June 2006 between Reuters Group PLC \(as Issuer and Guarantor\), Reuters Finance PLC \(as Issuer\) and Citicorp Trustee Company Limited \(as Trustee\) relating to the £1,000,000,000 Euro Medium Term Note Programme](#)

[4.6.2+ Amended and Restated Agency Agreement dated 9 June 2006 between Reuters Group PLC \(as Issuer and Guarantor\), Reuters Finance PLC \(as Issuer\), Citibank, N.A. \(as Agent\), Citibank Global Capital Markets Deutschland AG & Co. KGaA \(as Paying Agent\) and Citicorp Trustee Company Limited \(as Trustee\) relating to the £1,000,000,000 Euro Medium Term Note Programme](#)

4.6.3* Pricing Supplement dated 17 November 2003 relating to the issue by Reuters Finance PLC of €500,000,000 4.625% Guaranteed Notes due 19 November 2010 under the £1,000,000,000 Euro Medium Term Note Programme

4.6.4* Form of Permanent Global Note in respect of the issue by Reuters Finance PLC of €500,000,000 4.625% Guaranteed Notes due 19 November 2010 under the £1,000,000,000 Euro Medium Term Note Programme

4.6.5* Pricing Supplement dated 24 March 1999 relating to the issue by Reuters Group PLC of £200,000,000 5.375% Notes due 26 November 2004 under the £1,000,000,000 Euro Medium Term Note Programme

4.6.6* Permanent Global Note dated 24 March 1999 relating to the issue by Reuters Group PLC of £200,000,000 5.375% Notes due 26 November 2004 under the £1,000,000,000 Euro Medium Term Note Programme

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*** Incorporated by reference to the identically numbered exhibit to the Annual Report on Form 20-F filed on 17 March 2006 by Reuters Group PLC with respect to the fiscal year ended 31 December 2005.

*

31 March 2006

Dear Neil,

Amendment to Network Services Agreement, dated 9 March 2005 (“NSA”)

Further to our recent discussions and the work of our respective teams, I am writing to confirm the terms upon which Reuters Limited and British Telecommunications plc agree to amend the Existing Agreement, which are as follows:

1. Subject to paragraph 2 of this letter of amendment, *.
2. *.
 - (i) *
 - (ii) *
3. *.
4. Subject to paragraph 2 of this letter of amendment: (i) Clause 6, Schedule 2 Part 1B, Schedule 2 Part 1C, Schedule 2 Part 1D, Schedule 4, Schedule 5 Part 2, Schedule 6, Schedule 9 and Schedule 12 of the Existing Agreement shall respectively and as applicable, as of the Amendment Date, be replaced by the terms set out in Appendices A, B, C, D, E, F and G to this letter of amendment to form the Amended Agreement; (ii) Schedule 1 shall be amended in accordance with Appendix J, (iii) Appendix K shall be annexed to the Amended Agreement as a new Schedule 16; and (iv) the words “(except the obligation to achieve the Migration Milestones, but without prejudice to Clause 6.12)” in Clause 7.3.1 and the words “(except the obligation to achieve the Migration Dependencies, but without prejudice to Clause 6.8)” in Clause 8.3 shall be deleted with effect from the Amendment Date.

Reuters Limited
The Reuters Building
South Colonnade
Canary Wharf
London E14 5EP
Tel (020) 7250 1122

A subsidiary of Reuters Group Plc Reg. Office as above Reg. No. 145516 England

* Text has been redacted for confidentiality

5. From the Amendment Date, the Initial Details of the Parties set out in Clause 46.2 of the Existing Agreement shall be replaced with the following:

Party: Reuters
Address: The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP
Facsimile No: +44 (0)20 7542 5791
Marked for the Attention of: Christopher Hagman and Stewart Beaumont
With a copy to: Group General Counsel
Address: As above
Facsimile No: +44 (0)20 7542 5406

Party: BT
Address: BT Centre, 81 Newgate Street, London, EC1A 7AJ
Facsimile No: +44(0)20 7726 8564
Marked for the Attention of: Chris North
With a copy to: Group General Counsel
Address: as above
Facsimile No: +44 (0)20 7600 6891

6. From the Amendment Date until *:

(A) *; and

(B) *.

* Text has been redacted for confidentiality

7. ***:
- (A) *;
- (B) *; and
- (C) *.
8. The Appendices to this letter of amendment form part of this letter of amendment and shall have the same force and effect as if expressly set out in the body of this letter of amendment. Any reference to this letter of amendment shall include both this letter of amendment and the Appendices thereto. Any capitalised terms used in this letter of amendment shall have the meaning set out in the Amended Agreement.
9. This letter of amendment, the side letter of even date relating to the Price Books and the Amended Agreement (together the “**Amendment Documents**”) constitute the entire agreement between the Parties with respect to their subject matter and supersede all previous agreements and understandings between the Parties.
10. Subject always to Clause 33.1 of the Amended Agreement, each Party acknowledges that, in entering into the Amendment Documents, it does not do so on the basis of or in reliance upon any representations, promises, undertakings, warranties or other statements (whether written or oral) of any nature whatsoever except as expressly repeated in the Amendment Documents.
11. Subject always to Clause 33.1 of the Amended Agreement, neither Party shall have any right of action against the other Party arising out of or in connection with any representation, promise, undertaking, warranty or other statement (whether written or oral) of any nature whatsoever except to the extent that it is expressly repeated in the Amendment Documents.
12. This letter of amendment shall be governed and construed in accordance with the laws of England.

Please indicate your agreement to the terms set out above by signing, dating and returning to me the enclosed original counterpart of this letter.

* Text has been redacted for confidentiality

Yours sincerely,

/s/ Barry Woodward

For and on behalf of Reuters Limited

Agreed by: /s/ Neil Rogers

For and on behalf of British Telecommunications plc

Date: 31/3/2006

TP060880124

Appendix A

Replacement Clause 6

Network Services Agreement

Replacement Clause 6

Part C. The Services

6 Migration

Migration Plan

- 6.1** Subject to Clause 7.3, from the Amendment Date, BT shall provide the Parties with the means necessary:
- 6.1.1** to enable the achievement of migration contemplated by, and in accordance with, the Migration Plan and the Migration Milestones; and
- 6.1.2** to ensure that the New Services meet the New Service Levels (including service assurance requirements in Schedule 5 Part 2),
- in each case solely in accordance with BT's obligations under this Agreement.
- 6.2** Subject to Clause 8.3, Reuters shall, from the Amendment Date, provide the Parties with the means necessary to enable the achievement of the Migration Dependencies solely in accordance with Reuters' obligations under this Agreement.
- 6.3** The Parties shall, from the Amendment Date, work with each other to implement the Migration Plan in accordance with its terms in order to achieve migration from the Existing Services to the New Services.
- 6.4** The Parties will monitor and assess achievement of the Migration Plan and associated risks and delays to the Migration Plan on a continual basis (including at the Monthly Review Sessions) and, subject to Clause 6.5, agree amendments to the Migration Plan accordingly.
- 6.5** The Parties acknowledge and agree that they will implement the Migration Plan through the operation of underlying operational documents which form a project management tool and which will be jointly developed on a day to day basis to ensure implementation of the Migration Plan. The Parties further acknowledge that the operational teams of each Party will, until the Migration Plan is completed, meet on a quarterly basis (the "**Operational Quarterly Review**") to review progress of the Migration Plan at an operational level. Notwithstanding the foregoing, any change in the Migration Plan, including any change to the Migration Plan, the Migration Milestones or the Migration Dependencies (or any of them) shall be progressed through the Change Control Procedure and ratified by Reuters' Head of Divisional Technology (or equivalent) and the Head of BT Global Solutions (or equivalent).
-

- 6.6 It shall be an overriding principle for the purposes of this Clause 6 that the Parties shall, from the Amendment Date:
- 6.6.1 each use all reasonable endeavours to mitigate any actual or potential delays and Losses arising as a consequence of any failure to comply with the Migration Plan and this Agreement; and
- 6.6.2 each use all reasonable endeavours to seek to promptly agree any matter, circumstance or document in relation to which the other Party is seeking agreement from it.

Migration Milestones and Dependencies

- 6.7 BT shall, or shall procure that the relevant member of the BT Group shall, successfully complete or achieve:
- 6.7.1 the Migration Milestones by the relevant Milestone Due Date as set out in Schedule 4 (*Migration Milestones*); and
- 6.7.2 the obligations on BT contained in the Migration Plan by the relevant due date for such obligations as set out in the Migration Plan.
- 6.8 Reuters shall, or shall procure that the relevant member of the Reuters Group shall provide, deliver or successfully complete:
- 6.8.1 the Migration Dependencies by the relevant due date set out in Schedule 9 (*Migration Dependencies*); and
- 6.8.2 the obligations on Reuters contained in the Migration Plan by the relevant due date for such obligations as set out in the Migration Plan.
- 6.9 Subject to Clauses 7.3 and 8.3, to the extent that any delay in the Migration Plan results from a failure to achieve a Migration Milestone or an obligation in the Migration Plan (in respect of BT) or a Migration Dependency or an obligation in the Migration Plan (in respect of Reuters) then such delay shall be deemed to be the fault and responsibility of that Party for the purposes of the processes set out in this Clause 6.

Monthly Review Sessions

- 6.10 Until the Migration Plan is completed, the Parties will, with effect from the Amendment Date, meet monthly (or more frequently as may agreed by the Parties) (the "**Monthly Review Sessions**") to:
- 6.10.1 where there has been an Operational Quarterly Review since the last Monthly Review Session, review the output of that Operational Quarterly Review, and any other items arising, and identify and seek to agree any actual or potential delays in the Migration Plan and compliance with the Migration Milestones and Migration Dependencies;
- 6.10.2 where there has not been an Operational Quarterly Review since the last Monthly Review Session, review such reports as the Parties agree should be prepared in advance of that meeting, and any other items arising, in order to assess continued compliance with the Migration Plan, the Migration Milestones and the Migration Dependencies;
-

- 6.10.3** collate and review the minutes (both agreed form and, where applicable, the versions of both Parties) from the previous Monthly Review Sessions (if applicable) and the Parties shall review the progress of the implementation of any plans or actions agreed at previous Monthly Review Sessions;
- 6.10.4** discuss and seek to agree ways to ensure that the Migration Plan is completed in the most cost efficient and timely manner for both Parties based on the information reviewed at that meeting;
- 6.10.5** discuss and seek to agree ways to:
- (i) avoid or mitigate the effect of any actual or potential delays in the Migration Plan; and
 - (ii) otherwise ensure ongoing compliance (so far as possible) with the Migration Plan and the achievement of the Migration Milestones and the Migration Dependencies,
- in each case based on the information reviewed at that meeting; and
- 6.10.6** at least once per quarter discuss and each use all reasonable endeavours to seek to agree the apportionment of responsibility between the Parties for each Data Centre Delay (including an appropriate sharing of responsibility where such Data Centre Delay is neither Party's fault).
- 6.11** The Parties shall implement any plans or actions agreed at each Monthly Review Session as soon as reasonably practicable and shall continue to discuss, track and progress such plans and actions at subsequent Monthly Review Sessions or more frequently as may be agreed by the Parties.

Six Month Review Session

- 6.12** Without prejudice to the Monthly Review Sessions, six (6) months prior to the * Milestone Due Date and the Milestone Due Date for the * Milestone or such other dates as the Parties may agree in writing the Parties will additionally meet (the "**Six Month Review Sessions**") to:
- 6.12.1** collate and review the minutes (both agreed form and, where applicable, the versions of both Parties) from the Monthly Review Sessions;
- 6.12.2** evaluate the likelihood of attaining the * (as applicable);
- 6.12.3** on the basis of Clause 6.12.1 discuss and seek to agree any additional steps the Parties could take, which have not previously been agreed, in order to mitigate the effect of any actual or potential delays in the Migration Plan (which may involve, without limitation, the financial incentivisation by either Party, or jointly, of customers of the Reuters Group to accept New Services); and

* Text has been redacted for confidentiality

6.12.4 seek to agree the apportionment of responsibility between the Parties for each Data Centre Delay which has not previously been agreed by the Parties pursuant to Clause 6.10.6.

6.13 Following each Six Month Review Session, the Parties shall implement any plans or actions agreed at any such meeting as soon as reasonably practicable, and shall continue to discuss, track and progress such plans and actions at subsequent Monthly Review Sessions or more frequently as may be agreed by the Parties.

*** Review Sessions**

6.14 Without prejudice to the Monthly Review Sessions, within five (5) Business Days of the * Milestone Due Date and the Milestone Due Date for the * Milestone, and every six (6) months thereafter until the Final Migration Notice is issued, the Parties will additionally meet (the “* Review Session”, the “* Review Session” and “Subsequent Review Session” respectively, and each a “Review Session”) to:

6.14.1 assess overall compliance with the Migration Plan, the Migration Milestones and the Migration Dependencies;

6.14.2 using the minutes from the Monthly Review Sessions and the relevant Six Month Review Session, and taking into account the apportionment of responsibility as agreed therein, agree the apportionment of responsibility between the Parties for each Data Centre Delay that has occurred:

- (i) in the case of the * Review Session, since *; and
- (ii) in the case of the * Review Session, since the * Review Session; and
- (iii) in the case of any Subsequent Review Sessions, since the * Review Session or previous Subsequent Review Session (as applicable);

6.14.3 using the minutes from the Monthly Review Sessions and the relevant Six Month Review Session, and based on the Agreed Costs (as set out in Schedule 16) per week or part thereof calculate the liquidated sum of additional costs deemed incurred by the BT Group as at the relevant June Review Session as a result of any Data Centre Delays caused by Reuters' failure to comply with its obligations under Clause 6.8 (or an appropriate proportion of such costs where responsibility for such delay has been apportioned between the Parties), less the liquidated sum of savings (to be calculated based on the Agreed Savings (as set out in Schedule 16) per week or part thereof) which the BT Group is deemed to have made as a result of any Early Data Centre Migrations:

- (i) in the case of the * Review Session, in respect of the period since *

* Text has been redacted for confidentiality

- (ii) in the case of the * Review Session, in respect of the period since the * Review Session; and
- (iii) in the case of any Subsequent Review Sessions, since the previous Review Session.

To the extent that Agreed Savings and Agreed Costs are incurred during the Buffer Period, such Agreed Savings and Agreed Costs shall not be included in the calculations set out in this Clause 6.14.3 and Clause 6.14.4. For the purposes of this Clause 6.14.3 and Clause 6.14.4, "**Buffer Period**" shall mean a period of * the due date for completion of all the migration tasks in relation to each data centre as set out in the Migration Plan;

6.14.4 calculate the aggregate liquidated damages (based on the Agreed Costs, as set out in Schedule 16) deemed incurred by Reuters for each Data Centre Delay taking into account for each such Data Centre Delay the apportionment of responsibility set out in Clause 6.14.2:

- (i) in the case of the * Review Session, in respect of the period since *
- (ii) in the case of the * Review Session, in respect of the period since the * Review Session; and
- (iii) in the case of any subsequent Review Sessions, since the previous Review Session;

Calculation of losses

The Parties acknowledge that the type and amount of losses that are likely to be incurred by Reuters and BT as a result of any Data Centre Delays are difficult to quantify. Therefore the Parties agree for the purpose of this Clause 6.14 that the Agreed Costs and Agreed Savings are liquidated sums set out in Schedule 16.

*

- (i) the Parties agree that the amount payable pursuant to this Clause 6.14 represents a genuine pre-estimate of the losses which each Party will sustain as a result of a Data Centre Delay, actual damages in those circumstances being difficult to determine; accordingly, such payments are not a penalty;
- (ii) * For the avoidance of doubt, subject to Clause 33 (*Exclusions and Limitations of Liability*) there shall be no restriction on the right of either Party to * (for example, the * on payment referred to below has been reached); or (2) where either Party has exercised its right to terminate this Agreement; and

* Text has been redacted for confidentiality

- (iii) any payments made by either Party pursuant to this Clause 6.14 are a rebate and whether they are tax effective shall be determined in accordance with relevant Applicable Legislation.

Cap

Subject to Clause 33.1 the maximum amount payable by either Party in aggregate under this Clause 6.14 shall not exceed *

- 6.14.5 carry out a reconciliation of the amounts claimed by the Parties pursuant to Clauses 6.14.3 and 6.14.4 to assess and verify any amounts owed by one party to the other and discuss and agree the mechanics on which the owed Party shall be made whole for such owed amounts; and
- 6.14.6 where the Final Migration Notice has not been issued, discuss any additional steps the parties could take, which have not previously been agreed, in order to mitigate the effect of any further delays in the Migration Plan and, in the case of the * Review Session, agree a plan for achieving the * Milestone as soon as possible (to be incorporated in a revised Migration Plan in accordance with Clause 6.5);
- 6.15 Within five (5) Business Days of each Review Session the Parties shall implement any plans or actions agreed at such session.

Principles for review sessions

- 6.16 Throughout the review process outlined in Clauses 6.10 to 6.15 the Parties shall comply with the following principles:
 - 6.16.1 each Party shall act reasonably and in good faith;
 - 6.16.2 each Party shall provide appropriate senior management representation at all Monthly Review Sessions, and each Monthly Review Session shall, as a minimum, be attended by:

BT attendee	Reuters attendee
BT President of Global Solutions (or equivalent)	Reuters Head of Divisional Technology (or equivalent)

and others as may be reasonably required or requested by either Party;

- 6.16.3 in the event that the Parties fail to come to an agreement on any matter at the Monthly Review Sessions, at the Six Month Review Sessions or at a Review Session, such matter shall be minuted, put aside and reviewed at later Monthly Review Sessions or, in the event that it remains unresolved and relevant after the * Review Session, may be escalated and resolved through the Dispute Resolution Procedure by either party giving to the other a notice in accordance with Clause 18; and

* Text has been redacted for confidentiality

6.16.4 the operation of this Clause 6 shall not prejudice the principles set out in Clause 14.

Minutes of review sessions

6.17 In relation to the Monthly Review Sessions, the Six Month Review Sessions and the Review Sessions:

6.17.1 BT shall be responsible for compiling accurate and sufficiently detailed minutes of the proceedings of such review sessions, including minutes of plans and actions agreed and positions of both parties where agreements not reached;

6.17.2 the minutes of such review sessions shall be provided by BT to Reuters within ten (10) Business Days of each review session;

6.17.3 the Parties shall use their reasonable endeavours to agree the minutes, and in the event that agreement is reached, this shall be confirmed in writing to the other Party; and

6.17.4 in the event that the Parties are unable to agree the minutes for any review session before the next Monthly Review Session, each Party's version of the minutes will be documented by that Party in writing and a copy provided to the other Party.

IOS Upgrades

6.18 It is an underlying principle that both parties will act reasonably and in good faith in respect of the procedure set out in Clauses 6.19 to 6.25.

6.19 Without prejudice to Clauses 6.19 to 6.23, BT shall notify Reuters systematically of all proposed IOS Upgrades (each a "**BT Notification**").

6.20 Reuters has * from a BT Notification to respond to BT as to whether it agrees to such IOS Upgrade (each a "**Reuters Response**"). If BT has not received a Reuters Response within thirteen Business Days of a BT Notification, BT shall contact Reuters by e-mail to request the Reuters Response. If Reuters has not given a Reuters Response within such * period, then Reuters shall be deemed to have agreed to such IOS Upgrade.

6.21 In the event that Reuters', acting reasonably, does not agree in the Reuters Response to the implementation of the proposed IOS Upgrade, the Parties shall (acting reasonably and in good faith) work together in a timely manner to test the proposed IOS Upgrade as soon as reasonably practicable, which may include loading the IOS Upgrade onto the test network.

* Text has been redacted for confidentiality

6.22 Following such tests, Reuters will notify BT in writing that it:

6.22.1 agrees to the implementation of that IOS Upgrade;

6.22.2 does not agree to the implementation of that IOS Upgrade, following which the matter may be referred to the Dispute Resolution Procedure; or

6.22.3 wishes to progress the implementation of that IOS Upgrade through the Change Control Procedure.

6.23 For the avoidance of doubt and subject to Clause 6.20, BT shall not implement any IOS Upgrade without adhering to the process set out in Clauses 6.18 to 6.23.

Miscellaneous

6.24 Notwithstanding the provisions of this Clause 6, the Parties agree that where Reuters' compliance with the Migration Plan or the Migration Dependencies is prevented by IDN Migrations which have been adversely impacted by BT's failure to deliver DVB PoPs to facilitate those migrations in accordance with the Migration Plan Reuters shall not be held responsible or penalised for any consequential delays to the Migration Plan or associated losses to BT to the extent that such delays are attributable to BT's failure to deliver DVB PoPs.

6.25 Without prejudice to either Party's rights to apply the Dispute Resolution Procedure at any time during the term of this Agreement and subject always to Clause 33.5, should either Party's liability pursuant to this Clause 6 exceed *, the Parties shall use the Dispute Resolution Procedure to determine which Party should bear any further costs which have been allocated to that Party pursuant to this Clause 6.

6.26 From the date of each Service Acceptance Notice in respect of a Connection, the Service Levels for that Connection shall be the New Service Levels. On receipt from Reuters of the final Service Acceptance Notice for the final Facility to be migrated, BT will issue a Final Migration Notice. From the date of that Final Migration Notice, BT shall cease to provide any further Existing Services under this Agreement and shall provide all New Services under and in accordance with this Agreement.

6.27 Without prejudice to either Party's rights under this Agreement, in the event that the Migration Date has not been reached on or before the date * after the Milestone Due Date in respect of the * Milestone (or such later date as may be agreed between the Parties), the Parties may, at either Party's option, discuss in good faith any consequences of the same in accordance with the Dispute Resolution Procedure.

6.28 Each Party shall use all reasonable endeavours to procure the migration of the Reuters' MRX ring connected customers to the New Services on or before *.

6.29 Within a reasonable period of time following the issue of the Final RFS Notice in respect of a Facility, BT shall (at its own cost) procure removal of all redundant Equipment of BT and its subcontractors from that Facility. Reuters shall be entitled to dispose of such Equipment (at BT's reasonable cost) to the extent it has not been so removed prior to the earlier of (i) the end of such reasonable period; and (ii) the date Reuters is required to vacate that Facility.

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* Text has been redacted for confidentiality

Appendix B

Replacement Schedule 2 Part 1B

Schedule 2
Services Description

Part 1B
New Services

1 Definitions

For the purposes of this Schedule, capitalised terms shall have the following meanings

“Enterprise Network” has the meaning given to it in paragraph 2.1;

“Delivery Network” has the meaning given to it in paragraph 2.1;

Service Access Connection (“SAC”) means a network path through the network which goes from a single physical location to a another single physical location with the following characteristics:

- (i) source address and mask;
- (ii) destination address and mask;
- (iii) protocol number;
- (iv) TCP/UDP source or destination port numbers;
- (v) required bandwidth allocation; and
- (vi) other characteristics such as prioritisation;

“Service Package” means one or more SACs (up to a maximum of * SACs) provided to the same Service Category;

“Product Package” means one or more Service Packages to create a product made available by Reuters.

Where BT host equipment for Reuters in any BT Premises, Reuters (acting reasonably) will determine the town or city at which that PoP is located and BT will determine the precise location within that town or city (or within * of that town or city), provided that if that location is a Reuters premises it shall require the consent of Reuters (such consent not to be unreasonably withheld).

2 Physical Networks

2.1 The New Services are the four areas below:

2.1.1 Core Network (Platinum ring). Core Network is a dedicated network that:

- (i) connects the Main Technical Centres as at Migration Date (up to a maximum of * in total); and
- (ii) supports connectivity for IDN, BDN, Dealing & Matching and DECNet core network.

2.1.2 Enterprise Network (IME and editorial): A network that:

- (i) connects the Main Technical Centres to all other Sites; and

* Text has been redacted for confidentiality

- (ii) supports operations, product development and enterprise services, but is not directly involved in product delivery to Customers' Facilities.

2.1.3 Delivery Network (Customer network): A network that:

- (i) connects Customer Facilities to Main Technical Centres, either directly or via collocation facilities;
- (ii) can provide Connections (a) between Facilities and (b) between Main Technical Centres.

2.1.4 The Non-Migrating Services are Existing Services that shall be retained after the Migration Date and shall be deemed to be New Services from that date. The Fast Access Terminal (FAT) network is one such Non-Migrating Service and will be retained as asynchronous presentation in a limited number (no more than 50) of Facilities, at Reuters' request. Those FATs which are not retained as asynchronous will be migrated to either the Enterprise or Delivery network during the period between the Closing Date and the Migration Date.

2.2 The Core Network is an ATM or equivalent network which provides connectivity between the Main Technical Centres, with optional IP presentation.

2.3 The Enterprise Network and Delivery Network are IP networks.

3 Service Categories

Each Connection provided as part of a New Service shall have a Service Category attributed to it. Nine non-exhaustive Service Categories have been defined to support the delivery of Reuters Customer Services to Customers. Against each Service Category, the following represents a typical configuration:

3.1.2 Platinum (Platinum Ring Only): * availability, to have the Service Levels as set out in Schedule 5 Part 2 (*Service Levels & Service Credits*);

3.1.3 Gold Service Categories* availability achieved with * CPE and * POP and * Connections, to have the Service Levels as set out in Schedule 5 Part 2 (*Service Levels & Service Credits*);

3.1.4 Silver Service Categories: ** availability achieved with * CPE and * POP and * Connections, to have the Service Levels as set out in Schedule 5 Part 2 (*Service Levels & Service Credits*);

3.1.5 Bronze+: ** availability achieved with * CPE and * POP with * Connection between CPE & POP and digital dial-backup, and to have the Service Levels as set out in Schedule 5 Part 2 (*Service Levels & Service Credits*); and

3.1.6 Bronze: * availability achieved with * CPE and * POP with * Connection between CPE & POP, and to have the Service Levels as set out in Schedule 5 Part 2 (*Service Levels & Service Credits*).

* Text has been redacted for confidentiality

4 Geographical Capability

4.1 BT will provide Reuters with tiered network levels of service that vary in cost, uptime and performance by geography.

4.2 There are six Facility groups defined as follows:

4.2.1 Reuters MTCs;

4.2.2 Sites which are not MTCs (known commonly as Reuters Business Locations);

4.2.3 Customer Facilities and other Facilities:

- (i) Group A - Major financial centres, full-tick IDN delivery locations;
- (ii) Group B - Other key financial centres to Customer Distribution;
- (iii) Group C - Other Reuters' Facilities and financial centres;
- (iv) Group D - All other Facilities.

The Appendix to Schedule 5 Part 2 lists the locations covered by each of the above groups. For the avoidance of doubt, any one location may be covered by more than one such group.

4.3 Service Categories shall be available to the Facilities groups in accordance with the following table:

	Reuters MTCs	Reuters Business Locations	Group A	Group B	Group C	Group D
Platinum	*	*	*	*	*	*
Gold Fast Converge	*	*	*	*	*	*
Gold Standard	*	*	*	*	*	*
Gold No Converge	*	*	*	*	*	*
Silver Fast Converge	*	*	*	*	*	*
Silver Standard	*	*	*	*	*	*
Silver No Converge	*	*	*	*	*	*
Bronze +	*	*	*	*	*	*
Bronze	*	*	*	*	*	*

5 New Service Boundary

5.1 Enterprise & Delivery Network Service Boundary

The Service boundary for Facilities shall be at the Reuters or Customer (as appropriate) facing Ethernet port on the final BT-provided CPE. See Diagram 1 at Appendix B.

5.2 Core Network Service Boundary

* Text has been redacted for confidentiality

The Service boundary for the Core Network will be either an ATM or Ethernet interface. See Diagram 2 at Appendix B.

5.3 *Direct Connect*

The Service Boundary for the Direct Connect network is described in Diagram 3 at Appendix B.

5.4 *Boundary for IDN DVB POP*

5.4.1 When requested by Reuters, BT will house a Reuters-provided satellite dish and related server equipment within a BT Point of Presence (POP) set out in the list in Appendix A (or a list substantially the same as that in Appendix A) and use terrestrial services to deliver MPLS connectivity to a Facility, using (without limitation) that dish. The Parties will work together in good faith to complete the list currently set out in Appendix A by the Closing Date, and thereafter if not completed by that date.

5.4.2 Demarcation points in such circumstances will be the end of Reuters-supplied cables from the racks to the input port of the first item of BT-provided Equipment, unless otherwise agreed in writing.

5.4.3 BT shall provide environmental support for the IDN DVB POP rack and equipment and, on request from Reuters, BT shall:

- (i) power cycle Reuters' equipment within the POP;
- (ii) connect the end of the Reuters-supplied cables to the BT communications equipment and power supplies; and
- (iii) such other services as may from time to time be agreed between the Parties.

6 Service Differentiation

6.1 BT will design the Services such that Reuters will order Service packages one or more of which combine to make up a Product Package. Product Packages are made up of one or more Service Packages comprising one or more SACs (up to a maximum of * SACs).

6.2 The design for the Platinum Network shall be agreed by the Parties acting reasonably and in good faith and shall be fixed for the term of the Agreement (unless as otherwise agreed between the Parties in writing).

6.3 Each SAC will be assigned a guaranteed bandwidth on a per Facility basis (for example, for Site A, web services could be assigned 64k and IDN/BDN 128k, whilst on site B web services could be assigned 128k and IDN/BDN 192k). In each case, the Customer Facility will have a total bandwidth into the network of the sum of the bandwidths guaranteed to that SAC for that Facility, for Site A 192k, and Site B 320k. Each SAC will be guaranteed its guaranteed bandwidth, and will have access to bandwidth not in use by any other SAC.

6.4 It must be possible and BT shall provide at Reuters' request a SAC which is allocated a fixed bandwidth that cannot be affected by any other SAC or burst out of its allocated bandwidth.

* Text has been redacted for confidentiality

7 Switch Installation

If a Customer requires a switch in connection with its receipt of New Services under this Agreement, Reuters shall if required order such switch and relevant support services via the price book in Schedule 6 (*Service Charges*).

8 Hosted RSS

- 8.1** Reuters shall be entitled to have RSS servers and associated equipment hosted for the purpose of distributing IDN data ("TerraPoPs") in any BT Premises * (PoPs) set out in Part 1 of Appendix C to this Schedule. BT shall provide all Connections between such TerraPoPs and the relevant MTC(s) for the purpose of distributing IDN data free of all Service Charges and Reuters shall be entitled to distribute IDN data from such TerraPoPs cross-border as if they were MTCs. Reuters shall be entitled to nominate a further * PoPs at which TerraPoPs shall be hosted, provided that the total number of MTCs that Reuters may have on the Core/Platinum Network (as set out at paragraph 2.1.1 above and paragraph 10.1 of Schedule 6) shall be reduced as the total number of such PoPs required by Reuters to be installed pursuant to this paragraph 8.1 increases as follows:

*Actual number of PoPs at which
TerraPoPs are hosted*

Permitted number of MTCs

*
*
*

*
*
*

- 8.2** If mutually agreed between the Parties (acting reasonably and in good faith) that it is beneficial to install additional TerraPoPs at additional locations for the purpose of distributing IDN data then the provisions of paragraph 8.3 shall apply.
- 8.3** In respect of any TerraPoP to be provided in accordance with this paragraph 8, Reuters will supply the necessary equipment, BT will house that equipment in such BT PoP at no additional charge, Reuters will remotely manage that equipment and BT will provide such services as set out in paragraph 5.4.2.
- 8.4** BT will install the TerraPoPs at the location set out in Appendix C Part 1 in line with the TerraPoP dates and/or assumptions in the Migration Plan. If Reuters' delay in providing the information set out in paragraph 8.5 prevents BT from complying with the Migration Plan, BT shall not be held responsible or penalised for that delay to the extent that such delay is attributable to Reuters' delay in respect of that TerraPoP.
- 8.5** Reuters shall, in respect of any order for a TerraPoP: (i) provide the information set out in Part 2 of Appendix C to this Schedule, (ii) provide BT with such assistance as is reasonably required in order for BT to meet its obligations to fulfil that order under this Agreement, and (iii) provide the equipment referred to in paragraph 8.3, in each case within such time as is reasonably required in order for BT to meet its obligation in paragraph 8.4.
- * Text has been redacted for confidentiality

9 Generic CPE Specification

9.1 At each Facility BT shall provide the following minimum CPE specifications:

9.1.1 Main Technical Centre: A bespoke design per MTC, allocating sufficient ports as necessary to deliver the Services in accordance with the applicable Service Levels. The equipment delivered by BT shall consist of, as a minimum, routers and ATM switches, with the number of LAN switches deemed necessary by BT to interconnect the BT equipment.

9.1.2 All other Facilities: In all cases, an Ethernet interface on a Customer-facing BT supplied device, typically a router, but in certain configurations a LAN switch will be provided of varying speed and interface type. The CPE interface will also support an IEEE 802.1q VLAN interface. Where X.25 is being supported, the X.25 interface will be a serial port acting as an X.25 DCE.

9.2 The CPE will support the Internet Protocol (IP) as the Customer access protocol and the protocol into the network. The only additional protocols supported are X.25 for Contributions and DECNet between the MTCs.

10 IP Addressing

Unless otherwise agreed between the Parties, the IP Addressing for Services will continue to be provided as they were for the Existing Services.

11 Domain Name Services (DNS)

11.1 Unless otherwise agreed, the DNS for Services will continue to be provided as they were for the Existing Services. However, DNS may be migrated over time to a new DNS software version or may be replaced by a new software product, in each case as agreed with Reuters from time to time (such agreement not to be unreasonably withheld) at no additional cost to Reuters. The capacity delivered will be baselined at the existing number of DNS lookups and a growth of a maximum of 20% per annum is permitted without additional cost to Reuters.

12 X.25 Contributions

12.1 Some Customers contribute data to IDN via X.25. An IP-based option is available and Customers are being actively migrated to it by Reuters to the extent that those Customers wish to be upgraded to an IP network. If Customers do not wish to be upgraded to the IP-based option, Reuters will continue to require X.25 support for such Customers. Where appropriate to meet this requirement, BT will provide an X.25 DCE logical interface at the Customer Facility presented on an RS232 physical interface.

12.2 At the appropriate Main Technical Centres, BT will provide an X.25 DCE logical interface at the Customer Facility presented on a V.11 physical interface.

13 Convergence

- 13.1 Gold and Silver No Converge:** certain SACs (e.g. for IDN and BDN) require connectivity on Connections which do not reroute on to each other. In this configuration, traffic is sent to the Customer Facility as two identical streams of data. Each of these is routed down a different physical Connection to the Customer Facility. Under failure of one of these Connections, the IDN and BDN traffic which was transported down that Connection must not be re-routed onto the remaining Connection. Separation within the IP network is not required.
- 13.2 Gold and Silver Fast Converge:** This Service Level provides a resilient Service path made up of two different physical Connections (e.g. for Matching). In the event of a failure of the Connection carrying the data stream, the traffic which was transported down that Connection must be re-routed down the other Connection * of the failure occurring.
- 13.3 Gold and Silver Standard:** This Service Level provides a resilient Service path in the same manner as Gold and Silver Fast Converge, provided that, in the event of a failure of the Connection carrying the data stream, the traffic which was transported down that Connection must be re-routed down the other Connection within the applicable time period set out in Schedule 5 Part 2 (*Service Levels and Service Credits – New Services*).
- 13.4 Bronze Categories:** The Service paths for this Service Level are made up of only one Connection, so convergence is not applicable.

14 Carriers

- 14.1** At Reuters' prior written request, and where BT has not already contracted with a specific local carrier, BT shall contract with such Reuters' requested carrier subject to payment of reasonable incremental charges.
- 14.2** BT's obligation to meet the relevant Service Levels shall be limited to the service levels that the local carrier has contractually committed to BT to achieve. BT shall as soon as reasonably practicable notify Reuters in writing of any such impact (or anticipated impact) on the Service Levels.

15 Inventory

BT shall comply with the requirements referred to in Clause 27 (*Inventory*).

* Text has been redacted for confidentiality

Appendix A

DVB PoP Sites

Scheduled 2 Part 1B – Appendix 1

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
Address field contents 'New Node to be installed based on Reuters requirements' indicates that node is not installed but planned based on Reuters' requirements															
										*					
BT	EMEA	Albania				Tirana	*	*		*				*	*
BT	EMEA	Algeria	*	*	*	Algiers	*	*		*				*	*
	RAM	Argentina	*	*	*	Buenos Aires	*	*		*					
		Armenia	*	*		Subsidised IPLCs				*					
BT	APAC	Australia	*	*	*	Adelaide	*	*		*	*	*	*	*	*
BT	APAC	Australia	*	*	*	Brisbane	*	*		*	*	*	*	*	*
BT	APAC	Australia	*	*	*	Melbourne	*	*	*	*	*	*	*	*	*
	APAC	Australia	*	*	*	Melbourne	*		*	*					
BT	APAC	Australia	*	*	*	Perth	*	*		*	*	*	*	*	*
BT	APAC	Australia	*	*	*	Sydney	*	*	*	*	*	*		*	*
BT	APAC	Australia	*	*	*	Sydney	*	*	*	*	*	*		*	*
BT	EMEA	Austria	*	*	*	Lamprechtshausen*		*		*	*	*	*	*	*
BT	EMEA	Austria	*	*	*	Wien	*	*		*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
		Azerbaijan	*	*	*	Subsidised IPLCs				*					
BT	EMEA	Bahrain	*	*	*	Manama	*	*		*				*	*
BT	APAC	Bangladesh	*	*	*	Dhaka	*	*		*	*	*		*	*
		Belarus	*	*	*					*					
BT	EMEA	Belgium	*	*	*	Antwerp	*	*	*	*	*	*		*	*
BT	EMEA	Belgium	*	*	*	Antwerp	*	*	*	*	*	*	*	*	*
BT	EMEA	Belgium	*	*	*	Brussels	*	*		*	*	*		*	*
BT	EMEA	Belgium	*	*	*	Charleroi	*	*		*	*	*	*	*	*
BT	EMEA	Belgium	*	*	*	Gent	*	*		*	*	*	*	*	*
BT	EMEA	Belgium	*	*	*	Hasslet	*	*		*	*	*	*	*	*
BT	EMEA	Belgium	*	*	*	Kortrijk	*	*		*	*	*	*	*	*
BT	RAM	Belgium	*	*	*	Leige	*	*		*	*	*	*	*	*
BT	EMEA	Belgium	*	*	*	Leuven	*	*		*	*	*	*	*	*
BT	EMEA	Belgium	*	*	*	Mons	*	*		*	*	*	*	*	*
BT	EMEA	Belgium	*	*	*	Namur	*	*		*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	Bermuda	*	*	*	Hamilton	*	*		*	*	*		*	*
		Bolivia	*	*		Subsidised IPLCs				*					
		Botswana	*	*		Subsidised IPLCs				*					
BT	RAM	Brazil	*	*	*	Sao Paulo	*	*		*	*	*		*	*
BT	EMEA	Bulgaria	*	*	*	Sofia	*	*		*	*	*		*	*
		Cameroon	*	*		Subsidised IPLCs				*					
		Canada	*	*	*	Montreal				*					
BT	RAM	Canada	*	*	*	Toronto	*	*		*	*	*		*	*
		Cape Verde	*	*		Subsidised IPLCs				*				*	*
BT	RAM	Chile	*	*	*	Santiago	*	*		*	*	*		*	*
		China	*	*	*	Beijing				*					
BT	APAC	China	*	*	*	Guangzhou	*	*		*				*	*
BT	APAC	China	*	*	*	Shanghai	*	*		*	*	*		*	*
BT	RAM	Colombia	*	*	*	Bogota	*	*		*	*	*		*	*
		Costa Rica	*	*		Subsidised IPLCs				*					
BT	EMEA	Croatia	*	*	*	Zagreb	*	*		*				*	*
BT	EMEA	Cyprus	*	*	*	Nicosia	*	*		*				*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Czech Republic	*	*	*	Prague	*	*		*	*	*		*	*
BT	EMEA	Czech Republic	*	*	*	Prague	*	*		*				*	*
BT	EMEA	Denmark	*	*	*	Copenhagen	*	*		*	*	*		*	*
BT	EMEA	Denmark				Glostrup_Telehouse*		*		*	*	*		*	*
		Dominican Republic	*	*		Subsidised IPLCs				*					
		Ecuador	*	*		Subsidised IPLCs				*					
BT	EMEA	Egypt	*	*	*	Cairo	*	*		*	*	*		*	*
		El Salvador	*	*		Subsidised IPLCs				*					
BT	EMEA	Estonia	*	*	*	Talinn	*	*		*			*	*	*
BT	EMEA	Finland				Espoo	*	*		*	*	*	*	*	*
BT	EMEA	Finland	*	*	*	Helsinki	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Amiens	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Angouleme	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Annecy	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Avignon	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Bayonne	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Belfort	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Besancon	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Beziers	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Bordeaux	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Bourges	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Brest	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Caen	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Calais	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Cherbourg	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Clermont Ferrand	*	*		*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	France	*	*	*	Dijon	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Grenoble	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	La Rochelle	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Le Havre	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Le Mans	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Lille	*	*		*	*	*	*	*	*
	EMEA	France	*	*	*	Lille	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Limoges	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Lorient	*	*		*	*	*	*	*	*
	EMEA	France	*	*	*	Lyon	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Lyon	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Macon	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Marseille	*	*		*	*	*	*	*	*
	EMEA	France	*	*	*	Marseille	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Metz	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Montelimar	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Montpellier	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Mulhouse	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Nancy	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Nantes	*	*	*	*	*	*	*	*	*
	EMEA	France	*	*	*	Nantes	*	*	*	*	*	*	*	*	*
BT	EMEA	France	*	*	*	Nevers	*	*		*	*	*	*	*	*
	EMEA	France	*	*	*	Nice (Sofia Antipolis)	*	*	*	*	*	*	*	*	*
BT	EMEA	France	*	*	*	Nice	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Orleans	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Paris	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Paris	*	*		*	*	*	*	*	*
	EMEA	France	*	*	*	Paris - Le Capitole	*	*	*	*	*	*	*	*	*
	EMEA	France	*	*	*	Paris	*	*	*	*	*	*	*	*	*
BT	EMEA	France	*	*	*	Paris - Massy	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Perpignan	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Poitiers	*	*		*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	France	*	*	*	Puteaux	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Reims	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Rennes	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Rouen	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	St Etienne	*	*		*	*	*	*	*	*
	EMEA	France	*	*	*	Strasbourg	*	*	*	*					
BT	EMEA	France	*	*	*	Strasbourg	*	*	*	*	*	*	*	*	*
BT	EMEA	France	*	*	*	Toulon	*	*		*	*	*	*	*	*
	EMEA	France	*	*	*	Toulouse	*	*		*					
BT	EMEA	France	*	*	*	Toulouse	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Tours	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Troyes	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Valenciennes	*	*		*	*	*	*	*	*
BT	EMEA	France	*	*	*	Venissieux	*	*		*				*	*
BT		Georgia				Subsidised IPLCs				*					
BT	EMEA	Germany	*	*	*	Aachen	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Aalen	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Amberg	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Aschaffenburg	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Augsburg	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Augsburg	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Bamberg	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Germany	*	*	*	Bayreuth	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Bayreuth	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Berlin	*	*		*	*	*		*	*
BT	EMEA	Germany	*	*	*	Bielefeld	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Bonn	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Braunschweig	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Bremen	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Bremerhaven	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Burgkirchen	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Cham	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Chemnitz	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Coburg	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Germany	*	*	*	Cottbus	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Darmstadt	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Deggendorf	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Dingolfing	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Dresden	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Duisburg	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Erfurt	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Erlangen	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Finsing	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Flensburg	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Frankfurt	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Freiburg	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Gera	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Germany	*	*	*	Göttingen	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Gottmadingen	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Großenlupnitz	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Großmehring	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Hallbergmoos	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Hamburg	*	*		*	*	*		*	*
BT	EMEA	Germany	*	*	*	Hof	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Ilmenau	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Ingolstadt	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Itzehoe	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Jena	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Kaiserslautern	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Karlsfeld	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Germany	*	*	*	Kassel	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Kempton	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Kiel	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Koblenz	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Krefeld	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Landshut	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Landshut	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Langen	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Lübeck	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Magdeburg	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Mainz	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Meitingen	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	München	*	*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Germany	*	*	*	München	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	München	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Münster	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Neufahrn I.Nb	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Oerlenbach	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Offenbach	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Oldenburg	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Osnabrück	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Paderborn	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Passau	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Regensburg	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Regensburg	*	*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Germany	*	*	*	Regensburg	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Reutlingen	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Rosenheim	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Rosenthal	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Rostock	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Saarbrücken	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Scheßlitz	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Schirmitz	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Schwandorf	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Schweinfurt	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Schweinfurt	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Schwerin	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Germany	*	*	*	Starnberg	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Straubing	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Stuttgart	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Sulzfeld	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Teltow	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Traunstein	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Trier	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Ulm	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Weimar	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Weißenburg I. Bay.	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Wolfsburg	*	*		*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Wuppertal	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Germany	*	*	*	Würzburg	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Würzburg	*	*	*	*	*	*	*	*	*
BT	EMEA	Germany	*	*	*	Zwickau	*	*	*	*	*	*	*	*	*
		Ghana	*	*	*	Subsidised IPLCs				*					
BT	EMEA	Greece	*	*	*	Athens	*	*	*	*	*	*		*	*
BT	RAM	Guatemala	*	*	*	Guatemala City	*	*	*	*	*	*		*	*
		Guernsey	*	*	*	Subsidised IPLCs				*					
		Hondouras	*	*	*	Subsidised IPLCs				*					
BT	APAC	Hong Kong	*	*	*	Hong Kong	*	*	*	*	*	*		*	*
BT	APAC	Hong Kong	*	*	*	Hong Kong	*	*	*	*	*	*		*	*
BT	EMEA	Hungary	*	*	*	Budapest	*	*	*	*	*	*		*	*
BT	EMEA	Hungary	*	*	*	Budapest	*	*	*	*	*	*		*	*
BT	EMEA	Iceland	*	*	*	Reykjavik	*			*					
BT	APAC	India				Bangalore	*	*		*	*	*		*	*
BT	APAC	India	*	*	*	Bangalore	*	*		*	*	*		*	*
BT	APAC	India				Mumbai (Bombay)	*	*		*	*	*		*	*
BT	APAC	India	*	*	*	Mumbai (Bombay)	*	*		*	*	*		*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	APAC	India	*	*	*	New Delhi	*	*		*	*	*		*	*
BT	APAC	Indonesia	*	*	*	Jakarta	*	*		*				*	*
BT	EMEA	Ireland	*	*	*	Athlone	*			*	*	*	*	*	*
BT	EMEA	Ireland	*	*	*	Bray	*			*	*	*	*	*	*
BT	EMEA	Ireland	*	*	*	Cork	*			*	*	*		*	*
BT	EMEA	Ireland	*	*	*	Dublin	*	*		*	*	*		*	*
BT	EMEA	Ireland	*	*	*	Dundalk	*			*	*	*	*	*	*
BT	EMEA	Ireland	*	*	*	Dundrum	*	*		*	*	*		*	*
BT	EMEA	Ireland	*	*	*	Ennis	*			*	*	*	*	*	*
BT	EMEA	Ireland	*	*	*	Galway	*			*	*	*		*	*
BT	EMEA	Ireland	*	*	*	Kilkenny	*	*		*	*	*	*	*	*
BT	EMEA	Ireland	*	*	*	Limerick	*			*	*	*		*	*
BT	EMEA	Ireland	*	*	*	Mullingar	*			*	*	*	*	*	*
BT	EMEA	Ireland	*	*	*	Portlaoise	*			*	*	*	*	*	*
BT	EMEA	Ireland	*	*	*	Sligo	*			*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Ireland	*	*	*	Tralee	*			*	*	*	*	*	*
BT	EMEA	Ireland	*	*	*	Waterford	*			*	*	*	*	*	*
BT	EMEA	Ireland	*	*	*	Wexford	*			*	*	*	*	*	*
BT	EMEA	Isle of man	*	*	*	Douglas				*					
BT	EMEA	Israel	*	*	*	Tel Aviv	*	*		*	*	*		*	*
BT	EMEA	Italy	*	*	*	Bari	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Bergamo	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Bologna	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Bolzano	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Como	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Firenze	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Genova	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Milan	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Modena	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Napoli	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Padova	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Parma	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Italy	*	*	*	Pescara	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Piacenza	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Rome	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Torino	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Trento	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Trieste	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Venezia	*	*		*	*	*	*	*	*
BT	EMEA	Italy	*	*	*	Verona	*	*		*	*	*	*	*	*
BT	APAC	Japan	*	*	*	Osaka	*	*		*	*	*	*	*	*
BT	APAC	Japan				Tokyo	*	*		*	*	*	*	*	*
BT	APAC	Japan	*	*	*	Tokyo	*	*		*	*	*	*	*	*
		Jersey	*	*	*	St Helier				*					
BT	EMEA	Jordan	*	*	*	Amman	*	*		*	*	*		*	*
BT	EMEA	Kazakstan	*	*	*	Almaty				*				*	*
BT	EMEA	Kazakstan				Astana	*	*		*				*	*
BT	EMEA	Kenya	*	*	*	Nairobi	*	*		*	*	*		*	*
BT	APAC	Korea, Republic Of	*	*	*	Seoul	*	*		*	*	*		*	*
		Kyrgyzstan	*	*		Subsidised IPLCs				*					
BT	EMEA	Kuwait	*	*	*	Kuwait City	*	*		*				*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Latvia	*	*	*	Riga	*	*		*				*	*
BT	EMEA	Lebanon	*	*	*	Beirut	*	*		*	*	*		*	*
BT	EMEA	Lithuania	*	*	*	Vilnius	*	*		*		*		*	*
BT	EMEA	Luxembourg	*	*	*	Luxembourg	*	*	*	*	*	*	*	*	*
BT	EMEA	Luxembourg	*	*	*	Luxembourg			*	*	*	*		*	*
BT		Macau	*	*	*	Subsidised IPLCs				*					
BT		Madagascar	*	*	*	Subsidised IPLCs				*					
BT		Malawi	*	*	*	Subsidised IPLCs				*					
BT	APAC	Malaysia	*	*	*	Kuala Lumpur	*	*	*	*	*	*		*	*
		Mauritius	*	*	*	Port Louis				*	*	*		*	*
BT	EMEA	Malta	*	*	*	Mdina	*	*	*	*	*	*		*	*
BT	RAM	Mexico	*	*	*	Mexico City	*	*	*	*	*	*		*	*
BT	RAM	Mexico	*	*	*	Monterrey				*	*	*		*	*
		Moldova	*	*	*	Subsidised IPLCs				*					
		Monaco	*	*	*					*					
BT	EMEA	Morroco	*	*	*	Casablanca	*	*		*	*	*		*	*
		Mozambique	*	*		Subsidised IPLCs				*					

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
		Namibia	*	*		Subsidised IPLCs				*					
BT	EMEA	Netherlands	*	*	*	Alkmaar	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Amersfoort	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Amsterdam	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Amsterdam	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Amsterdam	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Amsterdam	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Amsterdam	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Amsterdam	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Amsterdam	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Amsterdam	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Apeldoorn	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Arnhem	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Beverwijk	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Netherlands	*	*	*	Breda	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Breda	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Den Bosch	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Den Haag	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Den Haag	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Den Haag			*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Deventer	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Dordrecht	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Eindhoven	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Eindhoven	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Enschede	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Gouda	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Groningen	*	*		*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Netherlands	*	*	*	Haarlem	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Heerlen	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Helmond	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Hilversum	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Hoofddorp	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Hoogeveen	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Leeuwarden	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Leiden	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Maastricht	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Meppel	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Nieuwegein	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Nijmegen	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Netherlands	*	*	*	Rijswijk	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Roermond	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Roosendaal	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Rotterdam	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Rotterdam	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Rotterdam	*	*	*	*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Tilburg	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Utrecht	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Venlo	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Zaandam	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Zutphen	*	*		*	*	*	*	*	*
BT	EMEA	Netherlands	*	*	*	Zwolle	*	*		*	*	*	*	*	*
BT		Netherlands Antiles	*	*	*	Subsidised IPLCs				*					

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	APAC	New Zealand	*	*	*	Auckland	*	*		*	*	*		*	*
BT	APAC	New Zealand				Christchurch	*	*		*	*	*		*	*
BT		Nicaragua	*	*		Subsidised IPLCs				*					
BT		Nigeria	*	*	*	Subsidised IPLCs				*					
BT	EMEA	Norway				Oslo	*	*		*	*	*		*	*
BT	EMEA	Norway	*	*	*	Oslo	*	*		*	*	*		*	*
BT	EMEA	Oman	*	*	*	Muscat	*	*		*				*	*
BT	APAC	Pakistan	*	*	*	Karachi	*	*		*	*	*		*	*
BT		Panama	*	*		Subsidised IPLCs				*					
BT	RAM	Peru	*	*	*	Lima	*	*		*	*	*		*	*
BT	APAC	Philippines	*	*	*	Manila	*	*		*	*	*		*	*
BT	EMEA	Poland	*	*	*	Warszawa	*	*	*	*	*	*		*	*
BT	EMEA	Poland	*	*	*	Warszawa			*	*				*	*
BT	EMEA	Portugal	*	*	*	Lisbon	*	*		*	*	*		*	*
BT		Puerto Rico	*	*		Subsidised IPLCs				*					
BT	EMEA	Qatar	*	*	*	Doha	*	*		*				*	*
BT	EMEA	Romania	*	*	*	Bucharest	*			*					
BT	EMEA	Russian Federation	*	*	*	Moscow or St Petersburg			*	*					

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Russian Federation	*	*	*	Moscow	*	*	*	*	*	*		*	*
BT	EMEA	Saudi Arabia	*	*	*	Riyadh	*	*		*	*	*		*	*
BT	EMEA	Serbia	*	*	*	Belgrade	*	*		*				*	*
BT	APAC	Singapore	*	*	*	Singapore	*	*		*	*	*		*	*
BT	APAC	Singapore	*	*	*	Singapore	*	*		*	*	*		*	*
BT	EMEA	Slovakia				Bratislava	*	*		*				*	*
BT	EMEA	Slovakia	*	*	*	Bratislava	*	*		*	*	*		*	*
BT	EMEA	South Africa	*	*	*	Johannesburg	*			*	*	*		*	*
BT	EMEA	Spain	*	*	*	Almería	*	*		*	*	*	*	*	*
BT	EMEA	Spain	*	*	*	Badajoz	*	*		*	*	*	*	*	*
BT	EMEA	Spain	*	*	*	Barcelona	*	*	*	*	*	*		*	*
BT	EMEA	Spain	*	*	*	Barcelona	*	*	*	*	*	*		*	*
BT	APAC	Spain	*	*	*	Bilbao	*	*		*	*	*		*	*
BT	EMEA	Spain	*	*	*	Cádiz	*	*		*	*	*	*	*	*
BT	EMEA	Spain	*	*	*	Cuenca	*	*		*	*	*	*	*	*
BT	EMEA	Spain	*	*	*	La Coruña	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Spain	*	*	*	Madrid	*	*	*	*	*	*		*	*
BT	EMEA	Spain	*	*	*	Madrid	*	*	*	*	*	*		*	*
BT	EMEA	Spain	*	*	*	Madrid/Bravo	*	*	*	*	*	*		*	*
BT	EMEA	Spain	*	*	*	Pontevedra (Vigo)	*	*	*	*	*	*	*	*	*
BT	EMEA	Spain	*	*	*	Tres Cantos	*	*	*	*	*	*	*	*	*
BT	APAC	Sri Lanka	*	*	*	Colombo	*	*	*	*	*	*		*	*
		Swaziland	*	*		Subsidised IPLCs				*					
BT	EMEA	Sweden	*	*	*	Goteborg	*	*	*	*	*	*		*	*
BT	EMEA	Sweden	*	*	*	Malmo	*	*	*	*	*	*		*	*
BT	EMEA	Sweden	*	*	*	Stockholm	*	*	*	*	*	*		*	*
BT	EMEA	Sweden	*	*	*	Stockholm			*	*					
BT	EMEA	Switzerland	*	*	*	Aarau	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Arth-Goldau	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Baden	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Basel	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Basel	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Bellinzona	*	*	*	*			*	*	*
BT	EMEA	Switzerland	*	*	*	Bern	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Bern	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Bern	*	*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Switzerland	*	*	*	Bern	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Biel	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Brig	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Buchs	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Chiasso	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Chur	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Fribourg	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Geneva	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Geneva	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Geneva	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Geneva	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Goeschenen	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Horgen	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Lausanne	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Lausanne	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Locarno	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Lugano	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Luzern	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Martigny	*	*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Switzerland	*	*	*	Meyrin	*	*		*			*	*	*
BT	EMEA	Switzerland	*	*	*	Muenchenstein	*	*		*			*	*	*
BT	EMEA	Switzerland	*	*	*	Neuchatel	*	*		*			*	*	*
BT	EMEA	Switzerland	*	*	*	Oerlikon	*	*	*	*			*	*	*
BT	EMEA	Switzerland	*	*	*	Oerlikon	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Olten	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Ruemlang	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Sargans	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Schaffhausen	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Sion	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Solothurn	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	St. Gallen	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	St. Margrethen	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Thun	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Vevey	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Wil	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Winterthur	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Zug	*	*		*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Zurich	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Zurich	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Zurich	*	*	*	*	*	*	*	*	*
BT	EMEA	Switzerland	*	*	*	Zurich	*	*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	Switzerland	*	*	*	Zurich	*	*		*	*	*	*	*	*
BT	APAC	Taiwan, Province Of China	*	*	*	Taipei	*	*		*	*	*		*	*
BT	APAC	Taiwan, Province Of China	*	*	*	Taipei				*					
BT		Tanzania	*	*	*	Subsidised IPLCs				*					
BT	APAC	Thailand	*	*	*	Bangkok	*	*		*	*	*		*	*
		Togo	*	*	*	Subsidised IPLCs				*					
BT	EMEA	Tunisia	*	*	*	Tunis	*	*		*	*	*		*	*
BT	EMEA	Turkey	*	*	*	Istanbul			*	*					
BT	EMEA	Turkey	*	*	*	Istanbul or Ankara			*	*					
BT		Uganda	*	*	*	Subsidised IPLCs				*					
BT	EMEA	Ukraine	*	*	*	Kiev				*				*	*
		United Arab Emirates	*	*	*					*					
BT	EMEA	United Kingdom				Belfast	*	*		*	*	*		*	*
BT	EMEA	United Kingdom	*	*	*	Bedford	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Birmingham	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Bristol	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	EMEA	United Kingdom	*	*	*	Cosham	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Edinburgh	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Eltham	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Leeds	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	London	*	*	*	*	*	*		*	*
BT	EMEA	United Kingdom	*	*	*	London	*	*	*	*	*	*		*	*
BT	EMEA	United Kingdom	*	*	*	London	*	*	*	*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Manchester	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Newbury	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Nottingham	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Renfrew	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Salford	*	*		*	*	*	*	*	*
BT	EMEA	United Kingdom	*	*	*	Swindon	*	*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	ABILENE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ADDISON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	AKRON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ALBANY		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ALBANY		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ALBUQUERQUE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ALEXANDRIA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Allenville		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ALPHARETTA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ALTOONA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	AMARILLO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	AMBRIDGE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	AMES		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ANAHEIM		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	APPLETON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ARAB		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ARCHBOLD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ARLINGTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ARNOLD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ASHEVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ASHLAND		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	ATHENS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ATLANTA		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ATLANTA	*	*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	AUGUSTA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	AUSTIN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Austin		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BAKERSFIELD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BALTIMORE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BANGOR		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BARTLESVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BATON ROUGE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BEAUMONT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BEAVERTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BECKLEY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BELLEFONTAINE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BENTON HARBOR		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BENTONVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BENTONVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BEREA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BILLINGS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BINGHAMTON		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	BIRMINGHAM		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BIRMINGHAM		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Birmingham		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BIRMINGHAM		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BISMARCK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BLACKSBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BLAIRS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BLOOMINGTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BLOOMINGTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BLOOMINGTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BLUEFIELD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BOCA RATON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BOHEMIA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BOISE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BOSTON	*	*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Boston/Cambridge		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BOWLING GREEN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BOZEMAN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Brainerd		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BRATTLEBORO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BRENTWOOD		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	BRIDGEPORT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BRISTOL		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BROOK PARK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BROWNSVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BROWNWOOD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BRYAN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	BUFFALO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Buffalo		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BUFFALO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	BUTLER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CAMBRIDGE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CAMDEN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CANTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CAPE GIRARDEAU		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CAPUTA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CARBONDALE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CARLISLE SPRINGS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CARMEL		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CASPER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CEDAR KNOLLS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CEDAR RAPIDS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CELINA		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	CHAFFEY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHAMPAIGN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHARLESTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHARLESTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHARLOTTE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHARLOTTE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Charlotte		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Charlotte Amalie		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHARLOTTESVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHATSWORTH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHATTANOOGA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHERRYVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHESHIRE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHEYENNE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHICAGO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Chicago		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHICAGO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Chicago	*	*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Chicago		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	CHICO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Cincinnati		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	CINCINNATI		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CLARKSBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CLARKSTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CLEARWATER		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	CLEARWATER		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Cleveland		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	CLEVELAND		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	COCOA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	COEUR D'ALENE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	COLLINSVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	COLORADO SPRINGS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	COLUMBIA		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	COLUMBIA		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	COLUMBUS		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Columbus		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	COLUMBUS		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	COLUMBUS		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	CONYERS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	COOKEVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	COON VALLEY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CORALVILLE		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	CORPUS CHRISTI		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CORVALLIS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	COVINGTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CRESTVIEW		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CREVE COEUR		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CULPEPER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	CUMBERLAND		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DALLAS	*	*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	DALLAS		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	DALTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DANBURY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DANVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DAVENPORT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DAYTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DAYTONA BEACH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DE KALB		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DECATUR		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	DECATUR		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	DENVER		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Denver	*	*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	DES MOINES		*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	DETROIT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Detroit/Southfield	*	*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Dodge City		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DOVER		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	DOVER		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	DUBUQUE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DULUTH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DUNNIGAN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DUNWOODY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	DURHAM		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Durham		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	DURHAM		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	EAST POINT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	EAU CLAIRE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	EDINBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	EL PASO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ELIZABETHTOWN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ELKHART		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ELKO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ENGLEWOOD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	EOLA		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	ERIE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	EUGENE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	EVANSVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Evendale		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	EVERETT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FAIRACRES		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FAIRHAVEN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FAIRVIEW		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FARGO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FARMINGTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FAYETTEVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	FAYETTEVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	FINDLAY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FINKSBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Fishers Island		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FLAGSTAFF		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FLINT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FLORENCE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FLORISSANT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FOLSOM		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FORT DODGE		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	FORT LAUDERDALE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FORT MYERS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FORT SMITH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FORT WALTON BEACH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FORT WAYNE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Fort Worth		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	FORT WORTH		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	FRAMINGHAM		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FRANKFORT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FREDERICK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FREEHOLD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FRENCHTOWN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FRESNO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	FRONTENAC		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GAINESVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GARDEN CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GARDENA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GHENT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GLASGOW		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GLENCOE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GLENVIEW		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GLOUCESTER		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	GRAND FORKS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GRAND ISLAND		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GRAND JUNCTION		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GRAND RAPIDS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GRAYLING		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GREAT FALLS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GREEN BAY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GREENSBORO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	GREENSBORO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	GREENSBURG		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	GREENVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	GREENVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	GREENWOOD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GULFPORT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	GUYMON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HAGERSTOWN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HAMILTON SQUARE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HAMPTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HANNIBAL		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HANOVER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HARLINGEN		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	HARRISBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HARRISON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HARRISONBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HARTFORD		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	HARTFORD		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	HATTIESBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HAVRE DE GRACE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HELENA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HICKORY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HIGHPOINT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HILLSBORO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HOBBS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HOLLAND		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HOLLISTER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Honolulu		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HORNLAKE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HOUSTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	HOUSTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	HOUSTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Houston		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	HUNTINGTON		*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	HUNTINGTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	HUNTSVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	HUTCHINSON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	IDAHO FALLS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	INDEPENDENT HILL		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	INDIANAPOLIS		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Indianapolis		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Irvine(Tustin)		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	IRVING		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	JACKSON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	JACKSON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	JACKSON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	JACKSONVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	JACKSONVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Jacksonville		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	JACKSONVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	JACKSONVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	JACKSONVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	JANESVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	JASPER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	JEFFERSON CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	JEROME		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	JOHNSON CITY		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	JOHNSTOWN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	JONESBORO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	JOPLIN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	KALAMAZOO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	KANSAS CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	KEARNEY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	KENNEWICK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	KILLEEN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	KINSTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	KNOXVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	KNOXVILLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	LA CROSSE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LAFAYETTE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LAFAYETTE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LAKE BUENA VISTA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LAKE CHARLES		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LANARK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LANCASTER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LANSING		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LAREDO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Las Vegas		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	LAS VEGAS		*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	LAURINBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LAWRENCE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	LAWRENCE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	LAWTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Lebanon		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LEESBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LEESBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LEXINGTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	LEXINGTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	LEXINGTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	LIGHTFOOT		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	LIMA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LINCOLN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LINCOLNVILLE BEACH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LITTLE ROCK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LONG BEACH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Long Island		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LONGMONT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LONGVIEW		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LORAIN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Los Angeles	*	*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	Los Angeles		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	LOS ANGELES		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	LOUISVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Louisville		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LUBBOCK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LUDLOW		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LUFKIN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LUND		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	LYNCHBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Macomb		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MACON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MADISON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MADISONVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MANCHESTER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MANHATTAN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MANSFIELD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MARTINSBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MASON CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MATTOON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MAYER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MEDFORD		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	MEDFORD		*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	MEDINA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MELBOURNE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MEMPHIS		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Memphis		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	MERIDIAN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MESA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MEXICO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Miami	*	*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Miami		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	MIAMI		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	MIDDLETOWN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MIDLAND		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	MIDLAND		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Milwaukee		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	MILWAUKEE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Minneapolis		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	MINNEAPOLIS		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	MINOT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MISSION VIEJO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MISSOULA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MOBERLY		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	MOBILE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MODESTO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MONROE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MONROE CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MONROVIA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MONTGOMERY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MORGANTOWN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MUNCIE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MUSCATINE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	MYRTLE BEACH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	NASHVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Nashville		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	NEW BERN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	NEW BRUNSWICK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	NEW HAVEN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	NEW LONDON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	New Orleans		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	NEW ORLEANS		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	NEW YORK	*	*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	New York (111 8th)		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	NEW YORK (54)		*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	NEW YORK (BW)		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	NEWARK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	NEWPORT NEWS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	NORCROSS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Norfolk		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	NORFOLK		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	NORFOLK		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	NORTH PLATTE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	NORTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	OAKBROOK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Oakland		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	OAKLAND		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	OAKTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	OCALA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	OCEANSIDE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	OGDEN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	OIL CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	OJUS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	OKLAHOMA CITY		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Oklahoma City		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	OLATHE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	OLNEY		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	OLYMPIA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	OMAHA		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	OMAHA		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Omaha		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	OPELIKA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ORLANDO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Orlando		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ORLANDO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	OWENSBORO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	OXNARD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PADUCAH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PAINTSVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PALM SPRINGS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PANAMA CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PARKERSBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Parsons		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PENSACOLA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PEORIA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PERKINS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PFLUGERVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Philadelphia		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	PHILADELPHIA	*	*	*	*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	PHILADELPHIA		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	PHOENIX		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Phoenix		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	PIEDMONT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PINCKARD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PINE BLUFF		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Pittsburgh		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	PITTSBURGH		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	PLATTSBURGH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PLEASANTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PLEASANTVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PLYMOUTH		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	PLYMOUTH		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	POCATELLO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	POLK CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PORTAGE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PORTLAND		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	PORTLAND		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Portland		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	POUGHKEEPSIE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PRESQUE ISLE		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	Princeton		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PROVIDENCE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PROVO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PUEBLO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	PULLMAN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	RALEIGH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Raleigh		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	READING		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	REDDING		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	REDWOOD CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	REGO PARK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	RENO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	RICHMOND		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	RICHMOND		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Richmond		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	RICHMOND		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROANOKE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROCHELLE PARK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Rochester		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROCHESTER		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROCHESTER		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROCK HILL		*		*	*	*	*	*	*

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Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	ROCKFORD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROCKY MOUNT		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROCKY MOUNT		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROGERS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROLLA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROLLING MEADOWS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROME		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROSWELL		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ROWLESBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Sacramento		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SACRAMENTO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SAGINAW		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SALEM		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SALINA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SALINAS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SALISBURY		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SALISBURY		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Salt Lake City		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SALT LAKE CITY		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SAN ANGELO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SAN ANTONIO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	San Antonio		*	*	*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	SAN ANTONIO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SAN BERNARDINO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SAN DIEGO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	San Diego		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SAN FRANCISCO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SAN FRANCISCO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SAN JOSE	*	*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	San Jose L3GW		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	San Juan		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	San Luis Obispo		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SAN LUIS OBISPO		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SANTA ANA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SANTA BARBARA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SANTA MARIA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SANTA ROSA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Santa Teresa		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SARASOTA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SAVANNAH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SCRANTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SEATTLE		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Seattle		*	*	*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	SEATTLE	*	*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SHEBOYGAN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SHERMAN OAKS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SHREVEPORT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SILVER SPRING		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SIOUX CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SIOUX FALLS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SOMERSET		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SOUTH BEND		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SOUTH BURLINGTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SPARTANBURG		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SPENCER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SPOKANE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SPRINGFIELD		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SPRINGFIELD		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SPRINGFIELD		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	SPRINGFIELD		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ST. CLOUD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ST. JOSEPH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	St. Louis		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ST. LOUIS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	ST. PAUL		*		*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	ST. PETERSBURG		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	ST. PETERSBURG		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	STAMFORD		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	STATE COLLEGE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	STAUNTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	STERLING		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	STEUBENVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	STEVENS POINT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	STOCKTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	STUYVESANT		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SUNBURY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SUNNYLAND		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SWEETWATER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Syracuse		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	SYRACUSE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	TACOMA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	TALLAHASSEE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Tampa		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	TAMPA		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	TAMPA		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	TERRE HAUTE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	TOLEDO		*		*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	TOPEKA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	TRAVERSE CITY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	TROY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	TUCSON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	TULLY		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	TULSA		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Tulsa		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	TULSA		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	TUPELO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	TUSCALOOSA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	UTICA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	VERO BEACH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	VICTORIA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WACO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WALDORF		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WALNUT CREEK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WARE SHOALS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WARREN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WARSAW		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WASHINGTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	WASHINGTON		*	*	*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	Washington		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	WATERLOO		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WAUKESHA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WAUSAU		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WAYNE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WAYNESBORO		*		*	*	*	*	*	*
						WEST PALM BEACH		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WHEELING		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	White Plains		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	WHITE PLAINS		*	*	*	*	*	*	*	*
						WHITE RIVER JUNCTION		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WICHITA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WICHITA FALLS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	Williamsport		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WILMINGTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Wilmington		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	WILMINGTON		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	WINCHESTER		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	WINCHESTER		*	*	*	*	*	*	*	*
BT	RAM	United States	*	*	*	Window Rock		*		*	*	*	*	*	*
						WINSTON- SALEM		*		*	*	*	*	*	*

* Text has been redacted for confidentiality

Provider	Region	Country	Reuters required Gold Country	Reuters deployment phase	BT Status	City	Site Address	Zip code	BT Gold Cities	MPLS Status	Longitude	Latitude	3rd Party Provider	Highest attainable SLA	Sat Dish Enabled
BT	RAM	United States	*	*	*	WINTER PARK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WINTERHAVEN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WOOSTER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WORCESTER		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WORTHINGTON		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WYE MILLS		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	WYTHEVILLE		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	YAKIMA		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	YORK		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	YOUNGSTOWN		*		*	*	*	*	*	*
BT	RAM	United States	*	*	*	YUMA		*		*	*	*	*	*	*
BT		Uzbekistan	*	*	*	Subsidised IPLCs				*					
BT	RAM	Venezuela	*	*	*	Caracas	*	*		*	*	*	*	*	*
BT	APAC	Vietnam	*	*	*	Hanoi	*	*		*	*	*	*	*	*
		Yugoslavia	*	*	*	Subsidised IPLCs				*					
BT	EMEA	Zimbabwe	*	*	*	Harare				*				*	*

* Text has been redacted for confidentiality

Appendix B Service Boundaries

Diagram 1: Client Site Boundary.

*

* Text has been redacted for confidentiality

Diagram 2: Core Network Boundary

*

* Text has been redacted for confidentiality

Diagram 3: Direct Connect Boundary.

*

* Text has been redacted for confidentiality

Appendix C

Part 1 TerraPoP Locations

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*
*
*
*
*
*
*

Part 2 TerraPoP Order Information

- Details of the TerraPoP town or city and the target MTCs
 - Full site address and contact details, data centre floor, room and rack details (if any), and a named site contact, in each case for the target MTCs.
 - * Text has been redacted for confidentiality
-

Appendix C

Replacement Schedule 2 Part 1C

Schedule 2
Services Description

Part 1C
Service Management

For the purposes of this Schedule, the following capitalised term shall have the corresponding meaning:

“Reuters Service Owners”	means Reuters' heads of development, operations, product management, CRMC, professional services group and other key service functions within the Reuters Group;
---------------------------------	--

Section A of this Schedule sets out the service management levels for the Existing Services and Section B of this Schedule sets out the service management levels for the New Services.

SECTION A: EXISTING SERVICES

1 SCOPE

- 1.1 This Section A of Schedule 2 Part 1C sets out the arrangements for monitoring the operational service performance of the Existing Services by means of the Global Service Forum.
- 1.2 Service management for Existing Services shall be undertaken in accordance with practices adopted by the Radianz Group during the Standard Period.

2 GLOBAL SERVICE FORUM

- 2.1 The objectives of the Global Service Forum are to:
 - 2.1.1 provide top-down governance for the most significant Service issues;
 - 2.1.2 provide a system for triage of serious cross functional Service issues and problem resolution;
 - 2.1.3 provide senior management in Reuters with visibility of very significant problems affecting the service provided to Reuters' customers;
 - 2.1.4 apply the right level of management control/priority on current high severity Service issues;
 - 2.1.5 provide input to Reuters Service Owners to allow underlying issues to be addressed;
 - 2.1.6 improve the Existing Services and the perception of Services provided by BT across Reuters; and
 - 2.1.7 identify the most critical product and Service issues from all Incident reports received by the CRMCS.
-

3 BT MEMBERSHIP

BT will be a full member of the Global Service Forum and a maximum of two BT representative(s) will attend each meeting to address BT related issues.

4 ORGANISATION

4.1 The Global Service Forum shall meet weekly in London.

4.2 Reuters will provide BT with a copy of each draft Global Service Forum report that is produced reasonably prior to the meeting.

4.3 GMC Weekly Service Reports are produced by the Global Service Forum.

5 SERVICE PERFORMANCE

5.1 Service performance shall be monitored by means of the review of Incidents categorised by Reuters CRMCs into severity levels 1, 2 and 3 in accordance with paragraph 3 of Schedule 5 Part 1 (*Service Levels: Existing Services*).

5.2 An Incident will be categorised by severity level by the Global Service Forum in accordance with the following categories:

5.2.1 Delayed Fix (i.e. an outstanding Incident that is not being resolved through normal channels in a timely manner);

5.2.2 Heads up (i.e. a notification to Global Service Forum members of a new Incident and its current status (open or closed) on a 'for your information' basis);

5.2.3 Long-term (i.e. an Incident: (i) which frequently appears in the Global Service Forum report; (ii) in relation to which an Incident trend is identified; or (iii) which requires tracking on a weekly basis).

5.3 When an Incident is categorised as "Long-term" under paragraph 5.2. above then the Incident will re-appear automatically at the weekly Global Service Forum until resolved.

SECTION B: NEW SERVICES

6 SCOPE

6.1 This Section B of Schedule 2 Part 1C sets out the service management levels applicable for the New Services.

6.2 BT shall develop and maintain a Customer Operations Manual containing relevant operational details in respect of its management of the New Services and all associated service management procedures. BT shall make copies of the Customer Operations Manual available to Reuters on a regular basis and in a reasonable manner to be agreed by the Parties.

7 SERVICE DESK

7.1 BT shall make available to Reuters the Service Desk *

7.2 The Service Desk shall be the primary point of contact for day to day issues relating to the New Services including:

* Text has been redacted for confidentiality

- 7.2.1 Incident reporting;
- 7.2.2 problem escalation;
- 7.2.3 order management; and
- 7.2.4 moves, adds and changes.

- 7.3 All initial contact with or by the Service Desk shall be conducted in English.
- 7.4 BT shall maintain an on-site presence at the CRMCs for the duration of the Agreement.

8 INCIDENT MANAGEMENT

- 8.1 BT shall record all Incidents on the Service Desk's trouble ticketing system reported to it and provide Reuters with a unique BT identifier relating to each Incident. The classification of each Incident will be assigned by BT in accordance with the severity criteria set out in paragraph 4.1 of Schedule 5, Part 2. In respect of the measurement of Service Levels, the time at which an Incident occurs shall be the starting point for measurement of the Service Levels.
- 8.2 Reuters shall record the details of all Incidents reported to the Service Desk on its systems and shall provide BT with a unique identifier for the Incident at the time the Incident is reported to BT.
- 8.3 BT shall provide Reuters with updates concerning progress of Incident resolution in accordance with Schedule 5 Part 2.
- 8.4 BT shall notify the Reuters CRMC when a Service has been restored or that analysis has proved that fault conditions no longer apply. BT shall complete "reason for outage" details on the trouble ticket.
- 8.5 Where BT determines that no Incident has occurred in respect of a New Service, then BT shall register this on the Service Desk trouble ticketing system. In the event of persistent false reporting, BT shall notify Reuters and Reuters shall promptly implement measures which shall subsequently ensure a material reduction in such persistent false reporting within the next reporting period, or such other timescale as may be agreed.

9 PROACTIVE MANAGEMENT

- 9.1 BT shall use all reasonable endeavours to detect Incidents by proactively monitoring the status of each New Service *.
- 9.2 On detection or notification of an Incident or circumstances which might give rise to an Incident in BT's reasonable opinion, BT shall register the same with the Service Desk, which shall promptly notify Reuters of the same and manage any Incident in accordance with paragraph 8 above.

10 ALARM MONITORING

- 10.1 BT will collect network management alarms on a *. All alarms will be analysed and, if found to relate to an Incident, will be dealt with through the Incident management process set out in this Schedule and Schedule 5 Part 2.

11 ESCALATION

- 11.1 As soon as reasonably practicable after the Signing Date, BT and Reuters will develop and agree operational escalation procedures, based initially on those agreed for Existing Services. Once these procedures are defined, they will be included within the Customer Operations Manual.

* Text has been redacted for confidentiality

- 11.2 The Parties agree that the persons nominated in the escalation procedures will each have sufficient authority to provide an effective means of escalation.
- 11.3 The escalation procedure described in paragraph 11.1 above will include but not be limited to:
- 11.3.1 how each stage in the escalation process is invoked or triggered;
 - 11.3.2 the reporting channels through which escalation action is implemented;
 - 11.3.3 levels of responsibility;
 - 11.3.4 supporting resource;
 - 11.3.5 escalation tracking.

12 CAPACITY MANAGEMENT

- 12.1 BT will monitor the traffic levels of the Connections using its network monitoring systems in order to identify whether any of the following in BT's reasonable opinion are required:
- 12.1.1 increase or decrease in the capacity of a New Service;
 - 12.1.2 changes to a New Service to take account of the growth of, or reduction in, traffic levels and/or Facilities;
 - 12.1.3 changes to a New Service to take account of changes in Reuters applications or equipment;
 - 12.1.4 changes to a New Service to reduce the cost to Reuters;
 - 12.1.5 changes to a New Service to optimise the network or network elements.

For the avoidance of doubt, any proposed change under this paragraph 12.1 shall be progressed by the Parties in accordance with the Change Control Procedure.

- 12.2 BT shall provide reports that include access circuit utilisation by Facility and Service Packages. In order to identify capacity issues within the IP network, the latency thresholds from the Facilities will be monitored and when exceeded investigated to determine whether there is an IP network capacity bottleneck.

13 SERVICE MANAGEMENT REPORTING

- 13.1 BT shall provide a series of reports described in this Schedule and detailed in the Customer Operations Manual. Such reports shall be provided to an agreed frequency and timeframe appropriate to the Service to which they relate.
- 13.2 The scope and contents of Service Level reports may vary from time to time as agreed between the Parties where such changes provide a mutual benefit or a practical improvement.
- 13.3 BT shall resolve questions arising from or with regard to Service Levels reports within *. Such reports will comprise the following, and will be produced centrally and made available to Reuters in a manner to be agreed by the Parties:

* Text has been redacted for confidentiality

13.3.1 Management Information Report

BT will prepare and submit a monthly Management Information Report comprising the following sections:

- (i) Executive Summary outlining a summary of events occurring in the period (including detail of specific major events), providing a summary of all material Incidents during that period, identifying any common causes, and proposing corrective action to prevent a recurrence;
- (ii) Service Performance Summary against Service Levels, on a regional basis. In addition, this summary will include information concerning any Service Levels which were not met during the reporting period;
- (iii) Network Performance Management, including number of Incidents reported to the Service Desk during the relevant period, together with an indication of whether these have been cleared, referred to Reuters or other third parties, or are outstanding for resolution. Where appropriate, this will include root cause analysis information. In addition, to assess measurement of network performance, this will include Availability, RTD and Packet Loss measurements (measured in accordance with paragraph 3.3 of Schedule 5, Part 2) over the relevant Measurement Period;
- (iv) A summary detailing routes and systems where BT's reasonably recommended capacity thresholds are being exceeded;
- (v) Opportunities (which in BT's reasonable opinion are relevant and appropriate) to improve the New Services provided to Reuters by BT via the Change Control Procedure. In particular, BT will advise Reuters of any relevant third party software upgrades available (both functionality and maintenance releases).

The report will be based upon information pertaining to the previous month and will be presented at the monthly Service Review Meeting.

13.4 Service Level Report

The Service Level report will be a report showing performance against the Service Levels measured in accordance with Schedule 5, Part 2. This report will be produced monthly within * of the end of the relevant Measurement Period.

13.5 Service Provision Report

The Service Provision Report will be produced weekly and have the following information:

- 13.5.1** the number of orders placed;
- 13.5.2** the number of orders completed;
- 13.5.3** the number of orders programmed; and
- 13.5.4** the number of orders that did not meet the agreed delivery date together with commentary describing reason for delay and action taken to complete order.

A trend analysis graph shall be provided to show the number of orders that were not completed by the agreed delivery date each month, month on month for the preceding 12 month period.

* Text has been redacted for confidentiality

13.6 Network Change Schedule

BT will publish a schedule of planned maintenance, configuration or network changes in respect of the New Services to be undertaken within a Maintenance Window in accordance with paragraph 3.2 of Part 2 of Schedule 5. The schedule will be available to Reuters in a manner to be agreed by the Parties and shall include:

- 13.6.1 Date of the proposed change;
- 13.6.2 Nature of work; and
- 13.6.3 Facilities impacted.

13.7 Capacity Planning Report

- 13.7.1 BT will produce a monthly capacity report for the Facilities. The Parties will, acting reasonably, define and agree core hours for at least each of the main territories (America, Europe and Asia). During these core hours all Gold, Silver and RDF datafeed will have a polling frequency of not less than *. Out of core hours, all Gold, Silver and RDF datafeed Sites will have a polling frequency of not less than *. Out of core hours, and for all other Sites, the polling frequency will be *. BT will make all reasonably efforts to reduce the polling frequency.
- 13.7.2 BT will identify Facilities where upper or lower capacity threshold have been reached and will make recommendations should capacity changes be appropriate.
- 13.7.3 In addition, where reasonably requested this report shall include:
 - (i) the peak utilisation value for every Facility access connection, irrespective of whether it fell outside of the thresholds; and
 - (ii) a trend analysis graph in a form to be agreed.

13.8 Reason for Outage Report

BT will include on the trouble ticket information detailing the reason for the outage for each incident. Each report will contain:

- 13.8.1 Description of the Incident;
- 13.8.2 Action taken to restore the Service;
- 13.8.3 Cause of the Incident, if known; and
- 13.8.4 Any known action required to complete the repair.

13.9 As part of continuous service improvement, BT and Reuters working together and acting in good faith will seek to find ways to allow API access to data relevant to Reuters in the BT intranet in order that Reuters can supply the relevant customer information to the relevant customers electronically. BT and Reuters will implement any agreed solution.

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Appendix D

Replacement Schedule 2 Part 1D

Schedule 2
Services Description

Part 1D
Security Management

1. Introduction and Definitions

1.1 This Part 1D of Schedule 2 sets out the Parties' requirements relating to security arrangements, processes and procedures in connection with the:

- (A) structured withdrawal of BT from the Reuters Systems;
- (B) provision of the Services;
- (C) migration from the Existing Services to the New Services; and
- (D) management framework the Parties have agreed to follow with respect to security matters.

1.2 The following defined terms shall have the following meanings only in this Part 1D of Schedule 2:

"Issues Register"	means the register of issues raised by either Party with respect to matters regarding security arrangements, processes, procedures and Security Incidents maintained by BT;
"Security Go-Live Date"	means the date being six months after the Closing Date;
"Security Incident"	means either (i) unauthorised or unplanned access to the Reuters Systems, (ii) unauthorised or unplanned access to the BT System, or (iii) a breach of security arrangements, processes and procedures as they relate to the Services, in each case whether through or by reason of accident, negligence or default;
"Security Meeting"	has the meaning given to the term in paragraph 6.1; and
"Service Personnel"	means BT Personnel who are engaged in the provision of the Services and who are properly authorised to access the Reuters Systems.

2. Withdrawal from the Reuters Systems (Disentanglement) and General Obligations

2.1 For the period commencing on the Closing Date and ending on the Security Go-Live Date, BT shall use its reasonable endeavours to procure that:

- (A) except in respect of Authorised Personnel, access to the Reuters Systems is only for the purpose of, and to the extent necessary for, providing the Services;
 - (B) access by the Authorised Personnel to Reuters' internal network (IME) shall only be to the extent they had such access at the Closing Date;
 - (C) except in respect of Authorised Personnel, access to the Reuters Systems shall be limited only to that by the Service Personnel and the BT System;
 - (D) access to and use by the Service Personnel of the Reuters Systems shall be limited to the extent they are authorised to do so and, in any event, as is no more than necessary to provide the Services; and
 - (E) access to the Reuters Systems by the BT System shall be limited only to the extent that the BT System is necessary to provide access by the Service Personnel to the Reuters Systems and as is no more than necessary to provide the Services.
- 2.2 Prior to the Security Go-Live Date, BT shall take all technical and organisational measures necessary to achieve (and maintain thereafter) a robust and secure gateway to prevent unauthorised access from the BT System or by BT Personnel to the Reuters Systems.
- 2.3 On and from the Security Go-Live Date, BT shall procure that:
- (A) access by the Authorised Personnel shall cease unless as otherwise agreed by the Parties in writing;
 - (B) access to the Reuters Systems shall only be through the approved secure gateway that is in place pursuant to paragraph 2.2;
 - (C) access to the Reuters Systems is only for the purpose of, and to the extent necessary for, providing the Services; and
 - (D) access to the Reuters Systems shall be limited only to that by the Service Personnel and the BT System and shall be limited to the extent they are authorised to do so and, in any event, as is no more than necessary to provide the Services.
- 2.4 At all times during the term of this Agreement, in respect of any element of the BT System that interfaces with the Reuters Systems or otherwise is used to provide the Services, BT shall adopt and use anti-virus software and security patches and such other controls as are reasonably appropriate in the circumstances in accordance with Good Professional Practice (or otherwise as agreed by the Parties from time to time). Critical third party software changes shall be implemented by BT as soon as is reasonably practicable.
-

- 2.5 At all times during the term of this Agreement, in respect of any element of the Reuters Systems that interfaces with the BT System or otherwise is used to provide the Reuters Services and receive the Services, Reuters shall adopt and use anti-virus software and security patches and such other controls as are reasonably appropriate in the circumstances in accordance with Good Professional Practice (or otherwise as agreed by the Parties from time to time). Critical third party software changes shall be implemented by Reuters as soon as is reasonably practicable.
- 2.6 Notwithstanding anything else contained in this Agreement, throughout the term of this Agreement Reuters shall have the right to suspend access by BT Personnel (including, without limitation, Authorised Personnel and Service Personnel) and the BT System to the Reuters Systems where Reuters, acting in accordance with Good Professional Practice, reasonably believes that such access is unplanned, unauthorised, misused or otherwise outside the permitted scope of access. Reuters shall at all times ensure that any such suspension shall be limited to the extent reasonably necessary in any given circumstance.

3. Existing Services

In respect of the Existing Services, BT shall maintain security arrangements, processes and procedures that are no less rigorous than those implemented by Radianz in respect of services equivalent to the Existing Services provided during the Standard Period.

4. New Services

- 4.1 In respect of each New Service, BT shall implement and maintain security arrangements, processes and procedures that will allow BS7799 certification to be achieved and maintained through the term of this Agreement, such arrangements, processes and procedures to be based on the Agreed Principles.
- 4.2 By the Closing Date, BT shall provide to Reuters a summary document setting out in reasonable detail the measures BT shall take and implement to achieve adequate security of the BT Systems. The summary document shall be appropriate in terms of scope and quality to enable Reuters to effectively market the New Services to customers of members of the Reuters Group.
- 4.3 By the date at least three months prior to the first happening of migration of any Existing Service to a New Service (for example, prior to migration to the Core Network (platinum ring)), BT shall deliver in writing to Reuters detailed proposals relating to the technical and organisational measures based on the Agreed Principles that BT will implement in respect of that New Service.
- 4.4 As soon as is reasonably practicable after receipt of BT's proposals described in paragraph 4.3, the Parties shall discuss the same with a view to ensuring that BT will have appropriate security arrangements, processes and procedures in place and that BS7799 certification will be achieved. In such discussions, BT shall take account of all reasonable representations made by Reuters. Without prejudice to the provisions of paragraph 4.8, BT shall implement such technical and organisational measures as are
-

necessary to ensure that appropriate security arrangements, processes and procedures are in place.

- 4.5 The Parties agree (except as otherwise agreed by the Parties in writing) that BT shall achieve BS7799 certification in respect of the New Services on or before the earlier of (a) the Migration Date or (b) the date being * after the Closing Date.
- 4.6 In respect of each New Service, BT shall ensure that each SAC shall effectively be isolated from each other SAC such that it is not possible for any data from one SAC to appear in another SAC. Furthermore, where a customer Facility is configured by Reuters to offer connectivity to a pre-determined set of SACs, BT shall ensure that it is not possible for any such customer to send traffic/data to any other SAC at the customer Facility (irrespective of whether such customer has administrative control of all customer-sited devices).
- 4.7 BT shall ensure that each SAC shall not enable direct communication between customers and shall only permit customers to communicate with Reuters Group Products, except as otherwise requested by Reuters in writing.
- 4.8 In respect of each New Service, BT shall implement (as a minimum and in accordance with Good Professional Practice) the following measures:
 - (A) security hardening of network infrastructure;
 - (B) rejection of source routed traffic;
 - (C) rejection of traffic with a spoofed source address (i.e. with a source address from a range which does not match the expected source address range allocated to the end point);
 - (D) protection of BT DNS and routing infrastructure from compromise, poisoning and denial of service attacks; and
 - (E) the level of filtering will be no less than that applied in respect of the Existing Services (in respect of IP), unless the Parties otherwise agree.

5. Security Incidents

- 5.1 Within 30 days of the Closing Date, BT shall prepare, implement and thereafter maintain:
 - (A) documented processes and procedures to ensure that all Security Incidents are detected and reported to Reuters; and
 - (B) an agreed "Security Incident Management Process and Response Procedure" which shall encompass the identification, classification and escalation of Security Incident reporting to Reuters and the response procedure of BT to any Security Incident.

* Text has been redacted for confidentiality

- 5.2 BT shall monitor for, and respond promptly to, Security Incidents. As soon as is reasonably practicable after a Security Incident (taking into account the severity of the Security Incident as identified in the Security Incident Management Process and Response Procedure), BT shall implement all fixes reasonably necessary to address and prevent a recurrence of the Security Incident. Where a change in or to a Service is required to address or prevent a recurrence of the Security Incident or where a fix will impact upon a Service or the way in which a Service is delivered, that shall be addressed through the Change Control Procedure in accordance with paragraphs 6.4 and 6.5.

6. Security Management

- 6.1 Reuters and BT shall each attend (either in person or by telephone) a security management meeting which shall take place for the period:

- (A) from the date of this Agreement to the Security Go-Live Date, at least monthly;
- (B) commencing on the Security Go-Live Date, at least quarterly,

(or otherwise as reasonably requested by the other Party) (the “**Security Meeting**”).

- 6.2 The first members of the Security Meeting are set out in the following table. The Parties may change their representatives in the Security Meeting on reasonable notice to the other Party (provided that such person is of equivalent experience or position):

Reuters

BT

Ian Curry
Malcolm Kelly

Douglas Smith
Lloyd Hession

In addition, members shall bring to the Security Meeting such persons as might reasonably be thought to assist the discussions at that meeting (if applicable).

BT shall procure the attendance of relevant Radianz personnel as might be necessary to assist in matters within the remit of the Security Meeting. The Parties anticipate that such Radianz employees will attend the Security Meeting until, as a minimum, the Security Go-Live Date.

- 6.3 Any matter arising from this Part 1D of Schedule 2 or otherwise relating primarily to security shall be raised and discussed in good faith at the Security Meeting. Without limitation to the generality of the foregoing, the Parties shall discuss:

- (A) security arrangements, processes and procedures relating to implementation of and migration to the New Services;
 - (B) necessary or desirable changes to security arrangements, processes and procedures relating to the Existing Services;
-

(C) Security Incidents;

(D) the contents of the Issues Register, with a view to resolving such matters.

6.4 Any change to the security arrangements, processes and procedures relating to the Services or otherwise shall be progressed through the Change Control Procedure following discussion in the Security Meeting.

6.5 Any disputes arising out of or in connection with this Part 1D of Schedule 2 or otherwise in connection with security arrangements, processes and procedures shall be dealt with in accordance with Clause 18 (*Dispute Resolution*).

Appendix E

Replacement Schedule 4: Migration Milestones

Schedule 4

Migration Milestones

1. INTRODUCTION AND DEFINITIONS

- 1.1 This Schedule sets out the Migration Milestones and the dates by which they should be achieved by BT. The Migration Milestones may only be changed by the Parties as a result of the operation of Clause 6.
- 1.2 In this Schedule 4 (and otherwise throughout the Amended Agreement) the following terms shall have the following meanings:

“Final RFS Notice” means:

- (i) in relation to a Facility where the Valid Order relating to that Facility requires a single Connection only, a RFS Notice; and
- (ii) in relation to a Facility where the Valid Order relating to that Facility requires more than one Connection (e.g. for redundancy), the RFS Notice that relates to the final Connection required at that Facility by that Valid Order; and

“RGA Customers” means those customers of the Reuters Group that Reuters may from time to time notify BT are known within the Reuters Group as “Reuters Global Accounts Customers” (the aggregate number of all such customers * of the Reuters Group (unless otherwise agreed by the Parties in accordance with the Change Control Procedure)).

2. MIGRATION MILESTONES

BT shall procure achievement of the following Migration Milestones by the relevant dates shown:

A. Connections

Migration
Milestone
No.

Due Date

BT Migration Milestone

- | | | |
|----|---|--|
| 1. | * | BT has provided a Final RFS Notice in respect of all Connections that are used to provide a Reuters Customer Service, IME or Editorial at all of the Facilities covered by this Agreement (including those which were previously subject to an RXN A-end Shift). |
|----|---|--|

* Text has been redacted for confidentiality

Reuters agrees that it will not place orders with BT for any additional Existing Services in respect of a Reuters Customer Service in a country after the later of:

- (a) * after the applicable Service Category has been made available to Reuters by BT in respect of all Facilities in that country; and
- (b) * (in the case of all other Customers) after the date such Reuters Customer Service is capable of being provided over the test IP network provided by BT;

Unless, in each case, this period is extended and agreed by the parties in writing acting reasonably and in good faith.

For the avoidance of doubt the wording set out in (a) and (b) above is a Reuters' obligation.

B. Roll-out

	<u>Due Date</u>	<u>BT Migration Milestone</u>
1.	*	In each of the countries listed in Appendix A as having a due date of * or earlier), that the relevant Service Categories to be achieved in that country (as required by Appendix A) can be achieved in respect of all Facilities in such country.
2.	Various as due date set out in Appendix A	In each of the countries listed in Appendix A, that each Service Category can be achieved in respect of all Facilities in that country by the due date for that Service Category in that country as set out in Appendix A.

For the avoidance of doubt, a requirement in the table above that a Service Category be achieved by a due date shall include a requirement that the Service Category continues to be achieved from that date in accordance with this Amended Agreement.

C. Short-line hits

Due Date

BT Migration Milestone

1. *
In relation to Silver Standard and Gold Standard Service Category Connections, BT to have altered the timer relevant to short-line hits on such Connections made Ready for Service after * from *o * *, provided that BT's testing of this alteration in * confirms to the Parties' reasonable satisfaction that * * is an appropriate value in all the circumstances. Where the Parties do not agree that * * is an appropriate value, BT shall alter the timer relevant to short-line hits on such Connections made Ready for Service after * to the equivalent time currently used on RXN and in those circumstances the Parties agree that the maximum Re-convergence Time set out in Schedule 5 Part 2 will therefore be altered by the same amount.
2. As soon as reasonably practical after *All Gold and Silver Standard Connections installed before * will have their timers altered as set out in paragraph C (1).
3. *
Implementation of static routes solution on Connections made Ready for Service after * which might otherwise be impacted by short line hits, provided that the testing of the proposed solution is completed to the Parties' reasonable satisfaction. In the event that the Parties do not agree, the Parties will meet to agree an alternative solution (acting reasonably and in good faith), including the specifications and cost, which will be implemented as soon as reasonably practicable.
4. As soon as reasonably practical after *All Gold and Silver Standard Connections installed before * will have the static routes solution implemented as set out in paragraph C (3).

* Text has been redacted for confidentiality

D. Traffic Management System (TMS)

	<u>Due Date</u>	<u>BT Migration Milestone</u>
1.	*	*

E. On-ramps

	<u>Due Date</u>	<u>BT Migration Milestone</u>
1.	*	All VPNs necessary for Phase 1 On-ramps as listed in Appendix B (the number of such VPNs totalling *) are the subject of a written notification from BT that they have met the agreed acceptance criteria set out in Appendix B and BT have provided an On-ramp Notice in respect of all such Phase 1 On-ramps *

* Text has been redacted for confidentiality

F. BT Portal

	<u>Due Date</u>	<u>BT Migration Milestone</u>
1.	*	BT has made an online portal available for Reuters in accordance with the cycle 1 requirements scope agreed between the parties as attached at Appendix C Part A in such manner as is capable of accepting Valid Orders in accordance with the volumes anticipated under the Migration Plan.
2.	*	BT has upgraded the online portal referred to above and made it available for Reuters in accordance with the cycle 2 requirements scope agreed between the parties, as attached at Appendix C Part B, in such manner as is capable of accepting Valid Orders in accordance with the volumes anticipated under the Migration Plan.
3.	*	BT has upgraded the online portal referred to above to provide "split sites" functionality as more fully described in Appendix C Part C and made it available for to Reuters in such manner as is capable of accepting Valid Orders in accordance with the volumes anticipated under the Migration Plan.

The parties acknowledge that subsequent cycle specifications may be required: (i) to resolve bug fixes in the on-line portal in order to meet the on-line portal specifications agreed between the parties in such manner as is capable of accepting Valid Orders in accordance with the volumes anticipated under the Migration Plan; and (ii) to enable BT to comply with schedule 5 Part 2 and Schedule 2 Part 1(C), and BT will develop and deliver against such subsequent specifications * and as soon as reasonably practicable. Portal requirements that fall outside BT's obligations under this Agreement will be processed through the Change Control Procedure and may be subject to an additional charge.

3. MIGRATION PROCESS

3.1 The Parties will undertake the following steps in relation to the ordering, testing and acceptance of a Connection:

- (A) Reuters places a Valid Order for a Connection with BT;
- (B) when a Connection is Ready for Service, BT will:
 - (i) deliver a RFS Notice; and

* Text has been redacted for confidentiality

- (ii) provide all reasonable network and other technical information and instructions (including, without limitation, those that are required to reconfigure firewalls, routers, DNS servers and other network devices) reasonably required by Reuters to install any software and other equipment required;

(C) Reuters installs software and other equipment, as required, and carries out acceptance tests with the customer to determine that the relevant connection:

- (i) achieves the Service Category required for that Connection; and
- (ii) is otherwise suitable for each Reuters Customer Service; and

(D) as a Customer accepts a Reuters Customer Service, Reuters will issue to BT a Service Acceptance Notice for that Reuters Customer Service.

3.2 Without prejudice to the requirement that a Connection is capable of meeting the Service Category for that Connection for the purposes of testing and acceptance in accordance with the migration process, from the date of a Service Acceptance Notice, the Service Levels for each Connection shall be the New Service Levels in accordance with the terms set out in this Amended Agreement.

3.3 BT will give regular management updates to Reuters on the status of each Valid Order until such time as BT provides Reuters with an RFS Notice for that Valid Order. Such updates shall be made available to Reuters electronically on demand and shall be updated by BT at least two times each day.

3.4 On receipt from Reuters of the final Service Acceptance Notice for the final Facility to be migrated, BT will issue a Final Migration Notice to Reuters.

4. RXN A-End Shifts

RXN A-end Shifts: phase 1

4.1 The parties will implement RXN A-end shifts in accordance with this paragraph and the Migration Plan (and any other processes and timescales that may be agreed between the Parties acting reasonably and in good faith) at BT's cost, other than where such costs are Reuters' normal costs under the Migration Plan (for example, contacting the customer).

4.2 Such connections once RXN A-end shifted shall continue to meet the service levels in respect of Existing Services.

4.4 BT will apply the existing "BT Change and Notification" procedures for managing the RXN A-End Shifts. Such procedures are those in place to handle client changes for normal data centre moves. For the purposes of the RXN A-End Shift program these procedures will be reviewed and updated as required and by agreement between the parties acting reasonably. The standard process will involve BT planning weekend changes for blocks of client connections. These planned changes will be notified to Reuters * advance of the change such that clients can be advised * prior to the planned change. The default process is one of notification rather than change management.

* Text has been redacted for confidentiality

- 4.5 BT will notify Reuters of success or otherwise of each planned change as soon as reasonably practicable.
- 4.6 It is agreed between the parties that the Maintenance Window defined in Schedule 5 Part 2 for New Services may not apply for RXN A-End Shift migrations as it would unduly constrain the ability of all parties to meet the project migration targets. Current agreed working practices will apply for the purpose of managing RXN A-End Shifts.

RXN A-end Shifts: phase 2 – migration to New Services

- 4.7 The parties will migrate RXN A-end shifted connections to Connections in accordance with processes and timescales to be agreed acting reasonably and in good faith. Each Party shall bear its own costs for such migrations in line with its obligations under the Migration Plan.

Appendix A

Roll-out Countries

Waves 1 to 4

Luxembourg	EMEA West	*	*	*	*	*	*	*	*	*
Macau	Asia	*	*	*	*	*	*	*	*	*
Macedonia	EMEA East	*	*	*	*	*	*	*	*	*
Malawi	EMEA East	*	*	*	*	*	*	*	*	*
Malaysia	Asia	*	*	*	*	*	*	*	*	*

Key:

- *
- *
- *

* Text has been redacted for confidentiality



Version: 1.29 Date: 28-Mar-06			As per original contract	Change Request has been agreed		Change request awaiting agreement		Change to original contract agreed by the parties to reflect 22/2/05		
			Reuters requirements							
Country	Region	Country Waves [per GSSO Plan]	Gold Std	Gold Fast	Gold No	Silver Fast	Silver No	Silver Std	Bronze Std	Bronze +
Malta	EMEA East	*	*	*	*	*	*	*	*	*
Mauritius	EMEA East	*	*	*	*	*	*	*	*	*
Mexico	RAM	*	*	*	*	*	*	*	*	*
Moldova	EMEA East	*	*	*	*	*	*	*	*	*
Monaco	EMEA West	*	*	*	*	*	*	*	*	*
Mongolia	Asia	*	*	*	*	*	*	*	*	*
Morocco	EMEA East	*	*	*	*	*	*	*	*	*
Mozambique	EMEA East	*	*	*	*	*	*	*	*	*
Namibia	EMEA East	*	*	*	*	*	*	*	*	*
Netherlands	EMEA West	*	*	*	*	*	*	*	*	*
Netherlands Antilles	RAM	*	*	*	*	*	*	*	*	*
New Zealand	Asia	*	*	*	*	*	*	*	*	*
Nigeria	EMEA East	*	*	*	*	*	*	*	*	*
Norway	EMEA East	*	*	*	*	*	*	*	*	*
Oman	EMEA East	*	*	*	*	*	*	*	*	*
Pakistan	Asia	*	*	*	*	*	*	*	*	*
Panama	RAM	*	*	*	*	*	*	*	*	*
Papua New Guinea	Asia	*	*	*	*	*	*	*	*	*
Paraguay	RAM	*	*	*	*	*	*	*	*	*
Peru	RAM	*	*	*	*	*	*	*	*	*
Philippines	Asia	*	*	*	*	*	*	*	*	*
Poland	EMEA East	*	*	*	*	*	*	*	*	*
Portugal	EMEA West	*	*	*	*	*	*	*	*	*
Puerto Rico	RAM	*	*	*	*	*	*	*	*	*
Qatar	EMEA East	*	*	*	*	*	*	*	*	*
Romania	EMEA East	*	*	*	*	*	*	*	*	*
Russian Federation	EMEA East	*	*	*	*	*	*	*	*	*
Saudi Arabia	EMEA East	*	*	*	*	*	*	*	*	*
Senegal	EMEA East	*	*	*	*	*	*	*	*	*
Serbia	EMEA East	*	*	*	*	*	*	*	*	*
Singapore	Asia	*	*	*	*	*	*	*	*	*
Slovakia	EMEA East	*	*	*	*	*	*	*	*	*
Slovenia	EMEA East	*	*	*	*	*	*	*	*	*
South Africa	EMEA East	*	*	*	*	*	*	*	*	*
Spain	EMEA West	*	*	*	*	*	*	*	*	*
Sri Lanka	Asia	*	*	*	*	*	*	*	*	*
Swaziland	EMEA East	*	*	*	*	*	*	*	*	*
Sweden	EMEA East	*	*	*	*	*	*	*	*	*
Switzerland	EMEA East	*	*	*	*	*	*	*	*	*
Syria	EMEA East	*	*	*	*	*	*	*	*	*
Taiwan	Asia	*	*	*	*	*	*	*	*	*
Tanzania	EMEA East	*	*	*	*	*	*	*	*	*
Thailand	Asia	*	*	*	*	*	*	*	*	*
Tunisia	EMEA East	*	*	*	*	*	*	*	*	*
Turkey	EMEA East	*	*	*	*	*	*	*	*	*
Turkmenistan	EMEA East	*	*	*	*	*	*	*	*	*
Uganda	EMEA East	*	*	*	*	*	*	*	*	*
Ukraine	EMEA East	*	*	*	*	*	*	*	*	*
United Kingdom	UKI	*	*	*	*	*	*	*	*	*
United States	RAM	*	*	*	*	*	*	*	*	*
Uruguay	RAM	*	*	*	*	*	*	*	*	*
US and British Virgin Islands	RAM	*	*	*	*	*	*	*	*	*
Uzbekistan	EMEA East	*	*	*	*	*	*	*	*	*
Venezuela	RAM	*	*	*	*	*	*	*	*	*
VietNam	Asia	*	*	*	*	*	*	*	*	*
Yemen	EMEA East	*	*	*	*	*	*	*	*	*
Zambia	EMEA East	*	*	*	*	*	*	*	*	*
Zimbabwe	EMEA East	*	*	*	*	*	*	*	*	*

Key:

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Appendix B

VPNs for Phase 1 On-ramps and associated Acceptance Criteria

Version Control

*

Date	Version	Update Sent By	Affected Req. Number	Summary of Change
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	Text has been redacted for confidentiality			



Ready for Service (RFS) -

Definitions and Expectations for BT and Reuters for the delivery of MPLS On-Ramps

Purpose of this document:

In order for both Reuters and BT to manage what is expected from each other for delivery of a new production MPLS “on-ramp” for a main technical centre, this document aims to provide a common definition of Ready for service (RFS). RFS defines the deliverables that are expected to be completed by both parties in order for Reuters to be able to use an on-ramp supplied by BT for production systems.

Deliverables required for an on-ramp to be considered RFS:

Item	Timing	Owner	Description	Deliverables
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
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Item	Timing	Owner	Description	Deliverables
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	Text has been redacted for confidentiality			

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Appendix C

Part A

BT Portal

Cycle 1 Agreed Requirements

Cycle 1 agreed requirements are set out in the spreadsheet overleaf. Any changes to this document will be managed between the Reuters and BT P&S Workstreams under workstream change control. Reuters will hold the master copy of requirements spreadsheet.

Unique ID	Req ID	Process Area	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact H/M/L	Dependency on Critical Items	Dependency on a Reuters System Change	Design % Completed	Solution % Completed	Bugs/ Gaps	Change Requests	Comments	Document Name	Approved By
1	HH014	Service Delivery	*	*	*	*			*										
2	HH021	Service Delivery	*	*	*	*			*										
3	HH054	Service Delivery	*	*	*	*			*										
4	WS160	Service Delivery	*	*	*	*		*	*	*	*		*	*	*		*		
5	HH035	Service Delivery	*	*	*	*			*										
6	HH025 (ws197)	Service Delivery	*	*	*	*			*										
7	HH028	Service Delivery	*	*	*	*			*										
8	HH029 (ws197)	Service Delivery	*	*	*	*			*										
9	HH030	Service Delivery	*	*	*	*			*										
10	HH031 (ws197)	Service Delivery	*	*	*	*			*										
11	HH033	Service Delivery	*	*	*	*			*										
12	HH036	Service Delivery	*	*	*	*			*										
13	HH037	Service Delivery	*	*	*	*			*										
14	HH038 (ws197)	Service Delivery	*	*	*	*			*										
15	HH039 (ws197)	Service Delivery	*	*	*	*			*										
16	HH040	Service Delivery	*	*	*	*			*										
17	HH048 (ws197)	Service Delivery	*	*	*	*			*										
18	HH049 (ws197)	Service Delivery	*	*	*	*			*										
19	HH050	Service Delivery	*	*	*	*			*										
20	HH053	Service Delivery	*	*	*	*			*										
21	HH081	Service Delivery	*	*	*	*			*										
22	WS161	Service Delivery	*	*	*	*		*	*	*	*								
23	WS162	Service Delivery	*	*	*	*		*	*	*	*								
24	HH003	Service Delivery	*	*	*	*			*				*	*			*		
25	HH004	Service Delivery	*	*	*	*			*				*	*			*		
26	HH006	Service Delivery	*	*	*	*			*				*	*			*		
27	HH007	Service Delivery	*	*	*	*			*										
28	HH008	Service Delivery	*	*	*	*			*				*	*			*		
29	HH009	Service Delivery	*	*	*	*			*										
30	HH012	Service Delivery	*	*	*	*			*										
31	HH016	Service Delivery	*	*	*	*			*				*	*			*		
32	HH017	Service Delivery	*	*	*	*			*				*	*			*		
33	HH022	Service Delivery	*	*	*	*			*										
34	HH027	Service Delivery	*	*	*	*			*										
35	HH107	Service Delivery	*	*	*	*			*										
36	HH108	Service Delivery	*	*	*	*			*										

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61	WS104	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
62	WS105	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
63	WS139	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
64	WS140	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
65	WS064A	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
66	WS067A	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
67	WS072A	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
68	WS096	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
69	WS098	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
70	WS106B	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
71	WS107	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
72	WS219	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
73	WS240	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
74	WS241	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
75	WS250	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
76	NR001	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
77	WS077	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
78	WS079	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
79	WS103	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*
80	WS106	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*

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81	WS106A	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*	*
82	WS109	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*	*
83	WS220	Service Assurance	*	*	*	*	*	*	*	*	*					
84	WS248	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*	*
85	WS249	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*	*
86	WS251	Service Assurance	*	*	*	*	*	*	*	*	*	*	*	*	*	*
87	HH114	Service Assurance	*	*	*				*							
88	HH130	Service Assurance	*	*	*				*							
89	HH120	Reporting	*	*	*	*			*							
90	HH121	Reporting	*	*	*	*			*							
91	HH124	Reporting	*	*	*				*							
92	WS008	Reporting	*	*	*	*	*	*	*	*			*			
93	WS025	Reporting	*	*	*	*	*	*	*	*						
94	WS026	Reporting	*	*	*	*	*	*	*	*						
95	WS027	Reporting	*	*	*	*	*	*	*	*						
96	WS029	Reporting	*	*	*	*	*	*	*	*						
97	WS037C	Reporting	*	*	*	*	*	*	*	*						
98	WS039	Reporting	*	*	*	*	*	*	*	*						
99	WS057	Reporting	*	*	*	*		*	*	*						
100	WS058	Reporting	*	*	*	*		*	*	*		*				
101	WS060	Reporting	*	*	*	*		*	*	*		*				
102	WS061	Reporting	*	*	*	*		*	*	*		*				
103	WS063	Reporting	*	*	*	*		*	*	*		*				
104	WS068	Reporting	*	*	*	*		*	*	*		*				
106	WS070	Reporting	*	*	*	*		*	*	*		*				

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107	WS143	Reporting	*	*	*	*		*	*	*	*
108	WS198	Reporting	*	*	*	*	*	*	*	*	*
109	WS202	Reporting	*	*	*	*	*	*	*	*	*
110	WS224	Reporting	*	*	*	*	*	*	*	*	*
111	WS252	Reporting	*	*	*	*	*	*	*	*	*
112	HH102	Reporting	*	*	*	*		*			
113	HH105	Reporting	*	*	*	*		*			
114	WS043	Reporting	*	*	*	*	*	*	*		
115	WS074	Reporting	*	*	*	*		*	*	*	*
116	WS075	Reporting	*	*	*	*		*	*	*	*
117	WS166	Reporting	*	*	*	*	*	*	*		
118	WS169	Reporting	*	*	*	*	*	*	*		
119	WS170	Reporting	*	*	*	*	*	*	*		
120	WS171	Reporting	*	*	*	*	*	*	*		
121	WS174	Reporting	*	*	*	*	*	*	*		
122	WS175	Reporting	*	*	*	*	*	*	*		
123	WS176	Reporting	*	*	*	*	*	*	*		
124	WS177	Reporting	*	*	*	*	*	*	*		
125	WS178A	Reporting	*	*	*	*	*	*	*		
126	WS181	Reporting	*	*	*	*	*	*	*		
127	WS183	Reporting	*	*	*	*	*	*	*		
128	WS185	Reporting	*	*	*	*	*	*	*		
129	WS089	Inventory	*	*	*	*		*	*	*	*
130	WS090	Inventory	*	*	*	*		*	*	*	*
131	WS093	Inventory	*	*	*	*		*	*	*	*

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151	WS192	Inventory	*	*	*	*	*	*	*	*	*
152	NR002	Inventory	*	*	*	*		*	*		
153	WS083	Inventory	*	*	*	*		*	*	*	*
154	WS084	Inventory	*	*	*	*		*	*	*	*
155	WS085	Inventory	*	*	*	*		*	*	*	*
156	WS091	Inventory	*	*	*	*		*	*	*	*
157	WS226	Inventory	*	*	*	*	*	*	*	*	*
158	WS158	Inventory	*	*	*	*		*	*	*	

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Dependency on a Reuters System Change																			Document Approved	
Unique ID	Req ID	Process Area	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact H/M/L	Dependency on Critical Items	Design % Completed	Solution % Completed	Bugs/ Gaps	Change Requests	Comments	Document Name	Approved By		
	HH002		*																	
	HH005		*																	
	HH011	Service Delivery	*		*	*			*											
	HH015		*																	
	HH018		*																	
	HH019		*																	
	HH020		*																	
	HH023		*																	
	HH024		*																	
	HH026		*																	
	HH032		*																	
	(ws197)																			
	HH041		*																	
	HH042		*																	
	HH044		*																	
	HH045		*																	
	(ws197)																			
	HH046		*																	
	HH047		*																	
	HH051		*																	
	(ws197)																			
	HH052		*																	
	(ws197)																			
	HH055		*																	
	HH056		*																	
	HH080		*																	
	HH100		*																	
	HH101		*																	
	HH103		*																	
	HH104		*																	
	HH105		*																	
	HH106		*																	
	HH122		*																	
	HH123		*																	
	HH140		*																	

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HH141	Service	*		*		*		
	Delivery	*						
HHxxx		*						
WS001		*			*	*	*	*
WS002		*			*	*	*	*
WS003		*			*	*	*	*
WS004		*			*	*	*	*
WS005		*			*	*	*	*
WS006		*			*	*	*	*
WS007		*			*	*	*	*
WS009		*			*	*	*	*
WS010		*			*	*	*	*
WS011		*			*	*	*	*
WS012		*			*	*	*	*
WS013		*			*	*	*	*
WS014		*			*	*	*	*
WS015		*			*	*	*	*
WS016		*			*	*	*	*
WS017		*			*	*	*	*
WS018	Reporting	*	*	*	*	*	*	*
WS019		*			*	*	*	*
WS020		*			*	*	*	*
WS021		*			*	*	*	*
WS022		*			*	*	*	*

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WS023		*			*	*	*	*	*
WS024		*			*	*	*	*	*
WS024A		*			*	*	*	*	*
WS024B		*			*	*	*	*	*
WS028		*			*	*	*	*	*
WS030	Reporting	*		*	*	*	*	*	*
WS031		*			*	*	*	*	*
WS032		*			*	*	*	*	*
WS033		*			*	*	*	*	*
WS034		*			*	*	*	*	*
WS035		*			*	*	*	*	*
WS036		*			*	*	*	*	*
WS037		*			*	*	*	*	*
WS037B		*			*	*	*	*	*
WS038		*			*	*	*	*	*
WS040		*			*	*	*	*	*
WS041		*			*	*	*	*	*
WS042		*			*	*	*	*	*
WS044		*			*	*	*	*	*
WS045		*			*	*	*	*	*
WS046		*			*	*	*	*	*

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WS047		*				*	*	*	*		
WS048	Reporting	*	*	*		*	*	*	*		
WS049		*				*	*	*	*		
WS050		*				*	*	*	*	*	
WS050A		*				*	*	*	*		
WS051		*				*	*	*	*		*
WS051A		*				*	*	*	*		*
WS052		*				*	*	*	*		*
WS052A		*				*	*	*	*		*
WS052B		*				*	*	*	*		*
WS053		*				*	*	*	*		*
WS054		*				*	*	*	*		*
WS054A		*				*	*	*	*		*
WS055		*				*	*	*	*		*
WS056		*				*	*	*	*		*
WS059		*				*	*	*	*	*	
WS062	Reporting	*	*	*		*	*	*	*	*	
WS064		*				*	*	*	*	*	

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WS065	*		*	*	*	*	
WS066	*		*	*	*	*	
WS067	*		*	*	*	*	
WS071	*		*	*	*	*	
WS072	*		*	*	*	*	
WS073	*		*	*	*	*	
WS080A	*		*	*	*	*	*
WS086	*		*	*	*		*
WS087	*		*	*	*		*
WS088	*		*	*	*		*
WS092	*		*	*	*		*
WS095	*		*	*	*		*
WS097	*	*	*	*	*	*	*
WS101	*	*	*	*	*	*	
WS102	*	*	*	*	*	*	*
WS104A	*	*	*	*	*		*
WS104B	*	*	*	*	*		*
WS106D	*	*	*	*	*	*	*
WS110	*		*	*	*		
WS113	*		*	*	*	*	
WS114	*	*	*	*	*	*	*
WS114A	*	*	*	*	*	*	*
WS116	*		*	*	*	*	*
WS124	*	*	*	*	*		
WS125	*		*	*	*	*	
WS142	*		*		*	*	
WS144	*		*		*	*	

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WS147	*	*	*	*	*	*
WS148	*	*	*	*	*	*
WS151	*	*	*	*	*	*
WS152	*	*	*	*	*	*
WS153	*	*	*	*	*	*
WS163	*	*	*	*	*	*
WS165	*	*	*	*	*	*
WS165A	*	*	*	*	*	*
WS167	*	*	*	*	*	*
WS168	*	*	*	*	*	*
WS172	*	*	*	*	*	*
WS173	*	*	*	*	*	*
WS178	*	*	*	*	*	*
WS179	*	*	*	*	*	*
WS180	*	*	*	*	*	*
WS182	*	*	*	*	*	*
WS184	*	*	*	*	*	*
WS186	*	*	*	*	*	*
WS187	*	*	*	*	*	*
WS188	*	*	*	*	*	*

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WS189	*		*	*	*		
WS190	*		*	*	*		
WS191	*	*	*	*	*		
WS192A	*	*	*	*	*	*	
WS193	*	*	*	*	*	*	
WS194	*		*	*	*	*	*
WS195	*	*		*	*	*	
WS196	*	*		*	*	*	
WS197	*			*	*	*	
WS199	*	*	*		*	*	
WS200	*	*	*		*	*	
WS201	*	*	*		*	*	
WS203	*	*	*		*	*	
WS204	*	*	*		*	*	
WS205	*	*	*		*	*	

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	WS206		*			*	*		*	*
	WS214		*			*	*		*	*
	WS218		*			*	*		*	*
	WS221		*			*	*		*	*
	WS222		*			*	*		*	*
	WS225		*			*	*	*	*	*
	WS227		*			*	*		*	*
	WS228		*			*	*	*	*	*
	WS229		*			*	*	*	*	*
	WS230		*			*	*	*	*	*
	WS235		*			*	*	*	*	*
	WS238		*			*	*	*	*	*
	WS239		*			*	*	*	*	*
	WS242		*			*	*	*	*	*
	WS246		*			*	*	*	*	*
105	WS069	Reporting	*		*		*	*	*	*
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											Dependency									
Unique ID	Req ID	Process Area	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact H/M/L	Dependency on a Reuters System Change		Design % Completed	Solution % Completed	Bugs/Gaps	Change Requests	Comments	Document Name	Approved By	
009	WS092	*	*	*	*	*		*	*	*		*								

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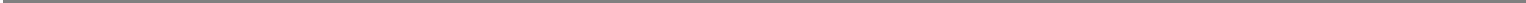
Reference	Updated Requirement Description	Source Document	Business Requestor	Assumed Supplier of Solution	Business Impact [high/medium/low]**	Dependency On Critical Items	a Reuters Systems Change	In Cycle				Withdrawn (not BT deliverable)	Check Reuters Require't	SA (Martin)	Inventory (Liz)	Reporting (Rachael)	Orders (Dave)	Check 2	Check Reference	version	
								Scope Cycle 1	Cycle 1 Tactical	Cycle 2	Cycle 3									control	v5
HH002	*									*		*						*	*	*	*
HH005	*										*	*						*	*	*	*
HH015	*											*	*					*	*	*	*
HH018	*									*		*						*	*	*	*
HH019	*									*		*						*	*	*	*
HH020	*									*		*						*	*	*	*
HH023	*									*		*						*	*	*	*
HH024	*										*	*						*	*	*	*
HH026	*											*	*					*	*	*	*
HH032 (ws197)	*									*		*						*	*	*	*
HH041	*									*		*						*	*	*	*
HH042	*									*		*						*	*	*	*
HH044	*											*	*					*	*	*	*
HH046	*											*	*					*	*	*	*
HH047	*										*	*						*	*	*	*
HH051 (ws197)	*											*	*					*	*	*	*
HH052 (ws197)	*											*	*					*	*	*	*
HH055	*									*		*						*	*	*	*
HH056	*										*	*						*	*	*	*
HH080	*										*	*						*	*	*	*
WS110	*	*		*	*							*	*					*	*	*	*
WS124	*	*	*	*	*							*	*					*	*	*	*
WS163	*	*		*	*		*					*	*					*	*	*	*
WS165A	*	*		*	*		*	*		*		*	*					*	*	*	*
WS193	*	*		*	*		*				*	*						*	*	*	*
WS195	*		*	*	*		*			*		*	*					*	*	*	*
WS196	*	*		*	*		*				*	*						*	*	*	*

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Reference	Updated Requirement Description	Source Document	Business Requestor	Assumed Supplier of Solution	Business Impact [high/medium/low]**	Dependency On Critical Items	on a Reuters Systems Change	In Scope Cycle 1	Cycle				Deferred	Withdrawn (not BT deliverable)	Check 1	Reuters Require't	SA (Martin)	Inventory (Liz)	Reporting (Rachael)	Orders (Dave)	Check		Reference	version	
									Tactical	2	3										2	Check			
WS197	*			*	*	*									*	*					*	*	*	*	*
xWS150	*	*	*	*	*				*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
															*						*				
									*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*

* Text has been redacted for confidentiality



Appendix C

Part B

BT Portal

Cycle 2 Agreed Requirements

Cycle 2 agreed requirements are set out in the spreadsheet overleaf. Any changes to this document will be managed between the Reuters and BT P&S Workstreams under workstream change control. Reuters will hold the master copy of requirements spreadsheet.

Version Control

*

Date	Version	Update Sent By	Affected Req. Number	Summary of Change
*	*	*		*
*	*	*		*
*	*	*		*
*	*	*		*
*	*	*		*
*	*	*		*
*	*	*		*
*	*	*		*
*	*	*		*
*	*	*		*

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Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change
*	*	*	*	*	*		*	*	*	*	*		
*	*	*	*	*	*		*	*	*	*	*		
*	*	*	*	*	*	*	*	*	*	*	*	*	
*	*	*	*	*	*		*	*	*	*	*		
*	*	*	*	*	*	*	*	*	*	*	*		
*	*	*	*	*	*		*	*	*	*	*		
*	*	*	*	*	*		*			*	*		
*	*	*	*	*	*		*			*	*		

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Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change
*	*	*	*	*	*		*			*	*		
*	*	*	*	*	*		*	*	*	*	*		
*	*	*	*	*	*		*	*	*	*	*		
*	*	*	*	*	*		*	*	*	*	*		
*	*	*	*	*	*		*	*	*	*	*		
131	2H010	*	*	*	*		*	*	*	*	*		
132	2H011	*	*	*	*		*	*	*	*	*		
225	2H022	*	*	*	*		*		*	*	*		

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Page 2 of 117

Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change
220	HH011	*	*	*	*		*			*	*		
215	HH023	*	*	*	*		*			*	*		
216	HH024	*	*	*	*		*			*	*		
217	HH032 (ws197)	*	*	*	*		*			*	*		
203	HH080	*	*	*	*		*			*	*		
104	HH122	*	*	*	*		*	*		*	*		
120	HHxxx	*	*	*	*		*		*	*	*		
235	MS003	*	*	*	*		*	*	*	*	*		

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Page 3 of 117

Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change
193	RTEF01	*	*	*		* *	*			*	*		
194	RTEF02	*	*	*		* *	*			*	*		
110	WS037B	*	*	*		* *	*	*	*	*	*		
89	WS038	*	*	*		* *	*	*	*	*	*		
91	WS040	*	*	*		* *	*	*	*	*	*		

* Text has been redacted for confidentiality

Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change
24	WS059	*	*	*		* *	*	*	*	*	*	*	
200	WS064	*	*	*		* *	*		*	*	*	*	
107	WS065	*	*	*		* *	*	*	*	*	*	*	
201	WS067	*	*	*		* *	*		*	*	*	*	
224	WS069	*	*	*		* *	*		*	*	*	*	*
109	WS071	*	*	*		* *	*	*	*	*	*	*	
202	WS072	*	*	*		* *	*		*	*	*	*	

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Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change
204	WS163	*	*	*	*		*	*	*	*	*	*	
60	WS165	*	*	*	*		*	*	*	*	*		
61	WS178	*	*	*	*		*	*	*	*	*		
62	WS182	*	*	*	*		*	*	*	*	*		
63	WS186	*	*	*	*		*	*	*	*	*		

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Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change
64	WS187	*	*	*	*		*	*	*	*	*		
123	WS188	*	*	*	*		*	*	*	*	*		
124	WS189	*	*	*	*		*		*	*	*		
19	WS192A	*	*	*	* *		*	*	*	*	*	*	

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Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change
205	WS195	*	*	*	*		*	*		*	*	*	
125	WS246	*	*	*	*		*	*	*	*	*	*	
99	WS255	*	*	*	* *		*	*	*	*	*		
103	WS261	*	*	*	* *		*	*	*	*	*		
227	WS262	*	*	*	* *		*	*	*	*	*		
230	WS266	*	*	*	* *		*	*	*	*			
	MS006	*	*	*	*		*	*		*	*		

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Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change
218	HH041	*	*	*	*		*			*	*		
232	WS268	*	*	*	* *		*	*	*	*	*		
88	WS030	*	*	*	* *		*	*	*	*	*		
	2H024	*		*	*		*			*			
	2H025	*		*	*		*			*			
	CR54												

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In Scope = Y / Potential Out of Scope = N / Reuters = R / Not in Hot House = nHH Not in Contract Scope & In Delivery Scope = YN	Confirmed with BT F = Funded Y = In Scope N = Not in Scope D = Deferred C1 = Delivered in Cycle 1 W = Withdrawn/Reuters Deliverable Retired = Retired	BT Observation/ comment	BT/Reuters Review 4Jan	Original BT Requirements Team Notes	Original BT Complexity H/M/L	Reuters Solution Architect Req Y/N	Benefit Description	Benefit Value (£)
*	*							
*	*			*				
*	*			*		*	*	
*	*	*	*	*				
*	*	*	*	*	*	*	*	*
*	*	*	*	*				
*	*	*		*				
*	*	*		*				

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*	*	*		*				
*	*			*				
*	*							
*	*			*				
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*	*							
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*	*			*	*			
*	*			*				
*	*	*		*	*			
*	*						*	*
*	*				*			
*	*	*	*	*	*	*		
*	*	*	*	*	*			
*	*					*		

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*	*	*	*	*	*		*	*
*	*			*	*			
*	*	*	*	*	*	*		
*	*	*	*	*	*	*		
*	*	*	*	*	*	*		

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*	*			*		*	*	*
*	*	*	*	*		*		
*	*	*	*	*		*		
*	*		*	*		*		
*	*	*	*	*		*		
*	*	*	*	*		*		

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*	*	*	*	*				
*	*			*				
*	*			*				
*	*			*				
*	*	*	*	*			*	*

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*	*			*				
*	*	*	*	*				
*	*			*				
*	*			*		*	*	

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In Scope = Y / Potential Out of Scope = N / Reuters = R / Not in Hot House = nHH Not in Contract Scope & In Delivery Scope = YN	Confirmed with BT F = Funded Y = In Scope N = Not in Scope D = Deferred C1 = Delivered in Cycle 1 W = Withdrawn/Reuters Deliverable Retired = Retired	BT Observation/ comment	BT/Reuters Review 4Jan	Original BT Requirements Team Notes	Original BT Complexity H/M/L	Reuters Solution Architect Req Y/N	Benefit Description	Benefit Value (£)
*	*			*				
*	*	*		*	*			
*	*							
*	*	*	*			*		
*	*		*			*		
*	*		*			*		
*	*					*		

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*	*	*	*					
*	*		*			*	*	*
*	*							
*	*							
*	*							

* Text has been redacted for confidentiality

Contingency	Reuters Benefit Assessment (see columns to left)	Solution Requirements (as agreed at Hot House)	Solution Deliverable	Work Package Reference(s)	Solution Planning
		*	*		*
		*	*		*
		*			
		*	*		*
		*			*
		*			*
		*			
		*			

* Text has been redacted for confidentiality

Contingency	Reuters Benefit Assessment (see columns to left)	Solution Requirements (as agreed at Hot House)	Solution Deliverable	Work Package Reference(s)	Solution Planning
		*	*		*
		*	*		*
		*	*		*
		*	*		*
		*	*	*	*
		*	*		*
		*	*	*	*

* Text has been redacted for confidentiality

Contingency	Reuters Benefit Assessment (see columns to left)	Solution Requirements (as agreed at Hot House)	Solution Deliverable	Work Package Reference(s)	Solution Planning
		*			
		*	*		
		*			
		*	*	*	
		*	*		
		*			
		*	*		*
		*			

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Redacted Appendix C Part B of Schedule 4 (20.02.07)

Contingency	Reuters Benefit Assessment (see columns to left)	Solution Requirements (as agreed at Hot House)	Solution Deliverable	Work Package Reference(s)	Solution Planning
*		*	*	*	
		*	*	*	
		*			
		*			
		*			

* Text has been redacted for confidentiality

Contingency	Reuters Benefit Assessment (see columns to left)	Solution Requirements (as agreed at Hot House)	Solution Deliverable	Work Package Reference(s)	Solution Planning
		*			
		*			
		*			
		*			
		*			
		*			
		*			
		*			
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Contingency	Reuters Benefit Assessment (see columns to left)	Solution Requirements (as agreed at Hot House)	Solution Deliverable	Work Package Reference(s)	Solution Planning
		*	*	*	
		*	*		*
		*	*		*
		*			*
*		*	*	*	*
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Contingency	Reuters Benefit Assessment (see columns to left)	Solution Requirements (as agreed at Hot House)	Solution Deliverable	Work Package Reference(s)	Solution Planning
		*	*		*
			*		*
		*	*		*
		*			

* Text has been redacted for confidentiality

Contingency	Reuters Benefit Assessment (see columns to left)	Solution Requirements (as agreed at Hot House)	Solution Deliverable	Work Package Reference(s)	Solution Planning
		*	*	*	
		*			*
		*			
		*			
		*			
		*			
		*			

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Contingency	Reuters Benefit Assessment (see columns to left)	Solution Requirements (as agreed at Hot House)	Solution Deliverable	Work Package Reference(s)	Solution Planning
		*			
*	*	*			
		*			

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												In Scope = Y / Potential Out of Scope = N / Reuters = R / Not in Hot House = nHH Not in Contract Scope & In Delivery Scope = YN
Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Assumed Supplier of Solution	Business Impact High/ Medium /Low		
1	WS228	*	*	*	*	*	*	*	*	*	*	*
2	WS229	*	*	*	*	*	*	*	*	*	*	*
3	WS230	*	*	*	*	*	*	*	*	*	*	*
4	WS235	*	*	*	*	*	*	*	*	*	*	*
6	WS086	*	*	*	*	*	*	*	*	*	*	*
7	WS087	*	*	*	*	*	*	*	*	*	*	*
11	WS248	*	*	*	*	*	*	*	*	*	*	*
87	WS254	*	*	*	*	*	*	*	*	*	*	*
20	WS225	*	*	*	*	*	*	*	*	*	*	*
229	WS265	*	*	*	*	*	*	*	*	*	*	*
111	WS221	*	*	*	*	*	*	*	*	*	*	*

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21	WS259	*	*	*	*	*	*	*	*	*	*
236	MS004	*	*	*	*	*	*	*	*	*	*
65	WS022	*	*	*	*	*	*	*	*	*	*
66	WS023	*	*	*	*	*	*	*	*	*	*
67	WS024	*	*	*	*	*	*	*	*	*	*
68	WS024A	*	*	*	*	*	*	*	*	*	*
69	WS024B	*	*	*	*	*	*	*	*	*	*
70	WS200	*	*	*	*	*	*	*	*	*	*
71	WS201	*	*	*	*	*	*	*	*	*	*
72	WS203	*	*	*	*	*	*	*	*	*	*
73	WS204	*	*	*	*	*	*	*	*	*	*

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126	2H020	*	*	*	*	*	*	*	*	*	*
121	WS116	*	*	*	*	*	*	*	*	*	*
137	2H016	*	*	*	*	*	*	*	*	*	*
139	WS168	*	*	*	*	*	*	*	*	*	*
196	RTEF04	*	*	*	*	*	*	*	*	*	*
197	RTEF05	*	*	*	*	*	*	*	*	*	*
198	RTEF06	*	*	*	*	*	*	*	*	*	*
199	RTEF07	*	*	*	*	*	*	*	*	*	*
195	RTEF03	*	*	*	*	*	*	*	*	*	*
223	WS194	*	*	*	*	*	*	*	*	*	*

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Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change	In Scope = Y / Potential Out of Scope = N / Reuters = R / Not in Hot House = nHH	Confirmed with BT F = Funded Y = In Scope N = Not in Scope D = Deferred C1 = Delivered in Cycle 1 W = Withdrawn/ Reuters Deliverable Retired = Retired		Post Hot House Scope
15	WS148	*	*	*	*	*	*	*	*	*	*	*	*	*			
97	WS050A	*	*	*	*	*	*	*	*	*	*	*	*	*			
141	EB001	*	*	*	*	*	*	*	*	*	*	*	*	*			
142	EB002	*	*	*	*	*	*	*	*	*	*	*	*	*			
143	EB003	*	*	*	*	*	*	*	*	*	*	*	*	*			
144	EB004	*	*	*	*	*	*	*	*	*	*	*	*	*			
145	EB005	*	*	*	*	*	*	*	*	*	*	*	*	*			
146	EB006	*	*	*	*	*	*	*	*	*	*	*	*	*			
147	EB007	*	*	*	*	*	*	*	*	*	*	*	*	*			
148	EB008	*	*	*	*	*	*	*	*	*	*	*	*	*			
149	EB009	*	*	*	*	*	*	*	*	*	*	*	*	*			
150	EB010	*	*	*	*	*	*	*	*	*	*	*	*	*			
151	EB011	*	*	*	*	*	*	*	*	*	*	*	*	*			
152	EB012	*	*	*	*	*	*	*	*	*	*	*	*	*			

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153	EB013	*	*	*	*	*	*	*	*	*	*	*
154	EB014	*	*	*	*	*	*	*	*	*	*	*
155	EB015	*	*	*	*	*	*	*	*	*	*	*
156	EB016	*	*	*	*	*	*	*	*	*	*	*
157	EB017	*	*	*	*	*	*	*	*	*	*	*
158	EB018	*	*	*	*	*	*	*	*	*	*	*
159	EB019	*	*	*	*	*	*	*	*	*	*	*
160	EB020	*	*	*	*	*	*	*	*	*	*	*
161	EB021	*	*	*	*	*	*	*	*	*	*	*
162	EB022	*	*	*	*	*	*	*	*	*	*	*
164	EB024	*	*	*	*	*	*	*	*	*	*	*
165	EB025	*	*	*	*	*	*	*	*	*	*	*
166	EB026	*	*	*	*	*	*	*	*	*	*	*
166	EB027	*	*	*	*	*	*	*	*	*	*	*
170	EB030	*	*	*	*	*	*	*	*	*	*	*
171	EB031	*	*	*	*	*	*	*	*	*	*	*
172	EB032	*	*	*	*	*	*	*	*	*	*	*
173	EB033	*	*	*	*	*	*	*	*	*	*	*
174	EB034	*	*	*	*	*	*	*	*	*	*	*
175	EB035	*	*	*	*	*	*	*	*	*	*	*

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177	EB037	*	*	*	*	*	*	*	*	*	*	*	*
178	EB038	*	*	*	*	*	*	*	*	*	*	*	*
180	EB040	*	*	*	*	*	*	*	*	*	*	*	*
181	EB041	*	*	*	*	*	*	*	*	*	*	*	*
182	EB042	*	*	*	*	*	*	*	*	*	*	*	*
183	EB043	*	*	*	*	*	*	*	*	*	*	*	*
184	EB044	*	*	*	*	*	*	*	*	*	*	*	*
185	EB045	*	*	*	*	*	*	*	*	*	*	*	*
186	EB046	*	*	*	*	*	*	*	*	*	*	*	*
187	EB047	*	*	*	*	*	*	*	*	*	*	*	*
188	EB048	*	*	*	*	*	*	*	*	*	*	*	*
189	EB049	*	*	*	*	*	*	*	*	*	*	*	*
190	EB050	*	*	*	*	*	*	*	*	*	*	*	*
192	EB052	*	*	*	*	*	*	*	*	*	*	*	*
163	EB023	*	*	*	*	*	*	*	*	*	*	*	*
168	EB028	*	*	*	*	*	*	*	*	*	*	*	*
169	EB029	*	*	*	*	*	*	*	*	*	*	*	*
176	EB036	*	*	*	*	*	*	*	*	*	*	*	*
179	EB039	*	*	*	*	*	*	*	*	*	*	*	*

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191	EB051	*	*	*	*	*	*	*	*	*	*	*	*
	MS005	*	*	*	*	*	*	*	*	*	*	*	*
13	WS258	*	*	*	*	*	*	*	*	*	*	*	*
14	WS142	*	*	*	*	*	*	*	*	*	*	*	*
108	WS066	*	*	*	*	*	*	*	*	*	*	*	*
213	HH019	*	*	*			*	*	*	*	*	*	*
214	HH020	*	*	*			*	*	*	*	*	*	*
117	2H018	*	*	*	*		*	*	*	*	*	*	*

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134	2H013	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
5	WS038A	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*

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Unique ID	Req ID	Process		Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change	In Scope = Y / Potential Out of Scope = N / Reuters = R / Not in Hot House = nHH Not in Contract		Confirmed with BT F = Funded Y = In Scope N = Not in Scope D = Deferred C1 = Delivered in Cycle 1 W = Withdrawn/Reuters Deliverable Retired = Retired	
		Area	Theme											Scope & In Delivery Scope = YN			
219	2H021	*	*	*			*	*		*	*				*		*
207	HH018	*	*	*			*			*	*				*		*
114	HH042	*	*	*			*			*	*				*		*
208	HH055	*	*	*			*			*	*				*		*
23	WS222	*	*	*	*		*	*	*	*	*	*			*		*
228	WS263	*	*	*			*	*	*	*	*	*	*		*		
234	MS002	*	*	*	*		*	*	*	*	*				*		*
12	WS249	*	*	*	*	*	*	*	*	*	*				*		
59	WS054A*	*	*	*	*	*	*	*	*	*	*		*		*		

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51	WS051	*	*	*	*	*	*	*	*	*	*	*	*
55	WS052B	*	*	*	*	*	*	*	*	*	*	*	*
52	WS051A	*	*	*	*	*	*	*	*	*	*	*	*
53	WS052	*	*	*	*	*	*	*	*	*	*	*	*
54	WS052A	*	*	*	*	*	*	*	*	*	*	*	*
56	WS053	*	*	*	*	*	*	*	*	*	*	*	*

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57	WS054	*	*	*	*	*	*	*	*	*	*	*	*
58	WS055	*	*	*	*	*	*	*	*	*	*	*	*
105	WS044	*	*	*	*	*	*	*	*	*	*	*	*
106	WS045	*	*	*	*	*	*	*	*	*	*	*	*
94	WS046	*	*	*	*	*	*	*	*	*	*	*	*
92	WS041	*	*	*	*	*	*	*	*	*	*	*	*

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96	WS048	*	*	*	*	*	*	*	*	*	*	*	*
100	WS256	*	*	*	*	*	*	*	*	*	*	*	*
102	WS260	*	*	*	*	*	*	*	*	*	*	*	*
233	MS001	*	*	*	*	*	*	*	*	*	*	*	*

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222	HH140	*	*	*	*			*	*			*	*
206	WS196	*	*	*	*	*		*	*	*		*	*
209	HH056	*	*	*	*			*	*			*	
212	HH005	*	*	*	*			*	*			*	*
221	WS193	*	*	*	*	*	*	*	*	*		*	*

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25	WS001	*	*	*	*	*	*	*	*	*	*	*	*
26	WS002	*	*	*	*	*	*	*	*	*	*	*	*
27	WS003	*	*	*	*	*	*	*	*	*	*	*	*
28	WS004	*	*	*	*	*	*	*	*	*	*	*	*
29	WS005	*	*	*	*	*	*	*	*	*	*	*	*
30	WS006	*	*	*	*	*	*	*	*	*	*	*	*
31	WS007	*	*	*	*	*	*	*	*	*	*	*	*
49	WS008	*	*	*	*	*	*	*	*	*	*	*	*
32	WS009	*	*	*	*	*	*	*	*	*	*	*	*
33	WS010	*	*	*	*	*	*	*	*	*	*	*	*
34	WS011	*	*	*	*	*	*	*	*	*	*	*	*

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35	WS012	*	*	*	*	*	*	*	*	*	*
36	WS013	*	*	*	*	*	*	*	*	*	*
37	WS014	*	*	*	*	*	*	*	*	*	*
38	WS015	*	*	*	*	*	*	*	*	*	*
39	WS016	*	*	*	*	*	*	*	*	*	*
40	WS017	*	*	*	*	*	*	*	*	*	*
41	WS018	*	*	*	*	*	*	*	*	*	*
42	WS019	*	*	*	*	*	*	*	*	*	*
43	WS020	*	*	*	*	*	*	*	*	*	*
44	WS021	*	*	*	*	*	*	*	*	*	*
45	WS056	*	*	*	*	*	*	*	*	*	*

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46	WS104A	*	*	*	*	*	*	*	*	*	*	*	*	*
47	WS199	*	*	*	*	*	*	*	*	*	*	*	*	*
48	WS238	*	*	*	*	*	*	*	*	*	*	*	*	*
50	WS028	*	*	*	*	*	*	*	*	*	*	*	*	*
74	WS031	*	*	*	*	*	*	*	*	*	*	*	*	*
75	WS032	*	*	*	*	*	*	*	*	*	*	*	*	*
76	WS033	*	*	*	*	*	*	*	*	*	*	*	*	*
77	WS034	*	*	*	*	*	*	*	*	*	*	*	*	*
78	WS035	*	*	*	*	*	*	*	*	*	*	*	*	*
79	WS036	*	*	*	*	*	*	*	*	*	*	*	*	*
80	WS037	*	*	*	*	*	*	*	*	*	*	*	*	*
81	WS205	*	*	*	*	*	*	*	*	*	*	*	*	*

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82	WS206	*	*	*		*	*	*	*	*	*	*	*	*	*
83	WS250	*	*	*		*	*	*	*	*	*	*	*	*	*
84	WS251	*	*	*		*	*	*	*	*	*	*	*	*	*
85	WS252	*	*	*		*	*	*	*	*	*	*	*	*	*
86	WS253	*	*	*		*	*	*	*	*	*	*	*	*	*
93	WS042	*	*	*		*	*	*	*	*	*	*	*	*	*

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98	WS242	*	*	*	*	*	*	*	*	*	*	*	*
226	WS256B	*	*	*	*	*	*	*	*	*	*	*	*
101	WS257	*	*	*	*	*	*	*	*	*	*	*	*
112	WS227	*	*	*	*	*	*	*	*	*	*	*	*
113	WS239	*	*	*	*	*	*	*	*	*	*	*	*

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BT Observation/ comment	BT/Reuters Review 4Jan	Original BT Requirements Team Notes	Original BT Complexity H/M/L	Reuters Solution Architect Req Y/N	Benefit Description	Benefit Value (£)	Contingency	Reuters Benefit Assessment (see columns to left)	Solution Requirements (as agreed at Hot House)	Solution Deliverable	Work Package Reference(s)	Solution Planning
		*		*		*	*		*	*		
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Unique ID	Req ID	Process Area	Theme	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact High/Medium/Low	Dependency on Critical Items	Dependency on a Reuters System Change	In Scope = Y / Potential Out of Scope = N / Reuters = R / Not in Hot House = nHH		Position Post-Hot House
210	2H001	Service Delivery	*	*			*			*	*			*		*
211	2H002	Service Delivery	*	*			*			*	*			*		*
115	2H005	Reporting	*	*	*		*	*	*	*	*			*		*
127	2H006	Reporting	*	*	*		*	*	*	*	*			*		*
128	2H007	Reporting	*	*	*		*	*	*	*	*			*		*
129	2H008	Reporting	*	*	*		*	*	*	*	*			*		*
130	2H009	Reporting	*	*	*		*	*	*	*	*			*		*
131	2H010	Reporting	*	*	*		*	*	*	*	*			*		*
132	2H011	Reporting	*	*	*		*	*	*	*	*			*		*
133	2H012	Reporting	*	*	*		*	*	*	*	*			*		*
134	2H013	Reporting	*	*	*		*	*	*	*	*			*		*
135	2H014	Reporting	*	*	*		*	*	*	*	*			*		*
136	2H015	Reporting	*	*	*		*	*	*	*	*			*		*
137	2H016	Reporting	*	*	*		*	*	*	*	*			*		*

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116	2H017	Reporting	*	*		*		*	*	*	*			*	*
117	2H018	Reporting	*	*		*		*	*	*	*			*	*
118	2H019	Reporting	*	*		*		*	*	*	*			*	
126	2H020	Reporting	*	*		*		*	*	*	*			*	
219	2H021	Service Delivery	*	*			*	*		*	*			*	*
225	2H022	Service Assurance	*	*			*		*	*	*			*	*
141	EB001	Service Assurance	*	*		*	*	*		*	*	*		*	*
142	EB002	Service Assurance	*	*		*	*	*		*	*	*		*	*

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143	EB003	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
144	EB004	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
145	EB005	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
146	EB006	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
147	EB007	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
148	EB008	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
149	EB009	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
150	EB010	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
151	EB011	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
152	EB012	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
153	EB013	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
154	EB014	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
155	EB015	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
156	EB016	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
157	EB017	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
158	EB018	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
159	EB019	Service Assurance	*	*	*	*	*	*	*	*	*	*	*
160	EB020	Service Assurance	*	*	*	*	*	*	*	*	*	*	*

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161	EB021	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
162	EB022	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
163	EB023	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
164	EB024	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
165	EB025	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
166	EB026	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
167	EB027	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
168	EB028	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
169	EB029	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
170	EB030	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
171	EB031	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
172	EB032	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
173	EB033	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
174	EB034	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
175	EB035	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
176	EB036	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
177	EB037	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
178	EB038	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
179	EB039	Service Assurance	*	*		*	*	*	*		*	*	*		*	*

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180	EB040	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
181	EB041	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
182	EB042	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
183	EB043	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
184	EB044	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
185	EB045	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
186	EB046	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
187	EB047	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
188	EB048	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
189	EB049	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
190	EB050	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
191	EB051	Service Assurance	*	*		*	*	*	*		*	*	*		*	*
192	EB052	Service Assurance	*	*			*	*			*	*			*	*
119	HH002	Reporting	*	*				*			*	*			*	
212	HH005	Service Delivery	*	*				*			*	*			*	
220	HH011	Service Delivery	*	*			*	*			*	*			*	*

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207	HH018	Service Delivery	*	*		*		*	*		*	*
213	HH019	Service Delivery	*	*		*		*	*		*	*
214	HH020	Service Delivery	*	*		*		*	*		*	*
215	HH023	Service Delivery	*	*		*		*	*		*	*
216	HH024	Service Delivery	*	*		*		*	*		*	*
217	HH032 (ws197)	Service Delivery	*	*		*		*	*		*	*
218	HH041	Service Delivery	*	*		*		*	*		*	*
114	HH042	Reporting	*	*		*		*	*		*	*
208	HH055	Service Delivery	*	*		*		*	*		*	*
209	HH056	Service Delivery	*	*		*		*	*		*	
203	HH080	Service Delivery	*	*		*		*	*		*	*
104	HH122	Reporting	*	*		*	*	*	*		*	*

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222	HH140	Service Delivery		*				*			*		*				*	
120	HHxxx	Reporting	*	*			*			*	*	*					*	*
193	RTEF01		*	*			*			*	*	*					*	*
194	RTEF02	*	*	*			*	*		*	*	*					*	*
195	RTEF03	*	*	*			*	*		*	*	*					*	
196	RTEF04	*	*	*			*	*		*	*	*	*				*	
197	RTEF05	*	*	*			*	*		*	*	*	*				*	
198	RTEF06	*	*	*			*	*		*	*	*	*				*	
199	RTEF07	*	*	*			*	*		*	*	*	*				*	
25	WS001	*	*	*			*	*	*	*	*	*	*			*	*	
26	WS002	*	*	*			*	*	*	*	*	*	*	*		*	*	
27	WS003	*	*	*			*	*	*	*	*	*	*	*		*	*	
28	WS004	*	*	*			*	*	*	*	*	*	*	*		*	*	

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29	WS005	*	*	*	*	*	*	*	*	*	*	*	*
30	WS006	*	*	*	*	*	*	*	*	*	*	*	*
31	WS007	*	*	*	*	*	*	*	*	*	*	*	*
49	WS008	*	*	*	*	*	*	*	*	*	*	*	*
32	WS009	*	*	*	*	*	*	*	*	*	*	*	*
33	WS010	*	*	*	*	*	*	*	*	*	*	*	*
34	WS011	*	*	*	*	*	*	*	*	*	*	*	*
35	WS012	*	*	*	*	*	*	*	*	*	*	*	*
36	WS013	*	*	*	*	*	*	*	*	*	*	*	*
37	WS014	*	*	*	*	*	*	*	*	*	*	*	*
38	WS015	*	*	*	*	*	*	*	*	*	*	*	*
39	WS016	*	*	*	*	*	*	*	*	*	*	*	*
40	WS017	*	*	*	*	*	*	*	*	*	*	*	*

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41	WS018	*	*	*	*	*	*	*	*	*	*	*	*	*
42	WS019	*	*	*	*	*	*	*	*	*	*	*	*	*
43	WS020	*	*	*	*	*	*	*	*	*	*	*	*	*
44	WS021	*	*	*	*	*	*	*	*	*	*	*	*	*
65	WS022	*	*	*	*	*	*	*	*	*	*	*	*	*
66	WS023	*	*	*	*	*	*	*	*	*	*	*	*	*
67	WS024	*	*	*	*	*	*	*	*	*	*	*	*	*
68	WS024A	*	*	*	*	*	*	*	*	*	*	*	*	*
69	WS024B	*	*	*	*	*	*	*	*	*	*	*	*	*
50	WS028	*	*	*	*	*	*	*	*	*	*	*	*	*
88	WS030	*	*	*	*	*	*	*	*	*	*	*	*	*
74	WS031	*	*	*	*	*	*	*	*	*	*	*	*	*
75	WS032	*	*	*	*	*	*	*	*	*	*	*	*	*
76	WS033	*	*	*	*	*	*	*	*	*	*	*	*	*

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77	WS034	*	*	*	*	*	*	*	*	*	*	*	*
78	WS035	*	*	*	*	*	*	*	*	*	*	*	*
79	WS036	*	*	*	*	*	*	*	*	*	*	*	*
80	WS037	*	*	*	*	*	*	*	*	*	*	*	*
110	WS037B	*	*	*	*	*	*	*	*	*	*	*	*
89	WS038	*	*	*	*	*	*	*	*	*	*	*	*
5	WS038A	*	*	*	*	*	*	*	*	*	*	*	*

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91	WS040	*	*	*	*	*	*	*	*	*	*	*	*	*
92	WS041	*	*	*	*	*	*	*	*	*	*	*	*	*
93	WS042	*	*	*	*	*	*	*	*	*	*	*	*	*
105	WS044	*	*	*	*	*	*	*	*	*	*	*	*	*
106	WS045	*	*	*	*	*	*	*	*	*	*	*	*	*
94	WS046	*	*	*	*	*	*	*	*	*	*	*	*	*
96	WS048	*	*	*	*	*	*	*	*	*	*	*	*	*

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17	WS050	*	*	*	*	*	*	*	*	*	*	*	*	*
97	WS050A	*	*	*	*	*	*	*	*	*	*	*	*	*
51	WS051	*	*	*	*	*	*	*	*	*	*	*	*	*
52	WS051A	*	*	*	*	*	*	*	*	*	*	*	*	*
53	WS052	*	*	*	*	*	*	*	*	*	*	*	*	*
54	WS052A	*	*	*	*	*	*	*	*	*	*	*	*	*
55	WS052B	*	*	*	*	*	*	*	*	*	*	*	*	*
56	WS053	*	*	*	*	*	*	*	*	*	*	*	*	*
57	WS054	*	*	*	*	*	*	*	*	*	*	*	*	*
59	WS054A	*	*	*	*	*	*	*	*	*	*	*	*	*
58	WS055	*	*	*	*	*	*	*	*	*	*	*	*	*

* Text has been redacted for confidentiality

45	WS056	*	*	*	*	*	*	*	*	*	*	*	*	*
24	WS059	*	*	*	*	*	*	*	*	*	*	*	*	*
200	WS064	*	*	*	*	*	*	*	*	*	*	*	*	*
107	WS065	*	*	*	*	*	*	*	*	*	*	*	*	*
108	WS066	*	*	*	*	*	*	*	*	*	*	*	*	*
201	WS067	*	*	*	*	*	*	*	*	*	*	*	*	*
224	WS069	*	*	*	*	*	*	*	*	*	*	*	*	*
109	WS071	*	*	*	*	*	*	*	*	*	*	*	*	*
202	WS072	*	*	*	*	*	*	*	*	*	*	*	*	*
6	WS086	*	*	*	*	*	*	*	*	*	*	*	*	*

* Text has been redacted for confidentiality

7	WS087	*	*	*		*	*	*	*	*	*	*	*	*
46	WS104A	*	*	*		*	*	*	*	*	*	*	*	*
121	WS116	*	*	*		*		*		*	*	*	*	*
14	WS142	*	*	*		*	*	*	*	*	*	*	*	*
15	WS148	*	*	*		*	*	*	*	*	*	*	*	*
16	WS151	*	*	*		*	*	*	*	*	*	*	*	*
204	WS163	*	*	*				*		*	*	*	*	*
60	WS165	*	*	*		*		*	*	*	*	*	*	*
138	WS167	*	*	*		*		*	*	*	*	*	*	*
139	WS168	*	*	*				*	*	*	*	*	*	*
140	WS173	*	*	*				*	*	*	*	*	*	*
61	WS178	*	*	*				*	*	*	*	*	*	*
62	WS182	*	*	*				*	*	*	*	*	*	*

* Text has been redacted for confidentiality

122	WS184	*	*	*			*	*	*	*	*		*	
63	WS186	*	*	*			*	*	*	*	*		*	*
64	WS187	*	*	*			*	*	*	*	*		*	*
123	WS188	*	*	*			*	*	*	*	*		*	*
124	WS189	*	*	*			*		*	*	*		*	*
19	WS192A	*	*	*	*	*	*	*	*	*	*	*	*	*

* Text has been redacted for confidentiality

221	WS193	*	*	*			*	*	*	*	*	*	*
223	WS194	*		*			*		*	*	*	*	*
205	WS195	*	*	*			*	*		*	*	*	*
206	WS196	*	*	*			*	*		*	*	*	*
47	WS199	*	*	*	*	*	*	*	*	*	*	*	*
70	WS200	*	*	*	*	*	*	*	*	*	*	*	*
71	WS201	*	*	*	*	*	*	*	*	*	*	*	*
72	WS203	*	*	*	*	*	*	*	*	*	*	*	*
73	WS204	*	*	*	*	*	*	*	*	*	*	*	*

* Text has been redacted for confidentiality

81	WS205	*	*	*	*	*	*	*	*	*	*	*	*
82	WS206	*	*	*	*	*	*	*	*	*	*	*	*
111	WS221	*	*	*	*	*	*	*	*	*	*	*	*
23	WS222	*	*	*	*	*	*	*	*	*	*	*	*
20	WS225	*	*	*	*	*	*	*	*	*	*	*	*
112	WS227	*	*	*	*	*	*	*	*	*	*	*	*
1	WS228	*	*	*	*	*	*	*	*	*	*	*	*
2	WS229	*	*	*	*	*	*	*	*	*	*	*	*
3	WS230	*	*	*	*	*	*	*	*	*	*	*	*
4	WS235	*	*	*	*	*	*	*	*	*	*	*	*
48	WS238	*	*	*	*	*	*	*	*	*	*	*	*
113	WS239	*	*	*	*	*	*	*	*	*	*	*	*
98	WS242	*	*	*	*	*	*	*	*	*	*	*	*
125	WS246	*	*	*	*	*	*	*	*	*	*	*	*
10	WS247	*	*	*	*	*	*	*	*	*	*	*	*
11	WS248	*	*	*	*	*	*	*	*	*	*	*	*
12	WS249	*	*	*	*	*	*	*	*	*	*	*	*

* Text has been redacted for confidentiality

83	WS250	*	*	*	*	*	*	*	*	*	*	*
84	WS251	*	*	*	*	*	*	*	*	*	*	*
85	WS252	*	*	*	*	*	*	*	*	*	*	*
86	WS253	*	*	*	*	*	*	*	*	*	*	*
87	WS254	*	*	*	*	*	*	*	*	*	*	*
99	WS255	*	*	*	*	*	*	*	*	*	*	*
100	WS256	*	*	*	*	*	*	*	*	*	*	*
226	WS256B	*	*	*	*	*	*	*	*	*	*	*
101	WS257	*	*	*	*	*	*	*	*	*	*	*
13	WS258	*	*	*	*	*	*	*	*	*	*	*

* Text has been redacted for confidentiality

21	WS259	*	*	*		*	*	*	*	*	*	*		*
102	WS260	*	*	*		*	*	*	*	*	*	*	*	*
103	WS261	*	*	*		*	*	*	*	*	*	*	*	*
227	WS262	*	*	*		*	*	*	*	*	*	*	*	*
228	WS263	*	*	*		*	*	*	*	*	*	*	*	*
229	WS265	*	*	*		*	*	*	*	*	*	*	*	*
230	WS266	*	*	*		*	*	*	*	*	*	*	*	*
231	WS267	*	*	*		*	*	*	*	*	*	*	*	*
232	WS268	*	*	*		*	*	*	*	*	*	*	*	*
233	MS001	*	*	*		*	*	*	*	*	*	*	*	*
234	MS002	*	*	*		*	*	*	*	*	*	*	*	*
235	MS003	*	*	*		*	*	*	*	*	*	*	*	*
236	MS004	*	*	*		*	*	*	*	*	*	*	*	*
	MS006	*	*	*				*	*		*	*		*

* Text has been redacted for confidentiality

Unique ID	Req ID	Dependency on a																		Document Name	Approved By
		Process Area	Requirement Description	Delivery Cycle	Delivery Capabilities	Reuters Owner	Business Requestor	Source Document	Assumed Supplier of Solution	Business Impact H/M/L	Dependency on Critical Items	Reuters System Change	Design % Completed	Solution % Completed	Bugs/ Gaps	Change Requests	Comments				
WD	HH015		*																		
WD	HH026		*																		
WD	HH044		*																		
WD	HH045 (ws197)		*																		
WD	HH046		*																		
WD	HH051 (ws197)		*																		
WD	HH052 (ws197)		*																		
WD	WS124		*				*	*	*	*											
WD	WS197		*						*	*	*										
	WS168	*	*			*	*	*	*	*											
	WS172	*	*			*	*	*	*	*											
	WS179	*	*			*	*	*	*	*											
	WS180	*	*			*	*	*	*	*											
	WS190	*	*			*	*	*	*	*											
	WS191	*	*			*	*	*	*	*											
	HH100	*	*			*															
	HH101	*	*			*															
	HH103	*	*			*															
	HH104	*	*			*															
	HH105	*	*			*															
	HH106	*	*			*															
	WS125		*					*	*	*	*										
	WS144	*	*					*	*	*	*										
	WS147		*				*	*	*	*	*										

* Text has been redacted for confidentiality



18	WS080A	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
	WS264	*	*	*	*	*			*						*	*
8	WS088	*	*	*	*	*	*	*	*	*		*	*		*	*
90	WS038B	*	*	*	*	*	*	*	*	*		*	*		*	*
95	WS047	*	*	*	*	*	*	*	*	*		*	*		*	*
13	WS258	*	*	*	*	*									*	*

* Text has been redacted for confidentiality

Cycle 3 Scope

The scope of Cycle 3 will include the following in priority order (highest priority first);

- *
- *
- *
- *
- *

The actual detailed requirements scope for Cycle 3 to be agreed and baselined at April hothouse.

Requirement element deferred from Cycle 2

WS163	*	*
HH080	*	*
WS067	*	*
WS072	*	*
WS154	*	*

* Text has been redacted for confidentiality

Appendix C

Part D

Split Sites Functionality

TP060890107

Split Site

Standard Gold Split Site *

*

*

*

Non-standard client requirements

*

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Appendix F

Replacement Schedule 5 Part 2

Schedule 5
Service Levels & Service Credits

Part 2

New Services

1. Introduction

The purpose of this Schedule is to describe the Service Levels which apply to all of the New Services as described in Schedule 2 Part 1B (*New Services*). The Service Levels for the Non-Migrating Services are the relevant Service Levels set out in Schedule 5 Part 1 (*Existing Services*) (and references in this Part 2 of Schedule 5 to New Services shall be deemed to exclude the Non-Migrating Services).

The Service Levels applicable to the FAT services shall be those that apply under Schedule 5 Part 1 (*Service Levels and Service Credits: Existing Services*).

The New Services will be managed and monitored by BT in accordance with Schedule 2 Part 1C (*Service Management*).

1.1. Service Levels

As an overriding principle, BT shall provide each New Service to a service level no lower than for the corresponding Existing Service. The Parties agree that the provisions of this Schedule 5 Part 2 are subject to this overriding principle.

BT shall provide the New Services to the Service Levels set out in this Schedule. The following types of Service Levels shall apply in respect of the New Services:

Technical Service Levels:

- a) Availability
- b) Round Trip Delay
- c) Packet Loss

Service Operation Levels:

- a) Alarm Monitoring and Feed to Reuters
- b) Fault notification
- c) Repair progress
- d) Orders, moves & changes

1.2. Service Credits

In the event of a failure by BT to achieve the Service Levels in paragraph 3.1 of this Schedule for the New Services, the Service Credits set out in this Schedule shall apply in respect of such a failure in accordance with paragraph 3.1.

Prior to the Migration Date, Service Credits will be calculated in accordance with the table set out in paragraph 3.1 of this Schedule.

2. Definitions

“Availability”	means the time during which New Services operate correctly without failure over the calendar month, which in the case of New Services with re-convergence parameters includes compliance with those parameters. For the avoidance of doubt, Packet Loss and Round Trip Delay do not fall within the definition of Availability;
“Incident”	means an event which causes an interruption to or reduction in the quality or availability below the agreed Service Levels of the relevant Service;
“Maintenance Window”	means: <ul style="list-style-type: none">(i) * local time (or the local equivalent of a weekend) in respect of customer Facilities only; and(ii) in all other cases, *.
“Network Availability Service Level”	means Availability, RTD and Packet Loss Service Levels set out in paragraph 3.1;
“Re-convergence Time”	means the total length of time taken by BT to detect an Availability failure on or relating to a Service Package and re-route traffic from the failed Connection to a Connection that is available; and
“Round Trip Delay” (“RTD”)	means the period of time between when the last byte of a message is sent from the originating equipment to the time when the last byte has been received back from the destination equipment, measured as an average over a calendar month in accordance with paragraph 3.3.7.

3. Technical Service Levels and Service Credits

3.1. Network availability

- (a) BT will achieve, in connection with each New Service:
- (i) no less than the percentage specified for Availability;
 - (ii) the time specified for RTDs or better for the period of Availability;
 - (iii) no greater than the percentage specified for Packet Loss for each calendar month; and
 - (iv) the time specified for Re-convergence Time or better than that time,

in each case for the applicable Product Package in line with the Service Categories relevant to that Product Package. The table below sets out the requirements for each Service Category.

References in the table below to 1st, 2nd and 3rd failures to meet a Network Availability Service Level mean the first, second and third failures on the same Product Package to the same Facility * (in respect of Platinum, Gold and Silver Service Categories), or * (in respect of Bronze Service Categories).

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Where more than one failure of a * occurs simultaneously in a * in respect of a Facility, e.g. a circuit failure also triggering Packet Loss and RTD issues, this shall be treated as a single failure for the purpose of calculation of the Service Credits.

Service Credits

- (b) Subject to paragraph (c) below, where there is a failure of * *, BT will pay Reuters Service Credits in accordance with this Schedule *. This will be calculated using the sum of the Service Credits (set out in the table below) for the Service Categories relating to those *.
 - (c) In the case of a failure only of * BT shall not be obliged to pay Service Credits to Reuters in accordance with paragraph (b) above, provided that BT fully restores the * within the time specified in the table in paragraph 4.5 below (*Maximum Time to Repair*) for the Service Category relevant to that SAC's Service Package. In the event that BT does not fully restore the * as applicable within the time specified in the table in the paragraph 4.5 below for the Service Category relevant to that SAC's Service Package then Service Credits will only apply with respect to the affected *.
 - * Text has been redacted for confidentiality
-

		Service Category								
		Platinum	Gold Fast Converge	Gold Standard	Gold No Converge	Silver Fast Converge	Silver Standard	Silver No Converge	Bronze +	Bronze
Availability *		*	*	*	*	*	*	*	*	*
RTD	Europe to Europe	*	*	*	*	*	*	*	*	*
	Europe to North America	*	*	*	*	*	*	*	*	*
	Europe to Asia Pacific	*	*	*	*	*	*	*	*	*
	North America to North America	*	*	*	*	*	*	*	*	*
	North America to South America	*	*	*	*	*	*	*	*	*
	North America to Asia Pacific	*	*	*	*	*	*	*	*	*
	Asia Pacific to Asia Pacific	*	*	*	*	*	*	*	*	*
Packet Loss **		*	*	*	*	*	*	*	*	*
Maximum Re-convergence Time		*	*	*	*	*	*	*	*	*
Service Credits										
For 1 st failure, as percentage of the Service Charge in respect of the relevant calendar month for affected *		*	*	*	*	*	*	*	*	*
For 2nd failure as percentage of the Service Charge in respect of the relevant calendar month for affected *		*	*	*	*	*	*	*	*	*
For 3rd failure as percentage of the Service Charge in respect of the relevant calendar month for affected *, and as stated otherwise (if applicable)		*	*	*	*	*	*	*	*	*
For Connections which have an access circuit speed below * will be added to the relevant RTD time in the above table. For Connections which										
*										
*	*									
**	*									
* Text has been redacted for confidentiality										

3.2. Maintenance

- (i) BT agrees that all maintenance (including, for the avoidance of doubt, within a Maintenance Window) in respect of the New Services shall be undertaken with Reuters' prior written agreement (not to be unreasonably withheld). BT will provide 72 hours' prior written notice of proposed maintenance and shall only carry out maintenance within a Maintenance Window.
- (ii) In the event of an emergency in respect of which emergency maintenance to rectify an outage is required, such emergency maintenance may be carried out by or on behalf of BT outside a Maintenance Window subject to Reuters' express prior consent (not to be unreasonably withheld or delayed).
- (iii) BT acknowledges that it may undertake no more than * of maintenance work per Facility, per year without prior written consent from Reuters, and maintenance shall only be conducted by BT or BT Personnel.
- (iv) BT agrees that all maintenance conducted in respect of a Service that is subject to a Platinum or Gold Service Category may be conducted on only one Connection of such Service at any one time.

3.3. Measurement of Service Levels

- 3.3.1 BT's performance of the New Services to the Service Levels shall be measured across the calendar month, per Service, per Facility.
- 3.3.2 The Network Availability Service Levels set out in paragraph 3.1 shall be measured on a *
- 3.3.3 The measurement of BT's performance to the Network Availability Service Levels shall exclude:
 - (a) periods of maintenance carried out in accordance with paragraph 3.2 of this Schedule; and
 - (b) unavailability to the extent resulting from an act or omission by Reuters or a customer of Reuters, except where acting on instructions of BT or BT Personnel.
- 3.3.4 Where BT is able to contract with more than one quality local carrier (which for the avoidance of doubt delivers sufficiently robust service levels) in the relevant location, at Reuters' written request BT shall ensure that Services delivered to Gold Category and Silver Category Service Levels are delivered over two separate local carriers.
- 3.3.5 At Reuters' prior written request, and where BT has not already contracted with a specific local carrier, BT shall contract with such Reuters' requested carrier subject to payment of reasonable incremental charges. BT's obligation to meet the relevant Service Levels shall be limited to the service levels that the local carrier has contractually committed to achieve. BT shall promptly notify Reuters in writing of any such impact (or anticipated impact) on the Service Levels.
- 3.3.6 The Parties acknowledge that Availability is in part dependent on the availability of the relevant local tail circuits, and that such availability varies from country to country. Notwithstanding the Service Levels set out in paragraph 3.1 and subject always to the overriding principle in paragraph 1.1, the maximum Availability Service Level that BT shall be required to achieve in a country shall (subject to paragraph 3.3.7) be that set out in the table in Appendix A in respect of that country.

* Text has been redacted for confidentiality

- 3.3.7 The Parties acknowledge that as at the Signing Date there are service levels and hours of cover referred to in the table in Appendix A that are less than the service levels and hours of cover achieved today. On and from the Signing Date, BT will work with Reuters in good faith to improve the accuracy of the table to better reflect the current service levels and hours of cover received by Reuters as at the Signing Date.
- 3.3.8 The Parties shall work together in good faith to identify improvements to the Service Levels in Appendix A in each country in each case falling within the same commercial and performance parameters. BT shall implement any such identified improvements within a reasonable time period.
- 3.3.9 Similarly, the maximum time to repair Service Level under paragraph 4.4 of this Schedule shall be subject to the table in Appendix A, subject always to the overriding principle in paragraph 1.1.

3.3.10 Measurement of Availability

Availability shall be measured by BT using the most up to date and appropriate technology (which will include the use of traps from routers where applicable and may also include polling).

3.3.11 Measurement of Round Trip Delay

RTDs shall be measured by BT by sending two test packets of 100 bytes, * between designated BT MPLS Customer Edge (CE) routers. The measurement will be the time between a test packet being sent and returning to its origin. The Round Trip Delay measurement will be calculated as an average across all test packets sent and received over a calendar month.

3.3.12 Measurement of Packet Loss

Packet Loss is measured by sending, two test packets * between designated BT Customer Edge (CE) routers. Packet delivery statistics will be calculated as an average of all test packets sent and received over a calendar month.

*

To the extent it is able to do so, Reuters will measure Packet Loss and it shall report the results of such measurement(s) to BT:

- (i) from the demarcation point of the BT network at a Main Technical Centre to the demarcation point of the BT network at a Facility, and BT shall be solely responsible for such validated Packet Loss;

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- (ii) from within a Main Technical Centre to within a Facility, and BT and Reuters will meet with a view (in good faith using reasonable endeavours) to agreeing the proportion of such Packet Loss attributable to the Services.

Reuters will provide BT with the reports used to identify the Packet Loss.

4. Service Contract Measures

4.1. Incident classification

In the event of a Service outage, failure or other degradation, BT shall assign a severity level in accordance with the table below (for the avoidance of doubt, BT shall only pay Service Credits on actual Incidents - see paragraph 3.1 above):

Incident severity	Nature of Incident
Severity 1	• *
Severity 2	• *
Severity 3	• *

For the avoidance of doubt, Severity Levels in the above table have no relationship to the Severity Levels applicable to the Existing Services.

4.2. Alarm Monitoring and Feed to Reuters

BT will provide:

- (v) a real time feed of events describing service performance, which will be forwarded to the Reuters' management system by BT (using the SNMP forwarding protocol) which will include the following events:
- (i) RTD threshold exceeded;
 - (ii) Packet Loss threshold exceeded;
 - (iii) circuit failure;
 - (iv) an identifier of the affected Facility in a manner which is meaningful to Reuters.
- (vi) Access to online reports will be made available to Reuters by BT. These online reports will include access to historical utilisation, Packet Loss and RTD performance of the New Services. The Parties will, acting reasonably, define and agree core hours for at least each of the main territories, America, Europe and Asia. During these core hours all Gold, Silver and RDF datafeed sites *.
- (vii) The Parties agree that the exact definition of events to be forwarded and the details within the protocol will be defined by BT and Reuters to ensure that the appropriate information is available within six months following the Signing Date.

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- (viii) In cases such as circuit failure, the alarms will not be forwarded immediately, but will be held in the processing system for a period of time (such period of time not to exceed ten seconds) to allow receipt of additional alarm information and correlation to provide a more meaningful feed of information to Reuters.
- (ix) The table below gives the frequency in minutes of the information update to be provided through the online reports:

Service Category								
Platinum	Gold Fast Converge	Gold Standard	Gold No Converge	Silver Fast Converge	Silver Standard	Silver No Converge	Bronze +	Bronze

Period through which report will be updated for Connections between Main Technical Centres and Facilities

* * * * *

Period through which report will be updated for Connections between Main Technical Centres

* * * * *

In the above table the reports available online will not contain information for the whole period measured at peak resolution. Rather, information for the last 3 months will be available at peak resolution whilst aged information will be aggregated (or “rolled up”) to provide measures over longer poll periods.

4.3. Fault notification

In the event that an Incident affecting a Service occurs, in addition to the real time alarm feed set out in paragraph 4.2 and the on-line reports as set out in paragraph 4.2.5, BT will notify the Reuters help desk within the times (in minutes) set out in the table below:

Service Category								
Platinum	Gold Fast Converge	Gold Standard	Gold No Converge	Silver Fast Converge	Silver Standard	Silver No Converge	Bronze +	Bronze
Severity 1	*	*	*	*	*	*	*	*
Severity 2	*	*	*	*	*	*	*	*
Severity 3	*	*	*	*	*	*	*	*

Notification to Reuters by BT of an Incident will be measured from the time that the trouble ticket is opened at the BT Service Desk to the time that BT notifies Reuters that such Incident has been detected.

* Text has been redacted for confidentiality

4.4. Repair progress

BT will communicate to the Reuters help desk the progress of an Incident for so long as it is outstanding, as a minimum in accordance with the table below:

	Service Category								
	Platinum	Gold Fast Converge	Gold Standard	Gold No converge	Silver Fast converge	Silver Standard	Silver No Converge	Bronze +	Bronze
Severity 1	*	*	*	*	*	*	*	*	*
Severity 2	*	*	*	*	*	*	*	*	*
Severity 3	*								

4.5. Maximum time to repair

In the event that an Incident occurs, BT will repair such fault within the times set out in the table below:

	Service Category								
	Platinum	Gold Fast Converge	Gold Standard	Gold No converge	Silver Fast converge	Silver Standard	Silver No Converge	Bronze +	Bronze
Severity 1	*	*	*	*	*	*	*	*	*
Severity 2	*	*	*	*	*	*	*	*	*
Severity 3	*								

4.6. Orders, moves & changes

BT will ensure that orders, moves and changes to the Services shall be made as a maximum to the Service Levels set out below:

	Service Category								
	Platinum	Gold Fast Converge	Gold Standard	Gold No converge	Silver Fast converge	Silver Standard	Silver No Converge	Bronze +	Bronze
New installations or physical changes	*								
Logical changes	*	*			*				

*

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Appendix G

Replacement Schedule 6: Service Charges

Schedule 6

Service Charges

1. Introduction and Definitions

1.1 This Schedule sets out the Service Charges for the Services throughout the term of the Agreement.

1.2 In this Schedule only the following terms shall have the following meanings:

“Core Network Services”

means the Services in respect of the Core Network;

“Discounted Prices”

*

(i) *

(ii) *

“Dual Running Start Date”

means the later of:

(i) *

(ii) *

“DVB PoP Equipment”

means the satellite equipment and associated racks provided by Reuters at a BT DVB PoP;

“DVB PoP Support Services”

means the installation and support by BT of the DVB PoP Equipment;

“Euro Countries”

means, from time to time, those countries in which the euro has been adopted as the single currency (currently Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland);

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“Initial Amount”	*
“Initial First Discount Multiplier”	*
	*
	*
“Initial Undiscounted Price Book Value”	means the aggregate of the prices in the Price Books applied to the Starting Inventory as it exists at the Inventory Verification Date;
“Inventory Verification Date”	means the end of the calendar month in which the Parties agree the Starting Inventory in accordance with Clause 27.1;
“Labour Index”	means the labour index published by the Office for National Statistics at table 18.12 “Average earnings index: all employees: main industrial sectors” using the column headed “LNMT”, ‘Service industries (Divisions 50-93) Seasonally adjusted’;
“Managed Tail Circuit Price Book”	means a price book for Connections in relation to which BT provides the relevant managed tail circuits from a DVB PoP as part of the Services;
“Minimum Revenue Guarantee”	*
	(i) *
	(ii) *

* Text has been redacted for confidentiality

*

(iii) *

(iv) *

“MRG Year”

*

“Non-Price Book Services”

means the Existing Services identified as “Non-Price Book Services” in Part B of Appendix A to this Schedule (as may be amended by agreement between the Parties from time to time);

“Non-Tail Circuit Price Book”

means a price book for Connections in relation to which BT does not provide the relevant tail circuits as part of the Services;

“Second Discount Multiplier”

*

* Text has been redacted for confidentiality

“First Discount Multiplier”	*
“Price Book Services”	*
“price book”	means a matrix of prices for a Connection (variously expressed in US dollars, pounds sterling and euro), determined by: <ul style="list-style-type: none"> (i) * (ii) * (iii) * (each a “Price Book Parameter”);
“Price Book”	means each of the With Tail Circuit Price Book, Non-Tail Circuit Price Book and Managed Tail Circuit Price Book (and “Price Books” shall be construed accordingly);
“Professional Services”	means any work agreed by the Parties to be undertaken by BT from time to time in accordance with the man-day rates set out in paragraph 14;
“Second Discount Multiplier Date”	*
“Undiscounted Price Book Value”	means the aggregate of the prices in the Price Books applied to the Inventory; and
“With Tail Circuit Price Book”	means a price book for Connections in relation to which BT provides the relevant tail circuits as part of the Services.

- 1.3 For the avoidance of doubt, in this Schedule 6, for the purposes of the ordering and billing of new Connections pursuant to the Price Books, the Parties acknowledge that the term “Connection” may refer to a number of logical connections from the relevant Facility or facility of a supplier to the Reuters Group to one or more Reuters MTCs or DVB PoPs and that the price per Connection is to be construed accordingly.

* Text has been redacted for confidentiality

2. Agreement of Price Books

- 2.1 BT shall allocate the prices for Connections in the Price Books fairly and proportionately taking into account the Price Book Parameters for each Connection. To support the principles set out in Clause 8.7, BT will ensure that the Price Books are structured so as to incentivise the Reuters Group and its customers to mesh. In connection with this (but without limitation), the Parties will agree a suitable pricing mechanism (acting reasonably and in good faith) to recognise the aggregation of bandwidth for the purpose of calculating Service Charges for Connections of different Service Categories carried across the same physical circuit, subject to the capacity of that physical circuit.
- 2.2 As soon as reasonably practicable following the Signing Date (and in any event by the Closing Date, unless extended by agreement between the Parties in writing), BT (acting reasonably and in good faith) will prepare and provide to Reuters the Price Books (in such form and manner as the Parties may reasonably agree).
- 2.3 As soon as reasonably practicable following its receipt of the Price Books (and in any event within 20 Business Days, unless extended by agreement between the Parties in writing), Reuters shall review them. If, during that period, Reuters considers the Price Books do not comply with paragraph 0, it shall notify BT in writing and the Parties shall meet to discuss and agree the Price Books. For the avoidance of doubt, in the absence of such agreement either Party may escalate the matter in accordance with the Dispute Resolution Procedure. BT shall provide Reuters with such assistance (including access to the BT Personnel responsible for preparing the Price Books) as Reuters may reasonably require in order to review, understand and consider the Price Books during that period.
- 2.4 The Parties agree that the Managed Tail Price Book shall initially contain prices for Connections provided by way of a DVB PoP in * only. BT shall ensure that the prices set out in the Managed Tail Price Book for Connections provided by way of a DVB PoP in Wave 1 Countries are such *
- * BT shall use all reasonable endeavours to ensure that the Service Charges for Connections provided by way of * are priced in accordance with the principle in paragraph 2.4 above. BT shall submit to Reuters a proposal on the pricing of Connections provided by way of a * as soon as reasonably practicable and, in any event, by such time as is sufficient: (i) to allow Reuters a period of 30 days in which to accept or reject such proposal; and (ii) subsequent to such 30 day period, for Reuters to place, and BT to fulfil, Orders for such Connections in accordance with the Migration Plan. In the event that Reuters, at its reasonable discretion, agrees to such proposal (or part thereof), the agreed prices shall form part of the Managed Tail Price Book. For the avoidance of doubt, it shall not be a reasonable exercise of Reuters' discretion not to agree to Service Charges priced in accordance with the principle in paragraph 2.4 above. For the avoidance of doubt, acceptance of the proposal shall not commit Reuters to placing Orders for Connections to be provided by way of a DVB PoP in any country.
- * Text has been redacted for confidentiality
-

* The parties shall meet once per year (or with such frequency as they may otherwise agree) to discuss any issues relating to the Price Books.

3. Price Book Charges until the Second Discount Multiplier Date

3.1 Subject to paragraph 3.2, the Service Charges for the Price Book Services shall be calculated by applying the Discounted Prices to the Inventory.

Before the Inventory Verification Date

3.2 The Parties acknowledge and agree that the Starting Inventory and the aggregate Service Charges for the Non-Price Book Services will not be known until the Inventory Verification Date and that, accordingly, the Initial First Discount Multiplier cannot be calculated with any accuracy until that date. *

First Discount Multiplier

3.3 *

3.4 *

3.5 For the purposes of calculating the Undiscounted Price Book Value for any calendar month, pounds sterling and euro amounts will be translated into US dollar amounts using the WM/Reuters Closing Spot Rates as at the first day of that calendar month.

After the Inventory Verification Date

3.6 *

* Text has been redacted for confidentiality

(A) *

(B) *

3.7 *

3.8 *

Agreement of Service Categories

3.9 The Parties acknowledge and agree that the appropriate Service Category for existing Connections cannot always be ascertained prior to the migration of those Connections pursuant to the Migration Plan. Accordingly, in order to apply the Discounted Prices to existing Connections prior to the date on which those Connections are migrated pursuant to the Migration Plan, the Parties will (acting reasonably and in good faith) discuss and agree the appropriate Service Category for each such Connection as part of the agreement of the Price Books and the Starting Inventory. Following such agreement, each Service Category agreed for a Connection shall be deemed to be the Service Category for that Connection for the purposes of this Schedule 6 and the Starting Inventory and Inventory shall be amended accordingly.

ADSL

3.10 *

ADSL connections *

3.11 Until the migration of ADSL connections in *, Reuters agrees that in any one Contract Year it will *, *

* Text has been redacted for confidentiality

RDX Ring

3.12 The Starting Inventory shall include the circuits that make up the RDX Ring *

4. Price Book Charges from the Second Discount Multiplier Date

4.1 *

4.2 *

4.3 *

*

*

(A) *

(B) *

*

4.4 *

* Text has been redacted for confidentiality

*

(A) *

(B) *

(C) *

(D) *

(E) *

4.5 *

4.6 *

4.7 *

* Text has been redacted for confidentiality

*

*

*

*

*

*

*

5. Application of Price Books

5.1 *

5.2 *

5.3 *

6. Moves, Adds and Changes

6.1 The date on which an addition to, cancellation of or change to a Connection shall be deemed to have occurred shall be as follows:

(A) in respect of a new Connection (which, for the avoidance of doubt, shall not include a replacement Connection installed as part of the migration of an existing Connection pursuant to the Migration Plan), *;

(B) (subject to paragraph 6.5) in respect of a cancelled Connection, the later of:

(i) * following the date on which BT receives notice from Reuters that it wishes to cancel that Connection; and

(ii) *

(C) in respect of a change to the bandwidth of a Connection, the later of;

(i) *

(ii) *

(D) *

6.2 For the purposes of this Schedule 6, any addition to, cancellation of or change to a Connection that occurs prior to the Migration Due Date shall be deemed to change the Inventory:

* Text has been redacted for confidentiality

- (A) if the addition to, cancellation of or change to a Connection occurred on or before the 15th (fifteenth) day of a calendar month, from the end of that calendar month; and
- (B) if the addition to, cancellation of or change to a Connection occurred after the 15th (fifteenth) day of a calendar month, from the end of the subsequent calendar month.

6.3 For the purposes of this Schedule 6, any addition to, cancellation of or change to a Connection from the Migration Due Date shall be deemed to change the Inventory from the end of the calendar month in which it occurred.

6.4 If at any time a Party reasonably considers that the other Party is manipulating the timing of changes to the Inventory resulting from any cancellations of, changes to, or additions to Connections, it may raise this matter at the next meeting of the Joint Management Council with a view to the Parties agreeing an appropriate adjustment to the dates on which changes to the Inventory are deemed to take effect in accordance with paragraph 6.1 to 6.3.

6.5 *

6.6 *

7. Changes to the Starting Inventory after the Inventory Verification Date

Inventory Correction Orders

7.1 If, following the Inventory Verification Date, either Party discovers a matter that it considers renders the Starting Inventory inaccurate (including, for the avoidance of doubt, a change to the Service Category for a Connection agreed pursuant to paragraph 3.6) it shall submit to the other Party a written notice identifying that matter and proposing the resulting change to the Inventory (an “**Inventory Correction Order**”). Within 10 Business Days of the other Party's receipt of that order, the other Party shall notify the Party who submitted the Inventory Correction Order that:

- (A) it agrees with the Inventory Correction Order (and the Starting Inventory and the Inventory shall be deemed to have changed as determined by the Inventory Correction Order as at the date of such notice); or
- (B) it disagrees with Inventory Correction Order (and, as soon as reasonably practicable following that notification, the Parties shall meet to discuss the Inventory Correction Order and agree any resulting change to the Starting Inventory and the Inventory in good faith).

* Text has been redacted for confidentiality

If the Party receiving the Inventory Correction Order does not raise any objections to that Inventory Correction Order within 10 Business Days it shall be deemed to have been agreed.

- 7.2 As soon as reasonably practicable following the Signing Date, the Parties shall (acting reasonably and in good faith) agree the form of an Inventory Correction Order and establish guidelines for determining whether a matter can reasonably be considered to render the Starting Inventory inaccurate. For the avoidance of doubt, both Parties shall act reasonably and in good faith in submitting and considering Inventory Correction Orders and any dispute about whether a matter renders the Starting Inventory inaccurate shall be resolved pursuant to the Dispute Resolution Procedure.

Adjustment of Initial First Discount Multiplier

- 7.3 The Initial First Discount Multiplier shall be reviewed and, if paragraph 0 applies, recalculated at the end of every calendar quarter.
- 7.4 Where the aggregate net value of changes to the Service Charges for the Price Book Services (in respect of the Starting Inventory) resulting from changes to the Starting Inventory as a result of Inventory Correction Orders (the “**Net Inventory Value Change**”) *, then the Initial First Discount Multiplier shall be recalculated based on the Starting Inventory as adjusted by the aggregate Inventory Correction Orders agreed pursuant to paragraph 0 and the scale agreed by the Parties pursuant to paragraph 3.4 shall be amended accordingly. The First Discount Multiplier shall be recalculated based on the amended Initial First Discount Multiplier and the amended scale and shall apply to the Price Books from the start of the subsequent calendar quarter.
- 7.5 Any Inventory Correction Orders taken into account to recalculate the Initial First Discount Multiplier in accordance with paragraph 0 shall not be included when calculating the Net Inventory Value Change for any subsequent period.
- 7.6 If at any time a Party reasonably considers that the net value or frequency of changes to the Service Charges for the Price Book Services resulting from changes to the Starting Inventory as a result of Inventory Correction Orders is excessive, it may raise this matter at the next meeting of the Joint Management Council.

8. Dual Running

- 8.1 In the event that the average period of time from the Dual Running Start Date to the date on which BT receives a Service Acceptance Notice in respect of all migrated Connections during the period from the Closing Date to the Migration Date (the “**Average Period**”) exceeds * then Reuters shall pay to BT an amount equal to:

* Text has been redacted for confidentiality

The average daily Services Charges for all replacement Connections made pursuant to the Migration Plan	X	The number of replacement Connections made pursuant to the Migration Plan	X	The number of days by which the Average Period *
--	---	---	---	--

8.2 For the avoidance of doubt, in the event that the Average Period *

8.3 For the purpose of calculating the average daily Service Charges for all replacement Connections made pursuant to the Migration Plan in accordance with paragraph 8.1, pounds sterling and euro amounts will be translated into US dollar amounts using the WM/Reuters Closing Spot Rates as at the Migration Date (and, in the case of an interim payment made pursuant to paragraph 8.6, the WM/Reuters Closing Spot Rates as at a date agreed by the Parties).

8.4 As soon as reasonably practicable following the Migration Date, BT shall notify Reuters in writing of the Average Period. In the event that Reuters raises any objections to that notice, the Parties shall meet to discuss and agree in good faith the amount of the payment due in accordance with paragraph 0 (such agreement not to be unreasonably withheld or delayed). *.

8.5 BT shall, at the end of every calendar quarter until the Migration Date, notify Reuters in writing of the Average Period for that calendar quarter.

8.6 In the event that the Average Period is * during the period from the Closing Date to the Migration Date, *

9. Nash Services and the New Test Network

9.1 BT shall promptly issue Reuters with credit notes (which shall be applied against the subsequent invoice) in respect of any Service Charges that relate to:

(A) any Nash Services * following the Closing Date * calculated by applying the Discounted Prices to all Connections that comprise the Nash Services;

(B) *

* Text has been redacted for confidentiality

(C) *

9.2 *

10. Core Network

10.1 The Service Charges for the Core Network Services *

(A) *

(B) *

(C) *

10.2 *

10.3 *

11. Non-Price Book Services

11.1 As soon as reasonably practicable following the Signing Date, the Parties shall (acting reasonably and in good faith) discuss and agree the Service Charges for the Non-Price Book Services. For the avoidance of doubt, in discussing and agreeing such Service Charges, BT shall comply with the provisions of Clause 26.3.

11.2 * For the avoidance of doubt, any net additions to such vLAN switches shall be chargeable in accordance with the Service Charges agreed for the Non-Price Book Services pursuant to paragraph 11.1.

* Text has been redacted for confidentiality

12. Minimum Revenue Guarantee

- 12.1 *
- 12.2 *
- 12.3 *
- 12.4 *

13. DVB PoP Support Services

- 13.1 Subject always to the provisions of Clause 26.3, the Services Charges for the DVB PoP Support Services shall, for each individual site, be as follows (unless agreed otherwise by the Parties):

Roof Space Costs

Antenna Space - Roof space for each Antenna, including single fed 48V DC 4A protected power feed (or local equivalent power feed):

*

Installation and survey fees for roof space for each individual site, including rights of way, landlord permits, power cabling and ducts:

*

Internal Building Costs

Rental of building footprint for standard rack, including dual fed 240V AC 16A with IEC 309 single phase protected power feeds (or local equivalent rating) includes power consumption up to 900w / rack position:

*

- * Text has been redacted for confidentiality
-

Installation of footprint including power cabling and ducts:

*

Support Costs

Support for power cycling at the request of Reuters and connecting to the communication interfaces as required to provide the services (and other reasonable actions as may be agreed between the Parties from time to time) in respect of the DVB PoP Equipment:

On-site Remote Hands:

*

On Call Remote Hands:

*

- 13.2 The above rates for remote hand support are only valid for work undertaken in accordance with this Agreement and for the period up to the first anniversary of the Closing Date after which such rates will be subject to variation in accordance with the index set out in paragraph 18 (subject always to the provisions of Clause 26.3).
- 13.3 For the purposes of calculating the Service Charges in this paragraph 16, the above pounds sterling amounts will be translated (as applicable) into US dollar and euro amounts using the WM rates of exchange as at the Closing Date.

14. Professional Services

- 14.1 Subject always to the provisions of Clause 26.3, the following professional services man-day rates shall be applied to any work undertaken pursuant to this Agreement on a time and materials basis.
- 14.2 Table of man-day rates:

Grade	Daily Rate (£)
Project Director/Technical Director	*
Senior Project Manager/Technical Design Authority	*
Project Manager/Technical Designer	*
Customer Engineer	*

(A) For the purposes of this paragraph and paragraph 13, a “man-day” shall comprise the normal working hours of 9.00am to 5.00pm on a Business Day, a working time of 7 hours per day.

* Text has been redacted for confidentiality

- (B) Rates for work required on these days and outside the normal working hours are subject to specific approval by the Parties.
- (C) No expenses for travel within the country in which the professional services are provided shall be chargeable in addition to the Service Charges for those professional services.
- (D) The Parties shall agree the chargeable expenses prior to commencement of any commissioned work.
- (E) The above man-day rates are only valid for work undertaken in accordance with this Agreement and for the period up to the first anniversary of the Closing Date after which the man-day rates will be subject to variation in accordance with the index set out in paragraph 18 (subject always to the provisions of Clause 26.3).
- (F) Any Professional Services must be agreed in writing by authorised signatories notified by each Party to the other in advance, in accordance with the Change Control Procedure.

15. Charges for Additional Services

- 15.1 Charges for Additional Services shall, save where expressly set out in this Agreement, be determined through the Change Control Procedure. BT shall invoice, and Reuters shall pay, the agreed charges for the Additional Services within 30 days of its receipt of the invoice (unless otherwise agreed by the Parties).
- 15.2 For the avoidance of doubt, the Service Charges payable in respect of the Satellite Services shall be those set out in Schedule 2 Part 2B (Satellite Services).

16. Service Credits

Where Service Credits are payable by BT to Reuters in accordance with Clause 28 (*Service Credits*) and Schedule 5 (*Service Levels and Credits*) such Service Credits shall be credited against the subsequent invoice for the Service Charges.

17. Invoicing and Payment

Timing of Invoices

- 17.1 Prior to the Migration Due Date, BT shall procure that invoices in respect of the Service Charges for the Price Book Services shall be issued monthly in advance on the first day of each calendar month.
 - 17.2 From the Migration Due Date, BT shall procure that invoices in respect of the Service Charges for the Price Book Services shall be issued on the 15th (fifteenth) day of the calendar month to which those Services Charges relate.
 - 17.3 The Parties shall (acting reasonably and in good faith) agree appropriate additional invoices or credit notes to address any underpayment or overpayment (as the case may be) of the Service Charges for the Price Book Services which may be caused by;
-

- (A) the change to the date on which invoices are issued in accordance with this paragraph 17;
- (B) the change to the date on which changes to the Inventory become effective in accordance with paragraph 6; and
- (C) the implementation of the Second Discount Multiplier,

in each case as a result of the Migration Due Date falling part way through a calendar month.

Currency of and parties to Invoices prior to the Inventory Verification Date

- 17.4 Prior to the Inventory Verification Date BT shall procure that invoices in respect of the Service Charges for the Services shall be issued to Reuters Limited and shall be in US dollars.
- 17.5 BT shall procure that any invoice or credit note issued pursuant to paragraph 3.7 or 3.8 (as the case may be) shall be issued by the member of the BT Group and in the currency as set out in paragraph 17.3.

Currency of and parties to Invoices following the Inventory Verification Date

- 17.6 Following the Inventory Verification Date, BT shall procure that invoices in respect of the Service Charges for the Price Book Services, any DVB PoP Support Service and Professional Service shall be issued:
 - (A) in respect of Connections to Facilities or any DVB Support Services or Professional Services provided in the United States, to Reuters America LLC and shall be in US dollars;
 - (B) in respect of Connections to Facilities or any DVB Support Services or Professional Services provided in the United Kingdom (and the Isle of Man and the Channel Islands), to Reuters Limited and shall be in pounds sterling;
 - (C) in respect of Connections to Facilities or any DVB Support Services or Professional Services provided in Euro Countries, Switzerland, Norway, Sweden, Denmark and Iceland, to Reuters Limited and shall be in euros; and
 - (D) in respect of Connections to Facilities or any DVB Support Services or Professional Services provided in all other parts of the world, to Reuters Limited and shall be in US dollars.
 - 17.7 Both before and after the Inventory Verification Date, BT shall procure that invoices in respect of the Service Charges for the Non-Price Book Services and the Core Network Services shall be issued to Reuters Limited and shall be in US dollars.
 - 17.8 BT shall ensure that each invoice referred to in paragraphs 17.3 to 17.6 is issued by a member of the BT Group that properly incurs costs and normally conducts its business
-

in the currency of that invoice and BT shall provide all information that Reuters may reasonably require in order to verify that this is the case.

- 17.9 Subject to paragraph 17.3, invoices for the Service Charges shall be in the form reasonably agreed between the Parties.
- 17.10 The Parties will work together to agree the most cost-effective form of invoicing for Additional Services taking into consideration paragraph 17.5 to 17.7 and any relevant tax or regulatory implication, provided that neither Party shall as a consequence be required to pay more, or receive less, than it would otherwise have done.
- 17.11 Conversion to pounds sterling of the VAT element of any invoice issued in the UK by BT or a member of the BT Group in other than pounds sterling shall be in accordance with the WM/Reuters Closing Spot Rate as at the date of the invoice.

Payment of Invoices

- 17.12 Reuters shall pay, or shall procure the payment by the relevant members of the Reuters Group of, the Service Charges (less Service Credits) in cleared funds in accordance with the following terms:
 - (A) any invoice issued prior to the Migration Due Date for the Service Charges for the Price Book Services, * “banking day” shall mean a day on which banks are open for the transaction of normal banking business in the country in which the party in receipt of the invoice is located); and
 - (B) in all other cases (including, for the avoidance of doubt, any invoice issued following the Migration Date for the Services Charges for the Price Book Services), * by the relevant member of the Reuters Group.

All such payments made to BT, other members of the BT Group and Third Party Service Providers shall be made by BACS payment (or as otherwise agreed by the Parties) to the account or accounts nominated by BT from time to time.

18. Indexing of Man-Day Rates

- 18.1 At the beginning of the second Contract Year and each subsequent Contract Year, all man-day and rates set out in paragraphs 13 and 14 shall be reviewed and determined in accordance with the following formula:

$$P1 = P \times \left(\frac{L2}{L1} \right)$$

where

P1 = the revised man-day rate;

* Text has been redacted for confidentiality

- P1 = the revised man-day rate;
- P = the man-day rate immediately prior to the review date;
- L2 = the average of the Labour Index for a period of 3 months. The index to be averaged shall be the index prevailing at the review date and the index for the two months immediately preceding the review date; and
- L1 = the average of the Labour Index for a period of 3 months. The index to be averaged shall be the index prevailing twelve, thirteen and fourteen months prior to the review date.

18.2 Where the published Labour Index is stated to be a provisional figure or is subsequently amended, the figure to be applied shall be the figure that is ultimately confirmed or amended (as the case may be), unless otherwise agreed by the Parties.

18.3 In the event that any changes occur to the basis of the Labour Index or the Office for National Statistics ceases to publish the Labour Index, the Parties shall agree a fair and reasonable adjustment to the relevant index or a revised formula (as the case may be) that in each case shall have substantially the same affect as that specified at paragraph 18.1.

Appendix A
Existing Services

Part A
Price Book Services

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- *
- *
- *
- *
- *

Part B
Non-Price Book Services

- *
- *
- *
- *
- *
- *
- *
- *
- Text has been redacted for confidentiality

Appendix B
First Discount Multiplier

Part A

The First Discount Multiplier for any calendar month shall depend on the Undiscounted Price Book Value as at the first day of that calendar month and shall be as follows:

Undiscounted Price Book Value	First Discount Multiplier
*	*
*	*
*	*

Part B

An indicative scaling table is set out below:

Undiscounted Price Book Value US\$M	First Discount Multiplier	Undiscounted Price Book Value US\$M	First Discount Multiplier
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*

*
* Text has been redacted for confidentiality

Appendix H

Replacement Schedule 9: Migration Dependencies

Schedule 9
Migration Dependencies

1. INTRODUCTION

Reuters shall procure the achievement of the first Migration Dependency by the relevant date shown and shall procure achievement of the second and third Migration Dependency throughout the period from the Amendment Date until the Migration Date.

2. MIGRATION DEPENDENCIES

Migration Dependency No.	Due Date	Description
1.	*	Reuters shall place a Valid Order for all Connections that are used to provide a Reuters Customer Service, IME or Editorial at all Facilities covered by this Agreement.
2.	*	Reuters shall not exceed the throughput volumes for Valid Orders as set out in the Migration Plan, without the prior written consent of BT.
3.	*	Reuters will procure its customers' consent to and reasonable co-operation with the Migration activities set out in the Migration Plan and Schedule 4 and, in particular, will procure that its customers allow BT Personnel reasonable access on reasonable notice to their sites to allow BT Personnel to complete its Migration activities set out in the Migration Plan (provided that it shall not be unreasonable for Reuters customers to require that such access be granted outside the customer's normal working hours).
* Text has been redacted for confidentiality		

- 2.1 Reuters shall, to the extent that the information is necessary for BT to fulfil the order, provide the following information to BT when placing an Order for a Connection at a Facility:
- (A) address, post code (if such concept exists) and telephone number(s) for the Facility;
 - (B) a contact person for the Facility who is authorised to deal with matters relating to Migration; and
 - (C) the Service Standards and Service Package information set out in the definition of SAC in paragraph 1 of Schedule 2 Part 1B in respect of that Connection.
- 2.2 Reuters acknowledges and agrees that for the purposes of the Migration Dependencies set out above, an order in respect of a Connection from a DVB PoP location to a Facility shall not be considered valid unless Reuters has first provided to BT at the relevant premises of a member of the BT Group or a Subcontractor any DVB PoP pre-configured infrastructure (together with all reasonably necessary instructions for installation and maintenance (where maintenance is required by Reuters)) necessary for Reuters to utilise that Connection for its customer. Notwithstanding the foregoing, an Order will be considered valid if the failure by Reuters to install all DVB PoP infrastructure necessary for BT to fulfil that Order is a result of BT's failure to comply with its obligations under Clause 9.6 to provide access to the relevant premises.
- 2.3 During the order process, Reuters will provide, no later than * prior to the due date of the PTT installation of the tail circuit and providing Reuters have been informed of that due date, such IP addresses as reasonably required by BT to fulfil the order. These IP addresses will be limited to Reuters' host addresses and client side addresses of the BT router.
- 2.4
- (i) Reuters acknowledges that, in relation to a connection that has been the subject of an RXN A-end shift, the use of "hot cuts" (i.e. migration without the benefit of a dual running period) is a way of reducing the costs associated with the migration of that connection to an MPLS or other IP network capable of providing the New Services to the New Service Levels;
 - (ii) Reuters agrees that it will consent to the use of "hot cuts" in relation to the migration of connections other than those for an FGA or RGA Customers (the connections for which will, for the avoidance of doubt, be subject to the standard migration approach), provided that "hot cuts" shall only be performed during Maintenance Windows; and
 - (iii) each party shall continue to research and discuss in good faith alternative solutions to the migration of connections other than by the use of "hot cuts" in order to try to minimise the impact and disruption caused by migration to Reuters, its customers and any of their respective services.

* Text has been redacted for confidentiality

Replacement Schedule 12: Contract Management

Schedule 12
Contract Management

In this Schedule only, the following terms shall have the following meanings:

“Contract Amendment Form” means a form to be agreed between the Parties, a draft of which is set out in Part 4 of this Schedule;

“Contract Change Request Form” means a form to be agreed between the Parties, a draft of which is set out in Part 3 of this Schedule; and

“Order Process” means the process, agreed between the Parties in accordance with Part 2 of this Schedule, for processing Orders.

1. Introduction

1.1 The purpose of this Part of Schedule 12 is to provide the Parties with manageable procedures which can be followed when:

- a) submitting, reviewing, agreeing and/or implementing a Change, and
- b) submitting, approving and processing an Order.

Part 1
(Change Control Procedure)

1 Authority

1.1 Either Party may request a Change. A Request for a Change shall be directed to the following BT Authority or Reuters Authority (as applicable) in respect of the applicable category of Change:

BT Authority

Reuters Authority

Chris North

Christopher Hagman or Stewart Beaumont

2. General

2.1 Both Parties shall act reasonably and in good faith in progressing and implementing the Change Control Procedure set out in this Schedule.

2.2 Subject to paragraph 4, each Party shall be liable for its own costs in connection with progressing and agreeing the terms of a Change through the Change Control Procedure.

2.3 Until a Change is agreed between the Parties in accordance with this Schedule, BT shall, or shall procure that each member of the BT Group and its Subcontractors shall:

2.3.1 continue to provide the Services as if the request had not been made; and

- 2.3.2 be liable for any expense incurred by it if it carries out a Change without approval of Reuters in respect of that Change.
- 2.4 For the avoidance of doubt, any approval given by Reuters in respect of a Change shall not in any way absolve either Party of any obligation under this Agreement (as amended by the relevant Contract Amendment Form).
- 2.5 In the event that the Parties are unable to resolve any dispute arising under the Change Control Procedure (including, without limitation, in respect of any timeframe or costs following discussions pursuant to paragraph 7 or the detail and contents of a Contract Amendment Form), such dispute may be escalated by either Party in accordance with Clause 18 (*Dispute Resolution*) of this Agreement.
3. **Reuters Request for a Change**
- 3.1 Where Reuters requests a Change, Reuters shall provide to BT a completed Change Request Form containing:
- 3.1.1 the reason for the relevant Change; and
- 3.1.2 such reasonable details of the relevant Change so as to enable BT to consider the Change request and to complete a Contract Amendment Form.
- 3.2 The relevant BT Authority shall acknowledge receipt of the Change Request Form in writing and advise Reuters of the reference number assigned by BT in respect of that Change request within one (1) Business Day of receipt.
- 3.3 Subject to paragraphs 4 (*High Complexity Change Requests*) and 8 (*Priority Change Requests*), BT shall complete and sign a proposed Contract Amendment Form in response to a Change Request Form received from Reuters and send it to Reuters within ten (10) Business Days of receipt of that Change Request Form, or such longer period in accordance with paragraph 3.4.
- 3.4 Reuters will respond promptly to BT's requests for information reasonably required for BT to complete a Contract Amendment Form. To the extent BT is unable to complete a proposed Contract Amendment Form within the timeframe referred to in paragraph 3.3 as a result of a lack of information that is in Reuters' possession or control and that it has requested from Reuters, then such timeframe shall be extended to include a reasonable period after such information is provided by Reuters.
4. **High Complexity Change Requests**
- 4.1 Where a request for a Change by Reuters is in BT's reasonable opinion of a highly complex nature and BT will incur costs in deploying additional resources to research and assess the Change, BT shall notify Reuters in writing within five (5) Business Days of receipt of the Change Request Form of:
- 4.1.1 its likely direct and reasonable charges in preparing the Contract Amendment Form (calculated in accordance with the rate card in Schedule 6 unless agreed otherwise);
- 4.1.2 where, in its reasonable opinion, the time required to prepare the Contract Amendment Form is likely to be longer than ten (10) Business Days from receipt of that Change Request Form, the date on which the Contract Amendment Form will be delivered, provided that such period shall be no longer than is reasonably required taking into account the complexity of the requested Change, (a "**Complexity Response**").

- 4.2 Within ten (10) working days of receipt by Reuters of a Complexity Response, Reuters shall:
- 4.2.1 notify BT in writing that it should proceed with the preparation of the Contract Amendment Form in accordance with the terms of the Complexity Response;
 - 4.2.2 notify BT that it wishes to discuss in good faith the terms of the Complexity Response with a view to agreeing the same (and, promptly following such notification, the Parties shall meet to discuss the same in good faith); or
 - 4.2.3 withdraw the Change Request Form.
- 4.3 Save where Reuters has withdrawn the Change Request Form, BT shall complete and sign a proposed Contract Amendment Form in response to a Change Request Form received from Reuters and send it to Reuters within the period set out in the Complexity Response or (where the Parties have agreed a different period in accordance with paragraph 4.2.2) by such other date as the Parties have agreed.
- 4.4 Subject to receipt of a valid invoice from BT, Reuters shall reimburse BT for its direct and reasonable charges (calculated in accordance with the rate card in Schedule 6 unless agreed otherwise) properly incurred in the preparation of the Contract Amendment Form referred to in paragraph 4.3, subject to a maximum amount as set out in the Complexity Response or (where the Parties have agreed a different cap on costs in accordance with paragraph 4.2.2) subject to such maximum as the Parties have agreed. BT shall use reasonable endeavours to keep such charges to a minimum.
5. **BT Request for a Change**
- 5.1 Where BT requests a Change, BT shall complete, sign and provide to Reuters a proposed Contract Amendment Form containing:
- 5.1.1 the reason for the relevant Change; and
 - 5.1.2 all other information required to be included by paragraph 6.
6. **Contract Amendment Forms**
- 6.1 All Contract Amendment Forms completed by BT will be based upon the Change Request Form and will be accompanied by such additional information relating to the implementation and effect of the Change reasonably required for the Reuters Authority to understand the requested Change. Such information will include:
- 6.1.1 a timetable for implementation of the Change;
 - 6.1.2 any proposed change to the Initial Charges, Additional Charges or the New Service Charges or the mechanism for charging for the same;
 - 6.1.3 a list of deliverables, obligations or resources required for implementing the Change;
 - 6.1.4 the date of expiry or validity for the Contract Amendment Form;
 - 6.1.5 any relevant acceptance or test criteria and the proposed test plan; and
 - 6.1.6 an impact analysis of the Change, (an **"Impact Assessment"**).

- 6.2 The Impact Assessment will, where applicable, provide details of the impact of the Change on the following:
- 6.2.1 scope of the Agreement;
 - 6.2.2 the proposed transition from the Existing Services to the New Services;
 - 6.2.3 cost or amount, quality, functionality and timing with respect to any Services provided under this Agreement;
 - 6.2.4 Service Levels;
 - 6.2.5 the security or integrity of any Reuters Group systems and/or data;
 - 6.2.6 the security or integrity of any of the Connections or of the Platinum Service Standard;
 - 6.2.7 delivery dates including any of the Migration Milestones;
 - 6.2.8 network capacity;
 - 6.2.9 third party agreements;
 - 6.2.10 related systems and services;
 - 6.2.11 functionality of any part of the BT Group's networks; and
 - 6.2.12 any other matter reasonably requested by Reuters or reasonably considered by BT to be relevant.
7. **Discussion and agreement of Contract Amendment Forms**
- 7.1 Within ten (10) working days after receipt from BT of the Contract Amendment Form and any additional information reasonably requested by Reuters, Reuters shall indicate its approval or otherwise of the Contract Amendment Form.
- 7.2 If Reuters does not approve the Contract Amendment Form, the Parties shall endeavour (acting reasonably and in good faith) to reach agreement on any changes required to the Contract Amendment Form to make it acceptable to both Parties. In the course of those endeavours BT shall provide to Reuters such additional information as Reuters may reasonably require in order to better understand and assess the Contract Amendment Form.
- 7.3 Where a proposed Change is required by Applicable Legislation, although the terms of the Contract Amendment Form may be discussed in accordance with this Schedule, the Parties agree that the Change must ultimately be made. Accordingly each Party shall act reasonably when discussing the Contract Amendment Form, giving particular consideration to the required timing of the Change.
- 7.4 If a proposed Contract Amendment Form is not accepted within thirty (30) Business Days (or any longer time specified by BT) of receipt of such form by Reuters, BT may withdraw the Contract Amendment Form, provided that discussions under paragraph 7.2 are not continuing.

- 7.5 Upon the Contract Amendment Form being executed by both Parties:
- 7.5.1 the Agreement will be taken to have been amended in accordance with the Contract Amendment Form;
- 7.5.2 each Party shall fulfil its obligations in accordance with the Agreement (as amended by the Contract Amendment Form) and the Contract Amendment Form to implement the Change.
- 7.6 A Contract Amendment Form in respect of a Change to the Agreement or any of its Schedules which has been agreed and validly executed by (in respect of BT) Chris North and (in respect of Reuters) Christopher Hagman or Stewart Beaumont, or in each case their replacement, shall be a valid amendment in accordance with Clause 42.1.
8. **Priority Change Requests**
- 8.1 Either Party may identify (in writing, as part of the original Change Request/Contract Amendment Form, as applicable, or otherwise) a Change as a high priority Change:
- 8.1.1 relating to a Service;
- 8.1.2 relating to the security or integrity of any Reuters Group systems and/or data or any systems or data of a Reuters Group customer;
- 8.1.3 relating to the security or integrity of any of the Connections or of the Platinum Category of Service; or
- 8.1.4 required to be made by Applicable Legislation or to ensure that the Services comply with Applicable Legislation,
- (a **"Priority Change"**).
- 8.2 Each Party shall act reasonably and in good faith with a view to progressing Priority Changes through the Change Control Procedure in a timely manner taking into account the urgency of the requested Change.
- 8.3 Without prejudice to the generality of paragraph 8.2, the Parties may agree the terms for the implementation of a Priority Change through the oral agreement of the Reuters Representative and the BT Representative, provided that such agreement is confirmed in writing as soon as reasonably practicable thereafter.
9. **Documentation**
- 9.1 BT shall keep and maintain detailed historical records of all Changes and executed Contract Amendment Forms and their current status.
- 9.2 On Reuters' reasonable request (no more than once in any Contract Year), BT shall provide access to such historical records.

Part 2
(Order Process)

1. Order Process

- 1.1 Prior to the Closing Date, the Parties shall (acting reasonably and in good faith) agree the Order Process (including related forms). Thereafter, on an ongoing basis, the Parties shall (acting reasonably and in good faith) agree any developments and modifications to the Order Process as may be required.
- 1.2 Orders placed by Reuters to BT in respect of the Services under this Agreement shall be made in accordance with the Order Process. Unless otherwise agreed in writing, an order in respect of the Services shall only be valid if processed in accordance with such Order Process.

2. Online Order Process

- 2.1 The Parties shall work together (acting reasonably and in good faith) to implement a fully online order process in respect of Orders placed by Reuters to BT under this Agreement as soon as reasonably practicable and, in any case, no later than 12 months after the Closing Date.
- 2.2 BT shall consult with Reuters in good faith prior to the implementation of such online order process and shall take into consideration Reuters' reasonable requirements in the implementation of such process.
- 2.3 Without prejudice to paragraphs 2.1 and 2.2, the Parties agree that changes to the Order Process (including, for the avoidance of doubt, changes required for the implementation of an online order process) shall be subject to the Change Control Procedure.

3. Documentation

- 3.1 BT shall keep and maintain an Order Process database containing detailed records of all Order Process Changes, executed Order Process Acknowledgement Forms and their current status.

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PART 3

CONTRACT CHANGE REQUEST FORM

Change Request		Change Reference Number:	
Title:			
Originator:			
Date of Initiation:			
Details of Proposed Change			
(To include reason for change and appropriate details/specifications. Identify any attachments as A1, A2, A3 etc.)			
Authorised by Reuters		Date:	
Name:			
Signature:			
Received by BT		Date:	
Name:			
Signature:			

PART 4

CONTRACT AMENDMENT FORM

This amendment confirms that the Agreement dated _____, between British Telecommunications plc whose registered office is at 81 Newgate Street, London, EC1A 7AJ and Reuters Limited whose registered office is at The Reuters Building, South Colonnade, Canary Wharf, London, E14 5EP is hereby amended as follows:

Contract Amendment Form		Change Reference Number:	
Date of Amendment:		Customer Contract Number:	
Details of Proposed Change (including commencement date)			
<div>Note: This amendment is not valid unless signed by both BT and Reuters.</div>			
		[VALUE OF THIS AMENDMENT]:	
ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED			
SIGNED ON BEHALF OF:		SIGNED ON BEHALF OF:	
BT		Reuters	
Signature		Signature	
Name		Name	
Title		Title	
Date		Date	

Amendments to Schedule 1: Definitions

Part A

New Definitions

“Agreed Costs”	means the amount in US Dollars (per week or part thereof of Data Centre Delay) as set out in Schedule 16;
“Agreed Savings”	means the amount in US Dollars (per week or part thereof of Early Data Centre Migration) as set out in Schedule 16;
“Amended Agreement”	means the Existing Agreement as amended by the Parties pursuant to the Letter of Amendment;
“Amendment Date”	means 31 March 2006;
“Data Centre Delay”	means, in respect of a data centre referred to in the Migration Plan, a delay in the completion of the migration tasks as set out in and required by the Migration Plan;
“Early Data Centre Migration”	means, in respect of a data centre referred to in the Migration Plan, the completion of the migration tasks as set out in and required by the Migration Plan by a date earlier than the Migration Plan due date for completion;
“Existing Agreement”	means the Network Services Agreement entered into by Reuters Limited and British Telecommunications plc on March 9 2005 as amended by the Parties between that date and the Amendment Date;
“Final Migration Notice”	means a Migration Notice issued by BT on receipt from Reuters of the final Service Acceptance Notice for the final Facility to be migrated;
“IDN Migration”	means the migration of an IDN Service at a Reuters customer;
“IOS Upgrade”	means the first implementation of any version upgrade of the integrated operating system of those routers used on BT's MPLS or other IP network used to provide the New Services (for example, an upgrade from version 5.1 to 5.2 or version 5.1.1 to 5.1.2), in each case after release by Cisco and not the roll-out of a version previously tested in accordance with Clauses 6.18 to 6.23;
“* Milestone”	means compliance in full with those aspects of the Migration Plan which are due for completion on or before * (or such other date as the parties may agree through the Change Control Procedure);

* Text has been redacted for confidentiality

“* Milestone Due Date”	means * or such other date as the parties may agree through the Change Control Procedure;
“* Review Session”	has the meaning set out in Clause 6.14;
“* Milestone”	means Migration Milestone number 1 as set out at paragraph 2A of Schedule 4 (<i>Migration Milestones</i>);
“* Review Session”	has the meaning set out in Clause 6.14;
“Letter of Amendment”	means the letter of amendment signed by the Parties on 31 March 2006;
“Milestone Due Date”	means the date on which a Migration Milestone is required to be achieved as set out in Schedule 4 (<i>Migration Milestones</i>) as such date may be required to be amended from time to time in accordance with this Amendment Agreement or, if earlier, the Migration Date;
“Monthly Review Sessions”	has the meaning set out in Clause 6.10;
“Operational Quarterly Review”	has the meaning set out in Clause 6.5;
“RXN A-end Shift”	means a shifting of the A-end of a physical circuit used to provide the Existing Services which is located at a data centre and not located at the premises of a customer of a member of the Reuters Group;
“Six Month Review Sessions”	has the meaning set out in Clause 6.12;
“Subsequent Review Sessions”	has the meaning set out in Clause 6.14;
“Review Sessions”	has the meaning set out in Clause 6.14;

* Text has been redacted for confidentiality

Part B

Amended Definitions

“Buffer Period”	has the meaning given to it in Clause 6.14.3;
“Connection”	<p>means a logical connection (including, where necessary to provide that logical connection, a physical circuit) providing connectivity between:</p> <p>(i) a Reuters MTC and a Facility or a facility of a supplier to the Reuters Group; or</p> <p>(ii) a point of presence and a Facility or a facility of a supplier to the Reuters Group,</p> <p>which, in each case, is sufficient to allow the provision of the New Services, and “Connected” will be interpreted accordingly;</p>
“Migration LDs”	means the amounts calculated under Clause 6.14.4 as a result of delays in the implementation of the Migration Plan and which are payable to Reuters under Clause 6.14.5;
“Migration Plan”	means the baseline migration plan v. 6.0 known as the “Bourget/Brook Plan” dated 30 March 2006, as set out in Appendix L to the Letter of Amendment;
“Migration Surcharge”	means the amounts calculated under Clause 6.14.3 as a result of delays in the implementation of the Migration Plan and which are payable to BT under Clause 6.14.5;
“Migration Date”	means the date of the Final Migration Notice to be delivered under Clause 6.21;
“Migration Due Date”	the date on which Migration Milestone 1 is required to be achieved as set out in Schedule 4 (<i>Migration Milestones</i>) as such date may be required to be amended from time to time in accordance with this Amendment Agreement or, if earlier, the Migration Date;
“Starting Inventory”	means the Inventory as at *;
“Valid Order”	means an order for a Connection which satisfies the requirements of paragraphs 2.1 to 2.3 of Schedule 9 (<i>Migration Dependencies</i>) (but excluding any order which has been cancelled by Reuters prior to it having received an RFS Notice, other than where BT has not progressed the order in accordance with the timescales set out in paragraph 4 of Schedule 5 Part 2);

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New Schedule 16: Agreed Costs

Count	Region	Country	City	Address	Reference Code (NASM Central Generated)	Data/ Distribution Centre Type	Data/ Distribution Centre Owner	Reduced Annual Data Centre Cost at point of closure USD (000)	Reduced Weekly Data Centre Costs at Point of Closure USD (000)
1	*	*	*	*	*	*	*	*	*
2	*	*	*	*	*	*	*	*	*
3	*	*	*	*	*	*	*	*	*
4	*	*	*	*	*	*	*	*	*
5	*	*	*	*	*	*	*	*	*
6	*	*	*	*	*	*	*	*	*
7	*	*	*	*	*	*	*	*	*
8	*	*	*	*	*	*	*	*	*
9	*	*	*	*	*	*	*	*	*
10	*	*	*	*	*	*	*	*	*
11	*	*	*	*	*	*	*	*	*
12	*	*	*	*	*	*	*	*	*
13	*	*	*	*	*	*	*	*	*
14	*	*	*	*	*	*	*	*	*
15	*	*	*	*	*	*	*	*	*
16	*	*	*	*	*	*	*	*	*
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24	*	*	*	*	*	*	*	*	*
25	*	*	*	*	*	*	*	*	*
26	*	*	*	*	*	*	*	*	*
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28	*	*	*	*	*	*	*	*	*
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Appendix L

Migration Plan

Strictly Private & Confidential – Subject to Contract

Keystone Programme
Migration Plan

Version: 6.0
Date: 30th March 2006

Contents:		
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30 th March 2006 – 6.0	Strictly Private and Confidential – Subject To Contract	Page 2 of 48
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1 Purpose of Document

This document provides a summary of the Migration Plan components, the key changes and the factors which have remained constant between version 4.0 and version 6.0 of the Migration Plan. The document also lists the numerous related planning documentation and assumptions which collectively constitute the Migration Plan.

Once agreed and approved by the Keystone Joint Steering Committee, this document will be updated as and when key assumptions and outputs change and such changes will be managed through agreed change control processes.

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30th March 2006 – 6.0

Page 5 of 48

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30th March 2006 – 6.0

Page 10 of 48

30th March 2006 – 6.0

Page 12 of 48

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30th March 2006 – 6.0 Strictly Private and Confidential – Subject To Contract Page 14 of 48

30th March 2006 – 6.0

Page 16 of 48

30th March 2006 – 6.0

Page 17 of 48

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30th March 2006 – 6.0 Strictly Private and Confidential – Subject To Contract Page 30 of 48

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Neil Rogers
British Telecommunications plc
81 Newgate Street
London EC1A 7AJ

31 March 2006

Dear Neil,

Side Letter to the Network Services Agreement

I refer to the Network Services Agreement dated 9 March 2005 between Reuters Limited ("Reuters") and British Telecommunications plc ("BT") (the "Agreement"). Except where expressly provided otherwise, capitalised terms in this letter shall have the meanings given to them in the Agreement.

Objective

This document details the parties' agreement in relation to certain aspects of the Price Book. The following items are covered:

1. The treatment of 34 Mb and above circuits for the purpose of creating the initial Price Book from the Starting Inventory and going forward.
2. The treatment of new "Reuters non consolidated" connections.
3. The treatment of new sub 34 Mb legacy connections (both MES and MNS) for billing going forward.
4. The credit methodology applied to new meshed Reuters legacy connections with Third party services.

The parties acknowledge and agree that (i) other than in respect of objective 2 above, this letter relates to legacy connections only and shall not apply to connections on an MPLS network; and (ii) other than in respect of the agreement set out in the first two paragraphs of the section entitled "Agreed Principles", this letter is *.

To the extent that there is any inconsistency between the provisions of this letter and Schedule 6 of the Agreement, the provisions of this letter shall prevail.

Agreed Principles

Reuters' ordering is Connection or Service Package based rather than physical circuit based. Reuters will order Connections with Service Categories from BT. BT will decide what physical circuit to implement for MPLS, and excess capacity on the circuits will be BT's responsibility. The Starting Inventory will be mapped to Connections with Service Categories.

*

Reuters Limited
The Reuters Building
South Colonnade
Canary Wharf
London E14 5EP
Tel (020) 7250 1122

A subsidiary of Reuters Group Plc Reg. Office as above Reg. No. 145516 England

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1.2 – Treatment of Legacy 34 Mb and above Circuits going forward.

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1.3 – Treatment of New 34 Mb + Circuits installed after 31st December 2005.

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2. The treatment of new “Reuters non consolidated” connections.

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3. The treatment of new sub 34 MB legacy connections (both MES and MNS) for billing going forward.

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*

4. Credit methodology applied to new meshed Reuters legacy connections with third party services.

*

*

5. General

Except as otherwise expressly set out herein, each party shall perform its obligations and carry out all activities necessary to give full effect to this letter at its own cost.

This letter shall be governed by and construed in accordance with English Law.

Please sign and date the attached copy of this letter to confirm BT's agreement with its terms and the amendments to the Agreement effected by this letter.

Kind regards,

/s/ Barry Woodward
for and on behalf of Reuters Limited

I hereby confirm BT's agreement with the amendments to the Agreement effected by this letter.

Signed /s/ Neil Rogers date 31/3/2006

Neil Rogers
for and on behalf of British Telecommunications plc

TP060830131

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AMENDMENT TO NETWORK SERVICES AGREEMENT

This amendment (the "Amendment") is made the 19th day of December 2006 between:

- (1) **British Telecommunications PLC**, a company incorporated in England (registered number 01800000) whose registered office is at 81 Newgate Street, London EC1A 7AJ ("**BT**"), and
- (2) **REUTERS LIMITED**, a company incorporated in England (registered number 145516) whose registered office is at Reuters Building, South Colonnade, Canary Wharf, London E14 5EP ("**Reuters**").

WHEREAS:

- (A) This Amendment records certain amendments to the Network Services Agreement dated 9th March 2005 (as amended on 31st March 2006) between Reuters and BT (the "**Agreement**") and should be read in conjunction with the Agreement.
- (B) Under the terms of the Agreement, Reuters provides members of the BT Group with access to and use of the Relevant Sites and associated facilities to enable the BT Group to supply the Services to the Reuters Group and other services to third parties in the jurisdictions of the Relevant Sites.
- (C) The Parties now wish to create a framework setting out the terms for:
 - (i) subject to any third party consents, Reuters or the relevant member of the Reuters Group will legally transfer the leases of each Relevant Site to the relevant member of the BT Group, and in respect of * (GSS), subject to BT's negotiations with the GSS landlord and at BT's sole discretion, Reuters or the relevant member of the Reuters Group will either surrender its lease of GSS and the relevant member of the BT Group will simultaneously enter into a new lease of GSS or Reuters or the relevant member of the Reuters Group will otherwise assign the lease of GSS to the relevant member of the BT Group;
 - (ii) (a) the sale of the Infrastructure Assets owned by Reuters or the relevant member of the Reuters Group to the relevant member of the BT Group and, (b) subject to any third party consents, the legal transfer by Reuters or the relevant member of the Reuters Group to the relevant member of the BT Group of the leases or licences relating to the Infrastructure Assets, and (c) subject to any third party consents, the legal transfer of the contracts or the relevant parts thereof relating to the maintenance and upkeep of any such assets; and
 - (iii) the grant of licences by the BT Group to the Reuters Group to continue to use, occupy and enjoy the Relevant Sites according to the terms of this Amendment (the "**BT Property Services**") .
- (D) Reuters has agreed to pay, or procure the payment of the charges associated with the BT Property Services on the terms of this Amendment.
- (E) In the event of any inconsistency between this Amendment and the Agreement, the provisions of this Amendment shall prevail. Capitalised terms not defined in this Amendment are to have the meaning given to them in the Agreement. Except as expressly set out in this Amendment, the Agreement remains un-amended and in full force and effect.

* Text has been redacted for confidentiality

In consideration of the mutual agreements set out in this Amendment, with effect from the date of this Addendum (the “**Effective Date**”), IT IS HEREBY AGREED AS FOLLOWS:

1 DEFINITIONS

For the purposes of this Amendment, the following capitalised terms shall have the following meaning:

*,

*,

“**Relevant Sites**” means the data centres set out in Appendix 1, as the same may be added to from time to time in accordance with the terms of this Amendment;

“**Independent Expert**” has the meaning ascribed to it in clause 11;

“**Infrastructure Assets**” means the power infrastructure and operating environment assets at the Relevant Sites owned by or leased or licensed to, Reuters or a member of the Reuters Group immediately prior to the Effective Date (as more particularly described in Appendix 2);

“**GSS Long Stop Date**” means *, or such other date that the Parties may agree in writing;

“**Migration Period**” means, in respect of each Relevant Site, the period from the Effective Date until six months from the date on which the migration tasks as set out in and required by the Migration Plan are completed for each Relevant Site; and

“**Relevant Sites Long Stop Date**” means *, or such other date that the Parties may agree in writing;

2. Leases to Relevant Sites

GSS Relevant Site

2.1 Subject to BT’s negotiations with the GSS landlord, the Parties acknowledge that in relation to GSS, the existing lease for GSS will, at BT’s sole discretion, either be assigned to BT or the relevant member of the BT Group or, subject to each of the Parties obtaining the landlord’s consent, Reuters will simultaneously surrender its existing lease of the GSS Relevant Site immediately upon BT entering into a new lease with the landlord for the GSS Relevant Site (the **GSS New Lease**).

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- 2.2 Pursuant to clause 2.1, whether BT elects to achieve the assignment of the existing lease for GSS or otherwise intends to enter into the GSS New Lease, BT shall provide the landlord with any appropriate deposit, guarantees or other forms of security reasonably required by the landlord, and BT shall use its reasonable endeavours to enter into the GSS New Lease with the landlord, or the Parties shall each use their reasonable endeavours, work in good faith and provide all references, other evidence and information reasonably requested by the landlord in order to achieve the assignment of the existing Reuters lease of GSS, as the case may be, as soon as reasonably possible from the Effective Date and in any event no later than the GSS Long Stop Date.
- 2.3 Subject to clause 2.1, where BT or the relevant member of the BT Group intends to enter into the GSS New Lease, the Parties acknowledge that BT shall only be permitted to refuse to enter into the GSS New Lease if the terms and conditions of the GSS New Lease as proposed by the landlord are more onerous than fair market standard terms. For the avoidance of doubt such terms and conditions proposed by the landlord for the GSS New Lease shall be considered to represent fair market standard terms to the extent that they are terms and conditions which are currently included in the existing Reuters lease of the GSS Relevant Site.
- 2.4 Subject to clause 2.1, where BT or the relevant member of the BT Group intends to enter into the GSS New Lease, in the event that there is a dispute between BT and Reuters as to whether the proposed terms of the GSS New Lease do not represent fair market standard terms any such dispute shall be determined by the Independent Expert pursuant to clause 11.
- 2.5 BT agrees that where it enters into the GSS New Lease pursuant to the terms of this Amendment, the term of such GSS New Lease will be not less than the period required to enable the Parties to comply with their respective obligations and commitments under the Migration Plan.
- 2.6 In order to facilitate either the assignment of the existing lease for GSS to BT or the relevant member of the BT Group, or BT or the relevant member of the BT Group entering into the GSS New Lease with the landlord, Reuters shall provide (as soon as reasonably practicable from the Effective Date) all relevant documentation, information and assistance that BT may reasonably require (subject to any duty of confidentiality that Reuters owes the landlord) in relation to either obtaining the GSS landlord's consent to the assignment of the existing Reuters lease of GSS to BT or the relevant member of the BT Group, or otherwise enabling BT to enter into the GSS New Lease and Reuters to achieve the surrender of its existing lease of GSS, as the case may be. In addition, Reuters shall attend with BT (if requested by BT) an introductory meeting with the landlord. Thereafter, Reuters agrees, upon request by BT (and at BT's cost), to participate in any further meetings (to the extent reasonably required by BT) that may take place between BT and the landlord relating to the assignment of the existing lease for GSS or the negotiations of the GSS New Lease.
- 2.7 BT also agrees, upon request by Reuters, to participate in any further meetings (to the extent reasonably required by Reuters) that may take place between Reuters and the landlord of GSS relating to the surrender of the existing lease.

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- 2.8 In the event that the existing GSS lease is assigned to BT or the relevant member of the BT Group, BT shall, as of the date of the assignment of the existing GSS lease to it or the relevant member of the BT Group, at the GSS landlord's request, enter into a direct covenant with the GSS landlord to observe and perform the terms of the existing GSS lease with effect from the date of such assignment. *
- 2.9 Without prejudice to Reuters intention to procure the same in relation to the existing GSS lease, BT shall use its reasonable efforts to seek to procure that the landlord agrees to waive all of Reuters liabilities under the existing GSS lease on its assignment or surrender, in consideration of the existing lease being assigned to BT, or BT entering into the GSS New Lease, as applicable. Following the date of the grant of the GSS New Lease or the date of the assignment of the existing GSS lease to BT or the relevant member of the BT Group, as applicable, BT *.
- 2.10 *, following the date of the grant of the GSS New Lease or the date of the assignment of the existing GSS lease to BT or the relevant member of the BT Group *
- 2.11 *
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2.12 *.

Relevant Sites other than GSS

- 2.13 The Parties shall (working together and in good faith) use all reasonable endeavours to obtain the consent of all relevant persons to the legal transfer of the existing leases of the Relevant Sites (other than the GSS Relevant Site, as the case may be) from Reuters or the relevant Reuters Group member to BT or the relevant member of the BT Group (the **Property Consents**) by no later than the Relevant Sites Long Stop Date.
- 2.14 Both Parties agree to supply or procure the supply to the relevant persons of all references and other evidence and information reasonably required by such persons in order to obtain the Property Consents.
- 2.15 BT or the relevant member of the BT Group agrees to provide any guarantees, deposits or other forms of security which the relevant persons are entitled to require under the existing leases for the Relevant Sites.

2.16

(a) BT or the relevant member of the BT Group shall, as requested by the relevant landlord, enter into a direct covenant with the landlord to observe and perform the terms of the relevant lease with effect from the date of its legal transfer. *

(b) *

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(ii) BT complies with the provisions of Clause 23.3.1 of the Agreement; and

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- (iii) BT notifies Reuters in writing of any claim arising under this Clause 2.16 (b) within * of the legal transfer of the lease for such Relevant Site hereunder.
- 2.17 If any landlord shall lawfully and reasonably require any works of repair and/or decoration to be carried out pursuant to the terms of the lease of the Relevant Site prior to the issue of the relevant Property Consents *.
- 2.18 Except as set out in clause 2.17 above (where for the avoidance of doubt, *) the Parties agree that all costs associated with the Property Consents and the legal transfer of the leases of the Relevant Sites shall be borne by BT or the relevant member of the BT Group up to a maximum cap of * per Relevant Site. Any costs arising in relation to the foregoing in excess of the maximum cap shall be shared equally between the Parties.

3. Infrastructure Assets

- 3.1 Subject to the legal transfer of each of the leases for the Relevant Sites to BT or the relevant member of the BT Group and the relevant member of the BT Group entering into the GSS New Lease in accordance with Clause 2, as the case may be, and subject to payment by BT to Reuters of the charges for the Infrastructure Assets set out in Appendix 2, Reuters agrees to:

- (i) sell or procure the sale of the Infrastructure Assets owned (not subject to any charge or security) by Reuters or a member of the Reuters Group to BT or the relevant member of the BT Group at each of the Relevant Sites upon the legal transfer of the lease for such site to the relevant member of the BT Group hereunder, or in the case of GSS upon the relevant member of the BT Group entering into a new lease for such site as the case may be;

- (ii) subject to clause 3.2, legally transfer or procure the legal transfer of those leases and licences that are freely available to be legally transferred relating to the Infrastructure Assets leased by Reuters or a member of the Reuters Group to BT or the relevant member of the BT Group at each of the Relevant Sites upon the legal transfer of the lease for such site to the relevant member of the BT Group hereunder, or in the case of GSS upon the relevant member of the BT Group entering into a new lease for such site as the case may be; and

- (iii) subject to clause 3.2, legally transfer or procure the legal transfer of the contracts or the relevant parts thereof relating to the maintenance and upkeep of the Infrastructure Assets enjoyed by Reuters or the relevant member of the Reuters Group to the relevant member of the BT Group at each of the Relevant Sites upon the legal transfer of the lease for such site to the relevant member of the BT Group, or in the case of GSS upon the relevant member of the BT Group entering into a new lease for such site as the case may be.

- 3.2 Where Reuters or the relevant member of the Reuters Group using its reasonable endeavours is unable to procure the legal transfer of any of the leases or licences of the Infrastructure Assets or legally transfer any of the contracts or the relevant parts thereof relating to the maintenance and upkeep of the Infrastructure Assets to BT or the relevant member of the BT Group, Reuters or the relevant member of the Reuters Group will use all reasonable endeavours to procure for BT a right to use such Infrastructure Assets and directly enforce such contracts (to the same extent and in the same manner used by Reuters prior to the Effective Date) and, in the event that Reuters procures such right for BT to use such Infrastructure Assets and directly enforce such contracts, Reuters shall enforce such rights of use and contracts on behalf of BT for a period that is no less than the period required to enable the parties to comply with their respective obligations and commitments under the Migration Plan relating to the Relevant Site upon the legal transfer of the lease for such site to the relevant member of the BT Group, or for GSS upon the relevant member of the BT Group entering into a new lease for such site as the case may be.

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- 3.3 Subject to the terms of this Amendment, BT shall, and shall procure that each other relevant member of the BT Group shall, permit Reuters to, on a non-exclusive basis, use and enjoy the benefit of any Infrastructure Asset. For the avoidance of doubt, BT shall ensure that at least the same scope and quality of environmental conditions (including those relating to waterproofing, the absence of dust, security, air conditioning, electrical power supply) as existed immediately prior to the Effective Date are maintained at the Relevant Sites during the period in which Reuters or relevant members of the Reuters Group use the site.
- 3.4 Without prejudice to BT's obligation to provide the BT Property Services, and subject to Clause 3.3 and Clause 5 if any Infrastructure Asset at the Relevant Sites reaches the end of its supported lifespan or breaks down or needs replacing (collectively "Needs Repair") at any time during the period in which Reuters uses the Relevant Site hereunder, such period being immediately following the date of the legal transfer of each of the leases of the Relevant Sites, or if in the case of GSS, the date upon which BT or the relevant member of the BT Group enters into the GSS New Lease, and such asset continues to be used by BT or the relevant member of the BT Group for the provision of BT Property Services, BT shall promptly repair or replace any such asset that Needs Repair, and where the lease of any such asset that Needs Repair or contract relating to the maintenance and upkeep of such asset legally remains with Reuters or the relevant member of the Reuters Group, Reuters or the relevant member of the Reuters Group shall, upon notification from BT, promptly at BT's cost, enforce the terms of the lease relating to such asset or contract such that prompt arrangements can be made for the repair and / or replacement of any such asset as applicable. Save to the extent included within the charges for the BT Property Services, *.
- 3.5 *
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4. Licence to Occupy the Relevant Sites

- 4.1 Subject to the terms of this Amendment, the provision of access to and use of the Relevant Sites and Infrastructure Assets (including but not limited to BT providing environmental services at the Relevant Sites) shall constitute part of the BT Property Services for the purposes of this Amendment. For the avoidance of doubt, BT is entitled to sub-let and sublicense occupation or use of the Relevant Sites during the Migration Period or otherwise, and solely in relation to the space occupied by Reuters in the Relevant Site (and without prejudice to the terms of the Agreement and / or this Amendment), Reuters undertakes to provide its reasonable cooperation to BT to enable BT to best put such space to commercial use, however, in the event that BT or the relevant member of the BT Group does sub-let or sub-licence occupation or use of the Relevant Sites to any third parties in accordance with the foregoing, Reuters shall not be entitled to limit any such sublet or sublicense unless any such sublet or sublicense shall cause any material disruption to Reuters and/or Reuters customers. In the event that BT sub-licenses or sublets occupation or use of any part of the Relevant Sites to any competitor of Reuters, BT agrees that there shall be suitable physical and logical security controls in place to ensure that any Reuters equipment, products and services that may be hosted or housed at any Relevant Site are kept operationally separate from any such competitor's equipment, products and services also hosted or housed at any Relevant Site, and all other reasonable measures and arrangements shall be taken by BT in accordance with the terms of the Agreement to prevent such competitor from gaining access to or information in relation to Reuters activities or operations at such site.
- 4.2 BT or the relevant member of the BT Group grants to the Reuters Group a non-exclusive licence to occupy, use and enjoy the Relevant Sites during the Migration Period for the Relevant Site pursuant to the terms of this Amendment to the same physical extent it occupied, used and enjoyed the Relevant Sites immediately prior to the Effective Date. The Parties agree that nothing in this Amendment grants upon the Reuters Group exclusive possession of the Relevant Sites (or any part thereof) or create a legal or equitable tenancy.
- 4.3 During the Migration Period, and subject to BT having additional space available at the Relevant Site (and such space is not required for BT's own internal business purposes), in the event that Reuters (or the relevant member of the Reuters Group) requires any additional space at such Relevant Site in order that Reuters can achieve the migration tasks as set out in the Migration Plan for the Relevant Site, BT agrees to (prior to offering such additional space to a third party) make available to Reuters such additional space (as is reasonably necessary to achieve the migration tasks set out in the Migration Plan) to Reuters (or the relevant member of the Reuters Group) * to BT for the BT Property Services at the Relevant Site, provided that any such additional space requirement is not necessitated by a Reuters Failure. Any additional charges that may be payable by Reuters to BT for such additional space at the Relevant Site shall be amended through the Change Control Procedure and such additional space shall be deemed to form part of the BT Property Services.
- 4.4 Following the expiry of the Migration Period, and provided that the relevant member of the Reuters Group gives BT no less than 6 months notice in writing prior to the expiry of the Migration Period, such member of the Reuters Group may continue to house servers and any associated equipment or other equipment agreed between the Parties (the *Relevant Equipment*) at the Relevant Site (and Reuters may continue to have access to such Relevant Equipment) on the same terms and conditions previously made available to Reuters during the Migration Period under this Amendment, save in relation to clause 4.3, provided that, (i) Reuters shall pay to BT * (or such other charge as may be agreed by the Parties in writing) for the space occupied within the Relevant Site, (ii) such Relevant Equipment shall be limited solely to that equipment which has not been migrated to the New Services in accordance with the Migration Plan. BT reserves the right to require Reuters to locate and/or re-locate, *, the Relevant Equipment within the Relevant Site providing it gives Reuters reasonable notice (and reasonable explanation in writing) and such relocation will not cause any material disruption to Reuters and/or Reuters customers. In addition, following the expiry of the Migration Period, BT may require the Reuters Group to remove such Relevant Equipment in whole or in part from the Relevant Site or terminate Reuters licence to occupy any Relevant Site with no less than six months notice in writing. *

* Text has been redacted for confidentiality

4.5 For the avoidance of doubt, during the Migration Period for each Relevant Site, subject to BT providing Reuters with no less than 12 months prior notice in writing, BT may provide BT Property Services to Reuters under this Amendment at a site other than the Relevant Sites *.

*

4.7 BT shall give to Reuters such notice of a planned relocation of a Relevant Site during the Migration Period as it is reasonably able to give, but in any event no less than 12 months prior written notice.

5. **Quality, Scope of BT Property Services and Transition**

5.1 As an overriding principle, the Parties agree that during the period in which Reuters occupies the Relevant Sites (i) BT shall provide the BT Property Services to the Reuters Group at least to the same quality and physical scope and extent (including, without limitation, the extent of access to the Relevant Sites and the operating and environmental conditions of the Infrastructure Assets and Relevant Sites) as such services were provided at the Relevant Site immediately prior to the Effective Date or in the case of any additional Relevant Sites, prior to the date of legal transfer, and (ii) notwithstanding the provisions of Clause 6 below, *.

* Text has been redacted for confidentiality

- 5.2 Subject to clause 5.3 and 5.4 below, both Parties shall use their reasonable endeavours and in good faith work together to seek to minimise the operational risks and impacts associated with the legal transfer of the Relevant Sites from Reuters to BT or the relevant member of the BT Group.
- 5.3 BT shall develop a transition plan for each Relevant Site in relation to the legal transfer of the existing Reuters leases (or, if applicable, where BT enters into the GSS New Lease) to ensure that at each Relevant Site there shall be no material disruption to Reuters and/or Reuters customers on any such legal transfer of the existing Reuters lease to BT (or, as appropriate, where BT enters into the GSS New Lease). Reuters acknowledges that it shall provide all reasonable cooperation to BT, upon request, to assist BT in developing the transition plan for each Relevant Site.
- 5.4 Pursuant to clause 5.2, the Parties undertake to work together for a period of 3 months from the date of the legal transfer of each existing Reuters lease at the Relevant Site to BT or the relevant member of the BT Group (or in the case of the GSS Relevant Site 3 months from the date on which BT enters into the GSS New Lease, as applicable) (the *Relevant Transition Period*). During the Relevant Transition Period, Reuters agrees to provide all reasonable assistance to BT or the relevant member of the BT Group (such reasonable assistance not requiring Reuters to bear additional material costs) to ensure a smooth transition of the Relevant Sites to BT.

6. Charges

- 6.1 *
- 6.2 *
- 6.3 *
- 6.4 Each Party agrees that it will bear all of its own costs incurred in respect of the negotiation and agreement of this Amendment.
- 6.5 BT shall procure that all invoices for charges in respect of the BT Property Services shall be issued by the local relevant member of the BT Group in the currency of the country in which those services are provided to the corresponding local member of the Reuters Group. Reuters or the local member of the Reuters Group shall pay, or shall procure the payment of the BT Property Services in cleared funds 30 days after the date the invoice was received by the relevant member of the Reuters Group. All such payments made to BT and other members of the BT Group shall be made by BACS payment (or as otherwise agreed by the Parties) to the account or accounts nominated by BT from time to time.

* Text has been redacted for confidentiality

7 Transaction Taxes

Any consideration expressed to be payable under this Amendment shall be deemed to be exclusive of any Transaction Taxes and shall be payable in accordance with the provisions of clause 31 of the Agreement which shall apply to this Amendment.

8 Stamp Duty Land Tax

- 8.1 BT or the relevant BT Group member hereby agrees to complete the necessary Stamp Duty Land Tax forms (being SDLT 1 to SDLT 4 (inclusive)) (the “**Forms**”) and to deliver the properly completed and signed Forms to HM Revenue & Customs within 30 days of completion of the GSS New Lease with the appropriate duty.
- 8.2 BT or the relevant member of the BT Group hereby agrees to indemnify Reuters against any claim, cost or liability Reuters may incur in relation to any stamp duty land tax, stamp duty, registration charges or other equivalent local taxes, charges or duties (with the exception of Transaction Taxes) that may be payable by Reuters or any member of the Reuters Group in respect of or relating to the surrender of the existing GSS lease or the grant of the GSS New Lease and the legal transfer of each of the Relevant Sites to BT or the relevant member of the BT Group pursuant to the terms of this Amendment, provided that Reuters complies with the provision of Clause 23.3.1 of the Agreement in respect thereto.

9 GSS Long Stop Date

In the event that either the existing Reuters lease for GSS has not been assigned to BT or the relevant member of the BT Group, or BT has not entered into a new lease for the GSS Relevant Site by the GSS Long Stop Date then the obligations on both Parties hereunder in relation to the GSS Relevant Site shall cease to have legal effect and both BT and Reuters shall be entitled to exercise all of their rights under the Agreement, including, but not limited to, claiming any Agreed Costs in relation to the GSS Relevant Site (and Reuters also recovering the direct and reasonable costs associated with relocating any equipment to another site in the event of a breach of this Amendment by BT). For the avoidance of doubt those provisions of this Amendment that relate to the Relevant Sites other than the GSS Relevant Site shall continue in full force and effect.

10 Relevant Sites Long Stop Date

In the event that any of the existing leases to the Relevant Sites (other than the GSS Relevant Site, as applicable) are not legally transferred to BT or the relevant member of the BT Group by the applicable Relevant Site Long Stop Date then the obligations on both Parties hereunder in respect of any such Relevant Site that is not legally transferred to BT or the relevant member of the BT Group by the applicable Relevant Site Long Stop Date (other than the GSS Relevant Site, subject to the terms of clause 9) shall cease to have legal effect and both Parties shall be entitled to exercise all of their rights under the Agreement in relation to such Relevant Site, including, but not limited to, claiming any Agreed Costs in relation to such Relevant Site. For the avoidance of doubt, any delay to the Migration Plan for the Relevant Site as a result of a breach by BT of this clause 10, such delay shall be attributable to BT in the apportionment of responsibility between the Parties for the purposes of calculating the Agreed Costs.

11 Independent Expert

- (i) Any dispute arising in relation to clause 2.4 may be referred to the Independent Expert for final determination on the application of either Party.
- (ii) The Independent Expert shall be such person agreed between the Parties or failing agreement, nominated at the request of either Party by the President of the Royal Institution of Chartered Surveyors (the "PRICS"), such nominated Independent Expert being appropriately experienced and qualified in the sole opinion of the PRICS having regard to the nature of the dispute or matter for determination.
- (iii) Whenever an Independent Expert is duly appointed, then:
 - 1. he or she shall permit the Parties no more than fifteen (15) working days to make written representations to him or her on the matter in dispute;
 - 2. upon the expiry of such fifteen (15) working days period he or she shall forthwith disclose to the each Party the written representations he or she has received from the other Party pursuant to clause 11.3.1 and shall permit each Party no more than an additional period of fifteen (15) working days to make further written submissions to him or her on the written representations received from the other Party;
 - 3. he or she shall be required to issue his or her final determination within a further period of fifteen (15) working days after the date for the receipt of the written submissions if any written representations are received pursuant to clauses 11.3.1, or if no written representations are made, within fifteen (15) working days of the expiry of the period allowed for such written representations to be made;
 - 4. in making his or her determination on the matter in dispute he or she shall be required to have regard to such written representations and submissions as have been made by the Parties to him or her pursuant to clauses 11.3.1 and 11.3.2 respectively, but his or her consideration of the facts shall not be required to be limited or fettered in scope or substance by such written representations and submissions and accordingly he or she shall be entitled to rely upon and exercise his or her own expert discretion and judgement;
- 11.4 His or her costs and expenses shall be borne by the Parties in the proportions that he or she may direct.
- 11.5 If he or she becomes unwilling or unable to act or if for any reason it becomes apparent that he or she will not be able to discharge his or her duties under this clause 11 or if he or she does not issue his or her determination within the time period referred to above, then a replacement Independent Expert may be appointed by the PRICS at the request of either Party and such Independent Expert shall determine in his or her absolute discretion what steps need to be taken in order to ensure that the determination can be equitably achieved pursuant to the terms of this is clause 11.
- 11.6 He or she shall act as an expert, not as an arbitrator.
- * Text has been redacted for confidentiality

- 11.7 He or she may obtain independent advice if he should deem it necessary.
- 11.8 In making his or her determination he or she shall be required to state the reasons for such determination in writing.
- 11.9 The determination of the Independent Expert shall be conclusive between and binding on the Parties (in the absence of manifest error).
- 11.10 All matters and activities relating to the expert determination under this clause 11 shall be held in confidence and be subject to confidentiality restrictions in accordance with the terms of Clause 24 of the Agreement.

For the avoidance of doubt this Independent Expert clause only applies to a dispute as to the terms of the GSS New Lease and shall not be applicable to any dispute under the Agreement where the provisions of Clause 18 of the Agreement shall continue to apply.

12 Additional Transfer

The Parties hereby agree that any legal transfer from Reuters Group to BT or a relevant member of the BT Group of any leases for additional Relevant Sites prior to the Migration Date shall be on the same terms as those clauses that apply hereunder in relation to the Relevant Sites save for any necessary changes to the Relevant Sites Long Stop Dates, any other consequential amendments, including commercial terms, as agreed between the parties acting reasonably.

13. TUPE Regulations/Acquired Rights Directive

- 13.1 It is the Parties view that neither (a) the Transfer of Undertakings (Protection of Employment) Regulations 2006 (the "**TUPE Regulations**"), nor (b) the Acquired Rights Directive 2001/23 dated 12 March 2001 or equivalent (as subsequently amended) (the "**ARD**"), nor (c) any transfer of employment undertaking or acquired employment rights in any part of the world not covered by the TUPE Regulations or the ARD ("**Other Rights of Transfer**"), will apply on or as a result of the Parties entry into this Amendment. Reuters will subject to clause 13.2, *:

- (i) *;
- (ii) * and

provided that,

- (A) BT complies with the provisions of clause 23.3.1 of the agreement; and
- (b) BT notifies Reuters in writing of any claim arising under this Clause 13 within 12 months of the legal transfer of the lease for each such Relevant Site (and in the case of GSS Relevant Site, * following the date of grant of the GSS New Lease or the date of the assignment of the existing GSS lease to BT or the relevant member of the BT Group).

* Text has been redacted for confidentiality

- * Notwithstanding the provisions of Clause 13.1, the Parties agree that in respect of all * personnel providing support services to Reuters at GSS Relevant Site, Reuters shall procure from * for the benefit of BT and any member of the BT Group *
- provided that, in each case above,
- (a) BT or the relevant member of the BT Group notifies * without undue delay of any notice of claim which it receives and gives * full control of the claim and not knowingly compromises or settles the claim without * prior written consent, such consent not to be unreasonably withheld or delayed; and
 - (b) The indemnity set out in this Clause 13.2 will apply for a period of * from the date of grant of the GSS New Lease or the date of the assignment of the existing GSS lease to BT or the relevant member of the BT Group.

EXECUTION

The Parties show their acceptance of the terms of this Amendment, on the date hereof, by signing below:

SIGNED BY

/s/ DAVID GRIGSON

(duly authorised for and on behalf of) David Grigson

REUTERS LIMITED

SIGNED BY

/s/ Chris North

(duly authorised for and on behalf of Chris North)

BRITISH TELECOMMUNICATIONS PLC

* Text has been redacted for confidentiality

Relevant Sites

- 1 *
- 2 *
- 3 *
- * Text has been redacted for confidentiality

List of Infrastructure Assets and the price at which they are to be sold to BT

- *
- *
- *
- * Text has been redacted for confidentiality

Charges for BT Property Services

Applicable charges from the date upon which the lease for the Relevant Site is legally transferred to BT (or in the case of the GSS Relevant Site, the date upon which BT enters into the GSS New Lease, as the case may be) until the date of the Migration Period for the Relevant Site

- *
- *
- * 1) * = *
- 2) * = *
- 3) * = *
- * Text has been redacted for confidentiality

**FUNDING AGREEMENT
REUTERS PENSION FUND**

This Agreement is made on 23rd May 2006

Between:

- (1) **REUTERS LIMITED** (Company number 145516) whose registered office is at the Reuters Building, South Colonnade, Canary Wharf, London E14 5EP ("**the Company**")
- (2) **THE MANAGING COMMITTEE OF REUTERS PENSION FUND** (acting through two duly authorised representatives) ("**the Managing Committee**") and
- (3) **REUTERS PENSION FUND LIMITED** (Company number 433398), whose registered office is also at the Reuters Building, as trustee of Reuters Pension Fund ("**the Trustee**").

Introduction

The Company has made a number of proposals to the Managing Committee and the Trustee (together "**the Trustees**", meaning either or both of the Managing Committee and the Trustee as the context requires) relating to the funding and investment strategy of RPF and the benefits provided under RPF. This Agreement records the agreement reached between the Company and the Trustees following discussion of the proposals.

Operative Provisions

1. Definitions and Interpretation

1.1 In this Agreement:-

"Adjustment"	has the meaning given in clause 4.6 below.
"Factiva Debt"	means any debt due under section 75A of the Pensions Act 1995 if Dow Jones Reuters Business Interactive Limited ceases to participate in the Scheme provided that debt is paid at the same time as or before the payment referred to in clause 4.3.
"Incentive Payment Reduction"	has the meaning given in clause 4.4 below.
"Incentive Payments"	means the incentive payments referred to in clause 9.1 below, save that in relation to an active member or deferred pensioner who has benefits in both RPF and Reuters Supplementary Pension Scheme ("SPS") it means that proportion of the incentive payments which relates to RPF, for which purpose the incentive payment made in relation to him or her will be deemed to be apportioned between RPF and SPS in the

proportions which the member's cash equivalents in RPF and SPS bear to each other.

"Relevant Pensions"

has the meaning given in clause 7.4 below.

"RPF"

means Reuters Pension Fund.

"Special Contribution"

means the contribution payable under clause 4.2 below.

"Surplus"

has the meaning given in clause 7.3 below.

"Transfer Programme"

means the programme referred to in clause 9.1 below.

1.2 In the interpretation of this Agreement, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) references to legislation enacted in the United Kingdom, but which does not extend to Northern Ireland, include any corresponding legislation in force in Northern Ireland;
- (c) references to any legislation or any provision of it include references to any subordinate legislation made under it; and
- (d) references to any legislation or any provision of it include references to any previous legislation or provision relating to the same subject-matter or to any modification or re-enactment of it for the time being in force. References to any subordinate legislation or any provision are to be similarly construed.

2. Investment Strategy

2.1 Subject to clause 2.3 below, the Company and the Trustees agree to implement an investment strategy that seeks to reduce interest rate and inflation risk within RPF (namely a swaps overlay) which addresses:-

- (a) the percentage of RPF's interest rate and inflation risk to be hedged and the nature of the contracts to be used to do so;
- (b) the timing of the implementation of the overlay (subject to clause 2.3 below);
- (c) how RPF assets will be invested to meet the RPF's side of the obligations to the swaps counterparties;
- (d) the percentage (initially no greater than 55% of RPF's assets) to be invested in growth-seeking assets; and
- (e) the way in which the growth seeking assets will be diversified.

Once agreed, the new investment strategy will be set out in an agreed Statement of Investment Principles.

- 2.2 The Company agrees to meet the cost of implementing the swaps overlay within 90 days after that cost is incurred and notified in writing to the Company. For this purpose, the cost of implementing the swaps overlay includes:-
- (a) the mid-offer spread paid when executing the swap, subject to the Company having been informed and having agreed the mid-offer spread or an acceptable range in advance;
 - (b) the fees charged by the Trustees' investment consultants and legal advisers in relation to advice about the swaps overlay and the counterparty and other agreements relating to that overlay, subject to the Company having approved in advance fee budgets produced by the Trustees' investment consultants and legal advisers and the final fees being in line with these fee budgets; and
 - (c) the set-up charges made by the Trustees' execution agent in relation to the implementation of the swaps, subject to the Company having approved in advance a budget for these charges and the final charges being in line with the budget.
- 2.3 The Company and the Trustees acknowledge that:-
- (a) the detailed design of the swaps overlay and underlying investment strategy still needs to be approved by the Trustees; and
 - (b) the strategy referred to in clause 2.1 above will be implemented as soon as is practicable, but in a manner that attempts to smooth the rates at which the swaps are entered into.
- 2.4 The Trustees agree that following payment of the Special Contribution:-
- (a) they will not make changes to RPF's investment strategy as agreed under clause 2.1 above without consulting with the Company a reasonable period in advance of the proposed change;
 - (b) they will provide the Company with such information as it reasonably requires to monitor the progress of RPF's investments;
 - (c) a representative of the Company will be invited to attend the relevant part of any meetings of the Trustees and their sub-committees at which investment strategy is to be discussed;
 - (d) the Company representative will receive notice of meetings and agenda papers, so far as relevant to investment strategy, and will be entitled to speak at the meetings, but will not be a trustee director or a member of any investment sub-committee of the Trustees and therefore will not have a vote or count for quorum purposes;
 - (e) the Company may make proposals to develop investment strategy for discussion with the Trustees.

3. **Statement of Funding Principles**

The Company and the Trustees have agreed that the RPF's "technical provisions" will be valued as set out in the Statement of Funding Principles appended as Schedule 1 (and taking account of any adjustments made in line with clause 7.4.4).

4. **Recovery Plan**
- 4.1 The recovery plan will be based on the deficit of £189 million estimated by the Scheme Actuary as at 31 December 2005 plus £4.2 million being a payment which the Company instructs the Managing Committee under RPF Rule 11c to apply in providing the discretionary pension increases referred to in clause 7.1 below.
- 4.2 The Company agrees to pay £153.2 million as a contribution to RPF within 30 days after the date of this agreement (“the **Special Contribution**”).
- 4.3 If the Transfer Programme proceeds, the Company will pay as a contribution to RPF at the earliest tax efficient opportunity following completion of the Transfer Programme an amount (if any) calculated as set out below:
- 4.3.1 £40 million minus:-
- (a) the Incentive Payment Reduction and
 - (b) the Factiva Debt (if any)
- plus
- 4.3.2 the Adjustment.
- 4.4 The “**Incentive Payment Reduction**” will be equal to the amount of the Incentive Payments made but subject to a cap equal to the difference between the sum of the past service reserves (calculated using the assumptions in the Statement of Funding Principles for the deferred pensioners and active members who elect to transfer) and the sum of their standard cash equivalents. The Incentive Payment Reduction will be calculated at the same date(s) as the cash equivalents.
- 4.5 If the Transfer Programme does not proceed, provided that the Trustees have complied with clause 9.2 below to the extent that they have been requested to do so by the Company, the Company will pay £40 million plus the Adjustment as a contribution to RPF.
- 4.6 The “Adjustment” means a notional return as calculated by the Scheme Actuary equal to:
- 4.6.1 the notional return on a sum of £40m invested in line with the notional bond portfolio outlined below in the period from the date of payment of the Special Contribution to the date on which the payment referred to in clause 4.3 or 4.5 above is made; minus
 - 4.6.2 the notional return on a sum equal to the Incentive Payment Reduction invested in line with the notional bond portfolio outlined below in the period from the date of calculation of the cash equivalents to the date on which the payment referred to in clause 4.3 or 4.5 above is made.
- Half of the notional bond portfolio is assumed to be invested in line with the UK gilts over 15 years total return index and the other half is assumed to be invested in line with the index linked UK gilts over 5 years total return index.

- 4.7 The Company will use its reasonable endeavours either to proceed with the Transfer Programme (or to decide not to do so) within 7 months after the date of this Agreement.
5. **Future Service Benefits and Contributions**
- 5.1 The Trustees note that the Company proposes to make a change to the employment contracts of current active members of RPF to give them the choice of maintaining the current accrual rate and increasing their contributions to 9% of salary or switching to an 80ths accrual rate and maintaining their current contribution rate of 6% of salary.
- 5.2 It is agreed that the overall contributions in respect of accruing benefits shall be assessed using the attained age method and will be 25.8% of salaries for members opting for 60ths and 19.0% of salaries for members opting for 80ths (including an allowance for ill-health benefits) plus the premium for any life cover as calculated by the Scheme Actuary, these rates to be reviewed after each triennial actuarial valuation. In the event that the Company decides to provide ill-health benefits outside the RPF in future, these rates will be reduced by an appropriate amount calculated by the Scheme Actuary from the time that this takes effect.
- 5.3 The Company agrees that it will in addition continue to pay the appropriate Pension Adjustment percentage under RPF Rule 12b and contributions representing the National Insurance saving arising from the Pension Adjustment.
- 5.4 The Trustees agree to amend the RPF Rules in due course to reflect the changes to benefits and contributions set out in clause 5.1 above, to the extent that those changes have been made contractually.
6. **PPF Levies and Administration Expenses**
- The Company agrees that it will, in addition to the contributions set out above, reimburse the Trustees for any levy which they are required to pay to the Pension Protection Fund and for all expenses of administering RPF, for the period covered by the schedule of contributions reflecting this Agreement.
7. **Discretionary Pension Increases**
- 7.1 The Company and the Trustees agree that (subject to payment of the Special Contribution) a discretionary increase of 2.7% will be provided under RPF Rule 11c as set out in clause 7.2 below, subject to the Scheme Actuary recommending that a discretionary increase can be paid, on:
- (a) that part of any pension in payment (or postponed under Rule 25) which is not subject to automatic increases under the Scheme Rules or statute in excess of any GMP in payment; and
 - (b) if a deferred pension exceeds the value for money guarantee provided under the Rules, any part of that deferred pension in excess of any GMP which is not subject to automatic increases under the Scheme Rules or statute.
- In addition, pensions in payment relating to service after 5 April 2005 will receive a discretionary increase of 0.2% (i.e. the difference between 2.7% and 2.5%).
- 7.2 The increase will be paid in July 2006 but will be backdated to May 2006.

- 7.3 The Company and the Trustees agree that a funding check will be made by the Scheme Actuary during the first three months of each calendar year to assess as at the preceding 31 December the amount (the "Surplus") (if any) by which the assets in the RPF exceed the technical provisions. The first such funding check will undertaken in 2007 and the last in 2010. The Scheme Actuary's report in this regard will be addressed jointly to the Trustees and the Company. In calculating this, the Scheme Actuary will use:-
- (a) the actuarial basis ("the Basis") used for determining contributions to the Scheme which is current at the date of the relevant funding check. As at the date of this agreement that basis is set out in the Statement of Funding Principles appended as Schedule 1. For the avoidance of doubt, the technical provisions determined for this purpose include the reserve which will build up as a consequence of using the Attained Age Method; or
 - (b) such alternative actuarial basis (after allowing for changes in market yields that are incorporated in the basis) as the Scheme Actuary considers appropriate for the ongoing funding of the RPF. Any alternative basis will not, without the consent of the Company, be weaker (less conservative) than the Basis which is current at that time.

If the payment referred to in clause 4.3 above has not been paid at the effective date of the 2007 funding check, the funding check will be calculated on the basis that the amount referred to in clause 4.3 calculated as at the effective date of the funding check in accordance with clause 4.6 is due and part of the assets.

- 7.4 If the funding check reveals a Surplus, the Company agrees that the Trustees may (subject to the consent of the Scheme Actuary) use up to 40% of any Surplus to provide under RPF Rule 11c a discretionary increase on "Relevant Pensions" namely:

- (a) that part of any pension in payment (or postponed under Rule 25) which is not subject to automatic increases under the Scheme Rules or statute in excess of any GMP in payment; and
- (b) that part of any pension in payment relating to service after 5 April 2005; and
- (c) if a deferred pension exceeds the value for money guarantee provided under the Rules, any part of that deferred pension in excess of any GMP which is not subject to automatic increases under the Scheme rules or statute

on the basis set out below, with effect from 1 January in the relevant year, subject to the following conditions:

- 7.4.1 Relevant Pensions which are not subject to automatic increases may be increased by a maximum of the change in RPI in the year to the preceding September, subject to a maximum increase of 5% ("5% LPI");
- 7.4.2 Relevant Pensions relating to pensionable service after 5th April 2005 which are subject to statutory increases in line with the change in RPI in the year to the preceding September, subject to a maximum increase of 2.5% ("2.5% LPI") may be further increased to bring them up to 5% LPI, subject to the Company's consent;

- 7.4.3 catch-up increases (that is, increases which could have been payable under either of the above conditions in previous years from 2007 onwards, but which were not paid owing to there not being sufficient Surplus) may be granted subject to the Company's consent; and
- 7.4.4 if a discretionary increase is granted in accordance with the previous conditions, then the Trustees undertake to adjust, for the purpose of the next annual funding check, the valuation assumptions as to the proportion of assets invested in growth assets so that the value placed on the technical provisions is increased by 150% of the amount of Surplus used to provide the discretionary increase. The calculation of the technical provisions under the Statement of Funding Principles will be adjusted in the same way;
- 7.4.5 the cost of the increase awarded in any year in respect of deferred pensions may not exceed £100,000.
- 7.5 The Trustees agree with the Company that they will not, before 31 December 2010, provide without both the Company's consent and the Scheme Actuary's recommendation any discretionary pension increases in excess of those detailed above.
8. **Actuarial Valuation**
- 8.1 The Trustees confirm that the next formal valuation of RPF is due as at 31 December 2007 and that they know of no reason why an emergency valuation should be undertaken at an earlier date, but reserve the right to call an earlier valuation if they become aware of events that have a significant impact on RPF's funding position.
- 8.2 The Trustees will consult the Company before instigating a formal valuation as at a date earlier than 31 December 2007.
9. **Cash Equivalent transfer value exercise**
- 9.1 The Company proposes to invite deferred pensioners and active members to transfer their benefits from RPF and to make incentive payments to those who agree.
- 9.2 The Trustees agree to provide such information as the Company may reasonably request for the purpose of this exercise, to instruct the RPF administrators (to the extent required) to provide administrative support to the Company for this exercise, to instruct the Scheme Actuary to carry out the necessary calculations and to generally co-operate with the efficient undertaking of this exercise. The Company recognises that the Trustees will have no other role to play in this exercise apart from making cash equivalent payments as directed by deferred members and active members.
10. **Counterparts**
- This Agreement may be executed in several counterparts and individual directors of a company and individual members of the Managing Committee may sign separate counterparts, each of which when so executed shall be deemed an original but all of which together shall constitute one and the same Agreement.

Executed by the Parties



On behalf of the Company



On behalf of the Managing Committee and the Trustee



On behalf of the Company



On behalf of the Managing Committee and the Trustee

Status	<p>This statement was prepared by the Managing Committee and Trustees of RPF ("the Trustees") on 24 May 2006 after obtaining the advice of Michael Pomery, the Scheme Actuary to RPF, and is to be taken into account in determining the funding of RPF following the formal actuarial valuation as at the effective date of 31 December 2004, and the informal update of the funding position as at 31 December 2005.</p>
The statutory funding objective	<p>This statement sets out the Trustees' policy for securing that the statutory funding objective under section 222 of the Pensions Act 2004 is met. The Trustees note that this statement is not required until a formal actuarial valuation of RPF has been carried out with an effective date after 22 September 2005. However, they have agreed with Reuters Ltd that a statement should be drawn up at this stage.</p>
The technical provisions – method	<p>The actuarial method to be used in the calculation of the technical provisions is the Attained Age Method, under which the salary increases assumed for each member are projected until that member is assumed to leave active service by death, retirement or withdrawal from service.</p> <p>The cost of benefits being earned by members increases with age. This actuarial method uses a level average future service contribution rate over the whole of members' expected future working lifetimes from 31 December 2005. The effect of this is to build up a reserve in the initial years which can be carried forward to be used to subsidise the future service rate in later years. This reserve is then included in the calculation of the technical provisions.</p>
Assumptions for calculating technical provisions	<p>The assumptions used to calculate the technical provisions are summarised in Appendices A and B.</p>
Discretionary pension increase in 2006	<p>The employer and the Trustees agree that (subject to payment of the contribution of £153.2m by the employer of which £149m is in relation to the past service deficit and £4.2m in relation to the discretionary pension increase) a discretionary increase will be provided on certain pensions in 2006, subject to the Scheme Actuary recommending that a discretionary increase can be paid. Full details are set out in Appendix C.</p>
Policy on discretionary increases until	<p>The employer and the Trustees have agreed a mechanism for assessing whether discretionary pension increases can be provided in years up to</p>

Dealing with shortfalls

If the assets of the RPF are less than the technical provisions at the effective date of any actuarial valuation, a Recovery Plan will be put in place, which requires additional contributions from the employer.

The employer has agreed with the Trustees that contributions to meet £149m of the total past service shortfall of £189m revealed by the informal funding update as at 31 December 2005 will be made in 2006, with the balance of £40m (adjusted in respect of members who transfer out of the RPF as a result of the incentive offer) to be paid following completion of the transfer exercise, expected to be in 2007.

Should a future actuarial valuation reveal a shortfall of assets relative to the technical provisions, the Trustees and the employer will agree an appropriate recovery period at that time, and the shortfall will be met by the payment of additional contributions increasing over the recovery period on an annual basis by no more than the annual increase in the retail prices index. In considering the actual recovery period at any particular valuation the Trustees' principles are to take into account the following factors:

- The size of the funding shortfall;
- The business plans of the employers including how quickly they can reasonably afford to eliminate the shortfall;
- The size of the funding shortfall;
- The business plans of the employers including how quickly they can reasonably afford to eliminate the shortfall;
- The Trustees' assessment of the financial covenant of the employers;
- Any contingent security offered by the employers; and
- Relevant legislation and prevailing market practice.

The Trustees and the employer would normally expect any shortfall to be eliminated within a period of no more than ten years.

The assumptions to be used in these calculations will be those set out above for calculating the technical provisions.

Arrangements for a party other than Reuters Ltd, other participating employers or an RPF member to contribute to RPF

No arrangements have been put in place for any Reuters company other than Reuters Ltd or the other participating employers to contribute to RPF in the event that the participating employers are not able to honour their contribution obligations to RPF.

Policy on reduction of cash equivalent transfer values (CETVs)

The Trustees will ask the Actuary to advise them at each valuation of the extent to which assets are sufficient to provide CETVs for all non-pensioners without adversely affecting the security of the benefits of other members and beneficiaries. The Trustees may reduce CETVs as permitted under this legislation to the extent appropriate based on this actuarial advice.

Payments to the Employer

No payments will be made to Reuters Ltd or any other participating employer in circumstances where the assets exceed the actuary's estimate of the cost of buying out the benefits of all beneficiaries from an insurance company (including the expenses of doing so) and RPF is not being wound up.

Frequency of valuations and circumstances for extra valuations

The RPF's first actuarial valuation under Part 3 of the Pensions Act 2004 will be carried out as at the effective date of 31 December 2007, and subsequent valuations will in normal circumstances be carried out every three years thereafter.

An actuarial report on developments affecting the RPF's funding level will be obtained as at each intermediate anniversary of that date, the first such actuarial report being obtained as at 31 December 2008. The Trustees may call for a full actuarial valuation instead of an actuarial report when, after considering the actuary's advice, they are of the opinion that events have made it unsafe to continue to rely on the results of the previous valuation as the basis for future contributions. However, the Trustees will consult the employer before doing so.

Signatures

This statement has been agreed by the employers:

Signed on behalf of Reuters Limited (and the other participating employers)

Name: /s/ Helen Jones

/s/ David Grigson

Position:

Date:

This statement was agreed by the Trustees on 24 May 2006:

Signed on behalf of the Trustees of RPF

Name: /s/ Greg Meekings

Position: Trustee

Date:

This statement has been agreed by the Trustees after obtaining actuarial advice from me:

Signed

Name: /s/ Michael Pomery

Position: Scheme Actuary to RPF

Date:

**Appendix A:
Financial assumptions for determining the technical
provisions**

Discount rate on liabilities after retirement	The gross annualised redemption yield on the FT-Actuaries Fixed Interest 20 year (all coupon) Index on the effective date plus 0.25% p.a.
Discount rate on liabilities before retirement	<p>The gross annualised redemption yield on the FT-Actuaries Fixed Interest 20 year (all coupon) Index on the effective date plus 1.50% p.a.</p> <p>If a discretionary pension increase is granted in future years in accordance with the provisions of Appendix C, then this will be adjusted as outlined in Appendix C.</p>
Price inflation	Calculated by reference to the difference between the gross annualised redemption yield on the FT-Actuaries Fixed Interest 20 year (all coupon) Index and the average of the annualised real gross redemption yield on the FTSE Actuaries Government Index-linked Securities Over five years (0% inflation) and (5% inflation) Indices on the effective date.
Salary increases	Price inflation plus 1.5% p.a., plus an allowance for promotional increases of 2.0% p.a. below age 35; 1.0% p.a. between ages 35 and 50, and nil above age 50.
Automatic increases to pensions in payment	<p>Derived from the price inflation assumption allowing for the maximum and minimum annual increases.</p> <p>To allow for the maximum and minimum, inflation is assumed to have a lognormal distribution with volatility 1.4%.</p>
Revaluation of deferred pensions in excess of GMP which receive automatic increases	The price inflation assumption (subject to review if there is a significant change in the level of this assumption).
Expenses	Insurance premiums to cover the cost of death in service benefits, PPF premiums and the administrative expenses of the Scheme will be paid by the employer.

Pension Adjustment

For those members who are participating in the Pension Adjustment (as defined in the explanatory booklet received by members in August 2004), the employer will pay to RPF additional contributions in lieu of the member contributions that would otherwise have been payable and the National Insurance saving arising from the Pension Adjustment (for the duration of their participation in the Pension Adjustment).

Financial assumptions – summary

A summary of all the financial assumptions for calculating the technical provisions for the informal update of the funding position at 31 December 2005, determined using the approach outlined above, is as follows:

	% p.a.
Discount rate on liabilities after retirement	4.33% p.a.
Discount rate on liabilities before retirement	5.58% p.a.
Price inflation	2.86% p.a.
Salary increases (excluding promotional increases)	4.36% p.a.
Increases to pensions in payment which receive price inflation up to a maximum of 5% p.a.	2.83% p.a.
Increases to pensions in payment which receive price inflation up to a maximum of 2.5% p.a.	2.10% p.a.
Increases to post-88 GMPs in payment	2.37% p.a.
Revaluation of deferred pensions in excess of GMP which receive automatic increases	2.86% p.a.

Appendix B:
Demographic assumptions for determining the technical provisions

Pre-retirement mortality	An appropriate recent table published by the Continuous Mortality Investigation Bureau in respect of members of occupational pension schemes. For the purposes of the first Statement of Funding Principles, the table used will be the A92 table.
Post-retirement mortality	An appropriate recent table published by the Continuous Mortality Investigation Bureau in respect of members of occupational pension schemes with allowance for expected future improvements in longevity. For the purposes of the first Statement of Funding Principles, the table used will be the PA92 tables projected by reference to the calendar year of the effective date plus 20 years (for both future and current pensioners) further adjusted by reference to the medium cohort.
Leaving service	An allowance is made according to an age-related scale. Sample rates are shown below.
Voluntary early retirement	An allowance is made for voluntary early retirements before Normal Pension Age. Sample rates are shown below.
Ill-health early retirement	An allowance is made for early retirements before Normal Pension Age on grounds of ill-health. Sample rates are shown below.
Age difference of spouse	Husbands are assumed to be one year older than their wives.
Percentage married at death	85% of members are assumed to be married at retirement, and 93.5% of members are assumed to be married on death before retirement.
Commutation	Each member is assumed to commute 20% of their pension on retirement.
Sample rates	The tables below illustrate the allowances made for withdrawals, deaths before retirement and retirements from service at various ages.

Men

Current age	Percentage leaving the scheme in the next year as a result of			
	Withdrawal from service	Death before retirement	Ill health retirement	Early retirement
	%	%	%	%
20	15.0	0.1	0.0	None
25	12.5	0.1	0.0	None
30	10.0	0.1	0.0	None
35	7.5	0.1	0.0	None
40	5.0	0.1	0.0	None
45	2.5	0.1	0.1	None
50	None	0.3	0.1	None
55	None	0.4	0.2	3.0
56	None	0.5	0.2	3.5
57	None	0.6	0.2	4.0
58	None	0.6	0.2	4.5
59	None	0.7	0.3	5.0
60	None	0.7	0.3	19.9

Women

Current age	Percentage leaving the scheme in the next year as a result of			
	Withdrawal from service	Death before retirement	Ill health retirement	Early retirement
	%	%	%	%
20	22.5	0.0	0.0	None
25	18.7	0.0	0.0	None
30	15.0	0.0	0.0	None
35	11.2	0.0	0.1	None
40	7.5	0.1	0.1	None
45	3.7	0.1	0.1	None
50	None	0.2	0.2	None
55	None	0.3	0.3	6.0
56	None	0.3	0.4	7.0
57	None	0.4	0.4	8.0
58	None	0.4	0.5	9.0
59	None	0.4	0.5	10.0
60	None	0.5	0.5	10.9

Life expectancy of retired members

The rates shown below are life expectancies for retired members from 2006 measured in years:

Current age	Life expectancy of male pensioners	Life expectancy of female pensioners
60	27.0	29.8
65	22.3	25.1
70	17.9	20.6
75	13.9	16.4
80	10.2	12.5
85	7.2	9.2
90	4.9	6.5
95	3.5	4.7
100	2.6	3.5

Introduction

This Appendix represents a summary of the terms in the Funding Agreement between the Trustees and employer on providing discretionary pension increases.

Discretionary pension increase in 2006

The employer and the Trustees agree that (subject to payment of the contribution of £153.2m by the employer) a discretionary increase of 2.7% will be provided under RPF Rule I lc as set out below, subject to the Scheme Actuary recommending that a discretionary increase can be paid, on:

- that part of any pension in payment (or postponed under Rule 25) which is not subject to automatic increases under the Scheme Rules or statute in excess of any GMP in payment and
- if a deferred pension exceeds the value for money guarantee provided under the Rules, any part of that deferred pension in excess of any GMP which is not subject to automatic increases under the Scheme Rules or statute.

In addition, pensions in payment relating to service after 5 April 2005 will receive a discretionary increase of 0.2% (i.e. the difference between 2.7% and 2.5%).

The increase will be paid in July 2006 but will be backdated to May 2006.

Policy on discretionary increases and funding strategy until 31 December 2010

The Company and the Trustees agree that a funding check will be made by the Scheme Actuary during the first three months of each calendar year to assess as at the preceding 31 December the amount (the "Surplus") (if any) by which the assets in the RPF exceed the technical provisions.

The first such funding check will undertaken in 2007 and the last in 2010. The Scheme Actuary's report in this regard will be addressed jointly to the Trustees and the employer. In calculating this, the Scheme Actuary will use:-

- The actuarial basis ("the Basis") used for determining contributions to the Scheme which is current at the date of the relevant funding check. As at the date of this statement that basis is the same as set out in this statement for calculating the Scheme's technical provisions. For the avoidance of doubt, the technical provisions determined for this purpose includes the reserve which will build up as a consequence of using the Attained Age Method; or
 - Such alternative actuarial basis (after allowing for changes in market yields that are incorporated in the basis) as the Scheme Actuary
-

considers appropriate for the ongoing funding of the RPF. Any alternative basis will not, without the consent of the employer, be weaker (less conservative) than the Basis which is current at that time.

If the employer has not yet paid the second special contribution due under the funding agreement with the Trustees at the effective date of the 2007 funding check, the funding check will be calculated on the basis that a notional special contribution (calculated as at the effective date of the funding check in accordance with the agreement) is due and part of the assets.

If the funding check reveals a Surplus, the employer agrees that the Trustees may (subject to the consent of the Scheme Actuary) use up to 40% of any Surplus to provide under RPF Rule 11c a discretionary increase on "Relevant Pensions" namely:

- that part of any pension in payment (or postponed under rule 25) in excess of any GMP which is not subject to automatic increases under the Scheme rules or statute in excess of any GMP in payment, and
- that part of any pension in payment relating to service after 5 April 2005; and
- if a deferred pension exceeds the value for money guarantee provided under the Rules, any part of that deferred pension in excess of any GMP which is not subject to automatic increases under the Scheme rules or statute

on the basis set out below, with effect from 1 January in the relevant year, subject to the following conditions:

- Relevant Pensions which are not subject to automatic increases may be increased by a maximum of the change in RPI in the year to the preceding September, subject to a maximum increase of 5% ("5% LPI");
- Relevant Pensions relating to pensionable service after 5 April 2005 which are subject to statutory increases in line with the change in RPI in the year to the preceding September, subject to a maximum increase of 2.5% ("2.5% LPI") may be further increased to bring them up to 5% LPI, subject to the employer's consent;
- Catch-up increases (that is, increases which could have been payable under either of the above conditions in previous years from 2007 onwards, but which were not paid owing to there not being sufficient Surplus) may be granted subject to the employer's consent;
- If a discretionary increase is granted in accordance with the previous conditions, then the Trustees undertake to adjust, for the purpose of the next annual funding check, the valuation assumptions as to the proportion of assets invested in growth assets so that the value placed on the technical provisions is increased by 150% of the amount of Surplus used to provide the discretionary increase. The calculation of the technical provisions under this Statement will be

adjusted in the same way; and

- The cost of the increase awarded in any year in respect of deferred pensions may not exceed £100,000.

The Trustees agree with the employer that they will not, before 31 December 2010, provide without both the employer's consent and the Scheme Actuary's recommendation any discretionary pension increases in excess of those detailed above.

Amended and Restated Programme Agreement

Reuters Group PLC
as Issuer and Guarantor

and

Reuters Finance PLC
as Issuer

£1,000,000,000
Euro Medium Term Note Programme

9 June 2006

CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION	1
2. AGREEMENTS TO ISSUE AND PURCHASE NOTES	5
3. CONDITIONS OF ISSUE; UPDATING OF LEGAL OPINIONS	6
4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS	9
5. UNDERTAKINGS OF THE ISSUERS	13
6. INDEMNITY	16
7. AUTHORITY TO DISTRIBUTE DOCUMENTS	17
8. DEALERS' UNDERTAKINGS	17
9. FEES, EXPENSES AND STAMP DUTIES	18
10. TERMINATION OF APPOINTMENT OF DEALERS	18
11. APPOINTMENT OF NEW DEALERS	19
12. INCREASE IN THE AGGREGATE NOMINAL AMOUNT OF THE PROGRAMME	19
13. STATUS OF THE DEALERS AND THE ARRANGER	20
14. COUNTERPARTS	20
15. COMMUNICATIONS	20
16. BENEFIT OF AGREEMENT	20
17. CALCULATION AGENT	21
18. STABILISATION	21
19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999	21
20. GOVERNING LAW	21
APPENDIX A	22
INITIAL DOCUMENTATION LIST	22
APPENDIX B	24
SELLING RESTRICTIONS	24
APPENDIX C	27
PART I	27
FORM OF DEALER ACCESSION LETTER - PROGRAMME	27
PART II	28
FORM OF CONFIRMATION LETTER - PROGRAMME	28
PART III	29
FORM OF DEALER ACCESSION LETTER - NOTE ISSUE	29
PART IV	30
FORM OF CONFIRMATION LETTER - NOTE ISSUE	30
APPENDIX D	31
LETTER REGARDING INCREASE IN THE NOMINAL AMOUNT OF THE PROGRAMME	31
APPENDIX E	32
FORM OF SUBSCRIPTION AGREEMENT	32
SIGNATORIES	36

THIS AGREEMENT is made on 9 June 2006

BETWEEN:

- (1) **REUTERS GROUP PLC** ("RG" and an "Issuer");
- (2) **REUTERS FINANCE PLC** ("RF", an "Issuer" and together with RG, the "Issuers"); and
- (3) **ABN AMRO BANK N.V., CITIGROUP GLOBAL MARKETS LIMITED, CREDIT SUISSE SECURITIES (EUROPE) LIMITED, HSBC BANK plc, J.P. MORGAN SECURITIES LTD., MORGAN STANLEY & CO. INTERNATIONAL LIMITED and UBS LIMITED** (the "Initial Dealers").

RECITALS

- (A) RG established a euro medium note programme on 16 December 1998, in connection with which, RG and certain dealers entered into an amended and restated programme agreement dated 7 November 2003 ("**Principal Programme Agreement**").
- (B) By resolutions of its Board of Directors, dated 24 October 2003 and a duly authorised committee of such Board of Directors dated 6 November 2003, RF has resolved to join the Programme as an Issuer.
- (C) By a resolution of its Board of Directors, dated 21 October 2003, RG (in such capacity, the "**Guarantor**") has resolved to unconditionally and irrevocably guarantee pursuant to the terms of the Guarantee the issue of any Notes by RF under the Programme.
- (D) The parties hereto have agreed to make certain modifications to the Principal Programme Agreement.
- (E) This Agreement amends and restates the Principal Programme Agreement. Any Notes issued under the Programme on or after the date hereof shall be issued pursuant to this Agreement. This does not affect any Notes issued under the Programme prior to the date of this Agreement.
- (F) The parties wish to record the arrangements agreed between them in relation to the sale by the Issuers and the purchaser by Dealers from time to time of Notes.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 For the purposes of this Agreement, except where the context requires otherwise:

"**Agency Agreement**" means the amended and restated agreement dated 9 June 2006 between the Issuers, the Guarantor, the Trustee, the Agent and the other Paying Agents referred to therein under which, amongst other things, the Agent is appointed as issuing agent, principal paying agent and agent bank for the purposes of the Programme;

"**Agent**" means Citibank, N.A. as Agent under the Agency Agreement and any successor agent appointed in accordance with the Agency Agreement;

"**Agreement Date**" means, in respect of any Note, the date on which agreement is reached for the issue of such Note as contemplated in clause 2 which, in the case of Notes issued on a syndicated basis or otherwise in relation to which a Subscription Agreement is entered into, shall be the date upon which the relevant Subscription Agreement is signed by or on behalf of all the parties thereto;

“Agreements” means each of this Programme Agreement, the Trust Deed and the Agency Agreement;

“Arranger” means J.P. Morgan Securities Ltd. and any entity appointed by the Issuers as an arranger for the Programme or by the relevant Issuer in respect of any particular issue of Notes under the Programme and references in this Agreement to the **“Arranger”** shall be references to the relevant Arranger;

“Clearstream, Luxembourg” means Clearstream Banking, *société anonyme*;

“Competent Authority” means the UK Listing Authority and references in this Agreement to the **“Relevant Competent Authority”** shall, in relation to any Notes, be references to the competent authority relating to the Stock Exchanges on which the Notes are from time to time, or will be, listed or admitted to trading;

“Confirmation Letter” means:

- (a) in respect of the appointment of a third party as a Dealer for the duration of the Programme, the Confirmation Letter substantially in the form set out in Part II of Appendix C hereto; and
- (b) in respect of the appointment of a third party as a Dealer for one or more particular issues of Notes under the Programme, the Confirmation Letter substantially in the form set out in Part IV of Appendix C hereto;

“Credit Rating Agencies” means Moody’s Investors Service Limited and Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.;

“Dealer” means each of the Initial Dealers (including J.P. Morgan Securities Ltd. in its capacity as Arranger) and any New Dealer and excludes any entity whose appointment has been (i) terminated pursuant to clause 10 or (ii) lapsed according to its terms, and references in this Agreement to the **“relevant Dealer”** shall, in relation to any Note, be references to the Dealer or Dealers with whom the relevant Issuer has, and in the case of an issue by RF, RF and RG have, agreed the issue and purchase of such Note;

“Dealer Accession Letter” means:

- (a) in respect of the appointment of a third party as a Dealer for the duration of the Programme, the Dealer Accession Letter substantially in the form set out in Part I of Appendix C hereto; and
- (b) in respect of the appointment of a third party as a Dealer for one or more particular issues of Notes under the Programme, the Dealer Accession Letter substantially in the form set out in Part III of Appendix C hereto;

“Directive” includes any present or future directive, regulation, rule or credit restraint programme of any relevant agency, authority, central bank, department, government, legislature, minister, ministry, official, public or statutory corporation, self-regulating organisation or stock exchange;

“Euroclear” means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended;

“Final Terms” means the final terms supplement issued in relation to each Tranche of Notes (substantially in the form of Annex C to the Procedures Memorandum) as a supplement to the Prospectus and giving details of that Tranche and, in respect of any particular Tranche of Notes, **“applicable Final Terms”** means the Final Terms applicable to that Tranche;

“FSMA” means the Financial Services and Markets Act 2000;

“Group” means RG and its consolidated subsidiaries;

“Guarantee” means the guarantee of the Notes set out in the Trust Deed and appearing on the face of the Notes;

“IFRS” means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);

“Initial Documentation List” means the lists of documents set out in Appendix A to this Agreement;

“Issue Date” means, in respect of any Note, the date of issue and purchase of such Note pursuant to and in accordance with this Agreement or any other agreement between the relevant Issuer and in the case of an issue by RF, RF and RG and the relevant Dealer(s), being in the case of any Definitive Note represented by a Global Note, the same date as the date of issue of the Global Note which initially represents the Note;

“Lead Manager” means, in relation to any Tranche of Notes, the person named as the Lead Manager in the applicable Subscription Agreement or where only one Dealer signs such Subscription Agreement, such Dealer;

“Listing Agent” means, in relation to any Notes which are, or are to be, listed or admitted to trading on a Stock Exchange or any other relevant authority or authorities other than the London Stock Exchange, such listing agent as the relevant Issuer may from time to time appoint for the purposes of liaising with such Stock Exchange or other relevant authority or authorities;

“London Stock Exchange” means the London Stock Exchange plc or such other body to which its functions have been transferred;

“Market Abuse Directive” means Directive 2003/6/EC;

“New Dealer” means any entity appointed as an addition Dealer in accordance with clause 11;

“Note” means a note issued or to be issued by an Issuer pursuant to this Agreement, which Note may be represented by a Global Note or be in definitive form including any receipts, coupons or talons relating thereto;

“Official List” means the official list of the UK Listing Authority;

“Procedures Memorandum” means the Operating and Administrative Procedures Memorandum as amended or varied from time to time (in respect of any Tranche) by agreement between the relevant Issuer and in the case of an issue by RF, RF and RG and the relevant Dealer or Lead Manager with the approval in writing of the Agent;

“Programme” means the Euro Medium Term Note Programme established on 16 December 1998;

“Prospectus” means the prospectus dated 9 June 2006 prepared in connection with the Programme and constituting a base prospectus for the purposes of Article 5.4 of the Prospective Directive (which term shall include those documents incorporated therein by reference from time to time as provided therein) as from time to time amended, supplemented or replaced (but not including any information or documents replaced or superseded by any information so subsequently included or incorporated) except that:

- (a) in relation to each Tranche of Notes only the applicable Final Terms shall be deemed to be included in the Prospectus; and
- (b) for the purpose of clause 4.3 in respect of the Agreement and the Issue Date, the Prospectus means the Prospectus as at the Agreement Date, but without prejudice to (a) above not including any subsequent revision, supplement or amendment to it or incorporation of information in it;

“Prospectus Directive” means the Directive 2003/71/EC;

“Prospectus Regulation” means Commission Regulation (EC) No 804/2004 implementing the Prospectus Directive;

“Prospectus Rules” means in respect of the Notes to be admitted to the Official List and to trading on the London Stock Exchange’s Gilt Edged and Fixed Market, the prospectus rules made under the FSMA;

“Relevant Party” means each Dealer, each of their respective affiliates and each person who controls them (within the meaning of section 15 of the Securities Act or section 20 of the Exchange Act) and each of their respective directors, officers, employees and agents;

“Securities Act” means the United States Securities Act of 1933, as amended;

“Stock Exchange” means the London Stock Exchange or any other stock exchange(s) on which any Notes may from time to time be listed, and references in this Agreement to the **“relevant Stock Exchange”** shall, in relation to any Notes, be references to the stock exchange or stock exchanges on which such Notes are from time to time, or are intended to be, listed;

“Subscription Agreement” means an agreement (by whatever name called) in or substantially in the form set out in Appendix E hereto or in such other form as may be agreed between the relevant issuer, the Guarantor (if applicable) and the Lead Manager which agreement shall be supplemental to this Agreement;

“Trust Deed” means the Trust Deed dated 7 November 2003 (such Trust Deed as modified and/or supplemented and/or restated from time to time) between RF, RG and the Trustee pursuant to which Notes will, on issue, be constituted and which sets out the terms and conditions upon and subject to which the Trustee has agreed to act as trustee and any trust deed or other document executed by RF and RG and the Trustee in accordance with the provisions thereof and expressed to be supplemental thereto; and

“Trustee” means Citicorp Trustee Company Limited and shall, whenever the context so admits, include such company and/or any other trustee or trustees for the time being for the holders of the Notes under the Trust Deed.

- 1.2 Terms and expressions defined in the Trust Deed, the Agency Agreement, the Conditions and/or the applicable Final Terms and not otherwise defined in this Agreement shall have the same meanings in this Agreement, except where the context otherwise requires.
- 1.3 In this Agreement, clause headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Agreement.
- 1.4 All references in this Agreement to the provisions of any statute shall be deemed to be references to that statute as from time to time modified, extended, amended or re-enacted.
- 1.5 All references in this Agreement to an agreement, instrument or other document (including this Agreement, the Trust Deed, the Agency Agreement, any Notes and any Conditions appertaining thereto) shall be construed as a reference to that agreement,

instrument or document as the same may be amended, modified, varied, supplemented, replaced or novated from time to time including, but without prejudice to the generality of the foregoing, this Agreement as supplemented by an Subscription Agreement.

- 1.6 Words denoting the singular number only shall include the plural number also and vice versa; words denoting the masculine gender only shall include the feminine gender also, and words denoting persons only shall include firms and corporations and vice versa.
- 1.7 All reference in this Agreement to Euroclear and/or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include reference to any additional or alternative clearing system approved by the relevant Issuer, the Trustee and the Agent.
- 1.8 All reference in this Agreement to “listing” and “listed” in relation to any Notes which are to have a “listing or be “listed” (i) on the London Stock Exchange, shall be construed to mean that Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market; and (ii) on other Stock Exchange in a jurisdiction within the European Economic Area, listing and listed shall be construed to mean that the Notes have been admitted to trading on a market within that jurisdiction which is a regulated market for the purposes of the Investment Services Directive (Directive 93/22/EEC).
- 1.9 References in this Agreement to “consolidated” in relation to the Issuer shall, if it prepares both consolidated accounts and non-consolidated accounts in accordance with IFRS accounting principles be construed as references to “consolidated and non-consolidated”.
- 1.10 References in this Agreement to a Directive include any relevant implementing measure of each Member State of the European Economic Area which has implemented such Directive.

2. AGREEMENTS TO ISSUE AND PURCHASE NOTES

- 2.1 Subject to the terms and conditions of this Agreement, each Issuer and in the case of an issue by RF, RF and the Guarantor may from time to time agree with any Dealer to issue, and any Dealer may agree to purchase, Notes.
- 2.2 Unless otherwise agreed between the parties, on each occasion upon which an Issuer and in the case of an issue by RF, RF and RG and any Dealer agree on the terms of the issue by such Issuer and purchase by such Dealer of one or more Notes:
- (a) such Issuer shall cause such Notes which shall be initially represented by a Temporary Global Note or a Permanent Global Note, as indicated in the applicable Final Terms, to be issued and delivered to a common depositary for Euroclear and Clearstream, Luxembourg on the agreed Issue Date;
 - (b) the securities account of the relevant Dealer with Euroclear and/or Clearstream, Luxembourg (as specified by the relevant Dealer) will be credited with such Notes on the agreed Issue Date, as described in the Procedures Memorandum; and
 - (c) the relevant Dealer or, as the case may be, the Lead Manager shall, subject to such Notes being so credited, cause the net purchase moneys for such Notes to be paid in the relevant currency by transfer of funds to the designated account of the Agent or (in the case of syndicated issues) the designated account of such Issuer with Euroclear and/or Clearstream, Luxembourg so that such payment is credited to such account for value on such Issue Date, as described in the Procedures Memorandum.
- 2.3 Unless otherwise agreed between the relevant Issuer and in the case of an issue by RF, RF and RG and the relevant Dealers, where more than one Dealer has agreed with the relevant Issuer and in the case of an issue by RF, RF and RG to purchase a particular

Tranche of Notes pursuant to this clause, the obligations of such Dealers so to purchase the Notes shall be joint and several.

- 2.4 Where the relevant Issuer agrees with two or more Dealers to issue and such Dealers agree to purchase, Notes on a syndicated basis, the relevant Issuer and the Guarantor (if applicable) shall enter into a Subscription Agreement with such Dealers. The relevant Issuer and the Guarantor (if applicable) may also enter into a Subscription Agreement with one Dealer only. For the avoidance of doubt, the Agreement Date in respect of such issue shall be the date on which the Subscription Agreement is signed on behalf of all parties thereto.
- 2.5 The procedures which the parties intend should apply for the purposes of issues of Notes not to be subscribed pursuant to a Subscription Agreement are set out in Annex A, Part 1 of the Procedures Memorandum. The procedures which the parties intend should apply for the purposes of issues to be subscribed pursuant to a Subscription Agreement are set out in Annex A, Part 2 of the Procedures Memorandum.
- 2.6 Each Issuer acknowledges and agrees that any issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions, Directives, consents, approvals or reporting requirements apply may only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time.
- 2.7 Each Dealer acknowledges that each Issuer may sell Notes issued under the Programme to any institution which has not become a Dealer pursuant to clause 11. Each Issuer, and in the case of an issue by RF, the Guarantor hereby undertake to each of the Dealers that it will, in relation to any such sales, comply with the restrictions and agreements set out in Appendix B hereto as if it were a Dealer.
- 2.8 The relevant Issuer will procure that any Dealer may at any time obtain from the Agent details of the outstanding principal amount of Notes of any Series issued by it in relation to which such Dealer is a relevant Dealer.
- 2.9 Time shall be of the essence of any agreement reached pursuant to this clause 2.

3. CONDITIONS OF ISSUE; UPDATING OF LEGAL OPINIONS

3.1 First issue

Before an Issuer reaches its first agreement with any Dealer for the issue and purchase of Notes, each Dealer shall have received, and found satisfactory (in its reasonable opinion), all of the documents and confirmations described in Part I of the Initial Documentation List. Any Dealer must notify the Arranger and the relevant Issuer within ten London business days of receipt of the documents and confirmations described in Part I of the Initial Documentation List if it considers any such document or confirmation to be unsatisfactory in its reasonable opinion and, in the absence of such notification, such Dealer shall be deemed to consider such documents and confirmations to be satisfactory and such further conditions precedent to be satisfied.

3.2 Each issue

The obligations of a Dealer under any agreement for the issue and purchase of Notes made pursuant to clause 2 are conditional upon:

- (a) there having been, as at the proposed Issue Date, no occurrence of any event making untrue, inaccurate or incorrect to an extent which is material as aforesaid any of the warranties contained in clause 4 (as if such representations and warranties were repeated on such date with reference to then existing circumstances taking into account the issue of such Notes);

- (b) there being no outstanding breach which is material in the context of the issue of the Notes, of any of the obligations of the relevant Issuer and the Guarantor (if applicable) under this Agreement, the Trust Deed, the Agency Agreement or any Notes which has not been expressly waived by the relevant Dealer on or prior to the proposed Issue Date;
- (c) subject to clause 12, the aggregate nominal amount (or, in the case of Notes denominated in a currency other than pounds sterling, the pounds sterling equivalent (determined as provided in clause 3.5) of the aggregate nominal amount) of the Notes to be issued, when added to the aggregate nominal amount (or, in the case of Notes denominated in a currency other than pounds sterling, the pounds sterling equivalent (determined as aforesaid) of the aggregate nominal amount) of all Notes outstanding (as defined in the Trust Deed) on the proposed Issue Date (excluding for this purpose Notes due to be redeemed on such Issue Date) not exceeding £1,000,000,000 (or its equivalent in other currencies as determined pursuant to clause 3.5);
- (d) in the case of Notes which are intended to be listed, the relevant authority or authorities having agreed on or prior to the Issue Date to list such Notes, subject only to the issue of the relevant Notes;
- (e) there having been, between the Agreement Date and the Issue Date for such Notes, in the opinion of the relevant Dealer after consultation with the relevant Issuer if practicable, no such change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the opinion of the relevant Dealer be likely to prejudice materially the success of the offering and distribution of the Notes proposed to be issued or dealings in the Notes on the secondary market;
- (f) there being in full force and effect all governmental or regulatory resolutions, approvals or consents required for the relevant Issuer to issue the Notes and (if applicable) for the Guarantor to give the Guarantee in respect of the Notes on the proposed Issue Date and for the relevant Issuer to fulfil its obligations under such Notes and (if applicable) for the Guarantor to fulfil its obligations pursuant to the terms of the Guarantee and the relevant Issuer and (if applicable) the Guarantor having delivered to the relevant Dealer (and, to the extent not previously delivered, to the Arranger) certified copies of such resolutions, approvals or consents and, where applicable, certified English translations thereof;
- (g) the forms of the Final Terms, the applicable Global Notes (including, if applicable, the Guarantee to be enfaced thereon), Notes in definitive form (including, if applicable, the Guarantee to be enfaced thereon) and Receipts, Coupons or Talons (each as applicable) in relation to the relevant Tranche and the relevant settlement procedures having been agreed by the relevant Issuer, the Guarantor (if applicable) the relevant Dealer, the Trustee and the Agent;
- (h) the relevant currency being accepted for settlement by Euroclear and Clearstream Luxembourg;
- (i) the delivery to the Common Depositary of the Temporary Global Note and/or the Permanent Global Note representing the relevant Notes as provided in the Agency Agreement;
- (j) no meeting of the holders of the Notes (or any of them) to consider matters which might in the reasonable opinion of the relevant Dealer or the Lead Manager be considered to be material in the context of the issue of such Notes having been duly convened but not yet held or, if held but adjourned, the adjourned meeting having not been held and the relevant Issuer and the Guarantor (if applicable) not

being aware of any circumstances which are likely to lead to the convening of such a meeting by it;

- (k) the relevant Issuer delivering to the relevant Dealer (or, in the case of Notes issued on a syndicated basis, the Lead Manager on behalf of the relevant Dealers) such opinions, documents and certificates as such Dealer or Lead Manager, as the case may be, agrees with the relevant Issuer and in the case of an issue by RF, RF and RG prior to the Agreement Date; and
- (l) any calculations or determinations which are required by the relevant Conditions to have been made prior to the Issue Date having been duly made.

In the event that any of the foregoing conditions is not satisfied, the relevant Dealer shall be entitled (but not bound) by notice to the relevant Issuer and in the case of an issue by RF, RF and RG to be released and discharged from its obligations under the agreement reached under clause 2.

3.3 Waiver

Subject to the discretion of the Lead Manager as provided in the Subscription Agreement, any Dealer, on behalf of itself only, may by notice in writing to the relevant Issuer and in the case of an issue by RF, RF and the Guarantor waive any of the conditions precedent contained in clause 3.2 (save for the condition precedent contained in clause 3.2(c)), in so far as they relate to an issue of Notes to that Dealer.

3.4 Updating of legal opinions

On each occasion when the Prospectus is updated or amended pursuant to clause 5(2)(a), each Issuer will procure that further legal opinions, in such form and with such content as the Dealers may reasonably require, are delivered, at the expense of the relevant Issuer and in the case of RF, failing whom, RG, to the Dealers and the Trustee from legal advisers (approved by the Dealers) in England.

In addition, on such other occasions as a Dealer agrees with an Issuer, the relevant Issuer and in the case of RF, failing whom, RG will procure that a further legal opinion or further legal opinions, as the case may be, in such form and with such content as the Dealers may reasonably require, is or are delivered, at the expense of the relevant Issuer and in the case of RF, failing whom, RG to the Dealers and the Trustee from legal advisers (approved by the Dealers) in England. If at or prior to the time of any agreement to issue and purchase Notes under clause 2 such a request is made with respect to the Notes to be issued, the receipt of the relevant opinion or opinions by the relevant Dealer in a form satisfactory to the relevant Dealer shall be a further condition precedent to the issue of those Notes to that Dealer.

3.5 Determination of amounts outstanding

For the purposes of clause 3.2(c):

- (a) the pounds sterling equivalent of Notes denominated in another Specified Currency (as set out in the relevant Final Terms) (which in the case of Dual Currency Notes, shall be so if the subscription monies are not paid in pounds sterling) shall be determined, at the discretion of the relevant Issuer, either as of the Agreement Date for such Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the pounds sterling against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;

- (b) the pounds sterling equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the amount of the subscription price paid); and
- (c) the pounds sterling equivalent of Zero Coupon Notes and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the nominal amount of the relevant issue.

4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

4.1 As at the date of this Agreement, RG hereby represents, warrants and undertakes to the Dealers and each of them as follows:

- (a) that the audited consolidated financial statements of the Group for the three most recent financial years were prepared in accordance with the requirements of law and with accounting principles required for the purposes of the Prospectus Regulation consistently applied and that they give a true and fair view of (i) the consolidated financial condition of the Group as at the date to which they were prepared (the “**relevant date**”) and (ii) the consolidated results of operations and changes in the financial position of the Group for the financial year ended on the relevant date and that there has been no material adverse change nor any development or event involving a prospective material adverse change of which RG is, or might reasonably be expected to be, aware in the consolidated condition (financial or otherwise) of the Group since the most recent relevant date, except as disclosed in the Prospectus;
- (b) that the Prospectus contains all the information relating to RF, to it and to the Group and the Notes to be issued or guaranteed by it required by section 87A of the FSMA and otherwise complies with the Prospectus Rules and also contains all the information relating to RF, to it and to the Group and the Notes to be issued or guaranteed by it required by English law and regulations and otherwise complies with such law and regulations to the extent applicable to the Programme;
- (c) that it has been duly incorporated and is validly existing under English law (and the laws of any other jurisdiction in which it carries on business) with full power and authority and legal capacity to own, lease and operate its properties and conduct its business and, in its capacity as an Issuer, to issue the Notes upon the terms and conditions set out in the Notes and the Agreements and, in its capacity as Guarantor, to give the Guarantee in respect of the Notes issued by RF and, in each case, execute and perform its obligations under the Notes and the Agreements to which it is a party;
- (d) that the issue of Notes and the execution and delivery of the Agreements by it, in its capacity as an Issuer, and the giving of the Guarantee, in its capacity as Guarantor, have been duly authorised by it and, in the case of Notes, upon due execution, issue and delivery in accordance with the Trust Deed and the Agency Agreement, will constitute, and, in the case of the Agreements constitute, its legal, valid and binding obligations enforceable in accordance with their respective terms subject as specified in the most recent English legal opinion provided to the Dealers and the Trustee pursuant to this Agreement;
- (e) that the execution and delivery of the Agreements, the issue, offering and distribution of Notes and the performance of the terms of any Notes and the Agreements by it will not infringe any English law or regulation and are not contrary to the provisions of its memorandum and articles of association and will not result in any breach of the terms of, or constitute a default under, any

instrument, agreement or order to which it is a party or by which it or its property is bound;

- (f) that no Event of Default is subsisting in relation to any outstanding Note issued or guaranteed (if applicable) by it and no event has occurred which might constitute (after an issue of such Notes) an Event of Default thereunder;
- (g) that, save as described in the Prospectus or as otherwise disclosed in writing by it to the Dealers, no action or proceeding of or before any court or administrative tribunal has been commenced against any member of the Group or, to the best of its knowledge and belief, is threatened, which (i) would restrain or affect the execution and delivery by each of it and RF of the Agreements to which it and RF are parties or the performance and compliance by each of it and RF of, and with, the obligations expressed to be assumed by each of them respectively therein or the legality, validity or enforceability thereof, or (ii) which would be reasonably expected to succeed and, if successful, to have a material adverse effect on the financial position of the Group;
- (h) that no consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or governmental authority in the United Kingdom is required and no other action or thing (including, without limitation, the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done by it or RF, as the case may be, for or in connection with (i) the execution, issue and offering of Notes under the Programme and compliance by it or RF, as the case may be, with the terms of any Notes issued by it under the Programme or (ii) the execution and delivery of, and compliance with the terms of, the Agreements;
- (i) that all corporate approvals and authorisations required by it and RF, as the case may be, for or in connection with (i) the execution, issue and offering of Notes under the Programme, and compliance by it or RF, as the case may be, with the terms of any Notes issued under the Programme and (ii) the execution and delivery of, and compliance with the terms of, the Agreements have been obtained and are in full force and effect;
- (j) its obligations to pay the principal of and interest on the Notes issued by it and its obligations under the Guarantee in respect of Notes issued by RF are, or when incurred will be, its direct, unconditional and unsecured obligations ranking *pari passu* in all respects and rateably, without preference or priority by reason of date of issue, currency of payment or otherwise, with all its other unsecured and unsubordinated obligations (whether outstanding at the date hereof or hereafter);
- (k) that none of it, its affiliates and any persons acting on any of their behalf (which for the avoidance of doubt shall not include any Dealer), has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to the Notes issued or guaranteed (if applicable) by it;
- (l) that it, its affiliates and each person acting on any of their behalf (which for the avoidance of doubt shall not include any Dealer) have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act; with respect to the Notes issued or guaranteed (if applicable) by it; and
- (m) that in relation to each Tranche of Notes issued or guaranteed (if applicable) by it; for which a Dealer is named as a Stabilising Manager in the applicable Final Terms, it has not issued and will not issue, without the prior consent of that Dealer, any press or other public announcement referring to the proposed issue of such Notes unless the announcement adequately discloses that stabilising action may take place in relation to the Notes to be issued.

As at the date of this Agreement, RF hereby represents, warrants and undertakes to the Dealers and each of them as follows:

- (a) when prepared the audited non-consolidated financial statements of RF for the most recent financial year will be prepared in accordance with the requirements of law and with accounting principles required for the purposes of the Prospectus Regulation consistently applied and they will give a true and fair view of (i) the non-consolidated financial condition of RF as at the date to which they will be prepared (the “**relevant date**”) and (ii) the consolidated results of operations and changes in the financial position of RF for the financial year ended on the relevant date and that there has been no material adverse change nor any development or event involving a prospective material adverse change of which RF is, or might reasonably be expected to be, aware in the non-consolidated condition (financial or otherwise) of RF since its incorporation (in the case of the period prior to the preparation of such financial statements) or (in the case of the following period) since the most recent relevant date, except as disclosed in the Prospectus;
- (b) that the Prospectus contains all the information relating to it and the Notes to be issued by it required by section 87A of the FSMA and otherwise complies with the Prospectus Rules and also contains all the information relating to it and the Notes to be issued by it required by English law and regulations and otherwise complies with such law and regulations to the extent applicable to the Programme;
- (c) that it has been duly incorporated and is validly existing under English law (and the laws of any other jurisdiction in which it carries on business) with full power and authority and legal capacity to own, lease and operate its properties and conduct its business and to issue the Notes upon the terms and conditions set out in the Notes issued by it and the Agreements and execute and perform its obligations under the Notes issued by it and the Agreements to which it is a party;
- (d) that the issue of Notes by it and the execution and delivery of the Agreements by it have been duly authorised by it and, in the case of Notes, upon due execution, issue and delivery in accordance with the Trust Deed and the Agency Agreement, will constitute, and, in the case of the Agreements constitute, its legal, valid and binding obligations enforceable in accordance with their respective terms subject as specified in the most recent English legal opinion provided to the Dealers and the Trustee pursuant to this Agreement;
- (e) that the execution and delivery of the Agreements, the issue, offering and distribution of Notes and the performance of the terms of any Notes and the Agreements by it will not infringe any English law or regulation and are not contrary to the provisions of its memorandum and articles of association and will not result in any breach of the terms of, or constitute a default under, any instrument, agreement or order to which it is a party or by which it or its property is bound;
- (f) that no Event of Default is subsisting in relation to any outstanding Note issued by it and no event has occurred which might constitute (after an issue of such Notes) an Event of Default thereunder;
- (g) that, save as described in the Prospectus or as otherwise disclosed in writing by it to the Dealers, no action or proceeding of or before any court or administrative tribunal has been commenced against it or, to the best of its knowledge and belief, is threatened, which (i) would restrain or affect the execution and delivery by it of the Agreements to which it is a party or the performance and compliance by it of, and with, the obligations expressed to be assumed by it therein or the legality, validity or enforceability thereof, or (ii) which would be reasonably expected to

succeed and, if successful, to have a material adverse effect on its financial position;

- (h) that no consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or governmental authority in the United Kingdom is required and no other action or thing (including, without limitation, the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done by it for or in connection with (i) the execution, issue and offering of Notes under the Programme and compliance by it with the terms of any Notes issued by it under the Programme or (ii) the execution and delivery of, and compliance with the terms of, the Agreements;
- (i) that all corporate approvals and authorisations required by it for or in connection with (i) the execution, issue and offering of Notes by it under the Programme and compliance by it with the terms of any Notes issued by it under the Programme and (ii) the execution and delivery of, and compliance with the terms of, the Agreements have been obtained and are in full force and effect;
- (j) its obligations to pay the principal of and interest on the Notes issued by it are, or when incurred will be, its direct, unconditional and unsecured obligations ranking *pari passu* in all respects and rateably, without preference or priority by reason of date of issue, currency of payment or otherwise, with all its other unsecured and unsubordinated obligations (whether outstanding at the date hereof or hereafter);
- (k) that none of it, its affiliates, and any persons acting on any of their behalf (which for the avoidance of doubt shall not include any Dealer), has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to the Notes issued by it;
- (l) that it, its affiliates and each person acting on any of their behalf (which for the avoidance of doubt shall not include any Dealer) have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act with respect to the Notes issued by it; and
- (m) that in relation to each Tranche of Notes issued by it for which a Dealer is named as a Stabilising Manager in the applicable Final Terms, it has not issued and will not issue, without the prior consent of that Dealer, any press or other public announcement referring to the proposed issue of such Notes unless the announcement adequately discloses that stabilising action may take place in relation to the Notes to be issued.

4.3 With regard to each issue of Notes, the relevant Issuer and the Guarantor (if applicable) shall be deemed to repeat the representations, warranties and agreements contained in clauses 4.1 and 4.2 as at the Agreement Date for such Notes (any agreement on such Agreement Date being deemed to have been made on the basis of, and in reliance on, such representations, warranties and agreements) provided always that each of the above representations, warranties and agreements shall be qualified by, and to the extent of, any information disclosed in writing for the purpose of such qualifications to, and acknowledged in writing by, the relevant Dealers or, as the case may be, the Dealers and the Arranger on or before the relevant Agreement Date.

4.4 RF and RG shall be deemed to repeat the representations, warranties and agreements contained in clauses 4.1 and 4.2 on each date on which the Prospectus is revised, supplemented or amended and on each date on which the aggregate nominal amount of the Programme is increased in accordance with clause 12.

4.5 Except to the extent as may be acknowledged by the Dealers in clause 4.3, representations, warranties and undertakings contained in this clause shall continue in full

force and effect notwithstanding the actual or constructive knowledge of any Dealer with respect to any of the matters referred to in the representations, warranties and undertakings set out above, any investigation by or on behalf of the Dealers or completion of the subscription and issue of any Notes.

5. UNDERTAKINGS OF THE ISSUERS

5.1 Notification of material developments

- (a) The relevant Issuer and the Guarantor (if applicable) shall promptly after becoming aware of the occurrence thereof notify each Dealer of any Event of Default or any condition, event or act which would after an issue of Notes (or would with the giving of notice and/or the lapse of time) constitute an Event of Default or of any breach of the representations and warranties or undertakings contained in the Agreements and shall take such steps as may reasonably be requested by the Dealers or, in relation to any specific Tranche, the relevant Dealer or the Lead Manager on behalf of the relevant Dealers, respectively, (and in such case prior to the Issue Date) to remedy and/or publicise the same.
- (b) If, following the Agreement Date and before the Issue Date of the relevant Notes, the relevant Issuer becomes aware that the conditions specified in clause 3.2 will not be satisfied in relation to that issue, such Issuer shall forthwith notify the relevant Dealer (except as otherwise specifically provided) to this effect giving full details thereof. In such circumstances, the relevant Dealer shall be entitled (but not bound) by notice to the relevant Issuer to be released and discharged from its obligations under the agreement reached under clause 2.

5.2 Updating of Prospectus

- (a) On or before each anniversary of the date of this Agreement, the Issuers shall, prior to the first issue of Notes falling on or after the first anniversary of the date of the most recent Prospectus, update or amend the Prospectus (following consultation with the Arranger who will consult with the Dealers) by the publication of a supplement thereto or a new Prospectus, in a form reviewed by the Dealers.
- (b) If a significant new factor, material mistake or inaccuracy arises or is noted relating to the information included in the Prospectus as then amended and supplemented which is capable of affecting an assessment by investors of the Notes, a supplement to the Prospectus or new Prospectus will be prepared in a form reviewed by the Dealers, provided that each of the relevant Issuer and the Guarantor undertakes that in the period from and including an Agreement Date to and including the related Issue Date of the new Notes, it will only prepare and publish a supplement to, or replacement of, the Prospectus if it is required, or has reasonable grounds to believe that it is required, to do so in order to comply with Section 87G of the FSMA and, in such circumstances, such supplement to, or replacement of, the Prospectus shall, solely as between the relevant Issuer and the Guarantor and the relevant Dealer and solely for the purposes of Section 87Q(4) of the FSMA and clause 3.2(a), be deemed to have been prepared and published so as to comply with the requirements of Section 87G of the FSMA.
- (c) If the terms of the Programme are modified or amended in a manner which would make the Prospectus inaccurate or misleading then a new Prospectus will be prepared and published in accordance with the Prospectus Regulation by the relevant Issuer and (if applicable) the Guarantor in a form approved by the Dealers.
- (d) Upon any supplement or replacement Prospectus being prepared and published as provided above the Issuer and the Guarantor shall supply to each Dealer such

number of copies of such supplement or replacement Prospectus as each Dealer may reasonably request. Until a Dealer receives such supplement or replacement Prospectus, as the case may be, the definition of Prospectus in subclause 1.1 shall, in relation to such Dealer, mean the Prospectus prior to the publication of such supplement or replacement Prospectus, as the case may be.

5.3 Listing

Each Issuer confirms that it has made or caused to be made an application for the Programme to be listed on the London Stock Exchange.

In connection with such application in respect of any Series of Notes which is intended to be so listed, the relevant Issuer shall endeavour to obtain the listing as promptly as practicable and the relevant Issuer and the Guarantor (if applicable) shall furnish or procure to be furnished any and all documents, instruments, information and undertakings and publish all advertisements or other material as may be necessary or advisable in order to obtain and maintain (whilst such Notes are outstanding) such listing.

If in relation to any issue of Notes, it is agreed between the relevant Issuer and, in the case of an issue by RF, RF and RG and the relevant Dealer or the Lead Manager, as the case may be, to list the Notes on a Stock Exchange, the relevant Issuer and, in the case of Notes issued by RF, failing RF, RG undertakes to use its reasonable endeavours to obtain and maintain the listing of the Notes on that Stock Exchange. If any Notes cease to be listed on the relevant Stock Exchange, the relevant Issuer shall use its reasonable endeavours promptly to list the Notes on another stock exchange which is commonly used for the quotation or listing of debt securities as it may decide, with the approval of the relevant Dealer or Lead Manager, as the case may be. For the avoidance of doubt, where the relevant Issuer has obtained the listing of Notes on a regulated market in the European Economic Area, the undertaking extends to maintaining that listing, or if this is not possible, to obtaining listing of the relevant Notes on another European Economic Area regulated market.

Each Issuer and the Guarantor (if applicable) shall comply with the rules of each relevant Stock Exchange (or any other relevant authority or authorities) and shall otherwise comply with any undertakings given by it from time to time to the relevant Stock Exchange (or any other relevant authority or authorities) in connection with any Notes issued or guaranteed (if applicable) by it listed on such Stock Exchange or the listing thereof and, without prejudice to the generality of the foregoing, shall furnish or procure to be furnished to the relevant Stock Exchange (or any other relevant authority or authorities) all such information as the relevant Stock Exchange (or any other relevant authority or authorities) may require in connection with the listing on such Stock Exchange of any such Notes.

5.4 The Agreements

Each of RG and RF undertakes that it will not:

- (a) without prior consultation with the Dealers, terminate any of the Agreements or effect or permit to become effective any amendment to any such Agreement which, in the case of an amendment, would or might adversely affect the interests of any Dealer or any holder of Notes issued after the date of such amendment; or
- (b) without prior consultation with the Dealers, appoint a different Trustee under the Trust Deed; or
- (c) without prior consultation with the Dealers, appoint a different Agent under the Agency Agreement,

and RG will promptly notify each of the Dealers of any termination of, or amendment to, any of the Agreements and of any change in the Trustee under the Trust Deed and/or the Agent under the Agency Agreement.

5.5 **Lawful compliance**

Each Issuer and the Guarantor (if applicable) will at all times ensure that all necessary action is taken and all necessary conditions are fulfilled in the United Kingdom and, to the best of its knowledge and belief, elsewhere (including, without limitation, the obtaining of all necessary consents) so that it may lawfully comply with its obligations under all Notes issued or guaranteed (if applicable) by it, the Agreements and, further, so that it may comply with any applicable laws, regulations, Directives and guidelines from time to time promulgated by any governmental and regulatory authorities or stock exchange relevant in the context of the issue of Notes.

5.6 **Authorised representative**

Each Issuer will notify the Dealers immediately in writing, if any of the persons named in the list referred to in paragraph 3 of Part I of the Initial Documentation List ceases to be authorised to take action on its behalf or if any additional person becomes so authorised together, in the case of an additional authorised person, with evidence satisfactory to the Dealers that such person has been so authorised.

5.7 **Auditors' comfort letters**

RF and RG will (i) at the time of the preparation of the initial Prospectus, (ii) thereafter upon each occasion when the Prospectus is updated or amended pursuant to clause 5.2(a) and on each occasion when the Prospectus is revised, supplemented or amended (insofar as such revision, supplement, amendment or update concerns or contains financial information about such Issuer or the Group) (iii) in the case of Notes issued on a syndicated basis and (iv) at other times whenever so agreed with a Dealer deliver, at the expense of RF and/or RG, as the case may be, to the Dealers a comfort letter or comfort letters from independent auditors of RF and/or RG, as the case may be, in such form and with such content as the Dealers may reasonably request provided that no such letter or letters will be delivered under (ii) above if the only revision, supplement or amendment concerned is the publication or issue of any audited financial statements of RF and/or RG, as the case may be. For the avoidance of doubt, no comfort letter will be automatically deliverable on the mere publication of financial information which is incorporated by reference in the Prospectus.

It at or prior to the time of any agreement to issue and purchase Notes under clause 2 such a request is made with respect to the Notes to be issued, the receipt of the relevant comfort letter or letters in a form satisfactory to the relevant Dealer shall be a further condition precedent to the issue of those Notes to that Dealer.

5.8 **Information on Noteholders' meetings**

The relevant Issuer will, at the same time as it is despatched, furnish the Dealers with a copy of every notice of a meeting of the holders of the Notes issued by it (or any of them) which is despatched at the instigation of such Issuer and will notify the Dealers immediately upon its becoming aware that a meeting of the holders of the Notes issued by it (or any of them) has otherwise been convened.

5.9 **Ratings**

RG undertakes promptly to notify the Dealers of any change in the ratings given by the Credit Rating Agencies of debt issued by or guaranteed by RG or upon it becoming aware that such ratings are listed on "**Creditwatch**" or other similar publication of formal review by the relevant rating agency.

In respect of any Tranche of Notes which have a maturity of less than one year, the relevant Issuer will issue such Notes only if the following conditions apply (or the Notes can otherwise be issued without contravention of Section 19 of the FSMA):

- (a) the relevant Dealer covenants in the terms set out in paragraph 2(iii) of Appendix B; and
- (b) the redemption value of each Note is not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and no part of any Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).

6. **INDEMNITY**

6.1 Without prejudice to the other rights or remedies of the Dealers, the relevant Issuer and, in the case of Notes issued by RF, RG jointly and severally with RF undertakes to each Dealer that if that Dealer or any Relevant Party relating to that Dealer incurs any liability, damages, cost, loss or expense (including, without limitation, legal fees, costs and expenses) (a “**Loss**”) arising out of, in connection with, or based on:

- (a) any failure by the relevant Issuer to issue on the agreed Issue Date any Notes which a Dealer has agreed to purchase; or
- (b) any actual or alleged breach of the representations, warranties and undertakings contained in, or made or deemed to be made by such Issuer or the Guarantor (if applicable) under the Agreement; or
- (c) any untrue or misleading (or allegedly untrue or misleading) statement in, or any omission (or alleged omission) from, the Prospectus; or
- (d) any untrue or misleading (or allegedly untrue or misleading) statement in any additional written information provided by the relevant Issuer or the Guarantor (if applicable) to the Dealers under clause 7,

the relevant Issuer and/or the Guarantor (if applicable) shall pay to that Dealer on demand an amount equal to such Loss. No Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this clause 6.1.

6.2 In case any action shall be brought against any Relevant Party in respect of which recovery may be sought from the relevant Issuer and/or the Guarantor (if applicable) under this clause 6, the relevant Dealer shall promptly notify the relevant Issuer and the Guarantor (if applicable) in writing but failure to do so will not relieve the relevant Issuer or the Guarantor (if applicable) from any liability under this Agreement.

6.3 If it so elects within a reasonable time after receipt of the notice referred to in clause 6.2, the relevant Issuer and/or the Guarantor (if applicable) may assume the defence of the action with legal advisers chosen by it and approved by the Relevant Party. Notwithstanding such election a Relevant Party may employ separate legal advisers, and the relevant Issuer and/or the Guarantor (if applicable) shall bear the fees and expenses of such separate legal advisers if:

- (a) the use of the legal advisers chosen by the relevant Issuer or the Guarantor (if applicable) to represent the Relevant Party would present such legal advisers with a conflict of interest;

- (b) the actual or potential defendants in, or targets of, any such action include both the Relevant Party and the relevant Issuer or the Guarantor (if applicable) and the Relevant Party concludes that there may be legal defences available to it and/or other Relevant Parties which are different from or additional to those available to the relevant Issuer or the Guarantor (if applicable);
- (c) the relevant Issuer or the Guarantor (if applicable) has not employed legal advisers satisfactory to the Relevant Party to represent the Relevant Party within a reasonable time after notice of the institution of such action; or
- (d) the relevant Issuer or the Guarantor (if applicable) authorises the Relevant Party to employ separate legal advisers at the expense of the relevant Issuer or the Guarantor (if applicable).

If the relevant Issuer or the Guarantor (if applicable) assumes the defence of the action, neither the relevant Issuer nor the Guarantor (if applicable) shall be liable for any fees and expenses of legal advisers of the Relevant Party incurred thereafter in connection with the action, except as stated above.

- 6.4 Neither the relevant Issuer nor the Guarantor (if applicable) shall be liable in respect of any settlement of any action effected without its consent, such consent not to be unreasonably withheld or delayed. Neither the relevant Issuer nor the Guarantor (if applicable) shall without the prior written consent of the Relevant Party settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim or action in respect of which recovery may be sought hereunder (whether or not the Relevant Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent includes an unconditional release of the Relevant Party from all liability arising out of such claim or action and does not include a statement as to or an admission of fault, culpability or failure to act by or on behalf of the Relevant Party.

7. **AUTHORITY TO DISTRIBUTE DOCUMENTS**

- 7.1 Subject to clause 8 below, each Issuer hereby authorises each of the Dealers on behalf of such Issuer and the Guarantor (if applicable) to provide copies of and make oral statements consistent with (i) the Prospectus (and any translation of all or any part of the Prospectus or any summary drawn up pursuant to Article 19(4) of the Prospectus Directive, as the case may be), (ii) the relevant Final Terms and (iii) such additional written information as such Issuer or the Guarantor (if applicable) shall provide to the Dealers and approve for the Dealers to use in connection with the Programme.

- 7.2 No Dealer is authorised to give any information or make any representation in connection with the offering or sale of any Notes other than those contained or consistent with, the Prospectus, the relevant Final Terms and such additional written information as the relevant Issuer shall provide to the Dealers or approve for the Dealers to use as contemplated by clause 7.1 above.

8. **DEALERS' UNDERTAKINGS**

- 8.1 Each Dealer undertakes to comply with the restrictions and agreements set out in Appendix B hereto unless otherwise agreed with the relevant Issuer.
- 8.2 Each Dealer undertakes with the relevant Issuer and the Guarantor (if applicable) that it will indemnify and hold harmless such Issuer and Guarantor (if applicable), each of their respective affiliates and each person who controls such Issuer and the Guarantor (if applicable) (within the meaning of section 15 of the Securities Act or section 20 of the Exchange Act) and each of their respective directors, officers, employees and agents from

and against any and all losses, liabilities, costs, claims, damages, expenses (including, but not limited to, legal costs and expenses reasonably incurred) or demands (or actions in respect thereof) which any of them may incur or which may be made against any of them, insofar as such losses, liabilities, costs, claims, damages, expenses or demands (or actions in respect thereof) arise out of, in relation to or in connection with any failure by such Dealer to comply with the restrictions and agreements set out in Appendix B hereto. The provisions of clauses 6.2 and 6.3 of this Agreement shall apply *mutatis mutandis* to this clause 8.2.

9. FEES, EXPENSES AND STAMP DUTIES

The relevant Issuer (failing whom the Guarantor, in the case of Notes to be issued by RF) undertakes that it will:

- (a) pay to each Dealer all commissions agreed between the relevant Issuer and such Dealer in connection with the sale of any Notes to that Dealer and any value added or other tax thereon);
- (b) pay (together with any value added tax or other tax thereon):
 - (i) the fees and expenses of its legal advisers and auditors:
 - (ii) the cost of listing and maintaining the listing of any Notes which are to be listed on a Stock Exchange:
 - (iii) the cost of obtaining any credit rating for the Notes:
 - (iv) the fees and expenses of the Trustee and the agents appointed under the Agency Agreement; and
 - (v) all expenses in connection with the establishment of the Programme and each future update of the Programme including, but not limited to, the preparation, printing, delivery and distribution of the Prospectus, all supplements and amendments to it, replacement of it and each update to it and the cost of any publicity or advertising agreed by the relevant Issuer and in the case of an issue by RF, RF and RG;
- (c) pay to J.P. Morgan Securities Ltd. the fees and disbursements of the legal advisers appointed to represent the Dealers and the Trustee (including any value added tax or other tax thereon) in connection with the establishment of the Programme; and
- (d) pay promptly, and in any event before any penalty becomes payable, any United Kingdom, Luxembourgish or Belgian stamp, documentary, registration or similar duty or tax including any stamp duty reserve tax) payable in connection with the entry into performance (including any transaction carried out pursuant to this Agreement), enforcement or admissibility in evidence of any Note, any of the Agreements, any Final Terms or any communication pursuant thereto or on any exchange of the Temporary Global Note for a Permanent Global Note or of a Global Note for Definitive Notes.

10. TERMINATION OF APPOINTMENT OF DEALERS

The Issuers and the Guarantor (if applicable) or (as to itself) a Dealer may terminate the arrangements described in this Agreement by giving not less than 30 days' written notice to the other parties hereto. The relevant Issuer and the Guarantor (if applicable) may terminate the appointment of a Dealer or Dealers by giving, not less than 30 days' written notice to such Dealer or Dealers with a copy promptly thereafter to all the other Dealers, the Trustee and the Agent). Termination shall not affect any rights or obligations (including, but not limited to those arising, under clauses 6, 8 and/or 9) which have

accrued at the time of termination or which accrue thereafter in relation to any act or omission or alleged act or omission which occurred prior to such time. In addition, if any such termination occurs after the relevant Issuer has accepted an offer to subscribe or procure the subscription of Notes and prior to the Issue Date in respect thereof, the obligations of such Issuer under clauses 2 and 3 shall also remain in effect.

11. APPOINTMENT OF NEW DEALERS

11.1 Nothing in this Agreement shall prevent the Issuers and the Guarantor from appointing one or more New Dealers for the duration of the Programme or, with regard to an issue of a particular Tranche of Notes, the relevant Issuer from appointing one or more New Dealers for the purposes of that Tranche, in either case upon the terms of this Agreement and provided that, unless such appointment is effected pursuant to a Subscription Agreement:

- (a) any New Dealer shall have first delivered to the relevant Issuer and Guarantor an appropriate Dealer Accession Letter; and
- (b) the relevant Issuer and Guarantor shall have delivered to such New Dealer an appropriate Confirmation Letter.

11.2 Upon receipt of the relevant Confirmation Letter or execution of the relevant Subscription Agreement, as the case may be, each such New Dealer shall, subject to the terms of the relevant Dealer Accession Letter or the relevant Subscription Agreement, as the case may be, become a party to this Agreement, vested with all authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer hereunder provided further that, except in the case of the appointment of a New Dealer for the duration of the Programme, following the Issue Date of the relevant Tranche, the relevant New Dealer shall have no further such authority, rights, powers, duties or obligations except such as may have accrued or been incurred prior to, or in connection with, the issue of such Tranche.

11.3 The Issuers shall promptly notify the other Dealers, the Trustee and the Agent of any appointment of a New Dealer for the duration of the Programme by supplying to such parties a copy of any Dealer Accession Letter and Confirmation Letter. Such notice shall be required to be given in the case of an appointment of a New Dealer for a particular Tranche of Notes to the Trustee and the Agent only.

12. INCREASE IN THE AGGREGATE NOMINAL AMOUNT OF THE PROGRAMME

12.1 From time to time the Issuers may wish to increase the aggregate nominal amount of the Notes that may be issued under the Programme. In such circumstances, the Issuers may give notification of such an increase (subject as set out in clause 12.2) by delivering to the Dealers, with a copy to the Trustee and the Agent, a letter substantially in the form set out in Appendix D hereto. Upon the date specified in such notice (which date may not be earlier than seven London business days after the date the notice is given) and subject to satisfaction of the conditions precedent set out in clause 12.2, all references in the Agreements to a Euro Medium Term Note Programme of a certain nominal amount shall be deemed to be references to a Euro Medium Term Note Programme of the increased nominal amount.

12.2 Notwithstanding clause 12.1, the right of the Issuers to increase the aggregate nominal amount of the Programme shall be subject to each Dealer having received and found satisfactory all the documents and confirmations described in Part II of the Initial Documentation List (with such changes as may be relevant with reference to the circumstances at the time of the proposed increase as are agreed between the Issuers and the Dealers), and the satisfaction of any further conditions precedent that any of the Dealers may reasonably require, including, without limitation, the production of a new

Prospectus or a supplement to the Prospectus by the Issuers and any further or other documents required by the relevant Stock Exchange for the purpose of listing any Notes to be issued on the relevant Stock Exchange. The Arranger shall circulate to the Dealers all the documents and confirmations described in Part II of the Initial Documentation List and any further conditions precedent so required. Any Dealer must notify the Arranger and the Issuers within ten London business days of receipt if it considers, in its reasonable opinion, such documents, confirmations and, if applicable, such further conditions precedent to be unsatisfactory and, in the absence of such notification, such Dealer shall be deemed to consider such documents and confirmations to be satisfactory and such further conditions precedent to be satisfied.

13. STATUS OF THE DEALERS AND THE ARRANGER

Each of the Dealers agrees that the Arranger has only acted in an administrative capacity to facilitate the establishment and/or maintenance of the Programme and has no responsibility to it for (a) the adequacy, accuracy, completeness or reasonableness of any representation, warranty, undertaking, agreement, statement or information in the Prospectus, any Final Terms, this Agreement or any information provided in connection with the Programme or (b) the nature and suitability to it of all legal, tax and accounting matters and all documentation in connection with the Programme or any Tranche.

14. COUNTERPARTS

This Agreement may be signed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Agreement by executing a counterpart.

15. COMMUNICATIONS

15.1 All communications shall be by telex, fax or letter delivered by hand or (but only where specifically provided in the Procedures Memorandum) by telephone. Each communication shall be made to the relevant party at the telex number, fax number or address or telephone number and, in the case of a communication by telex, fax or letter, marked for the attention of, or (in the case of a communication by telephone) made to, the person or department from time to time specified in writing by that party to the other for the purpose. The initial telephone number, telex number, fax number and person(s) or department so specified by each party are set out in the Procedures Memorandum.

15.2 A communication shall be deemed received (if by telex) when a confirmed answerback is received at the end of the transmission, (if by fax) when an acknowledgement of receipt is received, (if by telephone) when made or (if by letter) when delivered, in each case in the manner required by this clause. However, if a communication is received after business hours on any business day or on a day which is not a business day in the place of receipt it shall be deemed to be received and become effective on the next business day in the place of receipt. Every communication shall be irrevocable save in respect of any manifest error therein.

16. BENEFIT OF AGREEMENT

16.1 This Agreement shall be binding upon and shall inure for the benefit of the Issuers, the Guarantor and each Dealer and their respective successors and permitted assigns.

16.2 A Dealer may only assign or transfer its rights or obligations under this Agreement with the prior written consent of the Issuers (such consent not to be unreasonably withheld) except for an assignment and/or transfer of all of a Dealer's rights and obligations hereunder in whatever form such Dealer determines may be appropriate to a partnership, corporation, trust or other organisation in whatever form that may succeed to, or to which the Dealer transfers, all or substantially all of the Dealer's assets and business and that

assumes such obligations by contract, operation of law or otherwise. Upon any such transfer and assumption of obligations such Dealer shall be relieved of and fully discharged from all obligations under this Agreement, whether such obligations arose before or after such transfer and assumption.

17. **CALCULATION AGENT**

17.1 In the case of any Series of Notes which require the appointment of a Calculation Agent the Agent shall act as Calculation Agent, unless the relevant Dealer or, as the case may be, the Lead Manager requests the relevant Issuer to appoint such Dealer or Lead Manager, or a person nominated by such Dealer or Lead Manager (a “**Nominee**”), as Calculation Agent.

17.2 Should such a request be agreed by the relevant Issuer the appointment of that Dealer, Lead Manager or Nominee shall be automatic upon the issue of the relevant Series of Notes and shall, except as agreed, be on the terms set out in the Calculation Agency Agreement set out in Schedule 1 to the Agency Agreement, and no further action shall be required to effect the appointment of such Dealer, Lead Manager or Nominee as Calculation Agent in relation to that Series of Notes, and the Schedule to the Calculation Agency Agreement shall be deemed to be duly annotated to include such Series. The name of the Dealer, Lead Manager or Nominee so appointed will be entered in the applicable Final Terms.

18. **STABILISATION**

In connection with the distribution of any Notes, the Dealer (if any) designated as stabilising manager in the applicable Final Terms or any person acting for him may over-allot or effect transactions with a view to supporting the market price of such Notes and/or any associated securities at a level higher than that which might otherwise prevail, but in doing so such Dealer or any such person acting for him shall act as principal and not as agent of the relevant Issuer or, if applicable, the Guarantor. Any stabilisation will be conducted in accordance with all applicable regulations. Any loss resulting from over-allotment and stabilisation shall be borne, and any net profit arising therefrom shall be retained, by the stabilising manager for its own account.

19. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

20. **GOVERNING LAW**

This Agreement and every agreement for the issue and purchase of Notes as referred to in clause 2 shall be governed by, and construed in accordance with, the laws of England.

APPENDIX A

INITIAL DOCUMENTATION LIST

Part I

1. A certified copy of the Memorandum and Articles of Association of RF and RG.
2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken on behalf of RF and RG:
 - (a) to approve its entry into the Agreements, the creation of the Programme and the issue of Notes;
 - (b) to authorise appropriate persons to execute each of the Agreements and any Notes and to take any other action in connection therewith; and
 - (c) to authorise appropriate persons to enter into agreements with any Dealer on behalf of RF and/or RG in connection with the issue of Notes in accordance with clause 2 of this Agreement.
3. A certified list of the names, titles and specimen signatures of the persons authorised on behalf of RF and RG in accordance with paragraph 2(c) above.
4. Certified copies of any other governmental or other consents, authorisations and approvals required for RF and RG to issue Notes and for RG to give the Guarantee, for RF and RG to execute and deliver the Agreements and for RF and RG to fulfil their respective obligations under the Agreements.
5. Confirmation that one or more master Temporary Global Notes and master Permanent Global Notes with the Guarantee enfaced thereon (from which copies can be made for each particular issue of Notes), duly executed by a person or persons authorised to take action on behalf of RF and/or RG as specified in paragraph 2(b) above, have been delivered to the Agent.
6. A legal opinion addressed to each of the Dealers and the Trustee dated on or after the date of this Agreement, in such form and with such content as the Dealers and the Trustee may reasonably require, from Ashurst, legal advisers to RF and RG as to English law.
7. A conformed copy of each Agreement and confirmation that executed copies of such documents have been delivered, in the case of the Trust Deed, to the Trustee and, in the case of the Agency Agreement, to the Trustee and the Agent (for itself and the other agents party thereto).
8. A printed final version of the Prospectus and the Procedures Memorandum.
9. Confirmation that the Prospectus has been approved as a base prospectus by the Financial Services Authority and has been published in accordance with the Prospectus Directive.
10. Comfort letters from PricewaterhouseCoopers as independent auditors of RF and RG in such form and with such content as the Dealers may reasonably request.
11. Confirmation that the Programme has been rated by the Credit Rating Agencies.

Part II

1. A certified copy of the Memorandum and Articles of Association of RF and RG or confirmation that they have not been changed since they were last submitted to the Dealers.
2. A certified copy of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of RF and RG to approve the increase in the amount of the Programme.
3. Certified copies of any other governmental or other consents, authorisations and approvals required for the increase.
4. Confirmation that one or more master Temporary Global Notes and master Permanent Global Notes with the Guarantee enfaced thereon (from which copies can be made for each particular issue of Notes), duly executed by a person or persons authorised to take action on behalf of RF and RG as specified in paragraph 2(b) of Part I of the Initial Documentation List, have been delivered to the Agent.
5. A legal opinion addressed to each of the Dealers and the Trustee dated on or after the date of this Agreement, in such form and with such content as the Dealers and the Trustee may reasonably require, from Ashurst, legal advisers to RF and RG as to English law.
6. A printed final version of the Prospectus.
7. Comfort letters from PricewaterhouseCoopers as independent auditors of RF and RG in such form and with such content as the Dealers may reasonably request.
8. Confirmation from the Credit Rating Agencies that there has been no change in the rating assigned by them to the Programme as a result of the increase.

SELLING RESTRICTIONS

1. **United States**

- (1) The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer represents and agrees that it has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or in the case of a syndicated issue, the relevant Lead Manager) shall determine and certify to the Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Agent agrees to notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer also agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in this paragraph 1(1) have the meanings given to them by Regulation S.

- (2) Each Dealer represents and agrees that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.
- (3) In addition in respect of Notes where TEFRA D is specified in the applicable Final Terms:
- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the “**D Rules**”), each Dealer (a) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (b) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
 - (b) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

- (c) if it is a United States person, each Dealer represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6); and
- (d) with respect to each affiliate that acquires Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf.

Terms used in this paragraph 1(3) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

- (4) In respect of Notes where TEFRA C is specified in the applicable Final Terms, such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Notes.
- (5) Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms. The relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

2. **United Kingdom**

Each Dealer represents and agrees that:

- (a) in relation to any Notes which have a maturity of less than one year, it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

3. **Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”) and each Dealer represents and

agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations of Japan.

4. **Germany**

Each Dealer acknowledges, and each further Dealer appointed under the Programme will be required to acknowledge, that it will comply with the restrictions contained in the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other laws and regulations applicable in the Federal Republic of Germany governing the issue, the offering and the sale of securities.

5. **The Netherlands**

Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in The Netherlands any Notes with a denomination of less than €50,000 (or its foreign currency equivalent) other than to persons who trade or invest in securities in the conduct of a profession or business (which include banks, stockbrokers, insurance companies, pension funds, other institutional investors and finance companies and treasury departments of large enterprises) unless one of the other exemptions from or exceptions to the prohibition contained in article 3 of the Dutch Securities Transactions Supervision Act 1995 (“**Wet toezicht effectenverkeer 1995**”) is applicable and the conditions attached to such exemption or exception are complied with. In addition, transfer requirements may apply to Zero Coupon Notes and other Notes which qualify as savings certificates as defined in the Savings Certificates Act (*Wet inzake Spaarbewijzen*).

6. **General**

These selling restrictions may be modified by the agreement of the Issuers and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

Other than in the United Kingdom, no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer agrees, and each further Dealer appointed under the Programme will be required to agree, that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms and neither of the Issuers and, in the case of an issue by RF, neither RF or RG and none of the Dealer shall have responsibility therefor.

With regard to each Tranche, the relevant Dealer will be required to comply with additional restrictions agreed between the Issuer and the relevant Dealer and set out in the applicable Final Terms.

APPENDIX C

PART I

FORM OF DEALER ACCESSION LETTER - PROGRAMME

[Date]

To: Reuters Group PLC
Reuters Finance PLC
(the “**Issuers**”)

Dear Sirs,

Reuters Group PLC and Reuters Finance PLC
£1,000,000,000
Euro Medium Term Note Programme

We refer to the Amended and Restated Programme Agreement dated 9 June 2006 entered into in respect of the above Euro Medium Term Note Programme and made between the Issuers and the Dealers party thereto (which agreement, as amended, supplemented or restated from time to time, is herein referred to as the “**Programme Agreement**”).

Conditions Precedent

We confirm that we are in receipt of the documents referenced below:

- (i) a copy of the Programme Agreement;
- (ii) a copy of current versions of all documents referred to in Part I of Appendix A of the Programme Agreement; and
- (iii) a reliance letter from the independent auditors of the Issuers,

and have found them to our satisfaction.

For the purposes of the Programme Agreement our notice details are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the appointment by the Issuers of us as a Dealer under the Programme Agreement we hereby undertake, for the benefit of the Issuers and each of the other Dealers, that we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully,

[Name of New Dealer]

By:

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent
The other Dealers

PART II

FORM OF CONFIRMATION LETTER - PROGRAMME

[Date]

To: [Name and address of New Dealer]

Dear Sirs,

Reuters Group PLC and Reuters Finance PLC
£1,000,000,000
Euro Medium Term Note Programme

We refer to the Amended and Restated Programme Agreement dated 9 June 2006 (such agreement, as amended, supplemented or restated from time to time, the “**Programme Agreement**”) entered into in respect of the above Euro Medium Term Note Programme and hereby acknowledge receipt of your Dealer Accession Letter to us dated [specify].

We hereby confirm that, with effect from the date hereof, you shall become a Dealer under the Programme Agreement in accordance with clause 11.2 of the Programme Agreement.

Yours faithfully,
Reuters Group PLC

By:

Reuters Finance PLC

By:

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent
The other Dealers

PART III

FORM OF DEALER ACCESSION LETTER - NOTE ISSUE

[Date]

To: [Reuters Group PLC]/
[Reuters Finance PLC]
(the “**Issuer**”)

Dear Sirs.

[Reuters Group PLC]/[Reuters Finance PLC]
[Description of issue]
(the “**Notes**”)

We refer to the Amended and Restated Programme Agreement dated 9 June 2006 and made between the Issuer and the Dealers party thereto (which agreement, as amended, supplemented or restated from time to time, is herein referred to as the “**Programme Agreement**”).

Conditions Precedent

We confirm that we are in receipt of the documents referenced below:

- (i) a copy of the Programme Agreement; and
- (ii) a copy of current versions of such of the other documents referred to in Part I of Appendix A of the Programme Agreement as we have requested,

and have found them to our satisfaction or (in the case of the documents referred to in (ii) above) have waived such production.

For the purposes of the Programme Agreement our notice details are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the appointment by the Issuer of us as a Dealer under the Programme Agreement in respect of the issue of the Notes we hereby undertake, for the benefit of the Issuer and each of the other Dealers, that, in relation to the issue of the Notes, we will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully
[Name of New Dealer]

By:

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent

PART IV

FORM OF CONFIRMATION LETTER - NOTE ISSUE

[Date]

To: [Name and address of New Dealer]

Dear Sirs,

[Reuters Group PLC]/[Reuters Finance PLC]
[Description of issue]
(the “Notes”)

We refer to the Amended and Restated Programme Agreement dated 9 June 2006 (such agreement, as amended, supplemented or restated from time to time, the “**Programme Agreement**”) and hereby acknowledge receipt of your Dealer Accession Letter to us dated [specify].

We hereby confirm that, with effect from the date hereof, in respect of the issue of the Notes, you shall become a Dealer under the Programme Agreement in accordance with the provisions of clause 11.2 of the Programme Agreement.

Yours faithfully,

[Reuters Group PLC]/[Reuters Finance PLC]

By:

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent

LETTER REGARDING INCREASE IN THE NOMINAL AMOUNT OF THE PROGRAMME

[Date]

To: The Dealers (as such expression is defined in the
Amended and Restated Programme Agreement
dated 9 June 2006, as amended,
supplemented or restated from time to time,
(the “**Programme Agreement**”))

Dear Sirs,

**Reuters Group PLC and Reuters Finance PLC
Euro Medium Term Note Programme**

We hereby require, pursuant to clause 12.1 of the Programme Agreement, that the aggregate nominal amount of the above Programme be increased to £ [specify] from [specify date which is no earlier than seven London business days after the date the notice is given] whereupon (but subject as provided in the next paragraph) all references in the Agreements will be deemed amended accordingly.

We understand that this increase is subject to the satisfaction of the condition set out in clause 12.2 of the Programme Agreement namely that each Dealer shall have received and found satisfactory all the documents and confirmations described in Part II of the Initial Documentation List (with such changes as may be relevant, with reference to the circumstances at the time of the proposed increase, as are agreed between the Issuers and the Dealers) and the delivery of any further conditions precedent that any of the Dealers may reasonably require.

You must notify the Arranger and ourselves within ten London business days of receipt by you of those documents and confirmations and, if applicable, further conditions precedent if you consider (in your reasonable opinion) such documents, confirmations and, if applicable, such further conditions precedent to be unsatisfactory and, in the absence of such notification, you will be deemed to consider such documents and confirmations to be satisfactory and such further conditions precedent to be satisfied.

Terms used in this letter have the meanings given to them in the Programme Agreement.

Yours faithfully,
Reuters Group PLC

By:

Reuters Finance PLC

By:

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent

APPENDIX E

FORM OF SUBSCRIPTION AGREEMENT

[REUTERS GROUP PLC/REUTERS FINANCE PLC]

[DESCRIPTION OF ISSUE]

[DATE]

To: [Names of Dealers]
(the “Managers”)

c/o [Name of Lead Manager]
(the “Lead Manager”)

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent

Dear Sirs,

[Reuters Group PLC]/[Reuters Finance PLC] (the “**Issuer**”) proposes to issue [DESCRIPTION OF ISSUE] (the “**Notes**”) pursuant to the £ [] Euro Medium Term Note Programme established by it. The Notes will be unconditionally and irrevocably guaranteed by Reuters Group PLC (the “**Guarantor**”). The terms of the issue shall be as set out in the form of Final Terms attached to this Agreement as Annex A.

This Agreement is supplemental to the Amended and Restated Programme Agreement (the “**Programme Agreement**”) dated 9 June 2006 made between the Issuer and the Dealers party thereto. All terms with initial capitals used herein without definition have the meanings given to them in the Programme Agreement.

We wish to record the arrangements agreed between us in relation to the issue:

1. This Agreement appoints each Manager which is not a party to the Programme Agreement (each a “**New Dealer**”) as a New Dealer in accordance with the provisions of clause 11 of the Programme Agreement for the purposes of the issue of the Notes. The Lead Manager confirms that it is in receipt of the documents referenced below:

- (i) a copy of the Programme Agreement; and
- (ii) a copy of such of the documents referred to in Part I of Appendix A of the Programme Agreement as the Lead Manager (on behalf of the Managers) has requested

and has confirmed with each New Dealer that it has found them to be satisfactory or (in the case of any or all of the documents referred to in (ii)) has waived such production.

For the purposes of the Programme Agreement the details of the Lead Manager for service of notices are as follows:

[insert name, address, telephone, facsimile, telex (+ answerback) and attention].

In consideration of the Issuer appointing each New Dealer as a Dealer in respect of the Notes under the Programme Agreement, each New Dealer hereby undertakes, for the benefit of the Issuer, the [Guarantor, the] Lead Manager (for itself and each of the other Dealers) and the Managers, that, in relation to the issue of the Notes, it will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement, a copy of which it acknowledges it has received from the Lead Manager. The Issuer [and the Guarantor] hereby confirm[s] that each New Dealer shall be vested with all authority, rights, powers, duties and obligations of a Dealer in relation to the issue of the Notes as if originally named as a Dealer under the Programme Agreement provided that following the Issue Date of the Notes each New Dealer shall have no further such authority, rights, powers, duties or obligations except such as may have accrued or been incurred prior to, or in connection with, the issue of the Notes.

2. Subject to the terms and conditions of the Programme Agreement and this Agreement the Issuer hereby agrees to issue the Notes and the Managers jointly and severally agree to subscribe or procure subscribers for the Notes at a price of [specify] per cent. of the principal amount of the Notes (the **“Purchase Price”**), being the issue price of [specify] per cent. less a selling commission of [specify] per cent. of such principal amount and a combined management and underwriting commission of [specify] per cent. of such principal amount.
3. The settlement procedures set out in Part [1/2] of Annex A to the Procedures Memorandum shall apply as if set out in this Agreement provided that, for the purposes of this Agreement:
 - (i) the sum payable on the Issue Date shall represent the Purchase Price less any amount payable in respect of Managers’ expenses as provided in the agreement referred to in clause 4 of this Agreement);
 - (ii) **“Issue Date”** means [specify] a.m. ([specify] time) on [specify] or such other time and/or date as the Issuer and the Lead Manager on behalf of the Managers may agree; and
 - (iii) **“Payment Instruction Date”** means the Issue Date unless there is to be a pre-closing for the issue in which case it means the business day (being a day on which banks and foreign exchange markets are open for business in London) prior to the Issue Date.
4. The arrangements in relation to expenses have been separately agreed between the Issuer [, the Guarantor] and the Lead Manager.
5. The obligation of the Managers to purchase the Notes is conditional upon:
 - (i) the conditions set out in clause 3(2) (other than that set out in clause 3(2)(e) of the Programme Agreement being satisfied as of the Payment Instruction Date (on the basis that the references therein to **“relevant Dealer”** shall be construed as references to the Lead Manager); and
 - (ii) the delivery to the Lead Manager on the Payment Instruction Date of:
 - (A) a legal opinion addressed to the Managers and the Trustee dated the Payment Instruction Date in such form and with such contents as the Lead Manager, on behalf of the Managers, may reasonably require from Ashurst, the legal advisers to the Issuer [and the Guarantor] as to English law;
 - (B) a certificate dated as at the Payment Instruction Date signed by a duly authorised officer of the Issuer [and a certificate dated as at the Payment Instruction Date signed by a duly authorised officer of the Guarantor]

giving confirmation to the effect stated in paragraph (i) of this clause; and

- (C) [a] comfort letter[s] dated the Payment Instruction Date from the independent auditors of [the Issuer the Guarantor], in such form and with such content as the Managers may reasonably request.

If any of the foregoing conditions is not satisfied on or before the Payment Instruction Date, this Agreement shall terminate on such date and the parties hereto shall be under no further liability arising out of this Agreement (except for any liability of the Issuer[, or failing whom, the Guarantor] in relation to expenses as provided in the agreement referred to in clause 4 and except for any liability arising before or in relation to such termination), provided that the Lead Manager, on behalf of the Managers, may in its discretion waive any of the aforesaid conditions (other than the condition precedent contained in clause 3.2(c) of the Programme Agreement) or any part of them.

6. The Lead Manager, on behalf of the Managers, may, by notice to the Issuer and after consultation with the Issuer if practicable, terminate this Agreement at any time prior to payment of the net purchase money to the Issuer, if in the opinion of the Lead Manager, there shall have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market and, upon such notice being given, the parties to this Agreement shall (except for any liability of the Issuer[, or failing whom, the Guarantor] in relation to expenses as provided in the agreement referred to in clause 4 of this Agreement and except for any liability arising before or in relation to such termination) be released and discharged from their respective obligations under this Agreement.
7. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
8. Clause 20 of the Programme Agreement shall also apply to this Agreement as if expressly incorporated herein.
9. This Agreement may be signed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Agreement by executing a counterpart.

Please confirm that this letter correctly sets out the arrangements agreed between us.

Yours faithfully,

For: **[Reuters Group PLC]/[Reuters Finance PLC]**

By:

[For: **Reuters Group PLC**

By:]

We agree to the foregoing.

For: [NAMES OF MANAGERS]

By:

ANNEX A TO THE SUBSCRIPTION AGREEMENT

[Form of Final Terms]

SIGNATORIES

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

The Issuers

Reuters Group PLC

By: /s/ DAVID GRIGSON

Reuters Finance PLC

By: /s/ ROSEMARY MARTIN

The Guarantor

Reuters Group PLC

By: /s/ DAVID GRIGSON

The Dealers

ABN AMRO Bank N.V.

Citigroup Global Markets Limited

Credit Suisse Securities (Europe) Limited

HSBC Bank plc

J.P. Morgan Securities Ltd.

Morgan Stanley & Co. International Limited

UBS Limited

By: /s/ DIEDERIK VAN IMPE

Amended and Restated Trust Deed

Reuters Group PLC
as Issuer and as Guarantor

and

Reuters Finance PLC
as Issuer

and

Citicorp Trustee Company Limited

relating to a £1,000,000,000 Euro Medium Term
Note Programme

9 June 2006

CONTENTS

CLAUSE	PAGE
1. RESTATEMENT AND INTERPRETATION	4
2. ISSUE OF NOTES	12
3. FORM OF NOTES	14
4. FEES, DUTIES AND TAXES	16
5. GUARANTEE AND INDEMNITY OF REUTERS GROUP PLC	16
6. COVENANT OF COMPLIANCE	18
7. CANCELLATION OF NOTES AND RECORDS	18
8. ENFORCEMENT	19
9. PROCEEDINGS, ACTION AND INDEMNIFICATION	19
10. APPLICATION OF MONEYS	19
11. NOTICE OF PAYMENTS	20
12. INVESTMENT BY TRUSTEE	20
13. PARTIAL PAYMENTS	20
14. COVENANTS	21
15. REMUNERATION OF TRUSTEE	24
16. SUPPLEMENT TO TRUSTEE ACTS	25
17. TRUSTEE'S LIABILITY	28
18. TRUSTEE CONTRACTING WITH RG AND RF	28
19. WAIVER, AUTHORISATION AND DETERMINATION	29
20. HOLDER OF DEFINITIVE NOTE ASSUMED TO BE RECEIPHOLDER AND COUPONHOLDER	29
21. SUBSTITUTION	30
22. CURRENCY INDEMNITY	32
23. NEW TRUSTEE	33
24. TRUSTEE'S RETIREMENT AND REMOVAL	33
25. TRUSTEE'S POWERS TO BE ADDITIONAL	34
26. NOTICES	34
27. GOVERNING LAW	35
28. COUNTERPARTS	35
29. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999	35
SCHEDULE 1	36
TERMS AND CONDITIONS OF THE NOTES	36
SCHEDULE 2	54
FORMS OF GLOBAL AND DEFINITIVE NOTES, RECEIPTS, COUPONS AND TALONS	54
PART I	54
FORM OF TEMPORARY GLOBAL NOTE	54
EXCHANGES FOR DEFINITIVE NOTES OR PERMANENT GLOBAL NOTE	64
PART II	65
FORM OF PERMANENT GLOBAL NOTE	65
PART III	77
FORM OF DEFINITIVE NOTE	77
PART IV	84
FORM OF RECEIPT	84
PART V	85
FORM OF COUPON	85
PART VI	86
FORM OF TALON	86
PART VII	88
FORM OF CERTIFICATE TO BE PRESENTED BY EUROCLEAR OR CLEARSTREAM, LUXEMBOURG	88
SCHEDULE 3	92
PROVISIONS FOR MEETINGS OF NOTEHOLDERS	92

THIS AMENDED AND RESTATED TRUST DEED is made on 9 June 2006
BETWEEN:

- (1) **REUTERS GROUP PLC**, a company incorporated under the laws of England, whose registered office is at The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP ("**RG**" and the "**Guarantor**"); and
- (2) **REUTERS FINANCE PLC**, a company incorporated under the laws of England, whose registered office is at The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP ("**RF**", and together with RG in its capacity as an issuer, the "**Issuers**" and each an "**Issuer**"); and
- (3) **CITICORP TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England, of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the "**Trustee**", which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) as trustee for the Noteholders and Couponholders (each as defined below).

WHEREAS:

- (1) By a resolution of the Board of Directors of RG dated 15 December 1998 RG resolved to establish a £1,000,000,000 Euro Medium Term Note Programme. RG proposes to issue from time to time euro medium term notes up to a maximum nominal amount from time to time outstanding of £1,000,000,000 (subject to increase as provided in the Programme Agreement (as defined below)) (the "**Programme Limit**") pursuant to the said Programme.
- (2) The Trustee has agreed to act as trustee of these presents for the benefit of the Noteholders and Couponholders upon and subject to the terms and conditions of these presents.
- (3) RG and the Trustee entered into a Trust Deed dated 16 December 1998 (the "**Principal Trust Deed**") relating to the Programme as modified by a First Supplemental Trust Deed dated 30 March 2001 and as further modified by a Second Supplemental Trust Deed dated 10 April 2003 and an Amended and Restated Trust Deed dated 7 November 2003 between the same parties to this Trust Deed (each together with the Principal Trust Deed, the "**Original Trust Deed**").
- (4) Clause 18(B) of the Principal Trust Deed provides that the Trustee may without the consent or sanction of the Noteholders or Couponholders at any time and from time to time concur with RG in making any modification to the Original Trust Deed (*inter alia*) which in the opinion of the Trustee it may be proper to make provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders.
- (5) RG has requested the Trustee to concur in making modifications to the Original Trust Deed hereinafter contained.
- (6) The Trustee, being of the opinion that the modifications referred to in Recital (7) above are not materially prejudicial to the interests of the Noteholders, has agreed to concur with the Issuers in making such modifications and has agreed that notice of such modifications need not be given to the Noteholders.

NOW THIS TRUST DEED WITNESSES AND IT IS AGREED AND DECLARED as follows:

1. **RESTATEMENT AND INTERPRETATION**

1.1 In respect of all Notes to be issued under the Programme on or after the date hereof, with effect from the date hereof, the provisions of the Original Trust Deed shall be amended and restated and shall take effect in the form set out in this Deed and all references to "the Trust Deed", "this Deed", "hereof", "hereunder" and related expressions in this Deed shall be construed as references to the Original Trust Deed as so amended and restated. This amendment and restatement shall not affect any Notes issued under the Programme prior to the date hereof.

1.2 A Memorandum of this Trust Deed shall be endorsed by the Trustee on the Principal Trust Deed and by RG on its duplicate thereof.

1.3 In these presents unless there is anything in the subject or context inconsistent therewith the following expressions shall have the following meanings:

"Agency Agreement" means the Agency Agreement dated 9 June 2006, as amended and/or supplemented, and/or restated from time to time pursuant to which RG and RF have appointed the Agent and the Paying Agents in relation to all or any Series of the Notes and any other agreement for the time being in force appointing further or other Agents or Paying Agents in relation to all or any Series of the Notes, or in connection with their duties, the terms of which have been approved in writing by the Trustee, together with any agreement for the time being in force amending, replacing, novating, modifying or restating with the prior written approval of the Trustee any of the aforesaid agreements;

"Agent" means, in relation to all or any Series of the Notes, Citibank, N.A. at its office at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or, if applicable, any successor agent in relation thereto which shall become such pursuant to the provisions of the Agency Agreement or such other agent in relation thereto as may (with the prior written approval of, and on terms previously approved in writing by, the Trustee) from time to time be appointed as such by the relevant Issuer and the Guarantor (if applicable) and (except in the case of the initial Agent) notice of whose appointment has been given to the Noteholders;

"Appointee" means any attorney, manager, agent, delegate or other person appointed by the Trustee under these presents;

"Auditors" means the auditors for the time being of the Issuers or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these presents, such other firm of accountants as may be nominated or approved by the Trustee for the purposes of these presents;

"Authorised Signatory of the Issuer" means (i) any Director of the relevant Issuer or (ii) any other officer of the relevant Issuer authorised by the relevant Issuer to sign any document for the purposes of these presents and notified in writing as such to the Trustee;

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme;

"Conditions" means, in relation to the Notes of any Series, the terms and conditions endorsed on or incorporated by reference into the Note or Notes constituting such Series, such terms and conditions being in or substantially in the form set out in Schedule 1 or in such other form, having regard to the terms of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Final Terms applicable to the Notes of the relevant Series, in each case as from time to time modified in accordance with the provisions of these presents;

“Coupon” means an interest coupon appertaining to a Definitive Note (other than a Zero Coupon Note), such coupon being:

- (a) if appertaining to a Fixed Rate Note, in the form or substantially in the form set out in Section A of Part V of Schedule 2 or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s); or
- (b) if appertaining to a Floating Rate Note or an Index-Linked Interest Note, in the form or substantially in the form set out in Section B of Part V of Schedule 2 or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s); or
- (c) if appertaining to a Definitive Note which is neither a Fixed Rate Note nor a Floating Rate Note nor an Index-Linked Interest Note, in such form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s),

and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 11;

“Couponholders” means the several persons who are for the time being holders of the Coupons and includes, where the context so permits, the Talonholders and references to **“relevant Couponholders”** shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Coupons appertaining to the Notes of such Series;

“Dealers” means ABN AMRO Bank N.V., Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, HSBC Bank plc, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International Limited and UBS Limited and any other entity which the relevant Issuer may appoint as a Dealer and notice of whose appointment has been given to the Agent and the Trustee by the relevant Issuer in accordance with the provisions of the Programme Agreement but excluding any entity whose appointment has been terminated or has lapsed in accordance with the provisions of the Programme Agreement and notice of such termination has been given to the Agent and the Trustee by the relevant Issuer in accordance with the provisions of the Programme Agreement and references to a **“relevant Dealer”** or **“relevant Dealer(s)”** mean, in relation to any Tranche or Series of Notes, the Dealer or Dealers with whom the relevant Issuer has agreed the issue of the Notes of such Tranche or Series and **“Dealer”** means any one of them;

“Definitive Note” means a definitive Note issued or, as the case may require, to be issued by the relevant Issuer in accordance with the provisions of the Programme Agreement or any other agreement between the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) in exchange for either a Temporary Global Note or a Permanent Global Note (all as indicated in the applicable Final Terms), such definitive Note being in the form or substantially in the form set out in Part III of Schedule 2 with such modifications (if any) as may be agreed between the relevant Issuer, the Guarantor (if applicable), the Agent, the Trustee and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant Stock Exchange, incorporating the Conditions by reference (where applicable to this Trust Deed) as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and (except in the case of a Zero Coupon Note) having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue;

“Dual Currency Interest Note” means a Note in respect of which payments of interest are made or to be made in such different currencies, and at rates of exchange calculated

upon such basis or bases, as the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms);

“Dual Currency Note” means a Dual Currency Interest Note and/or a Dual Currency Redemption Note, as applicable;

“Dual Currency Redemption Note” means a Note in respect of which payments of principal are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases, as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms);

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear System;

“Event of Default” means any of the events specified in Condition 9;

“Extraordinary Resolution” has the meaning set out in paragraph 20 of Schedule 3;

“Final Terms” has the meaning set out in the Programme Agreement;

“Fixed Rate Note” means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) (as indicated in the applicable Final Terms);

“Floating Rate Note” means a Note on which interest is calculated at a floating rate payable one-, two-, three-, six- or twelve-monthly or in respect of such other period or on such date(s) as may be agreed between the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) (as indicated in the applicable Final Terms);

“Global Note” means a Temporary Global Note and/or a Permanent Global Note;

“Group” means the Issuers and their Subsidiaries and affiliates;

“Index-Linked Interest Note” means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index and/or a formula as the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms);

“Index-Linked Note” means an Index-Linked Interest Note and/or an Index-Linked Redemption Amount Note, as applicable;

“Index-Linked Redemption Amount Note” means a Note in respect of which the amount payable in respect of principal is calculated by reference to an index and/or a formula as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms);

“Interest Commencement Date” means, in the case of interest-bearing Notes, the date specified in the applicable Final Terms from (and including) which such Notes bear interest, which may or may not be the Issue Date;

“Interest Payment Date” means, in relation to any Floating Rate Note or Index-Linked Interest Note, either:

- (a) the date which falls the number of months or other period specified as the **“Interest Period”** in the applicable Final Terms after the preceding Interest Payment Date or the Interest Commencement Date (in the case of the first Interest Payment Date); or
- (b) such date or dates as are indicated in the applicable Final Terms;

“Issue Date” means, in respect of any Note, the date of issue and purchase of such Note pursuant to and in accordance with the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s), being in the case of any Definitive Note represented by a Global Note, the same date as the date of issue of the Global Note which initially represented such Note;

“Issue Price” means the price, generally expressed as a percentage of the nominal amount of the Notes, at which the Notes will be issued;

“Liability” means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

“London Business Day” has the meaning set out in Condition 4(b);

“Maturity Date” means the date on which a Note is expressed to be redeemable;

“month” means calendar month;

“Note” means a note issued pursuant to the Programme and denominated in such currency or currencies as may be agreed between the relevant Issuer and the relevant Dealer(s) which:

- (a) has such maturity as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to such minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant currency; and
- (b) has such denomination as may be agreed between the relevant Issuer and the relevant Dealer(s) subject to such minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency,

and is issued or to be issued by the relevant Issuer pursuant to the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and which shall initially be represented by, and comprised in, either (a) a Temporary Global Note which may (in accordance with the terms of such Temporary Global Note) be exchanged for either Definitive Notes or a Permanent Global Note which Permanent Global Note may (in accordance with the terms of such Permanent Global Note) in turn be exchanged for Definitive Notes or (b) a Permanent Global Note which may (in accordance with the terms of such Permanent Global Note) be exchanged for Definitive Notes (all as indicated in the applicable Final Terms) and includes any replacements for a Note issued pursuant to Condition 11 and, where applicable, the Receipts relating thereto;

“Noteholders” means the several persons who are for the time being holders of outstanding Notes save that, in respect of the Notes of any Series, for so long as such Notes or any part thereof are represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes of such Series (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be and shall be treated by the relevant Issuer, the Guarantor (if applicable), the Trustee, the Agent and any other Paying Agent as the holder of such

nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal or interest on such Notes, the right to which shall be vested, as against the relevant Issuer and the Guarantor (if applicable) solely in the bearer of such Global Note in accordance with and subject to its terms and the provisions of these presents (or the Trustee in accordance with these presents) and the expressions **“Noteholder”**, **“holder of Notes”** and related expressions shall be construed accordingly;

“notice” means, in respect of a notice to be given to Noteholders, a notice validly given pursuant to Condition 14;

“Official List” has the meaning ascribed thereto in Section 74 of the Financial Services and Markets Act 2000;

“outstanding” means, in relation to the Notes, all the Notes other than (a) those which have been redeemed in accordance with these presents, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all premium (if any) and interest accrued thereon to the date for such redemption) have been duly paid to the Trustee or to the Agent in the manner provided in the Agency Agreement (and, where appropriate, notice has been given to the relative Noteholders) and remain available for payment against presentation of those Notes and/or, as the case may be, the relative Receipts and/or Coupons, (c) those which have become void under Condition 8, (d) those which have been purchased and cancelled as provided in Condition 6, (e) those mutilated or defaced Notes which have been surrendered in exchange for replacement Notes pursuant to Condition 11, (f) any Temporary Global Note to the extent that it shall have been exchanged for Definitive Notes or a Permanent Global Note and any Permanent Global Note to the extent that it shall have been exchanged for Definitive Notes, in each case pursuant to its provisions, and (g) (for the purpose only of ascertaining how many Notes are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued pursuant to Condition 11;

provided that for each of the following purposes, namely:

- (a) the right to attend and vote at any meeting of the holders of Notes of any one or more Series;
- (b) the determination of how many and which Notes of any Series are for the time being outstanding for the purposes of Conditions 9, 10 and 15 and paragraphs 2, 5, 6 and 9 of Schedule 3;
- (c) any discretion, power or authority (whether contained in these presents or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Notes of any Series; and
- (d) the certification (where relevant) by the Trustee as to whether any of the events mentioned in Condition 9 is, in its opinion, materially prejudicial to the interests of the holders of the Notes of any Series;

those Notes of any Series which are for the time being held by or on behalf of the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or the Guarantor (if applicable), in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

“Partly Paid Notes” means Notes issued on a partly paid basis;

“Paying Agents” means, in relation to all or any Series of the Notes, the several institutions (including where the context permits the Agent) at their respective specified offices or such other or further paying agents at their respective specified offices for all or any Series of the Notes as may (with the prior approval of, and on terms previously approved by, the Trustee in writing) from time to time be appointed and notice of whose appointment has been given to the relevant Noteholders;

“Permanent Global Note” means a global note in the form or substantially in the form set out in Part II of Schedule 2 with such modifications (if any) as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Notes of the same Series, issued by the relevant Issuer pursuant to the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and these presents either in exchange for the whole or part of any Temporary Global Note issued in respect of such Notes or on issue;

“Potential Event of Default” means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Event of Default;

“Programme” means the Note Programme for the issue of Notes established by, or otherwise contemplated in, the Programme Agreement;

“Programme Agreement” means the agreement of even date herewith between RG, RF and the Dealers named therein concerning the purchase of Notes to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating, modifying or restating such agreement;

“Receipt” means a receipt attached on issue to a Definitive Note redeemable in instalments for the payment of an instalment of principal, such receipt being in the form or substantially in the form set out in Part IV of Schedule 2 or in such other form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Receipts issued pursuant to Condition 11;

“Receiptholders” means the several persons who are for the time being holders of the Receipts and references to **“relevant Receiptholders”** shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Receipts appertaining to the Notes of such Series;

“Relevant Date” has the meaning set out in Condition 7;

“repay”, **“redeem”** and **“pay”** shall each include both the others and cognate expressions shall be construed accordingly;

“Series” means a Tranche of the Notes together with any further Tranche or Tranches of the Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions **“Notes of the relevant Series”**, **“Series of Notes”** and **“holders of Notes of the relevant Series”** and related expressions shall be construed accordingly;

“Stock Exchange” means the London Stock Exchange or any other or further stock exchange(s) or market on which any Notes may from time to time be listed, and references in these presents to the **“relevant Stock Exchange”** shall, in relation to any Notes, be references to the Stock Exchange or market on which such Notes are, from time to time, or are intended to be, listed;

“Subsidiary” means any company which is for the time being a subsidiary within the meaning of Section 736 of the Companies Act 1985 of Great Britain, as amended;

“Successor” means, in relation to the Agent and the other Paying Agents, any successor to any one or more of them in relation to the Notes which shall become such pursuant to the provisions of these presents or the Agency Agreement (as the case may be) and/or such other or further agent and/or other or further paying agents (as the case may be) in relation to the Notes as may (with the prior approval of, and on terms previously approved by, the Trustee in writing) from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the former case being within the same city as those for which they are substituted) as may from time to time be nominated, in each case by RG and RF, and (except in the case of the initial appointments and specified offices made under and specified in the Agency Agreement) notice of whose appointment or, as the case may be, nomination has been given to the Noteholders pursuant to Clause 14(xiii) in accordance with Condition 14;

“Successor in Business” means in relation to any relevant company any company which, as the result of any amalgamation, merger or reconstruction: (i) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by such relevant company immediately prior thereto; and (ii) carries on, as successor to such relevant company, the whole or substantially the whole of the business carried on by such relevant company immediately prior thereto;

“Talonholders” means the several persons who are for the time being holders of the Talons and references to **“relevant Talonholders”** shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Talons appertaining to the Notes of such Series;

“Talons” means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, a Definitive Note (other than a Zero Coupon Note), such talons being in the form or substantially in the form set out in Part VI of Schedule 2 or in such other form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 11;

“Temporary Global Note” means a global note in the form or substantially in the form set out in Part I of Schedule 2 with such modifications (if any) as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Notes of the same Series, issued by the relevant Issuer pursuant to the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and these presents;

“the London Stock Exchange” means the London Stock Exchange plc and any successor thereto;

“these presents” means this Trust Deed and the Schedules and any Trust Deed supplemental hereto and the Schedules (if any) thereto and the Notes, the Receipts, the Coupons, the Talons, the Conditions and, unless the context otherwise requires, the Final Termss, all as from time to time modified in accordance with the provisions herein or therein contained;

“Tranche” means all Notes which are identical in all respects (including as to listing);

“Trust Corporation” means a corporation entitled by rules made under the Public Trustee Act 1906 of Great Britain or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee;

“Trustee Acts” means both the Trustee Act 1925 and the Trustee Act 2000 of England and Wales;

“UK Listing Authority” means the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986;

“Zero Coupon Note” means a Note on which no interest is payable;

words denoting the singular shall include the plural and *vice versa*;

words denoting one gender only shall include the other genders; and

words denoting persons only shall include firms and corporations and *vice versa*.

- 1.4
- (a) All references in these presents to principal and/or principal amount and/or interest in respect of the Notes or to any moneys payable by the relevant Issuer under these presents shall, unless the context otherwise requires, be construed in accordance with Condition 5(f).
 - (b) All references in these presents to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment.
 - (c) All references in these presents to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
 - (d) All references in these presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in these presents.
 - (e) All references in these presents to taking proceedings against the relevant Issuer shall be deemed to include references to proving in the winding up of the relevant Issuer.
 - (f) All references to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include references to any additional or alternative clearance system approved by the relevant Issuer, the Agent and the Trustee.
 - (g) Unless the context otherwise requires words or expressions used in these presents shall bear the same meanings as in the Companies Act 1985 of Great Britain.
 - (h) In this Trust Deed references to Schedules, Clauses, sub-clauses, paragraphs and sub-paragraphs shall be construed as references to the Schedules to this Trust Deed and to the Clauses, sub-clauses, paragraphs and sub-paragraphs of this Trust Deed respectively.
 - (i) In these presents tables of contents and Clause headings are included for ease of reference and shall not affect the construction of these presents.
- 1.5 Words and expressions defined in these presents or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used herein unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and these presents, these presents shall

prevail and, in the event of inconsistency between the Agency Agreement or these presents and the applicable Final Terms, the applicable Final Terms shall prevail.

- 1.6 All references in these presents to the “**relevant currency**” shall be construed as references to the currency in which payments in respect of the Notes and/or Receipts and/or Coupons of the relevant Series are to be made as indicated in the applicable Final Terms.
- 1.7 All references in these presents to Notes having a “**listing**” or being “**listed**” shall, in relation to the London Stock Exchange, be construed to mean that such Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange’s market for listed securities. All references in these presents to “**listing**” and “**listed**” shall include references to “**quotation**” and “**quoted**” respectively.

2. **ISSUE OF NOTES**

- 2.1 The Notes will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit from time to time and for the purpose of determining such aggregate nominal amount Clause 3(5) of the Programme Agreement shall apply.

By not later than 3.00 p.m. (London time) on the London Business Day preceding each proposed Issue Date, the relevant Issuer shall deliver or cause to be delivered to the Trustee a copy of the applicable Final Terms and shall notify the Trustee or cause the Trustee to be notified in writing without delay of the relevant Issue Date and the nominal amount of the Notes to be issued. Upon the issue of the relevant Notes, such Notes shall become constituted by these presents without further formality.

Before the first issue of Notes occurring after each anniversary of this Trust Deed and on each occasion that legal opinions are furnished to the Dealers and on such other occasions as the Trustee so requests (on the basis that the Trustee considers it prudent in view of a change (or proposed change) in applicable law materially affecting the relevant Issuer, the Guarantor, these presents or the Agency Agreement or the Trustee has other reasonable grounds which shall not include the mere lapse of time), the relevant Issuer or the Guarantor (if applicable) will use all reasonable endeavours to procure that further legal opinions or, where applicable, a further legal opinion (relating, if applicable, to any such change or proposed change) in such form and content as the Trustee may require from legal advisers approved by the Trustee are/is delivered to the Trustee. Whenever such a request is made with respect to any Notes to be issued, the receipt of such opinion in a form satisfactory to the Trustee shall be a further condition precedent to the issue of those Notes.

- 2.2 As and when the Notes of any Series or any of them or any instalment of principal in respect thereof become(s) due to be redeemed in accordance with the Conditions, the relevant Issuer or the Guarantor (if applicable) shall unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency in immediately available funds the principal amount in respect of the Notes of such Series or the amount of such instalment becoming due for redemption on that date and (except in the case of Zero Coupon Notes) shall (subject to the provisions of the Conditions) in the meantime and until redemption in full of the Notes of such Series (as well after as before any judgment or other order of any court of competent jurisdiction) unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid interest on the nominal amount of the Notes outstanding of such Series at rates and/or in amounts calculated from time to time in accordance with or specified in, and on the dates provided for in, the Conditions (subject to Clause 2(D)) provided that (i) every payment of principal or interest or other sum due in respect of the Notes made to or to the order of the Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the relevant covenant by the relevant Issuer in this Clause contained in relation to the Notes of such

Series except to the extent that there is a default in the subsequent payment thereof in accordance with the Conditions to the relevant Noteholders or Couponholders (as the case may be); (ii) in the case of any payment of principal made to the Trustee or the Agent after the due date or on or after accelerated maturity following an Event of Default, interest shall continue to accrue on the principal amount of the relevant Notes (except in the case of Zero Coupon Notes, to which the provisions of Condition 6(j) shall apply) at the rates and/or in the amounts aforesaid up to and including the date (being not later than 30 days after the day on which the whole of such principal amount, together with an amount equal to the interest which has accrued and is to accrue pursuant to this proviso up to and including that date, has been received by the Trustee or the Agent) which the Trustee determines to be the date on and after which payment is to be made in respect thereof as stated in a notice given to the holders of such Notes; and (iii) in any case where payment of the whole or any part of the principal amount of any Note is improperly withheld or refused upon due presentation thereof (other than in circumstances contemplated by (ii) above) interest shall accrue on the principal amount of such Note (except in the case of Zero Coupon Notes, to which the provisions of Condition 6(j) shall apply) payment of which has been so withheld or refused at the rates and/or in the amounts aforesaid from the date of such withholding or refusal until the date on which, upon further presentation of the relevant Note, payment of the full amount (including interest as aforesaid) in the relevant currency payable in respect of such Note is made or (if earlier) the day after notice is given to the relevant Noteholder (whether individually or in accordance with Condition 14) that the full amount (including interest as aforesaid) in the relevant currency in respect of such Note is available for payment, provided that, upon further presentation thereof being duly made, such payment is made.

2.3

At any time after an Event of Default or a Potential Event of Default shall have occurred the Trustee may:

- (a) by notice in writing to the relevant Issuer, the Guarantor (if applicable), the Agent and the other Paying Agents require the Agent and the other Paying Agents pursuant to the Agency Agreement:
 - (i) to act thereafter as Agent and other Paying Agents respectively of the Trustee in relation to payments to be made by or on behalf of the Trustee under the provisions of these presents *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of these presents relating to the relevant Notes and available for such purpose) and thereafter to hold all Notes and Coupons and all sums, documents and records held by them in respect of Notes and Coupons on behalf of the Trustee; or
 - (ii) to deliver up all Notes and Coupons and all sums, documents and records held by them in respect of Notes and Coupons to the Trustee or as the Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Paying Agent is obliged not to release by any law or regulation; and
- (b) by notice in writing to the relevant Issuer and the Guarantor (if applicable) require it to make all subsequent payments in respect of the Notes and Coupons to or to the order of the Trustee and not to the Agent; with effect from the issue of any such notice to the relevant Issuer and the Guarantor (if applicable) and unless and until such notice is withdrawn proviso (i) to sub-clause (B) of this Clause shall cease to have effect.

At such time as the Trustee shall be satisfied that no Event of Default or Potential Event of Default is continuing the Trustee shall by notice in writing to the relevant

Issuer, the Guarantor (if applicable), the Agent and the other Paying Agents pursuant to the Agency Agreement withdraw any notice given pursuant to this sub-clause (C) whereupon any such notice shall cease to apply.

In such circumstances the Trustee shall not be responsible for supervising the proceedings or acts of the Agent and the other Paying Agents.

- (c) If the Floating Rate Notes or Index-Linked Interest Notes of any Series become immediately due and repayable under Condition 9 the rate and/or amount of interest payable in respect of them will be calculated at the same intervals as if such Notes had not become due and repayable, the first of which will commence on the expiry of the Interest Period during which the Notes of the relevant Series become so due and repayable *mutatis mutandis* in accordance with the provisions of Condition 9 except that the rates and/or amounts of interest need not be published.

2.4 All payments in respect of, under and in connection with these presents and the Notes of any Series to the relevant Noteholders and Couponholders shall be made in the relevant currency.

2.5 The relevant Issuer shall be at liberty from time to time (but subject always to the provisions of these presents) without the consent of the Noteholders or Couponholders to create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Notes), and so that the same shall be consolidated and form a single Series, with the outstanding Notes of a particular Series.

2.6 The Notes of each Series shall form a separate Series of Notes and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, the provisions of this Clause and of Clauses 3 to 22 (both inclusive) and 23(B) and Schedule 3 shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedule the expressions “Notes”, “Noteholders”, “Receipts”, “Receiptholders”, “Coupons”, “Couponholders”, “Talons” and “Talonholders” shall be construed accordingly.

3. FORM OF NOTES

3.1 The Notes of each Tranche will initially be represented on issue by either a single Temporary Global Note or a single Permanent Global Note. Each Temporary Global Note shall be exchangeable for either Definitive Notes together with, where applicable, Receipts and (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached or a Permanent Global Note, in each case in accordance with the provisions set out therein. Each Permanent Global Note shall be exchangeable for Definitive Notes together with, where applicable, Receipts and (except in the case of Zero Coupon Notes) Coupons and, where applicable, Talons attached, all as set out in such Permanent Global Note. All Global Notes shall be prepared, completed and delivered to a common depositary for Euroclear and Clearstream, Luxembourg in accordance with the provisions of the Programme Agreement or to another appropriate depositary in accordance with any other agreement between the relevant Issuer and the relevant Dealer(s) and, in each case, the Agency Agreement.

3.2 The Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons shall be in bearer form. The Global Notes may be facsimile or photocopies and each shall have annexed thereto a copy of the applicable Final Terms. The Definitive Notes, the Receipts, the Coupons and the Talons shall be serially numbered and, if listed or quoted, shall be security printed in accordance with the requirements (if any) from time to time of the relevant Stock Exchange and the relevant Conditions shall be incorporated by reference (where applicable to this Trust Deed) into such Definitive Notes if permitted by the

relevant Stock Exchange (if any) or, if not so permitted, the Definitive Notes shall be endorsed with or have attached thereto the relevant Conditions, and, in either such case, the Definitive Notes shall have endorsed thereon or attached thereto the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms. Title to the Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons shall pass by delivery.

- 3.3 The Global Notes shall be signed manually or in facsimile by an Authorised Signatory of the relevant Issuer and shall be authenticated by an authorised signatory on behalf of the Agent. The Definitive Notes shall be signed in facsimile by an Authorised Signatory of the relevant Issuer and the Definitive Notes shall be authenticated by an authorised signatory on behalf of the Agent. The relevant Issuer may use the facsimile signature of any person who at the date such signature is affixed is an Authorised Signatory of the relevant Issuer even if at the time of issue of the relevant Global Notes or Definitive Notes he may have ceased for any reason to be so authorised. The Receipts, Coupons and Talons shall not be signed. The Global Notes and Definitive Notes so executed and authenticated, and the Receipts, Coupons and Talons, upon execution and authentication of the relevant Definitive Notes, shall be binding and valid obligations of the relevant Issuer. No Global Note or Definitive Note and none of the Receipts, Coupons or Talons appertaining to such Definitive Note shall be binding or valid until such Global Note or Definitive Note (as the case may be) shall have been executed and authenticated as aforesaid.
- 3.4 Except as ordered by a court of competent jurisdiction or as required by law the relevant Issuer, the Guarantor (if applicable), the Trustee, the Agent and any other Paying Agent shall (subject as set out below) be entitled to deem and treat the bearer of any Note, Receipt, Coupon or Talon as the absolute owner thereof (whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice to the contrary or any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes. For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be and shall be treated by the relevant Issuer, the Guarantor (if applicable), the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes of these presents other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the relevant Issuer and the Guarantor (if applicable), solely in the bearer of the Global Note in accordance with and subject to its terms (or the Trustee in accordance with these presents) (and the expressions “**Noteholder**”, “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.
- 3.5 The relevant Issuer and the Trustee may call for and, except in the case of manifest error, shall be at liberty to accept and place full reliance on as sufficient evidence thereof a certificate or letter of confirmation issued on behalf of Euroclear or Clearstream, Luxembourg or any form of record made by either of them to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Notes represented by a Global Note.

4. **FEES, DUTIES AND TAXES**

The relevant Issuer, failing which the Guarantor, will pay any stamp, issue, registration, documentary and other fees, duties and taxes payable on or in connection with (i) the execution and delivery of these presents (ii) the constitution and original issue of the Notes and the Coupons and (iii) any action taken by or on behalf of the Trustee or (where permitted under these presents so to do) any Noteholder or Couponholder to enforce the provisions of these presents.

5. **GUARANTEE AND INDEMNITY OF REUTERS GROUP PLC**

5.1 The Guarantor unconditionally and irrevocably guarantees to the Trustee (i) the due and punctual payment by RF of any sum payable by it under these presents, the Notes, the Receipts or the Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise); and (ii) the due and punctual performance and observance by RF of each of the other provisions of these presents, the Notes, the Receipts and the Coupons on RF's part to be performed or observed. The Guarantor shall pay any sum falling due under this Guarantee and Indemnity to or to the order of the Trustee, in the manner provided in Clause 2(B) and (D) (or if in respect of sums due under Clause 15, in the currency which was originally contracted in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clauses 2(B)(i), 2(B)(ii) and 2(B)(iii) shall apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 15. All payments under this Guarantee by the Guarantor shall be made subject to Condition 5 and sub-Clause 14(xiv).

5.2 As between the Guarantor and the Trustee, the Noteholders and the Couponholders but without affecting RF's obligations, the Guarantor shall be liable under this Guarantee and Indemnity as if it were the sole principal debtor and not merely a surety (but without affecting RF's obligations) to the intent that the holder of the Notes or the holder of a Receipt or Coupon or the Trustee (as the case may be) shall receive the same amounts in respect of principal, premium, interest or such other amount as would have been receivable had such payments been made by RF. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to RF or any other person, (2) any amendment to any other provisions of these presents or to the Conditions of the Notes or to any security or other guarantee or indemnity, (3) the making or absence of any demand on RF or any other person for payment, (4) the enforcement or absence of enforcement of this Trust Deed, the Notes, the Receipts or the Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of RF or any other person, (7) the illegality, invalidity or unenforceability of, or of any defence or counterclaim whatsoever available to RF in relation to, or any defect in any provision of, this Trust Deed, the Notes, the Receipts or the Coupons or any of RF's obligations under any of them, (8) any circumstances which have resulted in RF being prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation or (9) whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or a defence to a guarantor).

5.3 The Guarantor's obligations under this Guarantee and Indemnity are and shall remain in full force and effect by way of continuing security until no sum remains payable under this Trust Deed, the Notes, the Receipts or the Coupons. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to RF, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind. Furthermore, the Trustee may refrain from applying or

enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and the Guarantor shall not be entitled to the benefit of the same and may hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee and Indemnity, without liability to pay interest on those moneys.

5.4 So long as any sum remains payable under this Trust Deed, the Notes, the Receipts or the Coupons:

- (a) any right of the Guarantor, by reason of the performance of any of its obligations under this Guarantee and Indemnity, to be indemnified by RF or to take the benefit of or to enforce any security or other guarantee or indemnity shall be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve; and
- (b) any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of RF shall be held in trust for the Trustee and immediately paid to the Trustee and the Trustee shall hold it on the trusts set out in Clause 10.

5.5 Without prejudice to the provisions of Clause 8 the Trustee may determine from time to time whether or not it will enforce this Guarantee and Indemnity which it may do without making any demand of or taking any proceedings against RF and may from time to time make any arrangement or compromise with the Guarantor in relation to this Guarantee and Indemnity which the Trustee may consider expedient in the interests of the Noteholders.

5.6 The Guarantor shall on demand indemnify the Trustee, each Noteholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by RF under this Trust Deed, the Notes or the Receipts or Coupons relating to the Notes and shall in any event pay to it on demand the amount as refunded by it.

5.7 As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees (1) that any sum that, although expressed to be payable by RF under this Trust Deed, the Notes or the Receipts or the Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to RF, the Guarantor, the Trustee or any Noteholder or Couponholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, each Noteholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by RF under these presents, the Notes or the Receipts or Coupons not being paid on the date and otherwise in the manner specified in these presents or any payment obligation of RF under these presents, the Notes, the Receipts or the Coupons being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee, any Noteholder or any Couponholder), the amount of that loss being the amount expressed to be payable by RF in respect of the relevant sum.

5.8 The obligations of the Guarantor under these presents, the Notes, the Receipts and the Coupons constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

6. COVENANT OF COMPLIANCE

Each of the relevant Issuer and the Guarantor (if applicable) severally covenants with the Trustee that it will comply with and perform and observe all the provisions of these presents which are expressed to be binding on it. The Conditions shall be binding on the relevant Issuer, the Guarantor (if applicable), the Noteholders and the Couponholders. The Trustee shall be entitled to enforce the obligations of the relevant Issuer and the Guarantor (if applicable) under the Notes and the Coupons as if the same were set out and contained in the trust deeds constituting the same, which shall be read and construed as one document with the Notes and the Coupons.

7. CANCELLATION OF NOTES AND RECORDS

7.1 The relevant Issuer shall procure that all Notes (i) redeemed or (ii) purchased by or on behalf of the relevant Issuer, the Guarantor (if applicable), or any Subsidiary of the relevant Issuer or the Guarantor and surrendered for cancellation or (iii) which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 11 or (iv) exchanged as provided in these presents (together in each case with all unmatured Coupons attached thereto or delivered therewith) and all Coupons paid in accordance with the Conditions or which, being mutilated or defaced, have been surrendered and replaced pursuant to Condition 11 and all Talons exchanged in accordance with the Conditions for further Coupons shall forthwith be cancelled by or on behalf of the relevant Issuer and a certificate stating:

- (a) the aggregate nominal amount of Notes which have been redeemed and the aggregate amounts in respect of Receipts and Coupons which have been paid;
- (b) the serial numbers of such Notes in definitive form and Receipts;
- (c) the total numbers (where applicable, of each denomination) by maturity date of such Coupons;
- (d) the aggregate amount of interest paid (and the due dates of such payments) on Global Notes;
- (e) the aggregate nominal amount of Notes (if any) which have been purchased by or on behalf of the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or the Guarantor and cancelled and the serial numbers of such Notes in definitive form and Receipts and the total number (where applicable, of each denomination) by maturity date of the Receipts, Coupons and Talons attached thereto or surrendered therewith;
- (f) the aggregate nominal amounts of Notes and Receipts and the aggregate amounts in respect of Coupons which have been so exchanged or surrendered and replaced and the serial numbers of such Notes in definitive form and Receipts and the total number (where applicable, of each denomination) by maturity date of such Coupons and Talons;
- (g) the total number (where applicable, of each denomination) by maturity date of unmatured Coupons missing from Notes in definitive form bearing interest at a fixed rate which have been redeemed or exchanged or surrendered and replaced and the serial numbers of the Notes in definitive form to which such missing unmatured Coupons appertained; and
- (h) the total number (where applicable, of each denomination) by maturity date of Talons which have been exchanged for further Coupons

shall be given to the Trustee by or on behalf of the relevant Issuer as soon as possible and in any event within four months after the date of such redemption, purchase,

payment, exchange or replacement (as the case may be). The Trustee may accept such certificate as conclusive evidence of redemption, purchase, exchange or replacement *pro tanto* of the Notes or payment of interest thereon or exchange of the Talons respectively and of cancellation of the relative Notes and Coupons.

- 7.2 The relevant Issuer and the Guarantor (if applicable) shall procure (i) that the Agent shall keep a full and complete record of all Notes and Coupons (other than serial numbers of Coupons) and of their redemption, purchase for cancellation by or on behalf of the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or the Guarantor (if applicable), cancellation, payment or exchange (as the case may be) and of all replacement notes or coupons issued in substitution for lost, stolen, mutilated, defaced or destroyed Notes or Coupons (ii) that the Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of ten years from the Relevant Date in respect of such Coupons and (in the case of Talons) indefinitely either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged and (iii) that such records and Coupons (if any) shall be made available to the Trustee at all reasonable times.

8. **ENFORCEMENT**

- 8.1 The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other action as it may think fit against or in relation to the relevant Issuer and the Guarantor (if applicable) to enforce its obligations under these presents.
- 8.2 Proof that as regards any specified Note or Coupon the relevant Issuer or the Guarantor (if applicable) has made default in paying any amount due in respect of such Note or Coupon shall (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Notes or Coupons (as the case may be) in respect of which the relevant amount is due and payable.

9. **PROCEEDINGS, ACTION AND INDEMNIFICATION**

- 9.1 The Trustee shall not be bound to take any proceedings mentioned in Clause 8(A) or any other action in relation to these presents unless respectively directed or requested to do so (i) by an Extraordinary Resolution or (ii) in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and in either case then only if it shall be indemnified and, if it so requires, secured (whether by way of advance payment or otherwise) to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing. If the Trustee is obliged to make any determination or certification of material prejudice or otherwise under the terms of these presents or the Agency Agreement, the Trustee shall not be bound to take any action until it is indemnified and, if it so requires, secured (whether by way of advance payment or otherwise) to its satisfaction.
- 9.2 Only the Trustee may enforce the provisions of these presents. No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor (if applicable) to enforce the performance of any of the provisions of these presents unless the Trustee having become bound as aforesaid to take proceedings fails to do so within a reasonable period and such failure is continuing.

10. **APPLICATION OF MONEYS**

All moneys received by the Trustee under these presents shall, unless and to the extent attributable in the opinion of the Trustee to a particular Series of the Notes, be apportioned *pari passu* and rateably between each Series of the Notes, and all moneys received by the Trustee under these presents to the extent attributable in the opinion of the Trustee to a particular Series of the Notes or which are apportioned to such Series as

aforesaid (including any moneys which represent principal or interest in respect of Notes or Coupons which have become void under Condition 8) shall be held by the Trustee upon trust to apply them (subject to Clause 12):

First in payment or satisfaction of all amounts then due and unpaid under Clauses 15 and/or 16(J) and/or 22 to the Trustee and/or any Appointee;

Secondly in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Notes of that Series;

Thirdly in or towards payment *pari passu* and rateably of all principal and interest then due and unpaid in respect of the Notes of each other Series; and

Fourthly in payment of the balance (if any) to the relevant Issuer, or, as the case may be, the Guarantor (if applicable) (without prejudice to, or liability in respect of, any question as to how such payment to the relevant Issuer, or, as the case may be, the Guarantor (if applicable) shall be dealt with as between the relevant Issuer, or, as the case may be, the Guarantor (if applicable) and any other person).

11. NOTICE OF PAYMENTS

The Trustee shall give notice to the relevant Noteholders in accordance with Condition 14 of the day fixed for any payment to them under Clause 10. Such payment may be made in accordance with Condition 5 and any payment so made shall be a good discharge to the Trustee.

12. INVESTMENT BY TRUSTEE

12.1 If the amount of the moneys at any time available for the payment of principal and interest in respect of the Notes under Clause 10 shall be less than 10 per cent. of the principal amount of the Notes then outstanding the Trustee may at its discretion invest such moneys in some or one of the investments authorised below. The Trustee at its discretion may vary such investments and may accumulate such investments and the resulting income until the accumulations, together with any other funds for the time being under the control of the Trustee and available for such purpose, amount to at least 10 per cent. of the principal amount of the Notes then outstanding and then such accumulations and funds shall be applied under Clause 10.

12.2 Any moneys which under the trusts of these presents ought to or may be invested by the Trustee may be invested in the name or under the control of the Trustee in any investments or other assets in any part of the world whether or not they produce income or by placing the same on deposit in the name or under the control of the Trustee at such bank or other financial institution and in such currency as the Trustee may think fit. If that bank or other financial institution is the Trustee or a subsidiary, holding or associated company of the Trustee, such bank or other financial institution need only account for an amount of interest equal to the largest amount of interest payable by it on such a deposit to an independent customer. The Trustee may at any time vary any such investments for or into other investments or convert any moneys so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

13. PARTIAL PAYMENTS

Upon any payment under Clause 10 (other than payment in full against surrender of a Note or Coupon) the Note or Coupon in respect of which such payment is made shall be produced to the Trustee or the Paying Agent by or through whom such payment is made and the Trustee shall or shall cause such Paying Agent to enface thereon a memorandum of the amount and the date of payment but the Trustee may in any particular case

dispense with such production and enforcement upon such indemnity being given as it shall think sufficient.

14.

COVENANTS

So long as any of the Notes remains outstanding (or, in the case of paragraphs (vii), (viii) and (xii) to (xv) inclusive, so long as any of the Notes or Coupons remains liable to prescription) each of the relevant Issuer and the Guarantor (if applicable) covenants with the Trustee that it shall:

- (a) give or procure to be given to the Trustee such opinions, certificates, information and evidence as it shall require and in such form as it shall require (including without limitation the procurement by the relevant Issuer or the Guarantor (if applicable) of all such certificates called for by the Trustee pursuant to Clause 16(C)) for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law;
- (b) cause to be prepared and certified by the Auditors in respect of each financial accounting period accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the relevant Stock Exchange;
- (c) at all times keep and procure its Subsidiaries to keep proper books of account and at any time after the occurrence of an Event of Default or a Potential Event of Default or if the Trustee has reasonable grounds to believe that an Event of Default or a Potential Event of Default has occurred or is about to occur allow and procure its Subsidiaries to allow the Trustee and any person appointed by the Trustee to whom the relevant Issuer, the Guarantor (if applicable) or the relevant Subsidiary (as the case may be) shall have no reasonable objection free access to such books of account at all reasonable times during normal business hours provided that nothing in this paragraph (iii) shall oblige the relevant Issuer or the Guarantor (if applicable) to disclose confidential information concerning customers of the relevant Issuer or the Guarantor (if applicable);
- (d) send to the Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the relevant Issuer or the Guarantor (if applicable)) two copies in English of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document issued or sent to its shareholders or which should legally be sent to its shareholders together with any of the foregoing, and every document issued or sent to holders of securities other than its shareholders (including the Noteholders) as soon as practicable after the issue or publication thereof;
- (e) give notice in writing to the Trustee (a) of the occurrence of any Event of Default or any Potential Event of Default immediately upon becoming aware of the occurrence of an Event of Default or a Potential Event of Default or (b) of the coming into existence of any Security Interest which would require any security to be given to any Series of Notes pursuant to Condition 3;
- (f) give to the Trustee (a) within seven days after demand by the Trustee therefor and (b) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial period commencing with the financial period ending, in the case of RG, 31 December 1998, and, in the case of RF, 31 December 2003 and in any event not later than 180 days after the end of each such completed financial period a certificate of the relevant Issuer and the Guarantor (if applicable) signed by an Authorised Signatory of the relevant Issuer and the Guarantor (if applicable) to the effect that as at a date not more than seven days before delivering such certificate (the “**relevant date**”) there did not

exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate the date hereof) any Event of Default or any Potential Event of Default (or if such exists or existed specifying the same) and that during the period from and including the relevant date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the relevant date of such certificate each of the relevant Issuer and the Guarantor (if applicable) has complied with all its obligations contained in these presents or (if such is not the case) specifying the respects in which it has not complied;

- (g) at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the reasonable opinion of the Trustee to give effect to these presents;
- (h) at all times maintain Paying Agents in accordance with the Conditions;
- (i) use all reasonable endeavours to procure the Agent to notify the Trustee forthwith in the event that it does not, on or before the due date for any payment in respect of the Notes or any of them or any of the Coupons, receive unconditionally pursuant to the Agency Agreement payment of the full amount in the relevant currency of the moneys payable on such due date on all such Notes or Coupons as the case may be;
- (j) in the event of the unconditional payment to the Agent of any sum due in respect of the Notes or any of them or any of the Coupons being made after the due date for payment thereof forthwith give or procure to be given notice to the relevant Noteholders in accordance with Condition 14 that such payment has been made;
- (k) use all reasonable endeavours to maintain the listing on the relevant Stock Exchange of those of the Notes which are listed on the relevant Stock Exchange or, if it is unable to do so having used such endeavours, use all reasonable endeavours to obtain and maintain a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets as the relevant Issuer and the Guarantor (if applicable) may (with the prior approval of the Trustee) decide and shall also upon obtaining a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets enter into a trust deed supplemental to this Trust Deed to effect such consequential amendments to these presents as the Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange or securities market;
- (l) give notice to the Noteholders in accordance with Condition 14 of any appointment, resignation or removal of any Paying Agent (other than the appointment of the initial Paying Agents) after having obtained the approval of the Trustee thereto or any change of any Paying Agent's specified office and (except as provided by the Agency Agreement or the Conditions) at least 30 days prior to such event taking effect; provided always that so long as any of the Notes remains liable to prescription in the case of the termination of the appointment of the Agent no such termination shall take effect until a new Agent has been appointed on terms approved by the Trustee;
- (m) obtain the prior written approval of the Trustee to, and promptly give to the Trustee two copies of, the form of every notice given to the Noteholders in accordance with Condition 14 (such approval, unless so expressed, not to constitute approval for the purposes of Section 57 of the Financial Services Act 1986 of the United Kingdom of any such notice which is an investment advertisement (as therein defined));
- (n) if the relevant Issuer or the Guarantor (if applicable) shall become subject generally to the taxing jurisdiction of any territory or any political sub-division

thereof or any authority therein or thereof having power to tax other than or in addition to the United Kingdom or any such political sub-division thereof or any such authority therein or thereof, immediately upon becoming aware thereof notify the Trustee of such event and (unless the Trustee otherwise agrees) enter forthwith into a Trust Deed supplemental to this Trust Deed, giving to the Trustee an undertaking or covenant in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 7 with the substitution for (or, as the case may be, the addition to) the references therein to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax of references to that other or additional territory or any political sub-division thereof or any authority therein or thereof having power to tax to whose taxing jurisdiction such payments shall have become subject as aforesaid such Trust Deed also (where applicable) to modify Condition 6(b) so that such Condition shall make reference to the other or additional territory, any political sub-division thereof and any authority therein or thereof having power to tax;

- (o) comply with and perform all its obligations under the Agency Agreement and use all reasonable endeavours to procure that the Paying Agents comply with and perform all their respective obligations thereunder and any notice given by the Trustee pursuant to Clause 2(C)(i) and not make any amendment or modification to such Agreement without the prior written approval of the Trustee;
- (p) in order to enable the Trustee to ascertain the nominal amount of Notes of each Series for the time being outstanding for any of the purposes referred to in the proviso to the definition of "outstanding" in Clause 1, deliver to the Trustee forthwith upon being so requested in writing by the Trustee a certificate in writing signed by an Authorised Signatory of the relevant Issuer or the Guarantor (if applicable) setting out the total number and aggregate nominal amount of Notes of each Series which:
 - (i) up to and including the date of such certificate have been purchased by the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or the Guarantor (if applicable) and cancelled; and
 - (ii) are at the date of such certificate held by, for the benefit of, or on behalf of, the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or the Guarantor (if applicable);
- (q) procure its Subsidiaries to comply with all (if any) applicable provisions of Condition 6(h);
- (r) use all reasonable endeavours to procure that each of the Paying Agents makes available for inspection by Noteholders and Couponholders at its specified office copies of these presents, the Agency Agreement and the then latest audited balance sheet and profit and loss account (consolidated if applicable) of the relevant Issuer and the Guarantor (if applicable);
- (s) if, in accordance with the provisions of the Conditions, interest in respect of Notes denominated in U.S. dollars becomes payable at the specified office of any Paying Agent in the United States of America promptly give notice thereof to the Noteholders in accordance with Condition 14;
- (t) upon due surrender in accordance with the Conditions, pay the face value of all Coupons (including Coupons issued in exchange for Talons) appertaining to all Notes purchased by the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the Guarantor;

- (u) give prior notice to the Trustee of any proposed redemption pursuant to Condition 6(b) or 6(c) and, if it shall have given notice to Noteholders of its intention to redeem any Notes pursuant to Condition 6(c), duly proceed to make drawings (if appropriate) and to redeem Notes accordingly; and
- (v) promptly provide the Trustee with copies of all supplements to, and/or amendments to, and/or restatements of, the Programme Agreement.

15. REMUNERATION OF TRUSTEE

15.1 The relevant Issuer, failing which the Guarantor, shall pay to the Trustee remuneration for its services as trustee as from the date of this Trust Deed, such remuneration to be at such rate as may from time to time be separately agreed between the relevant Issuer, the Guarantor (if applicable) and the Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders and Couponholders) up to and including the date when, all the Notes having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Agent or the Trustee provided that if upon due presentation of any Note or Coupon or any cheque payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue.

15.2 In the event of the occurrence of an Event of Default or a Potential Event of Default or the Trustee considering it expedient or necessary or being requested by the relevant Issuer or the Guarantor (if applicable) to undertake duties which the Trustee and the relevant Issuer or the Guarantor (if applicable) agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents the relevant Issuer, failing which the Guarantor (if applicable) shall pay to the Trustee such additional remuneration as shall be agreed between them.

15.3 The relevant Issuer shall in addition pay to the Trustee an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under these presents.

15.4 In the event of the Trustee, the relevant Issuer and the Guarantor (if applicable) failing to agree:

- (a) (in a case to which sub-clause (A) above applies) upon the amount of the remuneration; or
- (b) (in a case to which sub-clause (B) above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents, or upon such additional remuneration,

such matters shall be determined by a merchant or investment bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the relevant Issuer and the Guarantor (if applicable) or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant or investment bank being shared equally between the relevant Issuer and the Trustee) and the determination of any such merchant or investment bank shall be final and binding upon the Trustee, the relevant Issuer and the Guarantor (if applicable).

15.5 The relevant Issuer, failing which, the Guarantor, shall also pay or discharge all Liabilities properly incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, these presents, including but not limited to travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the

Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, these presents.

- 15.6 All amounts payable pursuant to sub-clause (E) above and/or Clause 16(J) shall be payable by the relevant Issuer, failing which, the Guarantor, on the date specified in a demand by the Trustee and in the case of payments actually made by the Trustee prior to such demand shall (if not paid within three days after such demand and the Trustee so requires) carry interest at the rate of two per cent. per annum above the overnight base rate from time to time of Citibank, N.A. from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within three days after such demand and, in either case, the Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Trustee shall carry interest at such rate from the due date therefor.
- 15.7 Unless otherwise specifically stated in any discharge of these presents the provisions of this Clause and Clause 16(J) shall continue in full force and effect notwithstanding such discharge.
- 15.8 The Trustee shall be entitled in its absolute discretion to determine in respect of which Series of Notes any Liabilities incurred under these presents have been incurred or to allocate any such Liabilities between the Notes of more than one Series.
16. **SUPPLEMENT TO TRUSTEE ACTS**
- The Trustee shall have all the powers conferred upon trustees by the Trustee Acts and by way of supplement thereto it is expressly declared as follows:
- 16.1 The Trustee may in relation to these presents act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by the relevant Issuer, the Guarantor (if applicable), the Trustee or otherwise and shall not be responsible for any Liability occasioned by so acting.
- 16.2 Any such advice, opinion or information may be sent or obtained by letter, telegram, facsimile transmission or cable and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telegram, facsimile transmission or cable although the same shall contain some error or shall not be authentic.
- 16.3 The Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by an Authorised Signatory of the relevant Issuer or the Guarantor (if applicable) and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate or any other certificate given by the relevant Issuer, the Guarantor (if applicable) or the Auditors under the terms of these presents.
- 16.4 The Trustee shall be at liberty to hold or to place these presents and any other documents relating thereto in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Trustee to be of good repute and the Trustee shall not be responsible for or be required to insure against any Liability incurred in connection with any such deposit and may pay all sums required to be paid on account of or in respect of any such deposit.
- 16.5 The Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Notes by the relevant Issuer, the exchange of any Global Note for

another Global Note or Definitive Notes or the delivery of any Global Note or Definitive Notes to the person(s) entitled to it or them.

- 16.6 The Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in these presents or to take any steps to ascertain whether any Event of Default or any Potential Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no Event of Default or Potential Event of Default has happened and that each of the relevant Issuer and the Guarantor (if applicable) is observing and performing all its obligations under these presents.
- 16.7 Save as expressly otherwise provided in these presents, the Trustee shall have absolute and uncontrolled discretion as to the exercise of its trusts, powers, authorities and discretions under these presents (the exercise of which as between the Trustee and the Noteholders and Couponholders shall be conclusive and binding on the Noteholders and Couponholders) and shall not be responsible for any Liability which may result from their exercise or non-exercise.
- 16.8 The Trustee shall not be liable to any person by reason of having acted upon any resolution purporting to have been passed at any meeting of the holders of Notes of all or any Series in respect whereof minutes have been made and signed even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon such holders and the relative Couponholders.
- 16.9 The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note or Coupon purporting to be such and subsequently found to be forged or not authentic.
- 16.10 Without prejudice to the right of indemnity by law given to trustees, each of the relevant Issuer and the Guarantor (if applicable) shall indemnify the Trustee and every Appointee and keep it or him indemnified and, if it or him so requires, secured (whether by way of advance payment or otherwise) against all Liabilities to which it or he may be or become subject or which may be incurred by it or him in the execution or purported execution of any of its trusts, powers, authorities and discretions under these presents or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any such appointment.
- 16.11 Any consent or approval given by the Trustee for the purposes of these presents may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in these presents may be given retrospectively.
- 16.12 The Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder or Couponholder any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Trustee by the relevant Issuer, the Guarantor (if applicable) or any other person in connection with these presents and no Noteholder or Couponholder shall be entitled to take any action to obtain from the Trustee any such information.
- 16.13 Where it is necessary or desirable for any purpose in connection with these presents to convert any sum from one currency to another it shall (unless otherwise provided by these presents or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Trustee in consultation with the relevant Issuer and any rate, method and date so agreed shall be binding on the relevant Issuer, the Guarantor (if applicable), the Noteholders and the Couponholders.

- 16.14 The Trustee as between itself and the Noteholders and Couponholders may determine all questions and doubts arising in relation to any of the provisions of these presents. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Noteholders and Couponholders.
- 16.15 In connection with the exercise by it of any of its trusts, powers, authorities and discretions under these presents (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class and shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the relevant Issuer, the Guarantor (if applicable), the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking given in addition thereto or in substitution therefor under these presents.
- 16.16 Any trustee of these presents being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual proper professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of these presents and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with these presents.
- 16.17 The Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, powers, authorities and discretions under these presents. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Trustee may in the interests of the Noteholders think fit. Provided that the Trustee shall have exercised reasonable care in the selection of any such delegate the Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Trustee shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the relevant Issuer.
- 16.18 The Trustee may in the conduct of the trusts of these presents instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with these presents (including the receipt and payment of money). Provided that the Trustee shall have exercised reasonable care in the selection of any such agent the Trustee shall not be in any way responsible for any Liability incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.
- 16.19 The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these presents or any other document relating thereto and shall not be liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these presents or any other document relating thereto.

- 16.20 The Trustee may certify whether or not any of the conditions, events and acts set out in sub-paragraphs (i), (iii), (iv), (vi) and (vii) of Condition 9 (each of which conditions, events and acts shall, unless in any case the Trustee in its absolute discretion shall otherwise determine, for all the purposes of these presents be deemed to include the circumstances resulting therein and the consequences resulting therefrom) is in its opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the relevant Issuer, the Guarantor (if applicable), the Noteholders and the Couponholders.
- 16.21 The Trustee shall not be concerned, and need not enquire, as to whether or not any Notes are issued in breach of the Programme Limit.
- 16.22 Where there are any inconsistencies between the Trustee Acts and the provisions of these presents, the provisions of these presents shall, to the extent allowed by law, prevail, and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of these presents shall constitute a restriction or exclusion for the purposes of that Act.

17. **TRUSTEE'S LIABILITY**

Nothing in these presents shall in any case in which the Trustee has failed to show the degree of care and diligence required of it as trustee having regard to the provisions of these presents conferring on it any trusts, powers, authorities or discretions exempt the Trustee from or indemnify it against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to it in respect of any negligence, default or breach of duty of which it may be guilty in relation to its duties under these presents.

18. **TRUSTEE CONTRACTING WITH RG AND RF**

Neither the Trustee nor any director or officer of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from:

- (a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuers or any person or body corporate associated with the Issuers (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Notes or any other notes, stocks, shares, debenture stock, debentures, bonds or other securities of, the Issuers or any person or body corporate associated as aforesaid); or
- (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuers or any such person or body corporate so associated or any other office of profit under the Issuers or any such person or body corporate so associated

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (i) above or, as the case may be, any such trusteeship or office of profit as is referred to in (ii) above without regard to the interests of the Noteholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Noteholders and shall not be responsible for any Liability occasioned to the Noteholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

Where any holding company, Subsidiary or associated company of the Trustee or any director or officer of the Trustee acting other than in his capacity as such a director or officer has any information, the Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Noteholders resulting from the Trustee's failing to take such information into account in acting or refraining from acting under or in relation to these presents.

19. WAIVER, AUTHORISATION AND DETERMINATION

19.1 The Trustee may, without the consent of the Noteholders or Couponholders and without prejudice to its rights in respect of any subsequent breach, Event of Default or Potential Event of Default, from time to time and at any time, but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby waive or authorise any breach or proposed breach by the relevant Issuer or the Guarantor (if applicable) of any of the covenants or provisions contained in these presents or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of these presents provided always that the Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9 but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Noteholders and the Couponholders and, if, but only if, the Trustee shall so require, shall be notified by the relevant Issuer to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

19.2 Modification

The Trustee may without the consent of the Noteholders or Couponholders at any time and from time to time concur with the relevant Issuer and the Guarantor (if applicable) in making any modification (i) to these presents which in the opinion of the Trustee it may be proper to make provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders or (ii) to these presents if in the opinion of the Trustee such modification is of a formal, minor or technical nature or to correct a manifest error. Any such modification may be made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding upon the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the relevant Issuer to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

20. HOLDER OF DEFINITIVE NOTE ASSUMED TO BE RECEIPHOLDER AND COUPONHOLDER

20.1 Wherever in these presents the Trustee is required or entitled to exercise a power, trust, authority or discretion under these presents, except as ordered by a court of competent jurisdiction or as required by applicable law, the Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each Noteholder is the holder of all Receipts and Coupons appertaining to each Definitive Note of which he is the holder.

20.2 No Notice to Receiptholders or Couponholders

Neither the Trustee nor the relevant Issuer shall be required to give any notice to the Receiptholders or the Couponholders for any purpose under these presents and the Receiptholders and the Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with Condition 14.

21. SUBSTITUTION

- 21.1 In the case of Notes issued by RF, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to the substitution in place of RF (or of the previous substitute under this sub-clause (A)) as the principal debtor under these presents of either (i) RG, (ii) any Successor in Business of either RG or RF, (iii) any holding company of either RG or RF, (iv) any other Subsidiary of RG or (v) any Subsidiary of any such Successor in Business or holding company (such substituted company being hereafter in this sub-clause (A) called the “**New Company**”) provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Trustee, agreeing to be bound by the provisions of these presents with any consequential amendments which the Trustee may deem appropriate as fully as if the New Company had been named in these presents as the principal debtor in place of RF (or of the previous substitute under this sub-clause (A)) and provided further that (except where the New Company is RG or its Successor in Business or its holding company (where such holding company has assumed the obligations of RG as guarantor of Notes issued by RF under these presents) RG or, as the case may be, its Successor in Business or (in the case aforesaid) its holding company unconditionally and irrevocably guarantees (in the case of Subordinated Notes, on a basis equivalent to that on which the Notes are subordinated immediately prior to the substitution) all amounts payable under these presents to the satisfaction of the Trustee.
- 21.2 The following further conditions shall apply to (1) above:
- (a) RG, RF and the New Company shall comply with such other requirements as the Trustee may direct in the interests of the Noteholders;
 - (b) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, Condition 7 shall be modified so that such Condition shall, in substitution for (or, as the case may be, in addition to) the references therein to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, make reference to that other or additional territory or any authority therein or thereof having power to tax in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject;
 - (c) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (iv), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders; and
 - (d) if two Directors of the New Company (or other officers acceptable to the Trustee) shall certify that the New Company is solvent at the time at which the relevant transaction is proposed to be effected (which certificate the Trustee may rely upon absolutely) the Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of RF or the previous substitute under this sub-clause (A) as applicable.
- 21.3 In the case of Notes issued by RG, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to the substitution in place of RG (or of the previous substitute under this sub-clause (B)) as the principal debtor under these presents (in the case of Subordinated Notes, on a basis equivalent to that on which the Notes are subordinated immediately prior to the substitution) of either (i) its Successor in Business, (ii) its holding company or (iii) any Subsidiary of RG or its Successor in Business or holding company (such substituted company being hereafter in this sub-clause (B) called the “**New Company**”) provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Trustee, agreeing to be bound by the provisions of these presents with any consequential

amendments which the Trustee may deem appropriate as fully as if the New Company had been named in these presents as the principal debtor in place of RG (or of the previous substitute under this sub-clause (B)) and provided further that (except where the New Company is the Successor in Business or holding company of RG) RG or, as the case may be, its Successor in Business or holding company unconditionally and irrevocably guarantees (in the case of Subordinated Notes, on a basis equivalent to that on which the Notes are subordinated immediately prior to the substitution) all amounts payable under these presents to the satisfaction of the Trustee.

21.4 The following further conditions shall apply to (1) above:

- (a) RG and the New Company shall comply with such other requirements as the Trustee may direct in the interests of the Noteholders;
- (b) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, Condition 7 shall be modified so that such Condition shall, in substitution for (or, as the case may be, in addition to) the references therein to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, make reference to that other or additional territory or any authority therein or thereof having power to tax in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject;
- (c) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (iv), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders; and
- (d) if two Directors of the New Company (or other officers acceptable to the Trustee) shall certify that the New Company is solvent at the time at which the relevant transaction is proposed to be effected (which certificate the Trustee may rely upon absolutely) the Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of RG or the previous substitute under this sub-clause (B) as applicable.

21.5 In the case of Notes issued by RF, the Trustee may agree, without the consent of the Noteholders, Receipholders or Couponholders, to the substitution in place of RG (or of the previous substitute under this sub-clause (C)) in its capacity as guarantor of such Notes of the Successor in Business of RG or a holding company of RG or of such Successor in Business (such substituted company being hereafter in this sub-clause (C) called the **"New Company"**) provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner satisfactory to the Trustee, agreeing to be bound by the provisions of these presents with any consequential amendments which the Trustee may deem appropriate as fully as if the New Company had been named in these presents as the guarantor in place of RG (or of the previous substitute under this sub-clause (C)).

21.6 The following further conditions shall apply to (1) above:

- (a) RG and the New Company shall comply with such other requirements as the Trustee may direct in the interests of the Noteholders;
- (b) where the New Company is incorporated, domiciled or resident in, or subject generally to the taxing jurisdiction of, a territory other than or in addition to the United Kingdom or any political subdivision or any authority therein or thereof having power to tax, Condition 7 shall be modified so that such Condition shall, in substitution for (or, as the case may be, in addition to) the references therein to the United Kingdom or any political subdivision or any authority therein or thereof

having power to tax, make reference to that other or additional territory or any authority therein or thereof having power to tax in which the New Company is incorporated, domiciled or resident or to whose taxing jurisdiction it is subject;

- (c) without prejudice to the rights of reliance of the Trustee under the immediately following paragraph (iv), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders; and
- (d) if two Directors of the New Company (or other officers acceptable to the Trustee) shall certify that the New Company is solvent at the time at which the relevant transaction is proposed to be effected (which certificate the Trustee may rely upon absolutely) the Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of RG or the previous substitute under this sub-clause (C) as applicable.

21.7 Any such Trust Deed or undertaking shall, if so expressed, operate to release the company being substituted from all of its obligations as principal debtor or, as the case may be, as Guarantor under these presents. Not later than 14 days after the execution of such documents and compliance with such requirements, the relevant New Company shall give notice thereof in a form previously approved by the Trustee to the Noteholders in the manner provided in Condition 14. Upon the execution of such documents and compliance with such requirements, the relevant New Company shall be deemed to be named in these presents as the principal debtor in place of the relevant Issuer (or in place of the previous substitute under this Clause) or, as the case may be, as guarantor in place of the Guarantor under these presents and these presents shall be deemed to be amended in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in these presents to the relevant Issuer or, as the case may be, the Guarantor shall, unless the context otherwise requires, be deemed to be or include references to the relevant New Company.

22. CURRENCY INDEMNITY

Each of the relevant Issuer and the Guarantor (if applicable) shall severally indemnify the Trustee, every Appointee, the Noteholders and the Couponholders and keep them indemnified against:

- (a) any Liability incurred by any of them arising from the non-payment by the relevant Issuer or the Guarantor (if applicable) of any amount due to the Trustee or the Noteholders or Couponholders under these presents by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment by the relevant Issuer or the Guarantor (if applicable); and
- (b) any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which the local currency equivalent of the amounts due or contingently due under these presents (other than this Clause) is calculated for the purposes of any bankruptcy, insolvency or liquidation of the relevant Issuer or the Guarantor (if applicable) and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnities shall constitute obligations of the relevant Issuer and the Guarantor (if applicable) separate and independent from its/their obligations under the other provisions of these presents and shall apply irrespective of any indulgence granted by the Trustee or the Noteholders or the Couponholders from time to time and shall

continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the relevant Issuer or the Guarantor (if applicable) for a liquidated sum or sums in respect of amounts due under these presents (other than this Clause). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Noteholders and Couponholders and no proof or evidence of any actual loss shall be required by the relevant Issuer or the Guarantor (if applicable) or its liquidator or liquidators.

23. **NEW TRUSTEE**

23.1 The power to appoint a new trustee of these presents shall be vested in the issuers jointly but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution. One or more persons may hold office as trustee or trustees of these presents but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of these presents the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Trustee by these presents provided that a Trust Corporation shall be included in such majority. Any appointment of a new trustee of these presents shall as soon as practicable thereafter be notified by the Issuers to the Agent and in accordance with Condition 14 the Noteholders.

23.2 **Separate and Co-Trustees**

Notwithstanding the provisions of sub-clause (A) above, the Trustee may, upon giving prior notice to the relevant Issuer and the Guarantor (if applicable) (but without the consent of the relevant Issuer, the Guarantor (if applicable), the Noteholders or the Couponholders), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee:

- (a) if the Trustee considers such appointment to be in the interests of the Noteholders;
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents against the relevant Issuer and/or the Guarantor (if applicable).

Each of the relevant Issuer and the Guarantor (if applicable) irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of these presents be treated as Liabilities incurred by the Trustee.

24. **TRUSTEE'S RETIREMENT AND REMOVAL**

A trustee of these presents may retire at any time on giving not less than three months' prior written notice to the Issuers without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Noteholders may by Extraordinary Resolution remove any trustee or trustees for the time being of these presents. The Issuers jointly undertake that in the event of the only trustee of these presents which is a Trust Corporation giving notice under this Clause or being removed by

25. **TRUSTEE'S POWERS TO BE ADDITIONAL**

26. NOTICES

27. **GOVERNING LAW**

These presents are governed by, and shall be construed in accordance with, English law.

28. **COUNTERPARTS**

This Trust Deed and any trust deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this trust deed or any Trust Deed supplemental hereto may enter into the same by executing and delivering a counterpart.

29. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this trust deed or any trust deed supplemental hereto has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed or any trust deed supplemental hereto, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

IN WITNESS whereof this Trust Deed has been executed as a deed by RG, RF and the Trustee and delivered on the date stated on page 1.

SCHEDULE 1

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Reuters Finance PLC (“RF”) or Reuters Group PLC (“RG” and together with RF, the “Issuers” and each an “Issuer”) as indicated in the applicable Final Terms constituted by an amended and restated trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 9th June 2006 between RG (in its capacity both as an Issuer and as guarantor of Notes issued by RF (in such capacity, the “Guarantor”)), RF and Citicorp Trustee Company Limited (the “Trustee,” which expression shall include any successor as trustee).

References herein to the “Notes” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “Global Note”), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note; and
- (iii) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 9th June 2006 and made between RG (in its capacity both as an Issuer and as Guarantor of Notes issued by RF), RF, the Trustee, Citibank, N.A. as issuing and principal paying agent and agent bank (the “Agent,” which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “Paying Agents,” which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the “applicable Final Terms” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders of the Notes (the “Noteholders” or “holders,” which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the “Receiptholders”) and the holders of the Coupons (the “Couponholders,” which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing and admission to trading) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as

to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement and the applicable Final Terms are available for inspection during normal business hours at the specified office of the Trustee and of each of the Paying Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area in circumstances where a Prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Trustee or the relevant Paying Agent, as the case may be, as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note or Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Amount Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The relevant Issuer, the Guarantor (if applicable), the Trustee and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and/or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor (if applicable), the Trustee and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the relevant Issuer, the Guarantor (if applicable), the Trustee and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the relevant Issuer, the Guarantor (if applicable), the Trustee and the Agent and specified in the applicable Final Terms.

2. Status of the Notes and Guarantee

(a) Status of the Notes

The Notes and any Receipts and Coupons relating to them are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

(b) Status of the Guarantee

The payment of the principal and interest in respect of all Notes issued by RF and all other moneys payable by RF under or pursuant to the Trust Deed and the due and punctual performance and observance by RF of each of the other provisions of the Trust Deed and the Notes has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the “Guarantee”). The obligations of the Guarantor under the Guarantee constitute direct, unconditional, (subject to the provisions of Condition 3) unsecured and unsubordinated obligations of the Guarantor and, subject as aforesaid, rank at least *pari passu* with all other unsecured and unsubordinated obligations and liabilities (including contingent obligations and liabilities) of the Guarantor other than those statutorily preferred in the event of the dissolution or winding up of the Guarantor.

3. Negative Pledge

So long as any of the Notes, Receipts or Coupons remain outstanding (as defined in the Trust Deed):

(i) the relevant Issuer and the Guarantor (if applicable) will neither create nor have outstanding any Security Interest upon the whole or any part of its undertaking, assets or revenues, present or future (including any uncalled capital), to secure any Relevant Indebtedness or any obligation under any guarantee of or indemnity in respect of any Relevant Indebtedness; and

(ii) RG shall procure that, in the case of Notes issued by either RF or RG, no member of the Restricted Group creates or permits to subsist any Security Interest upon the whole or any part of its undertaking, assets or revenues, present or future (including any uncalled capital) to secure any of the relevant Issuer’s Relevant Indebtedness, or any guarantee of or indemnity in respect of any of the relevant Issuer’s Relevant Indebtedness;

without at the same time or prior thereto securing the Notes, Receipts and Coupons equally and rateably therewith to the satisfaction of the Trustee or providing such other security for the Notes as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the holders of the Notes or as shall be approved by an Extraordinary Resolution of the holders of the Notes.

For the purposes of these Conditions:

“controlled” means the power to direct the management and the policies, whether through the ownership of voting share capital, by contract or otherwise;

“Group” means RG and its Subsidiaries;

“Relevant Indebtedness” means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange, automated trading system, over-the-counter or other established securities market but excluding any such indebtedness which has a stated maturity not exceeding one year;

“Restricted Group” means the Group excluding each member of the Group that (i) is not fully consolidated for the purposes of the consolidated financial statements of RG and its Subsidiaries from time to time and (ii) is not controlled by RG;

“Security Interest” means any mortgage, charge, pledge, lien or other form of encumbrance including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

“Subsidiary” means (a) a subsidiary within the meaning of section 736 of the Companies Act 1985, as amended by section 144 of the Companies Act 1989; and (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985 (as inserted by section 21 of the Companies Act 1989).

4. Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “Fixed Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an “Interest Payment Date”) which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Interest Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Interest Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “Business Day” means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments in London and any Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is New Zealand dollars shall be Auckland) or (2) in relation to any sum payable in euro, a day on which the Trans European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the “TARGET System”) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate (“EURIBOR”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), “Floating Rate,” “Calculation Agent,” “Floating Rate Option,” “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

In these Conditions, “ISDA Definitions” means the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series).

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of sub-clause 4(b)(ii)(B)(1) above, no such offered quotation appears or, in the case of sub-clause 4(b)(ii)(B)(2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Agent shall request each of the Reference Banks (as defined below) to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London interbank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for

deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the London interbank market (if the Reference Rate is LIBOR) or the Euro-zone interbank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be that which was applicable during the last preceding Interest Period (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

In this Condition, the expression “Reference Banks” means, in the case of sub-clause 4(b)(ii)(B)(1) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of sub-clause 4(b)(ii)(B)(2) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such subunit being rounded upwards or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (i) if “Actual/365” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if “30/360,” “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

(vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the relevant Issuer and any stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed or by which they have been admitted to listing and to the Noteholders in accordance with Condition 14.

In this Condition, “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) *Determination or Calculation by Trustee*

If for any reason the Agent or, where applicable, the Calculation Agent at any time after the Issue Date defaults in its obligation to determine the Rate of Interest or calculate any Interest Amount in accordance with sub-paragraph (ii) or (iii) above, as the case may be, and, in each case, sub-paragraph (iv) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or such other person specified in the applicable Final Terms or, where applicable, the Calculation Agent.

(vii) *Certificates to be Final*

All notifications, certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or, if applicable, the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the relevant Issuer, the Guarantor (if applicable), the Agent, the Calculation Agent (if applicable), the other Paying Agents, the Trustee and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the relevant Issuer, the Guarantor (if applicable), the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or (if applicable) the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Notes*

In the case of Dual Currency Interest Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

5. Payments

(a) *Method of Payment*

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is New Zealand dollars, shall be Auckland); and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee with a bank in Europe or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(b) *Presentation of Definitive Notes, Receipts and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the relevant Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Index Linked Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note or Index Linked Interest Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding due date for payment of interest or Interest Payment Date or the Interest Commencement Date, as the case may be, shall be payable only against surrender of the relevant definitive Note.

(c) Payments in Respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

(d) General Provisions Applicable to Payments

The holder of a Global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the relevant Issuer and the Guarantor (if applicable) will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the relevant Issuer or the Guarantor (if applicable) to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be). Without prejudice to Condition 10 no person other than the holder of such Global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the relevant Issuer or the Guarantor (if applicable) in respect of any payments due on that Global Note.

Notwithstanding the provisions of paragraph (a) above, if any amount of principal and/or interest in respect of Notes is payable in US dollars, such US dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the relevant Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in US dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in US dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the relevant Issuer, adverse tax consequences to the relevant Issuer.

(e) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 8) is:

(i) a day on which commercial banks and foreign exchange markets settle payments in:

- (A) the relevant place of presentation;
- (B) London;
- (C) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is New Zealand dollars shall be Auckland) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(f) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 or pursuant to any undertakings given in addition to or in substitution for such Condition pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts other than interest which may be payable by the relevant Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or pursuant to any undertakings given in addition to or in substitution for such Condition pursuant to the Trust Deed.

6. Redemption and Purchase

(a) Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the relevant Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for Tax Reasons

If the relevant Issuer satisfies the Trustee immediately before the giving of the notice referred to below that (i) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the Issue Date of the first Tranche of the Notes, on the occasion of the next payment due in respect of the Notes the relevant Issuer or the Guarantor (if applicable) would be required to pay additional amounts as provided or referred to in Condition 7, and (ii) the requirement cannot be avoided by the relevant Issuer or the Guarantor (if applicable) taking reasonable measures available to it, the relevant Issuer may, at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note) provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer or the Guarantor (if applicable) would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer or the Guarantor (if applicable) shall deliver to the Trustee a certificate signed by two Directors of the relevant Issuer stating that the requirement referred to in (i) above will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by

the relevant Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Noteholders, Receipholders and Couponholders. Upon the expiry of any notice as is referred to in this paragraph the relevant Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the provisions of this paragraph.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the Option of the relevant Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the relevant Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice in writing to the Trustee and the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the relevant Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

(d) Redemption at the Option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the relevant Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice the relevant Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition.

(e) Early Redemption Amounts

For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") equal to the sum of:
 - (A) the Reference Price; and
 - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (I) in the case of a Zero Coupon Note other than a Zero Coupon Note denominated or payable in euro, on the basis of a 360-day year consisting of 12 months of 30 days each and (II) in the case of a Zero Coupon Note denominated or payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (in either case) on such other calculation basis as may be specified in the applicable Final Terms.

(f) Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(h) Purchases

The relevant Issuer, the Guarantor (if applicable) or any Subsidiary of RG may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the relevant Issuer or the Guarantor (if applicable), surrendered to any Paying Agent for cancellation.

(i) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(j) Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

7. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the relevant Issuer (including payments by the Guarantor under the Guarantee (if applicable)) will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes or duties of whatever nature imposed, levied, collected, withheld or assessed by, on behalf of or within the United Kingdom or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In such event, the relevant Issuer or the Guarantor (if applicable) will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Note, Receipt or Coupon:

- (i) to, or to a third party on behalf of, a holder who is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note, Receipt or Coupon; or
- (ii) to, or to a third party on behalf of a holder who would not be subject to such withholding or deduction if it had made a declaration of non-residence or made any other claim or filing for exemption to which it is entitled; or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (v) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to additional amounts on presenting such Note, Receipt or Coupon for payment on the final day of such period of 30 days, assuming, whether or not such is in fact the case, such final day to be a Payment Date (as defined in Condition 5(e)).

As used herein the "Relevant Date" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

8. Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor subject as provided in Condition 5(b).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. Events of Default

If any one or more of the following events (each an "Event of Default") shall occur and be continuing:

- (i) if default is made in the payment of any principal, premium (if any) or interest due in respect of the Notes or any of them and the default continues for a period of 5 days in the case of principal or premium (if any) and 10 days in the case of interest; or
- (ii) if the relevant Issuer or the Guarantor (if applicable) fails to perform or observe any of its other obligations set out in the Notes or the Trust Deed, which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee is capable of remedy, is not in the opinion of the Trustee remedied

within 30 days (or such longer period as the Trustee may permit) after notice requiring such default to be remedied shall have been given to the relevant Issuer and the Guarantor (if applicable) by the Trustee; or

(iii) if any order is made by any competent court or effective resolution is passed for the liquidation, administration, winding up or dissolution of the relevant Issuer or the Guarantor (if applicable), save where such order or resolution is for the purpose of and followed by an amalgamation, merger, reorganisation or reconstruction on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

(iv) save as approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, if the relevant Issuer or the Guarantor (if applicable) ceases or threatens to cease to carry on the whole or a substantial part of the Restricted Group's business or operations, save for the purposes of and followed by an amalgamation, merger, reorganisation or reconstruction, the terms of which have been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

(v) if a receiver, administrative receiver, trustee or similar officer (other than an administrator) is appointed over the relevant Issuer or the Guarantor (if applicable) or all or a substantial part of its revenues and assets or any order(s) is or are made or effective resolution(s) is or are passed for the appointment of an administrator of it, or any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any material part of, the property, undertaking or assets of the relevant Issuer or the Guarantor (if applicable) and in any such case mentioned in this paragraph (vi) is not satisfied, removed or discharged within 45 days (or such longer period as the Trustee may permit); or

(vi) if the relevant Issuer or the Guarantor (if applicable) is deemed to be unable to pay its debts as they fall due, or takes any proceedings under any law for, a readjustment, rescheduling or deferment of all or any of its obligations (or proposes, makes or enters into a general assignment, arrangement or composition with or for the benefit of its creditors); or

(vii) in the case of Notes issued by RF, the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect,

then the Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured (whether by way of advance payment or otherwise) to its satisfaction), give notice to the relevant Issuer and the Guarantor (if applicable) that the Notes are, and they shall thereupon immediately become, due and repayable, at their Early Redemption Amount together with accrued interest as provided in the Trust Deed, provided that except in the case of paragraphs (i), (iii), (v) and (vi) the Trustee shall first have certified that, in its opinion, such event is materially prejudicial to the interests of the Noteholders.

10. Enforcement

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor (if applicable) unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

11. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the relevant Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out below.

The relevant Issuer and the Guarantor (if applicable) are, subject to prior notification to the Trustee, entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(i) there will at all times be an Agent;

- (ii) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or such other relevant authority;
- (iii) there will at all times be a Paying Agent with a specified office in a city approved by the Trustee in continental Europe; and
- (iv) the relevant Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law implementing such Directive.

In addition, the relevant Issuer and the Guarantor (if applicable) shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

13. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

14. Notices

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. The relevant Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner and shall be deemed to have been given on such date, as the Trustee may approve. Receiptholders and Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or admitted to listing by any other relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. Meetings of Noteholders, Modification and Waiver

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Terms and Conditions or any of the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain of these Terms and Conditions and certain of

the provisions of the Trust Deed, the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of the Notes of other Series in certain circumstances where the Trustee so decides.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Terms and Conditions or any of the provisions of the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or to any modification which is of a formal, minor or technical nature or to correct a manifest error.

In connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, waiver or authorisation), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders, Receiptholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the relevant Issuer, RG (where the relevant Issuer is RF) or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16. Substitution

(a) Substitution of Principal Debtor

(i) In the case of Notes issued by RF, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to the substitution in place of RF (or of any previous substitute under this paragraph) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of either (i) RG, (ii) any Successor in Business (as defined in the Trust Deed) of either RG or RF, (iii) any holding company of either RG or RF, (iv) any other Subsidiary of RG or (v) any Subsidiary of any such Successor in Business or holding company, subject to (a) except where RF or its Successor in Business or its holding company (where such holding company has assumed the obligations of RG as guarantor of Notes issued by RF under the Trust Deed) is the new principal debtor, the Notes being unconditionally and irrevocably guaranteed by RG or, as the case may be, its Successor in Business or holding company, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

(ii) In the case of Notes issued by RG, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to the substitution in place of RG (or of any previous substitute under this paragraph) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of either (i) its Successor in Business, (ii) its holding company or (iii) any Subsidiary of RG or its Successor in Business or holding company, subject to (a) except where the Successor in Business or holding company of RG is the new principal debtor, the Notes being unconditionally and irrevocably guaranteed by RG or, as the case may be, its Successor in Business or holding company, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

(b) Substitution of RG as guarantor

In the case of Notes issued by RF, the Trustee may also agree, without the consent of the Noteholders, Receiptholders or Couponholders, to the substitution in place of RG in its capacity as guarantor of such Notes of the Successor in Business of RG or a holding company of RG or of such Successor in Business, subject to (a) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (b) certain other conditions set out in the Trust Deed being complied with.

Any such substitution shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified to the Noteholders by the relevant Issuer as soon as practicable thereafter.

17. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured (whether by way of advance payment or otherwise) to its satisfaction.

18. Further Issues

The relevant Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

19. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. Governing Law

The Trust Deed, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

SCHEDULE 2

FORMS OF GLOBAL AND DEFINITIVE NOTES, RECEIPTS, COUPONS AND TALONS

PART I

FORM OF TEMPORARY GLOBAL NOTE

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND) 1287(a) OF THE INTERNAL REVENUE CODE.

[REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)
(the “Issuer”)/*

REUTERS FINANCE PLC

*(Incorporated with limited liability in England and Wales
with registered number 4941058)
(the “Issuer”)]¹*

[unconditionally and irrevocably guaranteed by

REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)
(the “Guarantor”)]²*

TEMPORARY GLOBAL NOTE

This Note is a Temporary Global Note in respect of a duly authorised issue of Notes of the Issuer (the “**Notes**”) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Notes (the “**Final Terms**”), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 9 June 2006 and made between the Issuer[, the Guarantor]³ and Citicorp Trustee Company Limited as trustee for the holders of the Notes.

The Issuer, subject as hereinafter provided and subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Notes are repayable in instalments) and on the Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such

¹ Delete as applicable.

² Delete where the relevant Issuer is the Guarantor.

³ Delete where the relevant Issuer is the Guarantor.

Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note at the specified office of the Agent at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or such other specified office as may be specified for this purpose in accordance with the Conditions or at the specified office of any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer [and the Guarantor] in respect of the Notes. On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment or purchase and cancellation the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled or the amount of such instalment. The nominal amount from time to time of this Global Note and of the Notes represented by this Global Note following any such redemption, payment of an instalment or purchase and cancellation as aforesaid or any exchange as referred to below shall be the nominal amount most recently entered in the relevant column in Part II, III or IV of Schedule One hereto or in Schedule Two hereto.

Payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will only be made to the bearer hereof to the extent that there is presented to the Agent by Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") a certificate in or substantially in the form set out in Part VII of Schedule 2 to the Trust Deed to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate in or substantially in the form of Certificate "A" as set out in Part VII of Schedule 2 to the Trust Deed. The bearer of this Global Note will not (unless upon due presentation of this Global Note for exchange, delivery of the appropriate number of Definitive Notes (together with the Coupons appertaining thereto) or, as the case may be, issue and delivery (or, as the case may be, endorsement) of the Permanent Global Note is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment hereon due on or after the Exchange Date.

On or after the date (the "**Exchange Date**") which is 40 days after the Issue Date, this Global Note may be exchanged in whole or in part for, as specified in the Final Terms, either Definitive Notes and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Parts III, IV, V and VI of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Definitive Notes) or a Permanent Global Note in or substantially in the form set out in Part II of Schedule 2 to the Trust Deed (together with the Final Terms attached thereto) upon notice being given by Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in this Global Note and subject, in the case of Definitive Notes, to such notice period as is specified in the Final Terms. If Definitive Notes and (if applicable) Receipts, Coupons and/or Talons have already been issued in exchange for all the Notes represented for the time being by the Permanent Global Note, then this Global Note may only thereafter be exchanged for Definitive Notes and (if applicable) Receipts, Coupons and/or Talons pursuant to the terms hereof. Presentation of this Global Note for exchange shall be made by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Agent specified above. The Issuer shall procure that Definitive Notes or (as the case may be) the Permanent Global Note shall be so issued and delivered in exchange for only that portion of this Global Note in respect of which there shall have been presented to the Agent by Euroclear or Clearstream, Luxembourg a certificate in or substantially in the form set out in Part VII of Schedule 2 to the Trust Deed to the effect that it has received from or in respect of a person entitled to a particular nominal amount of the Notes represented by this Global Note (as shown by its records) a certificate in or substantially in the form of Certificate "A" as set out in Part VII of Schedule 2 to the

Trust Deed. On an exchange of the whole of this Global Note, this Global Note shall be surrendered to the Agent. On an exchange of part only of this Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of this Global Note so exchanged. On any exchange of this Global Note for a Permanent Global Note, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two to the Permanent Global Note and the relevant space in Schedule Two thereto recording such exchange shall be signed by or on behalf of the Issuer.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects (except as otherwise provided herein) be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Parts III, IV, V and VI (as applicable) of Schedule 2 to the Trust Deed.

Each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes represented by this Global Note (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, [the Guarantor,]¹ the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer [and the Guarantor]¹, solely in the bearer of this Global Note in accordance with and subject to the terms of this Global Note and the Trust Deed.

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Global Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

This Global Note is governed by, and shall be construed in accordance with, English law.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London office, as Agent.

IN WITNESS whereof the Issuer has caused this Global Note to be signed on its behalf.

Issued as of [].

[REUTERS GROUP PLC/REUTERS FINANCE PLC]²

By: _____
Authorised Signatory

Authenticated without recourse, warranty or liability
by Citibank N.A., London office,
as Agent

By: _____
Authorised Signatory

¹ Delete where the relevant Issuer is the Guarantor.

² Delete as applicable.

1. Guarantee

Reuters Group PLC (the “**Guarantor**”) unconditionally and irrevocably guarantees to Citicorp Trustee Company Limited (the “**Trustee**”) (i) the due and punctual payment by Reuters Finance PLC (the “**Issuer**”) of any sum payable by it under the trust deed dated 9 June 2006 (the “**Trust Deed**”) made between the Issuer, the Guarantor and the Trustee, this Note, any Receipts or Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise); and (ii) the due and punctual performance and observance by the Issuer of each of the other provisions of the Trust Deed, this Note, any Receipts and Coupons on the Issuer’s part to be performed or observed. The Guarantor shall pay any sum falling due under this Guarantee and Indemnity to or to the order of the Trustee, in the manner provided in Clause 2(B) and (D) of the Trust Deed (or if in respect of sums due under Clause 15 of the Trust Deed, in the currency which was originally contracted in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clauses 2(B)(i), (ii) and (iii) of the Trust Deed shall apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 15 of the Trust Deed. All payments under this Guarantee by the Guarantor shall be made subject to Condition 5 of the Notes and sub-clause 14(xiv) of the Trust Deed.

2. Guarantor as Principal Debtor

As between the Guarantor and the Trustee, the Noteholders and the Couponholders but without affecting the Issuer’s obligations, the Guarantor shall be liable under this Guarantee and Indemnity as if it were the sole principal debtor and not merely a surety (but without affecting the Issuer’s obligations) to the intent that the holder of this Note or the holder of a Receipt or Coupon or the Trustee (as the case may be) shall receive the same amounts in respect of principal, [premium,] interest or such other amount as would have been receivable had such payments been made by the Issuer. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of the Trust Deed or to the Conditions of this Note or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of the Trust Deed, this Note, any Receipts or Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person, (7) the illegality, invalidity or unenforceability of, or of any defence or counterclaim whatsoever available to the Issuer in relation to, or any defect in any provision of, the Trust Deed, this Note, any Receipts or Coupons or any of the Issuer’s obligations under any of them, (8) any circumstances which have resulted in the Issuer being prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation or (9) whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or a defence to a guarantor).

3. Guarantor’s Obligations Continuing

The Guarantor’s obligations under this Guarantee and Indemnity are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Trust Deed, this Note, any Receipts or Coupons. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably

waives all notices and demands of any kind. Furthermore, the Trustee may refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and the Guarantor shall not be entitled to the benefit of the same and may hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee and Indemnity, without liability to pay interest on those moneys.

4. Exercise of Guarantor's Rights

So long as any sum remains payable under the Trust Deed, this Note, any Receipts or Coupons:

- (a) any right of the Guarantor, by reason of the performance of any of its obligations under this Guarantee and Indemnity, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity shall be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve; and
- (b) any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer shall be held in trust for the Trustee and immediately paid to the Trustee and the Trustee shall hold it on the trusts set out in Clause 10 of the Trust Deed.

5. Enforcement by the Trustee

Without prejudice to the provisions of Clause 8 of the Trust Deed the Trustee may determine from time to time whether or not it will enforce this Guarantee and Indemnity which it may do without making any demand of or taking any proceedings against the Issuer and may from time to time make any arrangement or compromise with the Guarantor in relation to this Guarantee and Indemnity which the Trustee may consider expedient in the interests of the Noteholders.

6. Avoidance of Payments

The Guarantor shall on demand indemnify the Trustee, each Noteholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons relating to this Note and shall in any event pay to it on demand the amount as refunded by it.

7. Indemnity

As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees (1) that any sum that, although expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Trustee or any Noteholder or Couponholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, each Noteholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons not being paid on the date and otherwise in the manner specified in the Trust Deed or any payment obligation of the Issuer under the Trust Deed, this Note, any Receipts or Coupons being or becoming

void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee, any Noteholder or any Couponholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

8. **Guarantor's Obligations**

The obligations of the Guarantor under this Note, the Trust Deed, any Receipts and Coupons constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

9. **Authorisations**

The Guarantor hereby represents and warrants that all corporate approvals and authorisations required by it in connection with the giving of the Guarantee and Indemnity embodied herein have been obtained and are in full force and effect and upon the execution hereof the same shall constitute the legal, valid, binding and enforceable obligations of the Guarantor.

10. **Governing Law**

This Guarantee and Indemnity is governed by, and shall be construed in accordance with, English law.

Capitalised terms not defined above have the same meaning as in the Notes.

Dated as of the Issue Date

Reuters Group PLC

By:

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1257(a) OF THE INTERNAL REVENUE CODE.

Schedule One

PART I

INTEREST PAYMENTS

[illegible]

PART II

PAYMENT OF INSTALMENT AMOUNTS

Instalment Date	Date made	Total amount of Instalment Amounts payable	Amount of Instalment Amounts paid	Remaining nominal amount of this Global Note following such payment *	Confirmation of payment by or on behalf of the Issuer

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

REDEMPTIONS

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

PART IV

PURCHASES AND CANCELLATIONS

[illegible]

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

**EXCHANGES
FOR DEFINITIVE NOTES OR PERMANENT GLOBAL NOTE**

[illegible]

64

PART II

FORM OF PERMANENT GLOBAL NOTE

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(1) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)
(the “Issuer”)*

REUTERS FINANCE PLC

*(Incorporated with limited liability in England and Wales
with registered number 4941058)
(the “Issuer”)]¹*

[unconditionally and irrevocably guaranteed by

REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)
(the “Guarantor”)]²*

PERMANENT GLOBAL NOTE

This Note is a Permanent Global Note in respect of a duly authorised issue of Notes of the Issuer (the “**Notes**”) of the Nominal Amount, Specified Currency(ies) and Specified Denomination(s) as are specified in the Final Terms applicable to the Notes (the “**Final Terms**”), a copy of which is annexed hereto. References herein to the Conditions shall be to the Terms and Conditions of the Notes as set out in Schedule 1 to the Trust Deed (as defined below) as supplemented, replaced and modified by the Final Terms but, in the event of any conflict between the provisions of the said Conditions and the information in the Final Terms, the Final Terms will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Global Note. This Global Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 9 June 2006 and made between the Issuer[, the Guarantor]³ and Citicorp Trustee Company Limited as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on each Instalment Date (if the Notes are repayable in instalments) and on the Maturity Date and/or on such earlier date(s) as all or any of the Notes represented by this Global Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable under the Conditions in respect of such Notes on each such date and to pay interest (if any) on the nominal amount of the Notes from time to time represented by this Global Note calculated and payable as provided in the Conditions and the Trust Deed together with any

¹ Delete as applicable.

² Delete where the relevant Issuer is the Guarantor.

³ Delete where the relevant Issuer is the Guarantor.

other sums payable under the Conditions and the Trust Deed, upon presentation and, at maturity, surrender of this Global Note at the specified office of the Agent at 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or such other specified office as may be specified for this purpose in accordance with the Conditions or at the specified office of any of the other Paying Agents located outside the United States, its territories and possessions (except as provided in the Conditions) from time to time appointed by the Issuer [and the Guarantor]¹ in respect of the Notes. On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule One hereto and the relevant space in Schedule One hereto recording any such redemption, payment or purchase and cancellation (as the case may be) shall be signed by or on behalf of the Issuer. Upon any such redemption, payment of an instalment or purchase and cancellation the nominal amount of this Global Note and the Notes represented by this Global Note shall be reduced by the nominal amount of such Notes so redeemed or purchased and cancelled or the amount of such instalment. The nominal amount from time to time of this Global Note and of the Notes represented by this Global Note following any such redemption, payment of an instalment or purchase and cancellation as aforesaid or any exchange as referred to below shall be the nominal amount most recently entered in the relevant column in Part II, III or IV of Schedule One hereto or in Schedule Two hereto.

[On any exchange of the Temporary Global Note issued in respect of the Notes for this Global Note or any part hereof, details of such exchange shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such exchange shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of the Temporary Global Note so exchanged.]¹

[Upon any further Tranche of Notes of this Series being issued, details of such increase in the size of the Series shall be entered by or on behalf of the Issuer in Schedule Two hereto and the relevant space in Schedule Two hereto recording such increase shall be signed by or on behalf of the Issuer, whereupon the nominal amount of this Global Note and the Notes represented by this Global Note shall be increased by the nominal amount of such further Tranche.]²

This Global Note may be exchanged (free of charge), in whole but not in part, for Definitive Notes and (if applicable) Receipts, Coupons and/or Talons in or substantially in the forms set out in Parts III, IV, V and VI of Schedule 2 to the Trust Deed (on the basis that all the appropriate details have been included on the face of such Definitive Notes and (if applicable) Receipts, Coupons and/or Talons and the relevant information supplementing, replacing or modifying the Conditions appearing in the Final Terms has been endorsed on or attached to such Definitive Notes), unless otherwise specified in the applicable Final Terms:

- (a) upon not less than 60 days' written notice from Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") (acting on the instructions of any holder of an interest in this Global Note); or
- (b) only upon the occurrence of an Exchange Event.

An "**Exchange Event**" means (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system approved by the Trustee is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7 which

¹ Delete where the issue is made in accordance with TEFRA C.

² Delete where the issue is made in accordance with TEFRA D.

If the Global Note is exchangeable following the occurrence of such Exchange Event:

- Any such exchange as aforesaid will be made upon presentation of this Global Note by the bearer hereof on any day (other than a Saturday or Sunday) on which banks are open for business in London at the office of the Agent specified above.

Until the exchange of the whole of this Global Note as aforesaid, the bearer hereof shall in all respects be entitled to the same benefits as if he were the bearer of Definitive Notes and the relative Receipts, Coupons and/or Talons (if any) in the form(s) set out in Parts III, IV, V and VI (as applicable) of Schedule 2 to the Trust Deed.

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Global Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

This Global Note shall not be valid unless authenticated by Citibank, N.A., London office, as Agent.

Issued as of [].

67

By: _____
Authorised Signatory

Authenticated without recourse, warranty or liability
by Citibank, N.A., London office, as Agent.

By: _____
Authorised Signatory

¹ Delete as applicable.

1. Guarantee

Reuters Group PLC (the **“Guarantor”**) unconditionally and irrevocably guarantees to Citicorp Trustee Company Limited (the **“Trustee”**) (i) the due and punctual payment by Reuters Finance PLC (the **“Issuer”**) of any sum payable by it under the trust deed dated 9 June 2006 (the **“Trust Deed”**) made between the Issuer, the Guarantor and the Trustee, this Note, any Receipts or Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise); and (ii) the due and punctual performance and observance by the Issuer of each of the other provisions of the Trust Deed, this Note, any Receipts and Coupons on the Issuer’s part to be performed or observed. The Guarantor shall pay any sum falling due under this Guarantee and Indemnity to or to the order of the Trustee, in the manner provided in Clauses 2(B) and (D) of the Trust Deed (or if in respect of sums due under Clause 15 of the Trust Deed, in the currency which was originally contracted in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clauses 2(B)(i), (ii) and (iii) of the Trust Deed shall apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 15 of the Trust Deed. All payments under this Guarantee by the Guarantor shall be made subject to Condition 5 of the Notes and sub-clause 14(xiv) of the Trust Deed.

2. Guarantor as Principal Debtor

As between the Guarantor and the Trustee, the Noteholders and the Couponholders but without affecting the Issuer’s obligations, the Guarantor shall be liable under this Guarantee and Indemnity as if it were the sole principal debtor and not merely a surety (but without affecting the Issuer’s obligations) to the intent that the holder of this Note or the holder of any Receipt or Coupon or the Trustee (as the case may be) shall receive the same amounts in respect of principal, [premium,] interest or such other amount as would have been receivable had such payments been made by the Issuer. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of the Trust Deed or to the Conditions of this Note or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) any enforcement or absence of enforcement of the Trust Deed, this Note, any Receipts or Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person, (7) the illegality, invalidity or unenforceability of, or of any defence or counterclaim whatsoever available to the Issuer in relation to, or any defect in any provision of, the Trust Deed, this Note, any Receipts or Coupons or any of the Issuer’s obligations under any of them, (8) any circumstances which have resulted in the Issuer being prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation or (9) whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or a defence to a guarantor).

3. Guarantor’s Obligations Continuing

The Guarantor’s obligations under this Guarantee and Indemnity are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Trust Deed, this Note, any Receipts or Coupons. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably

waives all notices and demands of any kind. Furthermore, the Trustee may refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and the Guarantor shall not be entitled to the benefit of the same and may hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee and Indemnity, without liability to pay interest on those moneys.

4. Exercise of Guarantor's Rights

So long as any sum remains payable under the Trust Deed, this Note, any Receipts or Coupons:

- (a) any right of the Guarantor, by reason of the performance of any of its obligations under this Guarantee and Indemnity, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity shall be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve; and
- (b) any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer shall be held in trust for the Trustee and immediately paid to the Trustee and the Trustee shall hold it on the trusts set out in Clause 10 of the Trust Deed.

5. Enforcement by the Trustee

Without prejudice to the provisions of Clause 8 of the Trust Deed the Trustee may determine from time to time whether or not it will enforce this Guarantee and Indemnity which it may do without making any demand of or taking any proceedings against the Issuer and may from time to time make any arrangement or compromise with the Guarantor in relation to this Guarantee and Indemnity which the Trustee may consider expedient in the interests of the Noteholders.

6. Avoidance of Payments

The Guarantor shall on demand indemnify the Trustee, each Noteholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons relating to this Note and shall in any event pay to it on demand the amount as refunded by it.

7. Indemnity

As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees (1) that any sum that, although expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Trustee or any Noteholder or Couponholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, each Noteholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons not being paid on the date and otherwise in the manner specified in the Trust Deed or any payment obligation of the Issuer under the Trust Deed, this Note, any Receipts or Coupons being or becoming

void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee, any Noteholder or any Couponholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

8. **Guarantor's Obligations**

The obligations of the Guarantor under this Note, the Trust Deed, any Receipts and Coupons constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

9. **Authorisations**

The Guarantor hereby represents and warrants that all corporate approvals and authorisations required by it in connection with the giving of the Guarantee and Indemnity embodied herein have been obtained and are in full force and effect and upon the execution hereof the same shall constitute the legal, valid, binding and enforceable obligations of the Guarantor.

10. **Governing Law**

This Guarantee and Indemnity is governed by, and shall be construed in accordance with, English law.

Capitalised terms not defined above have the same meaning as in the Notes.

Dated as of the Issue Date

Reuters Group PLC

By:

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

Schedule One

PART I

INTEREST PAYMENTS

[illegible]

PART II

PAYMENT OF INSTALMENT AMOUNTS

Instalment Date	Date made	Total amount of Instalment Amounts payable	Amount of Instalment Amounts paid	Remaining nominal amount of this Global Note following such payment *	Confirmation of payment by or on behalf of the Issuer

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

REDEMPTIONS

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

PART IV

PURCHASES AND CANCELLATIONS

[illegible]

* See most recent entry in Part II, III or IV or Schedule Two in order to determine this amount.

Schedule Two

[EXCHANGES]¹ [INCREASES]²

[illegible]

* See most recent entry in Part II, III or IV of Schedule One or in this Schedule Two in order to determine this amount.

¹ Delete where the issue is made in accordance with TEFRA C.

² Delete where the issue is made in accordance with TEFRA D.

PART III

FORM OF DEFINITIVE NOTE

[Denomination]

[ISIN]

[SERIES]

[CERTIFICATE No.]

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[REUTERS GROUP PLC

*(Incorporated with limited liability in England and Wales
with registered number 3296375)
(the “Issuer”)*

REUTERS FINANCE PLC

*(Incorporated with limited liability in England and Wales
with registered number 4941058)
(the “Issuer”)]¹*

[unconditionally and irrevocably guaranteed by

REUTERS GROUP PLC

(the “Guarantor”)

*(Incorporated with limited liability in England and Wales
with registered number 3296375)]²*

[Specified Currency and Nominal Amount of Tranche]

NOTES DUE

[Year of Maturity]

This Note is one of a Series of Notes of [Specified Currency(ies) and Specified Denomination(s)] each of the Issuer (“Notes”). References herein to the Conditions shall be to the Terms and Conditions [endorsed hereon/set out in Schedule 1 to the Trust Deed (as defined below) which shall be incorporated by reference herein and have effect as if set out herein] as supplemented, replaced and modified by the relevant information (appearing in the Final Terms (the “Final Terms”)) endorsed hereon but, in the event of any conflict between the provisions of the said Conditions and such information in the Final Terms, such information will prevail. Words and expressions defined in the Conditions shall bear the same meanings when used in this Note. This Note is issued subject to, and with the benefit of, the Conditions and a Trust Deed (as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 9 June 2006 and made between the Issuer[, the Guarantor]³ and Citicorp Trustee Company Limited as trustee for the holders of the Notes.

The Issuer, subject to and in accordance with the Conditions and the Trust Deed, promises to pay to the bearer hereof on [each Instalment Date and] the Maturity Date or on such earlier date as this Note may become due and repayable in accordance with the Conditions and the Trust Deed, the amount payable on redemption of this Note and to pay interest (if any) on the nominal amount

¹ Delete as applicable.

² Delete where the relevant Issuer is the Guarantor.

³ Delete where the relevant Issuer is the Guarantor.

of this Note calculated and payable as provided in the Conditions and the Trust Deed together with any other sums payable under the Conditions and the Trust Deed.

This Note shall not be valid unless authenticated by Citibank, N.A., London office, as Agent.

IN WITNESS whereof the Issuer has caused this Note to be signed in facsimile on its behalf.

Issued as of [].

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

By: _____
Authorised Signatory

Authenticated without recourse, warranty or liability
by Citibank, N.A., London office, as Agent.

By: _____
Authorised Signatory

¹ Delete as applicable.

1. Guarantee

Reuters Group PLC (the **“Guarantor”**) unconditionally and irrevocably guarantees to Citicorp Trustee Company Limited (the **“Trustee”**) (i) the due and punctual payment by Reuters Finance PLC (the **“Issuer”**) of any sum payable by it under the trust deed dated 9 June 2006 (the **“Trust Deed”**) made between the Issuer, the Guarantor and the Trustee, this Note, any Receipts or Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise); and (ii) the due and punctual performance and observance by the Issuer of each of the other provisions of the Trust Deed, this Note, any Receipts and Coupons on the Issuer’s part to be performed or observed. The Guarantor shall pay any sum falling due under this Guarantee and Indemnity to or to the order of the Trustee, in the manner provided in Clauses 2(B) and (D) of the Trust Deed (or if in respect of sums due under Clause 15 of the Trust Deed, in the currency which was originally contracted in immediately available funds) before close of business on that date in the city to which payment is so to be made. Clauses 2(B)(i), (ii) and (iii) of the Trust Deed shall apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 15 of the Trust Deed. All payments under this Guarantee by the Guarantor shall be made subject to Condition 5 of the Notes and sub-clause 14(xiv) of the Trust Deed.

2. Guarantor as Principal Debtor

As between the Guarantor and the Trustee, the Noteholders and the Couponholders but without affecting the Issuer’s obligations, the Guarantor shall be liable under this Guarantee and Indemnity as if it were the sole principal debtor and not merely a surety (but without affecting the Issuer’s obligations) to the intent that the holder of this Note or the holder of any Receipt or Coupon or the Trustee (as the case may be) shall receive the same amounts in respect of principal, [premium,] interest or such other amount as would have been receivable had such payments been made by the Issuer. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of the Trust Deed or to the Conditions of this Note or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of the Trust Deed, this Note, any Receipts or Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person, (7) the illegality, invalidity or unenforceability of, or of any defence or counterclaim whatsoever available to the Issuer in relation to, or any defect in any provision of, the Trust Deed, this Note, any Receipts or Coupons or any of the Issuer’s obligations under any of them, (8) any circumstances which have resulted in the Issuer being prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation or (9) whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or a defence to a guarantor).

3. Guarantor’s Obligations Continuing

The Guarantor’s obligations under this Guarantee and Indemnity are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Trust Deed, this Note, any Receipts or Coupons. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably

waives all notices and demands of any kind. Furthermore, the Trustee may refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise), and the Guarantor shall not be entitled to the benefit of the same and may hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee and Indemnity, without liability to pay interest on those moneys.

4. Exercise of Guarantor's Rights

So long as any sum remains payable under the Trust Deed, this Note, any Receipts or Coupons:

- (a) any right of the Guarantor, by reason of the performance of any of its obligations under this Guarantee and Indemnity, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity shall be exercised and enforced by the Guarantor only in such manner and on such terms as the Trustee may require or approve; and
- (b) any amount received or recovered by the Guarantor (a) as a result of any exercise of any such right or (b) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer shall be held in trust for the Trustee and immediately paid to the Trustee and the Trustee shall hold it on the trusts set out in Clause 10 of the Trust Deed.

5. Enforcement by the Trustee

Without prejudice to the provisions of Clause 8 of the Trust Deed the Trustee may determine from time to time whether or not it will enforce this Guarantee and Indemnity which it may do without making any demand of or taking any proceedings against the Issuer and may from time to time make any arrangement or compromise with the Guarantor in relation to this Guarantee and Indemnity which the Trustee may consider expedient in the interests of the Noteholders.

6. Avoidance of Payments

The Guarantor shall on demand indemnify the Trustee, each Noteholder and each Couponholder against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons relating to this Note and shall in any event pay to it on demand the amount as refunded by it.

7. Indemnity

As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees (1) that any sum that, although expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Trustee or any Noteholder or Couponholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Trustee on demand and (2) as a primary obligation to indemnify the Trustee, each Noteholder and each Couponholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Trust Deed, this Note or any Receipts or Coupons not being paid on the date and otherwise in the manner specified in the Trust Deed or any payment obligation of the Issuer under the Trust Deed, this Note, any Receipts or Coupons being or becoming

void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee, any Noteholder or any Couponholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

8. **Guarantor's Obligations**

The obligations of the Guarantor under this Note, the Trust Deed, any Receipts and Coupons constitute direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (subject as aforesaid) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

9. **Authorisations**

The Guarantor hereby represents and warrants that all corporate approvals and authorisations required by it in connection with the giving of the Guarantee and Indemnity embodied herein have been obtained and are in full force and effect and upon the execution hereof the same shall constitute the legal, valid, binding and enforceable obligations of the Guarantor.

10. **Governing Law**

This Guarantee and Indemnity is governed by, and shall be construed in accordance with, English law.

Capitalised terms not defined above have the same meaning as in the Notes.

Dated as of the Issue Date

Reuters Group PLC

By:

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[Conditions]

[Conditions to be as set out in Schedule 1 to this Trust Deed or such other form as may be agreed between the Issuer, the Agent, the Trustee and the relevant Dealer(s), but shall not be endorsed if not required by the relevant Stock Exchange]

Final Terms

[Here to be set out the text of the relevant information supplementing,
replacing or modifying the Conditions which appears in the Final Terms relating to the Notes]

PART IV

FORM OF RECEIPT

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

[Specified Currency and Nominal Amount of Tranche]

NOTES DUE

[Year of Maturity]

Series No. []

Receipt for the sum of [] being the instalment of principal payable in accordance with the Terms and Conditions applicable to the Note to which this Receipt appertains (the “**Conditions**”) on [].

This Receipt is issued subject to and in accordance with the Conditions which shall be binding upon the holder of this Receipt (whether or not it is for the time being attached to such Note) and is payable at the specified office of any of the Paying Agents set out on the reverse of the Note to which this Receipt appertains (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Noteholders).

This Receipt must be presented for payment together with the Note to which it appertains. The Issuer shall have no obligation in respect of any Receipt presented without the Note to which it appertains or any unmatured Receipts.

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

¹ Delete as applicable.

FORM OF COUPON

On the front:

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

[Specified Currency and Nominal Amount of Tranche]
NOTES DUE
[Year of Maturity]

Series No. []

[Coupon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]].²

Section A

[For Fixed Rate Notes:

This Coupon is payable to bearer, separately negotiable and subject to the Terms and Conditions of the said Notes. Coupon for [] due on [], []]

Section B

[For Floating Rate Notes or Index-Linked Interest Notes:

Coupon for the amount due in accordance with the Terms and Conditions endorsed on, attached to or incorporated by reference into the said Notes on [the Interest Payment Date falling in [] []/[]].

This Coupon is payable to bearer, separately negotiable and subject to such Terms and Conditions, under which it may become void before its due date.]

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j)) AND 1287(a) OF THE INTERNAL REVENUE CODE.

¹ Delete as applicable.

² Delete where the Notes are all of the same denomination.

FORM OF TALON

On the front:

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

[Specified Currency and Nominal Amount of Tranche]
NOTES DUE
[Year of Maturity]

Series No. []

[Talon appertaining to a Note in the denomination of [Specified Currency and Specified Denomination]]² .

On and after [] further Coupons [and a further Talon]³ appertaining to the Note to which this Talon appertains will be issued at the specified office of any of the Paying Agents set out on the reverse hereof (and/or any other or further Paying Agents and/or specified offices as may from time to time be duly appointed and notified to the Noteholders) upon production and surrender of this Talon.

This Talon may, in certain circumstances, become void under the Terms and Conditions endorsed on the Note to which this Talon appertains.

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

¹ Delete as applicable.

² Delete where the Notes are all of the same denomination.

³ Not required on last Coupon sheet.

On the back of Receipts, Coupons and Talons:

AGENT

Citibank, N.A.
21st Floor
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

PAYING AGENT

Citigroup Global Markets Deutschland AG & Co.
KGaA
Global Transaction Services
Germany Agency and Trust Department
Reuterweg 16
60323 Frankfurt
Germany

PART VII

FORM OF CERTIFICATE TO BE PRESENTED BY
EUROCLEAR OR CLEARSTREAM, LUXEMBOURG

[REUTERS GROUP PLC/REUTERS FINANCE PLC]

[Title of Notes]

(the “Securities”)

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the nominal amount set forth below (our “**Member Organisations**”) substantially to the effect set forth in the temporary Global Note representing the Securities, as of the date hereof, [] nominal amount of the above-captioned Securities (i) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source (“**United States persons**”), (ii) is owned by United States persons that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Sections 1.165-12(c)(1)(iv) (“**financial institutions**”) purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer’s agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in Clause (iii) above (whether or not also described in Clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(3) of Regulation S under the Securities Act of 1933, as amended, then this is also to certify with respect to such principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organisations entitled to a portion of such principal amount, certifications with respect to such portion, substantially to the effect set forth in the temporary Global Note representing the Securities.

We further certify (i) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary Global Note excepted in such certifications and (ii) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made by such Member Organisations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings or official enquiries are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings or enquiries.

Dated: 1

Yours faithfully,

[Euroclear Bank S.A./N.V.
as operator of the Euroclear System]

or

[Clearstream, Luxembourg]

By: _____

¹ To be dated no earlier than the date to which this certification relates, namely (a) the payment date or (b) the Exchange Date.

CERTIFICATE “A”

[REUTERS GROUP PLC/REUTERS FINANCE PLC]¹

[Title of Notes]

(the “Securities”)

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (i) are owned by person(s) that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source (“**United States person(s)**”), (ii) are owned by United States person(s) that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) (“**financial institutions**”) purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the Issuer or the Issuer’s agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in Clause (iii) above (whether or not also described in Clause (i) or (ii)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(c)(2) of Regulation S under the Securities Act of 1933, as amended, (the “**Act**”) then this is also to certify that, except as set forth below, the Securities are beneficially owned by (a) non-U.S. person(s) or (b) U.S. person(s) who purchased the Securities in transactions which did not require registration under the Act. As used in this paragraph, the term “**U.S. person**” has the meaning given to it by Regulation S under the Act.

As used herein, “**United States**” means the United States of America (including the States and the District of Columbia); and its “**possessions**” include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to [] of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange and delivery of definitive Securities (or, if relevant, exercise of any right or collection of any interest) cannot be made until we do so certify.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings or official enquiries are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings or enquiries.

¹ Delete as applicable.

Dated: 1

Name of person making certification

By: _____

¹ To be dated no earlier than the date to which this certification relates, namely (a) the payment date or (b) the Exchange Date.

SCHEDULE 3

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. (A) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:
- (i) **“voting certificate”** shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:
 - (a) that on the date thereof Notes (whether in definitive form or represented by a Global Note and not being Notes in respect of which a block voting instruction has been issued and is outstanding in respect of the meeting specified in such voting certificate or any adjourned such meeting) were deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control and that no such Notes will cease to be so deposited or held until the first to occur of:
 - (1) the conclusion of the meeting specified in such certificate or, if later, of any adjourned such meeting; and
 - (2) the surrender of the certificate to the Paying Agent who issued the same; and
 - (b) that the bearer thereof is entitled to attend and vote at such meeting and any adjourned such meeting in respect of the Notes represented by such certificate;
 - (ii) **“block voting instruction”** shall mean an English language document issued by a Paying Agent and dated in which:
 - (a) it is certified that Notes (whether in definitive form or represented by a Global Note and not being Notes in respect of which a voting certificate has been issued and is outstanding in respect of the meeting specified in such block voting instruction and any adjourned such meeting) have been deposited with such Paying Agent or (to the satisfaction of such Paying Agent) were held to its order or under its control and that no such Notes will cease to be so deposited or held until the first to occur of:
 - (1) the conclusion of the meeting specified in such document or, if later, of any adjourned such meeting; and
 - (2) the surrender to the Paying Agent not less than 48 hours before the time for which such meeting or any adjourned such meeting is convened of the receipt issued by such Paying Agent in respect of each such deposited Note which is to be released or (as the case may require) the Note or Notes ceasing with the agreement of the Paying Agent to be held to its order or under its control and the giving of notice by the Paying Agent to the relevant Issuer in accordance with paragraph 17 hereof of the necessary amendment to the block voting instruction;
 - (b) it is certified that each holder of such Notes has instructed such Paying Agent that the vote(s) attributable to the Note or Notes so deposited or held should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjourned

such meeting and that all such instructions are during the period commencing 48 hours prior to the time for which such meeting or any adjourned such meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;

- (c) the aggregate nominal amount of the Notes so deposited or held are listed distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
 - (d) one or more persons named in such document (each hereinafter called a **“proxy”**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in (c) above as set out in such document;
- (iii) **“24 hours”** shall mean a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and
- (iv) **“48 hours”** shall mean a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.
- (B) A holder of a Note (whether in definitive form or represented by a Global Note) may obtain a voting certificate in respect of such Note from a Paying Agent or require a Paying Agent to issue a block voting instruction in respect of such Note by depositing such Note with such Paying Agent or (to the satisfaction of such Paying Agent) by such Note being held to its order or under its control, in each case not less than 48 hours before the time fixed for the relevant meeting and on the terms set out in sub-paragraph (i)(a) or (ii)(a) above (as the case may be), and (in the case of a block voting instruction) instructing such Paying Agent to the effect set out in sub-paragraph (ii)(b) above. The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Noteholders be deemed to be the holder of the Notes to which such voting certificate or block voting instruction relates and the Paying Agent with which such Notes have been deposited or the person holding the same to the order or under the control of such Paying Agent shall be deemed for such purposes not to be the holder of those Notes.
2. The relevant Issuer, the Guarantor (if applicable) or the Trustee may at any time and the relevant Issuer shall upon a requisition in writing signed by the holders of not less than one-tenth in nominal amount of the Notes for the time being outstanding convene a meeting of the Noteholders and if the relevant Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Trustee or the

requisitionists. Every such meeting shall be held at such time and place as the Trustee may appoint or approve.

3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is to be held) specifying the place, day and hour of meeting shall be given to the Noteholders prior to any meeting of the Noteholders in the manner provided by Condition 14. Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened but (except for an Extraordinary Resolution) it shall not be necessary to specify in such notice the terms of any resolution to be proposed. Such notice shall include statements, if applicable, to the effect that Notes may, not less than 48 hours before the time fixed for the meeting, be deposited with Paying Agents or (to their satisfaction) held to their order or under their control for the purpose of obtaining voting certificates or appointing proxies. A copy of the notice shall be sent by post to the Trustee (unless the meeting is convened by the Trustee) and to the relevant Issuer (unless the meeting is convened by the relevant Issuer) and to the Guarantor (if applicable) (unless the meeting is convened by the Guarantor).
4. A person (who may but need not be a Noteholder) nominated in writing by the Trustee shall be entitled to take the chair at the relevant meeting or adjourned meeting but if no such nomination is made or if at any meeting or adjourned meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting or adjourned meeting the Noteholders present shall choose one of their number to be Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
5. At any such meeting one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-twentieth of the nominal amount of the Notes for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business. The quorum at any such meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate a clear majority in nominal amount of the Notes for the time being outstanding provided that at any meeting the business of which includes any of the following matters (each of which shall, subject only to Clause 19(B)(ii), only be capable of being effected after having been approved by Extraordinary Resolution) namely:
 - (i) reduction or cancellation of the amount payable or, where applicable, modification, except where such modification is in the opinion of the Trustee bound to result in an increase, of the method of calculating the amount payable or modification of the date of payment or, where applicable, of the method of calculating the date of payment in respect of any principal, premium or interest in respect of the Notes;
 - (ii) alteration of the currency in which payments under the Notes and Coupons are to be made;
 - (iii) alteration of the majority required to pass an Extraordinary Resolution;
 - (iv) the sanctioning of any such scheme or proposal as is described in paragraph 18(l) below;
 - (v) alteration of this proviso or the proviso to paragraph 6 below;

the quorum for passing the requisite Extraordinary Resolution shall be one or more persons present holding Definitive Notes or voting certificates or being proxies and holding

or representing in the aggregate not less than two-thirds of the nominal amount of the Notes for the time being outstanding.

6. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of Noteholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 14 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 14 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings. At any adjourned meeting one or more persons present holding Definitive Notes or voting certificates or being proxies (whatever the nominal amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary or other Resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present provided that at any adjourned meeting the quorum for the transaction of business comprising any of the matters specified in the proviso to paragraph 5 above shall be one or more persons present holding Definitive Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-third of the nominal amount of the Notes for the time being outstanding.
7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if ten were substituted for 21 in paragraph 3 above and such notice shall state the relevant quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Noteholder or as a holder of a voting certificate or as a proxy.
9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the relevant Issuer, the Guarantor (if applicable), the Trustee or any person present holding a Definitive Note or a voting certificate or being a proxy (whatever the nominal amount of the Notes so held or represented by him) a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. Subject to paragraph 12 below, if at any such meeting a poll is so demanded it shall be taken in such manner and subject as hereinafter provided either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

11. The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.
12. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
13. The Trustee and its lawyers and any director, officer or employee of a corporation being a trustee of these presents and any director or officer of the relevant Issuer or, as the case may be, the Guarantor (if applicable) and its or their lawyers and any other person authorised in that behalf by the Trustee may attend and speak at any meeting. Save as aforesaid, but without prejudice to the proviso to the definition of "outstanding" in Clause 1, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requesting the convening of such a meeting or to exercise the rights conferred on the Noteholders by Conditions 9 and 10 unless he either produces the Definitive Note or Notes of which he is the holder or a voting certificate or is a proxy. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of, the relevant Issuer, the Guarantor (if applicable) or any Subsidiary of the relevant Issuer or Guarantor (if applicable). Nothing herein shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the relevant Issuer or the Guarantor (if applicable).
14. Subject as provided in paragraph 13 hereof at any meeting:
 - (A) on a show of hands every person who is present in person and produces a Definitive Note or voting certificate or is a proxy shall have one vote; and
 - (B) on a poll every person who is so present shall have one vote in respect of each £1 or such other amount as the Trustee may in its absolute discretion stipulate (or, in the case of meetings of holders of Notes denominated in another currency, such amount in such other currency as the Trustee in its absolute discretion may stipulate) in nominal amount of the Notes so produced in definitive form or represented by the voting certificate so produced or in respect of which he is a proxy.

Without prejudice to the obligations of the proxies named in any block voting instruction any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.
15. The proxies named in any block voting instruction need not be Noteholders.
16. Each block voting instruction together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the relevant Paying Agent shall be deposited by the relevant Paying Agent at such place as the Trustee shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote and in default the block voting instruction shall not be treated as valid unless the Chairman of the meeting decides otherwise before such meeting or adjourned meeting proceeds to business. A notarially certified copy of each block voting instruction shall be deposited with the Trustee before the commencement of the meeting or adjourned meeting but the Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any such block voting instruction.
17. Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the Noteholders' instructions pursuant to which it was executed provided that no

intimation in writing of such revocation or amendment shall have been received from the relevant Paying Agent by the relevant Issuer at its registered office (or such other place as may have been required or approved by the Trustee for the purpose) by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction is to be used.

18. A meeting of the Noteholders shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6 above) namely:
- (A) Power to sanction any compromise or arrangement proposed to be made between the relevant Issuer, the Guarantor (if applicable), the Trustee, any Appointee and the Noteholders and Couponholders or any of them.
 - (B) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Trustee, any Appointee, the Noteholders, the Couponholders, the relevant Issuer or the Guarantor (if applicable), against any other or others of them or against any of their property whether such rights shall arise under these presents or otherwise.
 - (C) Power to assent to any modification of the provisions of these presents which shall be proposed by the relevant Issuer, or the Guarantor (if applicable), the Trustee or any Noteholder.
 - (D) Power to give any authority or sanction which under the provisions of these presents is required to be given by Extraordinary Resolution.
 - (E) Power to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution.
 - (F) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of these presents.
 - (G) Power to discharge or exonerate the Trustee and/or any Appointee from all liability in respect of any act or omission for which the Trustee and/or such Appointee may have become responsible under these presents.
 - (H) Power to authorise the Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
 - (I) Power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the relevant Issuer, the Guarantor (if applicable) or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash.
19. Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with these presents shall be binding upon all the Noteholders whether present or not present at such meeting and whether or not voting and upon all Couponholders and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the Noteholders shall be published in accordance with Condition 14 by the relevant Issuer within 14 days

of such result being known provided that the non-publication of such notice shall not invalidate such result.

20. The expression “**Extraordinary Resolution**” when used in these presents means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with these presents by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll.
21. Minutes of all resolutions and proceedings at every meeting of the Noteholders shall be made and entered in books to be from time to time provided for that purpose by the relevant Issuer and any such Minutes as aforesaid if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which Minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
22. (A) If and whenever the relevant Issuer shall have issued and have outstanding Notes of more than one Series the foregoing provisions of this Schedule shall have effect subject to the following modifications:
- (i) a resolution which in the opinion of the Trustee affects the Notes of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Notes of that Series;
 - (ii) a resolution which in the opinion of the Trustee affects the Notes of more than one Series but does not give rise to a conflict of interest between the holders of Notes of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Notes of all the Series so affected;
 - (iii) a resolution which in the opinion of the Trustee affects the Notes of more than one Series and gives or may give rise to a conflict of interest between the holders of the Notes of one Series or group of Series so affected and the holders of the Notes of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the Notes of each Series or group of Series so affected; and
 - (iv) to all such meetings all the preceding provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Notes, Noteholders and holders were references to the Notes of the Series or group of Series in question or to the holders of such Notes, as the case may be.
- (B) If the relevant Issuer shall have issued and have outstanding Notes which are not denominated in Sterling, in the case of any meeting of holders of Notes of more than one currency the nominal amount of such Notes shall (i) for the purposes of paragraph 2 above be the equivalent in Sterling at the spot rate of a bank nominated by the Trustee for the conversion of the relevant currency or currencies into Sterling on the seventh dealing day prior to the day on which the requisition in writing is received by the relevant Issuer and (ii) for the purposes of paragraphs 5, 6 and 14 above (whether in respect of the meeting or any adjourned such meeting or any poll resulting therefrom) be the equivalent at such spot rate on the seventh dealing day prior to the day of such meeting. In such circumstances, on any poll each person present shall have one vote for each £1 (or such other Sterling amount as the Trustee may in its absolute discretion stipulate) in nominal amount of the Notes (converted as above) which he holds or represents.

23. Subject to all other provisions of these presents the Trustee may without the consent of the relevant Issuer, the Guarantor (if applicable), the Noteholders or the Couponholders prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Noteholders and attendance and voting thereat as the Trustee may in its sole discretion think fit.

Executed as a deed by) /S/ ROSEMARY MARTIN
REUTERS GROUP PLC) /S/ DAVID GRIGSON
acting by ROSEMARY MARTIN)
and DAVID GRIGSON)

Company Secretary

Director

Executed as a deed by **REUTERS FINANCE PLC**) /S/ HELEN JONES
acting by HELEN JONES) /S/ ROSEMARY MARTIN
and ROSEMARY MARTIN)
)

Director

Director

Executed as a deed by) /S/ DAVID MARES
CITICORP TRUSTEE COMPANY LIMITED) /S/ MARNE LIDSTER
acting by DAVID MARES)
and MARNE LIDSTER)

Director

Director



Amended and Restated Agency Agreement

Reuters Group PLC
as Issuer and Guarantor

and

Reuters Finance PLC
as Issuer

and

Citibank, N.A.
as Agent

and

Citigroup Global Markets Deutschland AG & CO. KGaA
as Paying Agent

and

Citicorp Trustee Company Limited
as Trustee

£1,000,000,000
Euro Medium Term Note Programme

9 June 2006

CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION	2
2. APPOINTMENT OF AGENT AND PAYING AGENTS	6
3. ISSUE OF GLOBAL NOTES	8
4. EXCHANGE OF GLOBAL NOTES	9
5. DETERMINATION OF END OF DISTRIBUTION COMPLIANCE PERIOD	10
6. TERMS OF ISSUE	10
7. PAYMENTS	12
8. DETERMINATIONS AND NOTIFICATIONS IN RESPECT OF NOTES	13
9. NOTICE OF ANY WITHHOLDING OR DEDUCTION	14
10. DUTIES OF THE PAYING AGENTS IN CONNECTION WITH EARLY REDEMPTION	14
11. RECEIPT AND PUBLICATION OF NOTICES AND VOTING	15
12. CANCELLATION OF NOTES, RECEIPTS, COUPONS AND TALONS	16
13. ISSUE OF REPLACEMENT NOTES, RECEIPTS, COUPONS AND TALONS	17
14. COPIES OF DOCUMENTS AVAILABLE FOR INSPECTION	18
15. COMMISSIONS AND EXPENSES	18
16. INDEMNITY	18
17. REPAYMENT BY THE AGENT	18
18. CONDITIONS OF APPOINTMENT	18
19. COMMUNICATION BETWEEN THE PARTIES	20
20. CHANGES IN AGENT AND OTHER PAYING AGENTS	20
21. MERGER AND CONSOLIDATION	22
22. NOTIFICATION OF CHANGES TO PAYING AGENTS	22
23. CHANGE OF SPECIFIED OFFICE	22
24. NOTICES	23
25. TAXES AND STAMP DUTIES	23
26. AMENDMENTS	23
27. DESCRIPTIVE HEADINGS	23
28. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999	23
29. GOVERNING LAW AND SUBMISSION TO JURISDICTION	23
30. COUNTERPARTS	23
SCHEDULE 1	25
FORM OF CALCULATION AGENCY AGREEMENT	25
SCHEDULE 2	32
FORM OF PUT NOTICE	32

BETWEEN:

- (1) **REUTERS GROUP PLC**, of The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP (an **"Issuer"**);
- (2) **REUTERS FINANCE PLC**, of The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP (an **"Issuer"**, and together with Reuters Group PLC, the **"Issuers"**);
- (3) **CITIBANK, N.A.**, of 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the **"Agent"**, which expression shall include any successor agent appointed in accordance with clause 20);
- (4) **CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG & CO. KGaA**, of Reuterweg 16, 60323 Frankfurt am Main (together with the Agent, the **"Paying Agents"**, which expression shall include any additional or successor paying agent appointed in accordance with clause 20 and **"Paying Agent"** shall mean any of the Paying Agents); and
- (5) **CITICORP TRUSTEE COMPANY LIMITED**, of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the **"Trustee"**, which expression shall include all persons for the time being the trustee or the trustees of the Trust Deed).

WHEREAS:

- (A) Reuters Group PLC established a euro medium term note programme (the **"Programme"**), in connection with which, the Issuer and certain Agents entered into an agency agreement dated 16 December 1998, as amended and restated by an amended and restated agency agreement dated 30 March 2001 (together, the **"Agency Agreement"**).
- (B) By resolutions of its Board of Directors, dated 24 October 2003 and of a duly authorised committee of such Board of Directors dated 6 November 2003, Reuters Finance PLC has resolved to join the Programme as an Issuer.
- (C) By a resolution of its Board of Directors, dated 21 October 2003, Reuters Group PLC (in such capacity, the **"Guarantor"**) has resolved to unconditionally and irrevocably guarantee pursuant to the terms of the Guarantee the issue of any Notes by Reuters Finance PLC under the Programme.
- (D) The parties hereto have agreed to make certain modifications to the Agency Agreement.
- (E) This Agreement amends and restates the Agency Agreement. Any Notes issued under the Programme on or after the date hereof shall (subject as provided in the next sentence) be issued pursuant to this Agreement. This does not affect any Notes issued under the programme prior to the date of this Agreement or any Notes issued on or after the date of this Agreement which are consolidated and form a single series with Notes issued prior to the date of this Agreement, all of which will be subject to the Agency Agreement.
- (F) Notes may be issued on a listed or unlisted basis. The Issuers have made an application to the Financial Services Authority in its capacity as UK Listing Authority (the **"UK Listing Authority"**) for Notes issued under the Programme to be admitted to the official list maintained by the UK Listing Authority (the **"Official List"**) and to the London Stock Exchange plc (the **"London Stock Exchange"**) for such Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market for listed securities. Notes may also be listed, traded and/or quoted on such other further listing authority or authorities, stock exchange or stock exchanges and/or quotation system or systems as the relevant Issuer and the relevant Dealer(s) may agree or may be unlisted.

- (G) The parties hereto wish to record certain arrangements which they have made in relation to the Notes to be issued under the Programme.

IT IS HEREBY AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

- (1) Words and expressions defined in the Programme Agreement, the Trust Deed or the Notes or used in the applicable Final Terms shall have the same meanings in this Agreement, except where the context requires otherwise or unless otherwise stated.

- (2) Without prejudice to the foregoing:

“Calculation Agency Agreement” in relation to any Series of Notes means an agreement in or substantially in the form of Schedule 1;

“Calculation Agent” means, in relation to the Notes of any Series, the person appointed as calculation agent in relation to the Notes by the relevant Issuer pursuant to the provisions of a Calculation Agency Agreement (or any other agreement) and shall include any successor calculation agent appointed in respect of the Notes;

“Clearstream, Luxembourg” means Clearstream Banking, *société anonyme*;

“Conditions” means, in relation to the Notes of any Series, the terms and conditions endorsed on or incorporated by reference into the Note or Notes constituting such Series, such terms and conditions being in or substantially in the form set out in Schedule 1 to the Trust Deed or in such other form, having regard to the terms of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Final Terms applicable to the Notes of the relevant Series, in each case as from time to time modified in accordance with the provisions of the Trust Deed;

“Coupon” means an interest coupon appertaining to a Definitive Note (other than a Zero Coupon Note), such coupon being:

- (a) if appertaining to a Fixed Rate Note, in the form or substantially in the form set out in Section A of Part V of Schedule 2 to the Trust Deed or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s); or
- (b) if appertaining to a Floating Rate Note or an Index Linked Interest Note, in the form or substantially in the form set out in Section B of Part V of Schedule 2 to the Trust Deed or in such other form, having regard to the terms of issue of the Notes of the relevant Series, as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s); or
- (c) if appertaining to a Definitive Note which is neither a Fixed Rate Note nor a Floating Rate Note nor an Index Linked Interest Note, in such form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s),

and includes, where applicable, the Talon(s) appertaining thereto and any replacements for Coupons and Talons issued pursuant to Condition 11;

“Couponholders” means the several persons who are for the time being holders of the Coupons and includes, where the context so permits, the Talonholders and references to **“relevant Couponholders”** shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Coupons appertaining to the Notes of such Series;

“Definitive Note” means, a definitive Note issued, or as the case may require, to be issued by the relevant Issuer in accordance with the provisions of the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) in exchange for either a Temporary Global Note or a Permanent Global Note (all as indicated in the applicable Final Terms), such definitive Note being in the form or substantially in the form set out in Part III of Schedule 2 to the Trust Deed with such modifications (if any) as may be agreed between the relevant Issuer, the Agent, the Trustee, and the relevant Dealer(s) and having the Conditions endorsed thereon or, if permitted by the relevant authority or authorities, incorporating the Conditions by reference (where applicable to the Trust Deed) as indicated in the applicable Final Terms and having the relevant information supplementing, replacing or modifying the Conditions appearing in the applicable Final Terms endorsed thereon or attached thereto and (except in the case of a Zero Coupon Note) having Coupons and, where appropriate, Receipts and/or Talons attached thereto on issue;

“Distribution Compliance Period” has the meaning given to such term in Regulation S under the Securities Act;

“Dual Currency Interest Note” means a Note in respect of which payments of interest are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases, as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms);

“Dual Currency Note” means a Dual Currency Interest Note and/or a Dual Currency Redemption Note, as applicable;

“Dual Currency Redemption Note” means a Note in respect of which payments of principal are made or to be made in such different currencies, and at rates of exchange calculated upon such basis or bases, as the relevant Issuer and the relevant Dealer may agree, as indicated in the applicable Final Terms;

“Euroclear” means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

“Final Terms” has the meaning set out in the Programme Agreement;

“Fixed Rate Note” means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on such other dates as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms);

“Floating Rate Note” means a Note on which interest is calculated at a floating rate payable one-, two-, three-, six- or twelve-monthly or in respect of such other period or on such date(s) as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms);

“Global Note” means a Temporary Global Note and/or a Permanent Global Note;

“Index Linked Interest Note” means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index and/or a formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms);

“Index Linked Note” means an Index Linked Interest Note and/or an Index Linked Redemption Amount Note, as applicable;

“Index Linked Redemption Amount Note” means a Note in respect of which the amount payable in respect of principal is calculated by reference to an index and/or a formula or to changes in the prices of securities or commodities or to such other factors as

the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms);

“Maturity Date” means the day on which a Note is expressed to be redeemable;

“Permanent Global Note” means a global note in the form or substantially in the form set out in Part II of Schedule 2 to the Trust Deed with such modifications (if any) as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Notes of the same Series, issued by the relevant Issuer pursuant to the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and these presents either in exchange for the whole or part of any Temporary Global Note issued in respect of such Notes or on issue;

“Programme” means the Euro Medium Term Note Programme for the issue of Notes established by, or otherwise contemplated in, the Programme Agreement;

“Programme Agreement” means the amended and restated programme agreement of even date herewith between the Issuers, the Guarantor and the Dealers named therein concerning the purchase of Notes to be issued pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating, modifying or restating such agreement;

“Put Notice” means a notice in the form set out in Schedule 2;

“Receipt” means a receipt attached on issue to a Definitive Note redeemable in instalments for the payment of an instalment of principal, such receipt being in the form or substantially in the form set out in Part IV of Schedule 2 to the Trust Deed or in such other form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Receipts issued pursuant to Condition 11;

“Receiptholders” means the several persons who are for the time being holders of the Receipts and references to **“relevant Receiptholders”** shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Receipts appertaining to the Notes of such Series;

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Agent or as specified in the applicable Final Terms;

“Relevant Date” has the meaning set out in Condition 7;

“Securities Act” means the United States Securities Act 1933, as amended;

“Series” means a Tranche of the Notes together with any further Tranche or Tranches of the Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions **“Notes of the relevant Series”**, **“Series of Notes”** and **“holders of Notes of the relevant Series”** and related expressions shall be construed accordingly;

“Stock Exchange” means the London Stock Exchange or any other or further stock exchange(s) on which any Notes may from time to time be listed, and references in these presents to the **“relevant Stock Exchange”** shall, in relation to any Notes, be references to the Stock Exchange on which such Notes are, from time to time, or are intended to be, listed;

“**Subsidiary**” means any company which is for the time being a subsidiary (within the meaning of Section 736 of the Companies Act 1985 of Great Britain, as amended) of an Issuer or the Guarantor, as the case may be;

“**Talonholders**” means the several persons who are for the time being holders of the Talons and references to “**relevant Talonholders**” shall, in relation to the Notes of any Series, be construed as references to the holder or holders of one or more Talons appertaining to the Notes of such Series;

“**Talons**” means the talons (if any) appertaining to, and exchangeable in accordance with the provisions therein contained for further Coupons appertaining to, a Definitive Note (other than a Zero Coupon Note), such talons being in the form or substantially in the form set out in Part VI of Schedule 2 to the Trust Deed or in such other form as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s) and includes any replacements for Talons issued pursuant to Condition 11;

“**Temporary Global Note**” means a global note in the form or substantially in the form set out in Part 1 of Schedule 2 to the Trust Deed with such modifications (if any) as may be agreed between the relevant Issuer, the Agent, the Trustee and the relevant Dealer(s), together with the copy of the applicable Final Terms annexed thereto, comprising some or all of the Notes of the same Series, issued by the relevant Issuer pursuant to the Programme Agreement or any other agreement between the relevant Issuer and the relevant Dealer(s) and the Trust Deed;

“**the London Stock Exchange**” means the London Stock Exchange plc and any successor thereto;

“**Tranche**” means all Notes which are identical in all respects (including as to listing and admission to trading);

“**Trust Deed**” means the Trust Deed dated the date hereof made between the Issuers, the Guarantor and the Trustee, by which the Notes will be constituted; and

“**Zero Coupon Note**” means a Note on which no interest is payable.

- (3) Words denoting the singular number only shall include the plural number also and *vice versa*; words denoting one gender only shall include the other gender; and words denoting persons only shall include firms and corporations and *vice versa*.
- (4) All references in this Agreement to costs or charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof.
- (5) For the purposes of this Agreement, the Notes of each Series shall form a separate series of Notes and the provisions of this Agreement shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in this Agreement the expressions “**Notes**”, “**Noteholders**”, “**Receipts**”, “**Receiptholders**”, “**Coupons**”, “**Couponholders**” and “**Talons**” shall be construed accordingly.
- (6) All references in this Agreement to principal and/or interest or both in respect of the Notes or to any moneys payable by the Issuers under this Agreement shall have the meaning set out in Condition 5(f).
- (7) All references in this Agreement to the “**relevant currency**” shall be construed as references to the currency in which the relevant Notes and/or Coupons are denominated (or payable in the case of Dual Currency Notes).
- (8) In this Agreement, clause headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Agreement. All references in this Agreement to the provisions of any statute shall be deemed to be references to that

statute as from time to time modified, extended, amended or re-enacted or to any statutory instrument, order or regulation made thereunder or under such re-enactment.

- (9) All references in this Agreement to an agreement, instrument or other document (including, without limitation, this Agreement, the Programme Agreement, the Trust Deed, the Procedures Memorandum, the Notes and any Conditions appertaining thereto) shall be construed as a reference to that agreement, instrument or document as the same may be amended, modified, varied or supplemented from time to time.
- (10) Any references herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuers, the Guarantor (if applicable), the Trustee and the Agent.
- (11) Any references to Notes shall, unless the context otherwise requires, include any Global Note(s) representing such Notes
- (12) As used herein, in relation to any Notes which are to have a "listing" or be "listed" on the London Stock Exchange, "listing" and "listed" shall be construed to mean that such Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange.

2. APPOINTMENT OF AGENT AND PAYING AGENTS

- (1) The Agent is hereby appointed, and the Agent hereby agrees to act, as agent of the Issuers and the Guarantor (and, for the purposes of sub-clause (4) below, the Trustee,) upon the terms and subject to the conditions set out below, for the purposes of, *inter alia*:
 - (a) completing, authenticating and delivering Global Notes and (if required) completing, authenticating and delivering Definitive Notes;
 - (b) exchanging Temporary Global Notes for Permanent Global Notes and/or Definitive Notes, as the case may be, in accordance with the terms of such Temporary Global Notes and making all notations on such Temporary Global Notes required in accordance with their terms;
 - (c) exchanging Permanent Global Notes for Definitive Notes in accordance with the terms of such Permanent Global Notes and making all notations on such Permanent Global Notes required in accordance with their terms;
 - (d) paying sums due on Global Notes and Definitive Notes, Receipts and Coupons;
 - (e) exchanging Talons for Coupons in accordance with the Conditions;
 - (f) determining the end of the Distribution Compliance Period applicable to each Tranche in accordance with clause 5 below;
 - (g) unless otherwise specified in the applicable Final Terms, determining the interest and/or other amounts payable in respect of the Notes in accordance with the Conditions;
 - (h) arranging on behalf of and at the expense of the Issuers (and, if applicable, the Guarantor) for notices to be communicated to the Noteholders in accordance with the Conditions;
 - (i) preparing and sending monthly reports, if required, to the Bank of England and ensuring that, as directed by the Issuers (or, if applicable, the Guarantor), all necessary action is taken to comply with any reporting requirements of any

competent authority in respect of any relevant currency as may be in force from time to time with respect to the Notes to be issued under the Programme;

- (j) subject to the Procedures Memorandum, submitting to the relevant authority or authorities such number of copies of each Final Terms which relates to Notes which are to be listed as the relevant authority or authorities may reasonably require;
- (k) acting as Calculation Agent in respect of Notes where named as such in the relevant Final Terms;
- (l) sending a copy of each Final Terms to the other Paying Agents; and
- (m) performing all other obligations and duties imposed upon it by the Conditions and this Agreement.

(2) Each Paying Agent is hereby appointed as paying agent of the Issuers and the Guarantor (and, for the purposes of sub-clause (4) below, the Trustee), upon the terms and subject to the conditions set out below, for the purposes of paying sums due on Notes, Receipts and Coupons and of performing all other obligations and duties imposed upon it by the Conditions and this Agreement.

(3) The obligations of the Paying Agents under this Agreement are several and not joint.

(4) At any time after an Event of Default or a Potential Event of Default shall have occurred the Trustee may:

- (a) by notice in writing to the relevant Issuer, the Guarantor (if applicable), the Agent and the other Paying Agents require the Agent and the other Paying Agents pursuant to this Agreement:
 - (i) to act thereafter as Agent and other Paying Agents respectively of the Trustee in relation to payments to be made by or on behalf of the Trustee under the provisions of the Trust Deed *mutatis mutandis* on the terms provided in this Agreement (save that the Trustee's liability under any provisions of this Agreement shall be limited to the amounts for the time being held by the Trustee on the trusts of the Trust Deed relating to the relevant Notes and available for such purpose) and thereafter to hold all Notes, Receipts, Coupons and Talons and all sums, documents and records held by them in respect of the Notes, Receipts, Coupons and Talons on behalf of the Trustee; or
 - (ii) to deliver up all Notes, Receipts, Coupons and Talons and all sums, documents and records held by them in respect of Notes and Coupons to the Trustee or as the Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the Agent or the relevant other Paying Agent is obliged not to release by any law or regulation; and
- (b) by notice in writing to the relevant Issuer and, if applicable, the Guarantor, require it to make all subsequent payments in respect of the Notes, Receipts, Coupons and Talons to or to the order of the Trustee and not to the Agent; with effect from the issue of any such notice to the relevant Issuer and, if applicable, the Guarantor, and unless and until such notice is withdrawn the proviso to sub-clause (B) of clause 2 of the Trust Deed shall cease to have effect.

At such time as the Trustee shall be satisfied that no Event of Default or Potential Event of Default is continuing the Trustee shall by notice in writing to the relevant Issuer, the Guarantor (if applicable), the Agent and the other Paying Agents pursuant to this

Agreement withdraw any notice given pursuant to this clause whereupon any such notice shall cease to apply.

In such circumstances the Trustee shall not be responsible for supervising the proceedings or acts of the Agent and the other Paying Agents.

3. ISSUE OF GLOBAL NOTES

- (1) Subject to sub-clause 6(7) below, following receipt of a faxed copy of the Final Terms signed by the relevant Issuer, the relevant Issuer hereby authorises the Agent and the Agent hereby agrees to take the steps required of the Agent in the Procedures Memorandum.
- (2) For the purpose of sub-clause (1), the Agent will, *inter alia*, on behalf of the relevant Issuer if specified in the applicable Final Terms that a Temporary Global Note will initially represent the Tranche of Notes:
 - (a) prepare a Temporary Global Note by attaching a copy of the applicable Final Terms to a copy of the applicable master Temporary Global Note;
 - (b) authenticate such Temporary Global Note in accordance with the provisions of the Trust Deed;
 - (c) deliver such Temporary Global Note to the specified common depositary of Euroclear and/or Clearstream, Luxembourg against receipt from the common depositary of confirmation that such common depositary is holding the Temporary Global Note in safe custody for the account of Euroclear and/or Clearstream, Luxembourg and instruct Euroclear or Clearstream, Luxembourg or both of them (as the case may be) unless otherwise agreed in writing between the Agent and the relevant Issuer (i) in the case of an issue of Notes not subscribed pursuant to a Subscription Agreement, to credit the Notes represented by such Temporary Global Note to the Agent's distribution account, and (ii) in the case of an issue of Notes subscribed pursuant to a Subscription Agreement, to hold the Notes represented by such Temporary Global Note to the relevant Issuer's order; and
 - (d) unless the relevant Issuer otherwise directs, to ensure that the Notes of each Tranche are assigned, as applicable, security numbers (including, but not limited to, common codes and ISIN) which are different from the security numbers assigned to Notes of any other Tranche of the same Series until at least expiry of the applicable Distribution Compliance Period of such Tranche.
- (3) For the purpose of sub-clause (1), the Agent will, *inter alia*, on behalf of the relevant Issuer if specified in the applicable Final Terms that a Permanent Global Note will represent the Notes on issue:
 - (a) in the case of the first Tranche of any Series of Notes, prepare a Permanent Global Note by attaching a copy of the applicable Final Terms to a copy of the master Permanent Global Note;
 - (b) in the case of the first Tranche of any Series of Notes, authenticate such Permanent Global Note in accordance with the provisions of the Trust Deed;
 - (c) in the case of the first Tranche of any Series of Notes, deliver such Permanent Global Note to the specified common depositary of Euroclear and/or Clearstream, Luxembourg against receipt from the common depositary of confirmation that such common depositary is holding the Permanent Global Note in safe custody for the account of Euroclear and Clearstream, Luxembourg and instruct Euroclear or Clearstream, Luxembourg or both of them (as the case may be) unless otherwise agreed in writing between the Agent and the relevant Issuer (i) in the case of an

issue of Notes not subscribed pursuant to a Subscription Agreement, to credit the Notes represented by such Permanent Global Note to the Agent's distribution account, and (ii) in the case of an issue of Notes subscribed pursuant to a Subscription Agreement, to hold the Notes represented by such Permanent Global Note to the relevant Issuer's order;

- (d) in any other case attach a copy of the applicable Final Terms to the Permanent Global Note applicable to the relevant Series and instruct Euroclear or Clearstream Luxembourg or both of them (as the case may be) unless otherwise agreed in writing between the Agent and the relevant Issuer (i) in the case of an issue of Notes not subscribed pursuant to a Subscription Agreement, to credit the Notes the subject of the applicable Final Terms to the Agent's distribution account, and (ii) in the case of an issue of Notes subscribed pursuant to a Subscription Agreement, to hold the Notes the subject of the applicable Final Terms to the relevant Issuer's order; and
- (e) unless the relevant Issuer otherwise directs, ensure that the Notes of each Tranche are assigned as applicable, security numbers (including, but not limited to, common codes and ISINs) which are different from the security numbers assigned to the Notes of any other Tranche of the same Series until at least expiry of the applicable Distribution Compliance Period of such Tranche.

4. **EXCHANGE OF GLOBAL NOTES**

- (1) The Agent shall determine the Exchange Date for each Temporary Global Note in accordance with the terms thereof. Forthwith upon determining the Exchange Date in respect of any Tranche, the Agent shall notify such determination to the relevant Issuer, the relevant Dealer, Euroclear and Clearstream, Luxembourg. On or after the Exchange Date, the Agent shall deliver, upon notice from Euroclear and Clearstream, Luxembourg, a Permanent Global Note or Definitive Notes, as the case may be, in accordance with the terms of the Temporary Global Note.
- (2) Where a Temporary Global Note is to be exchanged for a Permanent Global Note, the Agent is hereby authorised by the relevant Issuer and instructed:
 - (a) in the case of the first Tranche of any Series of Notes, to prepare and complete a Permanent Global Note in accordance with the terms of the Temporary Global Note applicable to such Tranche by attaching a copy of the applicable Final Terms to a copy of the master Permanent Global Note;
 - (b) in the case of the first Tranche of any Series of Notes, to authenticate such Permanent Global Note;
 - (c) in the case of the first Tranche of any Series of Notes, to deliver such Permanent Global Note to the common depositary which is holding the Temporary Global Note applicable to such Tranche for the time being on behalf of Euroclear and/or Clearstream, Luxembourg either in exchange for such Temporary Global Note or, in the case of a partial exchange, on entering details of such partial exchange of the Temporary Global Note in the relevant spaces in Schedule Two of both the Temporary Global Note and the Permanent Global Note; and
 - (d) in any other case, to attach a copy of the applicable Final Terms to the Permanent Global Note applicable to the relevant Series and to enter details of any exchange in whole or part as aforesaid.
- (3) Where a Global Note is to be exchanged for Definitive Notes in accordance with its terms, the Agent is hereby authorised by the relevant Issuer and instructed:

(a) to authenticate such Definitive Notes in accordance with the provisions of this Agreement; and

(b) to deliver such Definitive Notes to or to the order of Euroclear and/or Clearstream, Luxembourg.

(4) Upon any exchange of all or a portion of an interest in a Temporary Global Note for an interest in a Permanent Global Note or upon any exchange of all or a portion of an interest in a Global Note for Definitive Notes, the relevant Global Note shall be endorsed by the Agent to reflect the reduction of its nominal amount by the aggregate nominal amount so exchanged and, where applicable, the Permanent Global Note shall be endorsed by the Agent or on its behalf to reflect the increase in its nominal amount as a result of any exchange for an interest in the Temporary Global Note. Until exchange in full, the holder of an interest in any Global Note shall in all respects be entitled to the same benefits under this Agreement as the holder of Definitive Notes, Receipts and Coupons authenticated and delivered hereunder, subject as set out in the Conditions. The Agent is hereby authorised on behalf of the relevant Issuer (a) to endorse or to arrange for the endorsement of the relevant Global Note to reflect the reduction in the nominal amount represented thereby by the amount so exchanged and, if appropriate, to endorse the Permanent Global Note to reflect any increase in the nominal amount represented thereby and, in either case, to sign in the relevant space on the relevant Global Note recording such exchange and reduction or increase and (b) in the case of a total exchange, to cancel or arrange for the cancellation of the relevant Global Note.

(5) The Agent shall notify the relevant Issuer forthwith upon receipt of a request for issue of Definitive Notes in accordance with the provisions of a Global Note and the aggregate nominal amount of such Global Note to be exchanged in connection therewith. The relevant Issuer undertakes to deliver to the Agent sufficient numbers of executed Definitive Notes with, if applicable, Receipts, Coupons and Talons attached to enable the Agent to comply with its obligations under this clause.

5. DETERMINATION OF END OF DISTRIBUTION COMPLIANCE PERIOD

(1) In the case of a Tranche in respect of which there is only one Dealer, the Agent will determine the end of the Distribution Compliance Period in respect of such Tranche as being the fortieth day following the date certified by the relevant Dealer to the Agent as being the date as of which distribution of the Notes of that Tranche was completed.

(2) In the case of a Tranche in respect of which there is more than one Dealer but which is not issued on a syndicated basis, the Agent will determine the end of the Distribution Compliance Period in respect of such Tranche as being the fortieth day following the latest of the dates certified by all the relevant Dealers to the Agent as being the respective dates as of which distribution of the Notes of that Tranche purchased by each such Dealer was completed.

(3) In the case of a Tranche issued on a syndicated basis, the Agent will determine the end of the Distribution Compliance Period in respect of such Tranche as being the fortieth day following the date certified by the Lead Manager to the Agent as being the date as of which distribution of the Notes of that Tranche was completed.

(4) Forthwith upon determining the end of the Distribution Compliance Period in respect of any Tranche, the Agent shall notify such determination to the relevant Issuer, Euroclear, Clearstream, Luxembourg and the relevant Dealer or Lead Manager, as the case may be.

6. TERMS OF ISSUE

(1) The Agent shall cause all Temporary Global Notes, Permanent Global Notes and Definitive Notes delivered to and held by it under this Agreement to be maintained in safe custody

and shall ensure that such Notes are issued only in accordance with the provisions of this Agreement, the Trust Deed and the relevant Global Note.

- (2) Subject to the procedures set out in the Procedures Memorandum, for the purposes of clause 3 the Agent is entitled to treat a telephone, telex or facsimile communication from a person purporting to be (and who the Agent believes in good faith to be) the authorised representative of the relevant Issuer named in the list referred to in, or notified pursuant to, clause 18(7) as sufficient instructions and authority of the relevant Issuer for the Agent to act in accordance with clause 3.
- (3) In the event that a person who has signed on behalf of the relevant Issuer any Note not yet issued but held by the Agent in accordance with clause 3 ceases to be authorised as described in clause 18(7), the Agent shall (unless the relevant Issuer gives notice to the Agent that Notes signed by that person do not constitute valid and binding obligations of the relevant Issuer or otherwise until replacements have been provided to the Agent) continue to have authority to issue any such Notes, and the relevant Issuer hereby warrants to the Agent that such Notes shall, unless notified as aforesaid, be valid and binding obligations of the relevant Issuer. Promptly upon such person ceasing to be authorised, the relevant Issuer shall provide the Agent with replacement Notes and upon receipt of such replacement Notes the Agent shall cancel and destroy the Notes held by it which are signed by such person and shall provide to the relevant Issuer a confirmation of destruction in respect thereof specifying the Notes so cancelled and destroyed.
- (4) Unless otherwise agreed in writing between the relevant Issuer and the Agent, each Note credited to the Agent's distribution account with Euroclear or Clearstream, Luxembourg following delivery of a Temporary Global Note to a common depositary pursuant to clause 3(c)(i) shall be held to the order of the relevant Issuer.
- (5) If the Agent pays an amount (the "**Advance**") to the relevant Issuer on the basis that a payment (the "**Payment**") has been, or will be, received from a Dealer and if the Payment is not received by the Agent on the date the Agent pays the relevant Issuer, the relevant Issuer shall repay to the Agent the Advance and shall pay interest on the Advance (or the unreimbursed portion thereof) from (and including) the date such Advance is made to (but excluding) the earlier of repayment of the Advance and receipt by the Agent of the Payment (at a rate quoted at that time by the Agent as its cost of funding the Advance provided that evidence of the basis of such rate is given to the relevant Issuer).
- (6) Except in the case of issues where the Agent does not act as receiving bank for the relevant Issuer in respect of the purchase price of the Notes being issued, if on the relevant Issue Date a Dealer does not pay the full purchase price due from it in respect of any Note (the "**Defaulted Note**") and, as a result, the Defaulted Note remains in the Agent's distribution account with Euroclear and/or Clearstream, Luxembourg after such Issue Date, the Agent will continue to hold the Defaulted Note to the order of the relevant Issuer. The Agent shall notify the relevant Issuer forthwith of the failure of the Dealer to pay the full purchase price due from it in respect of any Defaulted Note and, subsequently, shall notify the relevant Issuer forthwith upon receipt from the Dealer of the full purchase price in respect of such Defaulted Note.
- (7) The Agent shall only be required to perform its obligations under clause 3 or sub-clause 4(2) above if it holds:
 - (a) a master Temporary Global Note for Sterling denominated Notes and a master Temporary Global Note for non-sterling denominated Notes, each duly executed by a person or persons authorised to execute the same on behalf of the relevant Issuer, which may be used by the Agent for the purpose of preparing a Temporary Global Note in accordance with clause 3 above; and

(b) a master Permanent Global Note for Sterling denominated Notes and a master Permanent Global Note for non-sterling denominated Notes, each duly executed by a person or persons authorised to execute the same on behalf of the relevant Issuer, which may be used by the Agent for the purpose of preparing a Permanent Global Note in accordance with sub-clause 4(2) above.

(8) The Agent will provide Euroclear and/or Clearstream, Luxembourg with the notifications, instructions or other information to be given by the Agent to Euroclear and/or Clearstream, Luxembourg.

7. PAYMENTS

(1) The relevant Issuer or, if applicable, the Guarantor will, before 10.00 a.m. (local time in the relevant financial centre of the payment or London time, in the case of a Payment in euro), on each date on which any payment in respect of any Note becomes due, transfer for value on such date to an account specified by the Agent such amount in the relevant currency in immediately available and freely transferable funds as shall be sufficient for the purposes of such payment in funds settled through such payment system as the Agent and the relevant Issuer may agree.

(2) The relevant Issuer or, if applicable, the Guarantor will ensure that no later than 10.00 a.m. (London time) on the second Business Day (as defined below) immediately preceding the date on which any payment is to be made to the Agent pursuant to sub-clause (1), the Agent shall receive an irrevocable payment confirmation by tested telex or authenticated SWIFT message from the paying bank of the relevant Issuer of its intention to make such payment.

For the purposes of this clause “**Business Day**” means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments in London and any other place specified in the applicable Final Terms as an Additional Business Centre: and

(b) either (i) in relation to a payment to be made in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London, and any Additional Business Centre and which, if the Specified Currency is Australian Dollars, shall be Sydney) or (ii) in relation to any sum payable in euro, a day on which the Trans European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the “**TARGET System**”) is open.

(3) The Agent shall ensure that payments of both principal and interest in respect of a Temporary Global Note will be made only to the extent that certification of non-U.S. beneficial ownership as required by U.S. securities laws and U.S. Treasury regulations (in the form set out in the Temporary Global Note) has been received from Euroclear and/or Clearstream, Luxembourg in accordance with the terms thereof.

(4) Subject to the Agent being satisfied in its discretion that payment will be duly made as provided in sub-clause (1) above or subject to the full amount of such payment being made to the Agent, the Agent or the relevant Paying Agent shall pay or cause to be paid all amounts due in respect of the Notes on behalf of the relevant Issuer and the Guarantor (if applicable) in the manner provided in the Conditions. If any payment provided for in sub-clause (1) is made late but otherwise in accordance with the provisions of this Agreement, the Agent and each Paying Agent shall nevertheless make payments in respect of the Notes as aforesaid following receipt by it of such payment.

- (5) If for any reason the Agent considers in its sole discretion that the amounts to be received by the Agent pursuant to sub-clause (1) will be, or the amounts actually received by it pursuant thereto are, insufficient to satisfy all claims in respect of all payments then falling due in respect of the Notes, neither the Agent nor any Paying Agent shall be obliged to pay any such claims until the Agent has received the full amount of all such payments.
- (6) Without prejudice to sub-clauses (4) and (5), if the Agent pays any amounts to the holders of Notes, Receipts or Coupons or to any Paying Agent at a time when it has not received payment in full in respect of the relevant Notes in accordance with sub-clause (1) (the excess of the amounts so paid over the amounts so received being the “**Shortfall**”), the relevant Issuer (or, if applicable, the Guarantor) will, in addition to paying amounts due under sub-clause (1), pay to the Agent on demand interest (at a rate which represents the Agent’s cost of funding the Shortfall) on the Shortfall (or the unreimbursed portion thereof) until the receipt in full by the Agent of the Shortfall.
- (7) The Agent shall on demand promptly reimburse each Paying Agent for payments in respect of Notes properly made by such Paying Agent in accordance with this Agreement and the Conditions unless the Agent has notified the Paying Agent, prior to the opening of business in the location of the office of the Paying Agent through which payment in respect of the Notes can be made on the due date of a payment in respect of the Notes that the Agent does not expect to receive sufficient funds to make payment of all amounts falling due in respect of such Notes.
- (8) Whilst any Notes are represented by Global Notes, all payments due in respect of such Notes shall be made to, or to the order of, the holder of the Global Notes, subject to and in accordance with the provisions of the Global Notes. On the occasion of any such payment the Paying Agent to which the Global Note was presented for the purpose of making such payment shall cause the appropriate Schedule to the relevant Global Note to be annotated so as to evidence the amounts and dates of such payments of principal and/or interest as applicable.
- (9) If the amount of principal and/or interest then due for payment is not paid in full (otherwise than by reason of a deduction required by law to be made therefrom), the Paying Agent to which a Note is presented for the purpose of making such payment shall make a record of such Shortfall on the Note and such record shall, in the absence of manifest error, be *prima facie* evidence that the payment in question has not to that extent been made. Further, in the event of such Shortfall, the Agent shall notify the Trustee of such Shortfall.

8. DETERMINATIONS AND NOTIFICATIONS IN RESPECT OF NOTES

- (1) The Agent shall, unless otherwise specified in the applicable Final Terms, act as Calculation Agent and shall make all such determinations and calculations (howsoever described) as it is required to do under the Conditions, all subject to and in accordance with the Conditions.
- (2) The Agent shall not be responsible to the relevant Issuer, the Guarantor (if applicable), the Trustee or to any third party (except in the event of negligence, default or bad faith of the Agent, as the case may be) as a result of the Agent having acted on any quotation given by any Reference Bank which subsequently may be found to be incorrect.
- (3) The Agent shall promptly notify (and confirm in writing to) the relevant Issuer, the Guarantor (if applicable), the Trustee, the other Paying Agents and (in respect of a Series of Notes listed on a Stock Exchange) the relevant Stock Exchange of, *inter alia*, each Rate of Interest, Interest Amount and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Conditions as soon as practicable after the determination thereof and of any subsequent amendment thereto pursuant to the Conditions.

- (4) The Agent shall use its best endeavours to cause each Rate of Interest, Interest Amount and Interest Payment Date and all other amounts, rates and dates which it is obliged to determine or calculate under the Conditions to be published as required in accordance with the Conditions as soon as possible after their determination or calculation.
- (5) If the Agent at any time defaults in its obligation to determine and/or calculate and/or publish the Rate of Interest, Interest Amount and/or Interest Payment Date in respect of any Interest Period or any other amount, rate or date as provided in this clause, it shall forthwith notify the relevant Issuer, the Guarantor (if applicable), the Trustee and the other Paying Agents of such fact.
- (6) Determinations with regard to Notes (including, without limitation, Index Linked Notes and Dual Currency Notes) shall be made by the Agent or such other Calculation Agent specified in the applicable Final Terms in the manner specified in the applicable Final Terms. Unless otherwise agreed between the relevant Issuer and the relevant Dealer or unless the Agent is the Calculation Agent (in which case the provisions of this Agreement shall apply), such determinations shall be made on the basis of a Calculation Agency Agreement substantially in the form of Schedule 1 to this Agreement.

9. NOTICE OF ANY WITHHOLDING OR DEDUCTION

- (1) If the relevant Issuer or, if applicable, the Guarantor is, in respect of any payment, compelled to withhold or deduct any amount for or on account of taxes, duties, assessments or governmental charges as specifically contemplated under the Conditions, the relevant Issuer shall give notice thereof to the Agent and the Trustee as soon as it becomes aware of the requirement to make such withholding or deduction and shall give to the Agent such information as it shall require to enable it to comply with such requirement and the Agent shall comply with such requirement.
- (2) If any Paying Agent is, in respect of any payment of principal or interest in respect of the Notes, compelled to withhold or deduct any amount for or on account of any taxes, duties, assessments or governmental charges as specifically contemplated under the Conditions, other than arising under sub-clause (1) above or by virtue of the relevant holder failing to perform any certification or other requirement in respect of its Notes, it shall give notice thereof to the relevant Issuer and the Agent as soon as it becomes aware of such compulsion to withhold or deduct.

10. DUTIES OF THE PAYING AGENTS IN CONNECTION WITH EARLY REDEMPTION

- (1) If the relevant Issuer decides to redeem any Notes for the time being outstanding prior to their Maturity Date in accordance with the Conditions, the relevant Issuer shall give notice of such decision to the Agent and the Trustee not less than 15 days before the date on which the relevant Issuer will give notice to the Noteholders in accordance with the Conditions of such redemption in order to enable the Agent to undertake its obligations herein and in the Conditions.
- (2) If some only of the Notes are to be redeemed on such date, the Agent shall, in the case of Definitive Notes, make the required drawing in accordance with the Conditions but shall give the relevant Issuer and the Trustee reasonable notice of the time and place proposed for such drawing and the relevant Issuer and the Trustee shall be entitled to send representatives to attend such drawing and shall, in the case of Notes in global form, co-ordinate the selection of Notes to be redeemed with Euroclear and Clearstream, Luxembourg, all in accordance with the Conditions.
- (3) The Agent shall publish the notice required in connection with any such redemption and shall at the same time also publish a separate list of the serial numbers of any Notes previously drawn and not presented for redemption. Such notice shall specify the date fixed for redemption, the redemption amount, the manner in which redemption will be

effected and, in the case of a partial redemption, the serial numbers of the Notes to be redeemed. Such notice will be published in accordance with the Conditions. The Agent will also notify the other Paying Agents and the Trustee of any date fixed for redemption of any Notes.

- (4) Each Paying Agent will keep a stock of Put Notices and will make such notices available on demand to holders of Notes, the Conditions of which provide for redemption at the option of Noteholders. Upon receipt of any Note deposited in the exercise of such option in accordance with the Conditions, the Paying Agent with which such Note is deposited shall hold such Note (together with any Receipts, Coupons and Talons relating to it deposited with it) on behalf of the depositing Noteholder (but shall not, save as provided below, release it) until the due date for redemption of the relevant Note consequent upon the exercise of such option, when, subject as provided below, it shall present such Note (and any such Receipts, Coupons and Talons) to itself for payment of the amount due thereon together with any interest due on such date in accordance with the Conditions and shall pay such moneys in accordance with the directions of the Noteholder contained in the relevant Put Notice. If, prior to such due date for its redemption, such Note becomes immediately due and payable or if upon due presentation payment of such redemption moneys is improperly withheld or refused, the Paying Agent concerned shall post such Note (together with any such Receipts, Coupons and Talons) by uninsured post to, and at the risk of, the relevant Noteholder unless the Noteholder has otherwise requested and paid the costs of such insurance to the relevant Paying Agent at the time of depositing the Notes at such address as may have been given by the Noteholder in the relevant Put Notice. At the end of each period for the exercise of such option, each Paying Agent shall promptly notify the Agent of the principal amount of the Notes in respect of which such option has been exercised with it together with their serial numbers and the Agent shall promptly notify such details to the relevant Issuer and the Trustee.

11. RECEIPT AND PUBLICATION OF NOTICES AND VOTING

- (1) Forthwith upon the receipt by the Agent of a demand or notice from any Noteholder in accordance with the Conditions the Agent shall forward a copy thereof to the relevant Issuer, the Guarantor (if applicable) and the Trustee.
- (2) On behalf of and at the request and expense of the relevant Issuer or, if applicable, the Guarantor, the Agent shall cause to be published all notices required to be given by the relevant Issuer, the Guarantor (if applicable) or the Trustee to the Noteholders in accordance with the Conditions.
- (3) Each Paying Agent shall, at the request of any Noteholder, issue voting certificates and/or block voting instructions in a form and manner which complies with the provisions of Schedule 3 to the Trust Deed (except that it shall not be required to issue the same less than 48 hours before the time fixed for any meeting or adjourned meeting of the Noteholders) and shall forthwith give to the relevant Issuer, the Guarantor (if applicable) and the Trustee, by telex or by facsimile transmission, notice of any revocation of or amendment to any block voting instruction. Each Paying Agent shall keep a full and complete record of all voting certificates and block voting instructions issued by it and shall deliver to the relevant Issuer at its registered office (or such other place as the Trustee shall have designated or approved for the purpose), not less than 24 hours before the time appointed for any meeting or adjourned meeting, full particulars of all voting certificates and block voting instructions issued by it in respect of such meeting or adjourned meeting. Forms for this purpose shall be made available to the Agent by the Trustee at the expense of the relevant Issuer or, if applicable, the Guarantor, for distribution to the other Paying Agents.

12. CANCELLATION OF NOTES, RECEIPTS, COUPONS AND TALONS

- (1) All Notes which are redeemed, all Global Notes which are exchanged in full, all Receipts and Coupons which are paid and all Talons which are exchanged shall be cancelled by the Agent or Paying Agent by which they are redeemed, paid or exchanged. In addition, all Notes which are purchased by or on behalf of the relevant Issuer, or any of its Subsidiaries and are surrendered to a Paying Agent for cancellation, together (in the case of Definitive Notes) with all unmatured Receipts, Coupons or Talons (if any) attached thereto or surrendered therewith, shall be cancelled by the Paying Agent to which they are surrendered. Each of the other Paying Agents shall give to the Agent details of all payments made by it and shall deliver all cancelled Notes, Receipts, Coupons and Talons to the order of the Agent.
- (2) A certificate stating:
- (a) the aggregate nominal amount of Notes which have been redeemed and the aggregate amount paid in respect thereof;
 - (b) the number of Notes cancelled together (in the case of Notes in definitive form) with details of all unmatured Receipts, Coupons or Talons (if any) attached thereto or delivered therewith;
 - (c) the aggregate amount paid in respect of interest on the Notes;
 - (d) the total number by maturity date of Receipts, Coupons and Talons so cancelled;
 - (e) (in the case of Definitive Notes) the serial numbers of such Notes; and
 - (f) such other information as the relevant Issuer is required to give to the Trustee under clause 6 of the Trust Deed,
- shall be given to the relevant Issuer and the Trustee by the Agent (after receipt of a written request from the relevant Issuer or Trustee) as soon as reasonably practicable and in any event within three months after the date of such repayment or, as the case may be, payment or exchange.
- (3) The Agent shall destroy all cancelled Notes, Receipts, Coupons and Talons and, forthwith upon destruction, furnish the relevant Issuer and the Trustee with a certificate of the serial numbers of the Notes (in the case of Notes in definitive form) and the number by maturity date of Receipts, Coupons and Talons so destroyed.
- (4) Without prejudice to the obligations of the Agent pursuant to sub-clause (2), the Agent shall keep a full and complete record of all Notes, Receipts, Coupons and Talons (other than the total number by maturity of Coupons, except those which have been replaced pursuant to Condition 11) and of their redemption, purchase by or on behalf of the relevant Issuer or, if applicable, the Guarantor or any of their respective Subsidiaries and cancellation, payment or exchange (as the case may be) and of all replacement notes, receipts, coupons or talons issued in substitution for mutilated, defaced, destroyed, lost or stolen Notes, Receipts, Coupons or Talons. The Agent shall in respect of the Coupons of each maturity retain (in the case of Coupons other than Talons) until the expiry of ten years from the Relevant Date in respect of such Coupons and (in the case of Talons) indefinitely either all paid or exchanged Coupons of that maturity or a list of the total number by maturity of Coupons of that maturity still remaining unpaid or unexchanged. The Agent shall at all reasonable times make such record available to the relevant Issuer, the Guarantor (if applicable), the Trustee and any persons authorised by either of them for inspection and for the taking of copies thereof or extracts therefrom.
- (5) All records and certificates made or given pursuant to this clause and clause 13 shall make a distinction between Notes, Receipts, Coupons and Talons of each Series.

13. **ISSUE OF REPLACEMENT NOTES, RECEIPTS, COUPONS AND TALONS**

- (1) Each Issuer will cause a sufficient quantity of additional forms of Notes, Receipts, Coupons and Talons to be available, upon request, to the Agent at its specified office for the purpose of issuing replacement Notes, Receipts, Coupons and Talons as provided below.
- (2) The Agent will, subject to and in accordance with the Conditions and the following provisions of this clause, cause to be delivered any replacement Notes, Receipts, Coupons and Talons which the relevant Issuer may determine to issue in place of Notes, Receipts, Coupons and Talons which have been lost, stolen, mutilated, defaced or destroyed.
- (3) In the case of a mutilated or defaced Note, the Agent shall ensure that (unless otherwise covered by such indemnity as the relevant Issuer may reasonably require) any replacement Note will only have attached to it Receipts, Coupons and Talons corresponding to those (if any) attached to the mutilated or defaced Note which is presented for replacement.
- (4) The Agent shall not issue any replacement Note, Receipt, Coupon or Talon unless and until it is satisfied after making proper enquiries that the relevant Note, Receipt, Coupon or Talon has not been presented for payment or redemption to the Trustee, the relevant Issuer or another Paying Agent and the claimant therefor shall have:
 - (a) paid such costs and expenses as may be incurred in connection therewith;
 - (b) furnished it with such evidence and indemnity as the relevant Issuer may reasonably require; and
 - (c) in the case of any mutilated or defaced Note, Receipt, Coupon or Talon, surrendered it to the Agent.
- (5) The Agent shall cancel any mutilated or defaced Notes, Receipts, Coupons and Talons in respect of which replacement Notes, Receipts, Coupons and Talons have been issued pursuant to this clause and shall furnish the relevant Issuer and the Trustee with a certificate stating the serial numbers of the Notes, Receipts, Coupons and Talons so cancelled and, unless otherwise instructed by the relevant Issuer in writing, shall destroy such cancelled Notes, Receipts, Coupons and Talons and furnish the relevant Issuer and the Trustee with a destruction certificate containing the information specified in sub-clause 12(3).
- (6) The Agent shall, on issuing any replacement Note, Receipt, Coupon or Talon, forthwith inform the relevant Issuer, the Trustee and the other Paying Agents of the serial number of such replacement Note, Receipt, Coupon or Talon issued and (if known) of the serial number of the Note, Receipt, Coupon or Talon in place of which such replacement Note, Receipt, Coupon or Talon has been issued. Whenever replacement Receipts, Coupons or Talons are issued pursuant to the provisions of this clause, the Agent shall also notify the Trustee and the other Paying Agents of the maturity dates of the lost, stolen, mutilated, defaced or destroyed Receipts, Coupons or Talons and of the replacement Receipts, Coupons or Talons issued.
- (7) The Agent shall keep a full and complete record of all replacement Notes, Receipts, Coupons and Talons issued and shall make such record available at all reasonable times to the relevant Issuer, the Guarantor (if applicable), the Trustee and any persons authorised by any of them for inspection and for the taking of copies thereof or extracts therefrom.
- (8) Whenever any Note, Receipt, Coupon or Talon for which a replacement Note, Receipt, Coupon or Talon has been issued and in respect of which the serial number is known is presented to the Agent or any of the other Paying Agents for payment, the Agent or, as the case may be, the relevant other Paying Agent shall immediately send notice thereof to the relevant Issuer, the Trustee and the other Paying Agents.

14. **COPIES OF DOCUMENTS AVAILABLE FOR INSPECTION**

Each Issuer shall supply, and the Paying Agents shall hold available for inspection at their specified offices during normal business hours, copies of all documents required to be so available by the Trust Deed and the Conditions of any Notes or the rules of any relevant Stock Exchange (or any other relevant authority).

15. **COMMISSIONS AND EXPENSES**

- (1) The relevant Issuer or, if applicable, the Guarantor, agrees to pay to the Agent such fees and commissions as the relevant Issuer, the Guarantor (if applicable) and the Agent shall separately agree in respect of the services of the Agent and the other Paying Agents hereunder together with any expenses (including legal, printing, postage, fax, cable and advertising expenses) incurred by the Agent and the other Paying Agents in connection with their said services. No Paying Agent shall be required to expend any money unless it is satisfied that it will receive reimbursement thereof in a reasonable time.
- (2) The Agent will make payment of the fees and commissions due hereunder to the other Paying Agents and will reimburse their expenses promptly after the receipt of the relevant moneys from the relevant Issuer or, if applicable, the Guarantor. Neither the relevant Issuer nor, if applicable, the Guarantor shall not be responsible for any such payment or reimbursement by the Agent to the other Paying Agents.

16. **INDEMNITY**

- (1) The relevant Issuer shall indemnify (and, if applicable, the Guarantor agrees so to indemnify) the Agent and each of the other Paying Agents against any losses, liabilities, costs, claims, actions, demands or expenses (together, "**Losses**") (including, but not limited to, all reasonable costs, legal fees, charges and expenses (together, "**Expenses**") paid or incurred in disputing or defending any Losses) which it may incur or which may be made against the Agent or any other Paying Agent as a result of or in connection with its appointment or the exercise of its powers and duties hereunder except for any Losses and Expenses resulting from its own wilful default, negligence or bad faith or that of its officers, directors or employees or the breach by it of the terms of this Agreement.
- (2) Each Paying Agent shall severally indemnify the relevant Issuer and, if applicable, the Guarantor against any Losses (including, but not limited to, all reasonable costs, legal fees, charges and expenses paid or incurred in disputing or defending any Losses) which the relevant Issuer or, if applicable, the Guarantor may incur or which may be made against the relevant Issuer or, if applicable, the Guarantor as a result of the wilful default, negligence or bad faith of that Paying Agent or that of its officers or employees or any of them, or breach by it of the terms of this Agreement.
- (3) The provisions of this clause and clause 15 shall survive the resignation or removal of any of the Paying Agents or the termination or expiry of this Agreement.

17. **REPAYMENT BY THE AGENT**

Upon the relevant Issuer or, if applicable, the Guarantor being discharged from its obligation to make payments in respect of any Notes pursuant to the relevant Conditions, and provided that there is no outstanding, *bona fide* and proper claim in respect of any such payments, the Agent shall forthwith on demand pay to the relevant Issuer or, if applicable, the Guarantor sums equivalent to any amounts paid to it by the relevant Issuer or, if applicable, the Guarantor for the purposes of such payments.

18. **CONDITIONS OF APPOINTMENT**

- (1) Each Paying Agent shall be entitled to deal with money paid to it by the relevant Issuer or, if applicable, the Guarantor for the purpose of this Agreement in the same manner as

other money paid to a banker by its customers (and, for the avoidance of doubt, need not segregate sums held by it hereunder from other monies except as required by law) except:

- (a) that it shall not exercise any right of set-off, lien or similar claim in respect thereof;
- (b) as provided in sub-clause (2) below; and
- (c) that it shall not be liable to account to the relevant Issuer or, if applicable, the Guarantor for any interest thereon.

- (2) In acting hereunder and in connection with the Notes, the Agent and the other Paying Agents shall act solely as agents of the relevant Issuer and, if applicable, the Guarantor (or, in the circumstances described in clause 2(4) above, the Trustee) and will not thereby assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Notes, Receipts, Coupons or Talons.
- (3) The Agent and the other Paying Agents hereby undertake to the relevant Issuer and, if applicable, the Guarantor and the Trustee to perform such obligations and duties, and shall be obliged to perform such duties and only such duties, as are herein, in the Conditions and in the Procedures Memorandum specifically set forth, and no implied duties or obligations shall be read into this Agreement, the Trust Deed or the Notes against the Agent and the other Paying Agents, other than the duty to act honestly and in good faith and to exercise the diligence of a reasonably prudent agent in comparable circumstances.
- (4) The Agent may consult with legal and other professional advisers and shall be protected and shall incur no liability in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.
- (5) Each of the Agent and the other Paying Agents shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the relevant Issuer or, if applicable, the Guarantor or any other Paying Agent or, for the purposes of clause 2(4), the Trustee or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, telex or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties or upon written instructions from the relevant Issuer or, if applicable, the Guarantor or any other Paying Agent or, for the purposes of clause 2(4), the Trustee.
- (6) Any of the Agent and the other Paying Agents and their officers, directors and employees may become the owner of, or acquire any interest in, any Notes, Receipts, Coupons or Talons with the same rights that it or he would have if the Agent or the relevant other Paying Agent, as the case may be, concerned were not appointed hereunder, and may engage or be interested in any financial or other transaction with the relevant Issuer or, if applicable, the Guarantor and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or Coupons or in connection with any other obligations of the relevant Issuer or, if applicable, the Guarantor as freely as if the Agent or the relevant other Paying Agent, as the case may be, were not appointed hereunder.
- (7) Each of the Issuers shall provide the Agent with a certified copy of the list of persons authorised to execute documents and take action on its behalf in connection with this Agreement and shall notify the Agent immediately in writing if any of such persons ceases to be so authorised or if any additional person becomes so authorised together, in the case of an additional authorised person, with evidence satisfactory to the Agent that such person has been so authorised.
- (8) Except as ordered by a court of competent jurisdiction or as required by law and subject as provided in the next sentence, the relevant Issuer, the Trustee, the Agent and any other Paying Agent shall (subject as set out below) be entitled to deem and treat the bearer of

any Note, Receipt, Coupon or Talon as the absolute owner thereof (whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice to the contrary or any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for the purpose of making payment thereon and for all other purposes and shall not be liable for so doing. For so long as any of the Notes is represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, each person (other than Clearstream, Luxembourg or Euroclear) who is for the time being shown in the records of Clearstream, Luxembourg or Euroclear as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be and be treated by the relevant Issuer, the Guarantor (if applicable), the Trustee, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the relevant Issuer, the Guarantor (if applicable), the Trustee, the Agent and the other Paying Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note (and the expressions “**Noteholder**”, “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

- (9) The Issuers shall forthwith give notice to the Agent of any change of the Trustee.
- (10) The amount of the Programme may be increased by the Issuers in accordance with the procedure set out in the Programme Agreement. Upon any such increase being effected, all references in this Agreement to the amount of the Programme shall be deemed to be references to such increased amount.

19. **COMMUNICATION BETWEEN THE PARTIES**

All communications relating to this Agreement between the relevant Issuer, the Guarantor (if applicable), the Trustee and any of the Paying Agents or between the Paying Agents themselves shall be made through the Agent.

20. **CHANGES IN AGENT AND OTHER PAYING AGENTS**

- (1) The Issuers agree that, for so long as any Note is outstanding, or until moneys for the payment of all amounts in respect of all outstanding Notes have been made available to the Agent and have been returned to the relevant Issuer or the Guarantor (if applicable) as provided herein:
 - (a) so long as any Notes are listed on any Stock Exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (which may be the Agent) with a specified office in such place as may be required by the rules and regulations of such Stock Exchange or other relevant authority; and
 - (b) there will at all times be a Paying Agent (which may be the Agent) with a specified office in a city approved by the Trustee in continental Europe; and
 - (c) there will at all times be an Agent; and
 - (d) if any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to such Directive is introduced, the relevant Issuer will ensure that it maintains a Paying

Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to any such Directive or law.

In addition, the relevant Issuer and the Guarantor (if applicable) shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency (as provided in sub-clause (5) below), when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Trustee and to the Noteholders in accordance with the Conditions.

- (2) The Agent may (subject as provided in sub-clause (4) below) at any time resign as Agent by giving at least 45 days' written notice to the Issuers and the Trustee of such intention on its part, specifying the date on which its desired resignation shall become effective.
- (3) The Agent may (subject as provided in sub-clause (4) below) be removed at any time by the Issuers on at least 45 days' notice to the Agent and to the Trustee by the filing with it of an instrument in writing signed on behalf of the Issuers specifying such removal and the date when it shall become effective.
- (4) Any resignation under sub-clauses (2) or (7) or removal under sub-clauses (3) or (5) shall only take effect upon the appointment by the Issuers as hereinafter provided, of a successor Agent or, as the case may be, successor Paying Agent approved by the Trustee and (other than in cases of insolvency of the Agent) on the expiry of the notice to be given under clause 22. The Issuers agree with the Agent and the Trustee that if, by the day falling ten days before the expiry of any notice under sub-clause (2) or (7), the Issuers have not appointed a successor Agent, or, as the case may be, successor Paying Agent, then the Agent shall be entitled, on behalf of the Issuers, to appoint as a successor Agent or, as the case may be, successor Paying Agent in its place a reputable financial institution of good standing which the Issuers and the Trustee shall approve (such approval not to be unreasonably withheld or delayed).
- (5) In case at any time the Agent resigns, or is removed, or becomes incapable of acting or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or a substantial part of its property, or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a receiver of it or of all or a substantial part of its property is appointed or if any officer takes charge or control of it or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, a successor Agent, which shall be a reputable financial institution of good standing approved by the Trustee, may be appointed by the Issuers by an instrument in writing filed with the successor Agent. Upon the appointment as aforesaid of a successor Agent and acceptance by the latter of such appointment and (other than in case of insolvency of the Agent when it shall be of immediate effect) upon expiry of the notice to be given under clause 22 the Agent so superseded shall cease to be the Agent hereunder.
- (6) Subject to sub-clause (1), the Issuers may, after prior consultation with the Agent and the Trustee, terminate the appointment of any of the other Paying Agents at any time and/or appoint one or more further or other Paying Agents by giving to the Agent and the Trustee and to the relevant further or other Paying Agent at least 45 days' notice in writing to that effect (other than in the case of insolvency of the other Paying Agent).
- (7) Subject to sub-clause (1), all or any of the Paying Agents may resign their respective appointments hereunder at any time by giving the Issuers, the Trustee and the Agent at least 45 days' written notice to that effect.

- (8) Upon its resignation or removal becoming effective, the Agent or the relevant Paying Agent:
- (a) shall forthwith transfer all moneys held by it hereunder and, if applicable, the records referred to in clauses 12(4) and 13(7) to the successor Agent hereunder;
 - (b) shall be entitled to the payment by the relevant Issuer or, if applicable, the Guarantor of its commissions, fees and expenses for the services theretofore rendered hereunder in accordance with the terms of clause 15; and
 - (c) shall continue to be entitled to the benefit of the indemnity provided for in clause 16(1).
- (9) Upon its appointment becoming effective, a successor Agent and any new Paying Agent shall, without further act, deed or conveyance, become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of its predecessor or, as the case may be, a Paying Agent with like effect as if originally named as Agent or (as the case may be) a Paying Agent hereunder.

21. **MERGER AND CONSOLIDATION**

Any corporation into which the Agent or any other Paying Agent may be merged or converted, or any corporation with which the Paying Agent or any of the other Paying Agents may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Agent or any of the other Paying Agents shall be a party, or any corporation to which the Agent or any of the other Paying Agents shall sell or otherwise transfer all or substantially all the assets of the Agent or any other Paying Agent shall, on the date when such merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Agent or, as the case may be, other Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties hereto, unless otherwise reasonably required by the Issuers, and after the said effective date all references in this Agreement to the Agent or, as the case may be, such other Paying Agent shall be deemed to be references to such corporation. Written notice of any such merger, conversion, consolidation or transfer shall forthwith be given to the Issuers and the Trustee by the relevant Agent or other Paying Agent.

22. **NOTIFICATION OF CHANGES TO PAYING AGENTS**

Following receipt of notice of resignation from the Agent or any other Paying Agent and forthwith upon appointing a successor Agent or, as the case may be, further or other Paying Agents or on giving notice to terminate the appointment of any Agent or, as the case may be, other Paying Agent, the Agent (on behalf of and at the expense of the Issuers) shall give or cause to be given not more than 45 days' nor less than 30 days' notice thereof to the Noteholders in accordance with the Conditions.

23. **CHANGE OF SPECIFIED OFFICE**

If the Agent or any other Paying Agent determines to change its specified office it shall (after having, in any such case other than a change of specified office within the same city, obtained the prior written approval of the Issuers and the Trustee thereto) give to the Issuers, the Trustee and (if applicable) the Agent written notice of such determination giving the address of the new specified office and stating the date on which such change is to take effect, which shall not be less than 45 days thereafter. The Agent (on behalf and at the expense of the Issuers) shall within 15 days of receipt of such notice (unless the appointment of the Agent or the other relevant Paying Agent, as the case may be, is to terminate pursuant to clause 20 on or prior to the date of such change) give or cause to

be given not more than 45 days' nor less than 30 days' notice thereof to the Noteholders in accordance with the Conditions.

24. **NOTICES**

Any notice or communication given hereunder shall be sufficiently given or served:

- (a) if delivered in person to the relevant address specified on the signature pages hereof and, if so delivered, shall be deemed to have been delivered at time of receipt; or
- (b) if sent by facsimile or telex to the relevant number specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered immediately after transmission provided such transmission is confirmed by the answerback of the recipient (in the case of telex) or when an acknowledgement of receipt is received (in the case of facsimile).

Where a communication is received after business hours it shall be deemed to be received and become effective on the next business day. Every communication shall be irrevocable save in respect of any manifest error therein.

25. **TAXES AND STAMP DUTIES**

The Issuers jointly and severally agree to pay any and all stamp and other documentary taxes or duties which may be payable in connection with the execution, delivery, performance and enforcement of this Agreement.

26. **AMENDMENTS**

This Agreement may be amended in writing by agreement between the Issuers, the Trustee, the Agent and the other Paying Agents, but without the consent of any Noteholder, Receiptholder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein or in any manner which the parties may mutually deem necessary or desirable and which shall not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders. The Issuers, the Trustee and the Agent may also agree any modification pursuant to Condition 15.

27. **DESCRIPTIVE HEADINGS**

The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

28. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

29. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

This Agreement is governed by, and shall be construed in accordance with, the laws of England.

30. **COUNTERPARTS**

This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

SCHEDULE 1

FORM OF CALCULATION AGENCY AGREEMENT

Dated []

[REUTERS GROUP PLC/
REUTERS FINANCE PLC

EURO MEDIUM TERM NOTE PROGRAMME

CALCULATION AGENCY AGREEMENT

THIS AGREEMENT is made on []

BETWEEN:

- (1) [REUTERS GROUP PLC, of The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP] [REUTERS FINANCE PLC, of The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP]¹ (the “**Issuer**”);
- (2) [REUTERS GROUP PLC, of The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP (the “**Guarantor**”)]² ;
- (3) [], of [], (the “**Calculation Agent**”, which expression shall include its successor or successors for the time being as calculation agent hereunder); and
- (4) CITICORP TRUSTEE COMPANY LIMITED, of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the “**Trustee**”).

WHEREAS:

- (A) The Issuer [and the Guarantor]² [has/have]¹ entered into an Amended and Restated Programme Agreement with the Dealers named therein dated [SIGNING DATE], under which the Issuer may issue Euro Medium Term Notes (“**Notes**”) with an aggregate nominal amount of up to £1,000,000,000 (or its equivalent in other currencies).
- (B) The Notes will be constituted by a trust deed dated [] 2006 (such Trust Deed as modified and/or supplemented and/or restated from time to time) between the Issuer, [the Guarantor,] the Trustee and others.

NOW IT IS HEREBY AGREED that:

1. APPOINTMENT OF THE CALCULATION AGENT

The Issuer hereby appoints [] as Calculation Agent in respect of each Series of Notes described in the Schedule hereto (the “**Relevant Notes**”) for the purposes set out in clause 2 below, all upon the provisions hereinafter set out. The agreement of the parties hereto that this Agreement is to apply to each Series of Relevant Notes shall be evidenced by the manuscript annotation and signature in counterpart of the Schedule hereto.

2. DUTIES OF CALCULATION AGENT

The Calculation Agent shall in relation to each Series of Relevant Notes perform all the functions and duties imposed on the Calculation Agent by the terms and conditions of the Relevant Notes (the “**Conditions**”) including endorsing the Schedule hereto appropriately in relation to each Series of Relevant Notes.

3. EXPENSES

[To be agreed at the time of appointment.]

4. INDEMNITY

- (1) The Issuer shall indemnify [(and failing the Issuer so indemnifying, the Guarantor agrees so to indemnify)]² the Calculation Agent against any losses, liabilities, costs, claims, actions, demands or expenses (together, “**Losses**”) (including, but not limited to, all reasonable costs, legal fees, charges and expenses (together, “**Expenses**”) paid or

¹ Delete as appropriate

² Delete where the Issuer is Reuters Group PLC

incurred in disputing or defending any Losses) which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and duties under this Agreement except for any Losses and Expenses resulting from its own default, negligence or bad faith or that of its officers, directors or employees or the breach by it of the terms of this Agreement.

- (2) The Calculation Agent shall indemnify the Issuer [and the Guarantor]² against any losses, liabilities, costs, claims, actions or demands which the Issuer [or the Guarantor]² may incur or which may be made against the Issuer [or the Guarantor]² as a result of the default, negligence or bad faith of the Calculation Agent or that of its officers or employees or any of them, or breach by it of the terms of this Agreement.

5. CONDITIONS OF APPOINTMENT

- (1) In acting hereunder and in connection with the Relevant Notes the Calculation Agent shall not act as agent of the Issuer [and the Guarantor]² and shall not thereby assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Relevant Notes or the receipts or coupons (if any) appertaining thereto (the “Receipts” and the “Coupons”, respectively).
- (2) In relation to each issue of Relevant Notes, the Calculation Agent shall be obliged to perform such duties and only such duties as are herein and in the Conditions specifically set forth and no implied duties or obligations shall be read into this Agreement or the Conditions against the Calculation Agent, other than the duty to act honestly and in good faith and to exercise the diligence of a reasonably prudent expert in comparable circumstances.
- (3) The Calculation Agent may consult with legal and other professional advisers and the opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.
- (4) The Calculation Agent shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the Issuer [or the Guarantor]² or any notice, resolution, direction, consent, certificate, affidavit, statement, cable, telex or other paper or document which it reasonably believes to be genuine and to have been delivered, signed or sent by the proper party or parties or upon written instructions from the Issuer [or the Guarantor]².
- (5) The Calculation Agent and any of its officers, directors and employees may become the owner of, or acquire any interest in, any Notes, Receipts or Coupons or Talons (if any) with the same rights that it or he would have if the Calculation Agent were not appointed hereunder, and may engage or be interested in any financial or other transaction with the Issuer [or the Guarantor]² and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or Coupons (if any) or in connection with any other obligations of the Issuer [or the Guarantor]² as freely as if the Calculation Agent were not appointed hereunder.

6. TERMINATION OF APPOINTMENT

- (1) The Issuer may, with the prior written approval of the Trustee, terminate the appointment of the Calculation Agent at any time by giving to the Calculation Agent at least 45 days' prior written notice to that effect, provided that, so long as any of the Relevant Notes is outstanding:
 - (a) no such notice relating to the termination of appointment of the Calculation Agent shall take effect until a new Calculation Agent approved by the Trustee has been appointed on terms approved by the Trustee;

- (b) such notice shall not expire less than 45 days before any date upon which any payment is due in respect of any Relevant Notes; and
- (c) notice shall be given in accordance with the Conditions, to the holders of the Relevant Notes at least 30 days prior to any removal of the Calculation Agent.

(2) Notwithstanding the provisions of sub-clause (1) above, if at any time:

- (a) the Calculation Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or it admits in writing its inability to pay or meet its debts as they may mature or suspends payment thereof, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a receiver of it or of all or a substantial part of its property is appointed or if any officer takes charge or control of the Calculation Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; or
- (b) the Calculation Agent fails duly to perform any function or duty imposed upon it by the Conditions and this Agreement,

the Issuer may forthwith without notice terminate the appointment of the Calculation Agent, in which event notice thereof shall be given to the holders of the Relevant Notes in accordance with the Conditions as soon as practicable thereafter.

(3) The termination of the appointment pursuant to sub-clause (1) or (2) above of the Calculation Agent hereunder shall not entitle the Calculation Agent to any amount by way of compensation but shall be without prejudice to any amount then accrued due.

(4) The Calculation Agent may resign its appointment hereunder at any time by giving to the Issuer and the Trustee at least 90 days' prior written notice to that effect. Following receipt of a notice of resignation from the Calculation Agent, the Issuer shall promptly give notice thereof to the holders of the Relevant Notes in accordance with the Conditions.

(5) Notwithstanding the provisions of sub-clauses (1), (2) and (4) above, so long as any of the Relevant Notes is outstanding, the termination of the appointment of the Calculation Agent (whether by the Issuer or by the resignation of the Calculation Agent) shall not be effective unless upon the expiry of the relevant notice a successor Calculation Agent has been appointed. The Issuer agrees with the Calculation Agent that if, by the day falling 10 days before the expiry of any notice under sub-clause 6(1) or 6(4), the Issuer has not appointed a replacement Calculation Agent, the Calculation Agent shall be entitled, on behalf of the Issuer, to appoint as a successor Calculation Agent in its place a reputable financial institution of good standing which the Issuer and the Trustee shall approve (such approval not to be unreasonably withheld or delayed).

(6) Upon its resignation or removal becoming effective, the Calculation Agent:

- (a) shall be entitled to payment by the Issuer of its commissions, fees and expenses for the services theretofore rendered hereunder in accordance with the terms of clause 3; and
- (b) shall continue to be entitled to the benefit of the indemnity provided for in clause 4(1).

(7) Upon its appointment becoming effective, a successor Calculation Agent shall without further act, deed or conveyance, become vested with all the authority, rights, powers,

trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as the Calculation Agent hereunder.

- (8) Any corporation into which the Calculation Agent may be merged or converted, or any corporation with which the Calculation Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Calculation Agent shall be a party, or any corporation to which the Calculation Agent shall sell or otherwise transfer all or substantially all of its assets shall, on the date when such merger, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Calculation Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, unless otherwise required by the Issuer and the Trustee, and after the said effective date all references in this Agreement to the Calculation Agent shall be deemed to be references to such corporation. Written notice of any such merger, conversion, consolidation or transfer shall forthwith be given to the Issuer, the Trustee and the Agent.

7. **NOTICES**

Any notice or communication given hereunder shall be sufficiently given or served:

- (a) if delivered in person to the relevant address specified on the signature pages hereof and, if so delivered, shall be deemed to have been delivered at time of receipt; or
- (b) if sent by facsimile or telex to the relevant number specified on the signature pages hereof and, if so sent, shall be deemed to have been delivered immediately after transmission provided such transmission is confirmed by the answerback of the recipient (in the case of telex) or when an acknowledgement of receipt is received (in the case of facsimile).

Where a communication is received after business hours it shall be deemed to be received and become effective on the next business day. Every communication shall be irrevocable save in respect of any manifest error therein.

8. **DESCRIPTIVE HEADINGS AND COUNTERPARTS**

- (1) The descriptive headings in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.
- (2) This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Agreement by executing a counterpart.

9. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

10. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

This Agreement is governed by, and shall be construed in accordance with, the laws of England.

IN WITNESS WHEREOF this Agreement has been entered into the day and year first above written.

SCHEDULE TO THE CALCULATION AGENCY AGREEMENT

Series number	Issue Date	Maturity Date	Title and Nominal Amount	Annotation by Calculation Agent/Issuer
30				

[REUTERS GROUP PLC
The Reuters Building
South Colonnade
Canary Wharf
London
E14 5EP

Telephone: 020 7543 2218
Telefax No: 020 7542 6868
Attention: General Counsel]

By:

[REUTERS FINANCE PLC
The Reuters Building
South Colonnade
Canary Wharf
London
E14 5EP

Telephone: 020 7543 2218
Telefax No: 020 7542 6868
Attention: General Counsel]

By:

[Name of Calculation Agent]
[Address of Calculation Agent]

Telephone
No: []
Telefax No: []
Attention: []

By:

CITICORP TRUSTEE COMPANY LIMITED
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Telephone
No: 020 7500 5742
Telefax No: 020 7500 5248
Attention: Agency and Trust

By:

SCHEDULE 2

FORM OF PUT NOTICE

**[REUTERS GROUP PLC/REUTERS FINANCE PLC]
[title of relevant Series of Notes]**

By depositing this duly completed Notice with any Paying Agent for the above Series of Notes (the **"Notes"**) the undersigned holder of such Notes surrendered with this Notice and referred to below irrevocably exercises its option to have such Notes redeemed in accordance with Condition 6(d) on [redemption date].

This Notice relates to Notes in the aggregate nominal amount of _____

bearing the following serial numbers:

If the Notes referred to above are to be returned (1) to the undersigned under clause 10(4) of the Agency Agreement, if not tendered by or on behalf of Euroclear/Clearstream, Luxembourg/any other clearing system they should be returned by post to:

Payment Instructions

Please make payment in respect of the above-mentioned Notes by [cheque posted to the above address/transfer to the following bank account/transfer to the following Clearing System account] (2):

Bank: _____
Branch Address: _____
Account Number: _____
Clearing system: _____
Signature of holder: _____
Duly authorised on behalf of []

[To be completed by recipient Paying Agent]

Details of missing unmatured Coupons _____(3)

Received by: _____

[Signature and stamp of Paying Agent]

At its office at: _____

On: _____

Notes

- (1) The Agency Agreement provides that Notes so returned will be sent by post, uninsured and at the risk of the Noteholder, unless the Noteholder otherwise requests and pays the costs of such insurance to the relevant Paying Agent at the time of depositing the Note referred to above.
- (2) Delete as applicable.
- (3) Only relevant for Fixed Rate Notes (which are not also Index Linked Redemption Amount Notes) in definitive form

N.B. The Paying Agent with whom the above-mentioned Notes are deposited will not in any circumstances be liable to the depositing Noteholder or any other person for any loss or damage arising from any act, default or omission of such Paying Agent in relation to the said Notes or any of them unless such loss or damage was caused by the fraud or gross negligence of such Paying Agent or its directors, officers or employees.

This Put Notice is not valid unless all of the paragraphs requiring completion are duly completed and, if the Notes which are the subject of this Put Notice are represented by a Global Note, this Put Notice is accompanied by evidence from either Euroclear or Clearstream, Luxembourg of the holder's entitlement to the Notes and that the holder's account with Euroclear or Clearstream, Luxembourg in which such Notes are held has been blocked. Once validly given this Put Notice is irrevocable except in the circumstances set out in clause 10(4) of the Agency Agreement.

The Issuers

REUTERS GROUP PLC
The Reuters Building
South Colonnade
Canary Wharf
London
E14 5EP

Telephone: 020 7542 2218
Telefax No: 020 7542 6848
Attention: General Counsel

By: /s/ DAVID GRIGSON

REUTERS FINANCE PLC
The Reuters Building
South Colonnade
Canary Wharf
London
E14 5EP

Telephone: 020 7542 2218
Telefax No: 020 7542 6848
Attention: General Counsel

By: /s/ ROSEMARY MARTIN

The Guarantor

REUTERS GROUP PLC
The Reuters Building
South Colonnade
Canary Wharf
London
E14 5EP

Telephone: 020 7542 2218
Telefax No: 020 7542 6848
Attention: General Counsel

By: /s/ DAVID GRIGSON

The Agent

CITIBANK, N.A.
21st Floor
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Telephone: 020 7508 3831
Telefax: 020 7508 3875
Attention: MTN Issuance Desk

By: /s/ DAVID MARES

The other Paying Agent

CITIGROUP GLOBAL MARKETS DEUTSCHLAND AG & CO. KGaA
Reuterweg 16
60323 Frankfurt am Main

Telephone: 00 49 69 1366 1256
Telefax: 00 49 69 1366 1429
Attention: Global Transaction Services
Germany Agency and Trust Department

By: /s/ SIEGFRIED ROOS

The Trustee

CITICORP TRUSTEE COMPANY LIMITED
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Telephone

No: 020 7500 5742

Telefax No: 020 7500 5248

Attention: Agency and Trust

By: /s/ DAVID MARES

Reuters Group PLC

Issue of EUR 250,000,000 Floating Rate Notes due November 2008

under the £1,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 9 June 2006 as supplemented on 20 November 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus and the supplemental Prospectus are available for viewing at and copies may be obtained from Reuters Group PLC, The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP or Citibank N.A., 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and www.reuters.com.

1.	(i) Issuer:	Reuters Group PLC
2.	(i) Series Number:	2006-1
	(ii) Tranche Number:	Not Applicable
3.	Specified Currency or Currencies	Euros (" EUR ")
4.	Aggregate Nominal Amount:	EUR 250,000,000
	(i) Series:	2006-1
	(ii) Tranche:	Not Applicable
5.	Issue Price:	100 per cent. of the Aggregate Nominal Amount
6.	Special Denominations:	EUR 50,000 and higher multiples of EUR 1,000
7.	(i) Issue Date:	28 November 2006
	(ii) Interest Commencement Date	28 November 2006
8.	Maturity Date:	Interest Payment Date falling in or nearest to 28 November 2008
9.	Interest Basis:	3 month EURIBOR + 0.12 per cent. Floating Rate
10.	Redemption Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Not Applicable

	(iii) Date Board approval for issuance of Notes obtained:	Not Applicable
14.	Method of distribution:	Syndicated
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
15.	Fixed Rate Note Provisions:	Not Applicable
16.	Floating Rate Note Provisions:	Applicable
	(i) Interest Period(s):	3 months
	(ii) Specified Interest Payment Dates:	28 February, 28 May, 28 August and 28 November in each year, commencing 28 February 2007 up to and including the Maturity Date
	(iii) Business Day Convention:	Modified Following Business Day Convention
	(iv) Additional Business Centre(s):	London and TARGET
	(v) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent)	Not Applicable
	(vii) Screen Rate Determination:	
	- Reference Rate:	3 month EURIBOR
	- Interest Determination Date(s):	Second day on which the TARGET System is open prior to the start of each Interest Period
	- Relevant Screen Page:	Reuters page EURIBOR01
	(viii) ISDA Determination:	
	- Floating Rate Option:	Not Applicable
	- Designated Maturity:	Not Applicable
	- Reset Date:	Not Applicable
	(ix) Margin(s):	+ 0.12 per cent. per annum
	(x) Minimum Rate of Interest:	Not Applicable
	(xi) Maximum Rate of Interest:	Not Applicable
	(xii) Day Count Fraction:	Actual/360
	(xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those	Not Applicable

set out in the Conditions:

- | | | |
|-----|--|----------------|
| 17. | Zero Coupon Note Provisions: | Not Applicable |
| 18. | Index-Linked Interest Note/other variable-linked interest Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|--|----------------|
| 20. | Issuer Call: | Not Applicable |
| 21. | Investor Put: | Not Applicable |
| 22. | Final Redemption Amount of each Note: | Par |
| 23. | Early Redemption Amount:
Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)): | Par |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|---|--|
| 24. | Form of Notes: | Bearer Notes:
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note |
| 25. | Additional Financial Centre(s) or other special provisions relating to Payment Days: | Not Applicable |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 27. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 28. | Details relating to Instalment Notes: | Not Applicable |
| | (i) Instalment Amount(s): | Not Applicable |
| | (ii) Instalment Date(s): | Not Applicable |
| 29. | Redenomination, renominatisation | Not Applicable |

and reconventioning provisions:

30. Other final terms: Not Applicable

DISTRIBUTION

31. (i) If syndicated, names of Managers: Citigroup Global Markets Limited and UBS Limited
(ii) Stabilising Manager(s) (if any): Not Applicable

32. If non-syndicated, name of relevant Dealer: Not Applicable

33. Whether TEFRA D or TEFRA C rates applicable or TEFRA rates not applicable: TEFRA D

34. Additional selling restrictions: Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the £1,000,000,000 Euro Medium Term Note Programme of Reuters Finance PLC and Reuters Group PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: /s/ David Grigson

Duly authorised

1. **LISTING**

- | | | |
|-------|---|--|
| (i) | Listing: | London |
| (ii) | Admission to trading: | Application has been made for the Notes to be admitted to trading on the London Stock Exchange with effect from 28 November 2006 |
| (iii) | Estimate of total expenses related to admission to trading: | EUR 151,000 |

3. **RATINGS**

- | | |
|----------|---|
| Ratings: | The Notes to be issued have been rated: |
| | Moody's: A3 (Stable) |
| | S&P: A- (Stable) |
| | Fitch: A- (Stable) |

4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- | | | |
|-------|---------------------------|--|
| (i) | Reasons for the offer | Refinancing of maturing commercial paper |
| (ii) | Estimated net proceeds: | EUR 249,875,000 |
| (iii) | Estimated total expenses: | Not Applicable |

6. **YIELD (*Fixed Rate Notes only*):**

- | | |
|----------------------|----------------|
| Indication of yield: | Not Applicable |
|----------------------|----------------|

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked or other variable-linked Notes only*)**

Not Applicable

8. **PERFORMANCE OF RATE[S] OF EXCHANGE (*Dual Currency Notes only*)**

Not Applicable

9. **OPERATIONAL INFORMATION**

- | | |
|---|----------------|
| ISIN Code: | XS0276892303 |
| Common Code: | 027689230 |
| Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société | Not Applicable |

anonyme and the relevant identification number(s):

Delivery:

Delivery against payment

Names and addresses of additional Paying Agent(s) (if any):

Not Applicable

SUBSCRIPTION AGREEMENT

REUTERS GROUP PLC

EUR 250,000,000 Floating Rate Notes due November 2008

24 November 2006

To: Citigroup Global Markets Limited
UBS Limited
(the "**Lead Managers**")

cc: Citicorp Trustee Company Limited as Trustee
Citibank, N.A. as Agent

Dear Sirs,

Reuters Group PLC (the "**Issuer**") proposes to issue EUR 250,000,000 Floating Rate Notes due November 2008 (the "**Notes**") pursuant to the £1,000,000,000 Euro Medium Term Note Programme established by it. The terms of the issue shall be as set out in the form of Final Terms attached to this Agreement as Annex A.

This Agreement is supplemental to the Amended and Restated Programme Agreement (the "**Programme Agreement**") dated 9 June 2006 made between the Issuer and the Dealers party thereto. All terms with initial capitals used herein without definition have the meanings given to them in the Programme Agreement.

We wish to record the arrangements agreed between us in relation to the issue:

1. Subject to the terms and conditions of the Programme Agreement and this Agreement the Issuer hereby agrees to issue the Notes and the Lead Managers jointly and severally agree to subscribe or procure subscribers for the Notes at a price of 99.95 per cent. of the principal amount of the Notes (the "**Purchase Price**"), being the issue price of 100 per cent. less a combined selling, management and underwriting commission of 0.05 per cent. of such principal amount.
 2. The settlement procedures set out in Part 2 of Annex A to the Procedures Memorandum shall apply as if set out in this Agreement provided that, for the purposes of this Agreement:
 - (i) the sum payable on the Issue Date shall represent the Purchase Price less any amount payable in respect of Managers' expenses as provided in the agreement referred to in clause 3 of this Agreement;
 - (ii) "**Issue Date**" means 28 November 2006 or such other time and/or date as the Issuer and the Lead Managers may agree; and
 - (iii) "**Payment Instruction Date**" means the Issue Date unless there is to be a pre-closing for the issue in which case it means the business day (being a day on which banks and foreign exchange markets are open for business in London) prior to the Issue Date.
-

3. The arrangements in relation to expenses have been separately agreed between the Issuer and the Lead Managers.
4. The obligation of the Lead Managers to purchase the Notes is conditional upon:
 - (i) the conditions set out in clause 3(2) (other than that set out in clause 3(2)(e)) of the Programme Agreement being satisfied as of the Payment Instruction Date (on the basis that the references therein to “**relevant Dealer**” shall be construed as references to the Lead Managers); and
 - (ii) the delivery to the Lead Managers on the Payment Instruction Date of certificate dated as at the Payment Instruction Date signed by a duly authorised officer of the Issuer giving confirmation to the effect stated in paragraph (i) of this clause.

If any of the foregoing conditions is not satisfied on or before the Payment Instruction Date, this Agreement shall terminate on such date and the parties hereto shall be under no further liability arising out of this Agreement (except for any liability of the Issuer in relation to expenses as provided in the agreement referred to in clause 3 and except for any liability arising before or in relation to such termination), provided that the Lead Managers may in their discretion waive any of the aforesaid conditions (other than the condition precedent contained in clause 3.2(c) of the Programme Agreement) or any part of them.

5. The Lead Managers may, by notice to the Issuer and after consultation with the Issuer if practicable, terminate this Agreement at any time prior to payment of the net purchase money to the Issuer, if in the opinion of the Lead Managers, there shall have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market and, upon such notice being given, the parties to this Agreement shall (except for any liability of the Issuer in relation to expenses as provided in the agreement referred to in clause 3 of this Agreement and except for any liability arising before or in relation to such termination) be released and discharged from their respective obligations under this Agreement.
6. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
7. Clause 20 of the Programme Agreement shall also apply to this Agreement as if expressly incorporated herein.
8. This Agreement may be signed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Agreement by executing a counterpart.

Please confirm that this letter correctly sets out the arrangements agreed between us.

Yours faithfully,

For: **Reuters Group PLC**

By:

A handwritten signature in black ink, appearing to be a stylized cursive script, located below the 'By:' label.

We agree to the foregoing.

For: Citigroup Global Markets Limited
UBS Limited

By:

Final Terms dated 24 November 2006

Reuters Group PLC

Issue of EUR 250,000,000 Floating Rate Notes due November 2008

under the £1,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 9 June 2006 as supplemented on 20 November 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus and the supplemental Prospectus are available for viewing at and copies may be obtained from Reuters Group PLC, The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP or Citibank N.A., 21st Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and www.reuters.com.

1.	(i)	Issuer:	Reuters Group PLC
2.	(i)	Series Number:	2006-1
	(ii)	Tranche Number:	Not Applicable
3.		Specified Currency or Currencies	Euros (“ EUR ”)
4.		Aggregate Nominal Amount:	EUR 250,000,000
	(i)	Series:	2006-1
	(ii)	Tranche:	Not Applicable
5.		Issue Price:	100 per cent. of the Aggregate Nominal Amount
6.		Special Denominations:	EUR 50,000 and higher multiples of EUR 1,000
7.	(i)	Issue Date:	28 November 2006
	(ii)	Interest Commencement Date	28 November 2006
8.		Maturity Date:	Interest Payment Date falling in or nearest to 28 November 2008
9.		Interest Basis:	3 month EURIBOR + 0.12 per cent. Floating Rate
10.		Redemption Payment Basis:	Redemption at par
11.		Change of Interest or Redemption/Payment Basis	Not Applicable
12.		Put/Call Options:	Not Applicable
13.	(i)	Status of the Notes:	Senior

	(ii) Status of the Guarantee:	Not Applicable
	(iii) Date Board approval for issuance of Notes obtained:	Not Applicable
14.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions	Not Applicable
16.	Floating Rate Note Provisions	Applicable
	(i) Interest Period(s)	3 months
	(ii) Specified Interest Payment Dates:	28 February, 28 May, 28 August and 28 November in each year, commencing 28 February 2007 up to and including the Maturity Date
	(iii) Business Day Convention:	Modified Following Business Day Convention
	(iv) Additional Business Centre(s):	London and TARGET
	(v) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent)	Not Applicable
	(vii) Screen Rate Determination:	
	- Reference Rate:	3 month EURIBOR
	- Interest Determination Date(s):	Second day on which the TARGET System is open prior to the start of each Interest Period
	- Relevant Screen Page:	Reuters page EURIBOR01
	(viii) ISDA Determination:	
	- Floating Rate Option:	Not Applicable
	- Designated Maturity:	Not Applicable
	- Reset Date:	Not Applicable
	(ix) Margin(s):	+ 0.12 per cent. per annum
	(x) Minimum Rate of Interest:	Not Applicable
	(xi) Maximum Rate of Interest:	Not Applicable
	(xii) Day Count Fraction:	Actual/360
	(xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating	Not Applicable

Rate Notes, if different from those set out in the Conditions:

- | | | |
|-----|---|----------------|
| 17. | Zero Coupon Note Provisions | Not Applicable |
| 18. | Index-Linked Interest Note/other variable-linked interest Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|--|----------------|
| 20. | Issuer Call: | Not Applicable |
| 21. | Investor Put: | Not Applicable |
| 22. | Final Redemption Amount of each Note | Par |
| 23. | Early Redemption Amount | |
| | Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)): | Par |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|---|---|
| 24. | Form of Notes: | Bearer Notes: |
| | | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note |
| 25. | Additional Financial Centre(s) or other special provisions relating to Payment Days: | Not Applicable |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 27. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 28. | Details relating to Instalment Notes: | Not Applicable |
| | (i) Instalment Amount(s): | Not Applicable |
| | (ii) Instalment Date(s): | Not Applicable |
-

- | | | |
|-----|--|----------------|
| 29. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 30. | Other final terms: | Not Applicable |

DISTRIBUTION

- | | | |
|-----|--|--|
| 31. | (i) If syndicated, names of Managers: | Citigroup Global Markets Limited and UBS Limited |
| | (ii) Stabilising Manager(s) (if any): | Not Applicable |
| 32. | If non-syndicated, name of relevant Dealer: | Not Applicable |
| 33. | Whether TEFRA D or TEFRA C rates applicable or TEFRA rates not applicable: | TEFRA D |
| 34. | Additional selling restrictions: | Not Applicable |

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the £1,000,000,000 Euro Medium Term Note Programme of Reuters Finance PLC and Reuters Group PLC.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: 

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- | | | | |
|-----|----------|---|--|
| (i) | Listing: | London | |
| 2. | (ii) | Admission to trading: | Application has been made for the Notes to be admitted to trading on the London Stock Exchange with effect from 28 November 2006 |
| | (iii) | Estimate of total expenses related to admission to trading: | EUR 151,000 |

3. RATINGS

- | | |
|----------|---|
| Ratings: | The Notes to be issued have been rated: |
| | Moody's: A3 (Stable) |
| | S&P: A- (Stable) |
| | Fitch: A- (Stable) |

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | | |
|-------|---------------------------|--|
| (i) | Reasons for the offer | Refinancing of maturing commercial paper |
| (ii) | Estimated net proceeds: | EUR 249,875,000 |
| (iii) | Estimated total expenses: | Not Applicable |

6. YIELD (*Fixed Rate Notes only*):

- | | |
|----------------------|----------------|
| Indication of yield: | Not Applicable |
|----------------------|----------------|

7. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked or other variable-linked Notes only*)

Not Applicable

8. PERFORMANCE OF RATE[S] OF EXCHANGE (*Dual Currency Notes only*)

Not Applicable

9. OPERATIONAL INFORMATION

- | | |
|--------------|--------------|
| ISIN Code: | XS0276892303 |
| Common Code: | 027689230 |
-

Any clearing system(s) other than Euroclear Bank S.A./N.V. and
Clearstream Banking, société anonyme and the relevant
identification number(s):

Not Applicable

Delivery:

Delivery against payment

Names and addresses of additional Paying Agent(s) (if any):

Not Applicable





CONFORMED COPY

£680,000,000 Multicurrency Revolving Facility Agreement

Reuters Group PLC

arranged by

Citigroup Global Markets Limited

Commerzbank AG London Branch

Deutsche Bank AG, London Branch

Dresdner Bank AG Niederlassung Luxembourg

HSBC Bank plc

J.P. Morgan plc

Lloyds TSB Bank PLC

Morgan Stanley Bank International Limited

Société Générale

Standard Chartered Bank

The Royal Bank of Scotland plc

UBS Limited

with

HSBC Bank plc

acting as Agent

26 October 2006

CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION	1
2. THE FACILITY	12
3. PURPOSE	14
4. CONDITIONS OF UTILISATION	14
5. UTILISATION	15
6. ANCILLARY FACILITIES	16
7. OPTIONAL CURRENCIES	20
8. REPAYMENT	21
9. PREPAYMENT AND CANCELLATION	21
10. INTEREST	24
11. INTEREST PERIODS	25
12. CHANGES TO THE CALCULATION OF INTEREST	26
13. FEES	27
14. TAX GROSS-UP AND INDEMNITIES	28
15. INCREASED COSTS	32
16. OTHER INDEMNITIES	33
17. MITIGATION BY THE LENDERS	34
18. COSTS AND EXPENSES	34
19. GUARANTEE AND INDEMNITY	34
20. REPRESENTATIONS	37
21. INFORMATION UNDERTAKINGS	38
22. GENERAL UNDERTAKINGS	41
23. EVENTS OF DEFAULT	43
24. CHANGES TO THE LENDERS	46
25. CHANGES TO THE OBLIGORS	49
26. ROLE OF THE AGENT AND THE ARRANGERS	51
27. CONDUCT OF BUSINESS BY THE FINANCE PARTIES	55
28. SHARING AMONG THE FINANCE PARTIES	56
29. PAYMENT MECHANICS	57
30. SET-OFF	60
31. NOTICES, EMAIL OR ANY ELECTRONIC COMMUNICATION APPROVED BY THE AGENT	60
32. CALCULATIONS AND CERTIFICATES	62
33. PARTIAL INVALIDITY	62
34. REMEDIES AND WAIVERS	63
35. AMENDMENTS AND WAIVERS	63
36. COUNTERPARTS	63
37. GOVERNING LAW	63
38. ENFORCEMENT	64
 SCHEDULE 1	 65
The Original Lenders	65
SCHEDULE 2	66
Conditions Precedent	66
SCHEDULE 3	68
Utilisation Request	68
SCHEDULE 4	69
Mandatory Cost Formula	69
SCHEDULE 5	72
Form of Transfer Certificate	72
SCHEDULE 6	75
Form of Accession Letter	75
SCHEDULE 7	76
Form of Resignation Letter	76
SCHEDULE 8	77

Existing Security	77
SCHEDULE 9	78
LMA Form of Confidentiality Undertaking	78
SCHEDULE 10	83
Timetables	83
SCHEDULE 11	84
Material Subsidiaries	84

THIS AGREEMENT is made on 26 October 2006

BETWEEN:

- (1) **REUTERS GROUP PLC** (the “**Company**”);
- (2) **CITIGROUP GLOBAL MARKETS LIMITED, COMMERZBANK AG LONDON BRANCH, DEUTSCHE BANK AG, LONDON BRANCH, DRESDNER BANK AG NIEDERLASSUNG LUXEMBOURG, HSBC BANK plc, J.P. MORGAN plc, LLOYDS TSB BANK PLC, MORGAN STANLEY BANK INTERNATIONAL LIMITED, SOCIETE GENERALE, STANDARD CHARTERED BANK, THE ROYAL BANK OF SCOTLAND plc and UBS LIMITED** (each as mandated arranger) (together the “**Arrangers**”);
- (3) **THE FINANCIAL INSTITUTIONS** listed in schedule 1 as lenders (the “**Original Lenders**”); and
- (4) **HSBC BANK plc** as agent of the other Finance Parties (the “**Agent**”).

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this agreement:

“**Accession Letter**” means a document substantially in the form set out in schedule 6 (Form of Accession Letter);

“**Additional Borrower**” means a company which becomes an Additional Borrower in accordance with clause 25 (Changes to the Obligors);

“**Additional Guarantor**” means a company which becomes an Additional Guarantor in accordance with clause 25 (Changes to the Obligors);

“**Additional Obligor**” means an Additional Borrower or an Additional Guarantor;

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

“**Agent’s Spot Rate of Exchange**” means the Agent’s spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11.00 a.m. on a particular day;

“**Aggregate Ancillary Commitments**” means the aggregate of the Ancillary Commitments;

“**Ancillary Commencement Date**” means, in relation to an Ancillary Facility, the date on which that Ancillary Facility is first made available, which date shall be a Business Day within the Availability Period for the Facility;

“**Ancillary Commitment**” means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum Base Currency Amount which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available from time to time under an Ancillary Facility and which has been authorised as such under clause 6 (Ancillary Facilities), to the extent that amount is not cancelled or reduced under this agreement or the Ancillary Documents relating to that Ancillary Facility;

“Ancillary Document” means each document relating to or evidencing the terms of an Ancillary Facility;

“Ancillary Facility” means the Existing Ancillary Facility and any other ancillary facility made available by an Ancillary Lender in accordance with clause 6 (Ancillary Facilities);

“Ancillary Lender” means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with clause 6 (Ancillary Facilities);

“Ancillary Outstandings” means, at any time, in relation to an Ancillary Lender and an Ancillary Facility, the aggregate of the equivalents (as calculated by that Ancillary Lender) in the Base Currency of the following amounts outstanding under that Ancillary Facility then in force:

- (a) the face amount of each guarantee, bond and letter of credit under that Ancillary Facility; and
- (b) the amount fairly representing the aggregate exposure (excluding interest and similar charges) of that Ancillary Lender under each other type of accommodation provided under that Ancillary Facility,

in either case as determined by such Ancillary Lender acting reasonably in accordance with its normal banking practice and in accordance with the relevant Ancillary Document;

“Authorisation” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

“Availability Period” means, in relation to a Lender, the period from and including the Signing Date up to and including the date falling one month prior to the Termination Date applicable to that Lender;

“Available Commitment” means a Lender's Commitment minus:

- (a) the Ancillary Commitment of any Ancillary Facilities that Lender has provided and are currently outstanding;
- (b) the Base Currency Amount of its participation in any outstanding Loans; and
- (c) in relation to any proposed Loan, the Base Currency Amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date;

“Available Facility” means the aggregate for the time being of each Lender's Available Commitment;

“Back to Back Loan” means any Financial Indebtedness made available to a member of the Restricted Group to the extent that the creditor has recourse directly or indirectly to a deposit of cash or cash equivalent investments beneficially owned by any member of the Restricted Group placed, as part of a related transaction, with that creditor (or an Affiliate of that creditor) or a financial institution approved by that creditor on the basis that the deposit be available, directly or indirectly, so as to reduce the economic exposure of the creditor to the Restricted Group, when looking at the related transactions together, to a net amount.

“Base Currency” means Sterling;

“Base Currency Amount” means:

- (a) in relation to a Loan, the amount specified in the Utilisation Request delivered by a Borrower for that Loan (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this agreement); and
- (b) in relation to an Ancillary Commitment, the amount specified as such in the notice delivered to the Agent by the Company pursuant to clause 6.2 (Availability) (or, if the amount specified is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Ancillary Commencement Date for that Ancillary Facility or, if later, the date the Agent receives the notice of the Ancillary Commitment in accordance with the terms of this agreement),

as adjusted to reflect any repayment, prepayment, consolidation or division of a Loan, or (as the case may be) cancellation or reduction of an Ancillary Facility;

“Borrower” means the Company or an Additional Borrower unless it has ceased to be a Borrower in accordance with clause 25 (Changes to the Obligors) and, in respect of an Ancillary Facility only, any Affiliate of a Borrower that becomes a borrower of that Ancillary Facility with the approval of the relevant Lender pursuant to the provisions of clause 6.8 (Affiliates of Borrowers);

“Break Costs” means the amount (if any) by which:

- (a) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period;

“Business Day” means a day (other than a Saturday or Sunday) on which banks are open for general business in London and:

- (a) (in relation to any date for payment or purchase of a currency other than euro) the principal financial centre of the country of that currency; or
- (b) (in relation to any date for payment or purchase of euro) any TARGET Day;

“Commitment” means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading **“Commitment”** in schedule 1 (The Original Lenders) and the amount of any other Commitment transferred to it under this agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any Commitment transferred to it under this agreement,

to the extent not cancelled, reduced or transferred by it under this agreement;

“Confidentiality Undertaking” means a confidentiality undertaking substantially in a recommended form of the LMA as set out in schedule 9 (LMA Form of Confidentiality Undertaking) or in any other form agreed between the Company and the Agent;

“Default” means an Event of Default or any event or circumstance specified in clause 23 (Events of Default) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default;

“Disruption Event” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted;

“EURIBOR” means, in relation to any Loan in euro:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in euro for a period comparable to the Interest Period of the relevant Loan;

“Event of Default” means any event or circumstance specified as such in clause 23 (Events of Default);

“Existing Ancillary Facility” means the US\$120,000,000 stand-by letter of credit facility provided by The Chase Manhattan Bank (now called JPMorgan Chase Bank, N.A.) originally in favour of Instinet Corporation and now in favour of Reuters C LLC (being an Affiliate of the Company) and dated 29 June 1998, together with the ancillary documents relating thereto including a supporting guarantee from the Company, in each case, as amended, supplemented and varied from time to time;

“Existing Facility Agreement” means the £1,000,000,000 (as reduced to £480,000,000) Syndicated Credit Facility for the Company arranged by the Agent and J.P. Morgan plc and dated 25 April 2003;

“Extension Request Date” means the first anniversary or the second anniversary of the Signing Date;

“Facility” means the multicurrency revolving credit facility made available under this agreement as described in clause 2 (The Facility);

“Facility Office” means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this agreement;

“Factiva Group” means Dow Jones Reuters Business Interactive LLC and all of its Subsidiaries;

“Fee Letter” means any letter or letters dated on or about the date of this agreement between the Arrangers and the Company (or the Agent and the Company) setting out any of the fees referred to in clause 13 (Fees);

“Finance Document” means this agreement, any Fee Letter, any Accession Letter, any Resignation Letter, any Ancillary Document and any other document designated as such by the Agent and the Company;

“Finance Party” means the Agent, each Arranger, a Lender and an Ancillary Lender;

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) for the purposes of clause 23.4 (Cross Default) only, any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in clauses (a) to (h) above,

provided that:

- (i) Indebtedness owing by one member of the Restricted Group to another member of the Restricted Group shall not be taken into account as Financial Indebtedness; and

- (ii) a letter of credit or other indemnity given by a member of the Restricted Group shall only constitute Financial Indebtedness if the underlying obligation itself falls within any of paragraphs (a) to (h) (both inclusive) above.

“FXMarketSpace Group” means FXMarketSpace Limited and all of its Subsidiaries;

“GAAP” means generally accepted accounting principles in the United Kingdom;

“Group” means the Company and its Subsidiaries from time to time;

“Guarantor” means the Company or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with clause 25 (Changes to the Obligors);

“Hedge Fund” means a fund which (a) has a restricted number of qualified purchasers or high net worth investors, (b) typically relies on a regulation exemption to the Investment Company Act of 1940, (c) charges a management fee and/or percentage of the profits and (d) invests in loans, securities and over the counter contracts;

“Holding Company” means a holding company within the meaning of Section 736 of the Companies Act 1985;

“IFRS” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;

“Interest Period” means, in relation to a Loan, each period determined in accordance with clause 11 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with clause 10.3 (Default Interest);

“Lender” means:

- (a) any Original Lender; and
- (b) any bank or financial institution which has become a Party in accordance with clause 24 (Changes to the Lenders),

which in each case has not ceased to be a Party in accordance with the terms of this agreement;

“LIBOR” means, in relation to any Loan:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the currency or Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the London interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in the currency of that Loan and for a period comparable to the Interest Period for that Loan;

“Loan” means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan;

“LMA” means the Loan Market Association;

“Majority Lenders” means:

- (a) until the Total Commitments have been reduced to zero, a Lender or Lenders whose Commitments aggregate more than 66⅔ per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero and there are no Loans or Ancillary Facilities then outstanding, aggregated more than 66⅔ per cent. of the Total Commitments immediately prior to the reduction); or
- (b) at any other time, a Lender or Lenders whose participations in the Loans and Ancillary Facilities then outstanding aggregate more than 66⅔ per cent. of all the Loans and Ancillary Facilities then outstanding;

“Mandatory Cost” means the percentage rate per annum calculated by the Agent in accordance with schedule 4 (Mandatory Cost Formulae);

“Mandatory Prepayment Event” means an event specified in clause 9.2 (Change of Control) or clause 9.7 (Mandatory Prepayment Events);

“Margin” means at any time, the percentage rate per annum determined at such time to be the Margin in accordance with clause 10.5 (Margin and Commitment Fee);

“Material Adverse Effect” means a material adverse effect on the Group taken as a whole which would affect the ability of any Obligor to perform or observe any of its obligations under any of the Finance Documents;

“Material Subsidiary” means at any particular time, a member of the Restricted Group (other than an Obligor) whose gross assets or pre-taxation profits, as at the end of or (as the case may be) of the latest financial year of the Group and as taken into account for the purpose of the audited consolidated financial statements of the Group for such financial year, represent at least ten per cent. of the consolidated gross assets or pre-taxation profits of the Group as determined from those audited consolidated financial statements of the Group. For this purpose:

- (a) in the case of a member of the Group which itself has Subsidiaries, the calculation shall be made by comparing the consolidated gross assets or pre-taxation profits of it and its Subsidiaries to those of the Group;
- (b) assets which arise from transactions between members of the Group and which would be eliminated in the consolidated financial statements of the Group shall be excluded; and
- (c) if a Subsidiary which is not a Material Subsidiary on the basis of the most recent such accounts receives a transfer of assets or the right to receive any trading profits which taken together with the existing assets or trading profits of that Subsidiary, as the case may be, would satisfy any of the tests above, then that Subsidiary shall also be a Material Subsidiary on and from the date it receives such transfer. If a Material Subsidiary disposes of any assets or the right to receive any trading profits such that it would on the basis of the most recent such accounts cease to be a Material Subsidiary, then it shall be excluded as a Material Subsidiary on and from the date the Company next notifies the Agent of the identity of the Material Subsidiaries under clause 21.1(d) (Financial Information);

“Month” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to clause (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period;

“Moody’s” means Moody’s Investors Services Limited or its successor;

“Obligor” means a Borrower or a Guarantor;

“Optional Currency” means a currency (other than the Base Currency) which complies with the conditions set out in clause 4.3 (Conditions Relating to Optional Currencies);

“Original Financial Statements” means the audited consolidated financial statements of the Group for the financial year ended 31 December 2005;

“Participating Member State” means any member state of the European Community that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union;

“Party” means a party to this agreement;

“Qualifying Lender” has the meaning given to that term in clause 14 (Tax Gross-Up and Indemnities);

“Quotation Day” means, in relation to any period for which an interest rate is to be determined:

- (a) (if the currency is Sterling) the first day of that period;
- (b) (if the currency is euro) two TARGET Days before the first day of that period; or
- (c) (for any other currency) two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days);

“Reference Banks” means the principal London offices of The Royal Bank of Scotland plc, the Agent and JPMorgan Chase Bank, N.A. or such other banks as may be appointed by the Agent in consultation with the Company;

“Relevant Interbank Market” means in relation to euro, the European interbank market and, in relation to any other currency, the London interbank market;

“Repeating Representations” means:

- (a) for the purposes of clauses 4.2(b) (Further Conditions Precedent) and 20.11(a) (Repetition), each of the representations set out in clauses 20.1 to 20.5 (inclusive), 20.7(a), 20.7(d), 20.7(e), 20.8 and 20.10; and

- (b) for the purposes of clauses 20.11(b) (Repetition) and 25.6 (Repetition of Representations), each of the representations set out in clauses 20.1 to 20.5 (inclusive), 20.8 and 20.10;

“Resignation Letter” means a letter substantially in the form set out in schedule 7 (Form of Resignation Letter);

“Restricted Group” means the Group excluding:

- (a) each member of the FXMarketSpace Group;
- (b) each member of the Factiva Group; and
- (c) each member of the Group that:
 - (i) is not fully consolidated for the purposes of the consolidated financial statements of the Company and its Subsidiaries from time to time; and
 - (ii) is not controlled by the Company (for this purpose **“controlled”** means the power to direct the management and the policies, whether through the ownership of voting share capital by contract or otherwise);

“Rollover Loan” means one or more Loans:

- (a) made or to be made on the same day that a maturing Loan or Ancillary Facility is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the maturing Loan or the relevant claim in respect of that Ancillary Facility;
- (c) in the same currency as the maturing Loan (unless it arose as a result of the operation of clause 7.2 (Unavailability of a Currency)) or the relevant claim in respect of that Ancillary Facility; and
- (d) made or to be made to the same Borrower for the purpose of:
 - (i) refinancing a maturing Loan; or
 - (ii) satisfying the relevant claim in respect of that Ancillary Facility;

“S&P” means Standard and Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. or its successor;

“Screen Rate” means:

- (a) in relation to LIBOR, the British Bankers Association Interest Settlement Rate for the relevant currency and period; and
- (b) in relation to EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period,

displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Company and the Lenders;

“Securitisation” means an issue of securities by an entity outside the Group based on the credit of Securitisation Assets where Security is given over those Securitisation Assets by a Group member in connection with the lending or other transfer of the issue proceeds of the Securitisation to it or another member of the Group;

“Securitisation Assets” means Group receivables, contracts giving rise to such receivables or providing for their administration and any bank accounts into which the proceeds of any such receivables are required to be paid pursuant to the Securitisation and into which no other amounts are paid;

“Security” means a mortgage, charge, pledge, lien or other security interest;

“Signing Date” means the date of this agreement;

“Specified Time” means a time determined in accordance with schedule 10 (Timetables);

“Sterling” has the meaning given to that term in clause 1.2(a)(ix);

“Subsidiary” means:

- (a) a subsidiary within the meaning of Section 736 of the Companies Act 1985; and
- (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 258 of the Companies Act 1985;

“TARGET” means Trans-European Automated Real-time Gross Settlement Express Transfer payment system;

“TARGET Day” means any day on which TARGET is open for the settlement of payments in euro;

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

“Taxes Act” means the Income and Corporation Taxes Act 1988;

“Termination Date” means, in relation to a Lender, the fifth anniversary of the Signing Date or such later date as may be agreed by that Lender in accordance with clause 2.5(a);

“Total Commitments” means the aggregate of the Commitments, being £680,000,000 at the date of this agreement;

“Transfer Certificate” means a certificate substantially in the form set out in schedule 5 (Form of Transfer Certificate) or any other form agreed between the Agent and the Company;

“Transfer Date” means, in relation to a transfer, the later of:

- (a) the proposed Transfer Date specified in the Transfer Certificate; and
- (b) the date on which the Agent executes the Transfer Certificate;

“United Kingdom” or **“UK”** means the United Kingdom of Great Britain and Northern Ireland;

“Unpaid Sum” means any sum due and payable but unpaid by an Obligor under the Finance Documents;

“Utilisation Date” means the date on which a Loan is to be made;

“Utilisation Request” means a notice substantially in the form set out in schedule 3 (Utilisation Request); and

“VAT” means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

1.2

Construction

- (a) Unless a contrary indication appears, any reference in this agreement to:
- (i) the **“Agent”**, an **“Arranger”**, any **“Finance Party”**, any **“Lender”**, any **“Ancillary Lender”**, any **“Obligor”** or any **“Party”** shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) **“assets”** includes present and future properties, revenues and rights of every description;
 - (iii) a **“Finance Document”** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended or novated, supplemented, extended or restated;
 - (iv) **“indebtedness”** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (v) a **“person”** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
 - (vi) a **“regulation”** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (vii) a provision of law is a reference to that provision as amended or re-enacted;
 - (viii) a time of day is a reference to London time; and
 - (ix) the currency of a country is to the lawful currency of that country for the time being, **“£”** and **“Sterling”** is a reference to the lawful currency of the United Kingdom for the time being, **“euro”** and **“€”** refer to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to Article 109g of the Treaty establishing the European Community and **“U.S.\$”** and **“U.S. Dollars”** is a reference to the lawful currency of the United States of America for the time being.
- (b) Section, clause and schedule headings are for ease of reference only.
- (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this agreement.
- (d) A Default is **“continuing”** if it has not been remedied or waived.
- (e) A Borrower providing **“cash cover”** for an Ancillary Facility means a Borrower paying an amount in the currency of the Ancillary Facility to an interest-bearing account in the name of the Borrower and the following conditions being met:

- (i) the account is with the Agent (if the cash cover is to be provided for all the Lenders) or Ancillary Lender (if the cash cover is to be provided for that Ancillary Lender); and
 - (ii) until no amount is or may be outstanding under that Ancillary Facility, withdrawals from the account may only be made to pay a Finance Party amounts due and payable to it under this agreement in respect of that Ancillary Facility.
- (f) A Borrower “**repaying**” or “**prepaying**” Ancillary Outstandings means:
- (i) that Borrower providing cash cover for the Ancillary Outstandings;
 - (ii) the maximum amount payable under the Ancillary Facility being reduced or cancelled in accordance with its terms; or
 - (iii) the Ancillary Lender being satisfied that it has no further liability under that Ancillary Facility,
- and the amount by which Ancillary Outstandings are repaid or prepaid under paragraphs (i) and (ii) above is the amount of the relevant cash cover, reduction or cancellation.
- (g) An amount borrowed includes any amount utilised under an Ancillary Facility.
- (h) A Lender funding its participation in a Loan includes a Lender participating in an Ancillary Facility.
- (i) An outstanding amount of an Ancillary Facility at any time is the maximum amount that is or may be payable by the relevant Borrower in respect of that Ancillary Facility at that time.

1.3 **Third Party Rights**

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or to enjoy the benefit of any term of this agreement.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this agreement at any time.

2. **THE FACILITY**

2.1 **The Facility**

- (a) Subject to the terms of this agreement, the Lenders make available to the Borrowers a multicurrency revolving credit facility in an aggregate principal amount the Base Currency Amount of which is equal to the Total Commitments.
- (b) Subject to the terms of this agreement and the Ancillary Documents, an Ancillary Lender may make available an Ancillary Facility to any of the Borrowers in place of all or part of its Commitment under the Facility.

2.2 Finance Parties' Rights and Obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.3 Obligors' Agent

Each Obligor irrevocably authorises and instructs the Company to give and receive as agent on its behalf all notices (including Utilisation Requests) and sign all documents in connection with the Finance Documents on its behalf (including Resignation Letters under clause 25.3 (Resignation of a Borrower)) and take such other action as may be necessary or desirable under or in connection with the Finance Documents and confirms that it will be bound by any action taken by the Company under or in connection with the Finance Documents.

2.4 Actions of Company

The respective liabilities of each of the Obligors under the Finance Documents shall not be in any way affected by:

- (a) any irregularity (or purported irregularity) in any act done by or any failure (or purported failure) by the Company; or
- (b) the Company acting (or purporting to act) in any respect outside any authority conferred upon it by any Obligor; or
- (c) the failure (or purported failure) by, or inability (or purported inability) of, the Company to inform any Obligor of receipt by it of any notification under a Finance Document.

2.5 Extension of Termination Date

- (a) Subject to paragraph (d) below, the Company may, prior to each of the first and second anniversary of the Signing Date, provide the Agent with no less than 30 days and no more than 60 days notice with a request (an "**Extension Request**") to extend the Termination Date to the date falling five years after that Extension Request Date.
- (b) Upon receipt of an Extension Request, the Agent shall immediately notify the Lenders.
- (c) Each Lender shall notify the Agent no later than 15 days prior to the relevant Extension Request Date whether or not it agrees to the Termination Date being extended as requested. If no notice is received by the Agent from a Lender by the date falling 15 days prior to the relevant Extension Request Date, the Termination Date applicable to such Lender shall not be extended.

- (d) No Lender is under any obligation to extend the Availability Period applicable to its Commitment.
- (e) As soon as practicable after it establishes which of the relevant Lenders (if any) agree to the Termination Date being so extended, the Agent shall, by notice to the Company and each Lender, confirm those Lenders which have agreed to extend the Termination Date and those Lenders which have not (each a “**Dissenting Lender**”).
- (f) Should there be one or more Dissenting Lenders, the Company may, at any time until the date falling 60 days after the relevant Extension Request Date, either:
 - (i) cancel such Dissenting Lender’s Commitment in full and simultaneously prepay that Dissenting Lender’s participation in any outstanding Loans and Ancillary Facilities; or
 - (ii) require that Dissenting Lender to transfer its Commitment and its participation in any outstanding Loans and Ancillary Facilities (at par) to a New Lender in accordance with the procedure in clause 24 (Changes to the Lenders) and the Termination Date applicable to that Lender will be the date requested by the Company in the notice given by it under paragraph (a) above (which shall be no later than 60 days after the relevant Extension Request Date).
- (g) If any Utilisation Request for a Loan specifies an Interest Period ending after the Termination Date applicable to a Lender, that Lender’s Available Commitment shall be excluded from the calculations of the participation pursuant to clause 5.4 (Lenders’ Participation) in relation to that Utilisation Request and that Lender shall not participate in that Loan.

3. **PURPOSE**

3.1 **Purpose**

- (a) Each Loan under the Facility will be applied:
 - (i) to refinance the Existing Facility Agreement; or
 - (ii) in or toward the working capital and/or the general corporate purposes of the Group.
- (b) Each Ancillary Facility will be applied in respect of general corporate purposes of the Group.

3.2 **Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this agreement.

4. **CONDITIONS OF UTILISATION**

4.1 **Initial Conditions Precedent**

No Borrower may deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in part 1 of schedule 2 (Conditions Precedent) in form and substance satisfactory to the Agent (acting reasonably). The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

4.2 Further Conditions Precedent

The Lenders will only be obliged to comply with clause 5.4 (Lenders' Participation) if on the date of the Utilisation Request and on the proposed Utilisation Date, except in the case of a Rollover Loan:

- (a) no Default or Mandatory Prepayment Event is continuing or would result from the proposed Loan; and
- (b) the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 Conditions Relating to Optional Currencies

- (a) A currency will constitute an Optional Currency in relation to a Loan if:
 - (i) it is readily available in the amount required and freely convertible into the Base Currency in the Relevant Interbank Market on the Quotation Day and the Utilisation Date for that Loan; and
 - (ii) it is U.S. Dollars, euro or has been approved by the Agent (acting on the instructions of all the Lenders) on or prior to receipt by the Agent of the relevant Utilisation Request for that Loan.
- (b) If the Agent has received a written request from the Company for a currency to be approved under clause 4.3(a)(ii), the Agent will confirm to the Company by the Specified Time:
 - (i) whether or not the Lenders have granted their approval; and
 - (ii) if approval has been granted, the minimum amount (and, if required, integral multiple) for any subsequent Loan in that currency.

4.4 Number of Utilisation Requests

A Borrower may not deliver more than one Utilisation Request on any one day but such Utilisation Request may specify any number of Loans.

5. UTILISATION

5.1 Delivery of a Utilisation Request

A Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

- (a) the proposed Utilisation Date is a Business Day within the Availability Period;
- (b) the currency and amount of the Loan comply with clause 5.3 (Currency and Amount); and
- (c) the proposed Interest Period complies with clause 11 (Interest Periods).

5.3 **Currency and Amount**

- (a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.
- (b) The amount of the proposed Loan must be a minimum Base Currency Amount of £10,000,000 or, if less, the Available Facility.

5.4 **Lenders' Participation**

- (a) If the conditions set out in this agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (c) The Agent shall determine the Base Currency Amount of each Loan which is to be made in an Optional Currency and shall notify each Lender of the amount, currency and the Base Currency Amount of each Loan and the amount of its participation in that Loan, in each case by the Specified Time.

6. **ANCILLARY FACILITIES**

6.1 **Type of Facility**

An Ancillary Facility may be by way of:

- (a) a guarantee, documentary or stand-by letter of credit facility; or
- (b) any other facility or accommodation required in connection with the business of the Group and which is agreed by the Company with an Ancillary Lender.

6.2 **Availability**

- (a) If the Company and a Lender agree and except as otherwise provided in this agreement, the Lender may provide an Ancillary Facility on a bilateral basis in place of all or part of that Lender's unutilised Commitment (which shall (except for the purpose of determining the Majority Lenders) be reduced by the amount of the Ancillary Commitment under that Ancillary Facility).
- (b) An Ancillary Facility (other than the Existing Ancillary Facility) shall not be made available unless, not later than 20 Business Days prior to the Ancillary Commencement Date for an Ancillary Facility, the Agent has received from the Company:
 - (i) a notice in writing requesting the establishment of an Ancillary Facility and specifying:
 - (A) the proposed Borrower(s) (or Affiliate of a Borrower) which may use the Ancillary Facility;
 - (B) the proposed Ancillary Commencement Date and expiry date of the Ancillary Facility;
 - (C) the proposed type of Ancillary Facility to be provided;
 - (D) the proposed Ancillary Lender;

- (E) the proposed Ancillary Commitment, the maximum amount of the Ancillary Facility (if not denominated in the Base Currency); and
- (F) the proposed currency of the Ancillary Facility (if not denominated in the Base Currency);
- (ii) a copy of the proposed Ancillary Document; and
- (iii) any other information which the Agent may reasonably request in connection with the Ancillary Facility.
- (c) The Agent shall promptly notify the Company, the Ancillary Lender and the other Lenders of the establishment of an Ancillary Facility (other than the Existing Ancillary Facility).
- (d) No amendment or waiver of a term of any Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this agreement (including, for the avoidance of doubt, under this clause). In such a case, the provisions of this agreement with regard to amendments and waivers will apply.
- (e) Subject to compliance with paragraph (b) above:
 - (i) the Lender concerned will become an Ancillary Lender; and
 - (ii) the Ancillary Facility will be available,

with effect from the date agreed by the Company and the Ancillary Lender.
- (f) JPMorgan Chase Bank, N.A. is an Ancillary Lender in respect of the Existing Ancillary Facility on the date of this Agreement with an Ancillary Commitment of £56,666,666.67.

6.3 **Terms of Ancillary Facilities**

- (a) Except as provided below, the terms of any Ancillary Facility will be those agreed by the Ancillary Lender and the Company.
- (b) However, those terms (except in relation to the Existing Ancillary Facility):
 - (i) must be based upon normal commercial terms at that time (except as varied by this agreement);
 - (ii) may allow only Borrowers (or Affiliates of Borrowers nominated pursuant to clause 6.8 (Affiliates of Borrowers)) to use the Ancillary Facility;
 - (iii) may not allow the Ancillary Outstandings to exceed the Ancillary Commitment;
 - (iv) may not allow the Ancillary Commitment of a Lender to exceed the Available Commitment with respect to the Facility of that Lender;
 - (v) must not cause the Aggregate Ancillary Commitments to exceed U.S.\$120,000,000 (as calculated by that Ancillary Lender); and
 - (vi) must require that the Ancillary Commitment is reduced to nil, and that all Ancillary Outstandings are repaid (or cash cover provided in respect of all the Ancillary Outstandings) not later than the Termination Date for the

Facility (or such earlier date as the Commitment of the relevant Ancillary Lender (or its Affiliate) is reduced to zero).

- (c) If there is any inconsistency between any term of an Ancillary Facility (other than the Existing Ancillary Facility) and any term of this agreement, this agreement shall prevail except for:
 - (i) clause 33.3 (Day Count Convention) which shall not prevail for the purposes of calculating fees, interest or commission relating to an Ancillary Facility; and
 - (ii) an Ancillary Facility comprising more than one account where the terms of the Ancillary Documents shall prevail.
- (d) Interest, commission and fees on Ancillary Facilities (other than the Existing Ancillary Facility) are dealt with in clause 13.5 (Interest, Commission and Fees on Ancillary Facilities).

6.4 Repayment of Ancillary Facility

- (a) An Ancillary Facility (other than the Existing Ancillary Facility) shall cease to be available on the Termination Date applicable to a Lender or such earlier date on which its expiry date occurs or on which it is cancelled in accordance with the terms of this agreement.
- (b) If an Ancillary Facility expires in accordance with its terms the Ancillary Commitment of the Ancillary Lender shall be reduced to zero (and its Commitment shall be increased accordingly).
- (c) If the Ancillary Commitment of any Ancillary Lender under an Ancillary Facility reduces, its Commitment shall be increased accordingly.
- (d) No Ancillary Lender may demand repayment or prepayment of any amounts or demand cash cover for any liabilities made available or incurred by it under its Ancillary Facility (except in the case of the Existing Ancillary Facility or where the Ancillary Facility is provided on a net limit basis to the extent required to bring any gross outstandings down to the net limit) unless:
 - (i) the Total Commitments have been cancelled in full, or all outstanding Loans under the Facility have become due and payable in accordance with the terms of this agreement, or the Agent has declared all outstanding Loans under the Facility immediately due and payable, or the expiry date of the Ancillary Facility occurs; or
 - (ii) it becomes unlawful in any applicable jurisdiction for the Ancillary Lender to perform any of its obligations as contemplated by this agreement or to fund, issue or maintain its participation in its Ancillary Facility; or
 - (iii) the Ancillary Outstandings (if any) under that Ancillary Facility can be refinanced by a Loan under the Facility and the Ancillary Lender gives sufficient notice to enable a Loan of the Facility to be made to refinance those Ancillary Outstandings.
- (e) For the purposes of determining whether or not the Ancillary Outstandings under an Ancillary Facility mentioned in paragraph (c)(iii) above can be refinanced by a Loan of the Facility:
 - (i) the Commitment of the Ancillary Lender will be increased by the amount of its Ancillary Commitment; and

- (ii) the Loan may (so long as paragraph (c)(i) above does not apply) be made irrespective of whether a Default is outstanding or any other applicable condition precedent is not satisfied (but only to the extent that the proceeds are applied in refinancing those Ancillary Outstandings) and irrespective of whether clause 4.4 (Number of Utilisation Requests) or clause 5.2(b) (Completion of a Utilisation Request) applies.

(f) On the making of a Loan of the Facility to refinance Ancillary Outstandings:

- (i) each Lender will participate in that Loan in an amount (as determined by the Agent) which will result as nearly as possible in the aggregate amount of its participation in the Loans then outstanding bearing the same proportion to the aggregate amount of the Loans then outstanding as its Commitment bears to the Total Commitments; and
- (ii) the relevant Ancillary Facility shall be cancelled.

6.5 Ancillary Outstandings

Each Borrower and each Ancillary Lender agrees with and for the benefit of each Lender that the Ancillary Outstandings under any Ancillary Facility provided by that Ancillary Lender shall not exceed the Ancillary Commitment applicable to that Ancillary Facility.

6.6 Information

Each Borrower and each Ancillary Lender shall, promptly upon request by the Agent, supply the Agent with any information relating to the operation of an Ancillary Facility (including the Ancillary Outstandings) as the Agent may reasonably request from time to time. Each Borrower consents to all such information being released to the Agent and the other Finance Parties.

6.7 Affiliates of Lenders as Ancillary Lenders

- (a) Subject to the terms of this agreement, an Affiliate of a Lender may become an Ancillary Lender. In such case, the Lender and its Affiliate shall be treated as a single Lender having a Commitment of the relevant Lender. For the purposes of calculating the Lender's Available Commitment with respect to the Facility, the Lender's Commitment shall be reduced to the extent of the aggregate of the Ancillary Commitments of its Affiliates.
- (b) The Company shall specify any relevant Affiliate of a Lender in any notice delivered by the Company to the Agent pursuant to clause 6.2(b)(i) (Availability).
- (c) An Affiliate of a Lender which becomes an Ancillary Lender shall accede to this agreement by delivery to the Agent of a duly completed Transfer Certificate.
- (d) If a Lender assigns all of its rights and benefits or transfers all of its rights and obligations to a New Lender (as defined in clause 24.1 (Assignments and Transfers by the Lenders)), its Affiliate shall cease to have any obligations under this agreement or any Ancillary Document.
- (e) Where this agreement or any other Finance Document imposes an obligation on an Ancillary Lender and the relevant Ancillary Lender is an Affiliate of a Lender which is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

6.8 Affiliates of Borrowers

- (a) Subject to the terms of this agreement, an Affiliate of a Borrower may with the approval of the relevant Lender become a borrower with respect to an Ancillary Facility.
- (b) The Company shall specify any relevant Affiliate of a Borrower in any notice delivered by the Company to the Agent pursuant to clause 6.2(b)(i) (Availability).
- (c) If a Borrower ceases to be a Borrower under this agreement in accordance with clause 25.3 (Resignation of a Borrower), its Affiliate shall cease to have any rights under this agreement or any Ancillary Document.
- (d) Where this agreement or any other Finance Document imposes an obligation on a Borrower under an Ancillary Facility and the relevant Borrower is an Affiliate of a Borrower which is not a party to that document, the relevant Borrower shall ensure that the obligation is performed by its Affiliate.
- (e) Any reference in this agreement or any other Finance Document to a Borrower being under no obligations (whether actual or contingent) as a Borrower under such Finance Document shall be construed to include a reference to any Affiliate of a Borrower being under no obligations under any Finance Document or Ancillary Document.

6.9 Commitment Amounts

Notwithstanding any other term of this agreement, each Lender shall ensure that at all times its Commitment is not less than:

- (a) its Ancillary Commitment; or
- (b) the Ancillary Commitment of its Affiliate.

7. OPTIONAL CURRENCIES

7.1 Selection of Currency

A Borrower (or the Company on behalf of a Borrower) shall select the currency of a Loan in a Utilisation Request.

7.2 Unavailability of a Currency

If before the Specified Time:

- (a) a Lender notifies the Agent that the Optional Currency (other than U.S. Dollars or euro) requested is not readily available to it in the amount required; or
- (b) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the relevant Borrower to that effect by the Specified Time on that day. In this event, any Lender that gives notice pursuant to this clause 7.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount or, in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount of the maturing Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency during that Interest Period.

7.3 Participation in a Loan

Each Lender's participation in a Loan will be determined in accordance with clause 5.4(b) (Lenders' Participation).

8. REPAYMENT

Each Borrower which has drawn a Loan shall repay that Loan on the last day of its Interest Period.

9. PREPAYMENT AND CANCELLATION

9.1 Illegality

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this agreement or to fund or maintain its participation in any Loan:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Company, the Commitment of that Lender will be immediately cancelled; and
- (c) each Borrower shall repay that Lender's participation in the Loans made to that Borrower on the last day of the Interest Period for each Loan occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

9.2 Change of Control

- (a) Subject to clause 9.2(d), if any person or group of persons acting in concert gains control of the Company:
 - (i) the Company shall promptly notify the Agent upon becoming aware of that event;
 - (ii) if the Majority Lenders so require, the Agent shall, by not less than 14 days' notice to the Company, cancel the Total Commitments and declare all outstanding Loans, together with accrued interest, and all other amounts accrued under the Finance Documents immediately due and payable, whereupon the Total Commitments will be cancelled and all such outstanding amounts will become immediately due and payable.
- (b) For the purpose of clause 9.2(a) above "**control**" shall have the meaning as defined in section 416 of the Taxes Act;
- (c) For the purpose of clause 9.2(a) above "**acting in concert**" shall have the meaning as defined in the City Code on Takeovers and Mergers; and
- (d) Clause 9.2(a) will not apply where a change in control occurs as a result of a scheme of arrangement which effects the interposition of a limited liability company ("**NewCo**") between the shareholders of the Company immediately prior to the scheme of arrangement (the "**Existing Shareholders**") and the Company provided immediately after completion of the scheme of arrangement the Existing Shareholders are the only shareholders of NewCo and that all Subsidiaries of the Company immediately prior to the scheme of arrangement are Subsidiaries of the Company immediately after completion of the scheme of arrangement or any other scheme of arrangement which does not prejudice the interests of the Lenders.

9.3 Voluntary Cancellation

- (a) The Company may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of £10,000,000) of the Available Facility.
- (b) Any voluntary cancellation under clause 9.3(a) will be applied:
 - (i) firstly, against the Available Commitments pro rata; and
 - (ii) secondly, in cancellation of any outstanding Ancillary Facilities pro rata between the participations of the Lenders in such Ancillary Facilities.

9.4 Voluntary Prepayment of Loans

- (a) The Borrower to which a Loan has been made may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Loan (but if in part, being an amount that reduces the Base Currency Amount of the Loan by a minimum amount of £10,000,000).
- (b) Any voluntary prepayment under clause 9.4(a) will be applied against the Loans pro rata (or against such Loans as the relevant Borrower shall designate in the notice of prepayment) and pro rata between the participations of the Lenders in such Loans.

9.5 Right of Repayment and Cancellation in Relation to a Single Lender

- (a) If:
 - (i) any sum payable to any Lender by an Obligor is required to be increased under clause 14.2(c) (Tax Gross-Up); or
 - (ii) any Lender claims indemnification from the Company under clause 15.1 (Increased Costs),

the Company may, whilst the circumstance giving rise to the requirement or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loans.
- (b) On receipt of a notice referred to in clause 9.5(a), the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Company has given notice under clause 9.5(a) (or, if earlier, the date specified by the Company in that notice), each Borrower to which a Loan is outstanding shall repay that Lender's participation in that Loan.

9.6 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this clause 9 shall be irrevocable and, unless a contrary indication appears in this agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

- (c) Unless a contrary indication appears in this agreement, any part of the Facility which is prepaid may be reborrowed in accordance with the terms of this agreement.
- (d) The Borrowers shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this agreement.
- (e) No amount of the Total Commitments cancelled under this agreement may be subsequently reinstated.
- (f) If the Agent receives a notice under this clause 9 it shall promptly forward a copy of that notice to either the Company or the affected Lender, as appropriate.

9.7

Mandatory Prepayment Events

- (a) If at any time:
 - (i) it is or becomes unlawful for any Obligor to perform any of its obligations under the Finance Documents in any material respect; or
 - (ii) the guarantee of any Guarantor under clause 19 (Guarantee and Indemnity) is not effective or is alleged by that Guarantor to be ineffective for any reason,

then the Agent shall, if instructed to do so by the Majority Lenders, by notice to the Company:

- (A) call for prepayment of all the outstanding Loans and Ancillary Outstandings on such date as it may specify in such notice whereupon all such Loans and Ancillary Outstandings shall become due and payable on such date together with accrued interest and any other sums then owed by the Obligors under the Finance Documents; and
 - (B) declare that the Total Commitments shall be cancelled, whereupon the Total Commitments shall be cancelled and the Commitments of each Lender shall be cancelled and reduced to zero.
- (b) If a Mandatory Prepayment Event occurs in respect of a Guarantor (other than the Company) under paragraph (a)(i) above (in respect of its obligations as a Guarantor only) or under paragraph (a)(ii) above, the Agent shall not be entitled to give a notice to the Company in accordance with paragraphs (a)(A) or (a)(B) above, if:
 - (i) within five Business Days of becoming aware of the relevant Mandatory Prepayment Event, the relevant Guarantor ceases to be a Guarantor in accordance with clause 25.5 (Resignation of a Guarantor); and
 - (ii) at the time of it ceasing to be a Guarantor, there is no breach of clause 22.4 (Upstream Guarantees).

9.8

Mandatory Prepayment by Borrowers

If any Borrower (other than the Company) ceases to be a wholly-owned Subsidiary of the Company it shall forthwith prepay all outstanding Loans and Ancillary Outstandings made to it together with all amounts payable by it under this agreement and thereupon cease to be a Borrower.

10. INTEREST

10.1 Calculation of Interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin;
- (b) LIBOR or, in relation to any Loan in euro, EURIBOR; and
- (c) Mandatory Cost, if any.

10.2 Payment of Interest

The Borrower to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six Months, on the dates falling at six monthly intervals after the first day of the Interest Period).

10.3 Default Interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to clause 10.3(b), is one per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this clause 10.3 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be one per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notification of Rates of Interest

The Agent shall promptly notify the Lenders and the relevant Borrower of the determination of a rate of interest under this agreement.

10.5 Margin and Commitment Fee

- (a) The Margin (expressed as a percentage per annum) will be set in accordance with clauses 10.5(b) and (c) to the percentage rate specified in the table below set opposite the long term credit rating assigned by the Rating Agencies to the Company, as follows:

Credit Rating by Moody's/S&P**Margin
(per cent. per annum)**

A+/A1	0.125
A/A2	0.150
A-/A3	0.175
BBB+/Baa1	0.225
BBB/Baa2	0.250
BBB-/Baa3 or lower	0.275

- (b) Promptly after becoming aware of the same, the Company shall notify the Agent in writing if any change in the long term credit rating assigned to the Company occurs or the circumstances contemplated by clause 10.5(d)(v) arise (each an **"Adjustment Event"**).
- (c) (i) The Margin will be adjusted (if applicable) three Business Days after receipt by the Agent of notification of an Adjustment Event in accordance with clause 10.5(b) or, if earlier, three Business Days after the date on which the Agent otherwise becomes aware of that Adjustment Event; and
- (ii) The Agent shall notify in writing the Lenders and the Company of any adjustment to the Margin under sub-paragraph (i) above.
- (d) For the purposes of this clause 10.5:
- (i) **"Rating Agency"** means either of Moody's and S&P;
- (ii) the **"long term credit rating"**, means at any time, the long term unsecured credit rating assigned at that time to the Company by a Rating Agency;
- (iii) if at any time there is a difference in the long term credit rating assigned to the Company by the Rating Agencies, the applicable Margin will be determined as the average of the margin levels specified opposite the relevant ratings in the table set out in clause 10.5(a).
- (iv) if only one Rating Agency assigns a long term credit rating the Margin will be determined on the basis of the rating of that Rating Agency; and
- (v) if there is no long term credit rating assigned by either Rating Agency, the Margin will be determined as if Moody's and S&P had assigned long term credit ratings of BBB- and Baa3 respectively.
- (e) The commitment fee referred to in clause 13.1 (Commitment Fee) shall be on each day thirty per cent. of the Margin which would be applicable to a Loan if that were drawn on such day.

11. INTEREST PERIODS**11.1 Selection of Interest Periods**

- (a) A Borrower (or the Company on behalf of a Borrower) may select an Interest Period for a Loan in the Utilisation Request for that Loan.
- (b) Subject to this clause 11, a Borrower (or the Company) may select an Interest Period of 1, 2, 3 or 6 Months or any other period agreed between the Company and the Agent (acting on the instructions of all the Lenders).

- (c) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (d) Each Interest Period for a Loan shall start on the Utilisation Date.
- (e) A Loan has one Interest Period only.

11.2 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

12. **CHANGES TO THE CALCULATION OF INTEREST**

12.1 **Absence of Quotations**

Subject to clause 12.2 (Market Disruption), if LIBOR or, if applicable, EURIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR or EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

12.2 **Market Disruption**

- (a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin;
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select; and
 - (iii) the Mandatory Cost, if any, applicable to that Lender's participation in the Loan.
- (b) In this agreement "**Market Disruption Event**" means:
 - (i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and none or only one of the Reference Banks supplies a rate to the Agent to determine LIBOR or, if applicable, EURIBOR for the relevant currency and Interest Period; or
 - (ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR or, if applicable, EURIBOR.

12.3 **Alternative Basis of Interest or Funding**

- (a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.

- (b) Any alternative basis agreed pursuant to clause 12.3(a) shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

12.4 **Break Costs**

- (a) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

13. **FEES**

13.1 **Commitment Fee**

- (a) The Company shall pay to the Agent (for the account of each Lender) a commitment fee in the Base Currency computed at 30 per cent. of the Margin per annum on that Lender's Available Commitment for the Availability Period.
- (b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

13.2 **Agency Fee**

The Company shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

13.3 **Extension Fee**

Upon each extension in accordance with clause 2.5 (Extension of Termination Date), the Company shall pay to the Agent (for distribution to each Lender which is not a Dissenting Lender pro rata to its proportion of the Total Commitments as simultaneously extended) an extension fee in an amount to be agreed between the Company and the Agent on the date of the relevant Extension Request.

13.4 **Up-front Fee**

The Company shall pay to the Agent (for distribution to each Lender pro rata to the proportion of its Commitment) an up-front fee in the amount and at the times agreed in a Fee Letter.

13.5 **Interest, Commission and Fees on Ancillary Facilities**

The rate and time of payment of interest, commission, fees and any other remuneration in respect of each Ancillary Facility shall be determined by agreement between the relevant Ancillary Lender and the Borrower of that Ancillary Facility based upon normal market rates and terms.

14. **TAX GROSS-UP AND INDEMNITIES**

14.1 **Definitions**

(a) In this agreement:

“Qualifying Lender” means:

(i) a Lender which is beneficially entitled to interest payable to that Lender in respect of a Loan and is:

(A) a Lender:

(aa) which is a bank (as defined for the purpose of section 349 of the Taxes Act) making a Loan; or

(bb) in respect of a Loan by a person that was a bank (as defined for the purpose of section 349 of the Taxes Act) at the time that that Loan was made,

and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that Loan; or

(B) a Lender which is:

(aa) a company resident in the United Kingdom for United Kingdom tax purposes;

(bb) a partnership each member of which is:

(1) a company so resident in the United Kingdom; or

(2) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (for the purposes of section 11(2) of the Taxes Act) the whole of any share of interest payable in respect of that Loan that falls to it by reason of sections 114 and 115 of the Taxes Act;

(cc) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that Loan in computing the chargeable profits (for the purposes of section 11(2) of the Taxes Act) of that company; or

(C) a Treaty Lender.

“Tax Confirmation” means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of a Loan is:

(i) a company resident in the United Kingdom for United Kingdom tax purposes;

(ii) a partnership each member of which is:

(A) a company so resident in the United Kingdom; or

- (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (for the purposes of section 11(2) of the Taxes Act) the whole of any share of interest payable in respect of that Loan that falls to it by reason of sections 114 and 115 of the Taxes Act; or
- (iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that Loan in computing the chargeable profits (for the purposes of section 11(2) of the Taxes Act) of that company;

“Tax Credit” means a credit against, relief or remission for, or repayment of any Tax;

“Tax Deduction” means a deduction or withholding for or on account of Tax from a payment under a Finance Document;

“Tax Payment” means either the increase in a payment made by an Obligor to a Finance Party under clause 14.2 (Tax Gross-Up);

“Treaty Lender” means a Lender which:

- (i) is treated as a resident of a Treaty State for the purposes of the Treaty;
- (ii) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected.

“Treaty State” means a jurisdiction having a double taxation agreement (a **“Treaty”**) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

“UK Non-Bank Lender” means where a Lender becomes a Party after the day on which this agreement is entered into, a Lender which gives a Tax Confirmation in the Transfer Certificate which it executes on becoming a Party.

- (b) Unless a contrary indication appears, in this clause 14 a reference to **“determines”** or **“determined”** means a determination made in the absolute discretion of the person making the determination.

14.2 Tax Gross-Up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Company shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

- (d) An Obligor is not required to make an increased payment to a Lender under clause 14.2(c) for a Tax Deduction in respect of tax imposed by the United Kingdom from a payment of interest on a Loan, if on the date on which the payment falls due:
- (i) the payment could have been made to the relevant Lender without a Tax Deduction if it was a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this agreement in (or in the interpretation, administration, or application of) any law or Treaty, or any published practice or concession of any relevant taxing authority; or
 - (ii) (A) the relevant Lender is a Qualifying Lender solely under clause 14.1(a)(i)(B) of the definition of Qualifying Lender;

(B) the Board of the HM Revenue & Customs has given (and not revoked) a direction (a “**Direction**”) under section 349C of the Taxes Act (as that provision has effect on the date on which the relevant Lender became a Party) which relates to that payment and that Lender has received from that Obligor or the Company a certified copy of that Direction; and

(C) the payment could have been made to the Lender without any Tax Deduction in the absence of that Direction; or
 - (iii) the relevant Lender is a Qualifying Lender solely under clause 14.1(a)(i)(B) of the definition of Qualifying Lender and it has not, other than by reason of any change after the date of this agreement in (or in the interpretation, administration, or application of) any law, or any published practice or concession of any relevant taxing authority, given a Tax Confirmation to the Company; or
 - (iv) the relevant Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under clause 14.2(g).
- (e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (f) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (g) A Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.
- (h) A UK Non-Bank Lender which becomes a Party on the day on which this agreement is entered into gives a Tax Confirmation to the Company by entering into this agreement.
- (i) A UK Non-Bank Lender shall promptly notify the Company and the Agent if there is any change in the position from that set out in the Tax Confirmation.

14.3 Tax Credit

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable either to an increased payment of which that Tax Payment forms part, or to that Tax Payment; and
- (b) that Finance Party has obtained, utilised and fully retained that Tax Credit on an affiliated group basis,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

14.4 Stamp Taxes

The Company shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

14.5 Value Added Tax

- (a) All amounts set out, or expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply, and accordingly, subject to clause 14.5(c), if VAT is chargeable on any supply made by any Finance Party to any Party under a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT upon such Finance Party providing an appropriate VAT invoice to such Party.
- (b) If VAT is chargeable on any supply made by any Finance Party (the “**Supplier**”) to any other Finance Party (the “**Recipient**”) under a Finance Document, and any Party (the “**Relevant Party**”) is required by the terms of any Finance Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration), such Party shall also pay to the Supplier (in addition to and at the same time as paying such amount) an amount equal to the amount of such VAT. The Recipient will promptly pay to the Relevant Party an amount equal to any credit or repayment from the relevant tax authority which it reasonably determines relates to the VAT chargeable on that supply.
- (c) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that neither it nor any other member of any group of which it is a member for VAT purposes is entitled to credit or repayment from the relevant tax authority in respect of the VAT.

15. INCREASED COSTS

15.1 Increased Costs

- (a) Subject to clause 15.3 (Exceptions) the Company shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or
 - (ii) compliance with any law or regulation made after the date of this agreement.
- (b) In this agreement “**Increased Costs**” means:
- (i) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliates) overall capital;
 - (ii) an additional or increased cost; or
 - (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

15.2 Increased Cost Claims

- (a) A Finance Party intending to make a claim pursuant to clause 15.1 (Increased Costs) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

15.3 Exceptions

- (a) Clause 15.1 (Increased Costs) does not apply to the extent any Increased Cost is:
- (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) compensated for by the payment of the Mandatory Cost;
 - (iii) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or
 - (iv) attributable to the implementation or application of or compliance with the “International Convergence of Capital Measurement and Capital Standards, a Revised Framework” published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this agreement (“**Basel II**”) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).
- (b) In this clause 15.3, a reference to a “**Tax Deduction**” has the same meaning given to the term in clause 14.1 (Definitions).

16. OTHER INDEMNITIES

16.1 Currency Indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a **"Sum"**), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the **"First Currency"**) in which that Sum is payable into another currency (the **"Second Currency"**) for the purpose of:

- (i) making or filing a claim or proof against that Obligor;
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other Indemnities

The Company shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of clause 29 (Sharing Among the Finance Parties);
- (c) funding, or making arrangements to fund, its participation in a Loan requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this agreement (other than by reason of default or negligence by that Finance Party alone); or
- (d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by a Borrower or the Company.

16.3 Indemnity to the Agent

The Company shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default; or
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised,

except to the extent that the cost, loss or liability arises directly from the Agent's negligence or wilful misconduct.

17. MITIGATION BY THE LENDERS

17.1 Mitigation

Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of clause 9.1 (Illegality), clause 14 (Tax Gross-Up and Indemnities), clause 15 (Increased Costs) or schedule 4 (Mandatory Cost Formulae) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

17.2 No Limitation

Clause 17.1 (Mitigation) does not in any way limit the obligations of any Obligor under the Finance Documents.

17.3 Limitation of liability

- (a) The Company shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under clause 17.1 (Mitigation).
- (b) A Finance Party is not obliged to take any steps under clause 17.1 (Mitigation) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18. COSTS AND EXPENSES

18.1 Transaction Expenses

The Company shall promptly on demand pay the Agent and the Arrangers the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and primary syndication of:

- (a) this agreement and any other documents referred to in this agreement; and
- (b) any other Finance Documents executed after the Signing Date.

18.2 Enforcement Costs

The Company shall, within three Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

19. GUARANTEE AND INDEMNITY

19.1 Guarantee and Indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and

- (c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

19.2 **Continuing Guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

19.3 **Reinstatement**

If any payment by an Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) each Finance Party shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

19.4 **Waiver of Defences**

The obligations of each Guarantor under this clause 19 will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this clause 19 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

19.5 **Immediate Recourse**

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this clause 19. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

19.6 **Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this clause 19.

19.7 **Deferral of Guarantors' Rights**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents; and/or
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party.

19.8 **Release of Guarantors' Right of Contribution**

If any Guarantor (a "**Retiring Guarantor**") ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

- (a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
- (b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

19.9 **Additional Security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

20. **REPRESENTATIONS**

Each Obligor makes the representations and warranties set out in this clause 20 to each Finance Party on the date of this agreement (but in the case of an Obligor other than the Company, only in respect of itself).

20.1 **Status**

(a) It is duly incorporated and validly existing under the law of its jurisdiction of incorporation.

(b) It has the power to own its assets and carry on its business as it is being conducted.

20.2 **Binding Obligations**

The obligations expressed to be assumed by it in each Finance Document are, subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered pursuant to clause 4 (Conditions of Utilisation) or clause 25 (Changes to the Obligors), legal, valid, binding and enforceable obligations.

20.3 **Non-Conflict With Other Obligations**

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any agreement or instrument binding upon it or any of its assets.

20.4 **Power and Authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

20.5 **Validity**

All Authorisations required or desirable to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party have been obtained or effected and are in full force and effect.

20.6 **No Default**

(a) No Event of Default has occurred and is continuing which has not been remedied.

(b) No Default has occurred and is continuing which has not been remedied.

20.7 Financial Statements

- (a) The most recently published audited consolidated financial statements of the Group give (in conjunction with the notes thereto) a true and fair view of the financial condition of the Group as at the date as of which the same were prepared.
- (b) The Original Financial Statements were prepared in accordance with IFRS consistently applied and give (in conjunction with the notes thereto) a true and fair view of the consolidated financial condition of the Group as at the date as of which they were prepared and the consolidated results of the operations of the Group during the financial year then ended.
- (c) There has been no material change in the business or consolidated financial condition of the Group taken as a whole since 31 December 2005 which could reasonably be expected to have a Material Adverse Effect.
- (d) As at the date on which the most recently published audited consolidated financial statements of the Group were prepared no member of the Group had any material liabilities which were not disclosed thereby (or by the notes thereto) or provided for therein and which should at that date have been so disclosed or provided for.
- (e) The financial information supplied by it or on behalf of it by any other member of the Group to the Lenders relating to any member of the Group in connection with this agreement is true and accurate in all material respects.

20.8 Pari Passu Ranking

Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

20.9 No Proceedings Pending or Threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it.

20.10 Security

Its execution of the Finance Documents and its exercise of its rights and performance of its obligations thereunder will not result in the existence of, nor oblige any member of the Restricted Group to create, any Security over all or any of its present or future revenues or assets.

20.11 Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on:

- (a) the date of each Utilisation Request and the first day of each Interest Period; and
- (b) in the case of an Additional Obligor, the day on which the company becomes (or it is proposed that the company becomes) an Additional Obligor.

21. INFORMATION UNDERTAKINGS

The undertakings in this clause 21 remain in force from Signing Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 Financial Information

The Company shall supply to the Agent, or procure the supply of, in sufficient copies for all the Lenders:

- (a) as soon as the same become available, but in any event within 120 days after the end of each of its financial years:
 - (i) its audited financial statements for that financial year; and
 - (ii) the audited financial statements of the Group for that financial year; and
- (b) as soon as the same become available, but in any event within 60 days after the end of each half of each of its financial years the published interim consolidated financial statements of the Group for that financial half year;
- (c) as soon as the same become available, but in any event within 120 days after the end of each of the relevant Obligor's financial years, each Obligor's financial statements, audited if so prepared, for that financial year; and
- (d) together with the accounts specified in clauses 21.1(a) and 21.1(b), but only if necessary, a certificate signed by two officers of the Company in the form of schedule 11 identifying the Material Subsidiaries on the basis of those accounts.

21.2 Requirements as to Financial Statements

The Company shall procure that each set of financial statements delivered pursuant to clause 20.6 (Financial Statements) is prepared using IFRS or GAAP, as applicable, except (in the case of an Obligor incorporated outside the United Kingdom) where the relevant Obligor is required to prepare its financial statements in accordance with accounting principles generally accepted in a jurisdiction other than the United Kingdom in which case its financial statements will be prepared and audited in accordance with the accounting principles of that jurisdiction generally accepted and consistently applied (save for changes in accounting principles disclosed in the relevant financial statements).

21.3 Information: Miscellaneous

The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests) all documents dispatched by the Company to its shareholders (or any class of them) generally at the same time as they are dispatched.

21.4 Notification of Default

- (a) Each Obligor shall notify the Agent of any Default promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Company shall supply to the Agent notice confirming that no Default is continuing (or if a Default is continuing, specifying the Default).

21.5 Use of Websites

- (a) The Company may satisfy its obligation under this agreement to deliver any information in relation to those Lenders (the **"Website Lenders"**) who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the **"Designated Website"**) if:

- (i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;
- (ii) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and
- (iii) the information is in a format previously agreed between the Company and the Agent.

If any Lender (a **"Paper Form Lender"**) does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Company shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

- (b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.
- (c) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:
 - (i) the Designated Website cannot be accessed due to technical failure; or
 - (ii) the password specifications for the Designated Website change.

If the Company notifies the Agent under clause 21.5(c)(i), all information to be provided by the Company under this agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

- (d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this agreement which is posted onto the Designated Website. The Company shall comply with any such request within ten Business Days.

21.6 **"Know Your Customer" Checks**

- (a) If:
 - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this agreement;
 - (ii) any change in the status of an Obligor after the date of this agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of clause 21.6(a)(iii), any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in clause 21.6(a)(iii), on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in clause

21.6(a)(iii), any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (c) The Company shall, by not less than ten Business Days’ prior written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of the Subsidiaries becomes an Additional Obligor pursuant to clause 25 (Changes to the Obligors).
- (d) Following the giving of any notice pursuant to clause 21.6(c), if the accession of such Additional Obligor obliges the Agent or any Lender to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with the results of all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this agreement as an Additional Obligor.

22. GENERAL UNDERTAKINGS

The undertakings in this clause 22 remain in force from the date of this agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

22.1 Authorisations

Each Obligor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

22.2 Compliance with Laws

Each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.

22.3 Negative Pledge

- (a) Subject to clause 22.3(b), no Obligor shall (and the Company shall ensure that no other member of the Restricted Group will) create or permit to subsist any Security over any of its assets.
- (b) Clause 22.3(a) does not apply to:

- (i) any Security listed in schedule 8 (Existing Security);
- (ii) any netting or set-off arrangement entered into by any member of the Restricted Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (iii) a lien or right of set-off arising solely by operation of law or by agreement and in the ordinary course of business;
- (iv) for a period of six Months after the date of the relevant acquisition, any Security over or affecting any asset acquired by a member of the Restricted Group after the date of this agreement if:
 - (A) the Security was not created in contemplation of the acquisition of that asset by a member of the Restricted Group; and
 - (B) the principal amount secured has not been increased in contemplation of, or since the acquisition of that asset by a member of the Restricted Group.
- (v) for a period of six Months after the date of the relevant acquisition, any Security over or affecting any asset of any company which becomes a member of the Restricted Group after the date of this agreement, where the Security is created prior to the date on which that company becomes a member of the Restricted Group, if:
 - (A) the Security was not created in contemplation of the acquisition of that company; and
 - (B) the principal amount secured has not increased in contemplation of or since the acquisition of that company.
- (vi) any Security entered into pursuant to any Finance Document;
- (vii) any Security granted over any real property of a member of the Restricted Group at the time of purchase thereof for any loan or other obligation raised or undertaken for the sole purpose of financing the purchase of that real property;
- (viii) any retention of title reserved by any seller of goods in the normal course of business, or any Security imposed, reserved or granted over goods supplied by such seller in respect of the unpaid price of goods supplied in the ordinary course of business;
- (ix) any Security granted by any member of the Restricted Group which carries on a broking or similar business, in each case in the ordinary course of that broking or similar business over any asset deposited with either a bank in connection with the clearance of traded securities, securities exchange or clearing system as security for the relevant company's obligations to such bank, landlord, securities exchange or clearing system (including for the avoidance of doubt, any repo or similar sale and purchase arrangements entered into by any member of the Restricted Group);
- (x) any Security which the Majority Lenders have at any time agreed in writing shall be permitted;

- (xi) any Security granted by any member of the Restricted Group in the ordinary course of business in respect of any assets deposited with a central bank or other regulatory body in compliance with the requirements of that central bank or regulatory body;
- (xii) a Security granted in respect of a Back to Back Loan over the cash or cash equivalent deposits concerned;
- (xiii) any Security created in connection with a Securitisation of Securitisation Assets where the recourse of the creditor(s) of the securities issued pursuant to that Securitisation or any financial obligation created by any on-lending of the proceeds of any such Securitisation is principally limited to;
 - (A) those Securitisation Assets; and
 - (B) if those Securitisation Assets comprise all of the business of the relevant entity, the shareholding or other interest in that entity; and
- (xiv) any Security securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under clause 22.3(b)(i) to 22.3(b)(xiii)) does not exceed £100,000,000 (or its equivalent in another currency or currencies).

22.4 **Upstream Guarantees**

- (a) The Company shall procure that no member of the Restricted Group (other than a Guarantor) will give any guarantee or undertake any similar liability in respect of any Financial Indebtedness of any Borrower.
- (b) The Company shall not procure or agree that any member of the Group (other than a Guarantor) will give any guarantee or undertake any similar liability in respect of any Financial Indebtedness of any Borrower.

23. **EVENTS OF DEFAULT**

Each of the events or circumstances set out in this clause 23 is an Event of Default.

23.1 **Non-Payment**

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
 - (i) administrative or technical error; or
 - (ii) a Disruption Event; and
- (b) payment is made within five Business Days of its due date.

23.2 **Other Obligations**

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in clause 23.1 (Non-Payment)).
- (b) No Event of Default under clause 23.2(a) will occur if the failure to comply is capable of remedy and is remedied within 30 days of the Agent giving notice to the Company.

23.3 **Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and, if capable of remedy, is not remedied within 30 days of the Agent giving notice to the Company.

23.4 **Cross Default**

Any other Financial Indebtedness of any Obligor or any Material Subsidiary:

- (a) are not paid when due nor within any applicable grace period in any agreement or instrument relating to such Financial Indebtedness; or
- (b) becomes due and payable before its normal or agreed maturity through the occurrence of an event of default (howsoever described),

and such other Financial Indebtedness when aggregated with any other Financial Indebtedness of any Obligor or Material Subsidiary which falls within the terms of clause 23.4(a) or (b), is in excess of £20,000,000 (or its equivalent in other currencies) except that this clause 23.4 does not apply during the period of 180 days beginning on the date any company becomes a member of the Group to any Financial Indebtedness of that company outstanding as at the date it becomes a member of the Group which, but for this proviso, would have caused an Event of Default under this clause 23.4 at that date.

23.5 **Insolvency**

Any order(s) is or are made or effective resolution(s) is or are passed for the liquidation, administration, winding-up or dissolution of any Obligor or any Material Subsidiary or for the reorganisation of any Obligor or any Material Subsidiary except, in the case of any Material Subsidiary, for:

- (a) the purpose of and followed by an amalgamation and reconstruction the terms of which have first been approved by the Majority Lenders in writing such approval not to be unreasonably withheld or delayed; or
- (b) a voluntary solvent liquidation, winding-up, dissolution or reorganisation in connection with the transfer of the business, undertaking and assets of such Material Subsidiary to another member of the Group; or
- (c) where such liquidation, administration, winding-up, dissolution or reorganisation could not reasonably be expected to have a Material Adverse Effect.

23.6 **Insolvency Proceedings**

Any Obligor or any Material Subsidiary takes any corporate action or other steps are taken or legal proceedings are started for the appointment of a receiver, administrative receiver, trustee or similar officer (other than an administrator) of it or of any or all of its revenues and assets (or any order(s) is or are made or effective resolution(s) is or are passed for the appointment of an administrator of it) which, in the case of any Material Subsidiary, could reasonably be expected to have a Material Adverse Effect.

23.7 **Creditors' Process**

Any Obligor or any Material Subsidiary is unable or admits in writing its inability to pay its debts as they fall due or commences negotiations with a view to, or takes any proceedings under any law for, a readjustment, rescheduling or deferment of all or any of its obligations (or proposes, makes or enters into a general assignment, arrangement or composition with or for the benefit of its creditors) which, in the case of any Material Subsidiary, could reasonably be expected to have a Material Adverse Effect.

23.8 **Suspension of Business**

Save as previously approved in writing by the Majority Lenders:

- (a) the Company shall suspend or threaten to suspend all or a substantial part of the Restricted Group's operations or ceases, or threatens to cease, to carry on the business of the Restricted Group; or
- (b) any other Obligor or any Material Subsidiary shall suspend or threaten to suspend all or a substantial part of its operations or ceases, or threatens to cease, to carry on its business which, in the case of any such Material Subsidiary could reasonably be expected to have a Material Adverse Effect and except, in the case of any such Material Subsidiary, for the purpose of and followed by an amalgamation, the terms of which have first been approved by the Majority Lenders in writing or in connection with the transfer of the business, undertaking and assets of such Material Subsidiary to another member of the Group.

23.9 **Invalidity of any Finance Document**

Any Finance Document shall at any time for any reason cease to be in full force and effect other than:

- (a) in accordance with its terms; or
- (b) by agreement with the Lenders.

23.10 **Execution or distress**

Any execution or distress is levied against, or an encumbrancer takes possession of the whole or any part of, the property, undertaking or assets of any Obligor or any Material Subsidiary and it is not satisfied, removed or discharged within seven days and which, in the case of any Material Subsidiary could reasonably be expected to have a Material Adverse Effect.

23.11 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company, declare that an Event of Default has occurred and:

- (a) cancel the Total Commitments and/or Ancillary Commitments at which time they shall immediately be cancelled;
- (b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (c) declare that all or part of the Loans be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;

- (d) declare all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities to be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (e) declare that all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

23.12 Notice

The Agent will, if practicable to do so, notify the Company prior to issuing a notice under clause 23.11 (Acceleration) in respect of a default by any Obligor other than the Company provided that the Agent shall not be liable to any Obligor if it fails to give such notice and provided that any failure by the Agent to give such notice shall not prejudice, in any way, the rights of each Finance Party under the Finance Documents including, without limitation, the Agent's right to deliver a notice under clause 23.11 (Acceleration).

24. CHANGES TO THE LENDERS

24.1 Assignments and Transfers by the Lenders

Subject to this clause 24, a Lender (the “**Existing Lender**”) may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

to another bank or financial institution (the “**New Lender**”).

24.2 Conditions of Assignment or Transfer

- (a) The consent of the Company is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is to another Lender or an Affiliate of a Lender or a Default is continuing.
- (b) The consent of the Company to an assignment or transfer must not be unreasonably withheld or delayed. The Company will be deemed to have given its consent 14 days after the Existing Lender has requested it unless consent is expressly refused by the Company within that time.
- (c) For the avoidance of doubt, the refusal of the Company to give consent to an assignment or transfer will be deemed reasonable for the purpose of this clause 24.2 if the proposed New Lender is:
 - (i) a Hedge Fund; or
 - (ii) an entity which, in the opinion of the Company, has demonstrated in past transactions that it is unlikely to be supportive of a lending relationship with the Company or the Group or any of their Affiliates.
- (d) When seeking to obtain the consent of the Company under this clause, the Existing Lender must provide the Company with:
 - (i) the full legal name of the proposed New Lender; and
 - (ii) a copy of any Confidentiality Undertaking required to be obtained in accordance with clause 24.7 (Disclosure of Information).

- (e) An assignment of rights will only be effective on:
 - (i) receipt by the Agent of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender;
 - (ii) the performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (f) A transfer will only be effective if the procedure set out in clause 24.5 (Procedure for Transfer) is complied with.
- (g) If:
 - (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under clause 14 (Tax Gross-Up and Indemnities) or clause 15 (Increased Costs),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

- (h) In the case of a partial assignment, transfer or novation of rights and obligations under clause 24.1 (Assignments and Transfers by the Lender), a minimum amount of £5,000,000 (unless to an Affiliate or to a Lender or the Agent agrees otherwise) must be assigned, transferred or novated.

24.3 **Assignment or Transfer Fee**

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of £1,250.

24.4 **Limitation of Responsibility of Existing Lenders**

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
 - (i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this clause 24; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

24.5 Procedure for Transfer

- (a) Subject to the conditions set out in clause 24.2 (Conditions of Assignment or Transfer) a transfer is effected in accordance with clause 24.5(c) when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to clause 24.5(b), as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this agreement and delivered in accordance with the terms of this agreement, execute that Transfer Certificate.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) On the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the “**Discharged Rights and Obligations**”);
 - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
 - (iii) the Agent, the Arrangers, the New Lender, any other Lenders and any relevant Ancillary Lender shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arrangers and the Existing Lender shall each be

released from further obligations to each other under the Finance Documents; and

- (iv) the New Lender shall become a Party as a "Lender".

24.6 Copy of Transfer Certificate to Company

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, send to the Company a copy of that Transfer Certificate.

24.7 Disclosure of Information

Any Lender may disclose to any of its Affiliates and any other person:

- (a) to (or through) whom that Lender assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under this agreement;
- (b) with (or through) whom that Lender enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, this agreement or any Obligor; or
- (c) to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about any Obligor, the Group and the Finance Documents as that Lender shall consider appropriate, in relation to clause 24.7(a) and 24.7(b), the person to whom the information is to be given has entered into a Confidentiality Undertaking.

25. CHANGES TO THE OBLIGORS

25.1 Assignments and Transfer by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

25.2 Additional Borrowers

- (a) Subject to compliance with the provisions of clause 21.6 (c) and 21.6 (d) ("Know Your Customer" Checks), the Company may request that any of its wholly owned Subsidiaries which is a member of the Restricted Group becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:
 - (i) all the Lenders approve the addition of that Subsidiary or it is incorporated in England and Wales;
 - (ii) the Company delivers to the Agent a duly completed and executed Accession Letter;
 - (iii) the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and
 - (iv) the Agent has received all of the documents and other evidence listed in part 2 of schedule 2 (Conditions Precedent) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent.
- (b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in part 2 of schedule 2 (Conditions Precedent).

25.3 **Resignation of a Borrower**

- (a) The Company may request that a Borrower (other than the Company) ceases to be a Borrower by delivering to the Agent a Resignation Letter.
- (b) The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:
 - (i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case); and
 - (ii) the Borrower is under no actual or contingent obligations as a Borrower under any Finance Documents,whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

25.4 **Additional Guarantors**

- (a) Subject to compliance with the provisions of clause 21.6 (c) and 21.6 (d) ("Know Your Customer" Checks), the Company may request that any of its Subsidiaries become an Additional Guarantor. That Subsidiary shall become an Additional Guarantor if:
 - (i) the Company delivers to the Agent a duly completed and executed Accession Letter; and
 - (ii) the Agent has received all of the documents and other evidence listed in part 2 of schedule 2 (Conditions Precedent) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.
- (b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in part 2 of schedule 2 (Conditions Precedent).

25.5 **Resignation of a Guarantor**

- (a) The Company may request that a Guarantor (other than the Company) ceases to be a Guarantor by delivering to the Agent a Resignation Letter.
- (b) The Agent shall accept a Resignation Letter and notify the Company and the Lenders of its acceptance if:
 - (i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Company has confirmed this is the case);
 - (ii) no payment is due from the Guarantor under clause 19 (Guarantee and Indemnity); and
 - (iii) all the Lenders have consented to the Company's request.

25.6 **Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

26. **ROLE OF THE AGENT AND THE ARRANGERS**

26.1 **Appointment of the Agent**

- (a) Each other Finance Party (other than the Agent) appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each other Finance Party irrevocably authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

26.2 **Duties of the Agent**

- (a) The Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (b) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (c) If the Agent receives notice from a Party referring to this agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Finance Parties.
- (d) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent or the Arrangers) under this agreement it shall promptly notify the other Finance Parties.
- (e) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

26.3 **Role of the Arranger**

Except as specifically provided in the Finance Documents, an Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

26.4 **No Fiduciary Duties**

- (a) Nothing in this agreement constitutes the Agent or any Arranger as a trustee or fiduciary of any other person.
- (b) Neither the Agent nor any Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

26.5 **Business with the Group**

The Agent and any Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

26.6 **Rights and Discretions of the Agent**

- (a) The Agent may rely on:
 - (i) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and

- (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under clause 23.1 (Non-Payment));
 - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
 - (iii) any notice or request made by the Company (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligor.
- (c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.
- (d) The Agent may act in relation to the Finance Documents through its personnel and agents.
- (e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this agreement.
- (f) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor any Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

26.7 **Majority Lenders' Instructions**

- (a) Unless a contrary indication appears in a Finance Document, the Agent shall:
 - (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent); and
 - (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.
- (b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.
- (c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.
- (d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.
- (e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

26.8 Responsibility for Documentation

Neither the Agent nor any Arranger:

- (a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, an Arranger, an Obligor or any other person given in or in connection with any Finance Document; or
- (b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

26.9 Exclusion of Liability

- (a) Without limiting clause 26.9(b), (and without prejudice to the provisions of clause 29.10(e) (Disruption to Payment Systems etc.), the Agent will not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this clause subject to clause 1.3 (Third Party Rights) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this agreement shall oblige the Agent or an Arranger to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arrangers.

26.10 Lenders' Indemnity to the Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 29.10 (Disruption to Payment Systems etc.) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

26.11 Resignation of the Agent

- (a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the other Finance Parties and the Company.
- (b) Alternatively the Agent may resign by giving notice to the other Finance Parties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with clause 26.11(b) within 30 days after notice of resignation was given, the Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in the United Kingdom).
- (d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (e) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this clause 26. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (g) After consultation with the Company, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with clause 26.11(b). In this event, the Agent shall resign in accordance with clause 26.11(b).

26.12 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

26.13 Relationship with the Lenders

- (a) The Agent may treat each Lender as a Lender, entitled to payments under this agreement and acting through its Facility Office unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this agreement.
- (b) Each Lender shall supply the Agent with any information required by the Agent in order to calculate the Mandatory Cost in accordance with schedule 4 (Mandatory Cost Formulae).

26.14 **Credit Appraisal by the Lenders**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and each Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy and/or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

26.15 **Reference Banks**

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

26.16 **Agent's Management Time**

Any amount payable to the Agent under clause 16.3 (Indemnity to the Agent), clause 18 (Costs and Expenses) and clause 26.10 (Lenders' Indemnity to the Agent) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Company and the Lenders, and is in addition to any fee paid or payable to the Agent under clause 13 (Fees).

26.17 **Deduction from Amounts Payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

27. **CONDUCT OF BUSINESS BY THE FINANCE PARTIES**

No provision of this agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

28. SHARING AMONG THE FINANCE PARTIES

28.1 Payments to Finance Parties

If a Finance Party (a “**Recovering Finance Party**”) receives or recovers any amount from an Obligor other than in accordance with clause 29 (Payment Mechanics) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;
- (b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with clause 29 (Payment Mechanics), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with clause 29.5 (Partial Payments).

28.2 Redistribution of Payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with clause 29.5 (Partial Payments).

28.3 Recovering Finance Party’s Rights

- (a) On a distribution by the Agent under clause 28.2 (Redistribution of Payments), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.
- (b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under clause 28.3(a), the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

28.4 Reversal of Redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to clause 28.2 (Redistribution of Payments) shall, upon request of the Agent, pay to the Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and
- (b) that Recovering Finance Party’s rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Lender for the amount so reimbursed.

28.5 **Exceptions**

- (a) This clause 28 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Lender any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified that other Finance Party of the legal or arbitration proceedings; and
 - (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

29. **PAYMENT MECHANICS**

29.1 **Payments to the Agent**

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

29.2 **Distributions by the Agent**

Each payment received by the Agent under the Finance Documents for another Party shall, subject to clause 29.3 (Distributions to an Obligor) and clause 29.4 (Clawback) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London).

29.3 **Distributions to an Obligor**

The Agent may (with the consent of the Obligor or in accordance with clause 30 (Set-Off)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

29.4 **Clawback**

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

- (b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

29.5 Partial Payments

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
 - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Agent under the Finance Documents;
 - (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this agreement;
 - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under this agreement; and
 - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Lenders, vary the order set out in clause 29.5(a)(ii) to (iv).
- (c) Clauses 29.5(a) and (b) will override any appropriation made by an Obligor.

29.6 No Set-Off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

29.7 Business Days

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

29.8 Currency of Account

- (a) Subject to clause 29.8(b) to (e), the Base Currency is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of a Loan or Unpaid Sum or a part of a Loan or Unpaid Sum shall be made in the currency in which that Loan or Unpaid Sum is denominated on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

29.9 **Change of Currency**

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

29.10 **Disruption to Payment System etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of clause 35 (Amendments and Waivers);
- (e) the Agent shall not be liable for any damages, costs of losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause 29.10; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

30. **SET-OFF**

After a Default which is continuing, a Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

31. **NOTICES, EMAIL OR ANY ELECTRONIC COMMUNICATION APPROVED BY THE AGENT**

31.1 **Communications in Writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax, letter, email or any other electronic communication approved by the Agent.

31.2 **Addresses**

(a) The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (i) in the case of the Company, that identified with its name below;
- (ii) in the case of each Lender, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (iii) in the case of the Agent, that identified with its name below,

or any substitute address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

(b) The address and fax number of the Agent are:

HSBC Bank plc
Level 24
8 Canada Square
London
E14 5HQ

Attention: Corporate Trust and Loan Agency

Facsimile: +44 20 7991 4348

- (c) The address and fax number of the Company:

Reuters Group PLC
The Reuters Building
South Colonnade
Canary Wharf
London
E14 5EP

Attention: Global Head of Tax and Treasury

Facsimile: +44 20 7542 5404

Email: helen.jones@reuters.com

31.3 **Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
- (i) if by way of fax, when received in legible form;
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
 - (iii) if by way of email or any other electronic communication, when received,

and, if a particular department or officer is specified as part of its address details provided under clause 31.2 (Addresses), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Company in accordance with this clause will be deemed to have been made or delivered to each of the Obligors.

31.4 **Notification of Address and Fax Number**

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to clause 31.2 (Addresses) or changing its own address or fax number, the Agent shall notify the other Parties.

31.5 **Electronic Communication**

- (a) Any communication to be made between the Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent and the relevant Party:
- (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication (and each Party agrees that electronic mail is an accepted form unless a Party notifies the Agent otherwise (and immediately upon such notification the Agent will notify all Parties));

(ii) notify each other in writing of any information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to any such information supplied by them.

(b) Any electronic communication will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

31.6 **English Language**

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

32. **CALCULATIONS AND CERTIFICATES**

32.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

32.2 **Certificates and Determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

32.3 **Day Count Convention**

Any interest, Mandatory Cost, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

33. **PARTIAL INVALIDITY**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

34. **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this agreement are cumulative and not exclusive of any rights or remedies provided by law.

35. **AMENDMENTS AND WAIVERS**

35.1 **Required Consents**

- (a) Subject to clause 35.2 (Exceptions) any term of the Finance Documents may be amended or waived only with the consent of the Company and the Majority Lenders and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause.
- (c) The Agent shall promptly notify the other Parties of any amendment or waiver effected under this clause 35.

35.2 **Exceptions**

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of "Majority Lenders" in clause 1.1 (Definitions);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
 - (iv) an increase in or an extension of any Commitment;
 - (v) a change to the Borrowers or Guarantors other than in accordance with clause 25 (Changes to the Obligors);
 - (vi) any provision which expressly requires the consent of all the Lenders;
 - (vii) clause 2.2 (Finance Parties' Rights and Obligations), clause 24 (Changes to the Lenders), clause 28 (Sharing Among the Finance Parties) or this clause 35,shall not be made without the prior consent of all the Lenders.
- (b) An amendment or waiver which relates to the rights or obligations of the Agent may not be effected without the consent of the Agent.

36. **COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

37. **GOVERNING LAW**

This agreement is governed by English law.

38. **ENFORCEMENT**

38.1 **Jurisdiction**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this agreement (including a dispute regarding the existence, validity or termination of this agreement) (a **“Dispute”**).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 38.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

38.2 **Service of Process**

Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

- (a) irrevocably appoints the Company as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
- (b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

IN WITNESS whereof this agreement has been executed on the date first above written.

SCHEDULE 1

The Original Lenders

Part 1 - The Original Lenders - Other than UK Non-Bank Lenders

Name of Original Lender	Commitment (£)
Citibank, N.A.	56,666,666.67
Commerzbank AG London Branch	56,666,666.67
Deutsche Bank AG, London Branch	56,666,666.67
Dresdner Bank AG Niederlassung Luxembourg	56,666,666.67
HSBC Bank plc	56,666,666.67
JPMorgan Chase Bank, N.A.	56,666,666.67
Lloyds TSB Bank PLC	56,666,666.67
Morgan Stanley Bank	56,666,666.67
Société Générale	56,666,666.67
Standard Chartered Bank	56,666,666.67
The Royal Bank of Scotland plc	56,666,666.63
UBS Limited	56,666,666.67
TOTAL	£680,000,000

SCHEDULE 2

Conditions Precedent

Part 1 - Conditions Precedent To Initial Utilisation

1. The Company

1.1 A copy of the constitutional documents of the Company.

1.2 A copy of a resolution of the board of directors of the Company:

- (a) approving the terms of, and the transactions contemplated by, the Finance Documents and resolving that it execute the Finance Documents to which it is a party;
- (b) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
- (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

1.3 A specimen of the signature of each person authorised by the resolution referred to in paragraph 1.2(b).

1.4 A certificate of the Company (signed by a director or the Company's secretary) confirming that borrowing the Total Commitments would not cause any borrowing limit binding on the Company to be exceeded.

1.5 A certificate of an authorised signatory of the Company certifying that each copy document relating to it specified in this part 1 of schedule 2 is correct, complete and in full force and effect as at a date no earlier than the Signing Date.

2. Legal Opinions

A legal opinion of Allen & Overy, legal advisers to the Arrangers and the Agent in England, substantially in the form distributed to the Original Lenders prior to signing this agreement.

3. Existing Facility Agreement

Evidence that the Company has given notice of prepayment in full of any outstandings and notice of cancellation in full under the Existing Facility Agreement, such prepayment and cancellation to take effect no later than the first Utilisation Date and the total commitments under the Existing Facility Agreement have been irrevocably cancelled.

Part 2 - Conditions Precedent Required to be Delivered by an Additional Obligor

1. An Accession Letter, duly executed by the Additional Obligor and the Company.
 2. A copy of the constitutional documents of the Additional Obligor.
 3. A copy of a resolution of the board of directors of the Additional Obligor:
 - 3.1 approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;
 - 3.2 authorising a specified person or persons to execute the Accession Letter on its behalf; and
 - 3.3 authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices (including, in relation to an Additional Borrower, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents.
 4. A specimen of the signature of each person authorised by the resolution referred to in paragraph 3.
 5. A copy of a resolution signed by all the holders of the issued shares of the Additional Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Obligor is a party.
 6. A certificate of the Additional Obligor (signed by a director) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.
 7. A certificate of an authorised signatory of the Additional Obligor certifying that each copy document listed in this part 2 of schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.
 8. A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.
 9. If available, the latest audited financial statements of the Additional Obligor.
 10. A legal opinion of Allen & Overy, legal advisers to the Arrangers and the Agent in England.
 11. If the Additional Obligor is incorporated in a jurisdiction other than England and Wales, a legal opinion of the legal advisers to the Arrangers and the Agent in the jurisdiction in which the Additional Obligor is incorporated.
-

SCHEDULE 3

Utilisation Request

From: **[Borrower]**

To: **[Agent]**

Dated:

Dear Sirs

£680,000,000 Multicurrency Revolving Facility Agreement dated 26 October 2006 (the “Agreement”)

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date: [] (or, if that is not a Business Day, the next Business Day)

Currency of Loan: []

Amount: [] or, if less, the Available Facility

Interest Period: []
3. We confirm that each condition specified in clause 4.2 (Further Conditions Precedent) is satisfied on the date of this Utilisation Request.
4. The proceeds of this Loan should be credited to **[account]**.
5. This Utilisation Request is irrevocable.

Yours faithfully

authorised signatory for
[name of relevant Borrower]

SCHEDULE 4

Mandatory Cost Formula

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.
2. On the first day of each Interest Period (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the “**Additional Cost Rate**”) for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders’ Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.
3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Agent. This percentage will be certified by that Lender in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender’s participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.
4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Agent as follows:

(a) in relation to a sterling Loan:

$$\frac{AB + C(B - D) + E \times 0.01}{100 - (A + C)} \quad \text{per cent. per annum}$$

(b) in relation to a Loan in any currency other than sterling:

$$\frac{E \times 0.01}{300} \quad \text{per cent. per annum.}$$

Where:

- A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.
- B is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in clause 10.3(a) (Default Interest)) payable for the relevant Interest Period on the Loan.
- C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.
- D is the percentage rate per annum payable by the Bank of England to the Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 7 below and expressed in pounds per £1,000,000.

5. For the purposes of this schedule:

- (a) **“Eligible Liabilities”** and **“Special Deposits”** have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;
- (b) **“Fees Rules”** means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;
- (c) **“Fee Tariffs”** means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and
- (d) **“Tariff Base”** has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per £1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information in writing on or prior to the date on which it becomes a Lender:

- (a) its jurisdiction of incorporation and the jurisdiction of its Facility Office; and
- (b) any other information that the Agent may reasonably require for such purpose,

each Lender shall promptly notify the Agent in writing of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.
11. The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.
12. Any determination by the Agent pursuant to this schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.
13. The Agent may from time to time, after consultation with the Company and the Lenders, determine and notify to all Parties any amendments which are required to be made to this schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

SCHEDULE 5

Form of Transfer Certificate

To: [] as Agent

From: [***The Existing Lender***] (the “Existing Lender”) and [***The New Lender***] (the “New Lender”)

Dated:

£680,000,000 Multicurrency Revolving Facility Agreement dated 26 October 2006 (the “Agreement”)

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
2. We refer to clause 24.5 (Procedure for Transfer):
 - 2.1 the Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender’s Commitment, rights and obligations referred to in the schedule in accordance with clause 24.5 (Procedure for Transfer);
 - 2.2 the proposed Transfer Date is [];
 - 2.3 the Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of clause 31.2 (Addresses) are set out in the schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in clause 24.4(c) (Limitation of Responsibility of Existing Lenders).
4. [The New Lender confirms that the person beneficially entitled to interest payable to that Lender in respect of a Loan under a Finance Document is either:
 - 4.1 a Lender:
 - (a) which is a bank (as defined for the purpose of section 349 of the Taxes Act) making a Loan; or
 - (b) in respect of a Loan by a person that was a bank (as defined for the purpose of section 349 of the Taxes Act) at the time that that Loan was made,and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that Loan; or
 - 4.2 a Lender which is:
 - (a) a company resident in the United Kingdom for United Kingdom tax purposes;
 - (b) a partnership each member of which is:
 - (i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (for the purposes of section 11(2) of the Taxes Act) the whole of any share of interest payable in respect of that Loan that falls to it by reason of sections 114 and 115 of the Taxes Act;

(c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that Loan in computing the chargeable profits (for the purposes of section 11(2) of the Taxes Act) of that company; or

4.3 a Treaty Lender.

[5.] This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

[6.] This Transfer Certificate is governed by English law.

THE SCHEDULE

Commitment/Rights and Obligations to be Transferred

[insert relevant details]

*[Facility Office address, fax number, email address and attention details
for notices and account details for payments]*

[Existing Lender]

[New Lender]

By:

By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [].

[Agent]

By:

SCHEDULE 6

Form of Accession Letter

To: [] as Agent

From: [**Subsidiary**] and [**Company**]

Dated:

Dear Sirs

£680,000,000 Multicurrency Revolving Facility Agreement dated 26 October 2006 (the “Agreement”)

1. We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
2. [**Subsidiary**] agrees to become an Additional [Borrower]/[Guarantor] and to be bound by the terms of the Agreement as an Additional [Borrower]/[Guarantor] pursuant to [clause 25.2 (Additional Borrowers)]/[clause 25.4 (Additional Guarantors)] of the Agreement. [**Subsidiary**] is a company duly incorporated under the laws of [***name of relevant jurisdiction***].
3. [**Subsidiary's**] administrative details are as follows:

Address:

Fax No:

Email:

Attention:

4. This Accession Letter is governed by English law.

[This Accession Letter is entered into by deed.]

[**Company**]

[**Subsidiary**]

SCHEDULE 7

Form of Resignation Letter

To: [] as Agent

From: [**resigning Obligor**] and [**Company**]

Dated:

Dear Sirs

£680,000,000 Multicurrency Revolving Facility Agreement dated 26 October 2006 (the "Agreement")

1. We refer to the Agreement. This is a Resignation Letter. Terms defined in the Agreement have the same meaning in this Resignation Letter unless given a different meaning in this Resignation Letter.
2. Pursuant to [clause 25.3 (Resignation of a Borrower)]/[clause 25.5 (Resignation of a Guarantor)], we request that [**resigning Obligor**] be released from its obligations as a [Borrower]/[Guarantor] under the Agreement.
3. We confirm that:
 - 3.1 no Default is continuing or would result from the acceptance of this request; and
 - 3.2 [the [**resigning Obligor**] is under no actual or contingent obligations as a Borrower under any Finance Documents.]
4. This Resignation Letter is governed by English law.

[**Company**]

[**Subsidiary**]

By:

By:

SCHEDULE 8**Existing Security**

Name of grantor	Security	Total Principal Amount of Indebtedness Secured
Reuters C LLC	(1) A continuing lien upon and assignment of all right, title and interest of Reuters C LLC in and to the balance of every deposit account of Reuters C LLC with any office of JPMorgan Chase Bank, N.A. or any affiliate or subsidiary thereof, and in and to all money, instruments, securities, documents, chattel paper, demands, precious metals, funds, and all claims and demands and rights and interest therein of Reuters C LLC, and in and to all evidences thereof, which have been or at any time shall be delivered to or otherwise come into the possession, custody or control of any office of JPMorgan Chase Bank, N.A. or any affiliate or subsidiary thereof, or into the possession, custody or control of any affiliate, agent or correspondent of any such entity for any purpose. (2) A security interest in any and all property Reuters C LLC holds as security for the obligations of any party related to the letter of credit issued by JPMorgan Chase Bank, N.A. by order of Reuters C LLC.	U.S.\$120,000,000

SCHEDULE 9

LMA Form of Confidentiality Undertaking

To: [insert name of potential Lender/Affiliate]

From: [The Lender]

Dated:

£680,000,000 Multicurrency Revolving Facility Agreement dated 26 October 2006 (the "Agreement")

Dear Sirs

We understand that you are considering participating in the Agreement. In consideration of us agreeing to make available to you certain information, by your signature of a copy of this letter you agree as follows:

1. **CONFIDENTIALITY**

1.1 Confidentiality Undertaking

You undertake:

- (a) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 1.2 below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to your own confidential information;
- (b) to keep confidential and not disclose to anyone the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us in connection with the Agreement;
- (c) to use the Confidential Information only for the Permitted Purpose;
- (d) to use all reasonable endeavours to ensure that any person to whom you pass any Confidential Information (unless disclosed under paragraph 1.2(b) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it; and
- (e) not to make enquiries of any member of the Group or any of their officers, directors, employees or professional advisers relating directly or indirectly to the Agreement.

1.2 Permitted Disclosure

We agree that you may disclose Confidential Information:

- (a) to members of the Participant Group and their officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to any auditors of members of the Participant Group;
- (b) (i) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Participant Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Participant Group; or

(c) with the prior written consent of us and the Company.

1.3 Notification of Required or Unauthorised Disclosure

You agree (to the extent permitted by law) to inform us of the full circumstances of any disclosure under paragraph 1.2(b) or upon becoming aware that Confidential Information has been disclosed in breach of this letter.

1.4 Return of Copies

If we so request in writing, you shall return all Confidential Information supplied to you by us and destroy or permanently erase all copies of Confidential Information made by you and use all reasonable endeavours to ensure that anyone to whom you have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that you or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph 1.2(b) above.

1.5 Continuing Obligations

The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in this letter shall cease (a) if you become a party to or otherwise acquire (by assignment or sub participation) an interest, direct or indirect in the Agreement or (b) twelve months after you have returned all Confidential Information supplied to you by us and destroyed or permanently erased all copies of Confidential Information made by you (other than any such Confidential Information or copies which have been disclosed under paragraph 1.2 above (other than sub-paragraph 1.2(a)) or which, pursuant to paragraph 1.4 above, are not required to be returned or destroyed).

1.6 No Representation; Consequences of Breach, etc

You acknowledge and agree that:

- (a) neither we nor any of our officers, employees or advisers (each a “**Relevant Person**”) (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or any member of the Group or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by us or any member of the Group or be otherwise liable to you or any other person in respect to the Confidential Information or any such information; and
- (b) we or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person or member of the Group may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you.

1.7 No Waiver; Amendments, etc

This letter sets out the full extent of your obligations of confidentiality owed to us in relation to the information the subject of this letter. No failure or delay in exercising any right, power or privilege under this letter will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privileges under this letter. The terms

of this letter and your obligations under this letter may only be amended or modified by written agreement between us.

1.8 Inside Information

You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and you undertake not to use any Confidential Information for any unlawful purpose.

1.9 Nature of Undertakings

The undertakings given by you under this letter are given to us and (without implying any fiduciary obligations on our part) are also given for the benefit of the Company and each other member of the Group.

2. MISCELLANEOUS

2.1 Third party rights

- (a) Subject to paragraph 1.6 and paragraph 1.9 the terms of this letter may be enforced and relied upon only by you and us and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.
- (b) Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person or any member of the Group to rescind or vary this letter at any time.

2.2 Governing Law and Jurisdiction

This letter (including the agreement constituted by your acknowledgement of its terms) shall be governed by and construed in accordance with the laws of England and the parties submit to the non-exclusive jurisdiction of the English courts.

2.3 Definitions

In this letter (including the acknowledgement set out below):

the “**Company**” means Reuters Group PLC;

“**Confidential Information**” means any information relating to the Company, the Group, and the Agreement and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by you before the date the information is disclosed to you by us or any of our affiliates or advisers or is lawfully obtained by you after that date, other than from a source which is connected with the Group and which, in either case, as far as you are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

“**Group**” means the Company and each of its holding companies and subsidiaries and each subsidiary of each of its holding companies (as each such term is defined in the Companies Act 1985);

“**Participant Group**” means you, each of your holding companies and subsidiaries and each subsidiary of each of your holding companies (as each such term is defined in the Companies Act 1985); and

“Permitted Purpose” means considering and evaluating whether to enter into the Agreement.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

For and on behalf of

[Lender]

To: [Lender]; and

The Company and each other member of the Group

We acknowledge and agree to the above:

For and on behalf of

[potential Lender/Affiliate]

SCHEDULE 10

Timetables

	Loans in U.S.\$ or euro	Loans in Sterling	Loans in other currencies
Agent notifies the Company if a currency is approved as an Optional Currency in accordance with clause 4.3(b) (Conditions Relating to Optional Currencies)	Not Applicable	Not Applicable	5.00 p.m. on the third Business Day after receipt of a request from the Company for approval of a currency pursuant to clause 4.3(a)(ii)
Delivery of a duly completed Utilisation Request (clause 5.1 (Delivery of a Utilisation Request))	3.00 p.m. on the third Business Day before the proposed Utilisation Date	8.00 a.m. on the proposed Utilisation Date	3.00 p.m. on the third Business Day before the proposed Utilisation Date
Agent determines (in relation to a Loan) the Base Currency Amount of the Loan, if required under clause 5.4(c) (Lenders' Participation) and notifies the Lenders of the Loan in accordance with clause 5.4(c) (Lender's Participation)	5.00 p.m. on the third Business Day before the proposed Utilisation Date	10.30 a.m. on the proposed Utilisation Date	5.00 p.m. on the third Business Day before the proposed Utilisation Date
Agent receives a notification from a Lender under clause 7.2 (Unavailability of a Currency)	Not Applicable	Not Applicable	9.30 a.m. on the second Business Day before the proposed Utilisation Date
Agent gives notice to the Company in accordance with clause 7.2 (Unavailability of a Currency)	Not Applicable	Not Applicable	10.45 a.m. on the second Business Day before the proposed Utilisation Date
LIBOR or EURIBOR is fixed	Quotation Day as of 11.00 a.m. London time in respect of LIBOR and as of 11.00 a.m. Brussels time in respect of EURIBOR	Quotation Day as of 11.00 a.m.	Quotation Day as of 11.00 a.m.

SCHEDULE 11

Material Subsidiaries

To: [] as Agent

From: [Company]

Dated:

Dear Sirs

£680,000,000 Multicurrency Revolving Facility Agreement dated 26 October 2006 (the “Agreement”)

1. We refer to the Agreement. Terms defined in the Agreement have the same meaning when used in this certificate unless given a different meaning in this certificate.
2. Based on the consolidated financial statements of the Group for the financial year ended ['], the Material Subsidiaries were:

[']

Signed:

Director
of
[Company]

Director
of
[Company]

SIGNATORIES

Company

Signed by)
)
for and on behalf of **REUTERS GROUP PLC:**)
)
)

/s/ DAVID GRIGSON

Mandated Lead Arrangers

Signed by)
)
for and on behalf of **CITIGROUP GLOBAL MARKETS**)
LIMITED:)
)

/s/ MICHAEL LLEWELYN-JONES

Signed by)
)
for and on behalf of **COMMERZBANK AG LONDON**)
BRANCH:)
)

/s/ MARK SMYTH

Signed by)
)
for and on behalf of **DEUTSCHE BANK AG, LONDON**)
BRANCH:)
)

/s/ SIMON DERRICK /s/ RICHARD SEDLACEK

Signed by)
)
for and on behalf of **DRESDNER BANK AG**)
NIEDERLASSUNG LUXEMBOURG:)
)

/s/ BOB CURRY

Signed by)
)
for and on behalf of **HSBC BANK plc:**)
)
)

/s/ TIM BOLTON

Signed by)
)
for and on behalf of **J.P. MORGAN plc:**)
)
)

/s/ JAY-MICHAEL BASLOW

Signed by)
)
for and on behalf of **LLOYDS TSB BANK PLC:**)
)
)

/s/ LIZ WILLIAMS

Signed by)		
)		
for and on behalf of MORGAN STANLEY BANK	)	<i>/s/</i> HUGO BARING	
INTERNATIONAL LIMITED:)		
)		
Signed by)		
	)	<i>/s/</i> BRUCE POMFORD	
for and on behalf of SOCIETE GENERALE:)		
)		
Signed by)		
	)	<i>/s/</i> TONY BEDFORD	<i>/s/</i> SHALINI CHANDA
for and on behalf of STANDARD CHARTERED BANK:)		
)		
Signed by)		
	)	<i>/s/</i> TREVOR NEILSON	
for and on behalf of THE ROYAL BANK OF SCOTLAND)		
plc:)		
Signed by)		
	)	<i>/s/</i> GRAHAM VANCE	<i>/s/</i> ANDREW SANTACROCE
for and on behalf of UBS LIMITED:)		
)		
Lenders			
Signed by)		
	)	<i>/s/</i> MICHAEL LLEWELYN-JONES	
for and on behalf of CITIBANK, N.A.:)		
)		
Signed by)		
	)	<i>/s/</i> MARK SMYTH	
for and on behalf of COMMERZBANK AG LONDON)		
BRANCH:)		
Signed by)		
	)	<i>/s/</i> SIMON DERRICK	<i>/s/</i> RICHARD SEDLACEK
for and on behalf of DEUTSCHE BANK AG, LONDON)		
BRANCH:)		
Signed by)		
	)	<i>/s/</i> BOB CURRY	
for and on behalf of DRESDNER BANK AG)		
NIEDERLASSUNG LUXEMBOURG:)		

Signed by)		
)		
for and on behalf of HSBC BANK plc:	)	<i>/s/</i> TIM BOLTON	
)		
Signed by)		
)		
for and on behalf of JPMORGAN CHASE BANK, N.A.:	)	<i>/s/</i> JAY-MICHAEL BASLOW	
)		
Signed by)		
)		
for and on behalf of LLOYDS TSB BANK PLC:	)	<i>/s/</i> LIZ WILLIAMS	
)		
Signed by)		
)		
for and on behalf of MORGAN STANLEY BANK:	)	<i>/s/</i> HUGO BARING	
)		
)		
Signed by)		
)		
for and on behalf of SOCIETE GENERALE:	)	<i>/s/</i> BRUCE POMFORD	
)		
Signed by)		
)		
for and on behalf of STANDARD CHARTERED BANK:	)	<i>/s/</i> TONY BEDFORD	<i>/s/</i> SHALINI CHANDA
)		
Signed by)		
)		
for and on behalf of THE ROYAL BANK OF SCOTLAND plc:	)	<i>/s/</i> TREVOR NEILSON	
)		
Signed by)		
)		
for and on behalf of UBS LIMITED:	)	<i>/s/</i> GRAHAM VANCE	<i>/s/</i> ANDREW SANTACROCE
)		
Agent			
Signed by)		
)		
for and on behalf of HSBC BANK plc:	)	<i>/s/</i> TIM BOLTON	
)		

2007

REUTERS GROUP PLC

THOMAS H. GLOCER

SERVICE AGREEMENT

CONTENTS

CLAUSE	PAGE
1. DEFINITIONS	1
2. DURATION OF EMPLOYMENT	1
3. ROLE, POWERS AND DUTIES	2
4. NORMAL PLACE OF WORK	3
5. HOURS OF WORK	3
6. SALARY AND BENEFITS	3
7. EXPENSES	4
8. OTHER INTERESTS	4
9. INVENTIONS AND IMPROVEMENTS	5
10. CONFIDENTIALITY	6
11. TERMINATION	7
Summary dismissal	7
Termination by the Company through illness	8
Termination by the Company without Cause	8
Termination through loss of directorship	9
Termination by you without Good Reason	9
Termination by you with Good Reason	9
Cessation Compensation	11
Mitigation	11
Return of documents	12
Resignation as a director	12
Share schemes	12
12. SUSPENSION	13
13. CONTINUING OBLIGATIONS	13
Non-representation	13
Non-solicitation of employees	14
Non-solicitation of business	14
Non-dealing	14
Non-competition	15
Extension to other persons	15
Acknowledgement of reasonableness	15
14. GRIEVANCE PROCEDURE	16

15. WAIVER	16
16. AMENDMENTS	16
17. NOTICES	16
18. OTHER AGREEMENTS	16
19. GOVERNING LAW	17
20. WITHHOLDING OR DEDUCTIONS FOR TAX	17
SCHEDULE 1	18
OTHER BENEFITS	18
21. BONUS	18
22. HOLIDAYS	18
23. PENSION PLANS	18
24. LONG TERM INCENTIVE PLAN	19
25. MEDICAL/DISABILITY INSURANCE	19
26. LIFE ASSURANCE	19
27. COMPANY CAR	19
28. DIRECTORS' INDEMNITY AND INSURANCE	19
29. OTHER BENEFITS	20
SCHEDULE 2	22
COMPETING BUSINESS CONCERNS AS AT THE DATE OF THIS AGREEMENT	22
SCHEDULE 3	23
PERMITTED SHAREHOLDINGS AS AT THE DATE OF THIS AGREEMENT	23

AGREEMENT is made on 9 March 2007

BETWEEN

(1) **REUTERS GROUP PLC** registered in England with No. 3296375 whose registered office is at The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP (the **Company**); and

(2) **THOMAS HENRY GLOCER** of 32 Hyde Park Gate, London SW7 (**you**).

It is agreed as follows:

DEFINITIONS

1. In this Agreement the following expressions shall have the following meanings:

Board means the board of directors of the Company or a duly constituted committee of the board of directors;

Employment means your employment in accordance with the terms and conditions of this Agreement;

Group means the Company, any holding company of the Company and any subsidiary of the Company or of any such holding company (with holding company and subsidiary having the meanings given to them by section 736 of the Companies Act 1985 of England and Wales). **Group Company** and **Group Companies** shall be construed accordingly;

Remuneration Committee means the remuneration committee of the Board; and

Year means a calendar year;

DURATION OF EMPLOYMENT

2.1 It is acknowledged that the company and you entered into an Agreement dated 23 July 2001 setting out the terms of your Employment, as amended on 10 February 2004 in respect of your Employment from 1 January 2004 (together the **Original Agreement**). It is further acknowledged that:

- (a) this Agreement shall supersede and replace the Original Agreement with effect from 31 March 2006 in respect of the period of your Employment from 31 March 2006;
 - (b) nothing in this Agreement shall amend or alter the provisions of the Original Agreement in respect of the period 23 July 2001 to 30 March 2006 or of any award made thereunder;
 - (c) your Employment under this Agreement will continue until terminated in accordance with Clause 11 below (the **Employment Period**).
-

2.2 It is acknowledged that your continuous employment for statutory purposes began on 29 September 1993.

ROLE, POWERS AND DUTIES

3.1 From the date of this Agreement, you will serve the Company as Chief Executive Officer of the Company and executive director of the Company.

3.2 During the Employment Period, you will exercise such powers and perform such duties in relation to the business of the Company and the Group, being duties which are customary, appropriate to and consistent with your status as may reasonably be assigned to you by the Board from time to time. During the Employment Period, you shall report solely and directly to the Board.

3.3 During the Employment Period you will:

- (a) subject to Clause 8.1, devote substantially the whole of your working time, attention and abilities to carrying out your duties under Clauses 3.1 and 3.2;
- (b) comply with the duties imposed on you as a director by law;
- (c) use all reasonable endeavours to promote the interests of the Company and any other Group Company which you may be required to serve under the terms of this Agreement;
- (d) have due regard to the Reuter Trust Principles and to the rights and duties of the Reuter Trustees as set out in the Memorandum and Articles of Association of the Company and in the Memorandum and Articles of Association of Reuters Founders Share Company Limited insofar as, by the proper exercise of your powers (and in accordance with your other duties) as director of the Company, the Reuter Trust Principles are capable of being observed by you;
- (e) have due regard to the provisions of the Reuters Code of Conduct (as notified to you from time to time) and, so far as reasonably practicable in the performance of your duties, observe all material provisions of that Code;
- (f) comply with the Reuters Share Dealings Code (as notified to you from time to time);
- (g) have due regard to the provisions of all other material policies which apply to you as an executive employed by a Group Company, as notified to you from time to time; and
- (h) other than absences due to illness or vacation or as otherwise may be required to fulfil your duties hereunder, regularly attend meetings of the Board and of any committees of the Board to which you may be appointed.

NORMAL PLACE OF WORK

4. Your normal place of work is at the Company's head office in London. You will be required, in the performance of your duties, to travel in the United Kingdom and overseas. However, having given you not less than 90 days' notice, the Company may reasonably require you to relocate to perform your duties at the offices of another Group Company in New York. In addition, the Company shall reimburse you all relocation expenses in respect of your relocation to New York in a manner which is consistent with the benefits provided in Clause 9 of Schedule 1.

HOURS OF WORK

5. You will work the Company's normal working hours together with such additional hours as may reasonably be required for the proper performance of your duties.

SALARY AND BENEFITS

6.1 You will be paid a base salary at the rate set out in a letter to you from the Company of the same date as this Agreement and as confirmed in your annual statement of remuneration and benefits (the **Base Salary**) and you will also be entitled to the additional remuneration and benefits set out in Schedule 1.

6.2 Your Base Salary will be paid in equal monthly instalments in accordance with the Company's customary payroll practices for senior executives. If your Base Salary is increased, then such increased Base Salary shall constitute Base Salary for all purposes under this Agreement.

6.3 You are not entitled to any other salary, fees or remuneration as director or employee of the Company or any other Group Company save as provided herein and other than as provided in documentation relating to your directorships of other Group Companies and you must, as the Company directs, either waive your rights to any such salary, fees or remuneration or account for the same to the Company failing which it will be deducted from your salary.

6.4 During the Employment, you will be eligible to receive equity based incentive awards on a basis commensurate with your position as Chief Executive Officer of the Company and the level of equity based incentive awards made to the chief executive officers of publicly listed companies comparable in size and industry to the Company, taking into account all relevant circumstances, including without limitation, your performance, the performance of the Company and the level of awards made under the Original Agreement.

6.5 Your Base Salary and benefits will be reviewed annually by the Remuneration Committee no later than by April of each year. Any change in the level of your Base Salary and benefits as a result of the review (which will not be downwards) will be effective from 1 April of each year. Your bonus opportunity as a percentage of salary (with salary calculated in accordance with paragraph 1 of Schedule 1) shall not be reduced below 150% during your Employment and the performance criteria pursuant to which such bonus is based shall not be materially altered to your detriment.

6.6 During or after the termination of the Employment for whatever reason, the Company may deduct from your pay any undisputed sums outstanding to the Company or to any other Group Company from you including, without limitation, any advance of pay or loans or floats for expenses which would become due upon such termination.

EXPENSES

7. Subject to the Company's policies on executive directors' expenses and executive directors' spouse expenses (as notified to you from time to time), the Company will reimburse to you all reasonable travelling, hotel and other out-of-pocket expenses (including first class travel expenses) properly incurred by you and your spouse in the execution of the duties of the Employment against production of valid receipts and properly completed expense reports.

OTHER INTERESTS

8.1 During the Employment Period you will be entitled to accept appointments as a non-executive director of companies other than a Group Company subject to:

- (a) the prior written consent of the Chairman of the Company (such consent to be confirmed by the Board and it being understood and agreed that you currently serve as a non-executive director of certain entities previously disclosed to the Company); and
- (b) the Company's policy on non-executive directorships (as notified to you from time to time).

You may retain any fees received as a non-executive director. Days of service as a non-executive director will not be deducted from your holiday entitlement provided that you shall not spend more than ten working days in aggregate in any year in such service. At any time during the Employment Period the Company may, with reasonable cause, require you to resign any non-executive directorship held. Reasonable cause for this purpose shall include but not be limited to a conflict of interest and such other reason or reasons as may be specified in the Reuters Code of Conduct (as notified to you from time to time).

8.2 During the Employment Period you will not be directly or indirectly concerned in any business, trade, profession or other occupation (whether as an employee, consultant, agent, director or otherwise) of a similar nature to or competitive with that carried on by the Company or any Group Companies except:

- (a) as a representative or officer of a Group Company;
- (b) as a non-executive director under Clause 8.1;
- (c) by virtue of your being interested in securities not representing more than (i) one per cent of a company's issued securities of any class which are either listed on a recognised stock exchange or dealt on an unlisted securities market or an alternative investment market or authorised for quotation in a recognised

inter-dealer quotation system or (ii) two per cent of a private operating company or (iii) five per cent of a private company where such interest takes the form of a purely passive investment, provided that you will make disclosure of your investments as required by law or by the requirements of any regulatory body to which the Company is subject; or

(d) with the prior written consent of the Board.

8.3 For the avoidance of doubt, it is confirmed that, as at the date of this Agreement, you have been given approval to retain your current interest in securities in the company(ies) referred to in Schedule 3 to this Agreement.

8.4 You may serve on the board of religious, charitable, civic or public service organisations or otherwise be engaged in the activities of such organisations provided so serving or being so engaged does not prejudice your ability to fulfil your duties under this Agreement.

INVENTIONS AND IMPROVEMENTS

9.1 It will be part of your normal duties at all times:

- (a) to consider in what manner and by what new methods or devices the products, services, processes, equipment or systems of the Company and other Group Companies with which you are concerned or for which you are responsible might be improved; and
- (b) promptly to give to the Company Secretary full details of any invention or improvement which you may from time to time make or discover in the course of your duties provided that any inadvertent or unintentional failure on your part to provide such details shall not be a breach of this Agreement.

Subject to the Patents Act 1977 of England and Wales, the Company will be entitled free of charge to the sole ownership of any such invention or improvement and to the exclusive use of it.

9.2 You assign to the Company (or to such other Group Company as the Company may direct) all copyrights, designs and other proprietary rights, if any, which may be so assigned in respect of all works and designs created by you or relating to your responsibilities during the Employment for the full term of those rights to the intent that those rights will immediately upon the completion of the relevant work rest with the Company (or with such other Group Company as the Company may direct).

9.3 At the request and cost of the Company, you will do all such acts and things as may in the opinion of the Board be necessary or conducive to vest such rights in the Company (or in such other Group Company as it may direct). You irrevocably authorise the Company for the purposes of this Clause to make use of your name and to sign and to execute any documents or do any thing on your behalf.

9.4 You will not do anything knowingly to imperil the validity of any patent or protection owned by the Company (or in relation to which the Company is entitled to

assert a right of ownership, whether pursuant to this Clause 9 or otherwise) or any application for any such patent or protection.

9.5 You will not either during or after the termination of the Employment exploit or assist others to exploit any invention or improvement owned by the Company (or in relation to which the Company is entitled to assert a right of ownership, whether pursuant to this Clause 9 or otherwise) which you may from time to time make or discover in the course of your duties or (unless it shall have become public knowledge) make public or disclose any such invention or improvement or give any information in respect of it except to the Company or as the Company may direct.

9.6 You irrevocably waive in favour of the Company (and in favour of such other Group Company as the Company may direct), its licensees and successors-in-title any and all moral rights in any works (existing or future) the subject of copyright made by you in the course of the Employment.

CONFIDENTIALITY

10.1 During and after the termination of the Employment you will at all times keep confidential all private information about the Company and other Group Companies including technical and financial information, which you may have acquired while in the employment of the Company or of any other Group Company. You will not use such information for your own benefit or for the benefit of any business not within the Group. You will keep such information confidential to yourself, to other members of the Board and to anybody who needs such information in order properly to discharge his duties to the Company or any Group Company. Such information includes (without limitation) the following:

- (a) the business methods and information of the Company and any other Group Companies (including, without limitation, prices charged, discounts given to customers or obtained from suppliers, product development, marketing and advertising programmes, costing, budgets, turnover, sales targets and other financial information);
- (b) lists and particulars of the suppliers and customers of the Company or of any other Group Companies and the individual contacts at such suppliers and customers;
- (c) details and terms of the agreements with suppliers and customers of the Company or of any other Group Companies;
- (d) secret development manufacturing or production processes and know-how employed by the Company or any other Group Companies or their respective suppliers; and
- (e) confidential details as to the design of the products and inventions or processes relating to the provision of services or developments relating to future products and services of the Company or of any other Group Companies or those of their respective suppliers.

10.2 These restrictions shall not apply to any disclosure or use authorised by the Board, as required in the ordinary performance of your duties or required by law or by the requirements of any regulatory or other authority to which the Company or any other Group Company or yourself is subject or as is reasonably necessary in connection with any adversarial proceedings against the Company and/or Group Company.

10.3 These restrictions shall not apply to information which is already in the public domain other than in cases where such information has become public as a result of a breach by you of these restrictions.

10.4 These restrictions shall not restrict you from using your own personal skill in any business in which you may lawfully be engaged after termination of the Employment.

TERMINATION

Summary dismissal

11.1 The Company may terminate the Employment for Cause by immediate notice in writing and without payment of any kind other than any accrued but unpaid Base Salary, Bonus (as defined in Clause 1 of Schedule 1) and holiday pay up to the date of termination and any other benefits or payments (including reimbursement of expenses) to which you may be entitled under any benefit scheme of the Company or any Group Company up to the date of termination (the **Accrued Benefits**).

For the purposes of this Agreement “Cause” shall mean:

- (a) if you commit any act or omission which constitutes:
 - (i) gross misconduct; or
 - (ii) persistent misconduct continuing after demand for cessation of such misconduct is delivered in writing by the Board or by the Company Secretary on instruction from the Board where such act does not cease or such omission is not remedied within ten (10) days following delivery of such written demand; or
- (b) if you wilfully commit any material breach of any material provision of this Agreement;
- (c) if you wilfully neglect or refuse to carry out any material part of your duties (other than for a reason set forth in Clause 11.2) and which is not remedied by you, if capable of remedy, within ten (10) days following written notice by the Board of its intention to terminate the Employment under this sub-Clause (c);
- (d) if you engage (either in bad faith or intentionally and with recklessness as to the consequences of your actions) in any conduct which materially damages the reputation of the Company or any other Group Companies;

- (e) if you become prohibited by law from being a director of the Company due to your misconduct (including by virtue of your having committed an offence under section 213 or 214 of the Insolvency Act 1986); or
- (f) if you terminate your directorship of the Company without Good Reason or without the consent of the Board.

For purposes of this Clause 11.1, no act, or failure to act, by you shall be considered to have been done or omitted to be done “wilfully” unless adopted in bad faith or without a reasonable degree of skill or care or without a reasonable belief that the act or omission was in the best interests of the Company or any Group Company.

Cause shall not exist under sub-Clauses (a), (b), (c) or (d) unless and until the Company has delivered to you a copy of a resolution duly adopted by a majority of all the members of the Board at a quorate Board meeting (such majority and quorum to exclude you) called and held for such purpose (after not less than three business days’ notice to you and an opportunity for you and, where the Board agrees in advance, your counsel, to be heard before the Board) finding that Cause exists.

Termination by the Company through illness or death

11.2 The Company may terminate the Employment if you are prevented by illness (including mental illness) or injury from attending to your duties for more than 365 days in aggregate in any one period of twenty four (24) consecutive calendar months. The Company will not terminate the Employment pursuant to this Clause 11.2 if, as a result, you would or may forfeit any entitlement to benefits under the permanent health insurance arrangements referred to in Schedule 1 unless it can procure the provision of continued cover under those arrangements or reimburse you the cost of premiums for continued cover under those arrangements or under other arrangements providing substantially similar cover for the period of the illness in question or until benefits would apart from such termination have ceased to be payable had the Employment continued or until you obtain permanent health insurance cover from a subsequent employer, whichever is the shortest period. Upon such termination of Employment or due to your death, the Company shall pay you the Accrued Benefits and you shall be entitled to the benefits provided for in Clause 11.12.

Termination by the Company without Cause

11.3 The Company may terminate the Employment without Cause by giving you 30 days’ advance written notice. Upon such termination of Employment, the Company shall pay you the aggregate of (i) the Accrued Benefits and (ii) the Cessation Compensation in cash in accordance with Clause 11.7 and (iii) you shall be entitled to the benefits provided for in Clause 11.12. In addition, the Company shall maintain in full force and effect, for the continued benefit of you, your spouse and your children for a period of one year following the date of termination the medical, hospitalisation, dental, and life insurance schemes in which you, your spouse and your children were participating immediately prior to the date of termination at the level in effect and upon substantially the same terms and conditions (including without limitation contributions required by you for such benefits) as existed immediately prior to the date of termination. If you, your spouse or your children cannot continue

to participate in the Company schemes providing such benefits, the Company shall arrange, at its discretion, either to provide you, your spouse and your children with the cash equivalent of such benefits which they otherwise would have been entitled to receive under such schemes or to pay the premiums to enable continued participation in equivalent schemes for a period of one year following the date of termination. The Company's obligation to provide continuing arrangements in relation to medical, hospitalisation, dental and life assurance schemes under this Clause 11.3 shall terminate on the date or dates you receive equivalent cover and benefits, without waiting period or pre-existing condition limitations under the schemes of a subsequent employer (such cover and benefits to be determined on a cover by cover and benefit by benefit basis). If you obtain cover or benefits relating to medical, hospitalisation, dental and life insurance schemes from a subsequent employer which are less generous than those provided to you by the Company, you shall be entitled from the Company only to the difference between the cover or benefits you obtain from a subsequent employer and those to which you would have been entitled hereunder had no subsequent employer provided cover or benefits. You will use all reasonable endeavours to obtain equivalent cover and benefits from a subsequent employer. Once equivalent cover and benefits have been obtained from such subsequent employer, the Company's obligations to provide such cover and benefits for such one year period shall cease absolutely. For the purpose of this Clause 11.3, the reference to children means children up to the age of 21 or, if older and if they are in full time education, until they finish their education.

Termination through loss of directorship

11.4 If you are removed from the office of director of the Company, or the Company fails in general meeting to re-elect you as a director of the Company (including if, under the Articles of Association or other constitutional documents for the time being of the Company, you are obliged to retire by rotation or otherwise), then the Company may elect that the Employment shall terminate immediately without prejudice to the right of either party to this Agreement to treat any act or omission causing such removal from office as a breach of this Agreement. For the avoidance of doubt, it is acknowledged that termination of the Employment pursuant to this Clause 11.4 where removal from office has not taken place in circumstances justifying dismissal for Cause under Clause 11.1 constitutes a termination of the Employment without Cause for the purpose of Clause 11.3.

Termination by you without Good Reason

11.5 You may terminate the Employment without Good Reason (as defined below) by giving the Company ninety (90) days' advance written notice. In such event, you will be entitled to the same payments as described in Clause 11.1.

Termination by you with Good Reason

11.6 You may terminate the Employment by giving the Company thirty (30) days' advance written notice, such notice to be given within ninety (90) days after:

- (a) in the case of a Good Reason event which is incurable, the date on which the Good Reason event occurs (provided that such thirty (30) days' notice is not

required for an event described in sub-Clause (iv) of the definition of Good Reason below); and

- (b) in the case of a Good Reason event which is curable but which is not cured within thirty (30) days of you giving written notice to the Company specifying the Good Reason event and requiring it to be cured, the date falling thirty (30) days after the date of such notice to the Company.

Upon such a termination of Employment, you will be entitled to the same payments as in the case of a termination of Employment by the Company without Cause (as described in Clause 11.3).

“Good Reason” shall mean, without your written consent, any of the following events:

- (i) the assignment to you of any duties inconsistent in any respect with your position (including status, offices, titles and reporting requirement), authority, duties or responsibilities or any other action by the Company (or its successors or assigns) which results in material diminution in such position, authority, duties or responsibilities (including, for the avoidance of doubt, your responsibilities as the Chief Executive Officer of a publicly listed company), but excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by you;
- (ii) any material breach of any material provision of this Agreement by the Company (or its successors or assigns), including, without limitation, a reduction in your Base Salary, reduction in your bonus opportunity as a percentage of salary or the material alteration to your detriment of the performance criteria pursuant to which such Bonus is calculated, a failure of the Company (or its successors or assigns) to make the equity grants contemplated under Clause 6.4, or the Company's (or its successors' or assigns') failure to provide in all material respects the indemnification in Clause 8 of Schedule 1;
- (iii) any required relocation of you outside London or New York City; and
- (iv) a Change of Control unless a third party acquiring control of more than 50% of the voting rights of the Company for the purposes of the definition of Change of Control in this sub-Clause (iv) has agreed to adopt the Reuter Trust Principles and the rights and duties of the Reuter Trustees as set out in the Memorandum and Articles of Association of the Company and in the Memorandum and Articles of Association of Reuters Founders Share Company Limited and to use its best endeavours to procure that the Principles and such rights and duties are observed and upheld within the Company and any holding company of the Company and a Change of Control shall for the purpose of this Agreement occur where more than 50% of the voting rights of the Company become controlled by any third party (including persons acting in concert but excluding Reuters Founders Share Company Limited) or the Company sells or otherwise disposes of all or substantially all of its assets with the approval of the Company's shareholders, other than for the purposes

of a reconstruction or reorganisation in which (A) the ultimate ownership of the Company or substantially all its assets is unaffected or (B) a new holding company for the Company is created, where the new holding company has substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the interposition of the new holding company.

Cessation Compensation

11.7 For the purpose of Clause 11.3 and 11.6 :

- (a) **Cessation Compensation** means the Relevant Sum;
- (b) **Relevant Sum** means the sum of your Base Salary and Relevant Bonus;
- (c) **Relevant Bonus** means $H \times (I\% \times \text{Base Salary})$ where H is the highest percentage of bonus which you have received in the three years prior to the year in which the Employment terminates (including, if relevant, periods prior to the Effective Date) and I is the maximum percentage of Base Salary earnable as bonus in the year of termination. For example, if you are eligible to a bonus of 125% of a Base Salary of £1,000,000 and in the last three years you have received 100%, 90% and 50% of your bonus respectively, your relevant bonus will be £1,250,000.

Other than in respect of your rights under Clause 11.12, you agree that any payment of Cessation Compensation made to you pursuant to Clause 11.3 or 11.6 will be in full and final settlement of any claim which you might otherwise have against the Company and against any other Group Company for damages for wrongful dismissal and the parties agree that the Cessation Compensation represents a genuine pre-estimate of the loss which would otherwise have been suffered by you.

The payment to be made to you pursuant to Clause 11.3 or 11.6 will be made in two stages. The total amount, less a deduction of £60,000, will be paid within seven (7) days of the termination of the Employment. The remaining balance of £60,000 will be paid within four months of the termination of the Employment, conditional upon you not having brought any claims before a court or tribunal against the Company or any other Group Company or any of their respective officers and employees in connection with the Employment or its termination in or prior to that four month period.

Mitigation

11.8 You shall not be required to mitigate amounts payable under this Clause 11 by seeking other employment or otherwise, and there shall be no offset against amounts due to you under this Clause 11 on account of subsequent employment save as provided herein. Additionally, amounts owed to you under this Clause 11 shall not be offset by any claims the Company may have against you and, subject to Clause 6.5, the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder, shall not be affected by any other

circumstances including, without limitation, any counterclaim, recoupment, defence or other right which the Company may have against you or others.

Return of documents

11.9 On termination of the Employment for any reason or, at the request of the Company, when notice to terminate the Employment is given, you must immediately deliver to the Company (without keeping any copies):

- (a) all documents, papers and materials and any other property of the Company and of any other Group Companies; and
 - (b) all documents or other media on which confidential information about the Company and any other Group Companies is recorded,
- in your possession or under your control.

Resignation as a director

11.10 On termination of the Employment for any reason, you must immediately, at the request of the Company, resign your office as a director of the Company and of any other Group Company without compensation for loss of office other than as provided in this Agreement.

Share schemes

11.11 It is acknowledged that you may, during the Employment, be granted rights upon the terms and subject to the conditions of the rules from time to time of the Reuters Group PLC Long Term Incentive Plan or any other profit sharing, share incentive, share option, bonus or phantom option scheme operated by the Company or any other Group Company with respect to shares in the Company or any other Group Company. Subject to Clause 11.12, if on termination of the Employment, whether lawfully or in breach of contract you lose any of the rights or benefits under such schemes (including rights or benefits which you would not have lost had the Employment not been terminated) you shall not be entitled, by way of compensation for loss of office or otherwise howsoever, to any compensation for the loss of any rights under any such scheme.

11.12 Notwithstanding Clause 11.11, if the Employment is terminated in any of the circumstances described in Clause 11.2, 11.3 or 11.6 or by reason of your death or where it is terminated pursuant to Clause 11.4 in circumstances where such termination constitutes a termination of the Employment without Cause for the purpose of Clause 11.3, the Company will procure that you shall retain all awards made under the Company's or any Group Company's equity plans or programs, including, without limitation, the awards under Clause 6.4 hereof (the **Equity Plans**) granted to you (including without limitation in the form of options shares or share rights) which have not vested or crystallised at the date of termination and shall in respect of the subsequent vesting or crystallisation of such awards (including through any extension of the applicable vesting period) and their exercise or release be treated as though you had continued in Employment. In addition, notwithstanding the terms

and conditions of the Equity Plans to the contrary, with respect to the retention, vesting and/or crystallisation of such awards your personal conduct following your termination of Employment will not in any way affect your right to continue to retain, vest or crystallise with respect to such awards, provided that the terms or conditions of the Equity Plans relating to the performance conditions pursuant to which such awards vest and crystallise shall continue to apply. Should it not be possible to treat you as if you are a continuing employee in respect of the vesting, crystallisation, exercise or release of any awards under the Equity Plans, the Company will procure that all your awards vest (and/or crystallise, as the case may be) in full and become exercisable on termination of Employment regardless of any conditions relating to status, personal conduct or otherwise, and in the case of options shall remain exercisable for at least 6 months following termination of employment, provided that such period does not extend beyond the original life of the relevant award.

SUSPENSION

12.1 The Board may at any time or from time to time suspend you from the performance of your duties and/or exclude you from any of the premises of the Company or of any other Group Company in circumstances in which the Board reasonably believes that you have committed gross misconduct or are in material breach of a material provision of this Agreement and in order that the circumstances giving rise to that belief may be investigated. You shall be suspended for such period as the Board considers reasonably necessary for it to undertake a proper investigation but in any event for no longer than ninety (90) consecutive days. At the end of such ninety (90) day period, the Company will procure that you are either reinstated in your post as Chief Executive Officer or that your Employment is terminated. The Company will give you a reason for suspending or excluding you. Your salary and benefits will not cease to be payable by reason only of such suspension or exclusion.

12.2 During any period of suspension or exclusion, you will not contact or deal with customers, suppliers or employees of the Company or of any other Group Company or enter onto the premises of the Company or of any Group Company without the prior written consent of the Chairman of the Company. You will be entitled to terminate the Employment without Good Reason pursuant to Clause 11.5 but without the requirement to give the Company ninety (90) days' advance written notice. Any rights you might otherwise have to terminate this Agreement pursuant to Clause 11.6 shall not be affected during any period of suspension or exclusion (although you acknowledge that such suspension or exclusion shall in and of itself not constitute Good Reason pursuant to Clause 11.6).

CONTINUING OBLIGATIONS

Non-representation

13.1 You will not at any time after the termination of the Employment directly or indirectly represent yourself as being in any way connected with or interested in the business of the Group (except, if it is the case, as a shareholder of the Company or as a director of the Company).

Non-solicitation of employees

13.2 You must not for a period of six months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company or employ or engage any employee of the Company or of any other Group Company with whom you had business dealings or who reported to you, directly or indirectly, during the period of 12 months preceding the date of termination of the Employment and who is or was employed or engaged by the Company or by any other Group Company:

- (a) as a director or in a managerial or technical capacity; or
- (b) who you know (or ought reasonably to know) could materially damage the interests of the Company or any other Group Company if he became employed in any business in competition with the business of the Company or of any other Group Company.

Non-solicitation of business

13.3 You must not for a period of six months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company the business of any firm, company or other person who, during the period of 12 months preceding the date of termination of the Employment, was a customer of the Company or of any other Group Company with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period for the account or benefit of any other business concern of which you are a sponsor or promoter and which is in competition with the business of the Company or any Group Company.

Non-dealing

13.4 You must not for a period of six months after the termination of the Employment deal with any person, firm or company who during the period of 12 months preceding the date of termination of the Employment was a customer or potential customer of the Company or of any other Group Company and (in the case of a customer) to whom you provided services on behalf of the Company or any other Group Company or (in the case of a potential customer) with whom you had business dealings with a view to obtaining business for the Company or any other Group Company and in each case with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period for the account or benefit of any business concern referred to in Clause 13.5 or for the account of any other business concern of which you are a

sponsor or promoter and which is in competition with the business of the Company or any Group Company.

Non-competition

13.5 You must not, for a period of six months after the termination of the Employment, be engaged in or concerned in any capacity in any business concern which is in competition with the business of the Company or of any other Group Company. A list of such business concerns as at the date of this Agreement is set out in Part 1 of Schedule 2 to this Agreement. Unless you have the prior approval of the Chairman of the Company you may not, for a period of six months after the termination of the Employment, be engaged in or concerned in any capacity in any of the business concerns named in the lists set out in Parts 2 and 3 of Schedule 2 to this Agreement. The lists in Schedule 2 may be amended by the Board acting reasonably (provided that the number of business concerns included in Schedule 2 at any one time shall not exceed 15) and each such amendment shall be notified to you from time to time. This Clause shall not restrain you from being engaged or concerned in any business concern in so far as your duties or work relate solely to services or activities of a kind with which you were not concerned to a material extent during the period of six months preceding the date of termination of the Employment.

Extension to other persons

13.6 The obligations imposed on you by this Clause 13 extend to you acting not only on your own account but also on behalf of any other firm, company or other person and shall apply whether you act directly or indirectly.

Acknowledgement of reasonableness

13.7 The restrictions contained in this Clause 13 are considered by you and the Company to be reasonable in all the circumstances. Each part of this Clause constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are not greater than is necessary for the protection of the commercial interests of the Group and their stable trained workforce.

No disparaging statements

13.8 Each party agrees (and in the case of the Company, it shall use reasonable endeavours to cause its executives, officers, employees, directors, agents and consultants) during, and after termination of, your Employment not to make, publish or in any other way communicate or cause to be made, published or issued or otherwise communicate to any third party any disparaging or derogatory statements to any third party concerning you or the Company or any Group Company or any of its or their current executives, officers, employees, agents or consultants provided that nothing in this Agreement will prevent you or the Company or any Group Company from disclosing information as required by law or in order to take professional advice or as ordered by a court of competent jurisdiction.

GRIEVANCE PROCEDURE

14. Without limiting your rights to terminate the Employment with Good Reason pursuant to Clause 11.6 or to enforce any of the terms of this Agreement in accordance with Clause 19 directly without regard to this Clause 14, if at any time you have a grievance relating to the Employment, you may seek redress orally or in writing by, in the first instance, referring the grievance to the Chairman of the Company. If the grievance remains unresolved, you may appeal to the Board and the Board shall deal with the matter by discussion and by majority decision of those present at the relevant meeting of the Board. The Board's decision shall be final and binding with respect to the grievance procedure save that if you are not satisfied with the decision of the Board, you may pursue an action in a manner contemplated by Clause 19.

WAIVER

15. Any delay or forbearance by the Company or you in exercising any right of determination of this Agreement shall not constitute a waiver of it.

AMENDMENTS

16. No amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by you and a Director of the Company.

NOTICES

17. Any notice to be given under this Agreement to you may be served by being handed to you personally or by being sent by recorded delivery first class post or by fax to you at an address for service within the United Kingdom nominated by you for this purpose; and any notice to be given to the Company may be served by being marked for the attention of the Company Secretary and by being left at or by being sent by recorded delivery first class post or by fax to its registered office for the time being. Any notice served by post shall be deemed to have been served on the second day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was, in your case, addressed to you at an address for service within the United Kingdom nominated by you for these purposes and, in the case of the Company, addressed to it marked for the attention of the Company Secretary at its registered office for the time being, and in either case posted as a prepaid letter by recorded delivery. Any notice served by fax shall be deemed to have been served twelve hours after the time of despatch.

OTHER AGREEMENTS

18. You acknowledge and warrant that there are no agreements or arrangements whether written, oral or implied between the Company or any other Group Company and you relating to your employment or the Employment other than the Side Letter and those which are expressly set out or referred to in this Agreement and that you are not entering into this Agreement in reliance on any representation not expressly set out in this Agreement.

GOVERNING LAW

19. This Agreement will be governed by and construed under English Law without regard to its conflicts of laws provisions, and each of the parties hereby irrevocably agrees that the Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

WITHHOLDING OR DEDUCTIONS FOR TAX

20. All amounts payable to you under this Agreement shall be subject to applicable withholding or deductions of income, salary and such other withholdings or deductions which the Company reasonably determines are required to be withheld or made in accordance with applicable laws.

AS WITNESS whereof this Agreement has been signed by or on behalf of the parties to it on the day and year first above written.

SCHEDULE 1

OTHER BENEFITS

BONUS

1. You will be entitled to participate in an annual bonus plan to be administered by the Remuneration Committee. Unless otherwise agreed by the Remuneration Committee, the annual bonus (the **Bonus**) payable under this plan will be an amount of up to 150% of your Base Salary. The criteria relating to your performance and that of the Company which are to be used to determine the amount of the bonus in any year will be laid down by the Remuneration Committee at the commencement of each year and the bonus for that year will be paid as soon as reasonably practicable after the relevant results have been determined. The Remuneration Committee reserves the right to amend the quantitative criteria annually, subject to your right to terminate for Good Reason (as defined in your Service Agreement) in the event of a material amendment to your detriment. On termination of the Employment during a financial year, other than termination pursuant to Clause 11.1 or Clause 11.5 or as otherwise provided under Clause 11.7, you shall be entitled to a pro-rated amount of average Bonus, being such proportion of the average bonus you have received in the three years prior to the year in which the Employment terminates as is equivalent to the proportion of the financial year during which the Employment has subsisted.

HOLIDAYS

2.1 The Company's holiday year runs from 1 January to 31 December. In addition to the bank and other public holidays, you will be entitled to 30 working days' paid holiday and three personal days in each holiday year.

2.2 Your annual holiday may be taken at such time or times as are reasonably appropriate having regard to the business needs of the Company.

2.3 Holidays not taken in the year of entitlement will be lost unless carried forward with the agreement of the Chairman of the Company.

2.4 On termination of the Employment, you will be entitled to pay in lieu of any unpaid holiday or be required to pay the Company any salary received for holiday taken in excess of your contractual entitlement.

PENSION PLANS

3. During the Employment Period, you will be provided with pension and retirement benefits appropriate to your senior executive status in the Company and which are no less favourable than those for the majority of executive Directors. For this purpose, you and the Company shall work to provide such benefits in a manner which is tax efficient to both parties.

LONG TERM INCENTIVE PLAN

4. Subject to Clause 11.13 of the Service Agreement, you are entitled to be a member of the Reuters Group PLC Long Term Incentive Plan (as notified to you from time to time) (or any plan operated by the Company in succession to that plan) for so long as such plans may be operated by the Company, and the Company shall pay to you benefits under these plans, subject to the conditions of the Company's policy on retention of LTIP awards on early retirement (as notified to you from time to time).

MEDICAL/DISABILITY INSURANCE

5.1 You shall be entitled to membership of the Company's Medical, Dental and Eye Care plans, subject to the terms of the plans and of any related policies of insurance as in force from time to time.

5.2 You shall be entitled to membership of the Company's disability insurance plans, subject to the terms of those plans and of any related policies of insurance as in force from time to time.

LIFE ASSURANCE

6. You are entitled to membership of the Company's Basic Life Assurance, Accidental Death and Dismemberment Insurance and Supplemental Life Assurance Plans, subject to the terms of the plans and of any related policy of insurance as in force from time to time.

COMPANY CAR

7. The Company will provide you with a monthly car allowance subject to the Company's Policy on Executive Director's Cars which shall be payable in instalments with Base Salary pursuant to Clause 6.2.

DIRECTORS' INDEMNITY AND INSURANCE

8.1 During the Employment Period and thereafter, you shall have the benefits of:

- (a) a complete indemnity for all and any liabilities incurred by you (including, without limitation, all legal expenses reasonably incurred by you) in your capacity as an officer, director or employee of the Company or any other Group Company to the fullest extent provided in the constitutional documents of the Company or any Group Company for all acts or omissions on your part whilst acting as a director, officer or employee of the Company or such other Group Company (to the extent such indemnity is permitted by the law of the country to which the relevant Company or Group Company is subject); and
- (b) (subject to their terms) any insurance policies which shall be maintained by the Company in respect of liabilities incurred by Group Company directors officers and employees in their capacity as such.

The obligations of the Company under Clauses 8.1 and 8.2 shall survive termination of the Employment and shall not be offset by any liquidated damages contemplated under this Agreement.

8.2 During the Employment Period and thereafter, the Company shall procure that you have (to the extent such indemnity is permitted by applicable law) a complete indemnity for all any liabilities incurred by you (other than where such liability arises out of or relates to the commission by you of a criminal offence or any wilful default or gross negligence) in your capacity as an officer or director of any company or similar entity that is not a member of the Group, where such directorship or office is held by you at the request of the Company.

8.3 You are entitled to take independent professional advice, at the expense of the Company, where such advice is reasonably required for the furtherance of your duties as a director of the Company. No prior approval is required to obtain advice costing up to £5,000. Before seeking advice that is likely to cost more than £5,000 you must obtain the written consent of at least one non-executive director and send a copy of such consent to the Company Secretary. The non-executive director shall have power to set a reasonable limit on the cost you may incur on obtaining independent advice at the Company's expense without further reference to him.

OTHER BENEFITS

9.1 During the Employment Period the Company will meet or reimburse you for:

- (a) any reasonable costs incurred by you in seeking legal and financial advice in relation to this Agreement; and
- (b) the cost of business class travel from New York to London (and return) five times a year for your spouse, children and nanny.

9.2 The Company will provide you with a licence to occupy property at 32 Hyde Park Gate, London SW7, or similar accommodation acceptable to you, free of charge. The licence shall be revocable by the Company at any time and, in any event, no later than 31 July 2007. However, if the licence is revoked you will, in respect of the period between the date of revocation and 31 July 2007 be paid a housing allowance at an annual rate of £416,000. After 31 July 2007, the Company will, at its election, either continue to provide you with a licence to occupy suitable accommodation acceptable to you, or will pay you a housing allowance in an equal amount in respect of your accommodation costs.

9.3 You shall have such other benefits as may be made available to you by the Company from time to time, including but not limited to the use of Reuters products, mobile telephone and other equipment and membership of professional bodies.

9.4 During the Employment Period, the Company shall reimburse your reasonable personal financial and tax planning and preparation and filing expenses.

- 9.5 Following the termination of the Employment for any reason, the Company shall reimburse you (or your estate or beneficiaries) for all reasonable expenses incurred by you (or your family in the event of your death or incapacity) to relocate from your new location to anywhere in the United States.

SCHEDULE 2

COMPETING BUSINESS CONCERNS AS AT THE DATE OF THIS AGREEMENT

Part 1

Competing Business Concerns as at the date of this Agreement

AOL TimeWarner
Bloomberg L.P.
Pearson PLC
Quick Corporation of Japan
SunGard
Telekurs A.G.
The Electronic Broking Service

Part 2

Companies with Divisions which compete with Reuters

The Thomson Corporation
The McGraw Hill Companies
The Dun & Bradstreet Corporation
Reed Elsevier P.L.C./Elsevier N.V.

Part 3

Companies with which Reuters has Strategic Relationships

Yahoo! Inc.

SCHEDULE 3

**PERMITTED SHAREHOLDINGS
AS AT THE DATE OF THIS AGREEMENT**

SDK Investments, LLC

Dawntreader Fund I LP

Conversagent Inc.

Visible World Inc.

Greater Pacific Capital Partners, L.P.

SIGNED by	) /s/ Niall FitzGerald
for and on behalf of)
REUTERS GROUP PLC)
in the presence of:-)
SIGNED as a DEED)
and DELIVERED by)
THOMAS HENRY GLOCER	) /S/ THOMAS HENRY GLOCER
in the presence of :-)

5 February 2006

REUTERS GROUP PLC

DAVID GRIGSON

SERVICE AGREEMENT

TABLE OF CONTENTS

	Page
1. Definitions	1
2. Duration of employment	1
3. Role, Powers and Duties	1
4. Normal Place of Work	2
5. Hours of Work	2
6. Salary and Benefits	2
7. Expenses	3
8. Other Interests	3
9. Inventions and Improvements	4
10. Confidentiality	5
11. Statutory Provisions	6
12. Termination	6
13. Garden Leave and Suspension	10
14. Continuing Obligations	10
15. Waiver	12
16. Amendments	12
17. Notices	12
18. Other Agreements	13
19. Governing Law	13
20. Withholding Taxes	13
SCHEDULE 1: Other Benefits	14
SCHEDULE 2: Additional Statutory Provisions	17
SCHEDULE 3: Competing Business Concerns	19

THIS AGREEMENT is made on 5 February 2006

BETWEEN

(1) **REUTERS GROUP PLC** registered in England with No. 3296375 whose registered office is at The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP (the **Company**); and

(2) **DAVID GRIGSON** of Flat G, 49 Wellington Street, London WC2E 7 BL (**you**).

IT IS AGREED as follows:

DEFINITIONS

1. In this Agreement the following expressions shall have the following meanings:

Board means the board of directors of Reuters Group PLC or a duly constituted committee of the board of directors;

Employment means your employment in accordance with the terms and conditions of this Agreement;

Group means the Company, any holding company of the Company and any subsidiary of the Company or of any such holding company (with holding company and subsidiary having the meanings given to them by section 736 of the Companies Act 1985). **Group Company** and **Group Companies** shall be construed accordingly; and

Remuneration Committee means the remuneration committee of the Board.

DURATION OF EMPLOYMENT

2.1 It is acknowledged that the company and you entered into an Agreement dated 21 June 2001 setting out the terms of your Employment (the **Original Agreement**). It is further acknowledged that:

- (a) this Agreement shall supersede and replace the Original Agreement with effect from 31 March 2006 in respect of the period of your Employment from 31 March 2006;
- (b) nothing in this Agreement shall amend or alter the provisions of the Original Agreement in respect of the period 21 June 2001 to 30 March 2006 or of any award made thereunder;

2.2 It is acknowledged that your continuous employment for statutory purposes began on 1 August 2000.

ROLE, POWERS AND DUTIES

3.1 You will serve the Company as Finance Director (Chief Financial Officer) or in such other capacity of a like status as the Company may require.

3.2 Subject to Clause 4, you will exercise such powers and perform such duties in relation to the business of the Company and the Group, being duties which are appropriate to your senior status, as may be assigned to you by the Chief Executive of the Company after taking into account the opinion of the Board.

3.3 During the Employment you will:

- (a) devote substantially the whole of your working time, attention and abilities to carrying out those duties in a proper, loyal and efficient manner;
- (b) use all reasonable endeavours to promote the interests of the Company and any other Group Company which you may be required to serve under the terms of this Agreement;
- (c) have due regard to the Reuters Trust Principles and to the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and the Memorandum and Articles of Association of Reuters Founders Share Company Limited insofar as, by the proper exercise of your powers (and in accordance with your other duties) as director of the Company, the Reuters Trust Principles are capable of being observed by you;
- (d) have due regard to the provisions of the Reuters Code of Conduct (as notified to you from time to time) and, so far as reasonably practicable in the performance of your duties, observe all material provisions of that Code;
- (e) comply with the Reuters Share Dealings Code (as notified to you from time to time); and
- (f) have due regard to the provisions of all other policies which are applied to you by the Company, as notified to you from time to time.

3.4 You are entitled to take independent professional advice, at the expense of the Company, where such advice is reasonably required for the furtherance of your duties as a director of the Company and provided that before taking such advice you obtain the written consent of one other director and send a copy of such consent to the Company Secretary and that the Company's expenditure on such advice does not exceed £50,000 per annum.

NORMAL PLACE OF WORK

4. Your normal place of work is at the Company's head office. You may be required, in the performance of your duties, to travel in the United Kingdom and overseas. However, having given you reasonable notice, the Company may reasonably require you to perform your duties at the offices of another Group

Company in a major financial centre outside the United Kingdom, such as New York, in which case you shall be offered expatriate benefits appropriate to your senior status.

HOURS OF WORK

5. You will work the Company's normal working hours together with such additional hours as may reasonably be required for the proper performance of your duties.

SALARY AND BENEFITS

6.1 You will be paid a salary at such rate as is set out in an annual letter to you from the Company and as confirmed in your annual statement of remuneration and benefits.

6.2 Your salary will accrue from day to day and be payable in arrears by equal monthly instalments on or about the fifteenth day of each month.

6.3 You are not entitled to any other salary or fees as director or employee of the Company or any other Group Company and you must, as the Company directs, either waive your rights to any such salary or fees or account for the same to the Company (failing which it will be deducted from your salary).

6.4 Your salary and benefits will be reviewed annually by the Remuneration Committee. Any change in the level of your salary and benefits as a result of the review (which will not be downwards) will be effective from 1 April of each year (unless you and the Chairman of the Remuneration Committee agree otherwise).

6.5 In addition to the above, you will be entitled to receive those benefits set out in Schedule 1 to this Agreement.

6.6 During or after the termination of the Employment for whatever reason, the Company may deduct from your pay any sums outstanding to the Company or to any other Group Company from you including, without limitation, any advance of pay or loans or floats for expenses.

EXPENSES

7. Subject to the Company's policies on executive directors' expenses and executive directors' spouse expenses (as notified to you from time to time), the Company will reimburse to you all reasonable travelling, hotel and other out-of-pocket expenses (including first class travel expenses) properly incurred by you and your spouse in the execution of the duties of the Employment against production of valid receipts and properly completed expense reports.

OTHER INTERESTS

8.1 During the Employment you will be entitled to accept appointments as a non-executive director of companies other than a Group Company subject to:

- (a) the prior written consent of the Chief Executive of the Company (such consent to be confirmed by the Board); and
- (b) the Company's policy on non-executive directorships (as notified to you from time to time).

You may retain any fees received as a non-executive director provided they are paid in cash rather than in stock, other securities or options. Days of service as a non-executive director will not be deducted from your holiday entitlement provided that you shall not spend more than ten working days in aggregate in any year in such service. At any time during the Employment the Company may, with reasonable cause, require you to resign any non-executive directorship held. Reasonable cause for this purpose shall include but not be limited to a conflict of interest and such other reason or reasons as may be specified in the Reuters Code of Conduct (as notified to you from time to time).

8.2 During the Employment you will not be directly or indirectly concerned in any business, trade, profession or other occupation (whether as an employee, consultant, agent, director or otherwise) of a similar nature to or competitive with that carried on by the Company or any Group Companies except:

- (a) as a representative or officer of a Group Company;
- (b) as a non-executive director under Clause 8.1;
- (c) by virtue of your being interested in securities not representing more than one per cent. of a company's issued securities of any class which are either (i) listed on a recognised stock exchange or dealt on an unlisted securities market or an alternative investment market or authorised for quotation in a recognised inter-dealer quotation system or (ii) of a private company whose shares the Chief Executive of the Company has authorised you to hold; or
- (d) with the prior written consent of the Board.

8.3 You may serve on the board of religious, charitable or public service organisations or otherwise be engaged in the activities of such organisations provided so serving or being so engaged does not prejudice your ability to fulfil your duties under this Agreement.

INVENTIONS AND IMPROVEMENTS

9.1 It will be part of your normal duties at all times:

- (a) to consider in what manner and by what new methods or devices the products, services, processes, equipment or systems of the Company and other Group Companies with which you are concerned or for which you are responsible might be improved; and

- (b) promptly to give to the Company Secretary of the Company full details of any invention or improvement which you may from time to time make or discover in the course of your duties.

Subject to the Patents Act 1977, the Company will be entitled free of charge to the sole ownership of any such invention or improvement and to the exclusive use of it.

9.2 You assign to the Company (or to such other Group Company as the Company may direct) all copyrights, designs and other proprietary rights, if any, which may be so assigned in respect of all works and designs created by you or relating to your responsibilities during the Employment for the full term of those rights to the intent that those rights will immediately upon the completion of the relevant work vest with the Company (or with such other Group Company as the Company may direct).

9.3 At the request and cost of the Company, you will do all such acts and things as may in the opinion of the Board be necessary or conducive to vest such rights in the Company (or in such other Group Company as it may direct). You irrevocably authorise the Company for the purposes of this Clause to make use of your name and to sign and to execute any documents or do any thing on your behalf.

9.4 You will not do anything knowingly to imperil the validity of any patent or protection or any application for a patent or protection.

9.5 You will not either during or after the termination of the Employment exploit or assist others to exploit any invention or improvement which you may from time to time make or discover in the course of your duties or (unless it shall have become public knowledge) make public or disclose any such invention or improvement or give any information in respect of it except to the Company or as the Company may direct.

9.6 You irrevocably waive in favour of the Company (and in favour of such other Group Company as the Company may direct), its licensees and successors-in-title any and all moral rights in any works (existing or future) which are the subject of copyright made by you in the course of the Employment.

CONFIDENTIALITY

10.1 During and after the termination of the Employment you will at all times keep confidential all private information about the Company and other Group Companies including technical and financial information which you may have acquired while in the employment of the Company or of any other Group Company. You will not use such information for your own benefit or for the benefit of any business not within the Group. You will keep such information confidential to yourself, to other members of the Board and to anybody who needs such information in order to properly discharge his duties to the Company or any Group Company. Such information includes (without limitation) the following:

- (a) the business methods and information of the Company and any other Group Companies (including, without limitation, prices charged, discounts given to customers or obtained from suppliers, product development, marketing and

advertising programmes, costing, budgets, turnover, sales targets and other financial information);

- (b) lists and particulars of the suppliers and customers of the Company or of any other Group Companies and the individual contacts at such suppliers and customers;
- (c) details and terms of the Agreements with suppliers and customers of the Company or of any other Group Companies;
- (d) secret development manufacturing or production processes and know-how employed by the Company or any other Group Companies or their respective suppliers; and
- (e) confidential details as to the design of the products and inventions or processes relating to the provision of services or developments relating to future products and services of the Company or of any other Group Companies or those of their respective suppliers.

10.2 These restrictions shall not apply to any disclosure or use authorised by the Board or required by law or by the requirements of any regulatory or other authority to which the Company or any other Group Company is subject.

10.3 These restrictions shall not apply to information which is already in the public domain other than in cases where such information has become public as a result of a breach by you of these restrictions.

10.4 These restrictions shall not restrict you from using your own personal skill in any business in which you may lawfully be engaged after termination of the Employment.

STATUTORY PROVISIONS

11. Additional provisions, details of which the Company is required by statute to provide you, are set out in Schedule 2 to this Agreement.

TERMINATION

Summary termination

12.1 The Company may terminate the Employment by immediate notice in writing and without payment of any kind other than salary and bonus accrued at the date of termination:

- (a) if in the reasonable opinion of the Board you are guilty of any:
 - (i) serious misconduct;
 - (ii) persistent misconduct continuing after demand for cessation of such misconduct is delivered in writing by the Board or by the Company Secretary on instruction from the Board; or

- (b) if you commit any material breach of any material provision of this Agreement;
- (c) if you neglect or refuse to carry out any material part of your duties (other than for a reason mentioned in Clause 12.2);
- (d) if you engage in any conduct which brings or is likely to bring the Company or any other Group Companies, in the reasonable opinion of the Board, into disrepute;
- (e) if you become bankrupt or enter into a composition with your creditors or apply for a receiving order or have a receiving order made against you;
- (f) if you become prohibited by law from being a director; or
- (g) if you terminate your directorship of the Company without the consent of the Board.

Termination by the Company through illness

12.2 The Company may terminate the Employment if you are prevented by illness (including mental illness) or injury from attending to your duties for more than 365 days in aggregate in any one period of 24 consecutive calendar months. The Company will not terminate the Employment pursuant to this Clause 12.2 if, as a result, you would or may forfeit any entitlement to benefits under the permanent health insurance scheme referred to in Schedule 1 unless it has used all reasonable endeavours to try to procure the continuation of cover under that scheme.

Termination through loss of directorship

12.3 If you are removed from the office of director of the Company, or the Company fails in general meeting to re-elect you as a director of the Company (if, under the Articles of Association or other constitutional documents for the time being of the Company as the case may be, you are obliged to retire by rotation or otherwise), then the Company may elect that the Employment shall terminate immediately without prejudice to the right of either party to this Agreement to treat any act or omission causing such removal from office as a breach of this Agreement.

Termination on change of control

12.4 Notwithstanding the provisions of Clause 12.5, you may terminate the Employment by giving the Company one month's notice in writing, such notice to be given within three months after a Change of Control unless a third party acquiring control of more than 50% of the voting rights of the Company has agreed to adopt the Reuters Trust Principles and the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and in the Memorandum and Articles of Association of Reuters Founders Share Company Limited and to use its best endeavours to procure that the Principles and such rights and duties are observed and upheld within the Company and any holding company of the Company. A Change of Control shall for the purpose of this Agreement occur

where more than 50% of the voting rights of the Company become controlled by any third party (including persons acting in concert but excluding Reuters Founders Share Company Limited) or the Company sells or otherwise disposes of all or substantially all of its assets with the approval of the Company's shareholders, other than for the purposes of a reconstruction or reorganisation in which (A) the ultimate ownership of the Company or substantially all its assets is unaffected or (B) a new holding company for the Company is created, where the new holding company has substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the interposition of the new holding company.

Termination in other circumstances

12.5 Subject to earlier termination in accordance with the provisions of this Clause, the Employment will continue until terminated:

- (a) by the Company giving you 12 months' written notice; or
- (b) by you giving the Company 12 months' written notice,

such notice to expire not earlier than 1 August 2002.

The Company may, in its sole discretion, elect to terminate the Employment before 1 August 2002 and/or without giving you notice or the full period of notice required by 12.5 (a) in which event you will be entitled to receive a payment calculated in accordance with Clause 12.6.

Liquidated damages

12.6 This Clause applies if:

- (a) the Employment is terminated by the Company otherwise than a termination (i) in accordance with Clause 12.1 or (ii) where removal from office takes place in circumstances justifying summary termination under Clause 12.1, in accordance with Clause 12.3 or (iii) in accordance with Clause 12.5 unless the final sentence of Clause 12.5 applies in which case this Clause will apply;
- (b) you are constructively dismissed which for these purposes shall include (without limitation):
 - (i) the assignment to you of any duties inconsistent in any respect with your position (including status, offices, titles and reporting requirement), authority, duties or responsibilities; or
 - (ii) any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, but excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by you; or

(c) you terminate the Employment under Clause 12.4.

Where this Clause applies, the Company will (subject to the remainder of this Clause) pay to you by way of liquidated damages: (1) if the termination occurs prior to 1 August 2001 an amount equal to 2A-B and (2) if the termination occurs on or after 1 August 2001 an amount equal to A

where A is the aggregate of:

- (i) your annual salary immediately prior to the date of termination of the Employment;
- (ii) the amount of pension contributions made by the Company on your behalf or to you in the last financial year of the Company preceding the date of termination; and
- (iii) the average of the last three annual bonuses earned by you pursuant to paragraph 1 of Schedule 1 to this Agreement in the last three complete financial years of the Company preceding the date of termination.

and B is the amount of salary, pension contributions and (if applicable) bonus paid to you or on your behalf whilst your Employment subsisted.

In relation to (iii) above, where there have been fewer than three complete financial years of the Company during the Employment, the averaging shall be by reference to the number of complete financial years which there have been during the Employment. Where there has been less than one complete financial year of the Company during the Employment, (iii) above shall be determined on the basis of the annualised bonus earned by you for the period of the Employment or, if for any reason that is unascertainable, on the basis of the bonus earned by the predecessor Finance Director of the Company in 1999.

In the event that the Company requires you to work only part of the notice period required by Clause 12.5 (a), the liquidated damages payment under this Clause 12.6 will be reduced by an amount equal to the salary, pension contributions and (if applicable) bonus paid to you or on your behalf in respect of the period of notice worked.

In the event that the Employment is terminated in accordance with Clause 12.2, liquidated damages payment under this Clause 12.6 will be reduced by an amount equal to the amount of any benefit payable under the permanent health insurance scheme referred to in Schedule 1, if termination occurs prior to 1 August 2001 for the period to 1 August 2002 and if termination occurs on or after 1 August 2001 for the period of 12 months following the date of termination.

The payment will be conditional on you not bringing any claims before a court or tribunal relating to the Employment and/or its termination. The payment will be made in two stages. The total amount, less a deduction of £60,000, will be paid within 14 days of the end of the Employment and the remaining balance of £60,000 will be paid within four months of the end of the Employment, in each case less any necessary

withholdings. You agree to accept the same in full and final settlement of all and any claims or rights of action that you have or may have against the Company and against any other Group Company and against their respective officers and employees in connection with the Employment or its termination.

Return of documents

12.7 On termination of the Employment for any reason or, at the request of the Company, when notice to terminate the Employment is given, you must immediately deliver to the Company (without keeping any copies):

- (a) all documents, papers and materials and any other property of the Company and of any other Group Companies; and
- (b) all documents or other media on which confidential information about the Company and any other Group Companies is recorded, in your possession or under your control.

Resignation as a director

12.8 On termination of the Employment for any reason, you must immediately, at the request of the Company resign your office as a director of the Company and of any other Group Company without compensation for loss of office but without prejudice to any rights which you may have to treat such request as a breach of this Agreement.

Share schemes

12.9 It is acknowledged that you may, during the Employment, be granted rights upon the terms and subject to the conditions of the rules from time to time of the Reuters Group PLC Long Term Incentive Plan or any other profit sharing, share incentive, share option, bonus or phantom option scheme operated by the Company or any other Group Company with respect to shares in the Company or any other Group Company. If, on termination of the Employment, whether lawfully or in breach of contract you lose any of the rights or benefits under such schemes (including rights or benefits which you would not have lost had the Employment not been terminated) you shall not be entitled, by way of compensation for loss of office or otherwise howsoever, to any compensation for the loss of any rights under any such scheme.

GARDEN LEAVE AND SUSPENSION

13.1 The Company may at any time or from time to time suspend you from the performance of your duties and/or exclude you from any of the premises of the Company or of any other Group Company:

- (a) during any period of notice or any part of a period of notice as specified in Clauses 12.4 or 12.5; or

- (b) in circumstances in which the Company reasonably believes that you are guilty of misconduct or are in breach of this Agreement and in order that the circumstances giving rise to that belief may be investigated.

13.2 The Company is not required to give any reason for suspending or excluding you. Your salary and benefits will not cease to be payable by reason only of such suspension or exclusion.

13.3 During any period of suspension or exclusion, you will not contact or deal with customers, suppliers or employees of the Company or of any other Group Company or enter onto the premises of the Company or of any Group Company without the prior written consent of the Chief Executive of the Company.

CONTINUING OBLIGATIONS

Non-representation

14.1 You will not at any time after the termination of the Employment directly or indirectly represent yourself as being in any way connected with or interested in the business of the Group (except, if it is the case, as a shareholder of the Company or as a director of the Company).

Non-solicitation of employees

14.2 You must not for a period of six months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company or employ or engage any employee of the Company or of any other Group Company with whom you had business dealings or who reported to you, directly or indirectly, during the period of 12 months preceding the date of termination of the Employment and who is or was employed or engaged by the Company or by any other Group Company:

- (a) as a director or in a managerial or technical capacity; or
- (b) you know (or ought reasonably to know) could materially damage the interests of the Company or any other Group Company if he became employed in any business in competition with the business of the Company or of any other Group Company.

Non-solicitation of business

14.3 You must not for a period of six months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company the business or custom of any firm, company or other person who, during the period of 12 months preceding the date of termination of the Employment, was a customer of the Company or of any other Group Company with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company

or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-dealing

14.4 You must not for a period of six months after the termination of the Employment deal with any person, firm or company who during the period of 12 months preceding the date of termination of the Employment was a customer or potential customer of the Company or of any other Group Company and (in the case of a customer) to whom you provided services on behalf of the Company or any other Group Company or (in the case of a potential customer) with whom you had business dealings with a view to obtaining business for the Company or any other Group Company and in each case with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-competition

14.5 You must not, for a period of six months after the termination of the Employment, be engaged in or concerned in any capacity in any business concern which is in competition with the business of the Company or of any other Group Company. A list of such business concerns as at the date of this Agreement is set out in Part 1 of Schedule 3 to this Agreement. Unless you have the prior approval of the Chairman and the Chief Executive of the Company you may not, for a period of six months after the termination of the Employment, be engaged in or concerned in any capacity in any of the business concerns named in the lists set out in Parts 2 and 3 of Schedule 3 of this Agreement. The lists in Schedule 3 may be amended by the Board acting reasonably (provided that the number of business concerns included in Schedule 3 at any one time shall not exceed 15) and each such amendment shall be notified to you from time to time. This Clause shall not restrain you from being engaged or concerned in any business concern in so far as your duties or work relate solely to services or activities of a kind with which you were not concerned to a material extent during the period of six months preceding the date of termination of the Employment.

Extension to other persons

14.6 The obligations imposed on you by this Clause 14 extend to you acting not only on your own account but also on behalf of any other firm, company or other person and shall apply whether you act directly or indirectly.

Acknowledgement of reasonableness

14.7 The restrictions contained in this Clause 14 are considered by you and the Company to be reasonable in all the circumstances. Each part of this Clause constitutes an entirely separate and independent restriction and the duration, extent

and application of each of the restrictions are not greater than is necessary for the protection of the commercial interests of the Group and their stable trained workforce.

No disparaging statements

14.8 Each party agrees during, and after termination of, the Employment not to make, publish or cause to be made, published or issued or otherwise communicate to any third party any disparaging or derogatory statements to any third party concerning you or the Company or any Group Company or any of its or their current executives, officers, employees, agents or consultants, provided that nothing in this Agreement will prevent you or the Company from disclosing information as required by law or in order to take professional advice or as ordered by a court of competent jurisdiction.

WAIVER

15. Any delay or forbearance by the Company in exercising any right of determination of this Agreement shall not constitute a waiver of it.

AMENDMENTS

16. No amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by you and a director or the Company Secretary of the Company.

NOTICES

17. Any notice required to be served under this Agreement may be given either personally, by fax or by registered post:

- (a) to the Company at its registered office for the time being; or
- (b) to you at the address at the start of this Agreement or your last known address.

Any notice to be given under this Agreement to you may be served by being handed to you personally or by being sent by recorded delivery first class post or by fax to you at your usual or last known address; and any notice to be given to the Company may be served by being marked for the attention of the Company Secretary and by being left at or by being sent by recorded delivery first class post or by fax to its registered office for the time being. Any notice served by post shall be deemed to have been served on the second day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was, in your case, addressed to you at your usual or last known address and, in the case of the Company, addressed to it marked for the attention of the Company Secretary at its registered office for the time being, and in either case posted as a prepaid letter by recorded delivery. Any notice served by fax shall be deemed to have been served twelve hours after the time of despatch.

OTHER AGREEMENTS

18. You acknowledge and warrant that there are no Agreements or arrangements whether written, oral or implied between the Company or any other Group Company and you relating to your employment or the Employment other than those which are expressly set out in this Agreement and that you are not entering into this Agreement in reliance on any representation not expressly set out in this Agreement.

GOVERNING LAW

19. This Agreement will be governed by and construed under English law without regard to its conflicts of laws provisions, and each of the parties hereby irrevocably agrees for the exclusive benefit of the Company that the Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

WITHHOLDING TAX

20. All amounts payable to you under this Agreement shall be subject to applicable withholding of income, salary and such other withholdings that the Company determines are required to be withheld in accordance with applicable laws.

AS WITNESS whereof this Agreement has been signed by or on behalf of the parties to it on the day and year first above written.

OTHER BENEFITS**BONUS**

1. You will be entitled to participate in an annual bonus plan to be administered by the Remuneration Committee. Unless otherwise agreed by the Remuneration Committee, the maximum annual bonus payable under this plan will be an amount up to 125% of your base salary. The criteria relating to your performance and that of the Company which are to be used to determine the amount of the bonus in any year will be laid down by the Remuneration Committee at the commencement of each year and the bonus for that year will be paid as soon as reasonably practicable after the relevant results have been determined. The Remuneration Committee reserves the right to amend the quantitative criteria annually and/or to discontinue the bonus arrangement. On termination of the Employment, other than termination pursuant to Clause 12.1 or termination in respect of which Clause 12.6 applies, you shall be entitled to a pro-rated amount of bonus, being such proportion of average bonus (calculated according to Clause 12.6(iii)) as is the same as the proportion of the last financial year during which the Employment has subsisted.

SHARE OPTION PLANS

2.1 You will be eligible for membership of the Company's Save As You Earn Share Option Scheme and of any other all employee share option plan operated by the Company and approved by the Company's shareholders. Participation in such scheme and plans is, save as otherwise stipulated in their rules, at the sole discretion of the Board or the Remuneration Committee.

2.2 If you are relocated to a country outside the United Kingdom, you are entitled to participate in any equivalent scheme or plan operated by a Group Company in that country.

HOLIDAYS

3.1 The Company's holiday year runs from 1 January to 31 December. In addition to the bank and other public holidays, you will be entitled to 30 working days' paid holiday in each holiday year. In the first year of the Employment, the annual entitlement will be pro rata based on the holiday year.

3.2 Your annual holiday may be taken at such time or times as are reasonably appropriate having regard to the business needs of the Company.

3.3 Holidays not taken in the year of entitlement will be lost unless carried forward with the agreement of the Chief Executive of the Company.

3.4 On termination of the Employment, you will be entitled to pay in lieu of any unpaid holiday or be required to pay the Company any salary received for holiday taken in excess of your contractual entitlement. You may be required to take any untaken holiday during your notice period.

PENSION SCHEMES

4.1 You are entitled to join the Reuters UK Retirement Plan subject to the trust deed and rules of the scheme from time to time in force.

4.2 Subject to any limits imposed by the Inland Revenue from time to time, the Company will pay contributions to the Company pension scheme as set out in your annual statement of remuneration and benefits.

4.3 A contracting out certificate is in force in respect of the Employment.

4.4 In addition the Company will contribute 20% of your base salary above the pensions cap imposed by the Inland Revenue from time to time (such contribution to be taxable) to an appropriate retirement benefit scheme of your choice.

LONG TERM INCENTIVE PLAN

5. You are entitled to be a member of the Reuters Group PLC Long Term Incentive Plan or any plan operated by the Company in succession to that plan (as notified to you from time to time) for so long as the Plan or such plan may be operated by the Company, and the Company shall pay to you benefits under the Plan or such plan, subject to the conditions of the Company's policy on retention of LTIP awards on early retirement (as notified to you from time to time).

DISABILITY INSURANCE

6. You shall be entitled to membership of, and the Company shall pay to you benefits under, the Company's disability insurance scheme, subject to the terms of that scheme and of any related policy of insurance as in force from time to time.

LIFE ASSURANCE AND PERMANENT HEALTH SCHEME

7.1 The Company will provide life assurance to you in addition to that provided under the Reuters UK Retirement Plan so that in aggregate you are assured for the value of four times annual salary, subject to your being acceptable for insurance at rates normal for your age and subject to the rules of the relevant life assurance arrangements.

7.2 You (your spouse and any unmarried children under 21 (or under 24 if in fulltime education)) are entitled to membership of the Company's permanent health insurance scheme subject to the rules of the scheme and of any related policy of insurance.

7.3 If you wish, as an alternative to membership of the Company's scheme, the Company will bear the costs of you being a member of another permanent health insurance scheme, up to the value of the benefits available to you under the Company's scheme.

7.4 You are entitled to receive an annual health check at a cost to the Company of no more than £500 (or as increased and notified to you from time to time).

COMPANY CAR

8. The Company will provide you with a car (or cash in lieu if you so elect) in accordance with the terms of the Company's policy on executive directors' cars (as notified to you from time to time) for business and personal use and will bear the expenses of taxing, insuring, repairing and maintaining the car. You agree to comply in full with the Company's policy on executive directors' cars, failing which the Company may require you to return the car immediately.

CHAUFFEUR-DRIVEN CAR

9. You shall be entitled to the non-exclusive use of a chauffeur-driven car provided by the Company (subject to availability) at no cost to you for purposes reasonably connected with the Company's business or as otherwise approved by the Chief Executive of the Company.

DIRECTORS' INDEMNITY AND INSURANCE

10. You shall have the benefits of:

- (a) the indemnity contained in regulation 155 of the Company's Articles of Association;
- (b) any similar indemnity in respect of liabilities incurred by Group Company directors in their capacity as such contained in the constitutional documents of any other Group Company for so long as you are a director or officer of such other Group Company; and
- (c) (subject to their terms) any insurance policies which shall be maintained by the Company in respect of liabilities incurred by Group Company directors in their capacity as such.

OTHER BENEFITS

11. You shall have such other benefits as may be made available to you by the Company from time to time, including but not limited to the use of Reuters products, mobile telephone and other equipment and membership of professional bodies.

ADDITIONAL STATUTORY PROVISIONS

EMPLOYMENT RIGHTS ACT 1996

Additional particulars required to be disclosed:

CONTINUOUS EMPLOYMENT

1. The Employment is not continuous with any other period of employment with the Company or with any other Group Company.

INJURY AND SICKNESS PAY

2. If you are absent from work because of sickness or injury, you must:

- (a) notify the Company as soon as possible on the first morning of absence and inform the Company of your expected date of return;
- (b) complete and return to the Company a self-certification form in respect of the first five working days of any sickness absence;
- (c) provide the Company with a medical certificate from your GP or other registered practitioner for periods of absence of seven days (including weekends) in excess and with medical certificates for each subsequent week of sickness absence;
- (d) if requested by the Company, undergo a medical examination at the expense of the Company with a medical practitioner nominated by the Company; and
- (e) if requested by the Company give written permission to the Company to have access to any medical or health report in its complete form prepared by any health professional on your physical or mental condition.

Subject to the above, you will be entitled at the discretion of the Company to up to 365 days' sick pay (including statutory sick pay) in any 24 month rolling period. Sick pay will be calculated at your normal rate of pay and benefits.

DISCIPLINARY RULES AND GRIEVANCE PROCEDURE

If at any time you have a grievance relating to the Employment, you may seek redress orally or in writing by, in the first instance, referring the grievance to the Chairman of the Board. If the grievance remains unresolved, you may appeal to the Board and the Board shall deal with the matter by discussion and by majority decision of those present at the relevant meeting of the Board. The Board's decision shall be final and binding.

4. There are no collective agreements with trade unions which directly affect your terms and conditions.

SCHEDULE 3

COMPETING BUSINESS CONCERNS AS AT THE DATE OF THIS AGREEMENT

Part 1

Competing Business Concerns

Bloomberg L.P.
Pearson PLC
Quick Corporation of Japan
AOL Time Warner
Telekurs A.G.
SunGard
The Electronic Broking Service

Part 2

Companies with Divisions which compete with Reuters

The Thomson Corporation
The McGraw Hill Companies
The Dun & Bradstreet Corporation
Reed Elsevier P.L.C./Elsevier N.V.

Part 3

Companies with which Reuters has strategic relationships

Yahoo! Inc.

SIGNED by
for and on behalf of
REUTERS GROUP PLC
in the presence of: -

) /s/ Niall FitzGerald
)
)
)

SIGNED as a **DEED**
and **DELIVERED** by
DAVID GRIGSON
in the presence of :-

)
)
) /S/ DAVID GRIGSON
)

REUTERS GROUP PLC

DEVIN WENIG

SERVICE AGREEMENT

TABLE OF CONTENTS

	Page
1. DEFINITIONS	1
2. DURATION OF EMPLOYMENT	1
3. ROLE, POWERS AND DUTIES	1
4. NORMAL PLACE OF WORK	2
5. HOURS OF WORK	3
6. FEE	3
7. EXPENSES	3
8. OTHER INTERESTS	3
9. INVENTIONS AND IMPROVEMENTS	4
10. CONFIDENTIALITY	5
11. TERMINATION	6
12. GARDEN LEAVE AND SUSPENSION	10
13. CONTINUING OBLIGATIONS	10
14. WAIVER	12
15. AMENDMENTS	12
16. NOTICES	12
17. OTHER AGREEMENTS	13
18. GOVERNING LAW	13
19. WITHHOLDING TAX	13
SCHEDULE 1	14
OTHER BENEFITS	14
SCHEDULE 2	15
COMPETING BUSINESS CONCERNS	15
AS AT THE DATE OF THIS AGREEMENT	15

THIS AGREEMENT is made on 31 January 2006

BETWEEN

(1) **REUTERS GROUP PLC** registered in England with No. 3296375 whose registered office is at The Reuters Building, South Colonnade, Canary Wharf, London E14 5EP (the **Company**); and

(2) **DEVIN NORSE WENIG** of #4F 27 North Moore, New York, NY 10013 (**you**).

IT IS AGREED as follows:

1. DEFINITIONS

In this Agreement the following expressions shall have the following meanings:

Board means the board of directors of Reuters Group PLC or a duly constituted committee of the board of directors;

Employment means your employment in accordance with the terms and conditions of this Agreement;

Group means the Company, any holding company of the Company and any subsidiary of the Company or of any such holding company (with holding company and subsidiary having the meanings given to them by section 736 of the Companies Act 1985). **Group Company** and **Group Companies** shall be construed accordingly; and

Remuneration Committee means the remuneration committee of the Board.

2. DURATION OF EMPLOYMENT

2.1 It is acknowledged that the company and you entered into an Agreement dated 17 February 2003 setting out the terms of your Employment (the **Original Agreement**). It is further acknowledged that:

- (a) this Agreement shall supersede and replace the Original Agreement with effect from 31 March 2006 in respect of the period of your Employment from 31 March 2006;
- (b) nothing in this Agreement shall amend or alter the provisions of the Original Agreement in respect of the period 17 February 2003 to 30 March 2006 or of any award made thereunder.

3. ROLE, POWERS AND DUTIES

3.1 You will serve the Company as Executive Director or in such other capacity of a like status as the Company may require.

3.2 Subject to Clause 4, you will exercise such powers and perform such duties in relation to the business of the Company and the Group, being duties which are appropriate to your senior status, as may be assigned to you by the Chief Executive of the Company after taking into account the opinion of the Board.

3.3 During the Employment you will:

- (a) devote substantially the whole of your working time, attention and abilities to carrying out those duties and , where appropriate, duties in any other Group Company in a proper, loyal and efficient manner;
- (b) use all reasonable endeavours to promote the interests of the Company and any other Group Company which you may be required to serve under the terms of this Agreement;
- (c) have due regard to the Reuters Trust Principles and to the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and the Memorandum and Articles of Association of Reuters Founders Share Company Limited insofar as, by the proper exercise of your powers (and in accordance with your other duties) as director of the Company, the Reuters Trust Principles are capable of being observed by you;
- (d) have due regard to the provisions of the Reuters Code of Conduct (as notified to you from time to time) and, so far as reasonably practicable in the performance of your duties, observe all material provisions of that Code;
- (e) comply with the Reuters Share Dealings Code (as notified to you from time to time); and
- (f) have due regard to the provisions of all other policies which are applied to you by the Company, as notified to you from time to time.

3.4 You are entitled to take independent professional advice, at the expense of the Company, where such advice is reasonably required for the furtherance of your duties as a director of the Company and provided that before taking such advice you obtain the written consent of one other director and send a copy of such consent to the Company Secretary and that the Company's expenditure on such advice does not exceed £50,000 per annum.

4. NORMAL PLACE OF WORK

4.1 Your normal place of work is at the head office of Reuters America, 3 Times Square, New York. You may be required, in the performance of your duties, to travel both domestically and internationally. .

5. HOURS OF WORK

5.1 You will work the Company's normal working hours together with such additional hours as may reasonably be required for the proper performance of your duties.

6. FEE

6.1 You will be paid a fee at such rate as is set out in an annual letter to you from the Company.

6.2 Your fee will accrue from day to day and be payable in monthly instalments on or around the 15th of each month.

6.3 You are not entitled to any other fees as director of the Company or any other Group Company and you must, as the Company directs, either waive your rights to any such fees or account for the same to the Company, (failing which it will be deducted from your salary). Nothing in this Clause 6.3 shall affect your entitlement to receive a salary and employee related benefits in respect of your employment with Reuters America LLC as President of Customer Segments or in any position to which you are subsequently appointed.

7. EXPENSES

7.1 Subject to the Company's policies on executive directors' expenses and executive directors' spouse expenses (as notified to you from time to time), the Company will reimburse to you all reasonable travelling, hotel and other out-of-pocket expenses properly incurred by you and your spouse in the execution of the duties of the Employment against production of valid receipts and properly completed expense reports.

8. OTHER INTERESTS

8.1 During the Employment you will be entitled to accept appointments as a non-executive director of companies other than a Group Company subject to:

- (a) the prior written consent of the Chief Executive of the Company (such consent to be confirmed by the Board); and
- (b) the Company's policy on non-executive directorships (as notified to you from time to time).

You may retain any fees received as a non-executive director provided they are paid in cash rather than in stock, other securities or options. For the avoidance of doubt, you will not be permitted to retain any fees received as a non-executive director of any Group Company or Associated Company. Days of service as a non-executive director will not be deducted from your holiday entitlement provided that you shall not spend more than ten working days in aggregate in any year in such service. At any

time during the Employment the Company may, with reasonable cause, require you to resign any non-executive directorship held. Reasonable cause for this purpose shall include but not be limited to a conflict of interest and such other reason or reasons as may be specified in the Reuters Code of Conduct (as notified to you from time to time).

8.2 During the Employment you will not be directly or indirectly concerned in any business, trade, profession or other occupation (whether as an employee, consultant, agent, director or otherwise) of a similar nature to or competitive with that carried on by the Company or any Group Companies except:

- (a) as a representative or officer of a Group Company;
- (b) as a non-executive director under Clause 8.1;
- (c) by virtue of your being interested in securities not representing more than one per cent. of a company's issued securities of any class which are either (i) listed on a recognised stock exchange or dealt on an unlisted securities market or an alternative investment market or authorised for quotation in a recognised inter-dealer quotation system or (ii) of a private company whose shares the Chief Executive of the Company has authorised you to hold; or
- (d) with the prior written consent of the Board.

8.3 You may serve on the board of religious, charitable or public service organisations or otherwise be engaged in the activities of such organisations provided so serving or being so engaged does not prejudice your ability to fulfil your duties under this Agreement.

9. INVENTIONS AND IMPROVEMENTS

9.1 It will be part of your normal duties at all times:

- (a) to consider in what manner and by what new methods or devices the products, services, processes, equipment or systems of the Company and other Group Companies with which you are concerned or for which you are responsible might be improved; and
- (b) promptly to give to the Company Secretary of the Company full details of any invention or improvement which you may from time to time make or discover in the course of your duties.

Subject to the Patents Act 1977, the Company will be entitled free of charge to the sole ownership of any such invention or improvement and to the exclusive use of it.

9.2 You assign to the Company (or to such other Group Company as the Company may direct) all copyrights, designs and other proprietary rights, if any, which may be so assigned in respect of all works and designs created by you or relating to your responsibilities during the Employment for the full term of those rights to the intent

that those rights will immediately upon the completion of the relevant work vest with the Company (or with such other Group Company as the Company may direct).

9.3 At the request and cost of the Company, you will do all such acts and things as may in the opinion of the Board be necessary or conducive to vest such rights in the Company (or in such other Group Company as it may direct). You irrevocably authorise the Company for the purposes of this Clause to make use of your name and to sign and to execute any documents or do any thing on your behalf.

9.4 You will not do anything knowingly to imperil the validity of any patent or protection or any application for a patent or protection.

9.5 You will not either during or after the termination of the Employment and any other employment within the Group, exploit or assist others to exploit any invention or improvement which you may from time to time make or discover in the course of your duties or (unless it shall have become public knowledge) make public or disclose any such invention or improvement or give any information in respect of it except to the Company or as the Company may direct.

9.6 You irrevocably waive in favour of the Company (and in favour of such other Group Company as the Company may direct), its licensees and successors-in-title any and all moral rights in any works (existing or future) which are the subject of copyright made by you in the course of the Employment and any other employment within the Group.

10. CONFIDENTIALITY

10.1 During and after the termination of the Employment and any other employment within the Group, you will at all times keep confidential all private information about the Company and other Group Companies including technical and financial information which you may have acquired while in the employment of the Company or of any other Group Company. You will not use such information for your own benefit or for the benefit of any business not within the Group. You will keep such information confidential to yourself, to other members of the Board and to anybody who needs such information in order to properly discharge his duties to the Company or any Group Company. Such information includes (without limitation) the following:

- (a) the business methods and information of the Company and any other Group Companies (including, without limitation, prices charged, discounts given to customers or obtained from suppliers, product development, marketing and advertising programmes, costing, budgets, turnover, sales targets and other financial information);
- (b) lists and particulars of the suppliers and customers of the Company or of any other Group Companies and the individual contacts at such suppliers and customers;
- (c) details and terms of the Agreements with suppliers and customers of the Company or of any other Group Companies;

- (d) secret development manufacturing or production processes and know-how employed by the Company or any other Group Companies or their respective suppliers; and
- (e) confidential details as to the design of the products and inventions or processes relating to the provision of services or developments relating to future products and services of the Company or of any other Group Companies or those of their respective suppliers.

10.2 These restrictions shall not apply to any disclosure or use authorised by the Board or required by law or by the requirements of any regulatory or other authority to which the Company or any other Group Company is subject.

10.3 These restrictions shall not apply to information that is already in the public domain other than in cases where such information has become public as a result of a breach by you of these restrictions.

10.4 These restrictions shall not restrict you from using your own personal skill in any business in which you may lawfully be engaged after termination of the Employment and any other employment within the Group.

11. TERMINATION

Summary termination

11.1 The Company may terminate the Employment and any other employment within the Group, by immediate notice in writing and without payment of any kind other than salary and bonus accrued at the date of termination:

- (a) if in the reasonable opinion of the Board you are guilty of any:
 - (i) serious misconduct;
 - (ii) persistent misconduct continuing after demand for cessation of such misconduct is delivered in writing by the Board or by the Company Secretary on instruction from the Board; or
- (b) if you commit any material breach of any material provision of this Agreement;
- (c) if you neglect or refuse to carry out any material part of your duties (other than for a reason mentioned in Clause 11.2);
- (d) if you engage in any conduct which brings or is likely to bring the Company or any other Group Companies, in the reasonable opinion of the Board, into disrepute;
- (e) if you become bankrupt or enter into a composition with your creditors or apply for a receiving order or have a receiving order made against you;
- (f) if you become prohibited by law from being a director; or

(g) if you terminate your directorship of the Company without the consent of the Board.

Termination by the Company through illness

11.2 The Company may terminate the Employment and any other employment within the Group, if you are prevented by illness (including mental illness) or injury from attending to your duties for more than 365 days in aggregate in any one period of 24 consecutive calendar months. Termination through loss of directorship

11.3 If you are removed from the office of director of the Company, or the Company fails in general meeting to re-elect you as a director of the Company (if, under the Articles of Association or other constitutional documents for the time being of the Company as the case may be, you are obliged to retire by rotation or otherwise), then the Company may elect that the Employment, and any other employment within the Group, shall terminate immediately without prejudice to the right of either party to this Agreement to treat any act or omission causing such removal from office as a breach of this Agreement.

Termination on change of control

11.4 Notwithstanding the provisions of Clause 11.5, you may terminate the Employment and any other employment within the Group, by giving the Company one month's notice in writing, such notice to be given within three months after a Change of Control unless a third party acquiring control of more than 50% of the voting rights of the Company has agreed to adopt the Reuters Trust Principles and the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and in the Memorandum and Articles of Association of Reuters Founders Share Company Limited and to use its best endeavours to procure that the Principles and such rights and duties are observed and upheld within the Company and any holding company of the Company. A Change of Control shall for the purpose of this Agreement occur where more than 50% of the voting rights of the Company become controlled by any third party (including persons acting in concert but excluding Reuters Founders Share Company Limited) or the Company sells or otherwise disposes of all or substantially all of its assets with the approval of the Company's shareholders, other than for the purposes of a reconstruction or reorganisation in which (A) the ultimate ownership of the Company or substantially all its assets is unaffected or (B) a new holding company for the Company is created, where the new holding company has substantially the same shareholders and proportionate shareholdings as those of the Company immediately prior to the interposition of the new holding company.

Termination in other circumstances

11.5 Subject to earlier termination in accordance with the provisions of this Clause, the Employment and any other employment within the Group, will continue until terminated:

(a) by the Company giving you 12 months' written notice; or

- (b) by you giving the Company 12 months' written notice.

The Company may, in its sole discretion, elect to terminate the Employment and any other employment within the Group, without giving you notice or the full period of notice required by (a) in which event you will be entitled to receive a payment calculated in accordance with Clause 11.6.

Liquidated damages

11.6 This Clause applies if:

- (a) the Employment and any other employment within the Group, is terminated by the Company otherwise than a termination (i) in accordance with Clause 11.1 or (ii) where removal from office takes place in circumstances justifying summary termination under Clause 11.1, in accordance with Clause 11.3 or (iii) in accordance with Clause 11.5 unless the final sentence of Clause 11.5 applies in which case this Clause will apply;
- (b) you are constructively dismissed which for these purposes shall include (without limitation):
 - (i) the assignment to you of any duties inconsistent in any respect with your position (including status, offices, titles and reporting requirement), authority, duties or responsibilities; or
 - (ii) any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, but excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by you; or
- (c) you terminate the Employment and any other employment within the Group, under Clause 11.4.

Where this Clause applies, the Company will (subject to the remainder of this Clause) pay to you by way of liquidated damages of your annual fee immediately prior to the date of termination of the Employment;

In the event that the Company requires you to work only part of the notice period required by Clause 11.5(a), the liquidated damages payment under this Clause 11.6 will be reduced by an amount equal to the annual fee paid to you or on your behalf in respect of the period of notice worked.

The payment under this Clause 11.6 shall be in full and final settlement of all and any claims or rights of action that you have or may have against the Company and against

any other Group Company and against their respective officers and employees in connection with the Employment or its termination.

The payment under this Clause 11.6 shall be paid in advance in four equal quarterly instalments (in each case less any necessary withholdings) from the date of termination of your Employment. No further instalment will be payable after the date on which you commence alternative employment at a basic annual salary of or in excess of 50% of your basic annual salary at the date of termination. Payment will be conditional on you not bringing any claims before a court or tribunal relating to the Employment and any other employment within the Group, and/or its termination.

Return of documents

11.7 On termination of the Employment and any other employment within the Group, for any reason or, at the request of the Company, when notice to terminate the Employment and any other employment within the Group, is given, you must immediately deliver to the Company (without keeping any copies):

- (a) all documents, papers and materials and any other property of the Company and of any other Group Companies; and
- (b) all documents or other media on which confidential information about the Company and any other Group Companies is recorded, in your possession or under your control.

Resignation as a director

11.8 On termination of the Employment for any reason, you must immediately, at the request of the Company resign your office as a director of the Company and of any other Group Company or Associated Company without compensation for loss of office but without prejudice to any rights which you may have to treat such request as a breach of this Agreement.

Share schemes

11.9 It is acknowledged that you may, during the Employment, be granted rights upon the terms and subject to the conditions of the rules from time to time of the Reuters Group PLC Long Term Incentive Plan or any other profit sharing, share incentive, share option, bonus or phantom option scheme operated by the Company or any other Group Company with respect to shares in the Company or any other Group Company. If, on termination of the Employment and any other employment within the Group,, whether lawfully or in breach of contract you lose any of the rights or benefits under such schemes (including rights or benefits which you would not have lost had the Employment and any other employment within the Group, not been terminated) you shall not be entitled, by way of compensation for loss of office or otherwise howsoever, to any compensation for the loss of any rights under any such scheme.

12. GARDEN LEAVE AND SUSPENSION

12.1 The Company may at any time or from time to time suspend you from the performance of your duties and/or exclude you from any of the premises of the Company or of any other Group Company:

- (a) during any period of notice or any part of a period of notice as specified in Clauses 11.4 or 11.5; or
- (b) in circumstances in which the Company reasonably believes that you are guilty of misconduct or are in breach of this Agreement and in order that the circumstances giving rise to that belief may be investigated.

12.2 The Company is not required to give any reason for suspending or excluding you. Your fee will not cease to be payable by reason only of such suspension or exclusion.

12.3 During any period of suspension or exclusion, you will not contact or deal with customers, suppliers or employees of the Company or of any other Group Company or enter onto the premises of the Company or of any Group Company without the prior written consent of the Chief Executive of the Company.

12.4 The provisions of Clause 8.2 shall remain in full force and effect during any period of suspension under this Clause 12. You will also continue to be bound by duties of good faith and fidelity to the Company during any period of suspension under this Clause 12.

13. CONTINUING OBLIGATIONS

Non-representation

13.1 You will not at any time after the termination of the Employment directly or indirectly represent yourself as being in any way connected with or interested in the business of the Group (except, if it is the case, as a shareholder of the Company, an employee of a Group Company or as a director of the Company).

Non-solicitation of employees

13.2 You must not for a period of 12 months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company or employ or engage any employee of the Company or of any other Group Company with whom you had business dealings or who reported to you or about whom you became informed, directly or indirectly, during the period of 12 months preceding the date of termination of the Employment and who is or was employed or engaged by the Company or by any other Group Company:

- (a) as a director or in a managerial or technical capacity; or
- (b) you know (or ought reasonably to know) could materially damage the interests of the Company or any other Group Company if he became employed in any

business in competition with the business of the Company or of any other Group Company.

Non-solicitation of business

13.3 You must not for a period of 12 months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company the business or custom of any firm, company or other person who, during the period of 12 months preceding the date of termination of the Employment, was a customer of the Company or of any other Group Company with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-dealing

13.4 You must not for a period of 12 months after the termination of the Employment (except, if it is the case as an employee of a Group Company) deal with any person, firm or company who during the period of 12 months preceding the date of termination of the Employment was a customer or potential customer of the Company or of any other Group Company and (in the case of a customer) to whom you provided services on behalf of the Company or any other Group Company or (in the case of a potential customer) with whom you had business dealings with a view to obtaining business for the Company or any other Group Company and in each case with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-competition

13.5 You must not, for a period of 12 months after the termination of the Employment, be engaged in or concerned in any capacity in any business concern which is in competition with the business of the Company or of any other Group Company. A list of such business concerns as at the date of this Agreement is set out in Part 1 of Schedule 2 to this Agreement. Unless you have the prior approval of the Chairman and the Chief Executive of the Company you may not, for a period of 12 months after the termination of the Employment, be engaged in or concerned in any capacity in any of the business concerns named in the lists set out in Parts 2 and 3 of Schedule 2 of this Agreement. The lists in Schedule 2 may be amended by the Board acting reasonably (provided that the number of business concerns included in Schedule 2 at any one time shall not exceed 15) and each such amendment shall be notified to you from time to time. This Clause shall not restrain you from being engaged or concerned in any business concern in so far as your duties or work relate solely to services or activities of a kind with which you were not concerned to a material extent during the period of six months preceding the date of termination of the Employment.

Extension to other persons

13.6 The obligations imposed on you by this Clause 13 extend to you acting not only on your own account but also on behalf of any other firm, company or other person and shall apply whether you act directly or indirectly.

Acknowledgement of reasonableness

13.7 The restrictions contained in this Clause 13 are considered by you and the Company to be reasonable in all the circumstances. Each part of this Clause constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are not greater than is necessary for the protection of the commercial interests of the Group and their stable trained workforce.

No disparaging statements

13.8 Each party agrees during, and after termination of, the Employment not to make, publish or cause to be made, published or issued or otherwise communicate to any third party any disparaging or derogatory statements to any third party concerning you or the Company or any Group Company or any of its or their current executives, officers, employees, agents or consultants, provided that nothing in this Agreement will prevent you or the Company from disclosing information as required by law or in order to take professional advice or as ordered by a court of competent jurisdiction.

14. WAIVER

14.1 Any delay or forbearance by the Company in exercising any right of determination of this Agreement shall not constitute a waiver of it.

15. AMENDMENTS

15.1 No amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by you and a director or the Company Secretary of the Company.

16. NOTICES

16.1 Any notice required to be served under this Agreement may be given either personally, by fax or by registered post:

- (a) to the Company at its registered office for the time being; or
- (b) to you at the address at the start of this Agreement or your last known address.

Any notice to be given under this Agreement to you may be served by being handed to you personally or by being sent by recorded delivery first class post or by fax to you at your usual or last known address; and any notice to be given to the Company may be served by being marked for the attention of the Company Secretary and by being left at or by being sent by recorded delivery first class post or by fax to its registered office for the time being. Any notice served by post shall be deemed to have been served on the second day (excluding Sundays and statutory holidays) next

following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was, in your case, addressed to you at your usual or last known address and, in the case of the Company, addressed to it marked for the attention of the Company Secretary at its registered office for the time being, and in either case posted as a prepaid letter by recorded delivery. Any notice served by fax shall be deemed to have been served twelve hours after the time of despatch.

17. OTHER AGREEMENTS

17.1 You acknowledge and warrant that there are no Agreements or arrangements whether written, oral or implied between the Company or any other Group Company and you relating to your employment or the Employment other than those which are expressly set out in this Agreement and that you are not entering into this Agreement in reliance on any representation not expressly set out in this Agreement. For the purposes of this Clause 17.1, this acknowledgement and warranty will not apply to the terms of your Service Agreement with Reuters America Inc dated June 2003.

18. GOVERNING LAW

18.1 This Agreement will be governed by and construed under English law without regard to its conflicts of laws provisions, and each of the parties hereby irrevocably agrees for the exclusive benefit of the Company that the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Agreement.

19. WITHHOLDING TAX

19.1 All amounts payable to you under this Agreement shall be subject to applicable withholding of income, salary and such other withholdings that the Company determines are required to be withheld in accordance with applicable laws.

AS WITNESS whereof this Agreement has been signed by or on behalf of the parties to it on the day and year first above written.

SCHEDULE 1

OTHER BENEFITS

None

SCHEDULE 2

COMPETING BUSINESS CONCERNS

AS AT THE DATE OF THIS AGREEMENT

Part 1

Competing Business Concerns

AOL Time Warner
Bloomberg L.P.
Pearson PLC
Quick Corporation of Japan
Telekurs A.G.
SunGard
The Electronic Broking Service

Part 2

Companies with Divisions which compete with Reuters

The Thomson Corporation
The McGraw Hill Companies
The Dun & Bradstreet Corporation
Reed Elsevier P.L.C./Elsevier N.V.

Part 3

Companies with which Reuters has a strategic relationship

Yahoo! Inc.

SIGNED by) /s/ Niall FitzGerald
for and on behalf of)
REUTERS GROUP PLC)
in the presence of:-)

SIGNED as a **DEED**)
and **DELIVERED** by)
DEVIN WENIG) /S/ DEVIN WENIG
in the presence of :-)

REUTERS AMERICA LLC

DEVIN WENIG

SERVICE AGREEMENT

TABLE OF CONTENTS

	Page
1. DEFINITIONS	1
2. DURATION OF EMPLOYMENT	1
3. ROLE, POWERS AND DUTIES	2
4. NORMAL PLACE OF WORK	2
5. HOURS OF WORK	2
6. SALARY AND BENEFITS	3
7. EXPENSES	3
8. OTHER INTERESTS	3
9. INVENTIONS AND IMPROVEMENTS	4
10. CONFIDENTIALITY	5
11. TERMINATION	6
12. GARDEN LEAVE AND SUSPENSION	10
13. CONTINUING OBLIGATIONS	10
14. WAIVER	12
15. AMENDMENTS	12
16. NOTICES	13
17. OTHER AGREEMENTS	13
18. GOVERNING LAW	13
19. WITHHOLDING TAX	13
SCHEDULE 1	14
OTHER BENEFITS	14
1. BONUS	14
2. SHARE OPTION PLANS	14
3. HOLIDAYS	14
4. SICKNESS AND OTHER INCAPACITY	15

5.	PENSION SCHEMES	15
6.	LONG TERM INCENTIVE PLAN	15
7.	MEDICAL/ DISABILITY INSURANCE	15
8.	LIFE ASSURANCE	15
9.	COMPANY CAR	15
10.	DIRECTORS' INDEMNITY AND INSURANCE	15
11.	OTHER BENEFITS	16
	SCHEDULE 2	17
	COMPETING BUSINESS CONCERNS	17
	AS AT THE DATE OF THIS AGREEMENT	17

THIS AGREEMENT is made on 31 January 2006

BETWEEN

- (1) **REUTERS AMERICA LLC**, whose registered office is at 3 Times Square, New York, NY 10036 (the **Company**); and
(2) **DEVIN NORSE WENIG** of #4F 27 North Moore, New York, NY 10013 (**you**).

IT IS AGREED as follows:

1. DEFINITIONS

In this Agreement the following expressions shall have the following meanings:

Board means the board of directors of Reuters Group PLC or a duly constituted committee of the board of directors;

Employment means your employment in accordance with the terms and conditions of this Agreement;

Group means the Company, any holding company of the Company and any subsidiary of the Company or of any such holding company (with holding company and subsidiary having the meanings given to them by section 736 of the Companies Act 1985). **Group Company** and **Group Companies** shall be construed accordingly; and

Remuneration Committee means the remuneration committee of the Board.

2. DURATION OF EMPLOYMENT

2.1 It is acknowledged that the company and you entered into an Agreement dated 3 March 2004 setting out the terms of your Employment (the **Original Agreement**). It is further acknowledged that:

- (a) this Agreement shall supersede and replace the Original Agreement with effect from 31 March 2006 in respect of the period of your Employment from 31 March 2006;
- (b) nothing in this Agreement shall amend or alter the provisions of the Original Agreement in respect of the period 23 July 2001 to 30 March 2006 or of any award made thereunder.

2.2 Your period of continuous employment for statutory purposes began on 25 April 1994.

3. ROLE, POWERS AND DUTIES

3.1 You will serve the Company as President of Customer Segments or in such other capacity of a like status as the Company may require.

3.2 Subject to Clause 4, you will exercise such powers and perform such duties in relation to the business of the Company and the Group, being duties which are appropriate to your senior status, as may be assigned to you by the Chief Executive of the Company after taking into account the opinion of the Board.

3.3 During the Employment you will:

- (a) devote substantially the whole of your working time, attention and abilities to carrying out those duties and , where appropriate, duties in any other Group Company in a proper, loyal and efficient manner;
- (b) use all reasonable endeavours to promote the interests of the Company and any other Group Company which you may be required to serve under the terms of this Agreement;
- (c) have due regard to the Reuters Trust Principles and to the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and the Memorandum and Articles of Association of Reuters Founders Share Company Limited insofar as, by the proper exercise of your powers (and in accordance with your other duties) as director of the Company, the Reuters Trust Principles are capable of being observed by you;
- (d) have due regard to the provisions of the Reuters Code of Conduct (as notified to you from time to time) and, so far as reasonably practicable in the performance of your duties, observe all material provisions of that Code;
- (e) comply with the Reuters Share Dealings Code (as notified to you from time to time); and
- (f) have due regard to the provisions of all other policies which are applied to you by the Company, as notified to you from time to time.

4. NORMAL PLACE OF WORK

4.1 Your normal place of work is at the head office of Reuters America, 3 Times Square, New York. You will be required, in the performance of your duties, to travel both domestically and internationally, in particular in fulfilling your duties as Executive Director, which are specified under a separate but co-joined agreement.

5. HOURS OF WORK

5.1 You will work the Company's normal working hours together with such additional hours as may reasonably be required for the proper performance of your duties.

6. SALARY AND BENEFITS

6.1 You will be paid a salary at such rate as is set out in an annual letter to you from the Company.

6.2 Your salary will accrue from day to day and be payable in arrears by equal bi-monthly instalments.

6.3 You are not entitled to any other fees as director of the Company or any other Group Company and you must, as the Company directs, either waive your rights to any such fees or account for the same to the Company, (failing which it will be deducted from your salary). Nothing in this Clause 6.3 shall affect your entitlement to receive a fee in respect of your employment with Reuters Group plc as Executive Director.

6.4 Your salary and benefits will be reviewed annually by the Remuneration Committee. Any change in the level of your salary and benefits as a result of the review (which will not be downwards) will be effective from 1 April of each year (unless you and the Chairman of the Remuneration Committee agree otherwise).

6.5 In addition to the above, you will be entitled to receive those benefits set out in Schedule 1 to this Agreement.

6.6 During or after the termination of this Employment for whatever reason, the Company may deduct from your pay any sums outstanding to the Company or to any other Group Company from you including, without limitation, any advance of pay or loans or floats for expenses.

7. EXPENSES

7.1 Subject to the Company's policies on executive directors' expenses and executive directors' spouse expenses (as notified to you from time to time), the Company will reimburse to you all reasonable travelling, hotel and other out-of-pocket expenses properly incurred by you and your spouse in the execution of the duties of the Employment against production of valid receipts and properly completed expense reports.

8. OTHER INTERESTS

8.1 During the Employment you will be entitled to accept appointments as a non-executive director of companies other than a Group Company subject to:

- (a) the prior written consent of the Chief Executive of the Company (such consent to be confirmed by the Board); and
- (b) the Company's policy on non-executive directorships (as notified to you from time to time).

You may retain any fees received as a non-executive director provided they are paid in cash rather than in stock, other securities or options. For the avoidance of doubt,

you will not be permitted to retain any fees received as a non-executive director of any Group Company or Associated Company. Days of service as a non-executive director will not be deducted from your holiday entitlement provided that you shall not spend more than ten working days in aggregate in any year in such service. At any time during the Employment the Company may, with reasonable cause, require you to resign any non-executive directorship held. Reasonable cause for this purpose shall include but not be limited to a conflict of interest and such other reason or reasons as may be specified in the Reuters Code of Conduct (as notified to you from time to time).

8.2 During the Employment you will not be directly or indirectly concerned in any business, trade, profession or other occupation (whether as an employee, consultant, agent, director or otherwise) of a similar nature to or competitive with that carried on by the Company or any Group Companies except:

- (a) as a representative or officer of a Group Company;
- (b) as a non-executive director under Clause 8.1;
- (c) by virtue of your being interested in securities not representing more than one per cent. of a company's issued securities of any class which are either (i) listed on a recognised stock exchange or dealt on an unlisted securities market or an alternative investment market or authorised for quotation in a recognised inter-dealer quotation system or (ii) of a private company whose shares the Chief Executive of the Company has authorised you to hold; or
- (d) with the prior written consent of the Board.

8.3 You may serve on the board of religious, charitable or public service organisations or otherwise be engaged in the activities of such organisations provided so serving or being so engaged does not prejudice your ability to fulfil your duties under this Agreement.

9. INVENTIONS AND IMPROVEMENTS

9.1 It will be part of your normal duties at all times:

- (a) to consider in what manner and by what new methods or devices the products, services, processes, equipment or systems of the Company and other Group Companies with which you are concerned or for which you are responsible might be improved; and
- (b) promptly to give to the Company Secretary of the Company full details of any invention or improvement which you may from time to time make or discover in the course of your duties.

Subject to the Patents Act 1977, the Company will be entitled free of charge to the sole ownership of any such invention or improvement and to the exclusive use of it.

9.2 You assign to the Company (or to such other Group Company as the Company may direct) all copyrights, designs and other proprietary rights, if any, which may be so assigned in respect of all works and designs created by you or relating to your responsibilities during the Employment for the full term of those rights to the intent that those rights will immediately upon the completion of the relevant work vest with the Company (or with such other Group Company as the Company may direct).

9.3 At the request and cost of the Company, you will do all such acts and things as may in the opinion of the Board be necessary or conducive to vest such rights in the Company (or in such other Group Company as it may direct). You irrevocably authorise the Company for the purposes of this Clause to make use of your name and to sign and to execute any documents or do any thing on your behalf.

9.4 You will not do anything knowingly to imperil the validity of any patent or protection or any application for a patent or protection.

9.5 You will not either during or after the termination of the Employment and any other employment within the Group, exploit or assist others to exploit any invention or improvement which you may from time to time make or discover in the course of your duties or (unless it shall have become public knowledge) make public or disclose any such invention or improvement or give any information in respect of it except to the Company or as the Company may direct.

9.6 You irrevocably waive in favour of the Company (and in favour of such other Group Company as the Company may direct), its licensees and successors-in-title any and all moral rights in any works (existing or future) which are the subject of copyright made by you in the course of the Employment and any other employment within the Group.

10. CONFIDENTIALITY

10.1 During and after the termination of the Employment and any other employment within the Group, you will at all times keep confidential all private information about the Company and other Group Companies including technical and financial information which you may have acquired while in the employment of the Company or of any other Group Company. You will not use such information for your own benefit or for the benefit of any business not within the Group. You will keep such information confidential to yourself, to other members of the Board and to anybody who needs such information in order to properly discharge his duties to the Company or any Group Company. Such information includes (without limitation) the following:

- (a) the business methods and information of the Company and any other Group Companies (including, without limitation, prices charged, discounts given to customers or obtained from suppliers, product development, marketing and advertising programmes, costing, budgets, turnover, sales targets and other financial information);

- (b) lists and particulars of the suppliers and customers of the Company or of any other Group Companies and the individual contacts at such suppliers and customers;
- (c) details and terms of the Agreements with suppliers and customers of the Company or of any other Group Companies;
- (d) secret development manufacturing or production processes and know-how employed by the Company or any other Group Companies or their respective suppliers; and
- (e) confidential details as to the design of the products and inventions or processes relating to the provision of services or developments relating to future products and services of the Company or of any other Group Companies or those of their respective suppliers.

10.2 These restrictions shall not apply to any disclosure or use authorised by the Board or required by law or by the requirements of any regulatory or other authority to which the Company or any other Group Company is subject.

10.3 These restrictions shall not apply to information that is already in the public domain other than in cases where such information has become public as a result of a breach by you of these restrictions.

10.4 These restrictions shall not restrict you from using your own personal skill in any business in which you may lawfully be engaged after termination of the Employment and any other employment within the Group.

11. TERMINATION

Summary termination

11.1 The Company may terminate the Employment and any other employment within the Group, by immediate notice in writing and without payment of any kind other than salary and bonus accrued at the date of termination:

- (a) if in the reasonable opinion of the Board you are guilty of any:
 - (i) serious misconduct;
 - (ii) persistent misconduct continuing after demand for cessation of such misconduct is delivered in writing by the Board or by the Company Secretary on instruction from the Board; or
- (b) if you commit any material breach of any material provision of this Agreement;
- (c) if you neglect or refuse to carry out any material part of your duties (other than for a reason mentioned in Clause 11.2);

- (d) if you engage in any conduct which brings or is likely to bring the Company or any other Group Companies, in the reasonable opinion of the Board, into disrepute;
- (e) if you become bankrupt or enter into a composition with your creditors or apply for a receiving order or have a receiving order made against you;
- (f) if you become prohibited by law from being a director; or
- (g) if you terminate your directorship of the Company without the consent of the Board.

Termination by the Company through illness

11.2 The Company may terminate the Employment and any other employment within the Group, if you are prevented by illness (including mental illness) or injury from attending to your duties for more than 365 days in aggregate in any one period of 24 consecutive calendar months.

Termination through loss of directorship

11.3 If you are removed from the office of director of Reuters Group plc, or Reuters Group plc fails in general meeting to re-elect you as a director of the Reuters Group plc (if, under the Articles of Association or other constitutional documents for the time being of Reuters Group plc as the case may be, you are obliged to retire by rotation or otherwise), then the Company may elect that the Employment, and any other employment within the Group, shall terminate immediately without prejudice to the right of either party to this Agreement to treat any act or omission causing such removal from office as a breach of this Agreement.

Termination on change of control

11.4 Notwithstanding the provisions of Clause 11.5, you may terminate the Employment and any other employment within the Group, by giving the Company one month's notice in writing, such notice to be given within three months after a Change of Control unless a third party acquiring control of more than 50% of the voting rights of the Company has agreed to adopt the Reuters Trust Principles and the rights and duties of the Reuters Trustees as set out in the Memorandum and Articles of Association of the Company and in the Memorandum and Articles of Association of Reuters Founders Share Company Limited and to use its best endeavours to procure that the Principles and such rights and duties are observed and upheld within the Company and any holding company of the Company. A Change of Control shall for the purpose of this Agreement occur where more than 50% of the voting rights of the Company become controlled by any third party (including persons acting in concert but excluding Reuters Founders Share Company Limited) or the Company sells or otherwise disposes of all or substantially all of its assets with the approval of the Company's shareholders, other than for the purposes of a reconstruction or reorganisation in which (A) the ultimate ownership of the Company or substantially all its assets is unaffected or (B) a new holding company for the Company is created, where the new holding company has substantially the same shareholders and

proportionate shareholdings as those of the Company immediately prior to the interposition of the new holding company.

Termination in other circumstances

11.5 Subject to earlier termination in accordance with the provisions of this Clause, the Employment and any other employment within the Group, will continue until terminated:

- (a) by the Company giving you 12 months' written notice; or
- (b) by you giving the Company 12 months' written notice.

The Company may, in its sole discretion, elect to terminate the Employment and any other employment within the Group, without giving you notice or the full period of notice required by (a) in which event you will be entitled to receive a payment calculated in accordance with Clause 11.6.

Liquidated damages

11.6 This Clause applies if:

- (a) the Employment is terminated by the Company otherwise than a termination (i) in accordance with Clause 11.1 or (ii) where removal from office takes place in circumstances justifying summary termination under Clause 11.1, in accordance with Clause 11.3 or (iii) in accordance with Clause 11.5 unless the final sentence of Clause 11.5 applies in which case this Clause will apply;
- (b) you are constructively dismissed which for these purposes shall include (without limitation):
 - (i) the assignment to you of any duties inconsistent in any respect with your position (including status, offices, titles and reporting requirement), authority, duties or responsibilities; or
 - (ii) any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, but excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by you; or
- (c) you terminate the Employment and any other employment within the Group, under Clause 11.4.

Where this Clause applies, the Company will (subject to the remainder of this Clause) pay to you by way of liquidated damages of:

- (i) your annual salary immediately prior to the date of termination of the Employment; and

- (ii) the amount of pension or retirement plan contributions made by the Company on your behalf or to you in the last financial year of the company preceding the date of termination; and
- (iii) the average of the last three annual bonuses earned by you pursuant to paragraph 1 of Schedule 1 to this Agreement in the last three complete financial years of the Company preceding the date of termination.

In the event that the Company requires you to work only part of the notice period required by Clause 11.5(a), the liquidated damages payment under this Clause 11.6 will be reduced by an amount equal to the annual fee paid to you or on your behalf in respect of the period of notice worked.

The payment under this Clause 11.6 shall be in full and final settlement of all and any claims or rights of action that you have or may have against the Company and against any other Group Company and against their respective officers and employees in connection with the Employment or its termination.

The payment under this Clause 11.6 shall be paid in advance in four equal quarterly instalments (in each case less any necessary withholdings) from the date of termination of your Employment. No further instalment will be payable after the date on which you commence alternative employment at a basic annual salary of or in excess of 50% of your basic annual salary at the date of termination. Payment will be conditional on you not bringing any claims before a court or tribunal relating to the Employment and any other employment within the Group, and/or its termination.

Return of documents

11.7 On termination of the Employment and any other employment within the Group, for any reason or, at the request of the Company, when notice to terminate the Employment and any other employment within the Group, is given, you must immediately deliver to the Company (without keeping any copies):

- (a) all documents, papers and materials and any other property of the Company and of any other Group Companies; and
- (b) all documents or other media on which confidential information about the Company and any other Group Companies is recorded, in your possession or under your control.

Resignation as a director

11.8 On termination of the Employment for any reason, you must immediately, at the request of the Company resign your office as a director of the Company and of any other Group Company or Associated Company without compensation for loss of office but without prejudice to any rights which you may have to treat such request as a breach of this Agreement.

Share schemes

11.9 It is acknowledged that you may, during the Employment, be granted rights upon the terms and subject to the conditions of the rules from time to time of the Reuters Group PLC Long Term Incentive Plan or any other profit sharing, share incentive, share option, bonus or phantom option scheme operated by the Company or any other Group Company with respect to shares in the Company or any other Group Company. If, on termination of the Employment and any other employment within the Group, whether lawfully or in breach of contract you lose any of the rights or benefits under such schemes (including rights or benefits which you would not have lost had the Employment and any other employment within the Group, not been terminated) you shall not be entitled, by way of compensation for loss of office or otherwise howsoever, to any compensation for the loss of any rights under any such scheme.

12. GARDEN LEAVE AND SUSPENSION

12.1 The Company may at any time or from time to time suspend you from the performance of your duties and/or exclude you from any of the premises of the Company or of any other Group Company:

- (a) during any period of notice or any part of a period of notice as specified in Clauses 11.4 or 11.5; or
- (b) in circumstances in which the Company reasonably believes that you are guilty of misconduct or are in breach of this Agreement and in order that the circumstances giving rise to that belief may be investigated.

12.2 The Company is not required to give any reason for suspending or excluding you. Your fee will not cease to be payable by reason only of such suspension or exclusion.

12.3 During any period of suspension or exclusion, you will not contact or deal with customers, suppliers or employees of the Company or of any other Group Company or enter onto the premises of the Company or of any Group Company without the prior written consent of the Chief Executive of the Company.

12.4 The provisions of Clause 8.2 shall remain in full force and effect during any period of suspension under this Clause 12. You will also continue to be bound by duties of good faith and fidelity to the Company during any period of suspension under this Clause 12.

13. CONTINUING OBLIGATIONS

Non-representation

13.1 You will not at any time after the termination of the Employment directly or indirectly represent yourself as being in any way connected with or interested in the business of the Group (except, if it is the case, as a shareholder of the Company, an employee of a Group Company or as a director of the Company).

Non-solicitation of employees

13.2 You must not for a period of 12 months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company or employ or engage any employee of the Company or of any other Group Company with whom you had business dealings or who reported to you or about whom you became informed, directly or indirectly, during the period of 12 months preceding the date of termination of the Employment and who is or was employed or engaged by the Company or by any other Group Company:

- (a) as a director or in a managerial or technical capacity; or
- (b) you know (or ought reasonably to know) could materially damage the interests of the Company or any other Group Company if he became employed in any business in competition with the business of the Company or of any other Group Company.

Non-solicitation of business

13.3 You must not for a period of 12 months after the termination of the Employment solicit, interfere with or attempt to entice away from the Company or any other Group Company the business or custom of any firm, company or other person who, during the period of 12 months preceding the date of termination of the Employment, was a customer of the Company or of any other Group Company with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-dealing

13.4 You must not for a period of 12 months after the termination of the Employment (except, if it is the case as an employee of a Group Company) deal with any person, firm or company who during the period of 12 months preceding the date of termination of the Employment was a customer or potential customer of the Company or of any other Group Company and (in the case of a customer) to whom you provided services on behalf of the Company or any other Group Company or (in the case of a potential customer) with whom you had business dealings with a view to obtaining business for the Company or any other Group Company and in each case with whom you had business dealings or about whom you became informed or over whom you had influence in the course of the Employment during that period, with a view to providing goods or services which would compete with the business of the Company or of any other Group Company carried on at the date of termination of the Employment and with which you were materially involved during that period.

Non-competition

13.5 You must not, for a period of 12 months after the termination of the Employment, be engaged in or concerned in any capacity in any business concern

which is in competition with the business of the Company or of any other Group Company. A list of such business concerns as at the date of this Agreement is set out in Part 1 of Schedule 2 to this Agreement. Unless you have the prior approval of the Chairman and the Chief Executive of the Company you may not, for a period of 12 months after the termination of the Employment, be engaged in or concerned in any capacity in any of the business concerns named in the lists set out in Parts 2 and 3 of Schedule 2 of this Agreement. The lists in Schedule 2 may be amended by the Board acting reasonably (provided that the number of business concerns included in Schedule 2 at any one time shall not exceed 15) and each such amendment shall be notified to you from time to time. This Clause shall not restrain you from being engaged or concerned in any business concern in so far as your duties or work relate solely to services or activities of a kind with which you were not concerned to a material extent during the period of six months preceding the date of termination of the Employment.

Extension to other persons

13.6 The obligations imposed on you by this Clause 13 extend to you acting not only on your own account but also on behalf of any other firm, company or other person and shall apply whether you act directly or indirectly.

Acknowledgement of reasonableness

13.7 The restrictions contained in this Clause 13 are considered by you and the Company to be reasonable in all the circumstances. Each part of this Clause constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are not greater than is necessary for the protection of the commercial interests of the Group and their stable trained workforce.

No disparaging statements

13.8 Each party agrees during, and after termination of, the Employment not to make, publish or cause to be made, published or issued or otherwise communicate to any third party any disparaging or derogatory statements to any third party concerning you or the Company or any Group Company or any of its or their current executives, officers, employees, agents or consultants, provided that nothing in this Agreement will prevent you or the Company from disclosing information as required by law or in order to take professional advice or as ordered by a court of competent jurisdiction.

14. WAIVER

14.1 Any delay or forbearance by the Company in exercising any right of determination of this Agreement shall not constitute a waiver of it.

15. AMENDMENTS

15.1 No amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing and signed by you and a director or the Company Secretary of the Company.

16. NOTICES

16.1 Any notice required to be served under this Agreement may be given either personally, by fax or by registered post:

- (a) to the Company at its registered office for the time being; or
- (b) to you at the address at the start of this Agreement or your last known address.

Any notice to be given under this Agreement to you may be served by being handed to you personally or by being sent by recorded delivery first class post or by fax to you at your usual or last known address; and any notice to be given to the Company may be served by being marked for the attention of the Company Secretary and by being left at or by being sent by recorded delivery first class post or by fax to its registered office for the time being. Any notice served by post shall be deemed to have been served on the second day (excluding Sundays and statutory holidays) next following the date of posting and in proving such service it shall be sufficient proof that the envelope containing the notice was, in your case, addressed to you at your usual or last known address and, in the case of the Company, addressed to it marked for the attention of the Company Secretary at its registered office for the time being, and in either case posted as a prepaid letter by recorded delivery. Any notice served by fax shall be deemed to have been served twelve hours after the time of despatch.

17. OTHER AGREEMENTS

17.1 You acknowledge and warrant that there are no Agreements or arrangements whether written, oral or implied between the Company or any other Group Company and you relating to your employment or the Employment other than those which are expressly set out in this Agreement and that you are not entering into this Agreement in reliance on any representation not expressly set out in this Agreement. For the purposes of this Clause 17.1, this acknowledgement and warranty will not apply to the terms of your Service Agreement with Reuters Group plc dated [•] June 2003.

18. GOVERNING LAW

18.1 This Agreement will be governed by and construed under English law without regard to its conflicts of laws provisions, and each of the parties hereby irrevocably agrees for the exclusive benefit of the Company that the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Agreement.

19. WITHHOLDING TAX

19.1 All amounts payable to you under this Agreement shall be subject to applicable withholding of income, salary and such other withholdings that the Company determines are required to be withheld in accordance with applicable laws.

AS WITNESS whereof this Agreement has been signed by or on behalf of the parties to it on the day and year first above written.

OTHER BENEFITS

1. BONUS

1.1 You will be entitled to participate in an annual bonus plan to be administered by the Remuneration Committee. Unless otherwise agreed by the Remuneration Committee, the maximum annual bonus payable under this plan will be an amount up to 125% of your base salary. The criteria relating to your performance and that of the Company which are to be used to determine the amount of the bonus in any year will be laid down by the Remuneration Committee at the commencement of each year and the bonus for that year will be paid as soon as reasonably practicable after the relevant results have been determined. The Remuneration Committee reserves the right to amend the quantitative criteria annually and/or to discontinue the bonus arrangement. On termination of the Employment, other than termination pursuant to Clause 11.1 or termination in respect of which Clause 11.6 applies, you shall be entitled to a pro-rated amount of bonus, being such proportion of average bonus (calculated according to Clause 11.6) as is the same as the proportion of the last financial year during which the Employment has subsisted.

2. SHARE OPTION PLANS

2.1 You will be eligible for membership of the Company's Save As You Earn Share Option Scheme and of any other all employee share option plan operated by the Company and approved by the Company's shareholders. Participation in such scheme and plans is, save as otherwise stipulated in their rules, at the sole discretion of the Board or the Remuneration Committee.

3. HOLIDAYS

3.1 The Company's holiday year runs from 1 January to 31 December. In addition to the bank and other public holidays, you will be entitled to 30 working days' paid holiday in each holiday year. In the first year of the Employment, the annual entitlement will be pro rata based on the holiday year.

3.2 Your annual holiday may be taken at such time or times as are reasonably appropriate having regard to the business needs of the Company.

3.3 Holidays not taken in the year of entitlement will be lost unless carried forward with the agreement of the Chief Executive of the Company.

3.4 On termination of the Employment, you will be entitled to pay in lieu of any unpaid holiday or be required to pay the Company any salary received for holiday taken in excess of your contractual entitlement. You may be required to take any untaken holiday during your notice period.

4. SICKNESS AND OTHER INCAPACITY

4.1 Subject to your compliance with the Company's policy on notification and certification of periods of absence from work, you shall be entitled at the discretion of the Company to up to 365 days' sick pay (including statutory sick pay) in any 24 month rolling period. Sick pay will be calculated at your normal rate of pay and benefits.

5. PENSION SCHEMES

5.1 You are entitled to continue to participate in the Reuters America Retirement Plan and to participate in the Supplemental Executive Retirement Plan subject to the rules of the governing documents from time to time in force.

6. LONG TERM INCENTIVE PLAN

6.1 You are entitled to be a member of the Reuters Group PLC Long Term Incentive Plan or any plan operated by the Company in succession to that plan (as notified to you from time to time) for so long as the Plan or such plan may be operated by the Company, and the Company shall pay to you benefits under the Plan or such plan, subject to the conditions of the Company's policy on retention of LTIP awards on early retirement (as notified to you from time to time).

7. MEDICAL/ DISABILITY INSURANCE

7.1 You shall be entitled to membership of the Company's Medical, Dental and Eye Care plans, subject to the terms of the plans and of any related policies of insurance as in force from time to time.

7.2 You shall be entitled to membership of the Company's disability insurance plans, subject to the terms of those plans and of any related policies of insurance as in force from time to time.

8. LIFE ASSURANCE

8.1 You are entitled to membership of the Company's Basic Life Assurance, Accidental Death and Dismemberment Insurance and Supplemental Life Assurance Plans, subject to the terms of the plans and of any related policy of insurance as in force from time to time.

9. COMPANY CAR

9.1 The Company will provide you with a monthly car allowance subject to the Company's Policy on Executive Director's Cars which shall be payable in instalments with Base Salary pursuant to Clause 6.2.

10. DIRECTORS' INDEMNITY AND INSURANCE

10.1 You shall have the benefits of:

- (a) the indemnity contained in regulation 155 of the Company's Articles of Association;
- (b) any similar indemnity in respect of liabilities incurred by Group Company directors in their capacity as such contained in the constitutional documents of any other Group Company for so long as you are a director or officer of such other Group Company; and
- (c) (subject to their terms) any insurance policies which shall be maintained by the Company in respect of liabilities incurred by Group Company directors in their capacity as such.

11. OTHER BENEFITS

11.1 You shall have such other benefits as may be made available to you by the Company from time to time, including but not limited to the use of Reuters products, mobile telephone and other equipment and membership of professional bodies.

SCHEDULE 2

COMPETING BUSINESS CONCERNS

AS AT THE DATE OF THIS AGREEMENT

Part 1

Competing Business Concerns

Bloomberg L.P.
Pearson PLC
Quick Corporation of Japan
Telekurs A.G.
SunGard
The Electronic Broking Service

Part 2

Companies with Divisions which compete with Reuters

The Thomson Corporation
The McGraw Hill Companies
The Dun & Bradstreet Corporation
Reed Elsevier P.L.C./Elsevier N.V.
AOL Time Warner

Part 3

Companies with which Reuters has a strategic relationship

Yahoo! Inc.

SIGNED by) /s/ Nancy Gardner
for and on behalf of)
REUTERS AMERICA LLC)
in the presence of:-)

SIGNED as a **DEED**)
and **DELIVERED** by)
DEVIN WENIG) /S/ DEVIN WENIG
in the presence of :-)

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas Henry Glocer, CEO of Reuters Group PLC, certify that:

1. I have reviewed this annual report on Form 20-F of Reuters Group PLC;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the years presented in this annual report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the year covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: 16 March 2007

/s/ Thomas H Glocer

Thomas H Glocer
CEO

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, David John Grigson, CFO of Reuters Group PLC, certify that:

1. I have reviewed this annual report on Form 20-F of Reuters Group PLC;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the years presented in this annual report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the year covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: 16 March 2007

/s/ David John Grigson

David John Grigson
CFO

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED BY SECTION 906 OF THE SARBANES – OXLEY ACT OF 2002

I, Thomas Henry Glocer, CEO of Reuters Group PLC (the “Company”) hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes – Oxley Act of 2002, that to my knowledge:

- a) The Company's Annual Report on Form 20-F for the year ended December 31, 2006 (the “Form 20-F”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- b) The information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operation of the Company.

By

/s/ Thomas H. Glocer

Thomas H. Glocer
CEO

Dated: 16 March 2007

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED BY SECTION 906 OF THE SARBANES – OXLEY ACT OF 2002

I, David John Grigson, CFO of Reuters Group PLC (the “Company”) hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes – Oxley Act of 2002, that to my knowledge:

- a) The Company's Annual Report on Form 20-F for the year ended December 31, 2006 (the “Form 20-F”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- b) The information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operation of the Company.

By

/s/ David J Grigson

David J Grigson
CFO

Dated: 16 March 2007

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-137651) of our report dated 15 March 2007, relating to the financial statements and management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this Annual Report on Form 20-F for the year ended 31 December 2006.

PricewaterhouseCoopers LLP

London, England

15 March 2007
