SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

March 13, 2001

REUTERS GROUP PLC
(Translation of registrant's name into English)

85 FLEET STREET, LONDON EC4P 4AJ, ENGLAND
(Address of principal executive offices)

[Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.]

Form 20-F X Form 40-F __

[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.]

Yes __ No X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REUTERS GROUP PLC
(Registrant)

Dated: April 5, 2001 By: /s/ Janice Buswell

Reuters Group PLC Annual Review 2000

REUTERS

Focus and vision for 150 years.........

REUTERS MARKS ITS 150TH ANNIVERSARY IN 2001. THOUGH THE WORLD HAS CHANGED, OUR FOCUS HAS NOT. WE ARE AN AGENT OF CHANGE, USING THE LATEST MEANS OF COMMUNICATION TO INFORM AND CONNECT OUR CUSTOMERS. IN 1850 PAUL JULIUS REUTER USED PIGEONS TO FLY STOCK MARKET PRICES BETWEEN BRUSSELS AND AACHEN, BRIDGING A GAP IN THE EUROPEAN TELEGRAPH SYSTEM. THE FOLLOWING YEAR HE MOVED TO LONDON TO TRANSMIT NEWS AND PRICES TO EUROPE VIA THE NEWLY OPENED DOVER-CALAIS SUBMARINE CABLE.

TODAY, WE USE INTERNET-BASED TECHNOLOGIES TO SATISFY THE WORLD'S GROWING DEMAND FOR INFORMATION. OUR BLEND OF CONTENT, TECHNOLOGY AND CONNECTIVITY IS UNIQUE. WE USE THIS WINNING COMBINATION TO SERVE CUSTOMERS AND, IN SO DOING, TO CREATE VALUE FOR SHAREHOLDERS.

......1851 Opens London office...1922 Transmits by wireless...1964 Introduces electronic stock....

Contents

The year 2000 was as good for Reuters as 1999 was difficult. At the start of 2000 we spelt out how we planned to carry internet technology throughout the business. The foundations for these plans were well laid and remain essentially intact despite the abatement of internet mania in the stock markets.

We made a lot of progress in 2000 and we are much encouraged. However, the scale of the transformation needed to effect our plans fully is formidable. There is a long way to go.

With effect from next July Reuters will be under new executive leadership. The choice of a successor to Peter Job was undoubtedly the Board's biggest decision of the year. We had long anticipated the decision and prepared for it. Nevertheless it required a major effort in 2000 to assess Reuters momentum between the opposite poles of continuity and change. This assessment was necessary to determine both the nature of the job and the balance between internal and external candidates. Tom Glocer's profile fits outstandingly the requirements of the job as we see them looking forward. It augurs well that his appointment has been so enthusiastically received inside and outside the company.

Since Peter became Chief Executive at the start of 1991, the company has made huge progress. Of particular significance have been the development of Instinet (which was just breaking into profit in 1991) and TIBCO (acquired as Teknekron in 1994); the burgeoning of our product range across the world; the return of substantial capital to shareholders along with the continuing growth of the business; and, most important of all, the preservation of the company's core values and the strengthening of the Reuters brand.

The company's core values, which are embodied in the Reuters Trust Principles, are a touchstone in all that we do: speed, accuracy, security, independence and freedom from bias in our handling of information, coupled with neutrality, integrity and commitment in our service to customers. These values are the company's most important assets. I am absolutely confident that they will continue to be well safeguarded.

I warmly thank my Board colleagues for reacting so willingly and well to all the various exceptional demands of the year 2000. I pay tribute in particular to Peter who has brought the company in fine style on the final part of its journey to its 150th anniversary this year. I join my Board colleagues in applauding the efforts and enthusiasm of all those who work so well on Reuters behalf. And I look forward eagerly to the next great stage of the company's growth which is now coming into view.

FROM THE CHAIRMAN
SIR CHRISTOPHER HOGG

FINANCIAL HIGHLIGHTS

	2000 £M	1999 £M	% CHANGE
Revenue	**3,592**	3,125	15%
Earnings before interest, tax, depreciation and amortisation (EBITDA)†	**1,001**	1,008	(1%)
Operating profit	**411**	549	(25%)
Profit before tax	**657**	632	4%
Pre-tax profit margin	**18.3%**	20.2%	
Taxation	**125**	207	(40%)
Profit after tax	**532**	425	25%
Post-tax profit margin	**14.8%**	13.6%	
Return on tangible fixed assets	**79.9%**	57.5%	
Return on equity	**71.4%**	102.0%	
Free cash flow	**434**	402	8%
Net (debt)/funds	**(34)**	41	

	2000	1999	% CHANGE
Basic earnings per ordinary share	**37.9p**	30.2p	26%
Earnings per ADS*††	**$3.39**	$2.70	26%
Dividends per ordinary share	**16.0p**	14.65p	9%
Dividends per ADS* (see page 43)	**96.0p**	87.90p	9%

* Each ADS represents six ordinary shares.

† EBITDA includes profits and losses derived from the disposal of subsidiary undertakings and fixed asset investments.

†† A nominal exchange rate of US$1.49=£1 has been used for convenience.

The following supplementary information is provided for those who track Reuters performance on a pre-goodwill basis:

	2000 £M	1999 £M	% CHANGE
Pre-tax profit excluding goodwill	**728**	693	5%
Adjusted earnings per ordinary share excluding goodwill	**43.0p**	34.5p	24%

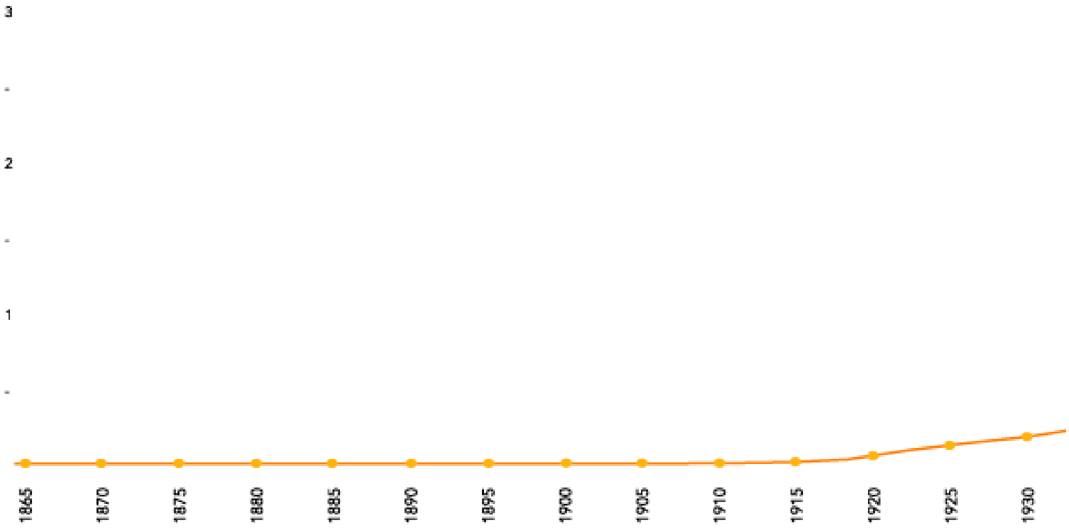
This annual review and summary financial statement includes forward-looking statements within the meaning of the US securities laws.

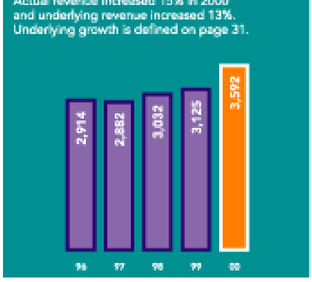
For a discussion of factors which could affect future results, reference should be made to the Risk Factors on pages 33-35.

REUTERS REVENUE FROM 1865-2000
Financial statistics date back to 1865 when Reuter restructured his business, transforming it into Reuters Telegram Company, a public limited company.

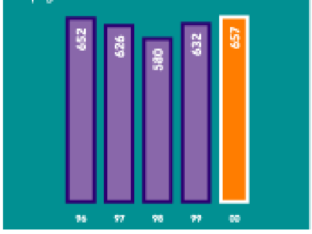
< Starting the Pigeon Express. 1845
The Illustrated London News Picture Library

£bn

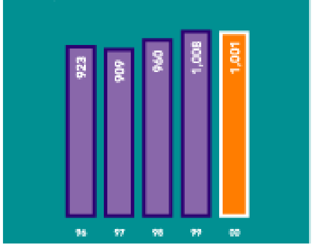




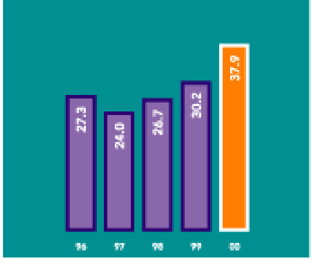
Revenue £million
Actual revenue increased 15% in 2000 and underlying revenue increased 13%. Underlying growth is defined on page 31.



Profit before taxation £million
Reported profit before tax up 4% in 2000. Normalised profit before tax down 23%. Normalised profit and earnings is defined on page 31.



Earnings before interest, tax, depreciation and amortisation (EBITDA) £million
EBITDA fell 1% on a reported basis in 2000 and 19% on a normalised basis.

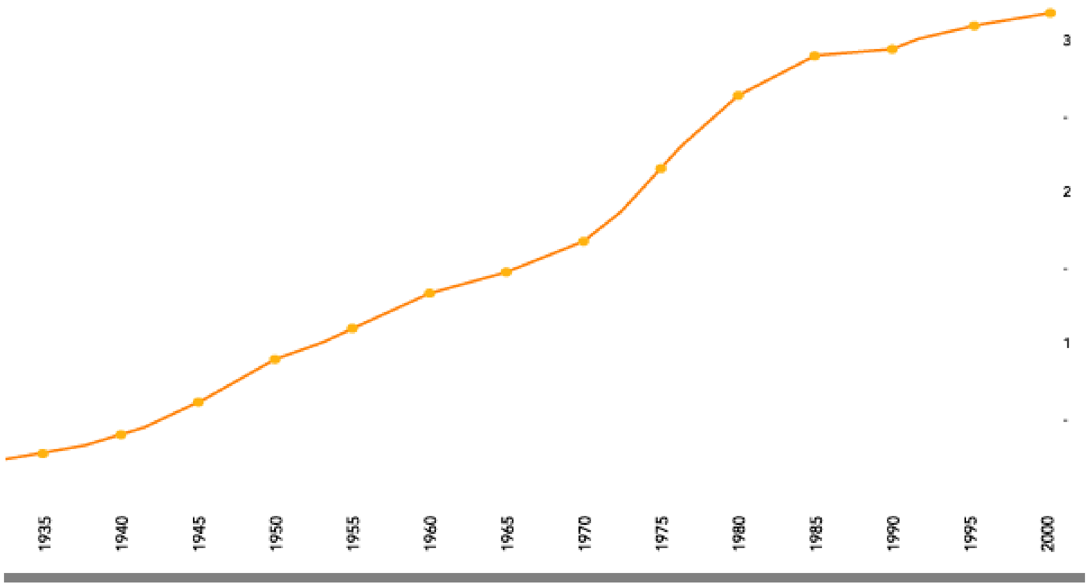


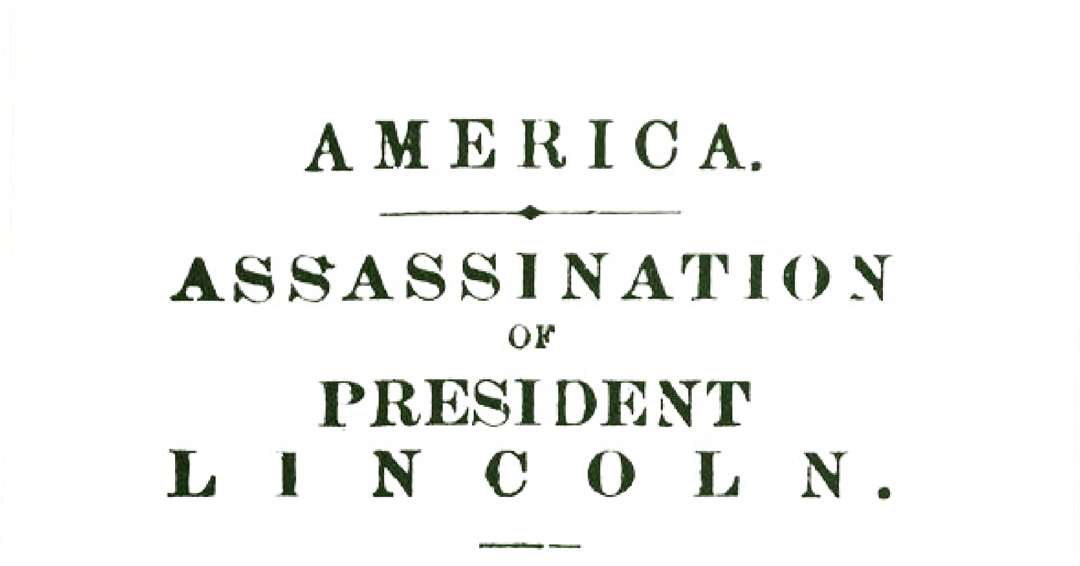
Basic earnings per ordinary share pence
Basic EPS grew 26% in 2000 but decreased 22% on a normalised basis.

Dividends per ordinary share pence
Increased by 9% in 2000.

Cash flow per ordinary share pence
Flat in 2000.

£bn




AMERICA.

ASSASSINATION OF PRESIDENT LINCOLN.

.....price retrieval...1973 Provides online real-time foreign exchange rates...1981 Enables.....

content+

CONTENT IN ALL ITS FORMS — TEXT, NUMERICAL DATA, PICTURES, GRAPHICS, AUDIO AND VIDEO — PLACES EVENTS IN CONTEXT. IN THE FINANCIAL MARKETS, IT IS WHAT BOTH PROFESSIONALS AND INDIVIDUALS NEED IN ORDER TO DEVISE TRADING STRATEGIES.

In the corporate world it helps businesses perform better and stay competitive. Away from work, Reuters content keeps people up-to-date on a wide range of topics of interest — from politics to sport, from finance to technology, from world events to local issues.

Content is news, data and information. It includes breaking news reported from all over the world, real-time prices, price histories, financial ratios and a wide range of historical and fundamental information about stocks, bonds and other financial instruments.

As well as reporting news and changes to prices in financial markets in real time, we maintain a vast database of historical information. This enables users to monitor trends and to put changes into perspective.

We continue to add to the database, acquiring sources of additional, high-value content like Lipper, the Yankee Group and TowerGroup. These firms produce information on the performance of mutual funds, industry research reports and trend analysis. Part of the value of our content is the breadth of collection we offer: a network of 2,157 journalists, photographers and cameramen, coverage of 263 markets and exchanges, plus information from more than 5,000 other sources.

Our core values of speed, accuracy and freedom from bias permeate our culture, and make Reuters a trusted source of information.

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Picture: Reuter achieved a two-hour beat in London ith the news of the assassination of President Lincoln. This helped establish his reputation. The news reached the Bank of England via his commercial clients. 1865.

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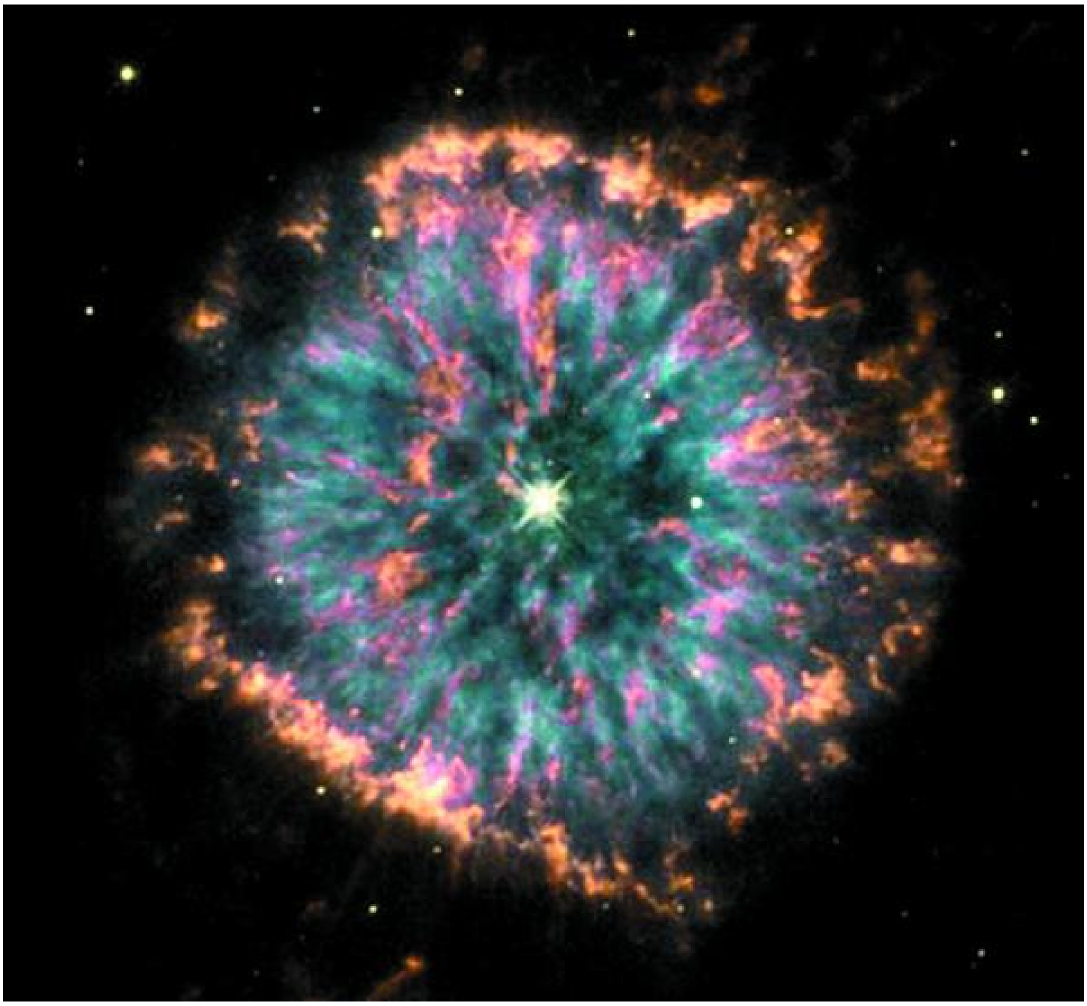
Picture: Two opposition supporters kiss while wearing gas masks after clashes with riot police outside the Yugoslav federal parliament building in Belgrade centre on 5 October 2000. Fires raged inside the Yugoslav parliament building and the television centre after thousands of protesters demanded that President Slobodan Milosevic concede electoral defeat.
Marko Djurica/Reuters

......trade of foreign exchange over Reuters network...1984 Floats as public company......



technology+

TECHNOLOGY ADDS REAL VALUE TO CONTENT. IT ALLOWS IT TO BE ANALYSED, USED IN COMPLEX CALCULATIONS, AND TO BE ACCESSED AND DISPLAYED QUICKLY AND EASILY. WE DEVELOPED OUR TECHNOLOGY SKILLS IN THE FINANCIAL MARKETS, WHICH HAVE VERY LITTLE FAULT TOLERANCE AND AN EXTREME APPETITE FOR INNOVATION.

We stayed in front of that market by embracing the latest technology to emerge, quickly — and also by developing our own. For many years we built what we needed for our business: personal computers, operating systems and software applications. We developed what are now known as online systems well before the term came into common use. And we introduced an e-marketplace before dot.coms came into existence.

Today, the widespread adoption of internet technology greatly simplifies our focus. Since industry standards have emerged, we have not had to create proprietary technology. Instead, we are designing a corporate architecture for our product lines which are built on internet protocol (IP) standards. We can also concentrate our resources on developing highly specialised technology that adds value to our products. Our pioneering use of the electronic markup language NewsML, for example, is set to revolutionise the way news is put together and used by clients.

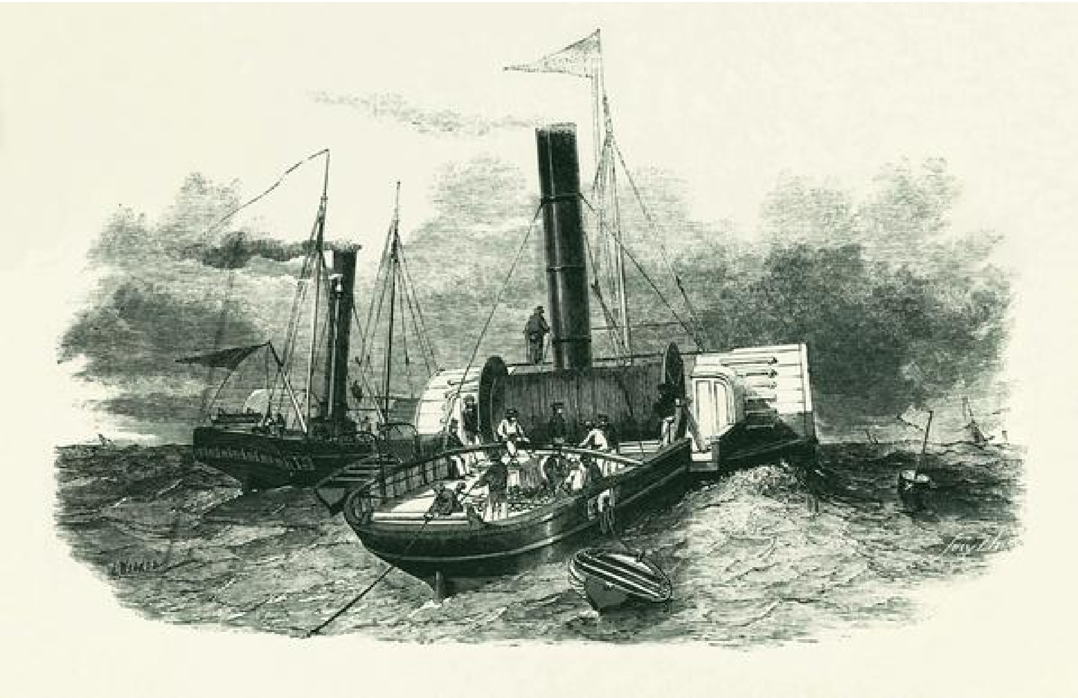
As the pace of technological change quickened, we set up the Greenhouse Fund to tap into new technologies by investing in internet start-ups.

Technology is core to our business. Our goal is to exploit the latest advances to meet customer needs.

<**Picture:** Radio monitoring gave Reuters a two-minute beat in London with news of the first manned space flight by Yuri Gagarin, the Soviet cosmonaut. Russian State Film & Photo Archive at Krasnogorsk (RGAKFD)

<**Picture:** Astronomers using NASA's Hubble Space Telescope obtained images of the strikingly unusual planetary nebula, NGC 6751. Glowing in the constellation Aquila like a giant eye, the nebula is a cloud of gas ejected

several thousand years ago from the hot star visible in its centre.
Dr Arsen R Hajian, US Naval Observatory. NASA and the Hubble Heritage Team (STScI/AURA).



.....1996 Launches product integrating real-time and historical data...2000 Unveils internet strategy.....

connectivity= performance

THE FINAL ELEMENT IN THE REUTERS VALUE EQUATION IS CONNECTIVITY. IT MEANS MORE THAN COMPUTER NETWORKS. VALUE IS CREATED BY GIVING CUSTOMERS THE ABILITY TO FIND A COMMUNITY OF USERS WITH SIMILAR INTERESTS, SHARE INFORMATION WITHIN THAT COMMUNITY AND EXECUTE TRANSACTIONS.

The rapid growth in the use of internet technology greatly expands our ability to bring these communities together. This is a skill we understand: we created one of the first online communities in 1981 by giving foreign exchange traders the tools to communicate electronically across our network. That product remains a market leader. Another of our transactions success stories is Instinet, the world's largest electronic agency broker in securities.

Today our goals extend beyond transactions. We are creating a secure financial extranet for the financial markets through Radianz, our joint venture with Equant, the telecommunications company. This extranet will allow firms to send and receive information critical to their business and to transact with other firms connected to the network with guaranteed levels of reliability and security.

For the first time in our history we are connecting directly with consumers through internet joint ventures and reuters.com, redesigned as a gateway to our planned personal finance websites.

Our blend of content, technology, and connectivity is unique. Our objective is to help our customers perform better and, in so doing, create value for our shareholders.

<**Picture:** Reuter used the Dover-Calais submarine cable, completed in 1851, to transmit stock market prices and general news to Continental Europe. Print: "The Goliath steamer 'paying out' the electric wire". 1850. The Illustrated London News Picture Library

<**Picture:** Reuters photographer Michael Leckel transmits pictures using Wavelan technology at the 1998 football World Cup in France. This leading-edge technology is principally used at major sporting events. Pictures can reach a publication's newsdesk within five minutes of being taken.
Kevin Coombs/Reuters

Chief Executive Peter Job answers questions on the progress of the initiatives announced in February 2000 and on other issues.

Reuters will be celebrating its 150th anniversary this year. What, in your view, have been the main contributors to the success of the company?

An incredible esprit de corps. This is very fulfilling. We are one of the most international companies there is. Also, we have a strong common purpose: to tell the facts honestly and help our customers improve their performance with knowledge and technology. A good ethical base knits us together and enables us to survive the ups and downs of business. People have tended to lose sight of these things as part of a winning long-term proposition. We never forget them.

You will be retiring in July this year. What will you regard as your principal achievement as Chief Executive?

Exiting smoothly with the business in good shape and a seamless hand-over to a successor I respect.

Reuters announced a major new strategy in February 2000 to drive the business forward in the internet age. What progress have you made in the last year?

We have delivered on virtually everything we announced for the year. In certain instances we haven't but there have been very good reasons for not doing so. In some cases we have done more than we said we would do.

Have you altered your plans now that the dot.com bubble has burst?

No. Our plans were laid on the basis of our experience with the internet and its technologies over the last five or six years. We avoided the fashionable pieces with supposedly stellar prospects such as retail and instant e-commerce. Consequently, we didn't get spattered when the bubble burst. We remained focused on the real things such as software infrastructure and the ability to build good content on top of it.

The recent falls on Nasdaq and the downgrading of technology stocks have affected the value of the quoted investments within the Greenhouse Fund. What plans do you have for the Fund following your decision not to pursue an IPO?

Happily, we realised the value of many of our investments over the last four years. The money has been ploughed back into new investments. We have used minimal shareholder capital in this operation. We would now like to see Greenhouse take in private capital from other groups. We continue to be interested in tapping into technology. In retrospect this may be a sounder route than the original plan for an IPO.

How will your core business sustain its current levels of growth in the face of continuing consolidation within financial markets?

Financial markets have been consolidating for the 10 years I have been Chief Executive of this company and yet we have still managed to grow despite the difficulties that mergers may present us with. There are several reasons for this. First, large merged companies develop a very sophisticated demand for a much wider range of service such as enterprise software, secure communications and cheap information packages to distribute to their own clients. Reuters is by far the best placed organisation to exploit this range of demand. Secondly, it is always a mistake to think that everything is always going to consolidate. While that trend has been evident, and we could of course be affected by future consolidations, financial markets are also becoming much more varied and demanding. This gives rise to whole new generations of smaller organisations, never seen before, like e-brokers. Furthermore, expanding wealth and the relative failure of state pensions to achieve growth for individuals has spurred an expansion in asset management and private banking activities.

You announced last year that Reuters would target consumers directly for the first time in its history. How are you achieving this?

The internet has had the magic effect of making high-class information available to tens of millions of people outside the dealing room – in offices and at home. We have had tremendous success in selling small packages of information for distribution by our customers to their own customers. We have also set up web initiatives such as reuters.com. We hope to be able to establish routes by which investors who visit our site will have the opportunity, if they want to buy financial products, to visit sites run by our clients.

You established a number of joint ventures such as Radianz and Factiva. How will such companies create value for Reuters?

Last year's notion that you only had to put together a marketing plan to be worth £1 billion has gone – probably forever. Our joint ventures are operating in well-chosen areas where we needed partnerships to achieve our objectives more quickly. They should each find a big market. But they will have to stretch themselves to win market share because customer expectations are rising all the time.

What impact does the internet have on margins?

Products delivered over the internet tend to be widely disseminated and low in price, if not free of charge, to the actual consumer. Volume should make up for the lower price of less sophisticated, less comprehensive products. Furthermore, internet technologies are free. We don't have to pay to invent them. The 'last mile' link to the customer is free of cost to us. Customers have their own equipment and have to maintain it themselves.

Some people imagine that free information on the internet means that no-one will buy Reuters products. Banks and brokers have to know more than their own customers – so as long as they exist there will always be a need for a premium service. Over time the cheapening cost of communications, of hardware and software, may tend to lower the price of information services. However, we see no sign of this at the moment. All we see is an incremental opportunity to sell more smaller information packages more cheaply.

What impact on Instinet's growth will the change of plan for a retail service have?

We have been trying to adhere to value-based management. The value in retail last year lay primarily in the very large value the market attributed to retail electronic brokerages. On the whole these high valuations have collapsed. This set us looking much more closely at the basic economics. We found, now that the retail trading frenzy has cooled down, that the economics did not look that good. However, there is no reason for Instinet to exit from retail. It is already running clearing services for retail brokers. It is also intended to offer them execution services. We are now making these services available as a ‘private label’ type of provider – not a branded one. This should deliver more profit and value to shareholders.

How will you maintain the strategic benefit of Instinet to the Reuters Group following its IPO?

We have allowed Instinet to operate independently since we bought it. This freedom has helped Instinet to build a significant business and we are now lowering the last barrier to full independence by taking it to an IPO. We believe there are strategic benefits for both sides in a close partnership but they are more likely to be achieved through mutual help and understanding than by complete ownership. We will remain a large shareholder nevertheless. It is a good business close to our own.

<**Picture:** Tara Joseph, Editor Reuters Television, interviews Peter Job about the company’s strategy at Reuters Infoworld exhibition of products held in March 2000. Rolf Soderlind/Reuters

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REUTERS FINANCIAL

Reuters Financial, Reuters core business division, comprises Reuters Information and Reuters Trading Solutions.

We provide packages of content and technology to financial institutions to help them improve their performance. Our customers require information but many also need the technology infrastructure over which they route data and carry out transactions. As the financial services industry becomes increasingly global, our major customers are looking for global solutions. We believe our scale gives us the ability to meet their needs.

Our goal is to broaden our customer base by creating new communities of Reuters users. To achieve this, we are adding new content and functionality to our product range and developing internet-delivered services which are easy to access and use. We are also migrating our core financial business to an internet-based model.

Philip Green Chief Executive Reuters Financial

Harry Chambers

We provide packages of content and technology to financial institutions to help them improve their performance. Our customers require information but many also need the technology infrastructure over which they route data and carry out transactions.

>Monitoring Reuters networks at the London global technical centre. *Julian Calder*

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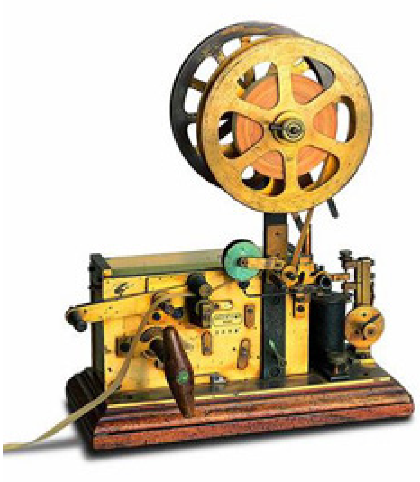
(i) Rika Otsuka, Correspondent, and Sakiko Seki, Editor-in-Charge, Japan Desk.

(ii) James Saft, Chief Correspondent, UK Financial Markets. *Julian Calder*



ˆ A Hasler and Escher morse receiver, c. 1865. This would probably have been used by Reuters until the late 19th century for the reception of messages in morse.

ˆ Men of the Day: Baron Paul Julius Reuter, 1872. *Vanity Fair*

......Reuters: 18,082 staff in offices in 204 cities in 100 countries...Delivers services to 558,

One of the markets that offers potential for us is asset management, a sector that is growing in importance around the world.

Reuters Financial operating profit rose by 7%. Underlying operating profit, which excludes the impact of acquisitions, disposals, significant once-off items and currency movements, grew by 19%. The operating margin was flat at 20%.

In the first year of the business transformation programme, we laid the foundation for the new internet-based architecture and started to bring to market products that use elements of the new functionality. Costs for the first year of the programme were lower than expected at £139 million.

REUTERS INFORMATION (RI) provides information products for financial professionals. We focus on four main markets: equities, fixed income, foreign exchange and money, and commodities (including energy).

Our information products deliver a wide range of real-time and historical data, news, graphics, television and analytics. They include coverage of more than 940,000 financial instruments, prices from 263 exchanges and over-the-counter markets, contributed data from 5,036 sources and multimedia news from our network of 2,157 journalists, photographers and cameramen. Our goal is to provide a wide range of services at different price points. This allows us to address a broad base of the financial market and create communities of users who share common needs or requirements.

We offer top tier services targeted at traders in the dealing room, brokers, investment managers and research analysts who need in-depth data to carry out analysis and make trading and investment decisions. In addition, we provide products for client-facing and support staff who need a smaller range of information. We also offer internet-delivered technology solutions which enable financial professionals to distribute Reuters content to their own customers.

3000 Xtra, our flagship international information product, offers the full breadth and depth of Reuters financial information and exploits the latest desktop technology. It enables users to create their own personalised displays, carry out sophisticated analytics and export data for in-house use. We believe that 3000 Xtra is an important platform that will expose more of our suite of data and applications to clients and as a result draws us closer to those clients. We also believe that 3000 Xtra will provide us a with a basis from which to sell additional services in the future.

Sales of 3000 Xtra were strong in 2000, boosted by a number of deals with major clients. These included 1,500 positions to Lehman Brothers

RI	**00 £M**	99 £M	98 £M
Revenue	**1,737**	1,619	1,531

Cost	**(1,454)**	(1,366)	(1,373)
Contribution	**283**	253	158
Employees	**8,631**	9,239	9,306



<1951: Reuters headquarters at 85 Fleet Street decorated to celebrate the company's centenary.

<A hot-air balloon message sent by French agency Havas during the siege of Paris to Reuters London office. 1870.

000 users in 50,600 locations in 151 countries...Supplies information gathered from 5,036......

globally and 1,200 to Merrill Lynch in London. By the end of the year we had sold more than 27,000 positions.

We saw strong sales of information products – across the range – in Europe. State pension fund reform across the continent has led to a rise in personal investment as individuals increasingly take responsibility for planning for their own financial future. This trend has fuelled a growth in the asset management sector and an increasing demand for information products.

In addition to international products, we offer many products tailored to the specific needs of domestic markets. Reuters Plus, an equities product developed principally for the US retail brokerage sector, continued to see good growth in 2000 with sales increasing by 28% to a total of 60,000 accesses. We continue to focus on increasing our presence in the important US equities market.

Our products targeted at users working outside the trading floor, delivered over company intranets, continued to do well. We saw a 50% increase during the course of the year in the number of users accessing these services.

In October 2000 we launched Reuters Credit, an internet-based service which provides comprehensive information on issuers in the international credit markets. It represents one of the first e-business initiatives to emerge since we announced our internet strategy in February 2000.

Reuters Information actual revenue grew 7% and underlying revenue grew 8%.

<Reuters Monitor, introduced in 1973, provided contributed market information to subscribers.

<Peter Lai, now a sales manager, trains Singapore colleagues Lyn Lim, Shuh Shyan Lu and Lester Langford on 3000 Xtra. *Brynley Scully*

<1966. Using Stockmaster to retrieve electronic stock prices

......contributors, 263 real-time markets and a network of 2,157 journalists, photographers

REUTERS TRADING SOLUTIONS (RTS) aims to meet the technology and transaction needs of customers in treasury and banking, corporate treasuries, securities broking and sales, asset management, and personal financial services.

Our customers are operating in an environment where the pace of change is accelerating. By providing unprecedented access to information, analysis and trading facilities, the internet is shifting the balance of power in favour of the end consumer. Financial market professionals face tough competition and continuing consolidation within their industry. As a result, they are looking for ways to differentiate themselves to their customers and achieve cost savings through improved efficiency.

Our business has two main elements: Transactions and Solutions. Our transactions systems enable traders to deal, electronically, from their desktops. Our technology and software solutions improve operating efficiency and facilitate trading throughout the enterprise. They also enable our customers to provide content and brokerage packages to their customers.

These products link to a variety of information sources, either internally or externally via the internet. We also offer consulting services which deliver fully integrated and tailored technology solutions to meet the individual requirements of clients.

In Money Transactions Systems our main challenge in 2000 was to continue the development of our successful interbank dealing business, which provides trading systems for foreign exchange traders in spot and forwards, whilst also catering for the needs of the banks' own institutional and corporate customers who are playing a more active role in the money and foreign exchange markets.

Dealing 3000, our latest range of foreign exchange dealing products for the interbank market, has a fresh look and feel and offers users integrated access to information and financial applications. Dealing 3000 is making good progress; by the end of the year around 20% of our Dealing customers had upgraded to Dealing 3000 from Dealing 2000. However, the total number of Dealing users continued

RTS	**00 £M**	99 £M	98 £M
Revenue	**822**	780	827
Cost	**(588)**	(550)	(541)

Contribution	**234**	230	286
Employees	**4,387**	4,105	3,887

<A Reuters bulletin seller in Port Said, Egypt. 1938.

<Nicola Rendall, Project Manager; Faye Cooper, Business Development Manager; Giandavide Orsi, Business Analyst; Peter Manley, Marketing Communications, London.
Julian Calder

<(i) Christopher Burtt, Project Manager; Adelina “Chiqui” Gavilan, Senior Legal Counsel; and Ed Esters, Project Manager, outside Reuters new US headquarters at 3 Times Square, New York. *Ric Gemmell*

<(ii) A Reuters screen in Hong Kong’s Central district displays foreign exchange rates. Brad Rickerby

and cameramen in 190 news bureaux...Provides data on more than 940,000 financial......

a steady decline to 20,200 accesses, down from 22,000 at the end of 1999. This trend is due in part to the introduction of the euro, which prompted many European banks to reduce the number of foreign exchange traders they employed.

To complement our activities in the interbank foreign exchange market, we launched Reuters Treasury Solutions in 2000. This product allows banks to provide their corporate and institutional customers with their own branded foreign exchange and money market trading service. We have also partnered with some of our largest banking clients to create Atriax, an online multi-bank foreign exchange marketplace which links banks with their customers. Atriax is due to launch in the second quarter of 2001.

Securities Transactions Systems provides open order routing services which facilitate ‘straight-through-processing’ for the global securities markets. In 2000 we saw the number of equity orders handled by our systems treble and the number of new customers double, albeit off a small base. This growth was spurred by growth in cross-border trading of securities and an increased focus by the market on efficient order routing.

Our Applications and Enterprise Solutions business provides sophisticated software for the distribution of real-time information and order flow data throughout customer organisations, together with risk management applications.

In 2000 we made considerable progress in streamlining our product offering to help customers achieve efficiency across their enterprises. We increasingly used TIBCO technology across platforms and applications to provide customers with a common architecture to link financial software components. California-based TIBCO Finance is now

<A Reuters messenger boy. 1939.

<(i) Jean-Paul Mergeai, Marketing Manager, France-Benelux. *Matt Greenslade*

<(ii) Reuters new US headquarters at 3 Times Square, New York. *Brad Rickerby*

<Kenneth Tsui, Manager, Greater China. *Brad Rickerby*

......instruments as well as on 40,000 companies...Publishes some 25,000 news headlines and

integrated into the Reuters Group, bringing industry-standard market data systems and business integration architecture.

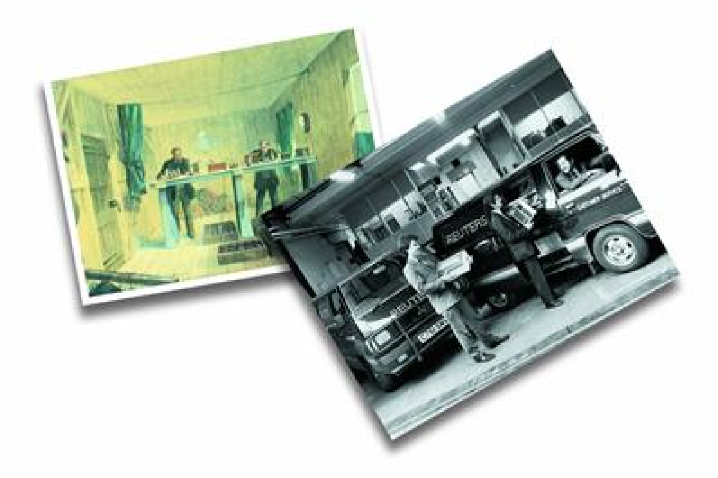
During 2000 we designed a new Trading Systems Architecture which provides more sophisticated delivery of information and other services to the client's site, integrates them into the client's business flow and facilitates further distribution over the internet.

We aim, through our Retail Solutions business, to become the leading supplier of online information and technology solutions to personal financial services providers around the world. The blend of content and brokerage packages enables our customers to deliver branded electronic services to their own retail clients. We had a very good year in 2000, achieving some notable sales successes. We intend to expand this business by developing solutions for use by a wider variety of markets and customers.

Reuters Consulting, formed in 2000, gives global reach and consistency to, as well as extending the scope of, the professional services we had previously offered on a local basis. Consulting plays a key role in our strategy to provide global technology solutions. We aim to be the natural integration and implementation partner for clients who wish to deploy Reuters data and systems across their organisations.

Actual revenue for Reuters Trading Solutions rose 5% and 4% on an underlying basis. Revenue from transaction products was flat, reflecting the continuing contraction within the foreign exchange markets. The growth was driven by sales of Retail Solutions and of Application and Enterprise Solutions as investment in information technology picked up following the millennium slowdown.

We believe we have made substantial progress in 2000, creating a strong platform on which to build in 2001.



<Watercolour by R Dudley "The interior of a cable hut at Valentia, Ireland" shows the end point of the transatlantic cable.1866. *Institution of Electrical Engineers Archives*

<Technicians and engineers of the UK Field Group on their way to Reuters customers. 1986.

<Jennifer Casillas, Senior Project Manager; Michael Cain, Director of Finance; Britt Backlund, Senior Marketing Co-ordinator; TIBCO Finance, Palo Alto, California. *Ric Gemmell*

more than six million words a day...Reports news in 24 languages...Supplies news and......

REUTERSPACE

Rob Rowley, Chief Executive Reuterspace

Reuterspace’s mission is to create sustainable, long-term value for the Reuters Group by acquiring new skills and developing markets outside the traditional financial business. In a drive to create new communities of Reuters users and expand our customer base we are developing products for the business and consumer markets. By building on our core strengths in content, technology and distribution, we are in a position to provide high-value information and communication channels for these new markets.

As a young venture operating in a fast-moving environment, we are taking a range of approaches to build our business more quickly. We are developing opportunities through internal initiatives, partnerships, stakeholdings and acquisitions.

The growth of the knowledge-based economy has created a strong demand within the corporate sector for high-value information. Businesses need this to help them perform better and remain competitive. To capitalise on this demand, we provide company information and research and advisory information for specific industry sectors including financial services, telecoms and healthcare. Reuters Health Information, which delivers health and

In a drive to create new communities of Reuters users and expand our customer base we are developing products for the business and consumer markets.

REUTERSPACE	**00** **£M**	99 £M	98 £M
Revenue	**235**	157	154
Cost	**(302)**	(172)	(181)
Contribution	**(67)**	(15)	(27)
Employees	**2,226**	1,344	1,541

<Reuters London news room. 1923.

......information to over 1,400 internet websites...An estimated 73 million people per month medical global news services, became profitable during the year. We acquired two companies to enrich our range of content: ORT, which supplies information on 880,000 French companies, and Yankee Group, a leading technology research and strategic consultancy. Our research business has had a very successful year and we plan to continue acquiring content where good opportunities arise.

Factiva, the joint venture we formed with Dow Jones in 1999, now provides news and business information from 7,000 sources to more than 1.5 million corporate users globally. It is now the world’s second largest vendor of business information. Factiva moved into profit towards the end of 2000.

Our interest in the business market extends beyond content provision. We aim to make Reuters as successful a creator, integrator and distributor of information in non-financial corporations as it is in financial markets. We are partnering with Yahoo!, TIBCO Software and Equant, the data network services provider, to sell a package of software, content and communication channels to businesses seeking to establish information portals.

We see great synergy between what we can do for businesses and what we can do for consumers who increasingly are taking responsibility for their own financial needs. They demand high-quality information and advice. As a result, we are targeting consumers directly, as well as through third parties and joint ventures with partners.

Reuters Media serves the global media marketplace, and ultimately the consumer, with a broad range of content, including multimedia news, data and financial information. We are a world leader in online news distribution, reaching internet users through the provision of branded news and information in 14 languages to more than 900 websites. We also provide video news services and traditional news wire services to the print and broadcast media around the world.

We have redesigned our reuters.com website to use it as a gateway into our planned personal finance sites. We have also launched domestic sites for Germany (www.reuters.de) and the UK (www.reuters.co.uk) to offer users investment and financial tools in addition to news. Our strategy is to drive traffic to the sites of our personal financial services customers by providing links from the reuters.com site.

Through a network of strategic partnerships, we are providing a wide range of additional content and commentary. Multex Investor Europe, a joint venture with Multex.com Inc., gives private investors access to broker research, investment information and tools. The UK website, which went live in September 2000, has 25,000 registered users. A German site was launched later in the year. We formed a similar company, Multex Investor Japan, to penetrate the Japanese consumer market.

We partnered with Handelsblatt, the leading German financial newspaper, to develop a finance portal targeted at Germany’s 1.5 million

<Reuters domestic site for Germany.

<(i) Geoffrey Wheating, Director, Global Sports Development. *Matt Greenslade*

<(ii) Reuters Video News Editorial.

<London messenger girls with Reuter looking on, c.1938.

read Reuters online content, representing around 18% of internet users...Some 350......

online investors. We are in discussions with other potential partners across Europe to roll out similar portals.

Sila Communications, the joint venture we formed with Aether to develop wireless applications for the European market, is part of our strategy to distribute Reuters content to mobile devices.

We established an internal business incubator programme to identify and support promising new initiatives proposed by our staff. We have nurtured several businesses including an events information database service called Kalends (www.kalends.com) which serves both business and consumer users online.

The Greenhouse Fund was set up in 1995 to invest in internet start-up companies to enable Reuters to tap into new technologies for its own product development. We used the knowledge and expertise we gained through the Greenhouse investments in the formulation of the internet strategy we unveiled in February 2000.

In 2001 we plan to change our financial strategy by bringing in external investors. Although we had contemplated floating a portion of the Fund, we no longer intend to pursue an IPO.

The Greenhouse Fund generated£83 million profit on disposals in 2000. The year-end market value of the Fund's 19 listed investments was £99 million versus £438 million last year, reflecting the disposals as well as the technology market correction. The unlisted investments totalled 71, including 14 funds.

Reuterspace actual revenue rose 50% to £235 million, reflecting the benefit of acquisitions made during the year. Underlying revenue was up 16%. Online media revenue more than doubled, but was partially offset by reduced revenue from television. Investment of £41 million included £17 million to develop the reuters.com infrastructure. The investments to develop opportunities in the corporate and retail markets as well as the cost of running the Greenhouse Fund resulted in an operating loss of £67 million, versus £15 million in 1999.

Reuterspace is an investment vehicle for the Group's future. We do not expect it to show a profit in the short term.

<Reuters telegrams from the Port Said branch, Egypt concerning the Kaiser's visit just before Queen Victoria's death, the Boer War and a disturbance in China. 1901.

<Reuters Delhi office, c.1920.

<David Pegg, Picture Supervisor, Reuters Video News, London. *Julian Calder*

......subscribers plus their networks and affiliates in over 90 countries use Reuters video

INSTINET

Doug Atkin, Chief Executive Officer, Instinet

Instinet is an e-financial marketplace. We pioneered electronic brokerage and we are now the world's largest electronic agency securities brokerage firm. Through our electronic platforms, we bring buyers and sellers together so they can trade equity and fixed income securities, and access research to assist in the trading process. We also provide clearing and settlement services. We aim to help our customers reach their trading objectives at reduced costs and with greater speed and efficiency.

Our customers are institutional investors, such as mutual funds, pension funds, insurance companies and hedge funds, as well as securities brokers and dealers. They can trade directly and anonymously with each other. We trade in more than 40 established securities markets throughout the world. We are also a member of 20 exchanges around the world including London, Frankfurt, Paris, Milan, Zurich, Hong Kong, Tokyo, Sydney and Toronto stock exchanges, and the Nasdaq marketplace.

Our flagship equities service continued to expand its global customer base. Although the forces of technology, regulation and globalisation generated changes for all equity brokers, including Instinet, our global equities business achieved record highs, driven by market-wide growth in share volumes and our increased international business. In 2000, our customers'equity transactions volume was about 88 million trades globally, and we traded an average of more than 265 million US equity shares a day.

We allow our customers to obtain significant price improvement and reduced transaction costs in executing their trades. We calculated that, through the use of our equity trading system, our institutional customers saved US$2.7 billion of costs through price improvements and reduced transaction costs during the 12-month period ended on 30 September 2000, based on our analysis of a report by Plexus Group, an independent market research group that calculated Instinet's price improvement in basis points savings as compared to the Plexus Group benchmark. Recently we were ranked the top agency broker for 'best execution' in the October 2000 edition of Euromoney based on a poll of 300 European equity fund managers.

To provide greater value to the institutional community beyond the global execution of trades, we increased our provision of third-party, independent and proprietary research to investment decision makers during 2000.

Through our electronic platforms, we bring buyers and sellers together so they can trade equity and fixed income securities, and access research to assist in the trading process. We also provide clearing and settlement services.

INSTINET	**00 £M**	99 £M	98 £M
Revenue	**804**	525	446
Cost	**(647)**	(396)	(291)
Contribution	**157**	129	155
Employees	**2,021**	1,379	1,181

<A 1986 Instinet terminal.

news...Instinet: the world's largest electronic agency securities broker, trading in over......

Our clearing and settlement services (ICS) provides post-execution services and financing to various Instinet execution and customer facing brokerage operations as well as to non-affiliated third party firms. Currently, the ICS offering includes trade allocation, custody and settlement for the institutional community, as well as margin, customer accounting, cash management, and non-equity products for the retail brokerage community.

Instinet's actual revenue rose 53% to £804 million and 40% on an underlying basis. In the US underlying revenue grew by 34%, boosted by strong volumes traded on Nasdaq. Underlying international revenue increased by 61% and now accounts for 24% of total revenue. Operating profit rose by 22% and by 17% on an underlying basis. Operating margin was 19.5%, down from 24.5% in 1999. This reflected our investment of £66 million in a product for the fixed income market. Instinet's share of trading on the Nasdaq market rose to 14.4% in 2000.

Until recently, our e-financial marketplace centred almost exclusively on serving the needs of institutional investors and brokers and dealers in the global equity markets. In 2000 we introduced our new global electronic platform for trading fixed income securities. The markets for fixed income securities are amongst the largest in the world but they are far less transparent than the equity markets. We believe the launch of Instinet Fixed Income will significantly increase the amount of liquidity and transparency in bond trading. Our customers currently trade US Treasuries and European Sovereign Debt through our brokerage service.

We have seen client order flow in fixed income increase as we have added functionality in response to client requests. We have introduced niche products, such as Swapbox, which allows traders to buy and sell simultaneously on one efficient e-platform.

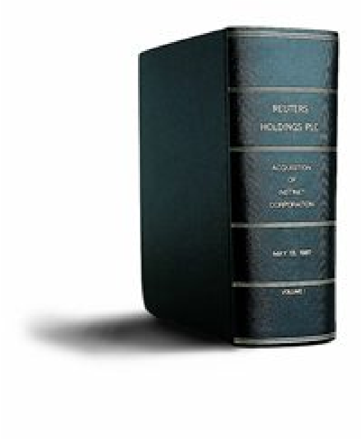
In February 2000 we completed our acquisition of Lynch, Jones & Ryan, a leading provider of specialised brokerage, research and commission recapture services for more than 1,000 pension plan sponsors and managers. This acquisition has helped us increase our transaction volumes and liquidity.

Instinet led a consortium that took a majority stake in Tradepoint Financial Networks PLC, a publicly quoted for-profit exchange based in the UK, in 1999. In July 2000 Tradepoint and the Swiss Exchange announced the two exchanges had agreed to create a new pan-European exchange to be called virt-x. The new exchange is expected to launch in 2001.

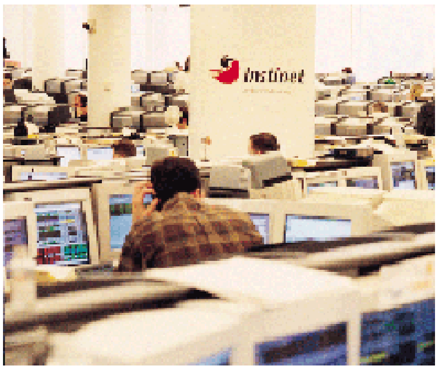
In March 2000 we acquired a 13% interest in Vencast.com, a solutions provider for the private equity industry. Vencast.com offers a new, secure digital environment which facilitates the process of raising capital for, and investing in, private equity opportunities. Additionally, we acquired a significant minority stake in Tradeware SA of Belgium, a leading developer of trading technology which enables real-time order routing to electronic stock exchanges.

In December 2000 we announced plans to service the retail community indirectly via the brands of other financial services and brokerage firms. With the substantial declines in the value of the online brokerage businesses resulting from rising customer acquisition costs, falling trading activity, and slowing new customer growth, we took the opportunity to redirect the retail project. By utilising some of the technology, we now offer key elements of the service through our wholesale business as a private label.

In late 2000 Reuters confirmed its intention to float a minority stake in Instinet. On 8 February 2001 we filed with the US Securities and Exchange Commission our S-1 Registration Statement under the Securities Act of 1933.



<Volume of documents relating to Reuters acquisition of Instinet in May 1987.



<Instinet's trading floor, New York. *Ric Gemmell*

<(i) Instinet's New York offices.

<(ii) Gregory Simons, Vice President, Institutional Equity Trading, Instinet, New York, *Ric Gemmell*

......40 securities markets, a member of 20 exchanges in North America, Europe, and Asia......

JOINT VENTURES AND ASSOCIATES

In unveiling our internet strategy in February 2000, we said we would work increasingly with partners to target wider markets. We formed alliances with several partners in the course of the year to achieve our goals more quickly. These initiatives extend the range of our activities, continuing a process we started in 1999.

Radianz, a joint venture with Equant, became operational in July 2000. Radianz plans to develop the world's largest, secure, private internet protocol (IP) network for the financial markets. Radianz's services are targeted at organisations who like the capability and standards of internet technology but require a network providing both high performance and security. Although Reuters owns 51% of the joint venture, its control is limited to 50%. Reuters has contributed most of its network assets to Radianz.

TIBCO Software Inc. is a publicly traded company quoted on the Nasdaq stock market. Previously part of the Reuters Group, it completed an IPO in July 1999. The company enables businesses to integrate applications across the enterprise and to deliver personalised information through enterprise portals. Reuters has a 57% economic interest in TIBCO Software but its voting rights are restricted to 49%. If all outstanding employee options over TIBCO Software's shares were exercised, Reuters shareholding in TIBCO Software would be 42%. TIBCO Software technology is integral to a number of Reuters technology products.

Factiva, a 50% owned joint venture with Dow Jones, was formed in 1999. Factiva sells news and business information from 7,000 sources to 1.5 million users around the world. Factiva's sources include the Reuters and Dow Jones news wires in addition to national, regional and local newspapers and trade publications. The content includes information in 22 languages. Factiva also provides technology solutions to integrate content into companies' intranets or information portals.

Multex Investor Europe, a 50% owned joint venture with Multex.com Inc., was established in February 2000 to provide dedicated broker research and investment information to private investors in Europe. It has launched three websites for the UK, German and French markets. In addition, Multex Investor Japan, a 50% owned joint venture with Multex.com Inc., was formed in February 2001 to provide similar services in Japan. Reuters holds a 6.2% stake in Multex.com Inc.

Atriax, a consortium formed in late 2000, is 25% owned by Reuters. Its other principal owners are some of the world's leading foreign exchange banks. Atriax aims to become the premier global electronic marketplace for foreign exchange by bringing together banking, institutional and corporate foreign exchange professionals.

Sila Communicationswas created in May 2000 to provide wireless data services and technology in Europe. It is a 40% owned venture with Aether Systems. Reuters owns a 7.2% interest in Aether Systems.

BRAND

Over 150 years, Reuters has become one of the most famous names in the world. Our brand is above all built on trust. People believe Reuters. We are objective, impartial and independent. We have a record for speed, enterprise and innovation, established over one and a half centuries since our founder Paul Julius Reuter first turned to the telegraph to build his business. Interbrand, a leading international branding agency, last year placed us top among UK-based companies in its annual valuation of the top 75 global brands.

These strong brand assets are now helping us to seize the unfolding new business opportunities of a rapidly changing business environment. New channels such as the internet, wireless delivery and personal digital assistants make information ever more accessible. People look increasingly to fast, personalised information when taking their decisions –at work and at home. In choosing their information, they look to a brand which they can trust –for its integrity, its competence and its ability to exploit new information technologies.

The Reuters brand is spreading beyond its traditional areas of financial trading rooms and the world's newspapers and broadcasters. Our information, ranging from financial data to news about politics, disasters, sports and entertainment, is now on over 1,400 internet websites worldwide, with around 350 million page impressions per month. Leading financial institutions use our information and integration software to keep their private investor customers constantly informed online.

To support our brand, we increased our investment in advertising in 2000, using television for the first time as a medium to reach a wider public.

BOARD OF DIRECTORS

Non-executive directors

Sir Christopher Hogg

Non-executive Chairman.

Non-executive Chairman of Allied Domecq PLC since 1996. Non-executive director of GlaxoSmithKline plc since 1993 and Air Liquide SA since May 2000. Non-executive Chairman of the Royal National Theatre since 1995. Former member of the International Council of JP Morgan 1993-2000. Former Chairman of Courtaulds PLC 1980-1996 (Chief Executive 1979-1991). Former non-executive director of the Bank of England 1992-1996. Member of the Audit and Remuneration Committees and Chairman of the Nomination Committee. Age 64.

Sir John Craven

Non-executive Chairman of Lonmin Plc since 1997. Non-executive director of Gleacher & Co LLC since 2000. Former member of the Board of Managing Directors of Deutsche Bank AG and former executive Chairman of Deutsche Morgan Grenfell Group plc (1989-1997). Former non-executive director of Rothmans International BV. Member of the Audit, Nomination and Remuneration Committees. Nominated as Reuters senior independent non-executive director. Age 60.

Ed Kozel

Managing Director of Open Range LLC. Non-executive director of Cisco Systems, Inc., Yahoo! and TIBCO Software Inc. From 1989 to 2000 worked for Cisco Systems, Inc. in a number of roles, more recently as the Chief Technical Officer and Senior Vice President Business Development. Prior to 1989 worked with SRI International in California. Member of the Remuneration and Nomination Committees. Age 45.

Dennis Malamatinas

Chief Executive, Priceline Europe. Former CEO, Burger King Corporation (1997-2000). From 1979 to 2000 he held a number of executive positions, first with the Procter & Gamble Company then with PepsiCo and then with Grand Metropolitan plc (now known as Diageo plc). From 1998 to 2000 he was an executive director of Diageo plc. Member of the Audit, Nomination and Remuneration Committees. Age 45.

Roberto Mendoza

Former Vice Chairman and a director of JP Morgan &Co Inc. (1990-2000) and Managing Director of Goldman Sachs & Co (2000). Joined JP Morgan in 1967 with successive assignments in London and New York. Non-executive Chairman of Egg plc and a non-executive director of Prudential plc, ACE Limited and Vitro SA. Member of the Audit, Nomination and Remuneration Committees. Age 55.

Dick Olver

A group managing director of BP Amoco plc and CEO, Exploration and Production. Member of the Institute of Civil Engineers. A governor of New Hall School. Member of the Nomination and Remuneration Committees and Chairman of the Audit Committee. Age 54.

Charles Sinclair

Group Chief Executive of Daily Mail and General Trust plc since 1988. Non-executive director of Euromoney Institutional Investor PLC and Schroders plc. Fellow of the Institute of Chartered Accountants. Member of the Audit and Nomination Committees and Chairman of the Remuneration Committee. Age 52.

Ian Strachan

Non-executive director of Transocean Sedco Forex and Instinet Group LLC. Former Deputy Chairman of Invensys plc (1999-2000). Former CEO of BTR plc (1996-1999). Former Deputy CEO (1991-1995) and CFO (1987-1991) of Rio Tinto plc. Former non-executive director of Commercial Union plc (1990-1996). Former CFO of Johnson & Higgins (1986-1987). Held various senior positions in Exxon (1970-1986). Member of the Audit, Nomination and Remuneration Committees. Age 57.

Executive directors

Peter Job

Chief Executive. Joined Reuters as a journalist in 1963. From 1971 worked to develop the company's business in Latin America, Africa, Asia and the Middle East. From 1978 until 1991 headed the company's operations in Asia. He has announced his retirement from Reuters effective July 2001. Non-executive director of Schroders plc, GlaxoSmithKline plc, TIBCO Software Inc. and Instinet Group LLC. Former non-executive director of Diageo plc. Member of the Nomination Committee. Age 59.

Tom Glocer

Executive Director and Chief Executive Designate. In December 2000 named to succeed Peter Job as Chief Executive of Reuters in July 2001. Former CEO Reuters Information (2000) and President & Senior Company Officer, Reuters America (1998-2000). Previously CEO Reuters Latin America (1997). Joined Reuters in 1993 as Vice President and Deputy General Counsel, Reuters America and appointed Executive Vice President and General Counsel, Reuters America Holdings in 1995. Prior to joining Reuters he was a mergers and acquisitions lawyer with Davis Polk & Wardwell in New York, Paris and Tokyo. Non-executive director of Instinet Group LLC, Giant Bear Inc. and of the New York City Investment Fund. Age 41.

Philip Green

Executive Director and Chief Executive, Reuters Financial. Joined Reuters in September 1999 as Chief Executive, Reuters Trading Solutions. Former Chief Operating Officer, Europe and Africa, at DHL International, based in Brussels. Joined DHL in 1990 as Regional Director, Northern Europe having previously worked in both the UK and US. Non-executive director of SKF AB. On the Advisory Board of the London Business School. Age 47.

David Grigson

Finance Director. Joined Reuters in August 2000 from Emap plc where he was Group Finance Director and Chairman of Emap Digital. Formerly with Saatchi & Saatchi Plc (1984-1989) and Esso UK (1980-1984). Age 46.

Jean-Claude Marchand

Executive Director, Group Marketing Director and Chairman, Reuters Information. Chief Executive, Global Sales and Operations (1998-1999). Managing Director, Continental Europe, Middle East and Africa (1994-1998). Joined Reuters in 1971 as a sales executive and became Sales and Marketing Manager, Asia in 1978. A Swiss national, he has held senior management positions in Europe since 1979. Non-executive director of i2i, Radianz Limited and Sila Communications Limited. Age 54.

Rob Rowley

Executive Director and Chief Executive, Reuterspace. Finance Director from 1990 to 2000. Joined Reuters in 1978 taking financial responsibility for Europe in 1981. Became Joint Company Secretary in 1988. Group Financial Controller in 1989, and Company Secretary from 1991 to 1993. Responsible for new business information products, media and new business ventures since 1996. Non-executive director of Prudential plc. Age 51.

Group Executive Committee

Peter Job (Chair), Tom Glocer, Philip Green David Grigson, Jean-Claude Marchand, Rob Rowley, Stephen Mitchell (Group General Counsel), David Ure (Strategic Adviser to the Board; non-executive Chairman, Radianz), André Villeneuve (non-executive Chairman, Instinet), Geoffrey Weetman (Director of Human Resources), Rosemary Martin (Secretary).






EXECUTIVE DIRECTORS

Peter Job, Tom Glocer,
David Grigson, Philip Green,
Rob Rowley, Jean-Claude Marchand.

SUMMARY DIRECTORS' REPORT AND REMUNERATION

The directors submit their summary report and summary audited financial statement for the year ended 31 December 2000. These are derived from the full audited financial statements of Reuters Group PLC.

Activities

Reuters activities, likely future developments and post balance sheet events are described in the business reviews on pages 12-23.

Dividend

An interim dividend of 3.65p per ordinary share was paid on 6 September 2000. The directors recommend a final dividend of 12.35p per ordinary share giving a total of 16.0p per ordinary share for the year (1999 – 14.65p). Subject to shareholders' approval at the annual general meeting, the final dividend will be paid on 26 April 2001 to members on the register at the close of business on 16 March 2001.

Directors

The names and biographical details of current directors are given on page 25.

During 2000 Dennis Malamatinas, Ed Kozel and Ian Strachan were appointed non-executive directors. Bob Bauman and Sir David Walker retired as directors at the annual general meeting in April.

In January 2000, John Parcell resigned as an executive director and left the company. André Villeneuve resigned as a director in February 2000 to concentrate on his role as chairman of Instinet and David Ure resigned as an executive director in July to concentrate on his role as chairman of the Radianz joint venture with Equant. Philip Green, Tom Glocer and David Grigson were appointed executive directors in February, June and August 2000 respectively, and in December it was announced that Tom Glocer would be appointed as Chief Executive on the retirement of Peter Job in July 2001.

Corporate governance

Reuters is committed to high standards of corporate governance and has complied throughout 2000 with the principles of corporate governance set out in Section 1 of the Combined Code save that the service contracts of Peter Job, Rob Rowley and Jean-Claude Marchand are terminable by the company, in effect, on two years' notice. However, consistent with the company's move towards having executive directors' service contracts terminable on not more than one year's notice, Philip Green's appointment can be terminated on one year's notice and David Grigson's appointment can be terminated on one year's notice after an initial period ending in August 2001.

The company has established a framework of internal control which is reviewed by the Board. The Board has delegated specific responsibilities to its Audit Committee, Remuneration Committee and Nomination Committee. Authority is delegated to the Chief Executive and Group Executive Committee for implementing strategy and managing the Group. A full corporate governance statement is contained in the annual report and Form 20-F 2000.

The following is a summary of directors'remuneration and interests, including share options. A more detailed analysis is set out on pages 15-24 of the annual report and Form 20-F 2000.

The 2000 remuneration packages of executive directors consisted of annual salary, health and car benefits, prolonged disability insurance, an annual cash bonus plan, pension contributions and participation in a performance-linked share plan and all-employee share schemes. By far the most significant portion of each executive director's potential remuneration package was performance related.

	2000				1999
	SALARY/FEES £000	BONUS ENTITLEMENTS £000	BENEFITS £000	**TOTAL £000**	REMUNERATION TOTAL £000
Chairman:					
Sir Christopher Hogg	250	—	9	**259**	213
Non-executive directors:					
Bob Bauman (resigned 18 April 2000)	15	—	—	**15**	43
Sir John Craven	35	—	—	**35**	33
Michael Green (resigned 20 April 1999)	—	—	—	**—**	11
Ed Kozel (appointed 31 March 2000)	27	—	—	**27**	—
Dennis Malamatinas (appointed 1 January 2000)	35	—	—	**35**	—
Roberto Mendoza	35	—	—	**35**	33
Dick Olver	42	—	—	**42**	33
Charles Sinclair	45	—	—	**45**	43
Ian Strachan (appointed 10 May 2000)	44	—	—	**44**	—
Sir David Walker (resigned 18 April 2000)	12	—	—	**12**	33
Total for non-executive directors (excluding Chairman)	290	—	—	**290**	229
Executive directors:					
Tom Glocer (appointed 5 June 2000)	264	179	7	**450**	—
Philip Green (appointed 7 February 2000)	306	203	83	**592**	—
David Grigson (appointed 1 August 2000)	147	98	25	**270**	—
Peter Job, Chief Executive	605	409	17	**1,031**	905
Jean-Claude Marchand	352	246	28	**626**	591
John Parcell (resigned 15 January 2000)	1,203	—	38	**1,241**	495
Rob Rowley	372	247	13	**632**	556
David Ure (resigned 24 July 2000)	207	138	6	**351**	516
André Villeneuve (resigned 7 February 2000)	44	34	34	**112**	551
Total for executive directors	3,500	1,554	251	**5,305**	3,614
Total emoluments of directors	4,040	1,554	260	**5,854**	4,056

At the time of his resignation, John Parcell received a lump-sum payment of £1,189,000, which comprised an amount of £689,000 equivalent to two years' salary and £500,000 in respect of foregone long-term incentive plan awards.

All bonus entitlements were paid in cash except that Peter Job and David Ure waived their bonus entitlements in lieu of the company making equivalent contributions to individual money purchase pension plans on their behalf.

During 2000, Reuters paid £52,000 into defined contribution pension schemes for three executive directors. In addition, at 31 December 2000 four directors had benefits accruing under defined benefit schemes.

Summary of share options and disclosable shareholdings

The table below summarises the number of shares underlying long-term awards to each executive director, the vested options on shares in Reuters Group PLC and the total shareholdings at 31 December 2000.

	LONG-TERM INCENTIVE AWARDS						
	UNRELEASED 31 DECEMBER 1999 OR LATER DATE OF APPOINTMENT	AWARDED DURING PERIOD	RELEASED DURING PERIOD	LAPSED ON RESIGNATION	UNRELEASED 31 DECEMBER 2000 OR EARLIER DATE OF RESIGNATION	ALL-EMPLOYEE SHARE SCHEMES 31 DECEMBER 2000 OR EARLIER DATE OF RESIGNATION	INTEREST IN ORDINARY SHARES 31 DECEMBER 2000
Sir Christopher Hogg	—	—	—	—	—	3,077	31,693
Peter Job	323,059	73,567	16,523	—	380,103	5,508	216,510
Tom Glocer (appointed 5 June 2000)	85,969	—	—	—	85,969	17,228	10,266
David Grigson (appointed 1 August 2000)	—	42,579	—	—	42,579	—	—
Sir John Craven	—	—	—	—	—	—	6,846
Philip Green (appointed 7 February 2000)	100,000	24,320	—	—	124,320	—	2,000
Jean-Claude Marchand	211,240	47,667	6,921	—	251,986	5,098	32,346
Roberto Mendoza	—	—	—	—	—	—	8,000
Dick Olver	—	—	—	—	—	—	3,000
John Parcell (resigned 15 January 2000)	153,843	—	—	147,408	6,435	43,061	—
Rob Rowley	200,085	45,235	10,303	—	235,017	5,508	138,665
Charles Sinclair	—	—	—	—	—	—	10,062
Ian Strachan	—	—	—	—	—	—	1,500
David Ure (resigned 24 July 2000)	211,516	—	11,139	—	200,377	2,000	—
André Villeneuve (resigned 7 February 2000)	211,516	—	—	—	211,516	5,508	—

No options under the all-employee share schemes were granted to, or exercised by, directors during their period of office in 2000.

CORPORATE RESPONSIBILITY

We have due regard to the interests of our employees, the communities in which we operate and the environment, in addition to the overriding interests of our shareholders. Our adherence to the Trust Principles, see page 41, means that we have a policy of reporting, with integrity and without bias, on activities around the world, including in countries which have been criticised for inadequately recognising human rights. We believe that facilitating the flow of information to people around the world, reliably and independently, is a valuable service to the community generally by raising awareness of conditions and activities across the world.

We were included in the Dow Jones Sustainability Group Index in 2000 as the leader in the publishing sector. This index tracks the performance of the top 10% of the world’s leading sustainability companies. Corporate sustainability is defined as a business approach to create long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.

Employees: The total number of employees at 31 December 2000 was 18,082 (31 December 1999 –16,546). Geoffrey Weetman, Reuters Director of Human Resources, is a member of the Group Executive Committee and he brings employment issues to the attention of that forum and the Board. We undertake regular Group-wide employee surveys to evaluate morale and to identify any employee issues that need to be addressed. The results of the survey are communicated throughout the Group. We monitor workforce turnover, diversity, skills and performance, reporting discernible trends to the Group Executive Committee. Managers annually appraise the employees reporting to them in one-to-one meetings.

It is our policy that 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 to ensure that disabled people are given the same consideration as others and, depending on their skills and abilities, enjoy the same training, development and prospects as other employees.

To encourage employees’ involvement and to ensure that employees are aware of the financial and economic factors affecting the Group, we make extensive use of the company’s intranet as a communications tool and hold regular meetings between management and employee representatives, including, where appropriate, union representatives, so that the views of employees can be taken into account in making decisions which are likely to affect their interests. Reuters European Employees Forum operates as a pan-European works council. We encourage the involvement of employees in the company’s performance through employees’share plans.

We record with deep regret the death of Kurt Schork who died while reporting for Reuters in Sierra Leone. We also record with regret the deaths in service of Yu Fai Chan, David Kirby, Veselin Pavkovic, Navdeep Ranawat, Roswitha Sediqie-Siepen and Eliane Vanden Bossche.

We value the courage and professionalism shown by employees operating in zones of conflict. We aim to cover news wherever it breaks but instruct staff to avoid risks wherever possible and provide hostile environment training for journalists. We provide training to staff to build awareness of health and safety issues.

The environment: We recognise that, although the environmental impact of our information and technology systems business is of itself minimal, we must address energy conservation and waste-management issues. Local initiatives in the Group are exemplified by our UK-wide initiative, launched in 2000, of introducing a formal environmental management system.

This is a continuous programme of improvement to bring benefits to the community as a whole, as well as to our profitability. The initiative has five main objectives: to work in partnership with suppliers to seek to ensure best environmental practice is followed, by suppliers to, and contractors of, the company; to manage electricity, gas and water supplies to attain optimum consumption through energy-efficient initiatives; to endeavour to minimise waste production; to utilise, and promote the use of, recycled materials, ensuring that materials are disposed of in an environmentally safe manner; and to raise and maintain a high level of understanding of, and participation in, environmental best practices. Targets have been set to reduce the impact of our UK operation in the environment and the process for measuring performance has been put in place. Information about environmental issues is available to our employees through an internal website. We participate in the BiE Index of Corporate Environmental Engagement which measures environmental management of FTSE 350 companies.

Our principal contribution to improving the environment, however, is through our news and information products which help to spread global awareness of environmental issues. Furthermore, the provision of our information services for display and access in electronic form enables our customers around the globe to keep abreast of events and issues with minimal use of paper and other resources.

Charitable contributions: We made a grant of £3.2 million in 2000 to fund the educational and humanitarian work of Reuters Foundation, our charitable trust (£3.3 million in 1999). In addition, our regional management made direct charitable donations of £1.2 million in cash and £13.7 million in kind, which includes the value of information services, equipment and employees'time provided free of charge for educational and humanitarian purposes. The overall total of our charitable giving, in cash and in kind, amounted to £18.1 million in 2000 or 2.7% of pre-tax profit (£16.6 million or 2.6% in 1999).

No political contributions are made.

REUTERS FOUNDATION

Reuters Foundation is our educational and charitable trust. It represents our values and concerns and those of our employees, focusing its activities in areas where our skills and expertise in information gathering, technology and communications can be put to optimum use for the benefit of our neighbours worldwide.

One third of the Foundation's work is dedicated to the support of international journalism. It runs a programme of specialist training for journalists, mainly from the developing world, which promotes the highest standards in reporting based on our own principles of accuracy and objectivity. Particular emphasis is placed on business, environmental and international news coverage, in media including text, photography, graphics, television and the internet. In 2000, the Foundation ran 23 courses in 13 countries, for 288 participants and included safety training for journalists who work in volatile areas.

In addition to practical training, the Foundation offers university fellowships to mid-career text, TV and photo-journalists. The Reuters Foundation Fellowship Programme at Green College, Oxford provides an opportunity each year for up to 20 journalists from the developing world to take time out from reporting deadlines to pursue individual studies and participate in media-related seminars and visits. Since the launch of this programme in 1992, 329 Reuters Foundation fellowships have been awarded to journalists from 85 countries.

The Foundation has also partnered with a number of international environmental organisations such as the World Conservation Union (IUCN), The Bellagio Foundation and AVINA to run environmental journalism workshops and awards which are designed to encourage excellence in environmental reporting and to raise awareness of the issues involved.

Another key area of focus is humanitarian aid. With the development of Reuters AlertNet, the Foundation has pioneered the use of cutting-edge, internet-based technology to create a platform for vital communication and information-sharing within the disaster relief community. Working closely with the Reuters Group, it has developed successful partnerships with creators of innovative web applications, creating test-beds for new technology which in turn have further enhanced the service.

With more than 140 members from 29 countries, AlertNet is now viewed by professionals working in disaster zones as the clearing house for information essential to their work, placing it firmly behind the life-saving decisions that they make.

Working with the AlertNet membership, Reuters Foundation also makes rapid response cash grants to help victims of disasters through Reuters AIDfund. In March 2000 AIDfund made its first donation – of £32,000 – to AlertNet member AirServ International, helping to pay for a week's worth of helicopter rescue flights during the devastating floods in Mozambique.

With the backing of Reuters Foundation, Reuters staff worldwide also offer their skills, time and resources to support local charitable initiatives in the regions where they work. In 2000, regional charity committees in Africa, the Americas, Australasia, Continental Europe, the Middle East, the UK and Ireland supported more than 100 local projects in 35 countries. These ranged from the provision of computers and IT training to schools in rural Uganda, to the funding of an educational programme in Afghanistan for children affected by conflict.

Reuters Foundation provides a worldwide channel for us to share our skills, technology, networks, resources, ideas and time with people in need. In so doing, we demonstrate our broad, collective sense of global social responsibility and our eagerness to develop the humanitarian potential of our long history and experience.

More information on the work of Reuters Foundation is contained in a separate annual review, available on request from the Director, Reuters Foundation, 85 Fleet Street, London EC4P 4AJ, or on the Foundation's website: **www.foundation.reuters.com**

ˆ The Reuters Board minutes for 1899 record a donation of 10 guineas to the Newspaper Press Fund, a charity for journalists and their families in distress.

REUTERS Foundation

SUMMARY OPERATING AND FINANCIAL REVIEW

Under US law all statements other than statements of historical fact included in this review are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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 33-35 as well as elsewhere in this review. All written and oral forward-looking statements made on or after the date hereof and attributable to Reuters are expressly qualified in their entirety by such factors.

FINANCIAL PERFORMANCE

	2000 £m	1999 £m	1998 £m
Revenue	**3,592**	3,125	3,032
Operating profit			
- divisions	**609**	603	611
- business transformation	**(139)**	—	—
Normalised operating profit	**470**	603	611
TIBCO Software/Reuters Business Briefing	**—**	(7)	(15)
Associates/investment income	**(16)**	(1)	7
Net interest receivable/ (payable)	**3**	(4)	2
Normalised PBT	**457**	591	605
Goodwill amortisation	**(71)**	(61)	(51)
Net gains on disposals	**271**	102	26
Reported PBT	**657**	632	580
Dividend per share	**16.0p**	14.65p	14.4p
Normalised EPS	**21.7p**	27.8p	29.1p
Basic EPS	**37.9p**	30.2p	26.7p

Underlying growth excludes acquisitions and disposals and significant once-off items in the period under review and is stated at comparable exchange rates.

Normalised profits and earnings exclude amortisation of goodwill and gains/losses on the disposal of subsidiaries and fixed asset investments.

Actual revenue increased 15% to £3,592 million in 2000, while underlying revenue rose 13% compared with 2% in 1999.

Divisional profit before business transformation costs increased 1% in 2000 to £609 million, compared with a 1% fall in 1999. Underlying divisional operating profit grew 11% in 2000, compared with 3% in 1999.

Divisional profit includes recognised net currency hedging gains which were £5 million in 2000, compared with £9 million in 1999 and £45 million in 1998. Performance at actual rates in 2000 was adversely impacted by the strength of sterling against the euro, but it was partially offset by sterling’s weakness against the US dollar and the Japanese yen.

In February 2000 Reuters announced a programme to invest a total of £500 million to accelerate the migration of its core financial business to an internet-based model and to develop web-enabled internal systems and processes. In 2000 expenditure on the programme amounted to £139 million (for further details, see page 32).

Normalised operating profit, which includes business transformation costs, fell 21% in 2000 compared with a 1% fall in 1999.

The normalised operating profit margin in 2000 was 13.1%, compared with a margin of 19.3% in 1999 and one of 20.2% in 1998. Excluding business transformation costs, the normalised operating profit margin was 16.9% in 2000.

Reuters share of net operating losses (before goodwill) in associates and joint ventures rose from £3 million in 1999 to £21 million in 2000. In 2000 a profit of £2 million from TIBCO Software Inc. was more than offset by losses reported from the new joint ventures and associates, Radianz, Sila Communications and Multex Investor Europe. TIBCO Software and Reuters Business Briefing became associated companies in 1999. In 1998 there was a profit of £4 million from associates and joint ventures.

Income from fixed asset investments was £5 million in 2000 compared with £2 million in 1999 and £3 million in 1998.

The £3 million net interest income in 2000 reflected £13 million of interest receivable from associates and joint ventures and £10 million of net interest payable. This compared with a £4 million net interest expense in 1999 and £2 million net interest income in 1998.

	£M	£M
1999 Normalised PBT		**591**
Core Reuters		
Underlying growth in RF (+19%)	83	

Business transformation	(139)	
Investment in RS	(52)	
		(108)
Instinet		
Investment	(44)	
Underlying growth in equities (+44%)	65	
		21
Other movements		(47)
2000 Normalised PBT		**457**

Normalised profit before tax fell by 23% in 2000 to £457 million, compared with a decrease of 2% in 1999. The decline in 2000 reflected increased investment in new initiatives at Instinet and Reuterspace and business transformation costs, partly offset by higher underlying growth in Reuters Financial and Instinet's equities business.

Reported profit before tax grew by 4% to £657 million in 2000, compared with an increase of 9% in 1999.

Total goodwill amortisation in 2000 was £71 million, of which £12 million related to associates and joint ventures. This compares with goodwill amortisation of £61 million in 1999 of which £14 million was in respect of associates and joint ventures. Goodwill amortisation in 1998 was £51 million of which £5 million was in respect of associates.

Net gains on disposal were £271 million compared with £102 million in 1999 and £26 million in 1998. A follow-on public offering in March 2000 of 4.8 million TIBCO Software shares resulted in a book profit for Reuters of £160 million. This was subsequently reduced by £3 million following the exercise of options held by TIBCO Finance employees. Reuters has sold no shares in TIBCO Software other than to meet its obligations under an option plan of TIBCO Finance, a wholly owned Reuters subsidiary, and received no proceeds from the sale of TIBCO Software shares other than the exercise price of such options.

Profits on the disposal of Greenhouse Fund investments in 2000 were £83 million compared with £37 million in 1999 and £26 million in 1998. The profit in 2000 was offset in part by a write-down of £30 million to reflect a decline in the carrying value of certain investments. No write-downs were booked in 1999 or 1998.

The disposal of Reuters interest in Safetynet generated a further profit of £37 million in 2000.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) declined 19% to £730 million on a normalised basis and fell 1% to £1,001 million on a reported basis. This compares with a fall in 1999 of 3% on a normalised basis and growth of 5% on a reported basis.

The tax charge for 2000 is based on an effective tax rate of 17% on profit before goodwill amortisation, compared with a rate of 30% in 1999 (31% in 1998) and the current UK corporate tax rate of 30%. The lower effective tax rate reflects the beneficial tax consequences of the gain arising from the TIBCO Software follow-on share offer (on which no tax arises) and from tax deductions arising from the exercise of TIBCO Software stock options held by TIBCO Finance employees. On a normalised basis the tax rate for 2000 was 33%, down from 34% in 1999. Changes to UK legislation affecting UK-based multinationals and other adverse mix effects are expected to add between 1% and 3% to the Group's effective rate of tax on normalised profits.

The final dividend rose to 12.35p which, when added to the interim dividend of 3.65p per share, amounts to an increase of 9% for the full year. As we announced in February 2000, our dividend policy during the period of business transformation will be aligned to the results of Reuters Financial, which comprises Reuters Information and Reuters Trading Solutions divisions.

Basic earnings per share grew by 26% in 2000 compared with an increase of 13% in 1999. Normalised earnings per share decreased 22% in 2000 compared with a 5% decrease in 1999.

Business transformation

The business transformation initiatives have been categorised into two groups:

The development of a **new product architecture** that will create new personalised products for existing and new users along a continuum of price points that offer lower cost of ownership, segmented service and support and a customer-focused and rapid approach to product development.

Organisation and process transformation that will create an organisation structure that is aligned to the emerging opportunities in each of our different customer segments supported by web-enabled internal systems and processes that maximise the economies of our global scale.

Expenditure on business transformation was £139 million in 2000 against an original estimate of £150 million. It was made up of £88 million on new product architecture and £51 million on organisation and process transformation. Costs in 2000 were incremental to the existing base and included expenditure on consultants, contractors and severance. Reuters anticipates further costs of £150 million in 2001 and is committed to delivering £150 million of savings to the bottom line by 2003, with a majority of the savings expected to flow through to profit and operating margins in 2002.

Research and development

Research and development expenditure totalled £276 million in 2000 compared with £197 million in 1999 and £200 million in 1998. This expenditure excludes costs associated with the business transformation. Of the total expenditure,£152 million related to Reuters Financial (1999: £146 million), £27 million to Reuterspace (1999: £5 million), £81 million to Instinet (1999: £41 million) and a further £16 million (1999: £5 million) related to the Chief Technology Office.

Activities in 2000 included enhancements to the data capture systems; the redesign of the client-facing interface at Instinet; further development of the Fixed Income and Retail products at Instinet; the retail Personal Finance portal; and corporate security and software process improvements by the Chief Technology Office.

Cash flow

	REUTERS FINANCIAL £M	REUTERSPACE £M	INSTINET £M	TOTAL £M
Operating profit	517	(67)	157	607
Depreciation	216	14	46	276
Capex	(190)	(20)	(64)	(274)
Working capital movements	(10)	11	44	45
Divisional cash flow	533	(62)	183	654
Cash conversion	103%	(93%)	117%	108%
Business transformation				(97)
Acquisitions/Investments				(463)
Disposals				145
Dividends				(205)
Taxation				(159)
Other				50
Net movement				(75)

Divisional cash conversion is the percentage of divisional operating profit, before business transformation costs, converted into cash. Strong performances were demonstrated by Reuters Financial and Instinet.

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 Reuters financial condition, results of operations and business and management's strategy, plans and objectives for the company. These statements involve risk and uncertainty because they relate to events and depend on circumstances that will 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, changes in economic conditions, changes in regulatory policies, competition from other information and financial services providers, technological or other developments affecting the internet, difficulties or delays by Reuters in developing new technology or software products, exposure to fluctuations in currency exchange rates and inability of Reuters to realise the benefits from its business transformation initiatives or from its investments. The risk factors discussed below should be reviewed for additional information regarding these and other risks.

Unfavourable conditions in financial markets may have a significant adverse effect on Reuters business

Reuters business is dependent upon the health of the financial markets and the participants in those markets. Reuters dealing products and Instinet are particularly dependent upon the level of activity in the foreign exchange and equity and fixed income markets respectively. A period of sustained economic downturn or volatility and lack of liquidity in financial markets may lead to reduced demand for Reuters products and can therefore have a significant adverse effect on Reuters revenues and results of operations. In addition, Reuters business could be adversely affected by consolidations and rationalisations among clients in the financial services and other industries.

Currency fluctuations may have a negative impact on Reuters reported revenue and earnings

Reuters reports results in UK pounds sterling but receives revenue and incurs expenses in more than 60 currencies and is thereby exposed to the impact of fluctuations in currency rates. The euro’s continuing weakness relative to the pound in 2000 restricted revenue and earnings growth. A continuation of the euro’s weakness could further restrict reported revenue and earnings for 2001. Reuters currency exposure is actively hedged. For additional information concerning currency fluctuations see ‘Treasury Management’ on pages 34-35 of Reuters Group PLC annual report and Form 20-F 2000.

Reuters faces increased competition from new and existing information providers using internet-based services

The availability of public internet technology is reducing barriers for entry to new information providers, creating additional competition and new price/cost dynamics in the industry. It is also increasing the availability of commoditised data in cheaper forms and the loss of control over intellectual property. As a publishing medium, it is creating new outlets for content providers. If Reuters is unable to cope effectively with increased competitive pressure arising from the above factors, its revenues and results of operation would be adversely affected.

Reuters is exposed to a decline in the market valuation of internet and technology companies, including companies in which it has invested

Reuters strategy is based on developing internet-based products and reducing costs through internet-based infrastructure. Due to the increasing importance of the internet to Reuters core business, the value of Reuters shares may be adversely affected by a decline in the value of internet and other technology stocks generally or changes in investors’ expectations regarding the internet or prospects for companies with internet activities. In addition, Reuters has entered into joint ventures with, and made strategic investments in, a number of internet and technology companies, including investments made through the Greenhouse Fund in internet-related companies. The market value of a number of these companies has fluctuated widely and generally decreased during 2000, in part as a result of external market factors. In particular, the market value of Reuters interest in TIBCO Software Inc. during 2000 (excluding shares subject to employee options) varied from a high of US$14 billion to a low of US$3 billion. In addition, as described below, Reuters subsidiary Instinet is progressing towards an initial public offering (IPO) of a minority stake. The value of Reuters 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.

Reuters may not be able to realise the anticipated benefits of its internet transformation strategy

In February 2000, Reuters announced a business transformation initiative, intended to accelerate the migration of its core businesses to web-enabled internal systems and processes. In 2000, expenditures in connection with the transformation amounted to £139 million. Reuters expects to make significant additional expenditures of £150 million on business transformation in 2001. While Reuters expects that the transformation will produce significant competitive advantages and cost savings, there can be no assurance that these benefits will be realised in full or at all. In addition, Reuters may not be able to successfully implement its transformation strategy or adapt its businesses to internet commerce. Furthermore, Reuters faces risks associated with implementing its new business model in the competitive and rapidly changing internet environment.

Reuters may experience difficulties or delays in developing new technology

Products in the information technology industry are complex and Reuters is becoming increasingly dependent on commercial off-the-

[redacted]

shelf software. As a result, Reuters, like other information vendors and software suppliers, may encounter difficulties or delays in the development, implementation and market acceptance of new products.

Reuters business model may be disrupted by the emergence of new technologies

There is a risk that technology not in the mainstream will quickly enter the market and disrupt Reuters existing business models. Reuters has an active technology foresight programme, designed to recognise and assess early innovations. However, there can be no assurance that Reuters reaction will be appropriate and timely and that Reuters would not be negatively affected by the emergence of new technologies.

Reuters business is dependent on the operation of its and Radianz's networks and systems

Reuters business is dependent on its ability to process speedily substantial quantities of data and transactions on its computer-based networks and systems and those of Radianz. Any failure or interruption of such systems due to factors beyond Reuters control would have a material adverse effect on Reuters business and results of operations. Although Reuters seeks to minimise these risks as far as commercially reasonable through security controls and active business continuity programmes, there can be no assurance that adverse events will not occur.

Reuters business will be adversely affected if it cannot accommodate increased network traffic

The US Securities and Exchange Commission (SEC) is requiring the US securities industry to change the pricing format under which stocks and options are traded from fractions to decimals. These requirements are expected to be completed by April 2001. In addition to decimalisation, market events such as the emergence of online trading throughout Europe and the United States, high market volatility, and the multiple listing of options, will likely result in a significant increase in information update rates, which may impact Reuters product and network performance from time to time. While Reuters has implemented a number of capacity management initiatives, there can be no assurance that its infrastructure, networks and desktop applications and systems will be able to successfully accommodate the accelerated growth of peak traffic volumes currently forecast by industry specialists.

Reuters may not be able to complete successfully the planned IPO of Instinet and may be exposed to increased volatility if the IPO is completed

Reuters has announced that its subsidiary, Instinet, has filed a Registration Statement with the SEC in the US for an IPO of a minority stake. However, Reuters can give no assurance that Instinet will succeed in completing the IPO, which may be adversely affected by market conditions, regulatory decisions or other factors. If the IPO is delayed or not completed, Reuters results of operations may be adversely affected because it will have already incurred costs in connection with its preparation. In addition, Reuters may not realise the anticipated proceeds from the IPO or other benefits, including a market valuation of its interest in Instinet.

Reuters also can give no assurance regarding the level of the initial offering price or the market performance of Instinet shares after the IPO, if completed. Reuters shares may experience additional volatility following an Instinet IPO as a result of changes in the price of Instinet shares.

Instinet and other Reuters affiliates may be exposed to losses from broker activities

Certain Reuters subsidiaries act as brokers in the financial markets but do not undertake trading on their own account. Companies within the Instinet group operate as agency brokers in the equities and fixed income markets and as a clearing firm engaged in correspondent clearing. In addition, Reuters Transaction Services Limited operates the Dealing 2000-2 and 3000 electronic brokerage services. These brokers could incur losses from broken trades and, in respect of equities and fixed income, the failure of a counterparty. While Reuters and Instinet seek to mitigate these risks by computerised systems, procedural controls and contractual agreements with customers, there can be no assurance that these measures will prevent losses from occurring.

Changes in regulatory requirements could cause Instinet and its affiliates to incur significant expenses or impair their ability to conduct their businesses

Instinet and its affiliates are subject to extensive regulation in the United States, including regulation by the SEC and the National Association of Securities Dealers Inc. (NASD), which oversees the activities of US-registered broker-dealers and regulates the Nasdaq stock market, and in other countries in which they operate. In the United States, recent regulatory changes affecting Instinet include new rules regarding alternative trading systems and rules governing market-maker and exchange specialist usage. In addition, on 10 January 2001, the SEC approved a proposed NASD rule change, generally referred to as Super-Montage, which will significantly change the nature of trading in Nasdaq-quoted securities. These changes could cause Instinet to receive fewer orders in Nasdaq-quoted securities, which are the largest component of Instinet's equity securities business, and also could cause fewer of the orders Instinet receives to be executed. Further, new SEC rules such as the disclosures of order routing and execution practices and the SEC mandated move to decimalisation in April 2001 would require Instinet to modify its systems and may significantly affect its business.

Reuters is unable to predict accurately, at this time, the impact of any proposed or potential changes to the regulatory environment in which Instinet and its affiliates operate, which may include additional changes to the Nasdaq marketplace considered by the NASD or the adoption by authorities in other jurisdictions of new methods for regulating electronic over-the-counter trading. Any of the above or other

regulatory changes may cause Instinet and its affiliates to incur substantial compliance costs or may impair their ability to conduct their businesses or to compete effectively.

Reuters does not have management control over some of its ventures

Reuters has entered into a number of joint ventures, which it does not control, such as the recently formed Radianz joint venture. In addition, Reuters does not have management control over a number of companies in which it has invested, including TIBCO Software Inc., where Reuters voting interests are restricted to 49%. Although Reuters generally seeks board representation or other means of participating in the management of companies or joint ventures in which it invests, Reuters ability to affect the performance of these companies or joint ventures may be limited where it does not exercise management control.

Reuters is dependent on Radianz for the provision of certain network services

Reuters has outsourced the day-to-day operation of most of its legacy and internet protocol networks to Radianz, its joint venture with Equant. Radianz will source the majority of its requirements from Equant and will seek to provide network services to companies in addition to Reuters and Instinet. Reuters and Equant are equally represented on the Radianz board with neither party having control. Accordingly, Reuters ability to affect the performance of Radianz may be limited should Reuters and Radianz develop conflicting network strategies in the future. Our business could be adversely affected as a result.

Reuters may be exposed to adverse governmental action in countries where it conducts reporting activities

Reuters may suffer discriminatory tariffs or other forms of adverse government intervention due to the nature of its editorial and other reporting activities.

SUMMARY FINANCIAL STATEMENT

This summary financial statement including the summary directors' report, was approved on 16 February 2001 and signed on behalf of the directors by Peter Job and David Grigson. It is only a summary of the Group's full financial statements and does not contain sufficient information to provide as full an understanding of the results and state of affairs of the Group as that contained in the annual report and Form 20-F 2000. If you have not received the full annual report, but wish to do so, a copy may be obtained free of charge from the Investor Relations departments in London or New York or through the internet at **www.about.reuters.com/ar2000**. If you wish to receive full financial statements in place of the summary financial statement for all future financial years, please request to do so in writing to Lloyds TSB Registrars (see inside back cover). The auditors have issued an unqualified report on the financial statements containing no statement under sections 237(2) or 237(3) of the Companies Act 1985.

SUMMARY CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER

	2000 £M	1999 £M	1998 £M
Group revenue	**3,592**	3,125	3,032
Operating costs	**(3,181)**	(2,576)	(2,482)
Operating profit	**411**	549	550
Share of operating results in joint ventures and associates	**(33)**	(17)	(1)
Profit on disposals of subsidiary undertakings	**10**	52	—

Profit on disposal of fixed assets/investments	**291**	50	26
Income from fixed asset investments	**5**	2	3
Amounts written off fixed asset investments	**(30)**	—	—
Net interest receivable/(payable)	**3**	(4)	2
Profit on ordinary activities before taxation	**657**	632	580
Taxation on profit on ordinary activities	**(125)**	(207)	(196)
Profit after taxation attributable to ordinary shareholders	**532**	425	384
Dividends	**(224)**	(206)	(203)
Retained profit	**308**	219	181
Basic earnings per ordinary share	**37.9**(p)	30.2(p)	26.7(p)
Diluted earnings per ordinary share	**37.3**(p)	29.7(p)	26.6(p)
Dividends per ordinary share:			
Interim	**3.65**(p)	3.65(p)	3.4(p)
Final (2000 proposed)	**12.35**(p)	11.0(p)	11.0(p)
Total	**16.0**(p)	14.65(p)	14.4(p)

SUMMARY CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER

	2000 £M	1999 £M	1998 £M
Profit after taxation attributable to ordinary shareholders	**532**	425	384
Unrealised gains on formation of joint ventures and associates	**73**	—	—
Unrealised gain on deemed disposal of associate	**39**	—	—
Unrealised gains on disposal of fixed asset investments	**13**	—	—
Translation differences taken directly to reserves	**40**	10	(1)
Total recognised gains and losses relating to the year	**697**	435	383

SEGMENTAL ANALYSIS

The table below is a segmental analysis of revenue, costs and profit which reflects the way in which Reuters is managed. Following the Group's reorganisation which became effective on 1 January 1999 the Group is managed on a divisional basis, comprising Reuters Information, Reuters Trading Solutions, Reuterspace and Instinet. For comparability the divisional results exclude Reuters Business Briefing (RBB) and TIBCO Software Inc. (TSI). RBB is now part of the Factiva joint venture which became effective in July 1999. TSI was floated on the Nasdaq stock market in July 1999 and is now accounted for as an associate.

By division	**2000 £M**	**% CHANGE**	1999 £M	% CHANGE	1998 £M
Revenue					
Reuters Information	**1,737**	**7%**	1,619	6%	1,531
Reuters Trading Solutions	**822**	**5%**	780	(6%)	827
Reuters Financial	**2,559**	**7%**	2,399	2%	2,358
Reuterspace	**235**	**50%**	157	2%	154
Instinet	**804**	**53%**	525	18%	446
Divisional revenue	**3,598**	**17%**	3,081	4%	2,958
TSI/RBB	**—**	**—**	52	42%	89
Share of joint ventures revenue	**86**	**146%**	35	—	—
Intra-group revenue	**(6)**	**(16%)**	(8)	(47%)	(15)
Gross revenue	**3,678**	**16%**	3,160	4%	3,032
Less share of joint ventures revenue	**(86)**	**146%**	(35)	—	—

Group revenue	**3,592**	**15%**	3,125	3%	3,032
Costs					
Reuters Information	**(1,454)**	**7%**	(1,366)	(1%)	(1,373)
Reuters Trading Solutions	**(588)**	**7%**	(550)	3%	(541)
Reuters Financial	**(2,042)**	**7%**	(1,916)	—	(1,914)
Reuterspace	**(302)**	**76%**	(172)	(5%)	(181)
Instinet	**(647)**	**63%**	(396)	36%	(291)
Divisional costs	**(2,991)**	**20%**	(2,484)	4%	(2,386)
TSI/RBB	**—**	**—**	(59)	—	(104)
Business transformation	**(139)**	**—**	—	—	—
Intra-group costs	**6**	**(16%)**	8	(47%)	15
Group costs	**(3,124)**	**23%**	(2,535)	3%	(2,475)
Profit					
Reuters Information	**283**	**12%**	253	60%	158
Reuters Trading Solutions	**234**	**2%**	230	(20%)	286
Reuters Financial	**517**	**7%**	483	(9%)	444
Reuterspace	**(67)**	**346%**	(15)	(44%)	(27)
Instinet	**157**	**22%**	129	(17%)	155
Net currency gain	**2**	**(67%)**	6	(85%)	39
Divisional profit	**609**	**1%**	603	(1%)	611
Business transformation	**(139)**	**—**	—	—	—
TSI/RBB	**—**	**—**	(7)	53%	(15)
Total	**470**	**(21%)**	596	—	596
Goodwill					
Reuters Information	**(14)**	**4%**	(13)	(11%)	(15)
Reuters Trading Solutions	**(20)**	**(23%)**	(26)	35%	(20)
Reuters Financial	**(34)**	**(14%)**	(39)	11%	(35)
Reuterspace	**(14)**	**367%**	(3)	(59%)	(7)
Instinet	**(11)**	**147%**	(5)	27%	(4)
Total goodwill	**(59)**	**26%**	(47)	2%	(46)
Operating profit	**411**	**(25%)**	549	—	550

SUMMARY CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	2000 £M	1999 £M	1998 £M
Net cash inflow from operating activities	**852**	821	998
Dividends received from associates	**2**	2	9
Returns on investments and servicing of finance			
Interest received	**25**	50	76
Interest paid	**(35)**	(51)	(72)
Income from fixed asset investments	**3**	2	3
Net cash (outflow)/inflow from returns on investments and servicing of finance	**(7)**	1	7
Taxation paid	**(159)**	(167)	(219)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	**(274)**	(256)	(307)
Sale of tangible fixed assets	**20**	1	2
Purchase of fixed asset investments	**(304)**	(166)	(22)
Sale of fixed asset investments	**80**	39	34

Net cash outflow on capital expenditure and financial investment	**(478)**	(382)	(293)
Acquisitions and disposals	**(146)**	(27)	(138)
Equity dividends paid	**(205)**	(207)	(188)
Cash (outflow)/inflow before management of liquid resources and financing	**(141)**	41	176
Management of liquid resources			
Net (increase)/decrease in short-term investments	**(2)**	476	313
Financing			
Return of surplus capital	**—**	—	(1,482)
Proceeds from issue of shares	**28**	25	13
Shares repurchased	**—**	(25)	—
Net increase/(decrease) in borrowings	**126**	(542)	972
Net cash inflow/(outflow) from financing	**154**	(542)	(497)
Increase/(decrease) in cash	**11**	(25)	(8)

NET CASH INFLOW FROM OPERATING ACTIVITIES

Operating profit is reconciled to net cash inflow from operating activities as follows:

	2000 £M	1999 £M	1998 £M
Operating profit	**411**	549	550
Depreciation	**276**	310	331
Goodwill amortisation	**59**	47	46
(Increase)/decrease in stocks	**(3)**	1	3
Increase in debtors	**(414)**	(236)	(103)
Increase in creditors	**504**	112	171
Profit on disposal of subsidiaries	**—**	—	(5)
Loss on disposal of fixed assets	**10**	12	3
Amortisation of interests in own shares	**18**	18	3
Miscellaneous, principally translation differences	**(9)**	8	(1)
Net cash inflow from operating activities	**852**	821	998

SUMMARY CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

	2000 £M	1999 £M	1998 £M
Fixed assets	**1,868**	1,205	1,098
Current assets	**1,951**	1,447	1,607
Creditors: Amounts falling due within one year	**(2,295)**	(1,679)	(2,184)
Net current liabilities	**(344)**	(232)	(577)
Total assets less current liabilities	**1,524**	973	521
Creditors: Amounts falling due after more than one year	**(310)**	(284)	(16)
Provisions for liabilities and charges	**(112)**	(88)	(116)
Net assets	**1,102**	601	389
Capital and reserves			
Called-up share capital	**357**	355	354
Capital redemption reserve	**1**	1	—
Share premium account	**71**	42	16
Other reserve	**(1,717)**	(1,717)	(1,717)
Profit and loss account reserve	**2,390**	1,920	1,719
Shareholders' equity	**1,102**	601	372
Non-equity minority interests	**—**	—	17
Capital employed	**1,102**	601	389

AUDITORS' STATEMENT TO THE MEMBERS OF REUTERS GROUP PLC

We have examined the summary financial statement on pages 36-40 and the directors' emoluments and share details on pages 27-28.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual review and the summary financial statement. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the annual review with the full annual financial statements and directors' report, and its compliance with the relevant requirements of Section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the annual review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements and the directors' report of Reuters Group PLC for the year ended 31 December 2000 and complies with the applicable requirements of Section 251 of the Companies Act 1985, and the regulation made thereunder.

PRICEWATERHOUSECOOPERS
Chartered Accountants
and Registered Auditors
London
16 February 2001

SUMMARY FINANCIAL STATEMENT continued

SUMMARY OF DIFFERENCES BETWEEN UK AND US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Adjustments to net income	2000 £M	1999 £M	1998 £M
Profit attributable to ordinary shareholders in accordance with UK GAAP	**532**	425	384
US GAAP adjustments:			
Software revenue recognition	**(6)**	2	(2)
Capitalised website development costs	**3**	—	—
Amortisation of software development costs	**(2)**	(2)	(2)
Associated undertakings	**(16)**	—	—
Gains on deemed disposal of associate	**25**	—	—
Gain on exchange of investments	**16**	—	—
Goodwill and other acquisition accounting adjustments	**(3)**	(2)	(3)
Employee costs	**(22)**	(8)	(1)
Income taxes			
Adoption of FAS 109	**(1)**	35	13
Tax effect of US GAAP adjustments	**8**	1	3
Net income in accordance with US GAAP	**534**	451	392

Earnings and dividends	2000 PENCE	1999 PENCE	1998 PENCE
Basic earnings per ADS in accordance with US GAAP	**228.1**	192.1	166.6
Diluted earnings per ADS in accordance with US GAAP	**224.3**	189.5	166.0
Dividend paid per ADS (including UK tax credit)	**97.7**	97.7	99.8
Deemed special dividend paid per ADS	**—**	—	627.7

Total dividend paid per ADS	**97.7**	97.7	727.5
Weighted average number of shares used in basic EPS calculation (millions)	**1,404**	1,409	1,411
Issuable on conversion of options	**24**	20	5
Used in diluted EPS calculation	**1,428**	1,429	1,416

PRESERVING REUTERS INDEPENDENCE

Customers in all parts of the world depend on Reuters to provide them with reliable and objective news and information.

Reuters therefore has a special need to safeguard its independence and integrity and avoid any bias which may stem from control by specific individuals or interests. Reuters share structure includes two mechanisms specially designed to prevent this happening:

- no shareholder may own 15% or more of the shares.
- there is a single Founders Share, in addition to the publicly traded ordinary shares. This may be used to outvote all ordinary shares if other safeguards fail and there is an attempt to seize control of the company. ‘Control’, for this purpose, means 30% of the shares.

The Reuters Trust Principles

Reuters is dedicated to preserving its independence, integrity and freedom from bias in the gathering and dissemination of news and information. The Reuters Founders Share Company Limited, of which all Reuters trustees are directors, was established in 1984 to safeguard those qualities. The trustees have a duty to ensure that, as far as they are able by the proper exercise of the powers vested in them, the Reuters Trust Principles are observed. These are:

- 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.

If the trustees believe that any person, together with any associates, is seeking to obtain or has obtained control of Reuters Group PLC, a majority of the Reuters trustees may require the votes attaching to the Founders Share to be exercised. ‘Control’ means the ability to control the exercise of 30% or more of the votes which may be cast on a poll at general meetings of Reuters Group PLC. In such circumstances, the Founders Share Company has the right at any general meeting of Reuters Group PLC to cast sufficient votes to pass any resolution supported by, and to defeat any resolution opposed by, the Founders Share Company.

Any two Reuters trustees may require the votes attaching to the Founders Share to be cast against any resolution which would alter any of the articles of association of Reuters Group PLC relating to the Reuters Trust Principles and the rights of the Founders Share. In such circumstances, the Founders Share confers upon the Founders Share Company the right to cast sufficient votes to defeat that resolution.

The Reuters trustees are:

Information for investors can be found on Reuters website

www.about.reuters.com

Ordinary shares

A register of shareholders' interests is kept at the company's head office and is available for inspection on request. The register includes information on nominee accounts and their beneficial owners.

Hoare Govett and Cazenove & Co. offer low cost share dealing services for existing and potential Reuters shareholders. Further information can be obtained from Hoare Govett Limited's Low Cost Dealing Department, 250 Bishopsgate, London EC2M 4AA (Tel: (0)20 7678 8300) and Mrs Julie Poyser, Postal Dealing Department, Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN (Tel: (0)20 7606 1768).

Reuters has arranged for Barclays Stockbrokers Limited to provide a Reuters Maxi Individual Savings Account (ISA) for UK residents. The ISA allows investment in Reuters ordinary shares and cash. Further information can be obtained from Barclays Stockbrokers (Tel: 0845 601 5000). All 0845 calls are charged at local rates; you can only use this number if you are calling from the UK. For your security calls may be recorded and randomly monitored. Barclays Stockbrokers Limited is a member of the London Stock Exchange and is regulated by the Securities and Futures Authority.

Reuters share registrar, Lloyds TSB Registrars, has introduced a free service to provide Reuters shareholders with online internet access to details of their shareholdings. The new Shareview Portfolio service provides:

- Direct access to information held on the share register including recent share movements.
- A daily valuation of all investments held in the portfolio.
- A range of information and practical help for shareholders.

Visit **www.shareview.co.uk** for further information on the service and for instructions on how to register. You will need your shareholder reference number to register. You can find this on your dividend counterfoil or share certificate. You will be asked to select your own PIN. A new User ID will then be posted to you, allowing you access to the secure database.

If you have only a small number of shares and it is uneconomic to sell them, you may be interested in Sharegift, the charity share donation scheme administered by the Orr Mackintosh Foundation (registered charity no. 1052686). For further information on donating shares to charity please contact Sharegift (tel: (0)20 7337 0501) or visit **www.sharegift.org.** The relevant share transfer form may be obtained from the company's registrars, Lloyds TSB Registrars (see inside back cover).

Dividends and earnings

Ordinary shareholders have received the following dividends in respect of each financial year:

	2000	1999	1998	1997	1996
Interim	**3.65p**	3.65p	3.4p	3.1p	2.75p
Final (2000 proposed)	**12.35p**	11.00p	11.0p	9.9p	9.00p
	16.00p	14.65p	14.4p	13.0p	11.75p
Basic earnings per ordinary share	**37.9p**	30.2p	26.7p	24.0p	27.3p

Ordinary shareholders living in selected countries outside the United Kingdom can have their dividends paid directly into their bank accounts in local currency. Any shareholders interested in this service, for which there is a small charge, should contact the registrar (address on inside back cover).

American Depositary Shares (ADSs)

Each ADS represents six ordinary shares.

ADS holders receive the annual and half-yearly reports issued by Reuters Group PLC.

Reuters Group PLC is subject to the informational requirements of the US securities laws applicable to foreign companies and in accordance therewith files an annual report on Form 20-F and other information with the US Securities and Exchange Commission. The annual report and Form 20-F is available from the Investor Relations departments in London or New York (see inside back cover).

ADS dividends

ADS holders are eligible for all stock dividends or other entitlements accruing on the underlying Reuters Group PLC shares and receive all cash dividends in US dollars. These are normally paid twice a year.

Dividend cheques are mailed directly to the ADS holder on the payment date if ADSs are registered with Reuters US depositary. Dividends on ADSs that are registered with brokers are sent to the brokers, who forward them to ADS holders. Reuters US depositary is Morgan Guaranty Trust Company of New York (address on inside back cover).

ADS holders should be aware of tax refunds that may increase the cash dividends paid to qualifying US residents. Dividends per ADS, including any UK tax refunds but before US tax credits, in respect of each financial year are set out below.

	2000	1999	1998	1997	1996
In sterling					
Interim	**21.9p**	21.9p	21.7p	19.8p	17.5p
Final (2000 proposed)	**74.1p**	66.0p	66.0p	63.1p	57.4p
	96.0p	87.9p	87.7p	82.9p	74.9p
In dollars					
Interim	**31.6c**	35.0c	36.1c	31.2c	27.3c
Final (2000 proposed)	*	104.1c	105.7c	104.2c	93.1c

* Final 2000 dividend will be converted to US dollars from sterling at the rate prevailing on 26 April 2001.

The figures above which have not been restated for the 1998 capital reorganisation, include a refund of UK tax, less a withholding tax on the total dividend and tax credit. Following the abolition of UK advance corporation tax credits from 6 April 1999, the amount of the refund of UK tax is restricted to one-ninth of the dividend paid. Dividends continue to be subject to a UK withholding tax. This will either be 15% on the total of the dividend and the tax refund or the value of the tax refund, whichever is the lower. For dividends paid to qualifying US residents before 6 April 1999, the tax credit was one-quarter of the amount of dividend on the ordinary shares. For 2000, the total of the declared dividend per ADS is 96.0p, the related tax credit per ADS is 10.7p and the withholding tax per ADS is 10.7p, giving no net tax refund per ADS and a total cash payment of 96.0p per ADS.

ADS holders who are US residents for tax purposes may normally credit the withholding tax against their federal income tax liabilities.

Dollar amounts paid to ADS holders depend on the sterling/dollar exchange rate at the time of payment.

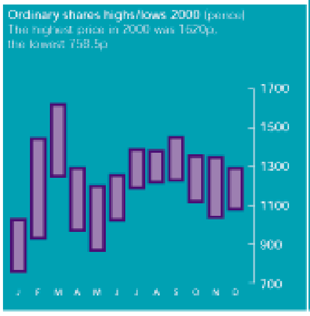
Analysis of shareholdings at 31 December 2000

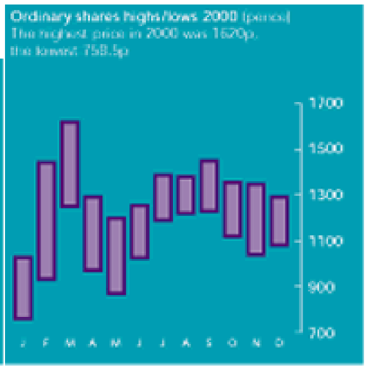
Excluding Reuters ordinary shares held by employee share ownership trusts, there were 1,405 million shares in issue, analysed as in the chart opposite. There were 35,998 shareholders on the ordinary share register.

Note 1: Includes unit trusts and mutual funds.

Note 2: Includes all holdings below 100,000 shares, except for individuals, whose holdings are analysed below this level.

Reuters monthly share prices in 2000





FINANCIAL DIARY FOR 2001

Tuesday 13 February	Results for year 2000 announced
Wednesday 14 March	Ordinary shares go ex-dividend ADSs go ex-dividend Annual report and annual review posted to shareholders
Tuesday 24 April	First quarter trading statement issued Annual General Meeting Time: 11:30 am Venue: Gibson Hall, 13 Bishopsgate, London EC2 Extraordinary General Meeting Time: 11:45 am Venue: Gibson Hall, 13 Bishopsgate, London EC2
Thursday 26 April	Final dividend for 2000 payable to ordinary shareholders on the register as at 16 March 2001
Thursday 3 May	Final dividend payable to ADS holders on the record as at 16 March 2001
Tuesday 24 July	Results for the first six months of 2001 announced
Wednesday 1 August	Ordinary shares go ex-dividend ADSs go ex-dividend
Wednesday 5 September	Interim dividend for 2001 payable to ordinary shareholders on the register as at 3 August 2001
Wednesday 12 September	Interim dividend payable to ADS holders on the record as at 3 August 2001
Thursday 18 October	Third quarter trading statement issued

WHERE TO FIND US

Corporate headquarters:
85 Fleet Street
London EC4P 4AJ
Tel: 44 (0) 20 7250 1122
Registered in England No: 3296375

Investor Relations:
Geoff Wicks
London
Tel: 44 (0) 20 7542 8666
Fax: 44 (0) 20 7353 3002

Liam Hwee Tay
Singapore
Tel: 65 870 3028
Fax: 65 870 3456
e-mail: liam.tay@reuters.com

www.about.reuters.com

Other principal addresses:
1700 Broadway
New York NY 10019
USA
Tel: 1 (212) 603 3300
From 9 April 2001
3 Times Square
New York NY 10036
Tel: 1 (646) 223 4000

1 Rue de Jargonnant
1207 Geneva
Switzerland
Tel: 41 (022) 718 2828

3rd Floor
Shuwa Kamiyacho Building
4-3-13 Toranomon
Minato-ku, Tokyo 105
Japan
Tel: 81 (03) 3432 4141

18 Science Park Drive
Singapore 118229
Republic of Singapore
Tel: 65 775 5088

e-mail: geoff.wicks@reuters.com

Nancy Bobrowitz
New York
Tel: 1 (212) 603 3345
Fax: 1 (212) 247 0346
From 9 April 2001
Tel: 1 (646) 223 5220
Fax: 1 (646) 223 5238
e-mail: nancy.bobrowitz@reuters.com

Media queries:
Peter V Thomas
London
Tel: 44 (0) 20 7542 4890
Fax: 44 (0) 20 7542 5458
e-mail: peter.v.thomas@reuters.com

Nancy Bobrowitz
New York
Tel: 1 (212) 603 3345
Fax: 1 (212) 247 0346
From 9 April 2001
Tel: 1 (646) 223 5220
Fax: 1 (646) 223 5238
e-mail: nancy.bobrowitz@reuters.com

Registrar/Depositary: for dividend queries, duplicate mailings and address changes

Ordinary shares:
Lloyds TSB Registrars
The Causeway
Worthing
West Sussex BN99 6DA
Tel: 0870 601 5366
Fax: 0870 900 0020

American Depositary Shares:
Morgan Guaranty Trust
Company of New York
PO Box 842006
Boston MA 02284-2006
Tel: 1 (781) 575 4328
Fax: 1 (781) 575 4088

Listings:

London Stock Exchange and Nasdaq Washington DC (American Depositary Share Symbol RTRSY).

Options on ordinary shares are traded on the London Traded Options Market. The American Stock Exchange in New York and the Chicago Board Options Exchange list options on American Depositary Shares of Reuters.

Share price information:

Share price information about Reuters Group PLC is available on Reuters 3000 Xtra, Reuters Securities 3000, Reuters Securities 2000, Equity Pro and Reuters Plus products. The Reuters Instrument Codes (RICs) are as follows:

Ordinary shares	RTR.L
ADSs traded on Nasdaq	RTRSY.O

This annual review is available on the internet at **www.about.reuters.com/ar2000**

Annual report and Form 20-F:

The annual report and Form 20-F document is filed with the US Securities and Exchange Commission (SEC) and corresponds to the Form 10-K filed by US-based companies. Hard copies are available from the Investor Relations departments in London and New York. Electronic copies can be accessed through the internet on Reuters internet page (**www.about.reuters.com/ar200**0) or from the SEC's EDGAR Database via the SEC's home page (**www.sec.gov**).

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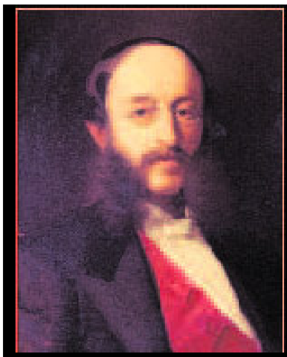
Front cover: The 1873 portrait of Paul Julius Reuter by Hamburg-born artist, Rudolph Lehman, hangs in Reuters Fleet Street headquarters.



Now and always, an innovator.........

>
Front cover: Demonstrators are reflected in the sunglasses of a policeman as he helps to keep Gore and Bush supporters separated outside the Supreme Court on 1 December 2000. Inside, the Supreme Court was set to intervene in the unresolved presidential election.
Kevin Lamarque/Reuters

REUTERS

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of Reuters Group PLC ("the company") will be held at Gibson Hall, 13 Bishopsgate, London EC2M 4QB on Tuesday 24 April 2001 at 11.30 a.m. to consider the following business:

A. Ordinary Business

Ordinary Resolutions

To consider and, if thought fit, to pass the following resolutions 1-12 which will be proposed as ordinary resolutions:

1. To receive the report of the directors and audited financial statements of the company for the year ended 31 December 2000.

2. To declare a dividend.

3. To re-elect as a director Peter Job, who retires by rotation and offers himself for re-election.

4. To re-elect as a director Roberto Mendoza, who retires by rotation and offers himself for re-election.

5. To re-elect as a director Richard Olver, who retires by rotation and offers himself for re-election.

6. To re-elect as a director Sir Christopher Hogg, who retires by rotation and offers himself for re-election.

7. To re-elect as a director Thomas Glocer, who retires having been appointed by the Board since the last annual general meeting of the company and offers himself for re-election.

8. To re-elect as a director David Grigson, who retires having been appointed by the Board since the last annual general meeting of the company and offers himself for re-election.

9. To re-elect as a director Ian Strachan, who retires having been appointed by the Board since the last annual general meeting of the company and offers himself for re-election.

10. To re-appoint PricewaterhouseCoopers as auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the company.

11. To authorise the directors to fix the remuneration of the auditors.

12. That the authority to allot relevant securities conferred on the directors by Regulation 11(A) of the company's articles of association be and is hereby granted for the period beginning on the date this resolution is passed and ending at the conclusion of the next annual general meeting or on 24 July 2002 (whichever is the earlier) and for such period the section 80 amount shall be £128,175,363.

Special Resolution

To consider and, if thought fit, to pass the following resolution 13 which will be proposed as a special resolution:

13. That the power to allot equity securities as if section 89(1) of the Companies Act 1985 did not apply conferred on the directors by Regulation 11(B)(2) of the company's articles of association be and is hereby granted for the period beginning on the date this resolution is passed and ending at the conclusion of the next annual general meeting or on 24 July 2002 (whichever is the earlier) and for such period the section 89 amount shall be £17,864,344.

B. Special Business

Special Resolutions

To consider as special business and, if thought fit, to pass the following resolutions 14 and 15 which will be proposed as special resolutions:

14. That the company be authorised to make market purchases (as defined in section 163(3) of the Companies Act 1985) of up to 142,914,752 ordinary shares of 25p each in the capital of the company at prices not less than 25p per share nor more than a price per share being 5% above the average of the closing middle market prices taken from the London Stock Exchange Daily Official List for the five business days before the purchase is made, such authority to expire at the conclusion of the annual general meeting of the company in 2002 or, if earlier, on 24 July 2002 but so that the company may, pursuant to the authority granted by this resolution, enter into a contract to purchase such shares which would or might be executed wholly or partly after such expiry.

15. That the amendments to the articles of association of the company set out in the Appendix to this notice of meeting be and are now approved and adopted.

Any member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the company. A form of proxy is enclosed which shareholders are invited to complete and return in accordance with the instructions on it. The lodging of a form of proxy will not prevent the member from attending the meeting and voting in person.

By order of the Board

Rosemary Martin, Company Secretary
16 February 2001

Registered Office: 85 Fleet Street
London EC4P 4AJ

REUTERS

EXPLANATORY NOTES

Resolution 1 — Accounts
English company law requires the directors to present the accounts of the company to a general meeting of shareholders.

Resolution 2 — Dividend
The directors are recommending a final dividend of 12.35p per ordinary share, payable on 26 April 2001 to shareholders on the register as at 16 March 2001. Shareholder approval is required before this dividend can be paid.

Resolutions 3, 4, 5 & 6 — Re-election of directors retiring by rotation
One-third of the directors must retire each year, though they may offer themselves for re-election. This year, Peter Job, Roberto Mendoza, Richard Olver and Sir Christopher Hogg are retiring and seeking re-election. For biographical details, please see pages 12 and 13 of the company's Annual Report and Form 20-F 2000 and page 24 of the company's 2000 Annual Review. Roberto Mendoza, Richard Olver and Sir Christopher Hogg are members of the Remuneration, Nomination and Audit Committees. Richard Olver is chairman of the Audit Committee and Sir Christopher Hogg is chairman of the Board and the Nomination Committee.

Resolutions 7, 8 & 9 — Re-election of directors appointed by the Board
Thomas Glocer, 41, having been appointed by the Board in June 2000 is required to retire at the next annual general meeting and offer himself for re-election by the shareholders. In December 2000 the company announced the appointment of Tom Glocer as Chief Executive with effect from July 2001 when he will replace Peter Job who will retire from the company when he reaches 60. Until 31 December 2000 Tom Glocer was Chief Executive Officer of Reuters Information division and of Reuters America Inc. In October 1998, he assumed responsibility for managing the operations of Reuters Information in North and South America and acted as Reuters senior company officer for the Americas. He joined Reuters in September 1993 as a member of the legal department and a year later became General Counsel of Reuters America. Tom Glocer joined the company from the law firm Davis Polk & Wardwell for whom he worked in New York, Paris and Tokyo. He is a non-executive director of Instinet Group LLC (a Reuters subsidiary), Giant Bear Inc and of the New York City Investment Fund.

David Grigson, 46, having been appointed by the Board in August 2000 is required to retire at the next annual general meeting and offer himself for re-election by the shareholders. David Grigson joined Reuters in August 2000 as Finance Director, having previously been finance director of Emap plc since 1989. Prior to joining Emap, he worked for Saatchi & Saatchi including three years working in the USA and for Esso UK.

Ian Strachan, 57, having been appointed by the Board in May 2000 is required to retire at the next annual general meeting and offer himself for re-election by the shareholders. Ian Strachan was appointed Deputy Chairman of Invensys plc in 1999 and retired on 31 March 2000 following the integration of BTR and Siebe. He was Chief Executive Officer and an executive director of BTR plc from 1996 to 1999. He was Chief Financial Officer of Rio Tinto plc (formerly RTZ plc) from 1987 to 1991 and Deputy Chief Executive Officer from 1991 to 1995. He was a non-executive director of Commercial Union plc from 1990 to 1996. From 1986 to 1987 he was Chief Financial Officer of Johnson & Higgins, a US insurance broker. Prior to that he spent 16 years with Exxon Corporation. Ian Strachan is a non-executive director of Instinet Group LLC and a non-executive director of Transocean Sedco Forex. He is a member of the Remuneration, Nomination and Audit Committees.

All other directors have offered themselves for re-election within the last three years at previous annual general meetings of the company.

Resolution 10 — Re-appointment of auditors
The company's independent auditors must be appointed each year at the annual general meeting. The directors

have recommended retaining PricewaterhouseCoopers.

Resolution 11 — Auditors' remuneration
Resolution 11 authorises the directors to fix the auditors' remuneration.

Resolution 12 — Issues of shares by the directors
Resolution 12 seeks to renew the directors' authority to issue the authorised but unissued capital of the company up to a maximum of £128,175,363, being the aggregate of one-third of the total ordinary share capital in issue at 31 December 2000 and the amount of share capital that would be issued on exercise of employee share options outstanding at that date.

Resolution 13 — Disapplication of pre-emption
To comply with section 89 of the Companies Act 1985, resolution 13 seeks to renew the directors' authority to issue a limited number of shares for cash without first offering them to existing shareholders. This authority is limited to £17,864,344 of share capital, which represents 5% of the company's issued ordinary share capital at 31 December 2000.

The directors consider that it is in the best interests of the company that they should have the flexibility conferred by these authorities, although they have no present intention to make any further issue of shares for cash, other than to issue small numbers of ordinary shares to US employee share option holders to round up their share entitlements to the multiples of ordinary shares required for the issue of American Depositary Shares and to issue shares to participants of certain employee share option schemes which were operated by Reuters Holdings PLC on exercise of their options. The authorities will lapse 15 months after the annual general meeting or at the conclusion of the 2002 annual general meeting, whichever is the earlier.

Resolution 14 — Purchase of own shares by the company
This resolution renews for up to 15 months authority for the company to buy its own shares in the market, limits the number of shares which could be purchased to 10% of the total issued ordinary share capital at 31 December 2000 and sets minimum and maximum prices. This authority would only be exercised if market conditions made it advantageous to do so. The effect of any such purchases would be to reduce the number of shares in issue and the directors would accordingly only make such purchases after considering the effect on earnings per share and the benefits for shareholders generally.

Resolution 15 — Alterations to the company's articles of association
This resolution amends the articles of association of the company:

- to allow the company to communicate electronically with its shareholders (following the coming into force of the Companies Act 1985 (Electronic Communications) Order 2000 on 22 December 2000) including in relation to the distribution of the annual report and accounts, notice of meetings and instruments of proxy and enabling members to appoint proxies electronically or by some other data transmission process; and

- to take into account the new standard settlement period (adopted with effect from 5 February 2001 by the London Stock Exchange) of three rather than five days for trades in domestic and corporate fixed interest securities.

NOTES:
1. Copies of service contracts of executive directors will be available for inspection at the registered office of the company during normal business hours on any weekday (excluding Saturdays and public holidays) from the date of this notice until the close of the annual general meeting and at the place of the meeting for at least 15 minutes before and during the meeting.

2. Only those shareholders registered in the register of members of the company as at 11.30 a.m. on 22 April 2001 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend or to vote at this meeting in respect of the number of shares registered in their names at that time. Changes to entries on the relevant register of members after 11.30 a.m. on 22 April 2001 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

3. The Chairmen of the Audit, Remuneration and Nomination Committees will be present at the meeting to answer questions.

4. The results of the voting at the annual general meeting will be available after the meeting on the company's website www.about.reuters.com

APPENDIX
The changes to the articles of association to allow the company to communicate electronically with its shareholders and to take into account the new standard settlement period, as set out in Resolution 15 in the notice of meeting are as follows:

(A) the adoption and inclusion, in alphabetical order, of the following new definitions in Regulation F.2(I):

"address — in relation to electronic communications, includes any number or address used for the purpose of such communications;

electronic signature — anything in electronic form which the Directors require to be incorporated into or otherwise associated with an electronic communication for the purpose of establishing the authenticity or integrity of the communication";

(B) deleting the definition of "in writing" from Regulation F.2(I);

(C) the adoption and inclusion of the following new paragraphs as paragraphs (F), (G) and (H) and the renaming of subsequent paragraphs in Regulation F.2(II):

"(F) References to a document being 'signed' or to 'signature' include references to it being executed under hand or under seal or by any other method and, in the case of an electronic communication, are to its bearing an electronic signature;

(G) References to 'writing' and to any form of 'written' communication include references to any method of representing or reproducing words in a legible and non-transitory form including by way of electronic communications where specifically provided in a particular Regulation or where permitted by the Directors in their absolute discretion but exclude such method in respect of consent or notices given to or by the Founders Share Company;

(H) If the Founders Share Company is to give or to be given any notice pursuant to these Regulations then, even if that notice is given electronically or otherwise in accordance with the Act or the Electronic Communications Act 2000, such notice must also be given in writing and be delivered personally and will be deemed delivered when the written notice would be deemed to be delivered to the Founders Share Company in accordance with Regulation F.146";

(D) the insertion of the word "postal" before the word "address" in paragraphs (A)(1) and (2) in Regulation 55;

(E) the adoption and inclusion of the words "or be sent" after the word "receive" in Regulations F.22(B) and 102(C);

(F) deleting the current wording in Regulation F.58(A) and substituting the words:

"(A) *Periods of notice for General Meetings*
An Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty one days'notice in writing at the least, and any other Extraordinary General Meeting by fourteen days'notice in writing at the least. In this Regulation references to written notice include the use of electronic communications and publication on a web site in accordance with the Act and the Electronic Communications Act 2000. The period of notice shall in each case be exclusive of the day on which it is served or in the case of an electronic communication, the day it is received or deemed to be served or received and of the day on which the meeting is to be held and shall, subject as provided in paragraph (B) of this Regulation F.58, be given in the manner hereinafter mentioned to all members other than such as are not under the provisions of these Regulations entitled to receive such notices from the Company. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

(1) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat which for this purpose shall include the Founders Share Company; and

(2) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, and by the Founders Share Company.";

(G) the adoption and inclusion of the words "In this Regulation references to notice include the use of electronic communications and publications on a web site in accordance with the Act and the Electronic Communications Act 2000," at the end of Regulations F.20(B) and (C), F.63(B), F.64(B) and (C) and 103(B);

(H) the adoption and inclusion of the words "In this Regulation references to in writing include the use of electronic communications subject to any terms and conditions decided on by the Directors." at the end of Regulations 82 and 102(A) and as a new paragraph (F) at the end of Regulation 109;

(I) the adoption and inclusion of the words "In this Regulation references to notice and to in writing include the use of electronic communications subject to any terms and conditions decided on by the Directors." at the end of Regulations F.17, 94, 97 and 99;

(J) the adoption and inclusion of the words "In this Regulation references to notices include the use of electronic communications and publications on a web site in accordance with the Act and the Electronic Communications Act 2000," at the end of Regulation 102(C);

(K) deleting the words "in writing" in Regulations 42 and 20(B) and (C)(2);

(L) deleting the current wording in Regulation F.79 and substituting the words:

"F.79 Requirements as to form of appointment of proxy
The appointment of a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve:

(A) in the case of an individual shall be signed by the appointor or his attorney; and

(B) in the case of a corporation shall be either executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, or in the case of the Founders Share Company may be signed by any one of the Reuter Trustees.

The signature on such appointment need not be witnessed. Where an appointment of a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration

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REUTERS

with the Company) be lodged with the appointment of the proxy pursuant to the next following Regulation, failing which the chairman of the meeting may treat the instrument as invalid. In this Regulation references to in writing include the use of electronic communications subject to any terms and conditions decided on by the Directors.";

(M) deleting the current wording in Regulation 80 and substituting the words:

"80. *Procedure for appointment of proxy*
An appointment of a proxy which is not contained in an electronic communication must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Transfer Office) not less than forty eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. An instrument of proxy which is contained in an electronic communication must be received at an address specified for the purpose of receiving electronic communications in the notice of the meeting or in the appointment of a proxy itself not less than forty eight hours before the time appointed for the holding of the meeting or adjourned meeting (or in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The appointment shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Provided that an appointment of a proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered or, in the case of an electronic communication, when it is received for the purposes of any meeting shall not require again to be delivered or received for the purposes of any subsequent meeting to which it relates. When two or more valid but differing instruments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. The appointment of a proxy does not prevent a member attending and voting in person at the meeting or an adjournment of the meeting or on a poll in which case no proxy shall be entitled to attend or vote in place of that member.";

(N) deleting the words "An instrument appointing" and substituting the words "The appointment of" in Regulation 81;

(O) deleting the words "at any time in writing under his hand and" and substituting the words "by signed notice in writing" and the adoption and inclusion of the words "or received" after the word "delivered" in Regulation 102(A);

(P) the adoption and inclusion of the words "For the purposes of this Regulation references to a document being sent includes using electronic communications and publication in a web site in accordance with the Act and the Electronic Communications Act 2000," at the end of Regulations F.22(B) and 143;

(Q) deleting the current wording in Regulation F.146 and substituting the words:

"F.146 *Mode of delivery of notices; when notices deemed served*
Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover

addressed to such member at his registered address, if any, within the United Kingdom supplied by him to the Company as his address for service of notices, or by delivering it to such address addressed as aforesaid. In the case of a member holding Certificated Shares registered on a branch Register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch Register is maintained. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty four hours (or, where second class mail is employed, forty eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted. Provided always that every notice or other document which is required to be served or delivered, or capable of being delivered to the Founders Share Company shall, so long as the Founders Share Company has a registered address within fifteen miles of Charing Cross, be personally delivered to the Founders Share Company at that address. The accidental failure to send, or the non receipt by any person entitled to any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding, unless the person so entitled is the Founders Share Company. A notice or document (other than a notice or document to be served on or delivered to the Founders Share Company) not sent by post but left at a registered address or address for service in the United Kingdom is deemed to be given on the day it is left. Where appropriate the Company can also send any notice or other document by using electronic communications and by publication on a web site in accordance with the Act and the Electronic Communications Act 2000. If a notice or document is sent by the Company using a form of electronic communication it is treated as being received twenty four hours after the time it was sent. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. Any notice given electronically or otherwise in accordance with the Act or the Electronic Communications Act 2000 to or by the Founders Share Company pursuant to these Regulations must also be given in writing and be delivered personally and will only be deemed delivered to the Founders Share Company for the purposes of this Regulation F.146 when written notice would be deemed to be delivered in accordance with this Regulation.”;

(R) the adoption and inclusion of the words “A person who is entitled by transmission to a share, upon supplying the Company with an address for the purposes of electronic communications for the service of notices may, at the absolute discretion of the board, have sent to him at such address any notice or document to which he would have been entitled if he were the holder of that share.” at the end of Regulation 147;

(S) deleting the current wording in Regulation 149 and substituting the words:

“149. *Persons entitled following death or bankruptcy entitled to delivery of notices pending registration*
A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Alternatively, a person who is entitled to that member’s shares by law and who proves this to the reasonable satisfaction of the Directors, can give the Company an address for the purposes of electronic communication. If this is done, notices or documents may be sent to him at that address, but, this will be at the absolute discretion of the Directors. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these Regulations, shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first named joint holder.”; and

(T) deleting the word “five” and substituting the word “three” in Regulation 141(D).

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action to take, you are recommended to consult an appropriate independent adviser.

If you have sold or transferred all of your registered holding of Ordinary Shares or American Depositary Shares of Reuters Group PLC, please forward this document and the accompanying documents to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

REUTERS GROUP PLC

extraordinary general meeting
to be held on 24 April 2001

to approve the Discretionary Share Option Plan, amendments to the Long Term Incentive Plan, the adoption of an All Employee Share Ownership Plan, and consequential amendments to other Reuters employee share ownership plans

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Notice of an extraordinary general meeting of Reuters Group PLC to be held at Gibson Hall, 13 Bishopsgate, London EC2M 4QB on Tuesday 24 April 2001 at 11.45 a.m., or as soon thereafter as the annual general meeting convened for that date shall have terminated, is set out at the end of this document.

Holders of Ordinary Shares should complete proxy forms for use at this meeting and return them as soon as possible. To be valid, proxy forms must arrive no later than 11.45 a.m. (London time) on 22 April 2001. Holders of American Depositary Shares should complete voting instruction cards in relation to the voting rights attached to the Ordinary Shares represented by their American Depositary Shares and return such forms as soon as possible and in any event to arrive no later than 3.00 p.m. (New York time) on 18 April 2001.

Reuters Group PLC
Sir Christopher Hogg
Chairman

14 March 2001

To the holders of Ordinary Shares, the Founders Share and American Depositary Shares

Dear Shareholder

I am writing to explain the proposals which are to be put to shareholders of Reuters Group PLC (“Reuters” or “the company”) at an extraordinary general meeting to be held on Tuesday 24 April 2001, immediately following the annual general meeting convened for that date.

In summary, this letter sets out the business of the meeting and other relevant matters, namely:

1 approval of an international discretionary share option plan (“DSOP”) and a French sub-plan thereto;

2 approval of amendments to the company’s Long Term Incentive Plan (“LTIP”);

3 approval of a new all employee share ownership plan (“AESOP”);

4 approval of amendments to the limits on the issue of new shares in the company’s 1997 International SAYE plan (“the 1997 SAYE Plan”) and in relation to its two employee share ownership trusts (“ESOTs”); and

5 details of the company’s policy on share retention.

The basis and rationale for the proposed plans and the related amendments are set out below. Reuters intends to continue its practice of providing full disclosure about the company’s share plans in its Annual Report so that shareholders can monitor how the company is operating them.

Background
Reuters has for many years been global in its scope. In recent years the global market place, particularly in the hi-tech, internet and media sectors, has become increasingly competitive and increasingly volatile. Part of Reuters corporate strategy to meet these challenges is to operate its overall business with a view to thriving in both bull and bear markets and distinguishing itself from competitors by providing shareholders with an investment return through maintained dividend and share price. The Group’s remuneration strategy is intended to support and reinforce these corporate objectives by taking an integrated approach to performance as measured by each of share price, dividend and earnings and striking a balance between the encouragement of the continued development of the Group’s core businesses and its new ventures.

Reuters competes with multinational and local businesses to attract and retain staff at all levels. Despite the recent downturn for many new economy companies, it continues to be difficult to recruit and retain good quality staff without an ongoing share option plan. Internationally, share options remain the most widely used and most readily understood form of share incentive. As part of the continuing process of maintaining competitive remuneration and encouraging employees at all levels to have a stake in the company, the Board and Remuneration Committee consider that it is appropriate to ask shareholders to support the adoption of two new share plans. These are: (i) the DSOP which is an international share option plan designed to operate flexibly to deliver incentives to a range of employees, including directors, and (ii) the AESOP which is an all employee share ownership plan designed to comply with the broad framework prescribed by the UK legislation introduced in 2000, but capable of international extension.

In addition, the Remuneration Committee wishes to alter the proportion of fixed remuneration to variable remuneration for the executive directors and senior management group so that a greater part of their remuneration is variable and dependent on the company’s performance.

Reuters Group PLC
Registered office
85 Fleet Street
London EC4P 4AJ
Registered in
England No. 3296375

Since 1993 executive directors and selected senior executives have participated in the LTIP and, since 1995, other executives and selected employees have participated in the Performance Related Share Plan (the “PRSP”). The number of Reuters shares released under these plans is based upon Reuters total shareholder return (“TSR”) over a three-year period as compared to the TSR of other companies in the FTSE 100. Following a review of both plans, Reuters has concluded that, although the approach under these plans is still appropriate, the company must also be able to offer long term benefits which are in line with competitor practice in the United States of America and elsewhere and which give a greater opportunity for gearing. The intention is that the LTIP will continue but that it will be operated in conjunction with the DSOP. The employee population which previously participated in the PRSP will be reduced from a current level of around 900 to approximately 150. This latter population will in future participate in the LTIP, but on slightly different terms from the executive directors. Operation of PRSP will be discontinued for the time being.

1 DISCRETIONARY SHARE OPTION PLAN

Operation of the DSOP
The DSOP was adopted by the Board in October 2000 on terms that options could not be granted to executive directors or over new issue shares unless and until shareholder consent was obtained. The DSOP is administered by the Plan Committee (a committee appointed by the Board). It is intended that the DSOP will be used in the future in three main ways as follows:

(1) In conjunction with the LTIP for executive directors
DSOP options will be granted to executive directors each year with the grant being phased, normally in two tranches during the year in line with current best practice. Annual LTIP awards will also normally be made to them.

The DSOP options will be subject to a performance target which will be set by the Remuneration Committee. In setting the performance target the Remuneration Committee will have regard to the state of the market and the fact that the LTIP awards will continue to provide a comparative TSR target. The Remuneration Committee will also take account of the recommendation contained in the joint guidance note of the Association of British Insurers (“ABI”) and the National Association of Pension Funds, namely, that the objectives of performance targets should be to produce significant and sustained improvement in the underlying financial performance of the company.

Initially it is intended that for executive directors, options will be granted with a target requiring the average growth in the company’s normalised earnings per share (“EPS”) over a three-year period from the date of grant to exceed the growth in the Retail Price Index (“RPI”) by 3% per annum. Options can first be exercised on the third anniversary of grant, but only if the percentage of EPS growth over that three-year period exceeds the percentage growth in RPI by more than 9%. If that target is not met, the period over which performance is measured will be extended to four years and options can only be exercised if EPS growth over that period exceeds RPI by more than 12%. If that further target is not achieved the performance period will be extended again to five years with a requirement for EPS growth over that period to exceed RPI by 15% in order for options to become exercisable. The options will lapse if these targets are not met by the end of the fifth year from grant. The combination of LTIP and DSOP awards therefore provide an incentive which requires real earnings growth, share price growth and comparative out-performance by Reuters of its peer group in TSR terms.

(2) In conjunction with the LTIP for other senior management and for stand alone awards
DSOP options will be made to approximately 150 selected senior executives who receive LTIP awards. The LTIP awards will have the same three year comparative TSR target as the LTIP awards which executive directors receive. DSOP awards will also be made to employees who do not receive LTIP awards but for whom an equity incentive is appropriate. These participants will be selected by the Plan Committee from nominations received from local management. The selection will be based on agreed criteria such as individual performance, role, skills and potential. It is envisaged that approximately 4,000 Reuters employees each year will receive these stand alone DSOP options.

The Plan Committee will also decide each year how the number of shares to be placed under option to the selected senior executives and other employees will be computed e.g. by reference to salary, job grade, or a combination. The criteria selected will then normally be applied consistently to all such DSOP options granted in that year. It is not intended to impose performance criteria for the exercise of these categories of DSOP options, but the options will become exercisable ("vesting") on a phased basis over a number of years from grant. The total annual value of shares over which DSOP options are granted to senior executives and other employees is likely to be equivalent to approximately 50% of their aggregate

salaries. The first awards of options were made in December 2000 in most jurisdictions, and in March 2001 in those jurisdictions where a December 2000 grant was not practicable. Vesting of these options is at 25% per year over a four-year period from the date of grant.

(3) Other DSOP grants
The other way in which the DSOP may be used is to provide incentives to employees in selected Reuters subsidiaries and business units which are intended to be retained within the Group and not separately listed, but which are competing with hi-tech and new economy companies for both business and staff. Since options are increasingly an expected and necessary part of a competitive remuneration package for employees working within such businesses DSOP options will be used to assist with recruitment and retention by providing an incentive to increase the value of Reuters through increases in value of the relevant subsidiaries and business units. Options granted in these circumstances will normally be subject to performance criteria linked to the performance of the relevant business.

The rules of the DSOP allow the Board to make modifications or to create sub-plans to the DSOP to accommodate local variations in tax or regulatory treatment. Such modified arrangements must fall within the overall objectives and spirit of the DSOP. For example, a sub-plan to operate in France in order to give the potential for corporate social security advantages and employee tax and social security advantages is proposed.

Summaries of the DSOP and the French Sub-Plan are set out in Part I of the Appendix.

Source of shares for the DSOP
The intention is that the shares to be used for the DSOP will partly be made available from new issued shares subject to receiving shareholder approval, and partly by purchased shares. The overall limit on new issue shares to be used in aggregate for the Reuters plans, including the DSOP, but not including Plan 2000 and its related sub-plans ("Plan 2000") because Plan 2000 was a one off plan which operated to deal with issues specific to year 2000, is 10% over 10 years. The existing Reuters Employee Share Ownership Trusts ("ESOTs") may also purchase shares sufficient, when aggregated with their unallocated shares, to satisfy option exercises. The ESOTs may also subscribe for shares in the company provided such subscription would not cause a breach of the limits in the company's various share plans. The amount of shares to be used for the DSOP in the first year of its operation is likely to be in the order of 12 million shares amounting to some 0.85 per cent of the company's share capital.

2 AMENDMENTS TO THE LTIP

The participants under the LTIP are the executive directors of the company and other selected senior executives. As mentioned the next level of management, currently around 150 worldwide who would previously have participated in PRSP, will now participate in the LTIP instead. Six amendments to the LTIP requiring the consent of shareholders are proposed:

Limit on individual LTIP awards
The LTIP currently has a limit of 100% of salary applying to the initial value of shares which can be subject to an individual LTIP award. This limit has been in operation since the LTIP was introduced in 1993. The extent of equity incentives in the high-tech, internet and media sectors has increased materially since then and equity incentives and other “at risk” remuneration form an ever increasing proportion of total remuneration in competitor companies. In addition Reuters major competitors are US based companies whose equity incentives, in contrast both to the LTIP and the proposed awards under DSOP to executive directors, do not have performance criteria at all.

In order to provide an overall package which is broadly comparable with those in similar companies, the Remuneration Committee considers it appropriate to remove the limit. Grants under the LTIP will be considered in conjunction with those under the DSOP. When making grants under the LTIP (and related DSOP options) and in considering the appropriate annual allocation between the two types of award the Remuneration Committee will take account of the competitive environment globally and particularly within Europe and the US, including appropriate levels of pay at risk, the state of the market as well as the seniority, position, experience and location of the relevant DSOP/LTIP participant. In relation to the annual grant policy, it is expected that for at least the first two years of operation the average value of the shares subject to LTIP and DSOP awards for the executive directors (excluding the Chief Executive) at date of grant will be approximately equal to 100% salary in LTIP awards and 250% salary in DSOP options. The Chief Executive’s grants are expected to be around three times the size of those for the other executive directors. For the other 150 or so participants in the LTIP the average value

of shares subject to LTIP and DSOP awards is likely to be, on average, around 50% of salary in LTIP awards and 75% of salary in DSOP options.

Amendment to the overall limit contained in the LTIP
The LTIP incorporates the limit in the company’s ESOTs whereby no more than 5% of the company’s issued share capital can, in aggregate, be held by the trustee at any one time. In consequence of the proposed change to the limits in ESOT No.II referred to later in this letter, the LTIP rules will be modified to refer to the new ESOTs limit of 10%.

Amendment to the holding period provisions
The LTIP currently provides that once a participant’s award has vested in accordance with the performance criteria there is a further holding period of, normally, two years before the vested shares can be transferred. In consequence of the extension of the LTIP to selected senior management who previously participated in PRSP under which there was no holding requirement, it is proposed to modify these provisions. The holding period will continue to apply to the awards made to executive directors of the company but will not normally be imposed for awards made on or after 24 April 2001 to other LTIP participants.

Timing of LTIP awards
The LTIP rules currently provide that awards cannot be made for a financial year after 30 June in that year. In circumstances where either an appointment to the Board or senior management team is made after that date this means that no LTIP award can be made to that executive until the following year. This creates potential difficulties and it is proposed that this restriction be removed. It is however the intention that the LTIP awards will normally be made in February each year as has historically been the case.

Closer alignment of LTIP awards with shareholders’ entitlements
The original objective of the LTIP was to align more closely the interests of senior executives and shareholders. The position of an LTIP participant, however, differs from that of a shareholder because an LTIP participant is not entitled to dividends on vested shares prior to the shares being transferred to him or her. Historically there has been a two year holding period between vesting and transfer. To address this discrepancy an amendment is proposed, which will apply to LTIP awards made after 24 April 2001 to executive directors of the company and to any other LTIP participants whose award is made subject to a holding period whereby, in addition to the vested shares, these LTIP participants will receive additional shares equivalent to the gross dividends they would have received had their vested shares been held in their own names during the period between 1 January in the year of vesting and the date on which the vested shares can first be transferred to them. These notional dividends will be treated as having been reinvested in shares at market value on the relevant dividend payment dates and such shares will be transferred to a participant when the rest of his or her vested shares are transferred.

Transfer of LTIP awards
LTIP awards are not currently transferable other than to a deceased participant’s personal representatives. It is proposed that although LTIP awards will in the majority of cases continue to be non transferable, the Remuneration Committee should have discretion in exceptional cases to agree that a particular award can be transferred, for example to a participant’s family trust. Before giving such agreement however the Remuneration Committee will wish to satisfy itself as to the objectives of the transfer, the identity of the transferee and the terms on which such a transfer will be permitted.

Other modifications to the LTIP
A number of other amendments, which do not need shareholder consent, have recently been made to the LTIP. The material amendments are as follows.

The TSR performance condition has, since 1997, provided that vesting, ranging from 100% to 2.5%, will take place if Reuters comparative TSR performance against the FTSE 100 is in the range of 1st place to 66th place. This will be changed for LTIP awards made after 24 April 2001 to provide that no vesting will occur if Reuters is ranked at or below 51st place.

In consequence of a change in the law in 2000 relating to employer's secondary national insurance liability in respect of certain types of share awards made to UK resident individuals, the LTIP has been modified to provide a facility for the LTIP awards to be made subject to a condition that the participant pays the employer's national insurance contributions due in respect of the award.

3 ALL EMPLOYEE SHARE OPTION PLAN (AESOP)

The company seeks an enabling authority for the approval and adoption by the company of a new AESOP. The intention is for the plan to be in a form capable of approval by the Inland Revenue as an AESOP in relation to its operation for employees in the United Kingdom in order to benefit from tax-favoured treatment. The Plan would, however, include the necessary flexibility to enable it to be extended internationally having removed Inland Revenue specific elements as appropriate.

If the Board chooses to establish and implement an AESOP, it will be operated and administered by a Committee ("the AESOP Committee") appointed by the Board in conjunction with an employee trust for UK participants and either that AESOP trust or another vehicle in its operation outside the UK ("together the AESOP Trust"). The AESOP will provide the opportunity for employees to acquire company shares and the facility for the company to award free matching shares to employees who acquire shares. The AESOP will also provide the opportunity for the company to award free shares to employees. At the AESOP Committee's discretion, the free shares awarded for any year may depend on the achievement of specified performance targets. Awards may be satisfied either by the issue of new Reuters shares or by market purchases by the AESOP Trust.

The AESOP will encourage long-term employee ownership because free and matching share awards must generally be kept in the AESOP for at least three years and they may be forfeited if any employee leaves in certain circumstances. AESOP awards enjoy tax-favoured treatment in the United Kingdom if shares are retained in the AESOP for the required period.

A decision on whether, and if so how, to operate the AESOP has not yet been taken, nor has its interaction with the company's 1997 SAYE Plan been decided. There is no immediate intention to operate the AESOP, but in view of the potential tax and national insurance advantages in the United Kingdom as well as the additional flexibility that such a Plan might give, it is considered that the facility to operate the AESOP may assist further in relation to the company's wish to continue to align the interests of employees with shareholders. This facility may be of particular assistance in relation to non UK locations where some difficulties in operating a longer term share acquisition plan such as the SAYE can arise, particularly in relation to exchange rate fluctuations.

A summary of the principal terms of the AESOP is set out in Part II of the Appendix.

4 SCHEME LIMITS

Reuters has two international SAYE plans under which shares may be issued to employees. No further grants can be made under the earlier, 1994 SAYE plan, although employees still hold subsisting rights under it and no change is to be made to the limit in it. The 1997 SAYE Plan is the current plan which is operated. The 1997 SAYE Plan provides that the number of new issue shares over which options can be granted under it, when aggregated with shares issued or issuable under the company's other employee share schemes in any 10 year period, cannot exceed 10% of the company's share capital. It is proposed to modify this limit in the 1997 SAYE Plan in order to leave shares issued or issuable under Plan 2000 out of account.

The company has two ESOTS. The beneficiaries of ESOT I include employees other than executive directors. The beneficiaries of ESOT II include all employees including executive directors. There are no limits on the number of shares in the company which can be held at any one time in ESOT I. ESOT II provides that it cannot hold at any one time a number of shares which, when aggregated with the shares held by ESOT I, exceeds 5% of the company's issued share capital. It is proposed to increase this limit to 10% to deal with the relatively unlikely situation that a large number of outstanding options and other rights are all exercised or vest at the same time. It is not however intended that a level of shareholding in excess of 5% would, in aggregate, be held by the ESOTs for more than a short period.

In addition the terms of ESOT II provide that its trustee cannot subscribe for shares in the company if the number of shares issued or issuable under all the company's employee share schemes in a 10 year period would exceed 10% of the company's issued share capital, or if the number of shares issued or issuable under all the company's executive share schemes in a 10 year period would exceed 5% of the company's issued share capital. It is proposed to modify the 10% in 10 year limit so as to exclude shares issued or issuable under Plan 2000 from the limit and to remove the 5% in 10 year limit.

5 THE COMPANY POLICY ON SHARE RETENTION

The company is proposing to introduce a new policy to encourage directors and senior employees to continue to hold Reuters shares in the longer term. As far as possible, the company wants them to identify in economic terms with shareholders. To further this the Board will be consolidating this objective into a formal policy. The policy will not require shareholder consent but the Board and the Remuneration Committee would like shareholders to be aware of it.

Directors and selected members of senior management will be expected under the policy to acquire and retain shares in the company which have a value deemed equivalent to 200% of base salary in the case of directors of the company and 100% for the other employees. Individuals will be expected to achieve the required level of shareholding within five years of becoming subject to the policy.

Compliance with the policy will be a material factor for the Remuneration Committee when assessing whether or not it is appropriate for awards under the LTIP and DSOP to be made and the size of those awards. If an individual does not comply, his future awards will normally be reduced or will not be made at all.

Action to be taken
Holders of Ordinary Shares will find enclosed a proxy form for use in connection with the extraordinary general meeting. Whether or not you intend to be present at the meeting, you are requested to complete and return the proxy form as soon as possible and, in any event, so that it is received by the UK Registrars not later than 11.45 a.m. on 22 April 2001. The completion and return of the proxy form will not preclude holders of Ordinary Shares from attending the meeting and voting in person, should they wish to do so.

Holders of American Depositary Shares will find enclosed a voting instruction card issued by Morgan Guaranty Trust Company of New York, as Depositary ("the US Depositary"), for use in connection with the extraordinary general meeting, which they are requested to complete and return as soon as possible and, in any event, so that it is received by the US Depositary not later than 3.00 p.m. (New York time) on 18 April 2001.

Recommendation
Your Board has considered the above proposals (the executive directors declaring an interest and refraining from voting). It believes that all of the proposals are positive steps and would like shareholders to give their support. Accordingly, your directors (excluding the executive directors) recommend that shareholders vote (or instruct the US Depositary to vote) in favour of the resolutions to be proposed at the extraordinary general meeting to be held on Tuesday 24 April 2001, as the directors (excluding the executive directors) intend to do in respect of the Ordinary Shares beneficially owned by them.

Yours sincerely

/s/ Chris Hogg

Sir Christopher Hogg
Chairman

REUTERS

APPENDIX

PART I. Summary of the Reuters Group PLC Discretionary Share Option Plan ("the DSOP") and French sub-plan thereto

1 Operation of the DSOP
The DSOP will be operated and administered by a committee appointed by the Board ("the Plan Committee"). The DSOP Rules provide that grants of options to all eligible employees other than the executive directors will be

determined by the Plan Committee. Grants to executive directors will be determined by the Remuneration Committee.

2 Eligibility
All employees who are employed by a group company which is a participating company for the purposes of the Plan will normally be eligible to participate unless under notice or subject to disciplinary proceedings. The majority of the companies in the group will be participating companies. The Plan Committee has discretion to select the eligible employees to whom it will recommend that options be granted. Normally this will take account of nominations received from management based on selection criteria specified by the Plan Committee. Executive directors will only be permitted to participate at the discretion of the Remuneration Committee and are not able to participate in the Plan until it has been approved by shareholders.

3 Grant Policy
For awards to be made to executive directors of the company, the Remuneration Committee will specify the terms and value or number of shares to be granted.

For most other option grants the Plan Committee will determine for each year in which the Plan is to be operated, the terms on which options are to be granted and the maximum number or value of shares which can be granted to any individual employee. The Plan Committee will determine the number of options to be granted to the selected participants by reference to salary, job grade or some combination of these. The criteria to be used for a particular financial year will then normally be applied to the other options granted in that financial year so that all options are granted on the basis of similar terms to all eligible employees. The Plan Committee may change the criteria from year to year.

Other grants under the DSOP may also be made to provide incentives to employees in selected subsidiaries and business units. These grants will normally be performance related.

4 Grant of Options
Options may be granted for each year of operation to executive directors and eligible employees at any time when it is permitted in accordance with the Model Code. The intention is to grant options in two separate tranches in each financial year.

No payment will be required for the grant of an option. The exercise price per share under each option will not be less than the market value per share, determined from the average closing mid market value on the three dealing days immediately prior to the grant of options. Options granted to an executive director or employee resident in the United Kingdom will normally be granted subject to a condition that the option holder agrees to elect to pay the secondary (employer’s) national insurance contributions due in respect of the option. An option holder may renounce an option that has been granted to him if he does so within 90 days of grant. Options are not normally transferable and any attempt to transfer will normally cause the option to lapse. This does not prevent the personal representatives of the deceased option holder from exercising an option within a year of death.

Options may be either options to subscribe for new shares to be issued by the company or options to purchase shares from the existing Reuters Employee Share Ownership Trusts (ESOTs). Options may be granted either by the company or by the trustee of the ESOTs. Where the options are granted by the ESOTs, the company may grant the ESOTs a corresponding option to subscribe for new shares or the ESOTs may purchase the necessary shares in the market. No payment will be required for the grant of an option to the ESOT.

5 Plan Limits
The number of new ordinary shares in respect of which options may be granted under the Plan, when added to the number of new ordinary shares allocated in the previous ten years under any other employee share scheme of the company (other than Plan 2000), shall not exceed 10% of the equity share capital of the company. For the purposes of the above limits, shares are allocated under option schemes when the option is granted and under other schemes when the shares are issued. Options which lapse, by reason of non exercise or otherwise, cease to count.

No options will be granted more than 10 years after the date on which options are first granted under the Plan.

6 Exercise of Options
Options granted to executive directors of the company will be subject to performance criteria imposed by the Remuneration Committee.

Other options will normally vest and become exercisable in accordance with a specified vesting schedule by option holders who have been employed with Reuters for the period from grant to vesting. For the initial grant of options made in December 2000 and March 2001, vesting is 25% per year over a four year period from the date of grant. The Plan Committee is able to impose different objective conditions for options to become exercisable.

Options will be exercisable in whole or in part after vesting and not later than 10 years after grant (seven years for options granted prior to April 2001) or such shorter period as may be specified at the time of grant, and normally only for so long as the option holder remains employed in the Group. The following special rules apply on termination of employment:

- if the option holder dies (whether before or after vesting), exercise will be permitted in the 12 months following death;

- if the employment ends before vesting by reason of ill health, disability, redundancy, or retirement, or, at the discretion of the Plan Committee, for any other reason (except serious misconduct) not mentioned above, exercise is permitted to take place in the 12 months following cessation of employment; and

- if the employment ends after vesting for any reason (except death or dismissal for misconduct) exercise will be permitted in the following six months.

Except as stated above, options will lapse if the option holder ceases to be employed by the Group.

The exercise of options will also normally be permitted (whether before or after vesting) in the event of a change of control, a reorganisation, an amalgamation, or a voluntary winding up of the company. In the event of a change of control of the company, option holders may normally surrender their options in return for substitute options over shares in the acquiring company if the acquiring company offers this facility to existing option holders. If options are not exercised or surrendered for new options (if applicable) within the relevant period, they will lapse.

7 Shares
The shares for the purposes of the Plan will be fully paid Ordinary Shares in the company. The ESOTs may satisfy an option granted by the company and conversely the company can satisfy an option granted by the ESOTs. The company will apply for a listing of the shares acquired on the exercise of the options if they are already not so listed. Shares obtained on the exercise of an option will rank pari passu with other shares of the same class save for any rights determined by a reference to a record date preceding the date of allotment.

8 Variation of Share Capital
On a variation of share capital of the company or in such other circumstances as the Board considers appropriate, the number of shares subject to any option and the exercise price of the share may be adjusted by the Board in such manner as the company’s auditors confirm to be fair and reasonable so that the aggregate amount payable on the exercise of an option in full is not increased.

9 Amendments
The Board may make amendments to the Plan (including the creation of separate sub-plans) as may be necessary or desirable to obtain or maintain favourable tax, exchange control, or regulatory treatment for option holders or for any company in the Group. The Plan Committee may, at its discretion, provide that designated employees receive awards that entitle them to a cash payment calculated by reference to the difference between the exercise price of an option over a number of notional shares and the market value of shares on the date of exercise. However, this power will normally only be used where there is a regulatory, taxation, social security or exchange control reason why it is considered impractical to grant options over actual shares.

Except as described above or for non-material amendments designed to ease the administration of the Plan, no amendment which is to the advantage of Plan participants may be made to the provisions dealing with eligibility, individual or Plan limits, the terms of options or the adjustment of options without prior approval of the company in general meeting.

10 Benefits — Non Pensionable
The rights of an employee under the terms of his or her office or employment will not be affected by participation in the Plan, and the benefits under the Plan will not form part of his or her pensionable remuneration.

11 Summary of the Rules of the French Sub-Plan to the DSOP
The French Sub-Plan is on substantially the same terms as the DSOP except for the provisions set out below which vary the DSOP rules to the extent necessary to allow the DSOP to be a qualifying plan for French social security and tax purposes.

The exercise price for options under the French Sub-Plan will not be less than the higher of the average closing mid market share price on the three dealing days prior to the date of grant and 80% of the average closing mid market share price on the 20 dealing days prior to the date of grant.

Options under the French Sub-Plan will not be made within the period of 20 dealing days after either the payment of a dividend by the company or the issue of company shares pursuant to a rights issue or rights offer.

Options under the French Sub-Plan cannot be made to any employee or director of the company or its subsidiaries who holds, or has the right to acquire, in excess of 10% of the company’s issued share capital.

On the death of an option holder the option may only be exercised within the period of six months after the death.

PART II. Summary of the Principal Terms of the All-Employee Share Ownership Plan (“the AESOP”)

Introduction
The purpose of the AESOP is to provide employees with Reuters shares to give them a continuing stake in the company. Under the AESOP:

(a) participants may enter into an agreement to allocate from their salary up to an overall limit of £125 a month for up to 12 months to buy company shares (“Partnership Shares”).

(b) the company may match the Partnership Shares acquired with free shares (“Matching Shares”). Whether the company will match Partnership Shares and the matching ratio (which may not exceed two Matching Shares

for each Partnership Share) will be announced when an invitation is made.

(c) as a separate opportunity from Partnership and Matching Shares, the company may award up to £3,000 of free shares ("Free Shares") to each eligible employee in an income tax year. The award of Free Shares can be dependent on individual, business unit or corporate performance.

Within the framework of the rules of the AESOP summarised below, the Plan Committee ("the Committee") will determine in advance of each AESOP plan year whether a Partnership Share invitation will be made, and if so, whether the company will offer Matching Shares, whether an award of Free Shares will be made, and the terms of that invitation and those awards.

Participation
All UK resident and ordinarily resident employees and full time directors of the company and its subsidiaries who have completed a specified period of continuous service are eligible to participate in the AESOP. Employees and directors who are resident elsewhere may also participate on the same or broadly similar terms if so selected by the Committee. The specified service period must not for UK employees exceed 12 months and must be the same for all UK employees although it may be amended from time to time by the Committee.

Partnership Share Allocations for UK Employees
For each period (not exceeding 12 months) (the "accumulation period") that the Committee determines that Partnership Share agreements will be offered, UK employees may choose to allocate up to a specified amount (not exceeding £125 per month or 10% of taxable salary if less) of their salary for the purchase of company shares. Payment will be made by way of monthly payroll deductions to the Trustees of the company's All-Employee Share Ownership Plan Trust. There will be one opportunity only to enter into a Partnership Share agreement each year.

An employee may stop and restart deductions from salary at any time during the accumulation period by giving notice to the Trustees who are holding Partnership Share money on a participant's behalf. If employees withdraw from the AESOP before Partnership Shares have been bought, their accumulated salary will be paid to them by the Trustees after deduction of PAYE and NIC. There is no obligation on the Trustees to provide for the Partnership Share money to earn interest. Within 30 days of the end of each accumulation period, the Trustees will purchase Partnership Shares on behalf of the Participants, or appropriate shares already held by the Trust to participants, as applicable. The number of Partnership Shares received by a participant is determined by reference to the lower of their market value at the beginning and end of the accumulation period.

When Partnership Shares are acquired on behalf of an employee, they may be withdrawn from the AESOP at any time on payment of the appropriate PAYE and NIC.

Matching Shares for UK Employees
The Committee may decide in its discretion to offer Matching Shares to UK participants who purchase Partnership Shares, the ratio not to exceed two Matching Shares for each Partnership Share. The Matching Share ratio will be notified to employees before they enter into a Partnership Share agreement. In respect of any offer of Matching Shares the Committee may exercise its discretion to decide that if a participant:

(a) withdraws his Partnership Shares from the AESOP during a period not to exceed three years; and/or

(b) ceases to work for the Group during a specified period not to exceed three years from the date of the share award the Matching shares will be forfeited.

In addition, the Committee may decide that any offer of Matching Shares be subject to a holding period in excess of the three year minimum but not to exceed five years.

Free Share Awards for UK Employees
Each year at the discretion of the Committee an award of free shares may be offered to all eligible UK employees. No employee may receive an award of more than £3,000 in any income tax year. The Committee will determine in respect of each award whether that award is:

(a) to be dependent on the achievement of performance targets.

(b) to be subject to a holding period during which time the Free Shares must be held in the AESOP unless the participant's employment ceases, when his or her shares must be withdrawn. A holding period must not be less than three years or exceed five years but otherwise is to be determined by the Committee.

(c) to be subject to forfeiture provisions such that participants will forfeit their shares if their employment ceases for a reason other than death, injury, disability, redundancy or retirement. Shares must be offered on similar terms that will vary only in accordance with remuneration and/or length of service except as specified below. For any award of Free Shares that the Committee determines will depend on the achievement of performance targets, the Committee will notify participants before the beginning of the relevant measurement period whether Method 1 or Method 2 will apply:

i. and in the case of Method 1:

1. the percentage, not to exceed 80, of the shares awarded which will be performance-related provided that the highest performance award to any employee cannot be more than four times greater than the highest award made to any employee on a similar terms basis, and

2. the performance target applicable to that employee, which must relate to business results or another objective measure.

ii. and in the case of Method 2:

1. the percentage of shares which may be awarded by reference to performance, which may be up to 100%;

2. the performance unit that the employee is a member of; and

3. the performance target for that performance unit, and for all other performance units.

In addition, in the case of Method 2, all performance targets must be equally capable of achievement.

Reinvestment of Dividends for UK Employees
The AESOP provides that all dividends in respect of a UK participant's shares held in the AESOP be applied in acquiring further shares on his or her behalf provided that the amount so applied may not exceed £500, £1,000 and £1,500 in the first, second and third or subsequent AESOP years respectively. The holding period during which, generally, dividend shares must remain in the AESOP is three years.

Retention Period for UK Employees
Once Free and Matching and Dividend Shares have been allocated to a participant the shares will be retained in the AESOP by the Trustees on behalf of the participant, subject to any forfeiture and/or holding period provisions. Partnership Shares may be withdrawn from the AESOP at any time.

Share Acquisitions for UK Employees
The Trustees may either subscribe for or purchase shares for the purpose of providing Partnership Shares and Dividend Shares and for awards of Free and Matching Shares. Any shares subscribed will rank equally with all other shares then in issue.

Whilst a participant's shares remain held by the Trustees, he or she will be the beneficial owner and will be entitled to receive dividends and, through the Trustees, to vote, to participate in rights and capitalisation issues and to elect to receive scrip dividends in substantially the same way as other shareholders.

AESOP Limits
In any ten year period, the aggregate number of new shares which may be issued under the AESOP and any other Reuters employees' share scheme (other than Plan 2000) may not exceed 10% of the issued ordinary share capital of the company.

AESOP Benefits Not Pensionable
Basic salary before Partnership Share savings deductions will be pensionable. Any benefits under the AESOP will not be taken into account for the pension entitlements of any participant.

Admission to Listing and Terms of Issue
Application will be made to the London Stock Exchange at the appropriate time for admission to the Official List of any new shares issued under the AESOP. Any shares allotted will rank equally with all other issued shares of the company save that if the shares are allotted after the record date for a dividend, rights issue or other distribution, the shares will not be entitled to participate in the relevant dividend, rights issue or other distribution.

Amendments
With the prior approval of the Inland Revenue the Board of Directors may at any time alter or add to the rules of the AESOP or the terms of any award made under it. However, any provisions relating to:

(a) the persons to whom shares are provided under the AESOP;

(b) the limitations on the number or amount of shares subject to the AESOP;

(c) the maximum entitlement of any one participant under the AESOP;

(d) the basis of determining a participant's entitlement to shares or the adjustment thereof in the event of a capitalisation issue, rights issue sub-division or consolidation of shares or reduction of capital or on any other variation of capital;

cannot be altered to the advantage of existing or future participants without the prior consent of the shareholders of the company in general meeting (expect as specified below and save for other minor amendments to benefit the administration of the AESOP and any amendments to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the company or any subsidiary).

Sub-Plans
The Board may create separate sub-plans to the AESOP in relation to its operation outside the United Kingdom as may be necessary or desirable to obtain or maintain favourable tax, exchange control or regulation treatment for participants or for any company in the Group. In addition any such sub-plan may diverge from the terms specified above in any one or more of the following ways:

(a) participants may enter into agreements to allocate from their salary up to an overall limit specified by the Committee which may be greater than £125 per month;

(b) the payroll deductions may be made to the AESOP trustees or to the Reuters ESOTs or to any other vehicle appropriate to deal with the same;

(c) non UK employees who enter into a partnership share agreement shall only be permitted to withdraw from the same as from the beginning of the next accumulation period (if any) or, as the case may be, on giving such period of notice as shall be specified by the Committee;

(d) when partnership shares are acquired on behalf of an employee they can only be withdrawn from the AESOP or its relevant sub-plan on giving such period of notice as shall be specified by the Committee;

(e) if free share awards are made, any performance conditions shall be as specified by the Committee and do not need to comply with Method 1 or Method 2 prescribed for the UK operation of the Plan.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of Reuters Group PLC will be held at Gibson Hall, 13 Bishopsgate London EC2M 4QB on Tuesday 24 April 2001 at 11.45 a.m., or as soon thereafter as the annual general meeting convened for that date shall have been terminated, for the purpose of considering and, if thought fit, passing the following ordinary resolutions.

REUTERS

Ordinary Resolutions
That:

1. Reuters Discretionary Share Option Plan ("the DSOP"), and the French Sub-Plan thereto summaries of which are contained in the Appendix ("the Appendix") to the Chairman's letter of 14 March 2001, and the draft rules of which are produced to this meeting and which for the purposes of identification have been signed by the Chairman, be and are hereby approved.

2. The amendments highlighted on the Rules of the Long Term Incentive Plan ("LTIP") produced to this meeting and which for the purposes of identification have been signed by the Chairman, be and are hereby approved and the directors be authorised to do everything necessary to adopt such amendments.

3. Reuters All Employee Share Ownership Plan ("AESOP") a summary of which is contained in the Appendix and the draft rules of which are produced to this meeting and which for the purposes of identification have

been signed by the Chairman, be and are hereby approved and the directors be authorised to do everything necessary to obtain the approval of the Board of Inland Revenue to the AESOP.

4. That the amendments to the Reuters International SAYE Plan 1997 ("the 1997 SAYE Plan") highlighted on the rules of the 1997 SAYE Plan produced to this meeting and which for the purposes of identification have been signed by the Chairman be and are hereby approved and the directors be authorised to do everything necessary to adopt such amendments.

5. That the amendments to the Reuters Employee Share Ownership Trust Number II ("ESOT No. II") highlighted on the copy of the ESOT No II trust deed produced to this meeting and which for the purpose of identification has been signed by the Chairman be and are hereby approved and the directors and the trustees of ESOT No. II be authorised to do everything necessary to adopt such amendments.

Rosemary Martin,
Company Secretary
14 March 2001

Notes:

1. Any member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the company. A form of proxy is enclosed which shareholders are invited to complete and return in accordance with the instructions on it. The lodging of a form of proxy will not prevent the member from attending the meeting and voting in person.

2. Copies of the rules of the DSOP and the French Sub-Plan thereto, the AESOP, the SAYE Plan, the LTIP, and the ESOT No. II trust deed, with the proposed amendments highlighted are available for inspection at the company's registered office, and at the office of the US Depositary at 60 Wall Street, New York, New York 10260, United States of America, during normal business hours on weekdays (excluding Saturdays and public holidays) from the date of this notice until close of business on 24 April 2001 and will also be available for inspection at the place of the meeting for at least 15 minutes before and during the meeting.

3. Only those shareholders registered in the register of members of the company as at 11.45 a.m. on 22 April 2001 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting shall be entitled to attend or to vote at this meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of members after 11.45 a.m. on 22 April 2001 or, in the event that this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.

4. The directors of the company reserve the right up to the time of the extraordinary general meeting on 24 April 2001 to make such amendments and additions to the rules of the DSOP and the French Sub-Plan thereto, the AESOP, the LTIP, the 1997 SAYE Plan and the ESOT No. II trust deed as they may consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summaries and other details contained in the circular to members of the company dated 14 March 2001.