

## Financial Markets Fall Sharply on Earnings Concerns; FTSE 100 Weekly Decline the Largest in 18 Months

April 18, 2005

**London – April 18, 2005** – Reuters (LSE: RTR.L; Nasdaq: RTRSY), the global information company, today issues the latest analysis for FTSE 100 companies. This report contains aggregated forecast information from industry analysts, including the latest bottom up earnings and revenue estimates data and sector projections.

The FTSE 100 index traded sharply lower for the week. The Index declined 1.85% to close at 4,891.60. For the year, the Index is trading up 1.61%.

For the calendar year 2005, Reuters Estimates finds that the projected earnings growth rate for FTSE 100 is 9.0%, compared to 9.0% last week and down from the 2004 growth rate of 15.2%. Projected revenue growth for the 2005 calendar year is 5.7% down from 7.8% in 2004. For the calendar year 2006, earnings are expected to rise by 7.0% with revenue growth rising another 5.1%.

Reuters Senior Market Analyst, Ashwani Kaul stated, “The sectors with the largest projected gains for the FTSE 100 are Basic Materials and Non-Cyclical Consumer Goods & Services. They are expected to show the largest year-over-year earnings gains in the 2005 calendar year with gains of 36% and 24%, respectively. The Energy and Utilities sectors are expected to show the least favorable earnings gains, a 2% decline and 7% gain, respectively. All other sectors are expected to post year-over-year earnings gains between 6% and 16%.”

For the calendar year 2006, Reuters Estimates finds that the Industrial and Cyclical Consumer Goods & Services sectors are expected to show the largest year-over-year earnings gains, 14% and 11%, respectively. The Energy and Basic Materials sectors are expected to show the least favorable earnings gains, an 8% decline and 1% gain, respectively. All other sectors are expected to post year-over-year earnings gains between 5% and 10%.

The following tables were created using Reuters Estimates

FTSE 100 - Bottom Up Summary				
FTSE 100 Index	Date	2004 P/E	2005 P/E	
4891.60	15-Apr-05	20.17	18.50	
Reuters Bottom-Up FTSE EPS Estimates				
2003	2004	2005	2006	12M FWD
209.11	242.54	264.34	282.78	269.69
Year-Over-Year Growth				
20.1%	16.0%	9.0%	7.0%	N/A
Reuters Bottom-Up FTSE Revenue Estimates				
2003	2004	2005	2006	12M FWD
3,255.27	3,547.75	3,750.33	3,940.21	3,940.21
Year-Over-Year Growth				
6.5%	9.0%	5.7%	5.1%	N/A

Year-Over-Year Sector Earnings Growth for FTSE 100		
	Annual 2005	Annual 2006
Sector	Earnings	Earnings
Basic Materials	36%	1%
Cyclical Consumer	10%	11%
Energy	-3%	-8%
Financial	6%	8%
Healthcare	9%	10%
Industrial	16%	14%
Non-Cyclical Consumer	25%	5%
Technology	9%	8%
Utilities	7%	8%
FTSE 100 Total	9.0%	7.0%

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**Note to Editors**

Bottom-up estimates represent a weighted average of analysts' consensus forecasts, calculated by Reuters to be consistent with the FTSE 100 price index.

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Used by the leading institutional firms, corporations and media, Reuters Estimates provides timely and accurate forecast information on companies around the world. The product features consensus and detailed data, estimates and actuals, analysts recommendations, target prices and long-term growth rates, broker and analyst information, up to 20 financial measures including revenue, profit, EBITDA, EPS and cash flow, annual and interim data, forecasted and historical periods and a history of estimate revisions.

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