

## Reuters Q1 Recurring Revenue Decline of 9% or Slightly Better

January 15, 2004

**London** - Reuters reports today that subscriber cancellations in the fourth quarter of 2003 showed an improvement over the previous quarter, extending the trend seen in the first three quarters of 2003. As a result, Reuters expects that the decline in recurring revenue in the first quarter of 2004 will be 9% or slightly better on an underlying basis compared to the equivalent quarter last year.

**Tom Glocer**, Reuters Group Chief Executive, said: "I am confident that we have now passed the inflection point in our recurring revenue decline. While we still expect the recovery in recurring revenue to be gradual, we are looking forward to working with our customers to build on this improving trend."

**Ends**

### Notes to Editors

Reuters today initiated a new practice of giving guidance on its first quarter recurring revenue expectations once sales figures for the fourth quarter became available, in advance of its Preliminary Results on 17 February. Throughout the rest of the year, Reuters will continue to give recurring revenue guidance one quarter ahead, on an underlying basis (excluding the effect of currency, acquisitions and disposals). Recurring revenues account for around 90% of Reuters core revenues (excluding Instinet).

At Reuters, there is an important timing difference between subscription sales / cancellations and subscription (recurring) revenue. Reuters recognises a sale on signature of a contract with a customer and registers a cancellation when notified by a customer. Revenue is recorded when a sold product is installed or a cancelled product removed, a process which takes at least a month.

More detail on Reuters recurring revenue model can be found in the [Financial Data](#) section of [www.about.reuters.com](http://www.about.reuters.com)

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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 2002 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."