

THOMSON REUTERS STREETEVENTS

# EDITED TRANSCRIPT

TRI.TO - Thomson Reuters Annual Shareholder Meeting

EVENT DATE/TIME: MAY 16, 2012 / 4:00PM GMT



## CORPORATE PARTICIPANTS

**David Thomson** *Thomson Reuters - Chairman*

**David Binet** *Thomson Reuters - Secretary to the Board*

**Virginia Biggs** *Thomson Reuters - Manager, Corporate Finance*

**Marc Gold** *Thomson Reuters - SVP & Associate General Counsel*

**Jim Smith** *Thomson Reuters - President & CEO*

## PRESENTATION

**David Thomson** - *Thomson Reuters - Chairman*

Ladies and gentlemen, I would like to welcome you to Thomson Reuters' Annual Meeting of Shareholders. I am David Thomson, Chairman of Thomson Reuters. I will be chairing the meeting today.

I would like to briefly outline the format of the meeting. First, I will deal with the formal business of the meeting as outlined in the circular you received. I will then make a few general comments on our business. Our Chief Executive Officer, Jim Smith, will then comment on our performance during 2011 and some of our plans for 2012. Following that, we will open the floor to questions or comments from shareholders. I should note that this meeting is being taped and will be available at [thomsonreuters.com](http://thomsonreuters.com) later today.

While the format I have outlined will assist in the handling of the formal matters, it is not intended to discourage anyone from speaking in reference to any resolution after it has been proposed and seconded. Matters to be considered today require the approval of a simple majority of votes cast. I have asked David Binet to act as Secretary of the meeting and I would ask him to table the notice calling the meeting and proof that such notice and related circular and proxy forms have been distributed to shareholders.

I have appointed representatives of Computershare to act as scrutineers of the meeting. They have advised me that a quorum is present. Matters before us today will be moved and seconded by a shareholder or proxyholder of Thomson Reuters. We will conduct the vote on each resolution by ballot. The ballots will be tabulated and the results announced before the end of this meeting.

I will now ask David Binet to table the consolidated financial statements of the Corporation for the year ended December 31, 2011 and the auditor's report thereon.

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**David Binet** - *Thomson Reuters - Secretary to the Board*

Mr. Chairman.

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**David Thomson** - *Thomson Reuters - Chairman*

A copy of the Annual Report, including the financial statements, has been made available to shareholders. Extra copies of the report are available at this meeting. Jim Smith will be commenting upon these results in a few minutes. Should anyone have any questions relating to the Annual Report, the financial statements, or questions of a more general nature, we would be pleased to respond to them following Mr. Smith's presentation.

The first item of business is the election of Directors. 14 Directors are to be elected at the meeting this year. I am pleased that all nominees, with the exception of Mary Cirillo and Steve Denning, are here with us today. These include Wulf von Schimmelmann, who joined our Board in July last year and who is standing for election for the first time this year. Information regarding the nominees proposed for election as Directors is set out in the circular that accompanied the notice of this meeting. I now declare the meeting open for nominations.



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**Unidentified Company Representative**

Mr. Chairman, I nominate David Thomson, Geoffrey Beattie, James Smith, Manvinder Banga, Mary Cirillo, Steven Denning, Lawton Fitt, Roger Martin, Sir Deryck Maughan, Ken Olisa, Vance Opperman, John Thompson, Peter Thomson and Wolf von Schimmelmann as Directors of the Corporation to hold office until the next Annual Meeting of Shareholders or until their successors are duly elected or appointed.

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**David Thomson** - *Thomson Reuters - Chairman*

Thank you, Ms. [Monahan]. If there are no further nominations, I declare the nominations closed. We will now proceed with voting on this matter. You will have received a ballot from the scrutineers when you registered. If you are a shareholder who has not already voted by proxy, or if you are a proxyholder who did not receive a ballot upon registration, please raise your hand and a scrutineer will assist you.

Please mark for or withhold as appropriate in the box next to the name of each Director as it appears on the ballot. You will use the same ballot to vote on all items of business today, so please retain this ballot until all voting is completed.

We will now proceed with the next item of business, which is the appointment of the auditor. I believe Ms. Virginia Biggs has a motion in connection with this item.

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**Virginia Biggs** - *Thomson Reuters - Manager, Corporate Finance*

Mr. Chairman, I move that PricewaterhouseCoopers LLP be appointed auditor of the Corporation until the next Annual Meeting of Shareholders and that the Directors be authorized to fix their remuneration.

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**David Thomson** - *Thomson Reuters - Chairman*

Thank you, Ms. Biggs. May I have a seconder for that motion?

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**Unidentified Company Representative**

Mr. Chairman, I second the motion.

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**David Thomson** - *Thomson Reuters - Chairman*

Thank you, Ms. [Diamond]. Please indicate for or withhold in the appropriate box on the ballot. Again, please retain your ballot until all voting is completed. We will now proceed with the last item of business, which is the advisory resolution on our approach to executive compensation described in the circular. As this is an advisory resolution, the results will not be binding on the Board. However, the Board intends to take the voting results into account as appropriate when considering future compensation matters. This type of resolution is often referred to as say-on-pay vote. I believe that Marc Gold has a motion in connection with this item.

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**Marc Gold** - *Thomson Reuters - SVP & Associate General Counsel*

Mr. Chairman, I move that the advisory resolution on executive compensation be approved.

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**David Thomson** - *Thomson Reuters - Chairman*

Thank you, Mr. Gold. May I have a seconder for that motion?

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**Unidentified Company Representative**

Mr. Chairman, I second the motion.

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**David Thomson** - *Thomson Reuters - Chairman*

Thank you, Mr. [Irving]. Voting on the advisory resolution will also be conducted by ballot. Please mark for or against in the appropriate box on the ballot. Please print your name, indicate whether you are a shareholder or a proxyholder and sign your name to the ballot. When you are finished, raise your hand and a scrutineer will collect your ballot. We would ask that everyone who received a ballot please return it.

While we are waiting for the results of the voting, we will proceed with the other business of the meeting. 2011 was a year of significant change in Thomson Reuters. Our focus rests entirely upon customer experience and satisfaction with a streamlined organization designed around customer segments. Jim Smith leads a dynamic new leadership team and he will speak to you in a few minutes. Other executives are present and you will all have an opportunity to converse with them at lunch.

Our management team is passionate and committed to a Thomson Reuters recognized for an intimate understanding of our customers and how we enable them to strengthen their businesses and professions, the quality of our products, the excellence of our customer service, the caliber, character and engagement of our people and a level of teamwork that emphasizes simplicity and lateral movement across the entire organization.

Customer first has become our mantra. We have aligned our organization more closely with our customers to deliver tailored analytics and services along with trusted content. Our global reach enables us to meet the needs of customers around the world. Jim will elaborate further upon these elements and how they translate into objectives for 2012 and beyond.

I wish to acknowledge the presence of two individuals who have made a tremendous contribution to Thomson Reuters. Pehr Gyllenhammar has been the Chairman of Thomson Reuters Founders Share Company since 1999. The Founders Share Company is an independent entity charged with upholding the critically important trust principles regarding independence, integrity and freedom from bias in the gathering and dissemination of Thomson Reuters information and news. Pehr's leadership and support of these principles have been thoughtful and tireless. The high regard in which our news and information products are held owes a debt to his stewardship. Pehr retires at the end of this year from this position. We are absolutely delighted to have him present today. Thank you, Pehr.

I also wish to acknowledge our good friend, Bob Daleo. Bob joined Thomson Newspapers in 1994. He became Chief Financial Officer of the Thomson Corporation, now Thomson Reuters, in 1998. He served on the Board of Directors of Thomson for many years. Bob has been a remarkable CFO. On his watch, we have bought and sold a tremendous number of businesses and he has played a considerable role in our strategic direction. Bob has always exhibited a fine balance in being an aggressive leader within the business and yet a careful steward of our finances. As shareholders, we need hardly be reminded that the dividend increased every year Bob was CFO.

Bob has always sought and nurtured talent. The deep bench strength within our finance group testifies to the care and attention Bob devoted to this crucial aspect of leadership. Stephane Bello, who succeeded Bob as our Chief Financial Officer at year-end, exemplifies a superb legacy.

Bob continues to work on special projects for us as Vice Chairman of the Corporation. Bob was instrumental in the sale of our healthcare business recently. I am delighted that he is present with us today and we thank him for a stellar career as an inspired Chief Financial Officer of Thomson Reuters.

I would now like to ask our Chief Executive Officer, Jim Smith, to make a few remarks.

**Jim Smith** - Thomson Reuters - President & CEO

Thank you, Mr. Chairman. Good afternoon. In my 25 years with this Company, I have attended many of these meetings, but let me tell you it feels a lot different up here. I am honored and humbled to have this opportunity to lead the Company in which I grew up and I am thankful to the support of our Board and to you, our shareholders, for your support and for this opportunity.

In the four months since I have stepped into this role, my leadership team and I have spent a good bit of time on the road. We have met with major customers, talked with our sales people and our front-line employees across the business. I am encouraged. Our customers want us to succeed because it serves their own success and my team is keenly focused on delivering a high-quality customer experience for all of them.

We are listening closely to our customers, closely to our employees and they are helping us locate the barriers to operational excellence. We are helping knock those barriers flat. Our sales people are excited about the product improvements and the innovations we have rolled out since the beginning of this year and they are even more pumped about the ones we will be launching in the next several months. As you know, we reported our first-quarter financial performance a few weeks ago. I am pleased to report that our results are on track with our expectations. The majority of our businesses are performing well and all are making progress.

Our Legal, Tax & Accounting and Intellectual Property and Science businesses all delivered solid revenue growth and despite a very choppy environment, especially in Europe, Financial & Risk achieved modest growth. This is consistent with our expectations for a multi-quarter turnaround in that business.

Last month, we announced an agreement to sell our healthcare business for \$1.25 billion. We plan to invest the proceeds in the highest areas of growth across our business and we will continue to focus on driving long-term value creation to our shareholders.

I set four priorities for the year and we are achieving significant wins against each of them. The first priority is to grow our Financial & Risk business. To that end, we have set a very clear strategy. We have organized around customers and we are building consistent execution capability and improving customer service across the business. We expect sales to pick up over the course of the year driven by improved customer experience and new products.

Already this year, Financial & Risk has launched new or improved products such as the Accelus Compliance Manager, Datastream Pro and versions of Eikon for the commodities and energy and wealth management sectors. The market remains challenging, but we have an impressive pipeline of products that we will launch over the next eight quarters.

Our second priority for 2012 is to invest in higher-growing segments and close adjacencies. One of the big opportunities here is our unique position at the intersection of regulation and finance. GRC, our Governance, Risk and Compliance business, grew revenues 122% in the first quarter, 16% growth organic. GRC has much more room for growth in its own right and there are further opportunities as we build compliance capabilities into our financial offerings generally. We are now integrating core GRC products into the Financial & Risk global sales team.

Thirdly, we are exploiting the strengths of our global franchises. No other information company has the breadth of products, the geographic reach and the global customer relationships that we have. We are collaborating across our businesses to leverage this reach and scale. For example, our IP and science teams in Tokyo, London and Philadelphia recently collaborated with the Financial & Risk team in Manila to deliver a multi-asset, multi-year deal with a very important customer in Japan. This deal will enable us to partner with that customer long into the future.

When we reach across the Company like this to deliver the full breadth of our assets to the customers, we are well-nigh unbeatable. And we have a powerful asset in our news organization, the biggest, most global and I believe best news organization in the world and I want to second the Chairman's callout of Pehr Gyllenhammar and the important role he has played in preserving the integrity of that operation for so many years and also the wise counsel that he has provided certainly to me over the past several years. News is becoming an ever bigger differentiator for us as we weave news and insight into the fabric of all of our businesses.



Fourth, we are accelerating development in rapidly growing economies. We are focusing assets and gaining real traction in our target regions. Revenues from these regions grew 18% in the first quarter. Our Legal and Tax & Accounting businesses in Latin America are performing particularly well.

In summary, we are on track. Our foundation is strong, we are getting our arms around the things we can control and we are gaining better insight around our customers and we are priming the pump for future sales with some of the most innovative products we have ever developed.

When I accepted this job, I realized that I had to think long and hard about what I really wanted to accomplish in this seat. What kind of company do I want to lead? I want this Company to be known for its deep and lasting customer relationships, for world-class products and services and for the exceptional talent and commitment of my colleagues. I want this to be the same kind of organization that I joined many years ago, a company built on integrity and accountability, a company that puts customers first, that truly cares about its employees and makes shareholder value the goal of all its endeavors.

Thank you again for this wonderful opportunity to lead this Company forward. I would now like to open the floor for questions. If you have a question, please go to one of the microphones so that everyone can hear clearly.

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## QUESTIONS AND ANSWERS

### Unidentified Audience Member

I am complaining about the price of your stock. It is probably about half what it was seven or eight years ago. Can you account for that please?

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### Jim Smith - Thomson Reuters - President & CEO

I think no one is more unhappy with the price of our shares than folks sitting on the dais here today and we are very unhappy with the price of the shares of today as well. And I think, in all honesty, as we have, I think, admitted consistently over the past several months, we have had some missteps in execution over the past and we are working aggressively to deal with that.

In some ways, we don't manage the Company and I can't manage the Company for the absolute share price at any one point in time. And what we have to do is to endeavor to build the Company for long-term value and long-term execution. And what I have to be focused on and what my management team has to be focused on is that regardless of the whims of the capital markets from day to day or period to period and things that fall in and out of favor, how do we make certain we are focused on our customers, we are executing, we are providing value to them. Because the value we provide for our customers will ultimately be the value that we can provide back to all of our stakeholders and all of our shareholders and that is what we are staying focused on now is execution. And believe me, no one is more focused on getting that right than am I.

But again, I did indeed grow up in this Company professionally and one thing I always heard over those years was that owning Thomson stock and now Thomson Reuters stock isn't about timing, but it is about time and we must be focused on building great long-term value. And it is my pledge to you to do everything I can do within the control of management and that my team will do everything we can do to deliver the kind of value to our customers that will deliver value to you as a shareholder.

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### Unidentified Audience Member

I understand the shares go up and go down, but Thomson seems to have done nothing, only go down for the past four years anyway.

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### Jim Smith - Thomson Reuters - President & CEO

I would think --



**Unidentified Audience Member**

I never expect to retrieve the price I first paid for them. Never.

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**Jim Smith** - Thomson Reuters - President & CEO

Well, I certainly hope that you do.

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**Unidentified Audience Member**

I hope I live long enough, but I don't think so. I'm too old when you reach my age.

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**Jim Smith** - Thomson Reuters - President & CEO

I certainly hope you do as well.

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**Unidentified Audience Member**

Let's hope things will improve.

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**Unidentified Audience Member**

Hi. My name is [Chris Merculis] and I guess I am a proxyholder. I own shares, but they are with a broker. So my concern, my complaint today, I sort of echo what the lady that preceded me said about the share price. And I too have experienced a loss since I purchased Thomson shares quite a few years ago.

But my concern this morning is, and it relates to something that I encounter almost every time I have come to Roy Thomson Hall for this event and others, lukewarm coffee. And I think that is absolutely disgraceful. A company like you, yours, to not be able to perform that basic function to provide hot coffee, what is going on? I know that sometimes people that are the caterers forget to light the candle under the coffee machines, so it gets cold quite quickly, but this shouldn't be happening year after year and it is a big disappointment for me, and I hope it improves.

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**Jim Smith** - Thomson Reuters - President & CEO

Thank you very much for that. There are many things I cannot promise you, but you will have hot coffee next year.

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**Unidentified Audience Member**

Thank you.

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**Unidentified Audience Member**

I note that 12% of your revenues are coming from Asia. What plans do you have for expanding that percentage as Asia is such an important part of the world?

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**Jim Smith** - Thomson Reuters - President & CEO

Thank you very much. It is a very important part of the world and it is a part of the world that is right in the crosshairs of our growth plans. At the beginning of this year, we set up a new organization inside called our Global Growth & Operations and we have devoted new senior management attention, focus and resources toward those parts of the world that are growing more quickly than our mature markets in North America and Europe.

And we have decked one of our very top executives, Shanker Ramamurthy, against exploiting just those kinds of opportunities. And Shanker is -- has already made profound changes in kind of the resource, our management structure and the way we are approaching China today. He is doing the same thing in India today. And I think it is safe to say we have a far more coordinated and collaborative approach to Asia in general.

I am just back from Asia a couple of weeks ago as well myself and I know the vast majority of my senior team has been in the first part of the year in Asia because it is part of the fabric of the way we want to grow our global businesses.

One thing we have done is to get more senior management on the ground. It is also to identify talent on the ground that we have and to identify talent gaps that we have, particularly in those emerging markets. And what I can tell you from my own travels is that the world is a different place depending upon the customers that you talk to and whether you are talking to banking customers in Europe who have a particular view today, banking customers in North America who have a particular view today and then you go to Asia today and there is a world of opportunity out there that folks are prosecuting with a vengeance.

We want to make certain that we are serving their needs in the region and also that we are able to serve our global customers as they prosecute their global growth agendas. So it is right at the top of what we are doing. It has never had more attention and focus in the Company.

If there are no further questions, we will be happy to -- I will turn it back over to the Chairman and we will be happy to answer any questions privately during the lunch. Thank you.

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**David Thomson** - Thomson Reuters - Chairman

I can now report on the voting tabulation. I am pleased to report that the 14 Directors standing for election have been elected as Directors of the Corporation to hold office until the next Annual Meeting of Shareholders or until their successors are duly elected or appointed.

I can also report that PricewaterhouseCoopers LLP is appointed as auditor of the Corporation until the next Annual Meeting of Shareholders and that the Directors are authorized to fix their remuneration.

And finally, I can confirm that the advisory resolution on our approach to executive compensation has been approved.

The details of the voting results will be made publicly available in the next few days. If there are no further questions, I believe Mr. Wright has a motion to terminate the meeting.

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**Unidentified Company Representative**

Mr. Chairman, I move that the meeting terminate.

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**David Thomson** - Thomson Reuters - Chairman

Thank you, Mr. Wright. Now the seconder.



**Marc Gold** - Thomson Reuters - SVP & Associate General Counsel

Mr. Chairman, I second the motion.

**David Thomson** - Thomson Reuters - Chairman

Thank you, Mr. Gold. All in favor of the motion? Contrary if any? I now declare the meeting terminated. Many thanks, all of you, for coming. As I said at the outset, you're more than welcome to mingle and meet with all of us. Many of the operators are here, senior executives and thank you very much for coming.

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