

## Reuters Adopts International Financial Reporting Standards

March 10, 2005

London - Global information company Reuters (RTR.L; RTRSY.O) today gave guidance on the anticipated effect of International Financial Reporting Standards (IFRS) on its results (excluding Instinet) for the year ended 31 December 2004. Reuters preliminary 2004 financial results were previously published on 16 February 2005 under UK Generally Accepted Accounting Principles (UK GAAP).

From the beginning of 2005 IFRS formed the primary accounting basis for Reuters results. As part of this transition, Reuters is providing indicative unaudited external guidance on the anticipated impact of IFRS on its most recent UK GAAP results to provide provisional comparative information and opening balances for the new financial period.

The primary changes expected from the adoption of IFRS on Reuters reported results (excluding Instinet) for the year ended 31 December 2004 are:

- capitalisation, amortisation and impairment of certain development costs
- capitalisation and amortisation of software licences and associated implementation costs
- recognition of employee benefit related assets and obligations, principally pensions and share based payments
- the requirement not to amortise goodwill on a straight-line basis, but to review it annually for impairment
- recognition of deferred tax liabilities on a wider basis.

These changes are expected to increase Reuters core 2004 profit after tax for the period by £12m. Additional details of the expected 2004 financial impact, as well as a discussion of the potential 2005 impacts, can be found on the Reuters website.

Reuters will hold a presentation for investors and analysts to explain these changes in more detail. It will be webcast live today from 14.00 GMT and available for replay from 18:00 GMT at [www.reuters.com/webcast/ifrs](http://www.reuters.com/webcast/ifrs)

IFRS standards are subject to ongoing amendment by the International Accounting Standards Board and subsequent endorsement by the European Commission and may therefore change. There may also be new standards that Reuters may wish to adopt early. As a result, the numbers reported in Reuters 2005 year end results may vary from those included in the guidance provided.

### Ends

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### Forward-looking statements

This statement includes certain forward-looking statements relating to Reuters within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934. Certain important factors that could cause actual results to differ materially from those disclosed in such forward-looking statements are described in Reuters Annual Report and Form 20-F 2004 under the heading "Risk Factors". Copies of the Annual Report and Form 20-F are available on request from Reuters Group PLC, 85 Fleet Street, London EC4P 4AJ. Any forward-looking statements made by or on behalf of Reuters speak only as of the date they are made, and Reuters does not undertake to update any forward-looking statements.