



THOMSON REUTERS

THIRD-QUARTER 2013 RESULTS



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Agenda

- Welcome / Introduction Frank Golden

- Third-Quarter Highlights Jim Smith
 - Progress Update
 - Next Chapter

- Financial Review – Q3 2013 Stephane Bello
 - Capital Strategy Update

- Q & A

Special Note

Safe Harbor / Forward-Looking Statements

- The following discussion contains forward-looking statements, including but not limited to, those about Thomson Reuters outlook and prospects as well as expectations related to the company's lower acquisition spend, future revenue growth performance, savings from simplification initiatives, improving free cash flow performance and future share repurchases. Forward-looking statements also include expectations regarding the charge and pension contribution and certain statements related to Financial & Risk net sales, margin performance and desktops. Forward-looking statements are those which are not historical facts. These and other statements that relate to future results and events are based on Thomson Reuters current expectations.
- Our actual results in future periods may differ materially from those currently expected because of a number of risks, uncertainties and assumptions. The risks, uncertainties and assumptions that we believe are material are outlined in our disclosure filings and materials, which you can find on www.thomsonreuters.com. Please consult these documents for a more complete understanding of these risks, uncertainties and assumptions. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. Our outlook is provided for the purpose of providing information about current expectations for 2013. This information may not be appropriate for other purposes.

Non-IFRS Financial Measures

- This presentation contains disclosures of certain non-IFRS financial measures. These measures include revenues from ongoing businesses, adjusted EBITDA and the related margin, underlying operating profit and the related margin, free cash flow, free cash flow from ongoing businesses and adjusted EPS.
- Please see the "Investor Relations" section of our website for a reconciliation of each of these measures to the most directly comparable IFRS financial measure. You can also find IFRS reconciliations in the tables attached to our earnings release dated October 29, 2013, which is also available on www.thomsonreuters.com.



THIRD-QUARTER 2013 HIGHLIGHTS

JIM SMITH
PRESIDENT & CEO

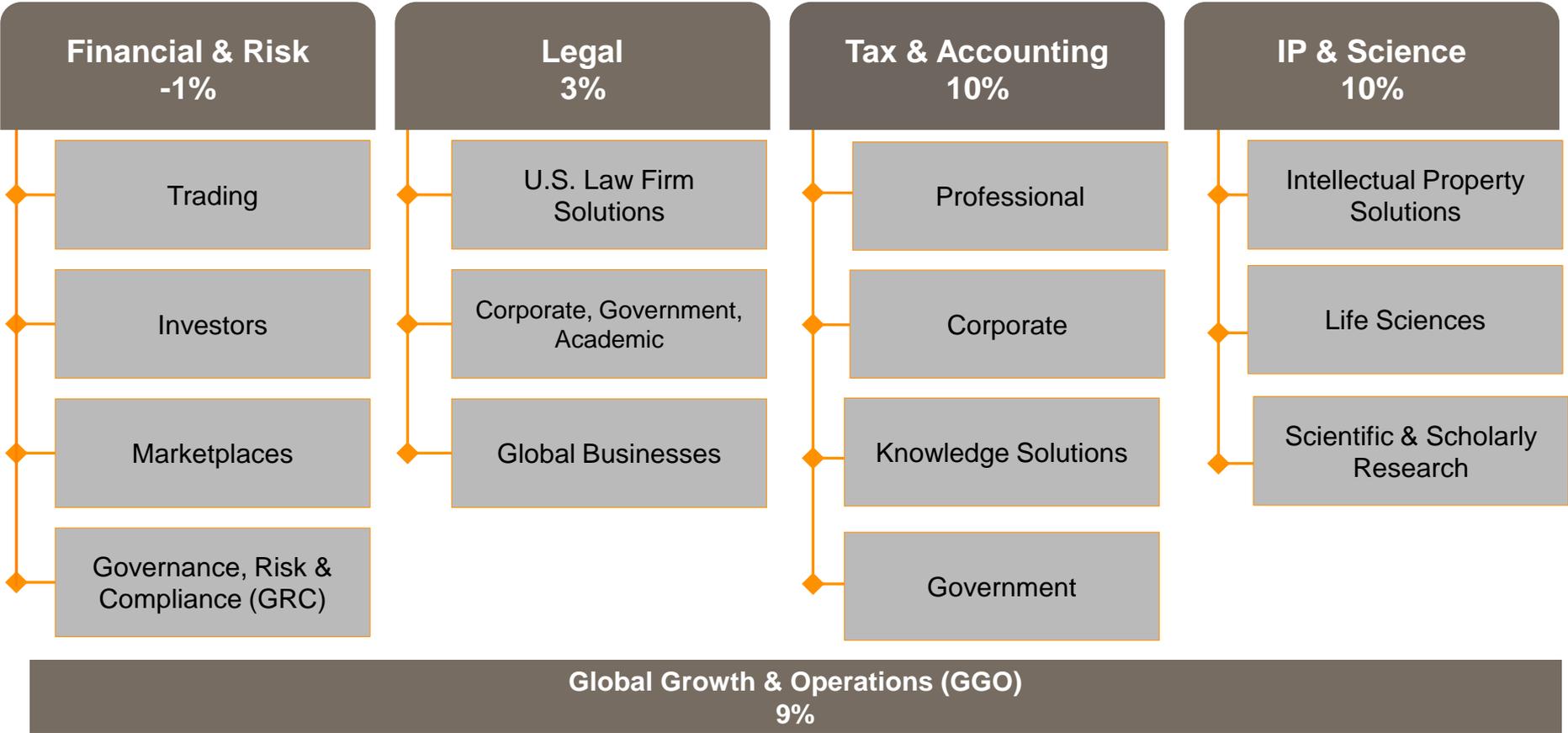
Third-Quarter 2013 Results

- Revenues up 2%
- F&R Net Sales Positive - first time in 8 quarters
 - Fourth consecutive year-on-year improvement in quarterly Net Sales performance
- Adj. EBITDA of \$845 million, up 4%
 - Margin of 27.5%, up 100 bps vs. prior-year period
- Underlying operating profit of \$548 million, up 3%
 - Margin of 17.8%, up 30 bps vs. prior-year period
- Adjusted EPS of \$0.48, unchanged vs. prior-year period
- 2013 Outlook affirmed (excluding planned charge & pension contribution)

Revenue growth excludes the impact of currency. Results for ongoing businesses.

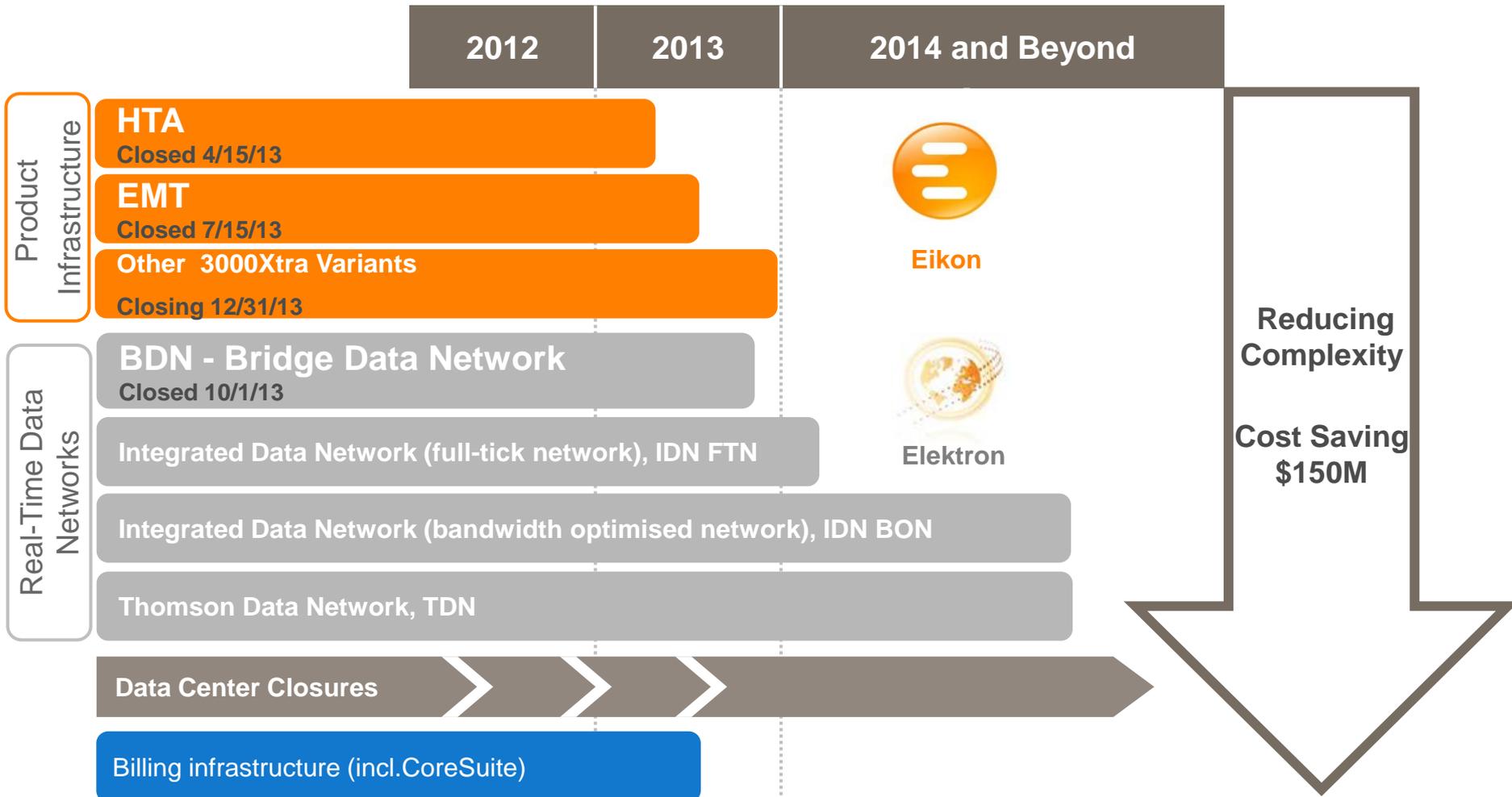
Third-Quarter 2013

On track & consistent with full-year expectations

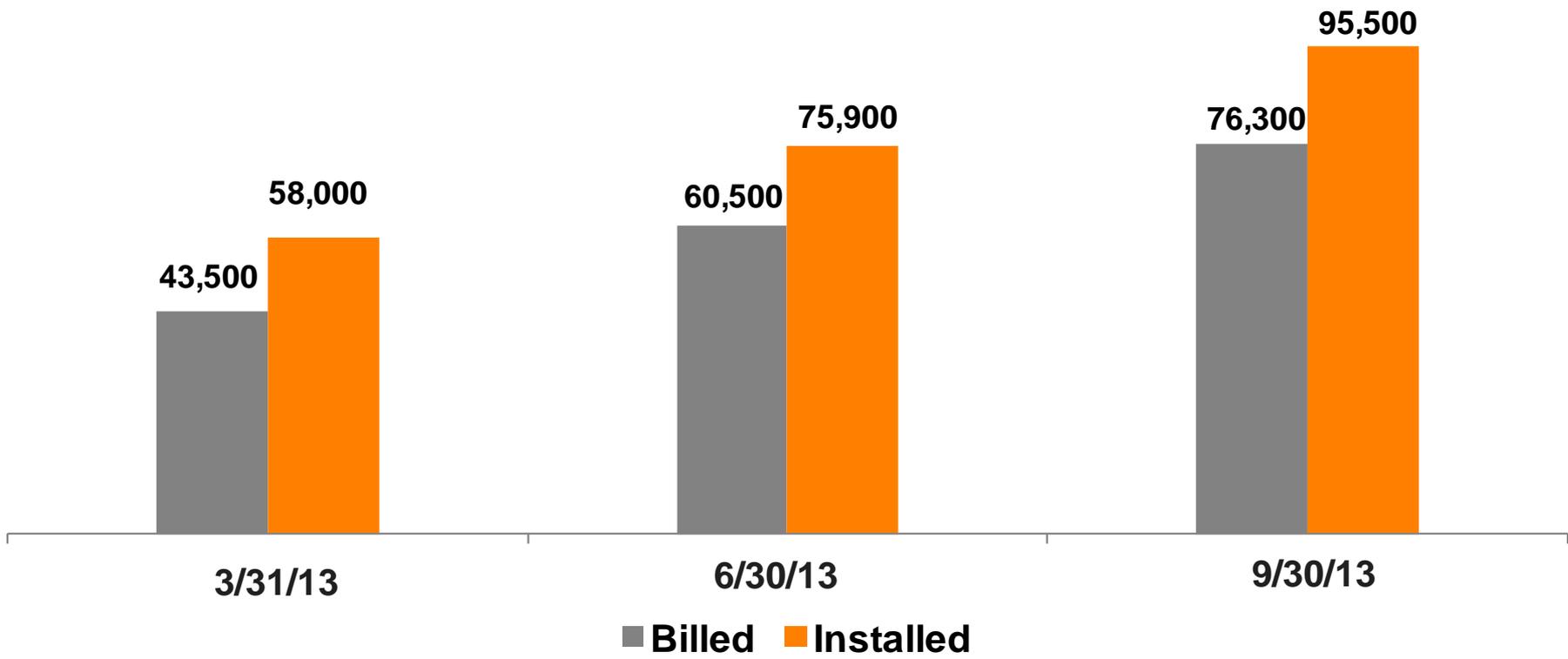


*Revenue growth for ongoing businesses and excludes the impact of currency.

Achieving simplification goals - platforms, systems, processes



F&R Eikon Billed & Installed Desktops



Next Chapter

Significant Progress Over the Past 21 Months

- Turnaround of F&R is on track – Foundation has been strengthened
- Disciplined refinement of portfolio over past few years
 - Leading position in each market segment
 - Acquisition activity expected to be more modest going forward
 - Seeking to drive increased focus on organic growth
- High level of confidence in operating and financial trajectory going forward
 - Established leadership positions in “growth” markets, which represent ~50% of revenue base and have been generating ~6-7% organic revenue growth
 - Stabilized largest segment, financial desktops, in Financial & Risk during 2012-2013
 - Top line growth should remain modest over the next couple of years (due to revenue mix dynamics), but expected to gradually improve as the relative weight of growth segments increases over time
 - Substantial scale brings opportunities to drive FCF and EBITDA improvement via efficiency initiatives and platform/product simplification across businesses, especially in Financial & Risk
- Appropriate time to adapt strategy to drive value going forward

Prepared for the Next Chapter

Accelerating Transformation of Financial & Risk

- Continued **improvement in Net Sales** performance
- **Resetting the cost base**
- Significant **improvement in profitability**

Pivoting from Portfolio to Enterprise Approach

- **Innovation-led** revenue growth
 - Planning less reliance on acquisitions
- **Product & Platform *simplification***
 - Prioritize investments towards product/platform simplification vs. new products or features

Driving Attractive Returns while maintaining a Strong Capital Structure

- **Gradually improve Revenue Growth** performance
- **Expect strong annual Cash OI (and FCF) growth**
- **Attractive returns to shareholders** through share buybacks and modest dividend increases
- **Maintain a strong balance sheet and credit profile**

Solid Foundation

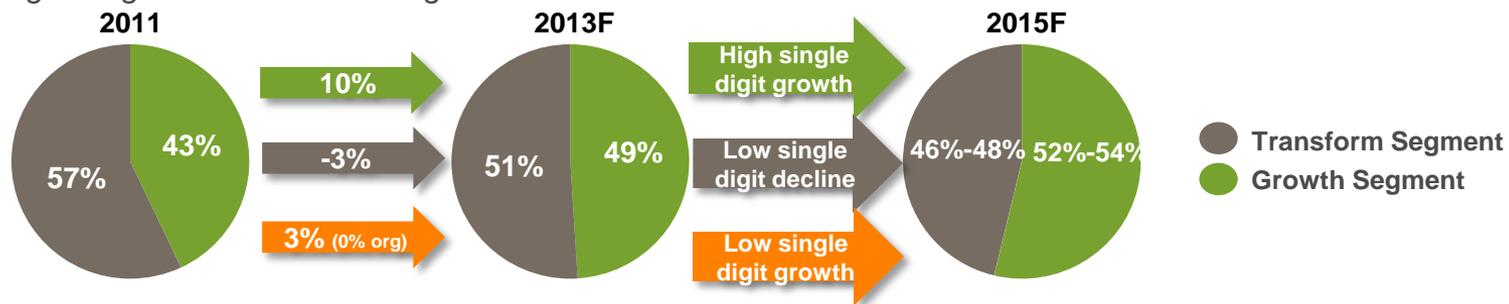
Improving growth trajectory

Innovation-led
Revenue Growth

Take advantage of our
Scale

Revenue growth should gradually improve from low-to-mid single digit

- 50% of Portfolio growing ~7% (organic); expected to represent 53% of revenue by 2015
 - Other segments growing at or above market growth rates



Expect Strong Cash OI growth starting 2014 & FCF growth starting 2015

- **Simplification** is essential to free up resources to deploy towards innovation initiatives
 - Drive scale initiatives across TR
 - Drive Innovation

Progress provides opportunity

Positioned to Further Align the Company's Operating & Capital Strategy

Planned charge of ~\$350 million

- Accelerated cost reduction actions estimated to drive ~\$300 million of run-rate savings by 2015 (some to be reinvested in the business)
- Incurred across the organization (primarily F&R)
 - Majority anticipated in Q4 2013 with a portion incurred in 2014

Accelerating Financial & Risk's transformation on the back of solid progress

- F&R EBITDA margin target of “nearing” 30% in **2015**
- 4,500 fewer F&R positions expected by end of 2014 vs. 2012

Increasing share repurchases

- Up to \$1 billion planned by end of 2014
- Remain committed to maintaining a solid investment grade credit rating

Aligning Operating & Capital Strategy Opportunity to Build Shareholder Value

Gradual improvement in revenue growth

+

Savings from simplification

+

Reinvestment in growth businesses

=

Higher free cash flow

+

Increase in share repurchases

=

**Ability to return more value to shareholders
while driving growth in FCF per share**



FINANCIAL REVIEW

STEPHANE BELLO
CHIEF FINANCIAL OFFICER

Consolidated Results

(\$ Millions)	Third Quarter			Nine Months		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
Revenues	\$3,073	\$3,052	1%	\$9,278	\$9,198	1%
<i>Before Currency</i>			<i>2%</i>			<i>2%</i>
Adjusted EBITDA	\$845	\$809	4%	\$2,460	\$2,417	2%
<i>Adjusted EBITDA Margin</i>	<i>27.5%</i>	<i>26.5%</i>		<i>26.5%</i>	<i>26.3%</i>	
Underlying Operating Profit	\$548	\$534	3%	\$1,579	\$1,598	-1%
<i>Underlying Operating Profit Margin</i>	<i>17.8%</i>	<i>17.5%</i>		<i>17.0%</i>	<i>17.4%</i>	

Results for ongoing businesses.

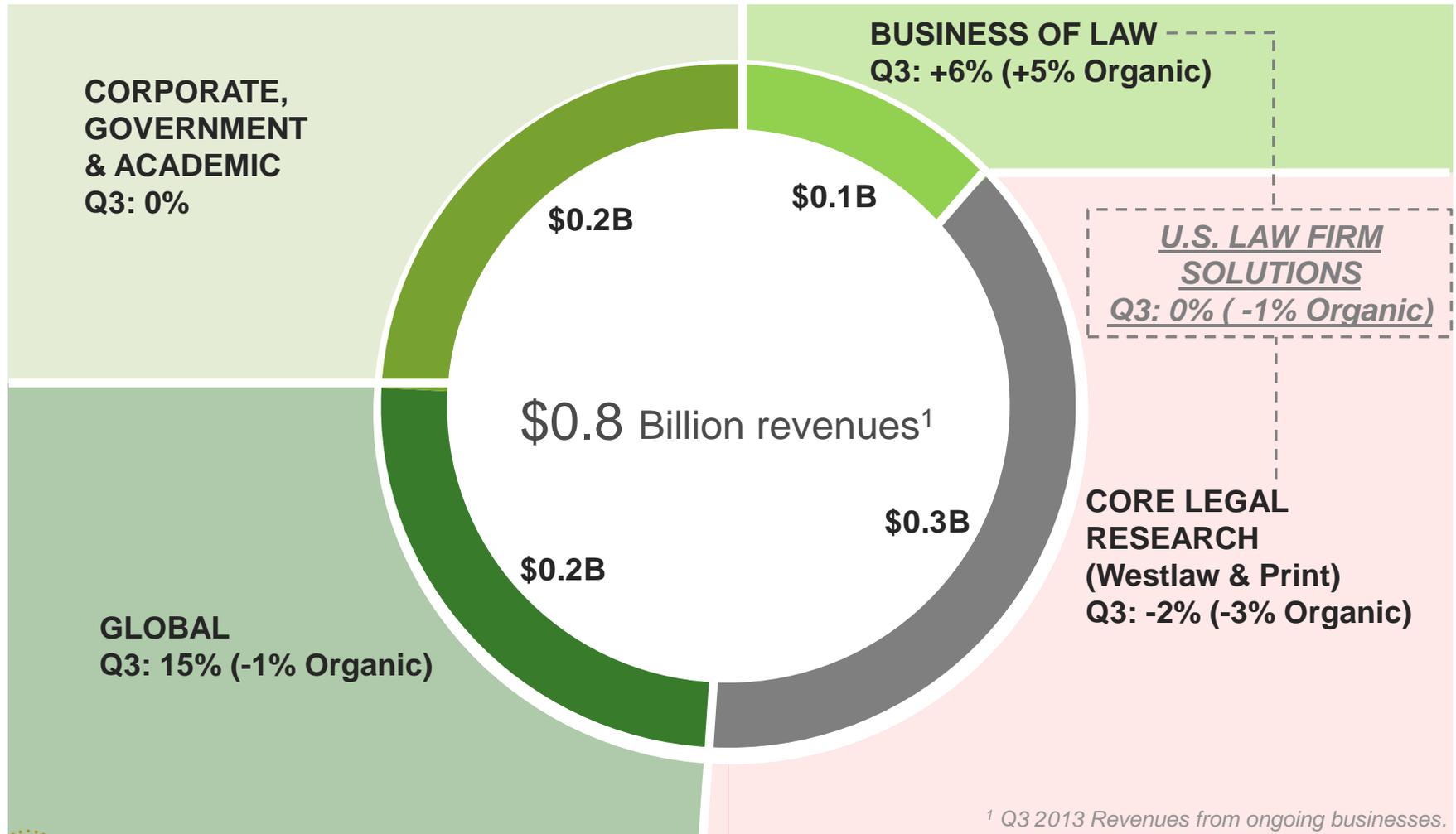
Legal

(\$ Millions)	Third Quarter			Nine Months		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
Revenues	\$843	\$825	2%	\$2,483	\$2,408	3%
<i>Before Currency</i>			3%			4%
EBITDA	\$320	\$328	-2%	\$922	\$917	1%
<i>EBITDA Margin</i>	38.0%	39.8%		37.1%	38.1%	
Operating Profit	\$248	\$256	-3%	\$704	\$708	-1%
<i>Operating Profit Margin</i>	29.4%	31.0%		28.4%	29.4%	

Results for ongoing businesses.

Legal

Q3 2013 60% of revenues grew at 7% (1% Organic)



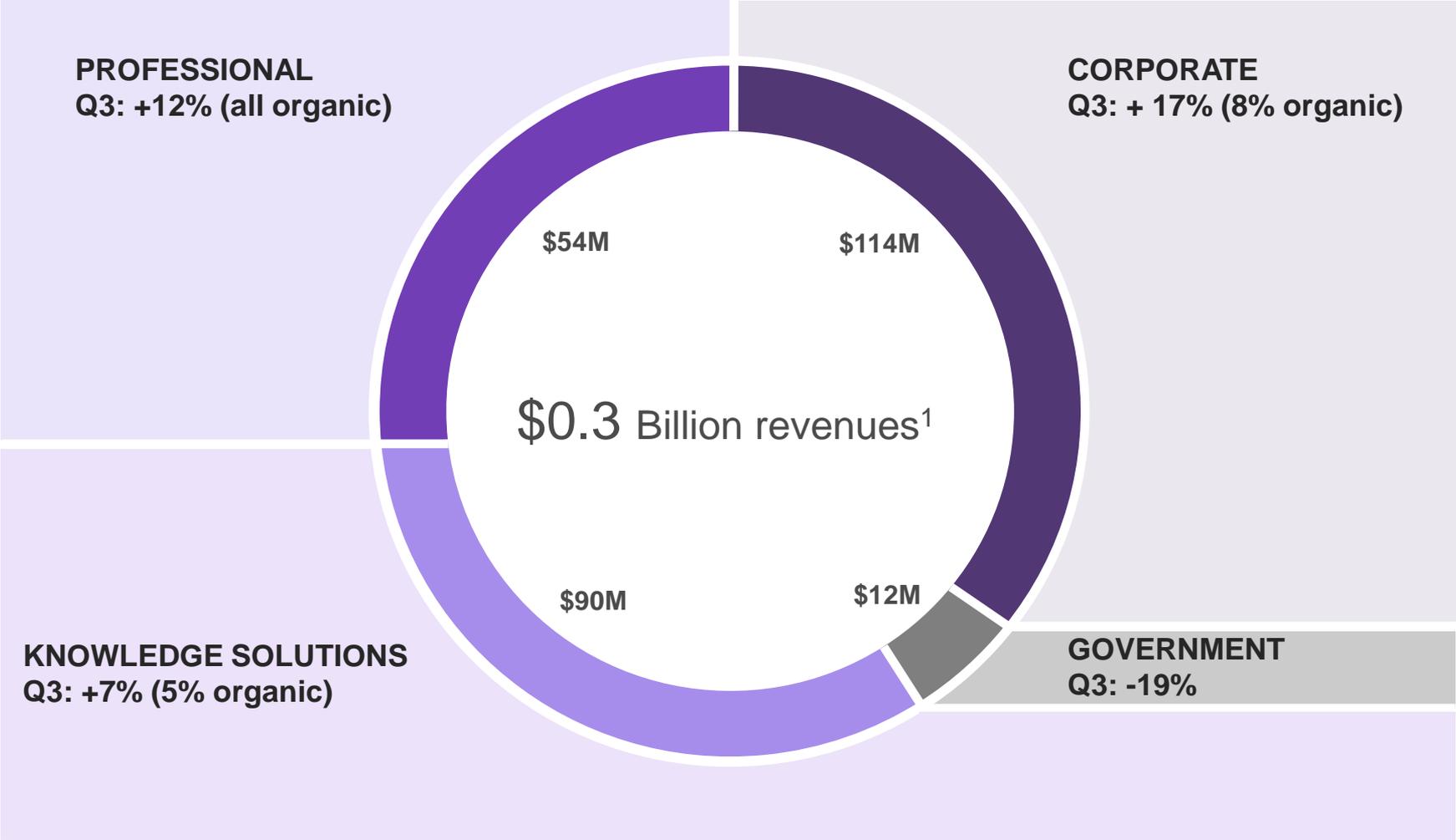
Tax & Accounting

(\$ Millions)	Third Quarter			Nine Months		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
Revenues	\$270	\$250	8%	\$875	\$822	6%
<i>Before Currency</i>			<i>10%</i>			<i>8%</i>
EBITDA	\$66	\$58	14%	\$251	\$228	10%
<i>EBITDA Margin</i>	<i>24.4%</i>	<i>23.2%</i>		<i>28.7%</i>	<i>27.7%</i>	
Operating Profit	\$34	\$28	21%	\$160	\$142	13%
<i>Operating Profit Margin</i>	<i>12.6%</i>	<i>11.2%</i>		<i>18.3%</i>	<i>17.3%</i>	

Results for ongoing businesses.

Tax & Accounting

Q3 2013 ~95% of revenue grew 12% (7% organic)



¹ Q3 2013 Revenues from ongoing businesses.

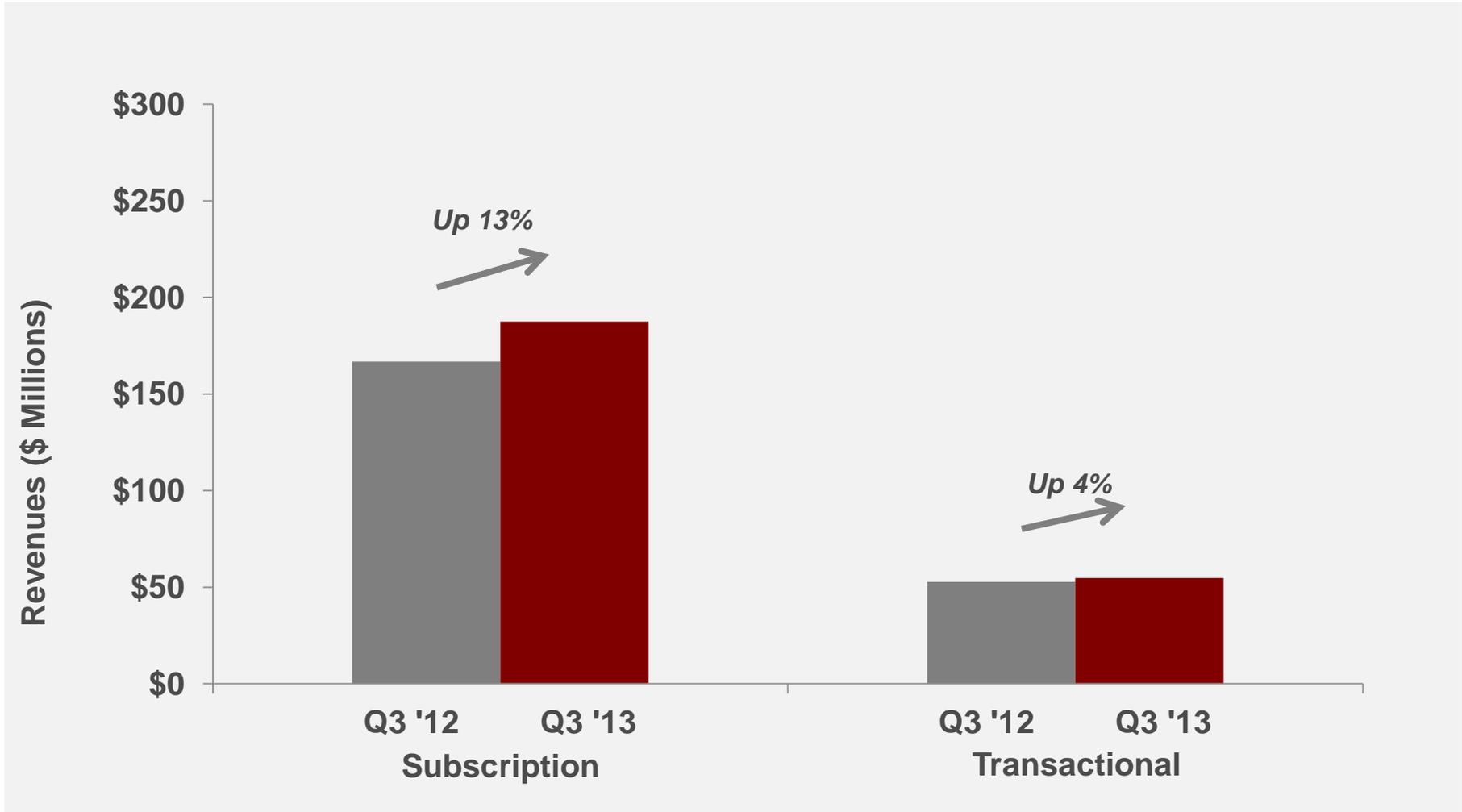
Intellectual Property & Science

(\$ Millions)	Third Quarter			Nine Months		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
Revenues	\$240	\$219	10%	\$707	\$644	10%
<i>Before Currency</i>			<i>10%</i>			<i>11%</i>
EBITDA	\$80	\$72	11%	\$229	\$219	5%
<i>EBITDA Margin</i>	<i>33.3%</i>	<i>32.9%</i>		<i>32.4%</i>	<i>34.0%</i>	
Operating Profit	\$61	\$55	11%	\$171	\$169	1%
<i>Operating Profit Margin</i>	<i>25.4%</i>	<i>25.1%</i>		<i>24.2%</i>	<i>26.2%</i>	

Results for ongoing businesses.

Intellectual Property & Science

Q3 2013 ~75% of revenues grew 13% (5% organic)



Financial & Risk

(\$ Millions)	Third Quarter			Nine Months		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
Revenues	\$1,640	\$1,682	-2%	\$4,975	\$5,088	-2%
<i>Before Currency</i>			<i>-1%</i>			<i>-1%</i>
EBITDA	\$433	\$403	7%	\$1,213	\$1,247	-3%
<i>EBITDA Margin</i>	<i>26.4%</i>	<i>24.0%</i>		<i>24.4%</i>	<i>24.5%</i>	
Operating Profit	\$275	\$250	10%	\$735	\$793	-7%
<i>Operating Profit Margin</i>	<i>16.8%</i>	<i>14.9%</i>		<i>14.8%</i>	<i>15.6%</i>	

Results for ongoing businesses.

Financial & Risk Revenues

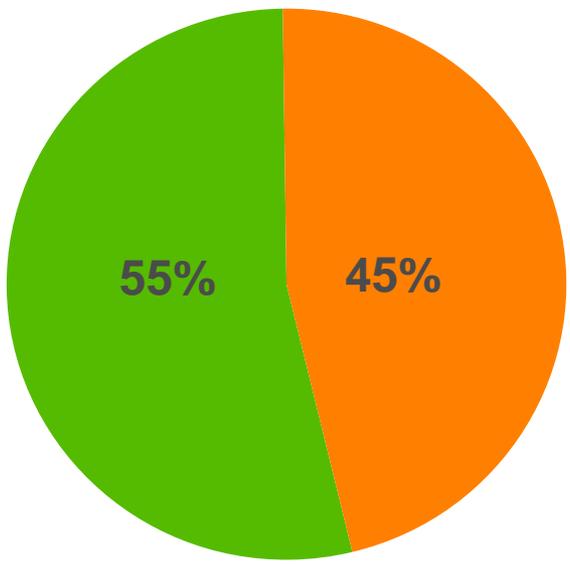
(\$ Millions)	Second Quarter			Nine Months		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
Trading	\$612	\$645	-5%	\$1,858	\$1,985	-6%
<i>Before Currency</i>			<i>-5%</i>			<i>-6%</i>
Investors	\$534	\$543	-2%	\$1,602	\$1,630	-2%
<i>Before Currency</i>			<i>-1%</i>			<i>-1%</i>
Marketplaces	\$430	\$439	-2%	\$1,337	\$1,315	2%
<i>Before Currency</i>			<i>0%</i>			<i>4%</i>
Governance, Risk & Compliance	\$64	\$55	16%	\$178	\$158	13%
<i>Before Currency</i>			<i>21%</i>			<i>14%</i>

Results for ongoing businesses.

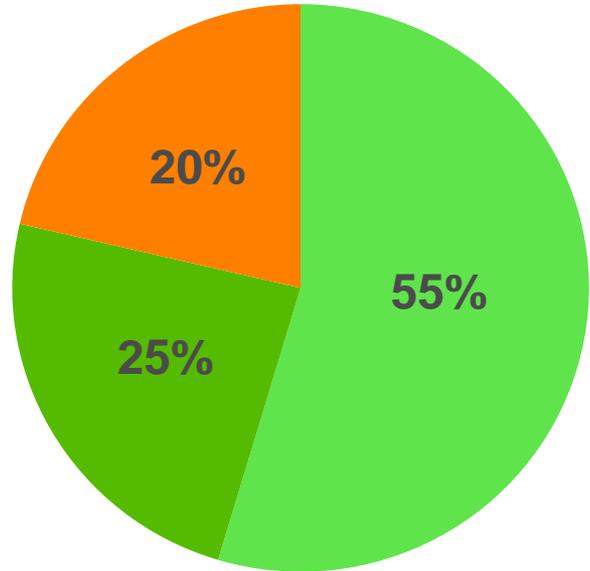
Eikon Desktop & Revenue Breakdown

12/31/13 estimate 55% of Desktop Revenue on Eikon

% Total Desktops



Desktop Revenue



■ Eikon Desktop Universe ■ Eikon @ 12/31/13 ■ Non -Eikon

CONSOLIDATED RESULTS



Adjusted Earnings Per Share

(\$ Millions except per share amounts)	Third Quarter		
	<u>2013</u>	<u>2012</u>	<u>Change</u>
Underlying Operating Profit	\$548	\$534	\$14
Interest Expense	(\$109)	(\$106)	(\$3)
Income Tax	(\$30)	(\$21)	(\$9)
Other ⁽¹⁾	(\$12)	(\$12)	\$0
Adjusted Earnings	\$397	\$395	\$2
Adjusted EPS	\$0.48	\$0.48	\$0.00

⁽¹⁾ Other includes earnings attributable to non-controlling interests and dividends on preference shares.

Pension Contribution Q4 2013

- ~\$500 million pension contribution planned in Q4 2013
 - Expected to bring overall funded status to > 90%
 - First material contribution to U.S. Plan in 10 years
- Partially funded from long-term debt raised in May 2013
- Contribution expected to eliminate any material near-term contribution requirements for U.S. Plan

Free Cash Flow

(\$ Millions)	Three Months			Nine Months		
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
Ongoing Free Cash Flow	\$461	\$341	\$120	\$920	\$881	\$39
			35%			4%
Free Cash Flow from Disposals	\$14	\$36	(\$22)	\$56	\$149	(\$93)
Free Cash Flow	\$475	\$377	\$98	\$976	\$1,030	(\$54)
			26%			-5%

2013 Outlook – Affirmed (Excludes planned charge & pension contribution)

	2012	Nine Months	2013 Outlook⁽¹⁾
Revenues	\$12.4 billion	\$9.3 billion 2%	Low single digit growth
Adj. EBITDA Margin	26.6%	26.5%	26.0% - 27.0%
Underlying Operating Profit Margin	17.7%	17.0%	16.5% - 17.5%
Reported Free Cash Flow	\$1.7 billion	\$1.0 billion	\$1.7 – \$1.8 billion

⁽¹⁾ 2013 Outlook, except for reported free cash flow, is for ongoing businesses before currency.

Capital Strategy Update

Evolution of our Capital Strategy

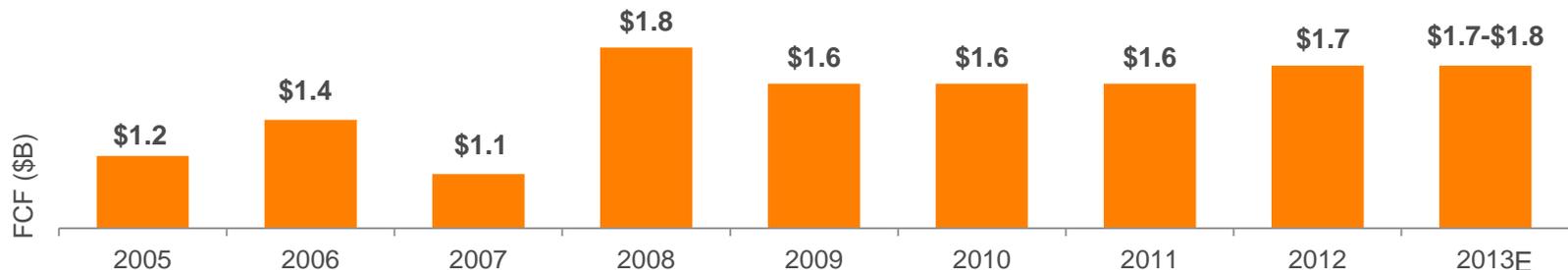
Modification of business strategy leads to natural evolution of our capital strategy

Focus on organic growth; reduced acquisition spend

Drive scale opportunities across the business

Deliver consistent FCF growth

- **Modest increase in leverage target from 2.0x to up to 2.5x Net Debt / EBITDA**
 - Previous target of 2.0x allowed for significant flexibility to accommodate timing of large portfolio moves
 - Going forward, prudent modification of leverage target warranted based on following factors:
 - Projected lower acquisition spend and focus on optimizing existing businesses
 - Proven stability of FCF generation over the last 5 years despite significant economic turbulence and execution issues



- **TR remains committed to maintaining a solid investment grade rating**

Evolution of our Capital Strategy

Modification of business strategy leads to natural evolution of our capital strategy

Focus on organic growth; reduced acquisition spend

Drive scale opportunities across the business

Deliver consistent FCF growth

- **Targeting up to \$1B in share buybacks by end of 2014 funded by lower acquisition spend and modest increase in leverage**
 - Combination of modest annual dividend increases and lower share count will gradually reduce dividend payout ratio while increasing overall return of capital to shareholders
- **Increase in Return of Capital to shareholders can be accommodated without sacrificing growth objectives or commitment to strong capital structure**
 - Gradual change in revenue mix and focus on innovation to drive gradual top line growth improvement
 - Expect to remain comfortably within new leverage target range

Aligning Operating & Capital Strategy Opportunity to Build Shareholder Value

Gradual improvement in revenue growth

+

Savings from simplification

+

Reinvestment in growth businesses

=

Higher free cash flow

+

Increase in share repurchases

=

**Ability to return more value to shareholders
while driving growth in FCF per share**



Q&A

